



**Our typical
waiting position.**

The Year 2013 in Review

Wienerberger increased revenues by 13% to €2,662.9 million and operating EBITDA by 9% to €266.5 million in 2013. This sound development was recorded in spite of an ongoing difficult market environment during the past year. In particular, business in Europe was negatively affected by unusually severe weather during the first six months and by general weakness in the construction industry throughout the entire year. Although this region is responsible for roughly 90% of revenues, Wienerberger generated a solid increase in revenues and earnings. This growth was driven, above all, by a positive contribution from the pipe business, which benefited from international project orders for plastic pipes, and by good development in North America.

In spite of the difficult environment, Wienerberger successfully expanded its market positions in a number of countries during 2013. The restructuring measures launched in 2012 were implemented as planned, and net debt was substantially reduced through financial discipline and strict working capital management. The ratio of net debt to operating EBITDA equaled two years at year-end, which is clearly lower than the internal goal of two and one-half years. Even if the bottom line shows a small loss of €7.8 million for 2013, free cash flow of €92.9 million underscores the strength of Wienerberger's business model.

Market positions

Wienerberger is the world's largest producer of clay blocks and number one in facing bricks in Europe and the USA as well as the market leader for clay roof tiles in Europe. The Group is also one of the leading suppliers of plastic pipes and ceramic pipes in Europe and concrete pavers in Central-East Europe.

Clay blocks:	Nr. 1 worldwide
Facing bricks:	Nr. 1 in Europe, co-leader in the USA
Clay roof tiles:	Nr. 1 in Europe
Plastic pipes:	Leading position in Europe
Ceramic pipes:	Nr. 1 in Europe
Concrete pavers:	Nr. 1 in Central-East Europe

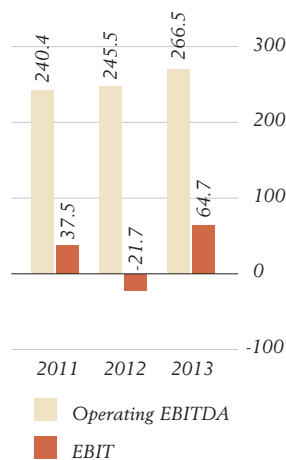
Revenues and Operating EBITDA Margin

in € mill. and %



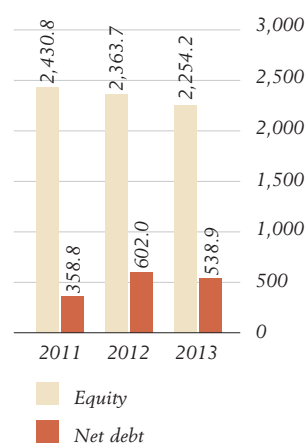
Operating EBITDA and EBIT

in € mill.



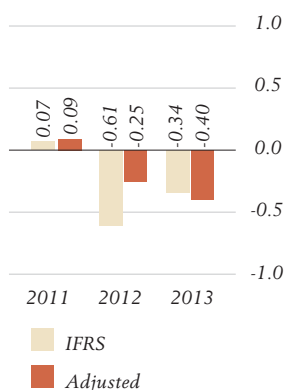
Equity and Net Debt

in € mill.



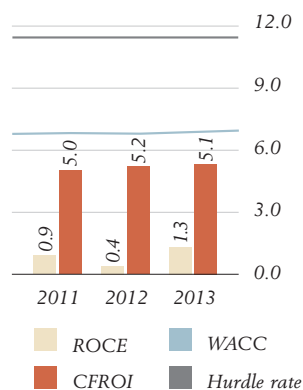
Earnings per Share

in €



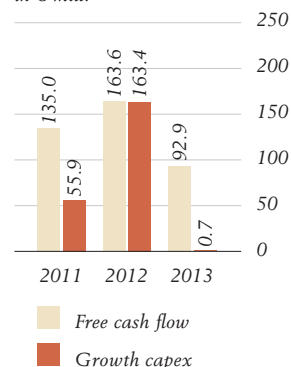
ROCE and CFROI

in %

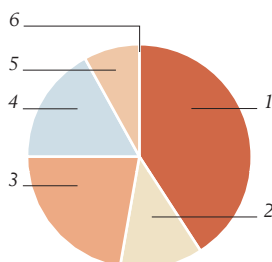


Free Cash Flow and Growth Capex

in € mill.

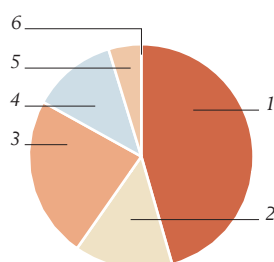


Revenues by Segment



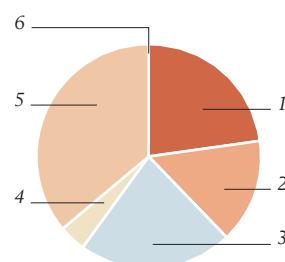
- 1 Clay Building Materials Western Europe 41%
- 2 Clay Building Materials Eastern Europe 12%
- 3 Pipes & Pavers Western Europe 22%
- 4 Pipes & Pavers Eastern Europe 17%
- 5 North America 8%
- 6 Holding & Others 0%

Operating EBITDA by Segment



- 1 Clay Building Materials Western Europe 49%
- 2 Clay Building Materials Eastern Europe 15%
- 3 Pipes & Pavers Western Europe 25%
- 4 Pipes & Pavers Eastern Europe 13%
- 5 North America 5%
- 6 Holding & Others 7%

Revenues by Product



- 1 Wall 23%
- 2 Roof 15%
- 3 Facade 22%
- 4 Surface 4%
- 5 Pipes 36%
- 6 Holding & Others 0%

Explanatory notes to the report:

- Operating EBITDA, operating EBIT and adjusted earnings per share are adjusted for non-recurring income and expenses.
- ROCE and EVA® are calculated based on average capital employed.
- CFROI and CVA are calculated based on average historical capital employed.
- Rounding differences may arise from the automatic processing of data.

Earnings Data		2011 ¹⁾	2012	2013	Chg. in %
Revenues	<i>in € mill.</i>	1,915.4	2,355.5	2,662.9	+13
Operating EBITDA	<i>in € mill.</i>	240.4	245.5	266.5	+9
Operating EBIT	<i>in € mill.</i>	40.0	31.0	55.3	+78
Restructuring costs and impairment charges to PPE	<i>in € mill.</i>	0.0	-43.0	0.0	+100
Impairment charges to goodwill	<i>in € mill.</i>	-2.6	-9.8	0.0	+100
Release of a provision for an impending antitrust penalty	<i>in € mill.</i>	0.0	0.0	9.4	>100
EBIT	<i>in € mill.</i>	37.5	-21.7	64.7	>100
Profit before tax	<i>in € mill.</i>	47.4	-36.2	-3.1	+91
Profit after tax	<i>in € mill.</i>	39.4	-40.5	-7.8	+81
Free cash flow ²⁾	<i>in € mill.</i>	135.0	163.6	92.9	-43
Normal capex	<i>in € mill.</i>	95.8	105.3	106.0	+1
Growth capex	<i>in € mill.</i>	55.9	163.4	0.7	-100
ROCE ³⁾	<i>in %</i>	0.9	0.4	1.3	-
CFROI ³⁾	<i>in %</i>	5.0	5.2	5.1	-
Ø Employees		11,893	13,060	13,787	+6

Balance Sheet Data		2011 ¹⁾	2012	2013	Chg. in %
Equity ⁴⁾	<i>in € mill.</i>	2,430.8	2,363.7	2,254.2	-5
Net debt	<i>in € mill.</i>	358.8	602.0	538.9	-10
Capital employed	<i>in € mill.</i>	2,652.1	2,931.3	2,767.6	-6
Balance sheet total	<i>in € mill.</i>	3,991.4	4,139.7	4,211.4	+2
Gearing	<i>in %</i>	14.8	25.5	23.9	-

Stock Exchange Data		2011 ¹⁾	2012	2013	Chg. in %
Earnings per share	<i>in €</i>	0.07	-0.61	-0.34	+44
Adjusted earnings per share	<i>in €</i>	0.09	-0.25	-0.40	-60
Dividend per share	<i>in €</i>	0.12	0.12	0.12	0
Share price at year-end	<i>in €</i>	6.97	6.93	11.53	+66
Shares outstanding (weighted) ⁵⁾	<i>in 1,000</i>	116,762	115,063	115,063	0
Market capitalization at year-end	<i>in € mill.</i>	819.2	814.3	1,354.5	+66

Divisions 2013	Clay Building		Pipes & Pavers		North America		Holding	Reconciliation	
<i>in € mill. and % ⁶⁾</i>	Materials Europe		Europe				& Others		
Third party revenues	1,402.4	(-3%)	1,029.5	(+45%)	224.7	(+16%)	5.6	(+4%)	
Inter-company revenues	1.9	(-21%)	0.9	(>100%)	1.2	(>100%)	9.1	(+5%)	-12.4 (-21%)
Revenues	1,404.3	(-3%)	1,030.4	(+45%)	225.9	(+17%)	14.7	(+4%)	-12.4 (-21%)
Operating EBITDA	171.3	(-7%)	100.3	(+49%)	13.2	(+35%)	-18.2	(-21%)	
Operating EBIT	35.0	(-4%)	52.1	(+65%)	-9.3	(+37%)	-22.6	(-2%)	
CFROI in %	4.5	-	14.2	-	1.9	-	-30.4	-	
Total investments	61.7	(-6%)	34.9	(-81%)	7.3	(-52%)	2.8	(-31%)	
Capital employed	1,776.3	(-6%)	552.6	(-3%)	426.6	(-7%)	12.1	(+37%)	
Ø Employees	8,323	(-5%)	4,047	(+33%)	1,213	(+14%)	204	(-2%)	

1) The data were adjusted to reflect a change in accounting policies

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

3) 2012 calculated on a pro-forma 12-month basis

4) Equity including non-controlling interests and hybrid capital

5) Adjusted for treasury stock

6) Changes in % to the comparable prior year period are shown in brackets

All abbreviations and special terms are explained in the glossary on page 178.

Even though
markets don't
always develop
the way we want ...

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

... we're always
moving forward.

We refuse to stand still. The result: 600 new products.

Sustainable and energy-efficient buildings, environmentally friendly pavers, supply and sewage systems – in all areas of the Group, we're continuously working on innovations.





There were lots of moving moments in 2013. In numbers: 18.5 million customer contacts.

Our goal is to stay close to our customers. We bring our passion for our products to the market and take new ideas back to our company.





With 178,000 training hours, our team is always on the move.

Expertise and personal responsibility are key values in our corporate culture. Our internal training provides our employees with the opportunity to achieve their development goals.







We're not to be stopped –
even in new markets.
The result: 360,000 km
of pipes laid.

We developed a number of new markets through the expansion of the pipe business. Together with our nearly 3,200 new employees, we are working to realize the growth potential in this area.



Standstill is not in our vocabulary.

What we really understand: being constantly
on the move. Because that's the only
way to stay on top in difficult markets.





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Quick Response (QR) Codes

You will find QR codes at selected points in this annual report. Scan the codes with your smartphone and visit the linked websites for more detailed information.

www.wienerberger.com

CHIEF EXECUTIVE'S REVIEW

Dear Shareholders,

2013 was a successful year for Wienerberger

2013 was both a successful year and an eventful year for Wienerberger. Successful because we increased revenues and earnings and met all our ambitious goals in spite of the ongoing weakness in the European construction sector. Eventful because we worked hard to expand our leading market positions and, at the same time, took decisive steps to ensure our continued success in the future.

Diversification strategy confirmed by 13% increase in revenues and 9% in operating EBITDA in a difficult market environment

The market environment in Europe was characterized by unusually severe weather during the first six months and by general weakness in the construction industry throughout the entire year. Although Europe accounts for roughly 90% of our revenues, we generated a sound increase in revenues and earnings during 2013. Group revenues rose by 13% to € 2.7 billion and operating EBITDA by 9% to € 267 million. This growth was driven, above all, by the positive contribution from our pipe business. Project tenders for pipe systems in Europe were limited by the consolidation pressure on national budgets. However, Wienerberger recorded above-average growth in the international project business with its large special pipes, which have a diameter of up to 2.5 meters. Pipelife is the world's largest supplier of these products. Together with a broad product portfolio of fiber-reinforced pipes and pipes for electrical and water installations in the industrial and private sectors, the plastic pipe business remained on a growth course in 2013. The Pipes & Pavers Europe Division recorded a year-on-year increase of 45% in revenues and 49% in operating EBITDA during 2013, in particular due to the initial consolidation of Pipelife in the first five months. These results underscore the central importance of the pipe business for our Group and confirm Wienerberger's diversification strategy. Sound development was also recorded in North America, where the recovery in US new residential construction continued. Higher volumes and strict cost management led to an improvement in margins in the US brick business. The North America Division reported an increase of 16% in revenues and 35% in operating EBITDA for the year which supported a substantial improvement in margins. In the European brick business, we were unable to offset the weather-related volume declines from the first half-year during the second six months. Revenues recorded by the Clay Building Materials Europe Division fell by 3% and operating EBITDA by 7%. However, this division is on a good course because we were able to implement all restructuring measures as planned.

Net debt declines 10% to € 539 million due to financial discipline, cost savings and strict working capital management

In addition to generating sound revenue and earnings growth, we met all our ambitious operating and financial goals in 2013. Net debt was reduced substantially through further cost savings, financial discipline and successful working capital management. The restructuring measures launched in 2012 were implemented as planned in the Clay Building Materials Europe Division and at Semmelrock. The resulting € 19 million of cost savings were slightly higher than originally expected. We also realized approx. € 14 million of additional liquidity from the sale of non-core real estate. Despite the first full inclusion of Pipelife, normal capex for the Wienerberger Group (which includes maintenance and technological improvements) amounted to € 106 million and was clearly below the € 115 million budgeted at the beginning of the year. Strict working capital management led to a reduction in working capital from 25% at year-end 2012 to the current 20% of

*Heimo Scheuch,
Chief Executive Officer
of Wienerberger AG*



Group revenues. As a result of these measures, net debt declined substantially from € 602 million at year-end 2012 to € 539 million at the end of December 2013. The ratio of net debt to operating EBITDA equaled 2 years at year-end, which is clearly lower than our internal target of less than 2.5 years.

In 2013 we continued to work hard to differentiate ourselves from our competitors with innovative product solutions and wide-ranging service expertise. Wienerberger was therefore able to outperform the competition and to further expand market shares in countries like Great Britain, Poland and the Czech Republic – to name only a few.

Even if our bottom line shows a small loss after tax of € 8 million for 2013, free cash flow of € 93 million underscores the strength of our business model. The Managing Board will therefore make a recommendation to the annual general meeting on May 16, 2014, calling for the payment of a € 0.12 dividend per share for the 2013 financial year. We believe in Wienerberger's strength to also generate sustainable cash flows in the future and want to demonstrate this confidence to you, our shareholders, through this dividend.

We also took decisive steps to ensure our continued success in the future. Along with investments in future-oriented sustainable product solutions and measures to strengthen our service orientation, we adjusted our organizational structures. Efficient and effective structures as well as the right people in key strategic positions are central factors for success in a competitive market. In line with our new divisional structure, we have installed an experienced management team in each division. These managers will be responsible for implementing the Group's strategy in their respective operating areas and further optimizing the country structures. We also utilized opportunities to realize synergies, for example by combining administrative functions like payroll accounting across divisions.

**Wienerberger
strengthens market
positions in 2013**

**Managing Board will
recommend dividend of
€ 0.12 per share to annual
general meeting**

**Decisive steps for the
future taken in 2013**

Implementation of structured and systematic succession management

In order to ensure continuity in positions that are critical for the Group's success, we have established a structured and systematic succession management process throughout the Group. The first step involved the designation of key positions as the basis for our structured succession planning. We then identified internal talents and high-potentials who will be gradually developed over the coming years as successors for these key positions through specially designed training and mentoring programs. This process will protect our ability to fill key management positions with the right people at the right time and improve our competitive position.

Goals for 2014: further growth in revenues and earnings, return to the profit zone

I am therefore optimistic that we will also continue our growth course in 2014. Our goal for the year is a substantial increase in revenues and earnings and the generation of a net profit. The new residential construction market in Europe should stabilize or grow slightly, and the positive trend in the USA should continue. In the pipe business, I cannot exclude a slight decline in operating earnings because it will be difficult to duplicate the good results from the project business in 2014. Our focus remains on financial discipline, which means the generation of free cash flow, an increase in profitability through continuous optimization, a prudent investment policy and organic growth based on innovative, high-quality product solutions. We have budgeted € 125 million for normal capex in 2014, which includes maintenance as well as technological improvements. The ratio of net debt to operating EBITDA is also expected to remain below the targeted 2.5 at year-end. The sale or development of non-core real estate should generate approx. € 75 million of additional liquidity by 2016. Within our financial capacity, we will also evaluate selective opportunities for value-creating acquisitions in the future. Included here are projects that make a positive contribution to reaching our CFROI target of over 11.5% at the Group level.

Focus remains on organic growth through innovation and services

In the operating business, our focus for the coming years will remain on organic growth. We want to drive growth and expand our market positions in the future with our innovative strength, premium system solutions for building materials and comprehensive services. We are working continuously on solutions to offer our customers comfortable, energy-efficient living and supply security for water, electricity and gas. One example from the brick business is our mineral wool-filled clay block: this future-oriented product was successfully positioned in Germany and is now being rolled out in other countries. A new filling line for the production of these clay blocks started operations in Austria during the second half of 2013 and a similar production line will open in the Czech Republic during the first quarter of 2014. This will create opportunities for further growth in these markets. Such investments are comparatively low, but they form the basis for strengthening our market positions. That makes these investments a key part of Wienerberger's future growth strategy and the course we also want to follow in the future.

Before I close this letter, I would like to make a few comments in memory of Friedrich Kadrnoska, who passed away on December 9, 2013 after a brief but serious illness. Through his work on the Supervisory Board of Wienerberger AG, which he headed as chairman following his election in 2002, Friedrich Kadrnoska played a decisive role in the Group's strategic orientation. He was one of the driving forces in the conversion of Wienerberger into a pure free float company

during 2004, which represented an important milestone in our development. His many years of service on the Supervisory Board brought further expansion steps in Great Britain and Canada as well as the development of a second strategic pillar in the roofing business with the acquisition of Koramic. During the crisis and the many challenges it created for Wienerberger, his great personal commitment was a source of support for us all. We came to value not only his professional expertise, but also his human side during the many years we worked together, and will always remember Friedrich Kadrnoska as an extraordinary man and a strong personality.



Since our long-term succession management process has been implemented at all levels of the Wienerberger Group, the Supervisory Board was able to react immediately to this sad event. Regina Prehofer, who joined our Supervisory Board in May 2011, was unanimously elected chairwoman at the Supervisory Board meeting on December 10, 2013. I am particularly pleased that this decision makes Wienerberger the first and only ATX company with a woman at the head of the Supervisory Board and see this as a strong sign of our Group's support for women in management positions. Willy Van Riet, my colleague on the Managing Board, and I look forward to working with the Supervisory Board chaired by Regina Prehofer.

**Regina Prehofer
unanimously elected
chairwoman of the
Supervisory Board on
December 10, 2013**

As a final point, I would like to thank the many men and women who supported Wienerberger during the past year and played an important role in the Group's successful development. The central factors for our success are our employees, who worked hard with passion and dedication to develop their operating businesses and reach our corporate goals in 2013. I would like to thank you all for your tremendous commitment in these challenging times. This dedication is also honored by our customers and business partners, who I would like to thank for their productive cooperation and confidence. I would also like to thank the Supervisory Board for their valuable and supportive discussions and the efficient handling of issues, and Willy Van Riet for the intensive and constructive teamwork on the Managing Board in 2013. In conclusion, I would like to thank you, our shareholders, for your continuing trust in Wienerberger during the past year. I look to the future with optimism, and I invite you to join us on this course.

**Thanks to
employees,
management,
customers,
partners and
shareholders**

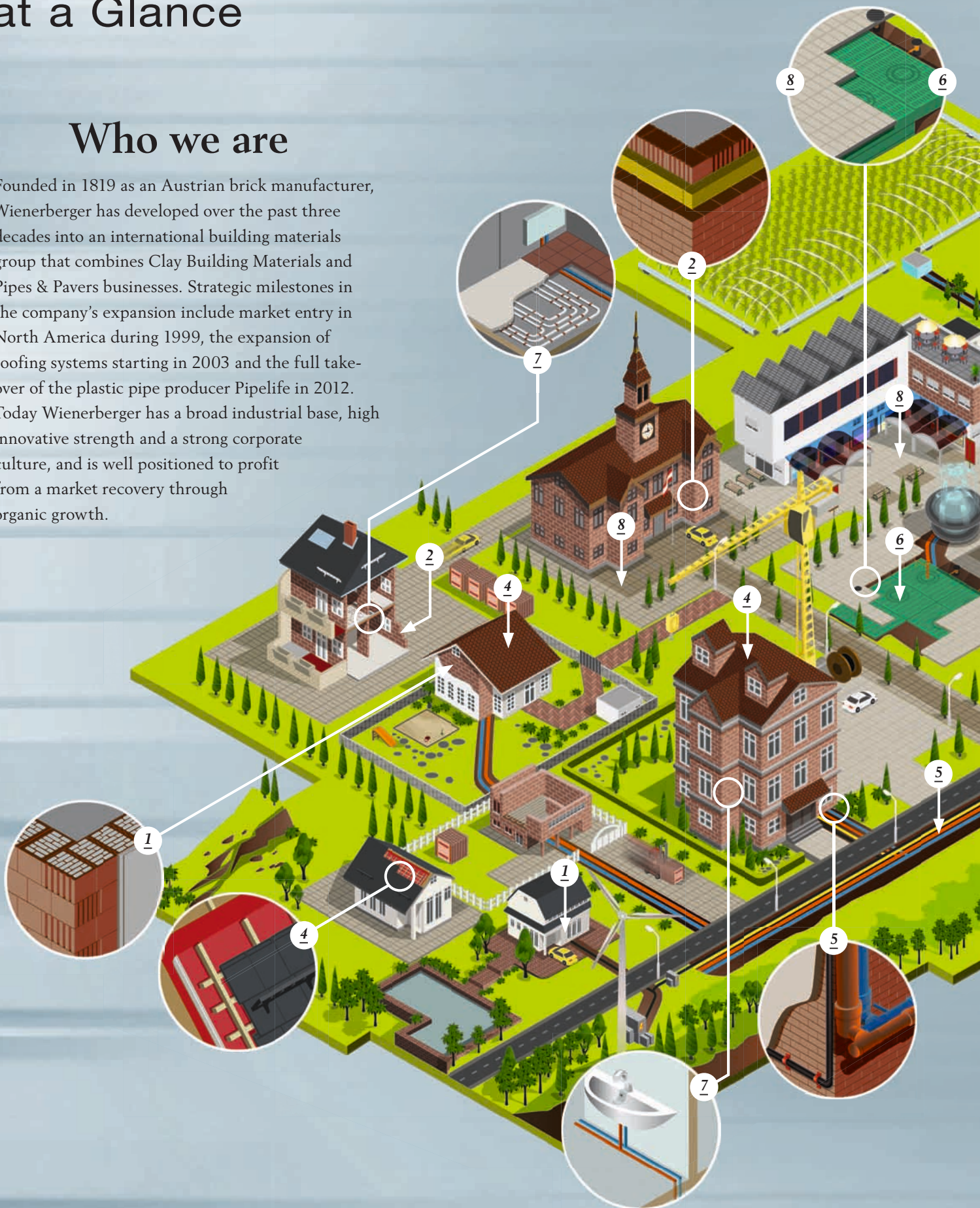
Yours

THE COMPANY

Wienerberger Group at a Glance

Who we are

Founded in 1819 as an Austrian brick manufacturer, Wienerberger has developed over the past three decades into an international building materials group that combines Clay Building Materials and Pipes & Pavers businesses. Strategic milestones in the company's expansion include market entry in North America during 1999, the expansion of roofing systems starting in 2003 and the full take-over of the plastic pipe producer Pipelife in 2012. Today Wienerberger has a broad industrial base, high innovative strength and a strong corporate culture, and is well positioned to profit from a market recovery through organic growth.





India

Europe (92%)

North America (8%)

Where we are

Clay blocks:

Nr. 1 worldwide

Facing bricks:

Nr. 1 in Europe,
co-leader in the USA

Clay roof tiles:

Nr. 1 in Europe

Plastic pipes:

Leading position in Europe

Ceramic pipes:

Nr. 1 in Europe

Concrete pavers:

Nr. 1 in Central-East Europe

What we do

Clay Building Materials

- 1 Monolithic wall with clay blocks
- 2 Cavity wall with clay blocks and facing bricks
- 3 Facade systems
- 4 Roofing systems

Pipes & Pavers

- 5 Pipe systems for wastewater, fresh water, gas supply and cable protection
- 6 Rainwater management
- 7 Pipe systems for building installations
- 8 Concrete pavers

Corporate Structure & Divisions

Wienerberger Group

Wienerberger increased revenues by 13% to € 2,662.9 million and operating EBITDA by 9% to € 266.5 million in 2013. A positive contribution by the pipe business and sound development in North America offset declines in the European brick business, which was hit hard by unusually severe weather during the first six months and by general weakness in the construction industry throughout the entire year.

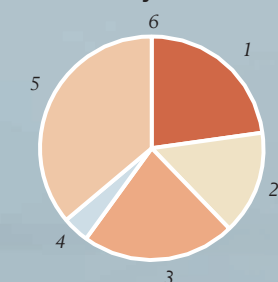
Free cash flow of € 92.9 million in 2013 underscores the strength of the Group's business model and, together with strict working capital management and financial discipline, led to a substantial reduction in net debt. The Managing Board will therefore recommend the distribution of a € 0.12 dividend per share for the 2013 financial year to the annual general meeting.

KEY FIGURES

	2013	2012	
	↓	↓	
Revenues in € mill.	2,662.9	2,355.5	
Operating EBITDA in € mill.	266.5	245.5	EBITDA growth: ↑ +9%
Adjusted EPS in €	-0.40	-0.25	
Dividend per share in €	0.12	0.12	
Balance sheet total in € mill.	4,211.4	4,139.7	Net debt reduction: ↓ -10%
Equity ratio in %	53.5	57.1	
Net debt in € mill.	538.9	602.0	
Free cash flow in € mill.	92.9	163.6	Operating cash flow: ↑ +30%
Ø Employees	13,787	13,060	

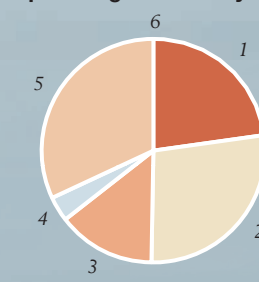
PRODUCT GROUPS

Revenues by Product

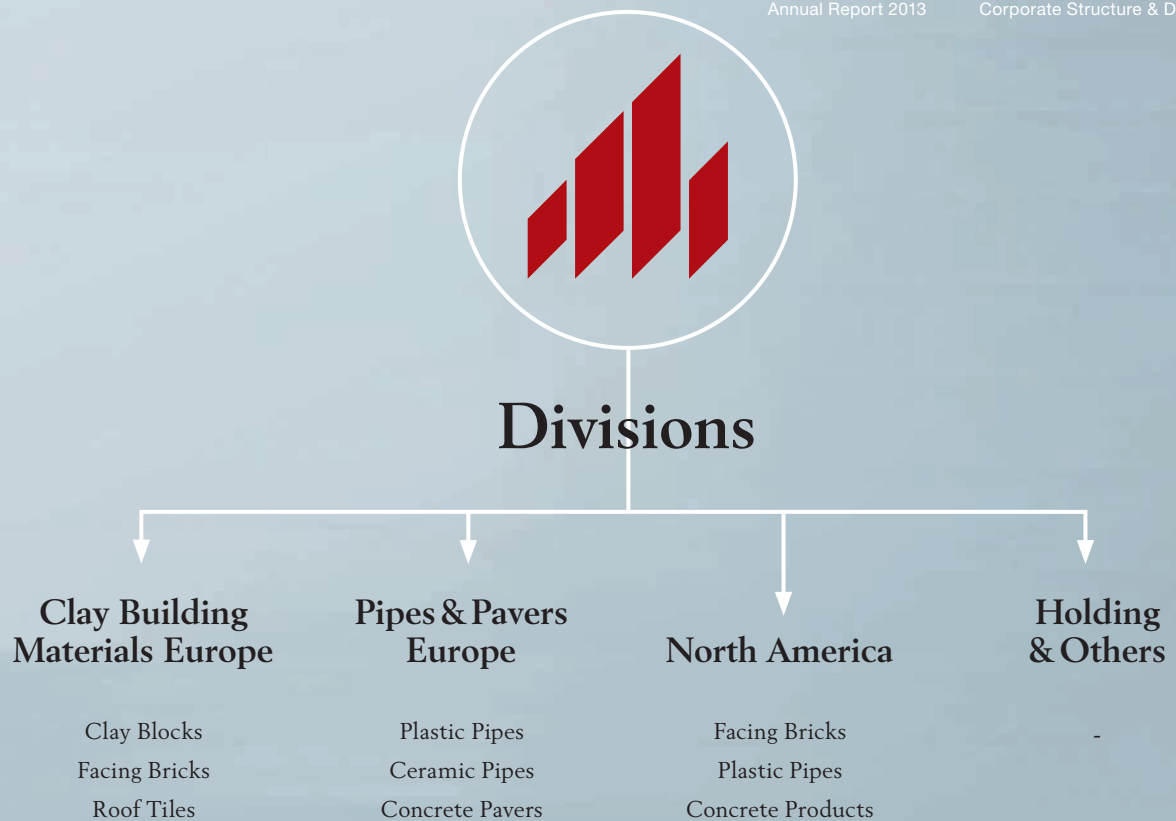


- 1 Wall 23%
- 2 Roof 15%
- 3 Facade 22%
- 4 Surface 4%
- 5 Pipes 36%
- 6 Holding & Others 0%

Operating EBITDA by Product



- 1 Wall 26%
- 2 Roof 31%
- 3 Facade 16%
- 4 Surface 4%
- 5 Pipes 36%
- 6 Holding & Others -13%

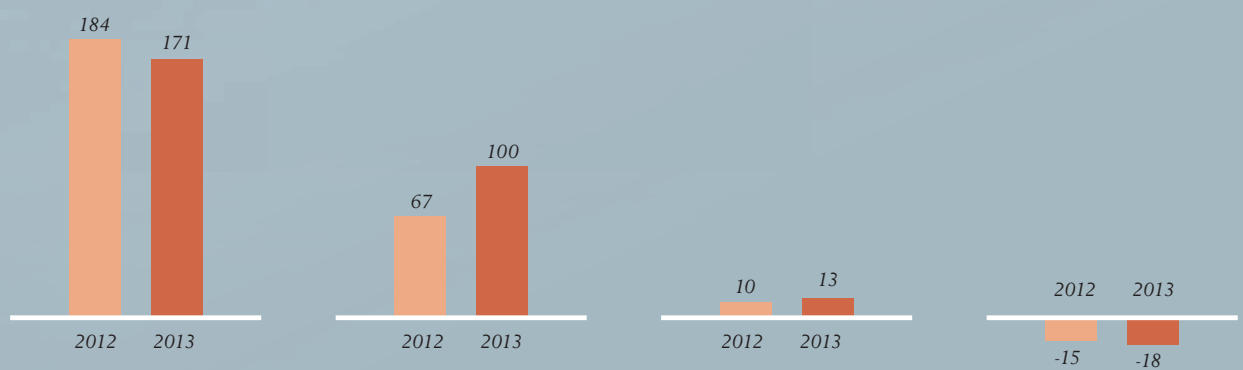


REVENUES 2013



OPERATING EBITDA

in € mill.



Highlights 2013

€ 300 million bond successfully placed

- ▶ Wienerberger places a € 300 million bond in April with a 4% coupon and a term extending to 2020
- ▶ Substantial interest by institutional investors underscores confidence in Wienerberger
- ▶ Over 75% of the volume is placed with international investors
- ▶ Financial discipline and a balanced financing structure remain top priorities for Wienerberger
- ▶ Refinancing needs for 2014 secured prematurely

2013

Wienerberger leads the way to the housing of the future

- ▶ With the publication of the 2012 sustainability report, Wienerberger invites discussions on the housing of the future
- ▶ Well-known experts from science and practice present visionary approaches to the central issues of healthy living and affordability
- ▶ Prof. Timo Leukefeld introduces his energy-independent house, which generates and stores its own energy; the building shell is constructed with high thermal insulating clay blocks
- ▶ Wienerberger building materials make the healthy, affordable home of the future possible today and guarantee high quality living



11.04.

28.06.

Trading Update

- ▶ An unusually long winter and heavy rainfall in parts of Europe have a negative effect on business development in the Clay Building Materials Europe Division during the first half of 2013
- ▶ Due to the low visibility at the start of the year, Wienerberger decides to issue a trading update on market developments
- ▶ The operating EBITDA guidance announced at the beginning of the year is reduced by € 20 million due to the absence of catch-up effects
- ▶ New target for the full year 2013: operating EBITDA of € 260 million



Capital Markets Day 2013 in the USA

- ▶ Heimo Scheuch and Willy Van Riet present the Wienerberger Group's business development, strategy and goals to investors and analysts in North Carolina
- ▶ Dick Green (CEO North America) and his colleagues then provide an overview of business activities at our General Shale subsidiary and, in one of our showrooms, demonstrate what we understand as "Building the American Dream"
- ▶ The program is rounded off by a tour of a facing brick plant

Opening of an innovative production plant in Austria

- ▶ In Haiding, Upper Austria, Wienerberger completes construction of its most modern production facility
- ▶ A top product in the brick family – a high thermal insulating brick filled with mineral wool – is now 100% “Made in Austria”
- ▶ Buildings made of these innovative bricks make an important contribution to climate protection and represent the future of construction



Wienerberger mourns the loss of Supervisory Board Chairman Friedrich Kadrnoska

- ▶ With deep regret, Wienerberger announces the death of Friedrich Kadrnoska
- ▶ Wienerberger's long-standing Supervisory Board chairman died at the age of 62 after a brief, severe illness
- ▶ During his tenure, Friedrich Kadrnoska played a decisive role in the Group's strategic orientation
- ▶ Regina Prehofer, member of the Supervisory Board since May 2011, is unanimously elected as the first woman to chair the Supervisory Board of Wienerberger AG

11.07.

05.09.

24.09.

03.12.

11.12.

20.12.

Termination of antitrust proceedings against Wienerberger in Germany

- ▶ Proceeds against Koramic Dachprodukte GmbH & Co KG for alleged agreements in restraint of trade are terminated
- ▶ Wienerberger filed an appeal against the announced fine in 2008
- ▶ € 10 million provision is released to the income statement
- ▶ Anticompetitive agreements are not part of Wienerberger's business practices – they are expressly prohibited by internal guidelines and any violations are met with sanctions



Steinzeug-Keramo receives sustainability certificate

- ▶ The ceramic pipe systems made by this Wienerberger subsidiary meet the challenging ecological criteria for Cradle to Cradle® certification
- ▶ The underlying principle behind the Cradle to Cradle® concept requires full recycling for all components remaining at the end of the product life cycle
- ▶ Vitrified clay pipes are made of 100% natural raw materials, are recyclable and have a long service life
- ▶ The products made by Steinzeug-Keramo were certified by an independent institute

Products and System Solutions

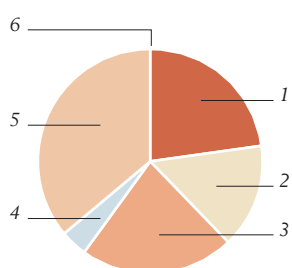
Continuous product development as the basis for sustainable success

The continuous improvement of our products represents a key strategic element of Wienerberger's sustainable success. We focus on the development of innovative products and system solutions in all our application areas – from sustainable and energy-efficient buildings to environmentally compatible pavers and supply and sewerage systems. Our product management specialists work closely with the various marketing and sales departments to ensure that new developments always meet the needs of our customers. The following pages provide an overview of our products and innovations.

Clay Building Materials

Wienerberger's activities in the area of Clay Building Materials cover three product groups: solutions for wall, facade and roof.

Revenues by Product



- 1 Wall 23%
- 2 Roof 15%
- 3 Facade 22%
- 4 Surface 4%
- 5 Pipes 36%
- 6 Holding & Others 0%

Wall – clay blocks

Clay blocks are used for load-bearing exterior and interior walls as well as for non-load-bearing partition walls or fillwork. A wall made of clay blocks is normally not seen after completion because it is covered with plaster or paneling. In any case, the technical advantages and features of these monolithic walls are compelling: high compressive strength, excellent thermal insulation and heat accumulation, sound insulation, high fire resistance (nonflammable) and healthy moisture regulation. In short, walls made of clay blocks are sturdy and safe, and create an unmistakably pleasant and comfortable atmosphere.

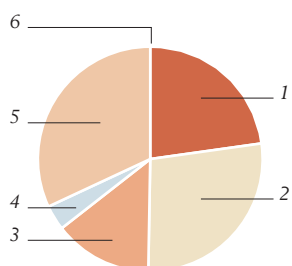
Innovations for walls

One special innovation milestone is the Porotherm W.i., a clay block with integrated insulation. The voids in this product are filled with thermal insulation in the form of mineral wool, which eliminates the need for additional insulation on the outside of the house and makes construction more energy-efficient.

Wienerberger has also developed a special line of clay blocks for multi-story commercial construction. The key features of these products are efficient thermal insulation, high stress resistance, good acoustic protection and outstanding fire protection as well as low thickness. Minimizing the total thickness of the exterior wall optimizes the usable space and thereby improves the overall profitability of a project for the developer. The building users also benefit from the pleasant and healthy atmosphere created by a brick wall.

For even faster construction of brick walls, Wienerberger developed the Dryfix® adhesive system (special aerosol masonry glue that speeds up construction and eliminates the need for mortar) in combination with plane ground blocks. This adhesive system speeds up construction and thereby reduces the cost of massive brick walls.

Operating EBITDA by Product



- 1 Wall 26%
- 2 Roof 31%
- 3 Facade 16%
- 4 Surface 4%
- 5 Pipes 36%
- 6 Holding & Others 13%

Facade – facing bricks

Facing bricks are used in visible brick architecture: facades and interior walls are made from or covered with these bricks. The necessary functions of the load-bearing walls are provided by clay blocks or other building materials. A wall made of facing bricks is an esthetic calling card and provides optimal protection from the weather, but still allows the building to “breathe”. The sturdiness of the facade bricks eliminates the need for maintenance or expensive renovation in

later years, which also helps to reduce costs. Wienerberger facing bricks are sold under the Terca brand. They open up a wide range of design alternatives through the combination of colors, shapes and surface structures – a feature that is rarely found in other building materials. Facing bricks can be combined together in story-high prefabricated elements for fast construction. Especially in the non-residential sector, brick architecture can therefore play an important role in modern, economic building.

Innovations in facades

The Terca Eco-Brick® is an innovative facade solution made by Wienerberger: thin facing bricks with a thickness of 65 mm create additional space for insulation without increasing the width of the wall or impairing the desired stability. Eco-Bricks also have a positive effect on resource consumption because of their lean form. Terca has developed a particularly thin alternative especially for use with external composite thermal insulation systems. These 20 mm wide brick slips not only improve the appearance of the building, but also provide perfect protection against the weather.

**Terca Eco-Bricks®
reduce resource
consumption**

Argeton facade boards make it possible to design timeless, modern facades with the distinctive character of ceramics. They can also be ideally combined with a variety of other building materials like steel and glass. The special development Argelite is well-suited for renovation because it saves space and has a low weight. In addition, Argeton was the first ceramic facade board product to pass the safety test for ball impact. That makes an Argeton facade particularly well suited for buildings like schools or day care centers, which are exposed to increased mechanical stress.

**Argeton ceramic facade
boards are optimally
suited for renovation and
restoration**

Roof – clay roof tiles

Clay roof tiles are used to cover pitched roofs, flat roofs with a slope of up to 10° and, increasingly, for facade design. A roof covered with clay roof tiles protects the house and the facade from the weather and moisture for many years. Clay roof tiles also represent an important design element. Wienerberger has developed a wide variety of forms, colors and shapes that allow for the creative realization of modern residential construction projects and also support traditional solutions for renovation and historical preservation. The product line ranges from modern flat tiles with engobe to the natural red flat tiles that have been used for centuries. Wienerberger clay roof tiles are sold in Western Europe under the Koramic brand and in Eastern Europe through our 50% investment Tondach Gleinstätten.

**Clay roof tiles are used
on pitched and flat roofs
as well as facade design**

Innovations for roofs

Wienerberger offers a one-stop shop solution for roofs: each model (type of tile) is accompanied by a full line of tiles as well as ceramic and technical accessories. These durable, colorfast and stable clay roof tiles are marketed together with a complete line of system components whose functions, forms and colors are perfectly coordinated to match the respective roof tile line. The introduction of overrafter insulation products for thermal renovation made Wienerberger a full system provider for roofs. Increasingly extreme wind and weather conditions have also led to growing demands on the resistance of roofs. Wienerberger has met this challenge with the patented Sturmfix system, which uses special fixation hooks to protect roof tiles from even the strongest storms.

**Wienerberger is a full
system provider for roofs**

Pipes & Pavers

Wienerberger pipes & pavers cover three product groups: plastic pipes (Pipelife), ceramic pipes (Steinzeug-Keramo) and concrete pavers (Sammelrock).

Plastic pipes

Plastic pipes are suitable for a wide range of applications. The product portfolio of high-quality, durable pipe systems with matching fittings and accessories covers systems for rainwater and wastewater disposal, sanitary and heating technology, energy, gas and drinking water supplies as well as a wide variety of special products for private and industrial use.

Innovations in plastic pipes

Climate change and the increasing development of green areas have led to a growing incidence of flooding in inner city areas. With Raineo™, Pipelife has developed an extremely efficient system to solve this problem. The heart of the system is the so-called “Stormbox”, a plastic water storage container that is installed below ground. A sophisticated click and stack system allows for the construction of underground water storage facilities in various sizes. When the rain is heavy, the water overload is collected in the box – where it is gradually released into the connected sewerage system and, in this way, prevents flooding.

Pipelife took an important step to meet an emerging global trend – Long Length Large Diameter pipes (LLLD) for industrial facilities – and is currently the only producer in the world that can manufacture pipes with a diameter of up to 2.5 meters and a length of up to 600 meters. These pipes are extruded directly into the sea and transported by barges to operating sites around the globe (e.g. Morocco, Ghana, Ukraine and South America). Another special product, the “Soluforce Heavy Pipe”, was developed especially for high pressure applications in the oil and gas industry. Steel wire reinforcement makes these pipes extremely pressure-resistant. In addition, a plastic liner ensures high resistance to aggressive chemicals and corrosion, which creates a significant advantage over conventional steel pipes in these industrial applications.

With the development of the EMC electrical installation pipe, Pipelife has minimized electromagnetic radiation into the immediate environment and improved the quality of life for residents. CompoSys is a fully compostable aeration and irrigation pipe for the cultivation of young trees in tree nurseries, which is made of potato starch and polylactide (a lactic acid-based thermoplastic). The pipe dissolves underground in three to five years without leaving any residue and thereby makes a contribution to protecting the environment and minimizing waste.

The DUETA™ geothermal pipe was developed especially to extract geothermal energy from high-depth drillings. An integrated distance holder makes this pipe easy to install and guarantees optimal heat and energy generation for building heating.

Pipelife plastic pipes cover a broad range of applications

The Raineo™ system prevents flooding in urban areas

LLLD pipes and Soluforce™ as made-to-order products for industrial applications

Pipes to protect people and the environment

Special pipe for geothermal energy generation

Ceramic pipes

Steinzeug-Keramo produces glazed ceramic pipes, fittings, shafts and accessories for use in open and closed sewerage systems. These pipes are characterized by stability, easy maintenance and resistance against wastewater, and therefore meet the many demands placed on modern sewerage systems.

**Ceramic pipes for
sewerage systems**

Innovations in ceramic pipes

At Steinzeug-Keramo innovation is concentrated, above all, on optimizing the technical properties of the products. One example is the development of ceramic jacking pipes that are suitable for trenchless installation. The pipes are inserted into a starting shaft and then pushed to the target shaft by means of a tunneling machine, thus avoiding any excavation. This environmentally compatible procedure allows the pipes to be installed with only minimal earth movements and without disturbing the existing infrastructure. The technique can also be used to replace existing pipelines without digging new trenches.

**Jacking pipes for
trenchless installation**

Steinzeug-Keramo was awarded the Cradle to Cradle® sustainability certificate for its products. The underlying principle behind the Cradle to Cradle® concept is that the components remaining after the use of a product must be fully recyclable. Vitrified clay pipes are made of 100% natural, recyclable raw materials and therefore meet the demanding ecological criteria for this certification.

**Steinzeug-Keramo
receives Cradle to
Cradle® sustainability
certificate**

Concrete pavers

Concrete pavers are used in many different applications – from public areas, streets and roads to private homes and gardens. The product line includes concrete pavers and slabs, wall and fencing systems, design elements such as steps, palisades and edgings as well as an extensive infrastructure program. The large range of shapes and surface structures places virtually no limits on the esthetic fantasy of landscaping solutions with concrete pavers. Continuous optimization and improvement are the focus for these products, which deliver especially brilliant colors and design quality with their high quality blend of natural stone aggregates on the surface.

**Semmelrock concrete
pavers for high-quality
design in open spaces**

Innovations in concrete pavers

Innovation at Semmelrock is directed to extending the service life and improving the economy of products. Semmelrock Premium Protect®, a special surface shield, seals the stones and thereby provides for long-lasting color protection and easy maintenance, even on areas that are exposed to heavy soiling. Einstein®, an innovative jointing system, was developed to meet the high demands on heavily trafficked areas. When installed professionally, this fully interlocking system with integrated protection against shifting prevents the paved areas from displacing, tilting or warping, even under high stress.

**Innovative engineering
and surface protection**

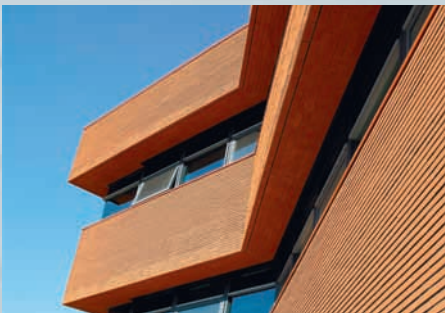
The Wienerberger Product World

Clay Building Materials



Wall – clay blocks

Our high-tech clay blocks are available in a wide variety of sizes with different void patterns and construction properties. High thermal insulating clay blocks for exterior walls, heavy clay blocks for improved sound insulation, seismic-resistant clay blocks and clay blocks for infill masonry: we offer the best possible solution for every construction challenge and create an unmistakably pleasant and healthy indoor climate with walls made of bricks.



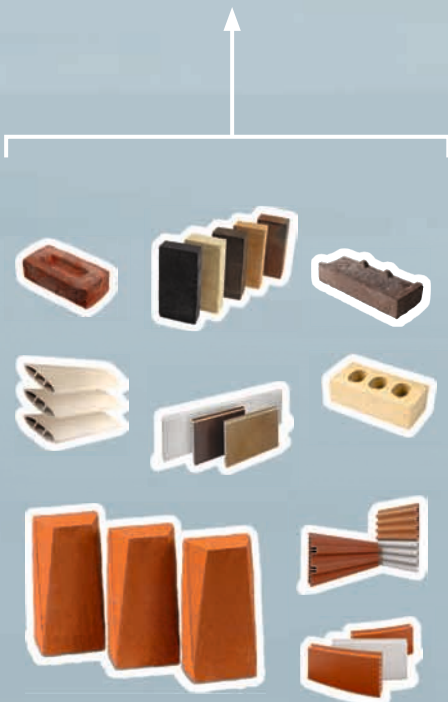
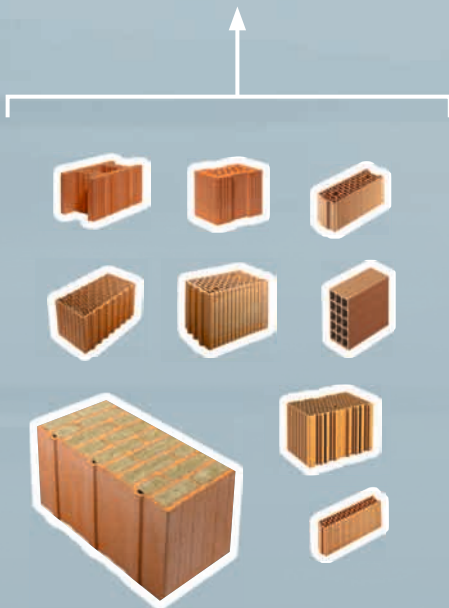
Facade – facing bricks

We have expanded our innovative line of facade bricks to also include facade systems that are mounted with vertical steel profiles on buildings and are therefore particularly well suited for high-rise construction and modern architecture.



Roof – clay roof tiles

Clay roof tiles provide lasting protection from the weather and moisture, and also represent an important design element for architects. The Wienerberger roof tile product line includes several 100 models in various shapes, colors and surface structures as well as an extensive range of technical accessories.



Pipes & Pavers



Plastic pipes

Plastic pipes (including fittings and accessories) can be used in a wide variety of applications. The product portfolio includes system solutions for building installations, drinking water supply, irrigation, wastewater and rain-water management, energy supply and drainage as well as special products for industrial applications.



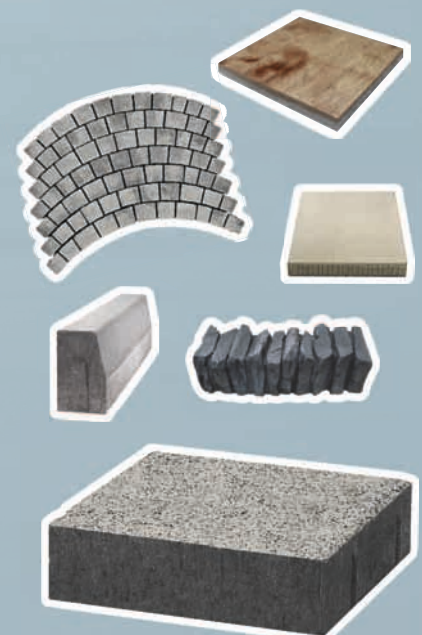
Ceramic pipes

Ceramic pipes, fittings, shafts and accessories are used to create system solutions for modern municipal wastewater disposal in open and closed sewerage networks.



Concrete pavers

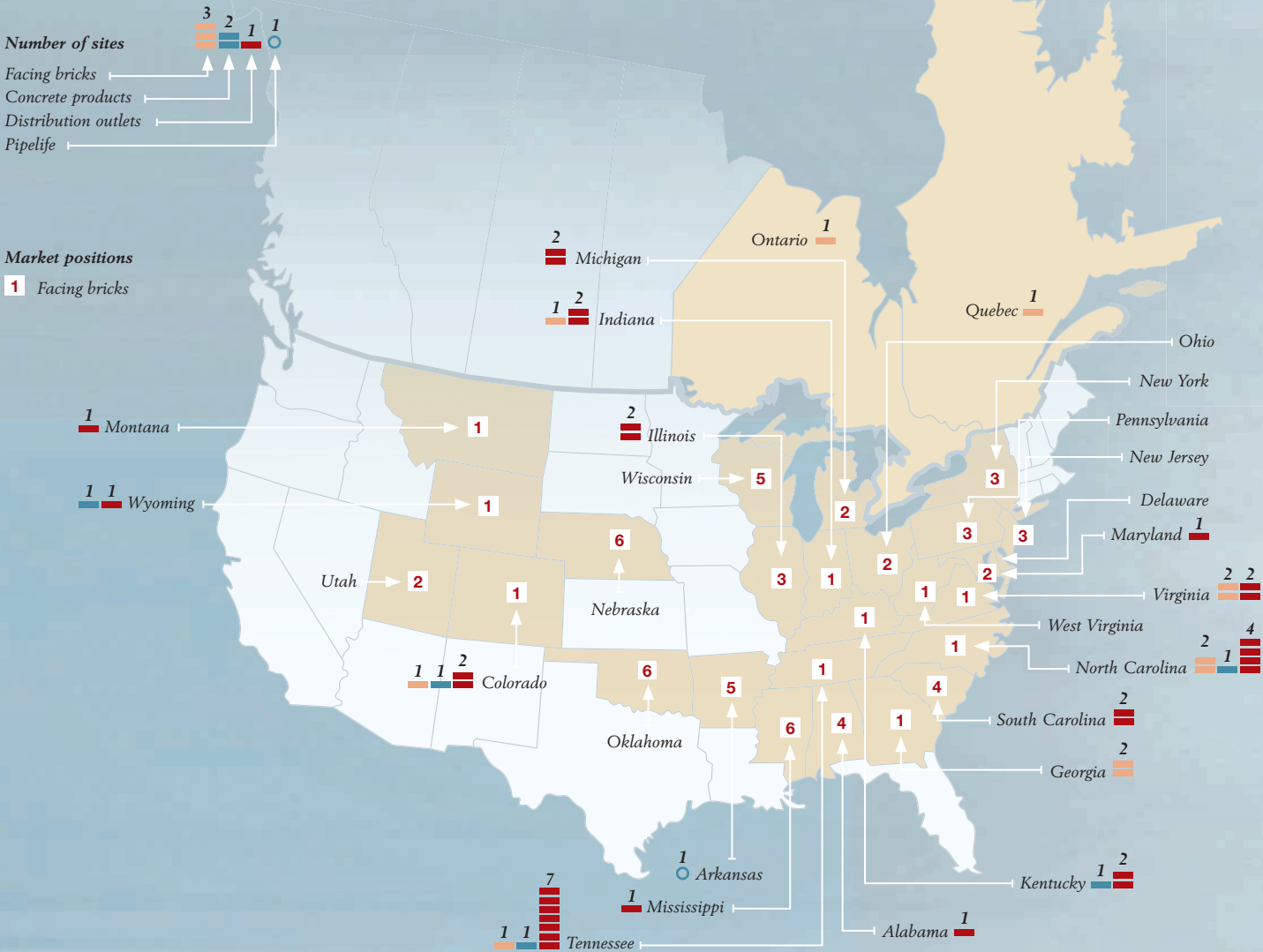
Pavers made of concrete are characterized by high resistance and lasting esthetics. They can be used in many different types of applications – from public areas, streets and roads to private homes and gardens.



Plant Sites and Market Positions

Wienerberger is the only multinational producer of bricks, roof tiles, concrete pavers and pipe systems with a total of 214 plants in 30 countries and four export markets, including one plant in India. We are the world's largest producer of bricks and number one on the clay roof tile market in Europe. Furthermore we hold leading positions in concrete pavers in Central-East Europe and pipe systems in Europe.

Wienerberger Markets in North America



Wienerberger in India

Strategy and Business Model

Strategic focus on organic growth

Extensive structural adjustments completed

Wienerberger has created a strong and healthy foundation for organic growth with extensive restructuring measures and targeted growth steps over the past five years. In order to bring the corporate structure in line with the market, fixed costs were cut by approx. € 250 million and working capital as a percentage of revenues was substantially reduced. These structural measures, which were accompanied by a restrictive investment policy and strict management of the maturity profile of financial liabilities, were successfully concluded. Targeted takeovers led to the development of new business areas and expanded the Group's industrial base, while additional strategic flexibility was created through the gradual adjustment of the investment portfolio.

Clear focus on organic growth

We are now a market-oriented company with a healthy corporate base and a focus on organic growth. Our customers are the focal point of our actions – we want to create added value for them with innovative, high-quality and use-oriented system solutions. Comprehensive advising and service, starting with the project planning stage, are an important part of our improved sales activities. In this way, we develop long-standing customer relationships and can integrate our detailed understanding of our customers' needs in the development of new products and services. The strategy for our core business is designed to establish and extend leading positions in all markets in which we are present.

Strategic expansion of core business through establishment of Pipes & Pavers Europe Division

Another central goal is to reduce Wienerberger's dependence on new residential construction and expand activities in the areas of renovation and infrastructure. The acquisition of Steinzeug-Keramo, the market leader for ceramic pipes in Europe, and the purchase of the remaining 50% stake in Pipelife, one of the leading producers of plastic pipes, established the Pipes & Pavers Europe Division and completed Wienerberger's transformation into an international system provider of building materials. This division, which also includes the concrete paver business in Central-East Europe, made an important contribution to Group results in 2013 with revenues of approx. € 1 billion and operating EBITDA of roughly € 100 million. These growth steps reduce the dependence on cyclical new residential construction from approx. 70% to roughly 60% of revenues and create opportunities in new areas of business with a long-term, sustainable growth potential.

Strong cash flows to finance the operating business and growth investments

In addition to organic growth, our strategic focus remains on financial discipline and the maintenance of a strong capital structure. We will therefore continue to pursue a restrictive investment policy and hold normal capex substantially below scheduled depreciation. The issue of a € 300 million bond in April 2013 underscores our efforts to meet our refinancing needs on a timely basis and maintain sufficient liquidity reserves. This bond allowed us to safeguard our capital requirements for 2014 and also protects the balanced term structure of our liabilities. Another important element of our financing strategy is high internal financial strength through strong cash flows. In our capital-intensive ceramic business, expenditures for maintenance and the refitting of existing equipment amount to only approx. 60% of depreciation after the significant initial investment. The resulting free cash flow is available for debt repayment, dividends, share buybacks and growth projects. In 2013 we were able to reduce net debt by roughly € 63 million.

We define growth investments as acquisitions, capacity expansion and the development of new product segments or regional markets. The strategic use of funds is based on established decision processes and strict return goals to ensure that growth steps help us to meet our CFROI target of 11.5% at the Group level. Our financial discipline also includes an internal target of less than 2.5 for the ratio of net debt to operating EBITDA at year-end. The last major investments by the Wienerberger Group, Pipelife and Steinzeug-Keramo, clearly exceeded these targets and have a CFROI of substantially over 11.5%.

Clear goals for the use of funds

Our focus is currently placed on the selective evaluation of smaller, profitable transactions in our core business with an emphasis on further expansion in the renovation and infrastructure segments. In the ceramic business, we already have an extensive, modern plant network, sufficient capacity reserves and strong market positions. The prospects for future acquisitions are therefore concentrated, above all, on opportunities for sustainable growth and the less capital-intensive pipe business.

Focus on the evaluation of smaller, value-creating transactions

The shutdown of numerous plants in recent years has created a portfolio of non-operating real estate, which we are now selling in a structured process. Our goal for the period from 2012 to 2016 is to generate proceeds of approx. € 100 million from the sale of this real estate. These transactions, which are managed centrally but implemented locally, exceeded our expectations in 2013. Since the start of the program, we have sold properties with a market value of nearly € 25 million. Therefore, we should realize a further € 75 million by the end of 2016.

Structured sale of non-operating assets

Following the completion of the structural adjustments and the expansion of the core business, an evaluation of the earnings potential of the Wienerberger Group based on the existing production network resulted in EBITDA of approx. € 600 million. This analysis is based on the assumption of a return to a normalized activity level in our most important markets. We see this normalized level at approx. 1.5 million housing starts in the USA and, depending on the individual markets, approx. 30 to 40% over the current activity level in Europe.

Wienerberger Group: EBITDA potential of approx. € 600 million

Strategy in the Clay Building Materials Europe Division

For the Clay Building Materials Europe Division, the past years were influenced primarily by a difficult market environment and a focus on cash generation. The financial crisis led to the implementation of an extensive restructuring agenda in 2009 that adjusted structures to reflect the market. A further market decline, especially in Western Europe, resulted in the implementation of additional optimization and restructuring measures in the Clay Building Materials Europe Division during 2012. This program will lead to a reduction of roughly € 50 million in fixed costs by the end of 2014. It includes the mothballing of plants, the adjustment of shift models and the optimization of administration and sales. Most of the savings from this Group-wide program are attributable to the Clay Building Materials Europe Division, in particular the West European markets of France, the Netherlands, Belgium and Germany.

Difficult markets lead to structural adjustments for Clay Building Materials Europe

Substantial organic growth potential

The Clay Building Materials Europe Division has a modern industrial base with lean cost structures and an efficient plant network. The division has significant organic growth potential in the form of capacity that is currently not in use, but can be reactivated once demand in our most important markets normalizes. Roughly half the realized fixed cost reductions are sustainable, and we are therefore in a position to generate a sound increase in earnings when the markets recover. Since an increase in capacity utilization would only lead to a moderate rise in normal capex and the need for growth capex is low, we can also generate strong cash flows.

Clay Building Materials Europe: EBITDA potential of € 400 million in normalized market environment

Our strategic medium-term planning for the realization of organic growth is focused on market orientation, product development and operational excellence. We want to design our customer relations as an ongoing dialogue in order to optimally coordinate the development of our innovative products and system solutions for the energy-efficient and healthy construction of the future with the needs of our customers. The continuous optimization of cost structures to strengthen the division's profitability will also remain a focal point of activities after the conclusion of the extensive restructuring measures. We see an EBITDA potential of approx. € 400 million for the Clay Building Materials Europe Division, assuming demand returns to a normal level.

Strategy in the Pipes & Pavers Europe Division

Strategic focus for Pipes & Pavers Europe on the further development of the product portfolio

The Pipes & Pavers Europe Division includes Wienerberger's plastic pipe activities, ceramic pipe activities and the concrete paver business. The division's product portfolio covers system solutions for building installations, fresh water supply, irrigation, wastewater and rainwater management, drainage, energy supply and data transfer as well as special products for industrial applications and pavers. Our focus for Pipes & Pavers lies, in particular, on the continuous development and innovation of the product portfolio.

Pipes & Pavers Europe: EBITDA potential of € 140 million

Above-average growth is expected over the coming years, above all, in the areas of fresh water and wastewater management due to the renovation backlog in Western Europe and the planned increase in supply network coverage in Eastern Europe. The growing demand for electricity and the expansion of telecommunication networks will also lead to increased demand for cable and electrical installation pipes in the future. The market shares of plastic pipes are growing steadily in comparison with competing metal and concrete products and outpacing the market. Over the medium- to long-term, we therefore see an EBITDA potential of approx. € 140 million for the Pipes & Pavers Europe Division.

Strategy in the North America Division

North America: EBITDA potential of € 60 million

In the North American brick business, Wienerberger has a modern, highly efficient plant network and its own sales centers. A number of our relevant markets recorded a drop of up to 75% in demand during the height of the crisis in 2009, and our capacity reserves will therefore allow us to benefit significantly from the current market recovery. Market research institutes assume the continuation of recovery in 2013 will be followed by a further rise in residential construction to over one million housing starts for the first time since 2007 and see a normalized market level of roughly 1.5 million housing starts. In the pipe business, which operates from a base in Arkansas, we are focusing on applications in the areas of water management and

high-pressure applications for the oil and gas industry. We are actively driving the substitution trend to plastic pipes in this business and working to expand our customer base, above all in the oil and gas industry. We see an EBITDA potential of approx. € 60 million in the North America Division based on normalized conditions on the new residential construction market.

Sustainable increase in the value of the company

The foremost goal of our entrepreneurial activities is to create and maintain a sustainable increase in the value of the company in accordance with ecological, social and economic principles. Accordingly, we work to create added value for all our stakeholders.

**Sustainable creation
of added value as top
corporate goal**

- For our employees, the positive development of our company means stable jobs with fair and healthy working conditions and performance-based remuneration.
- Our customers benefit from sustainable, long-lasting and innovative products that guarantee energy-efficient, healthy living and supply security.
- Our products and system solutions make an important contribution to the attainment of climate protection and emission goals with their resource-efficient production and their long service life. We are also well aware of our responsibility to society and provide targeted in-kind support to the needy in the form of products or training programs.
- Our owners participate in the sustainable increase in Wienerberger's value in the form of higher share prices and dividends.

After the conclusion of extensive restructuring measures and the successful strategic refocusing, Wienerberger is well positioned to benefit from future recovery in residential construction and growth in the pipe business. We have a modern, efficient plant network, a strong capital base, lean cost structures, high innovation capability, durable and innovative products and committed, skilled employees. These success factors should allow us to realize the available EBITDA potential of approx. € 600 million at the Group level over the medium- and long-term in a normalized market environment.

**Wienerberger is well
positioned to benefit
from market growth**

Success Factors and Major Drivers

Strong capital structure through genera- tion of high cash flows

Our sound capital structure and internal financial strength form a healthy base for financing our operating business and growth investments. In our capital-intensive ceramic business, only approx. 60% of depreciation is required for maintenance and the refitting of existing equipment after the high initial investment. The resulting free cash flow is available for debt repayment, dividends, share buybacks and growth projects.

The framework for our strong capital structure is based on our strategic goal for the use of funds, which sets a limit of 2.5 years at year-end for the ratio of net debt/operating EBITDA. We also ensure that financial liabilities are refinanced on a timely basis and issue bonds in smaller tranches to optimize our maturity profile.

Our work is focused on solutions to provide our customers with energy-efficient, healthy housing and supply security for water, electricity and gas. In order to meet our own claims for future-oriented products, we aim to be the innovation leader in all businesses in which we are active. At numerous locations our experts are working on innovative products and system solutions as well as new and more efficient production processes.

Wienerberger's sales staff is closely involved in product development to ensure that our innovations optimally meet the needs of our customers. Our goal is to generate 30% of our revenues with innovative products by 2015.

Product development & innovation

Cost & capacity manage- ment

Strict cost management and the continuing optimization of our plant network and internal processes will remain an integral part of the Wienerberger culture, even after the conclusion of the extensive measures to bring our structures in line with the market. These measures are managed and supported centrally, but implemented locally.

The most important projects currently in progress involve supply chain management, the optimization of energy costs (environmental action plan) and working capital management. Our goals are to steadily strengthen profitability in all areas of the corporation and to improve our competitive ability.

Our goal is to create maximum added value for our customers with our products and services. We offer a broad portfolio of high-quality, sustainable building materials and system solutions as well as extensive advising and services. One of the most important requirements to meet this goal is the close integration of product development, market orientation and customer support.

We therefore work continuously to expand our network of customers and decision-makers for construction and infrastructure projects to include market trends and regulatory changes in the development of our innovative products. That allows us to optimally adjust our product line to meet customers' needs and to design our customer relations as an ongoing dialogue.

Strong market positions

Our goal 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. We want to be one of the three leading suppliers in each of our relevant markets and, when possible, to become the market leader.

Wienerberger is the largest producer of clay blocks and facing bricks in the world with 166 plants as well as the number one in clay roof tiles in Europe. With a further 31 plants in the pipe systems segment, we are also one of the leading suppliers of ceramic and plastic pipe systems in Europe. In Central-East Europe, we are the market leader for concrete pavers with 17 plants.

Market orientation & customer relations

Interview with the Managing Board

Mr. Scheuch, Mr. Van Riet: You've given us a positive review of the 2013 financial year. What were the most important factors for this success?

Heimo Scheuch: Many of our major markets continued to decline in 2013, and the bad weather had a negative effect on business development during the first six months. The key to success in the past year was, above all, the progress we made as a result of our internal strength. We implemented the restructuring program as planned and, at the same time, invested in innovative products and the necessary production equipment. The expenditures for these types of investments are comparatively low, but they form the basis for strengthening our market positions. Pipelife also recorded sound development during the past year. The newly established Pipes & Pavers Europe Division made an important contribution to Group results with approx. € 1 billion of revenues and roughly € 100 million of EBITDA. In conclusion, our broader industrial base and internal measures provided the ground for a substantial improvement in revenues and earnings.

Willy Van Riet: We again proved that we can generate strong free cash flows in a difficult market environment. In 2013 we used free cash flow primarily to reduce debt. Over the medium-term that will give us added strategic flexibility to utilize opportunities for growth. Our very successful placement of a € 300 million,

seven-year bond in April 2013 also underscores our good access to the capital market. We have a healthy financial base in the form of a strong balance sheet structure and sufficient liquidity reserves, which are available to refinance the liabilities maturing in 2014.

Heimo Scheuch: In summary, I would like to highlight the following: we implemented wide-ranging measures in all areas of the company to align our structures with the market. These measures included, among others, the optimization of the production network and administrative organizations and the reorientation of the Group's financing. The result is a solid, healthy base that will support strong organic growth.

Your forecast for 2014 calls for operating EBITDA of € 300 million at the Group level. In which areas of the company do you see the greatest potential?

Heimo Scheuch: We plan to conclude our restructuring program in 2014 and realize roughly € 17 million in additional savings. The sale of our non-core real estate will also continue. One particularly important factor is our cautiously optimistic evaluation of the market situation. Even though demand is still expected to decline in individual markets during 2014, we see general stabilization to slight growth in Europe and continued recovery in the USA. A resulting moderate increase in volumes should therefore lead to a significant improvement in earnings.

In all areas of our business, we are active in promising markets. The Clay Building Materials Europe Division has the greatest potential for earnings improvement. Our extensive network of modern and efficient plants – meaning capital we have already invested – gives us an opportunity to benefit disproportionately from a market recovery. The demand backlog grows with every year we remain at this low, unsustainable level. Nonetheless, we are still confronted with weak consumer confidence and limited bank lending because of the slow economic growth and high unemployment.

I would also welcome strong, direct actions by politicians. Affordable and livable housing is becoming an increasingly critical issue that also requires the support of political decision-makers.

The business environment in your core markets is stabilizing, and you have a strong balance sheet and high liquidity reserves. Will your focus now shift to acquisitions?

Heimo Scheuch: We have never categorically excluded takeovers, and I want to emphasize that we took a number of





important development steps in recent years with Pipelife, Steinzeug-Keramo, the increase in our stakes in Tondach Gleinstätten and Semmelrock as well as a number of smaller transactions. In addition I would like to highlight, that our two major acquisitions – Pipelife and Steinzeug-Keramo – have been very successful and significantly exceeded our 11.5% Group CFROI target in 2013. We plan to continue this strategy in the future and selectively pursue value-creating opportunities. However, our main objective is to further strengthen our market positions in the core businesses and expand our presence in the areas of renovation and infrastructure.

Willy Van Riet: Independent of takeovers or other growth investments, financial discipline and the maximization of free cash flows remain our top priority.

In 2014 we will therefore meet our goal to hold the ratio of net debt to operating EBITDA below 2.5 at year-end. I also want to add that earnings growth does not necessarily mean a corresponding increase in net debt. We are very comfortable with our 2.5-year target in the current market environment. However, that doesn't mean we won't reduce this target in the future to hold net debt at a sustainable level.

You can exercise the call option for the hybrid bond starting in 2017. Are there any plans for refinancing this security?

Willy Van Riet: First, I would like to make one very important point: only Wienerberger is entitled to decide whether or not the option will be exercised. If we decide not to use this first window, the interest rate on the bond will change from the current 6.5% per year to a variable interest rate that is based on the 3-month EURIBOR plus 325 basis points. In spite of the currently low borrowing rates, I see the hybrid bond as an attractive component of our financing strategy because it is reported as equity in accordance with IFRS. We regularly evaluate measures to optimize our capital structure and, in the end, will base our decisions on the economic environment and the situation on the capital markets.

Numerous measures were taken to adjust structures in recent years, above all the optimization of the plant network.

How does Wienerberger in 2014 compare with 2007, and what are the underlying assumptions for your € 600 million estimate of the Group's EBITDA potential?

Heimo Scheuch: We closed nearly 70 plants during these seven years, including roughly 15 that are still mothballed, and will have saved approx. € 250 million of fixed costs through these measures by the end of 2014. These extensive adjustments to the corporate structure were implemented under the condition that neither our market coverage nor the depth of our product portfolio would be impaired. Since we also made acquisitions and built new plants during this time, our analysis of the Group's EBITDA potential focused on the current capital base and the assumption of normalized market levels. These levels were determined on the basis of macroeconomic data and internal estimates. They are oriented primarily on demographic trends, the size and quality of the existing housing stock, migration and long-term average housing starts per thousand residents. The results show that the USA will return to roughly 1.5 million housing starts and the normalized market level in Europe is 30% to 40% higher than construction in 2013, depending on the country. Our announced estimate of € 600 million is based on the realization of this growth potential. I want

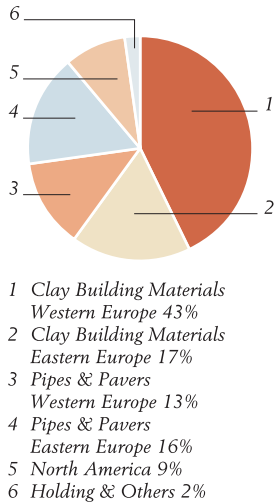
to emphasize that these normalized levels are clearly below the pre-crisis highs, with the exception of a few markets in Eastern Europe where the pent-up demand did not materialize before the crisis. The EBITDA potential derived from our analysis is higher than the record EBITDA of approx. € 550 million generated in 2007 because of Wienerberger's broader industrial base and leaner cost structures.

*The interview was conducted
on March 3, 2014
by Klaus Ofner, Head of
Investor Relations.*

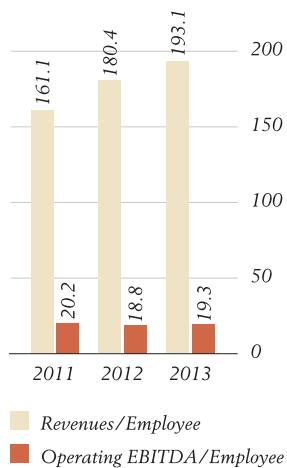


Employees

Employees by Segment



Development of Productivity in TEUR



The average number of employees in the Wienerberger Group rose by 6% to 13,787 in 2013, above all due to the acquisition of Pipelife in the previous year. Revenues per employee rose by an impressive 7% to € 193,100 for the reporting year, and operating EBITDA per employee increased by 3% to approx. € 19,300 (2012: € 18,800).

Human Resources at Wienerberger

Our employees are the basis for our success and a key factor for the successful development of our company. We have therefore identified three focal points for the Group-wide support and advancement of these men and women: workplace safety, specially designed training concepts (Wienerberger Academy) and effective succession management. The appointment of the right people to key strategic positions and structured succession planning are two important factors for the protection of our competitive position. Strategic personnel issues that affect the entire Group are managed centrally by Corporate Human Resources, while local personnel issues and the related decisions are the responsibility of the country organizations.

Health & Safety Initiative

The Health & Safety Initiative that was launched in 2010 represents an important part of our responsibility toward our employees. This program includes the definition and implementation of safety standards and measures to improve processes and structures and thereby increase the awareness for occupational safety. The sustainable success of this initiative is underscored by the declining accident rates in the countries that have implemented all of the safety standards.

Training

Specially designed training and development programs form an important part of successful personnel development and employee advancement. In order to efficiently use our resources and know-how, we are increasing our concentration on Group-wide networks, the creation of synergies and international knowledge transfer. We also accompany high potentials on their way to management positions with individual mentoring programs.

In our ceramic business, we have created a permanent facility for various technical disciplines with the Wienerberger Engineering Academy to protect our competitive advantage in production over the long-term. The academy offers a variety of modules and programs (basic courses, the Engineering Academy Advanced and a training program for plant managers) on subjects that include plant and process optimization as well as energy and cost efficiency. In the Pipes & Pavers Division, one of the focal points for Pipelife University in 2013 was the further implementation of Lean Six Sigma. This involved over 14,500 training hours in 11 languages for managers, project managers and employees in 18 countries.

Wienerberger has also developed a special training program for the future talents identified through separate analysis processes, which prepares the participants for key positions in the company. The success of the first Ready4Excellence program in 2012/2013 – with 22 participants from 12 countries – will be followed by further courses in 2014 and 2015. The Ready4Excellence program covers four modules that address skills and specialized know-how on project communications, performance indicators, process and conflict management, product lines and intercultural competence. The participants are supported by members of Wienerberger management and professional trainers in their personal growth and the continuous development of the corporate culture.

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

Succession management and corporate culture

In order to ensure continuity in positions that are critical for Wienerberger's success, we improved the processes for structured and systematic succession management and further professionalized our succession planning in 2013. The first step involved the designation of key positions in all business units and the preparation of succession concepts. We also identified internal talents and high-potentials who will be gradually developed over the coming years as successors for these key positions through specially designed training programs. This process will protect our ability to fill key management positions at the right time with the right people who share our values. A central role in this process is played by the corporate culture, which makes our shared values understandable and visible and forms the foundation for our organization. We worked intensively with and on our values at all levels of the company in 2013 to create an even greater awareness for the importance of our corporate culture. Through continuous communications and established practice, we want to anchor and live these values even stronger in the Group. We are committed to the principles of sustainability, respect for other cultures and opinions and entrepreneurial thinking and actions. Our human resources policies are also centered on these guidelines. The selection and development of employees on the basis of our shared values – quality, passion, customer orientation, expertise, integrity and respect, entrepreneurship, responsibility – is a focus of our efforts and was continued with various measures in 2013.

**Structured succession
management in the
Wienerberger Group**

Long-term remuneration model

Wienerberger places high value on the sustainable development of the company. Consequently, the remuneration system for our top management is based, among others, on the attainment of medium- and long-term corporate goals (long-term incentive (LTI) program). A new structure was introduced for the short-term variable remuneration component for top and senior management in 2013. These bonuses are now linked to operating profit goals as well as cash flow goals and paid out over two years. The one-year delayed payment of this component is tied to the repeated achievement of the goal in the following financial year. Our remuneration system is therefore based not only on the sustainable development of the company, but also on the interests of our shareholders.

**Long-term remuneration
model for top and
senior management to
support the company's
sustainable development**

Production

Mixing and melting

The plastic raw materials are first mixed together to create the properties for a specific product group and then heated. The melting process requires a temperature of approx. 200°C, depending on the raw material mixture.

Packaging and delivery

The pipes are then packed and delivered to the customer. A decentralized network of 27 plastic pipe plants in 27 countries positions us close to our customers and normally provides for short transport routes.

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Raw materials

In the plastic pipe business, our most important raw materials include PVC, PP and PE granulates. We only use materials that do not represent a risk for the environment during the production, use or disposal of the pipes. No plasticizers are used. As a member of local initiatives like Responsible Care in Austria, we regularly evaluate the health, environmental and safety impact of our raw materials and products.

Shaping

The heating takes place directly in an extruder, which presses the hot moldable plastic mass through a die to shape the pipes. In the so-called casing head, a calibrator ensures the desired diameter, which can range from several millimeters up to 2.5 meters. The accessories for our

pipes are shaped in forms after the raw materials are heated. After shaping, the pipes are cooled and hardened in a water bath. The continuous pipe string is then cut to the desired length, whereby a length of up to 600 meters can be produced for certain applications.

Plastic Pipe Production

Raw materials management

The most important raw material for our ceramic products (clay blocks, facing bricks, roof tiles and ceramic pipes) is the recyclable raw material clay. We place high value on the greatest possible conservation of resources in clay extraction and the expert restoration of former clay mining sites. Since the clay pits are usually located close to our production facilities, transport routes tend to be short.

Preparation

After extraction, the clay is prepared through a grinding and milling process. Water, sand and, for some products, pore-forming agents (e.g. sawdust, paper fiber) are then added.

Shaping

After brief storage in a mud house, the clay is ready for shaping. It is pressed through dies into the desired shape by extruders and then cut into individual bricks or compressed into forms by automatic presses.

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Drying

The cut products are then transported on pallets to the dryer. The drying process removes the moisture from the soft products and prepares them for firing. Depending on the type of the product, the drying period lasts between four and 45 hours. The moisture content drops to below 2% during this time.

Firing

After drying the products are transferred to a kiln, where they are fired at a temperature of 800 to 1,200°C over a period of six to 36 hours. Firing gives the products a permanent strength and makes them permanently nonflammable and fire-safe. Our engineers are working continuously to reduce energy consumption in the drying and firing process. For example, the residual heat from the cooling process is recovered and recycled in the drying process.

Packaging and delivery

In packaging our products, we use particularly thin foils. Transport routes to our customers are short because of our regional, decentralized plant network, which also reduces the impact of our business on the environment.

Ceramic Production

Procurement

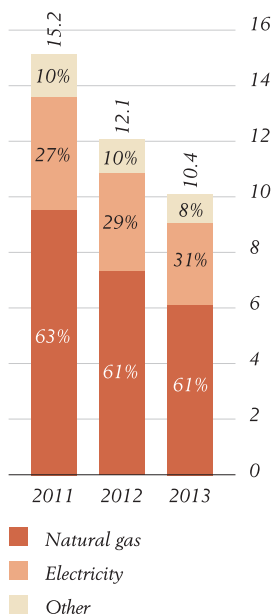
Strategic procurement departments help to realize synergies

Business activities in 30 countries and the decentralized structure of the Wienerberger Group create a wide range of challenges for the strategic procurement departments in our divisions. Our goals in this area are to identify synergies in close cooperation with the local business 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.

Clay supplies secured over the long-term

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

Energy Costs as a % of revenues



Energy is another key input factor. The strategic procurement of energy is centralized in the Clay Building Materials Europe Division because of its importance. Decisions to set volumes and prices are made centrally in close coordination with the country organizations and Wienerberger risk management. Our strategy for the non-regulated energy markets is as follows: 75% of energy demand is 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. In accordance with this strategy, we have already hedged part of the natural gas and electricity requirements for 2014.

Energy costs for the Group fell by 2% to € 278.2 million in 2013 due to the volume decline in the Clay Building Materials Europe Division. Energy costs as a percentage of revenues were lower at 10.4% (2012: 12.1%), above all due to the initial consolidation of the Pipelife Group where energy consumption is lower than in the ceramic business. Group expenses for energy can be classified into 61% for natural gas, 31% for electricity and 8% for other energy sources. Based on the hedged volume, we expect a slight price-related rise in energy costs for 2014.

Strict price management for plastic pipes

In the plastic pipe business, our most important raw materials include PVC, PP and PE. These granulate prices are subject to high volatility because of their close connection with the price of crude oil. Hedging is not a common industry practice in this area because the price fluctuations are frequently short-term. However, the development of raw material prices is monitored continuously by a central procurement department and the results are reported to top management. Another focal point is the strict management of selling prices for our products.

Regular exchange of information by divisional procurement managers

Machinery and equipment for the production of our ceramic products, pipes and pavers are purchased centrally. Close, regular contacts between the procurement managers in our divisions help to realize synergies in the purchase of various input factors, above all in the areas of packaging and maintenance.

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 and active communications with Wienerberger investors and shareholders to ensure the best possible transparency. In line 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.

Wienerberger also held numerous road shows and participated in investor conferences throughout Europe and the USA during 2013. The Managing Board and the Investor Relations team met roughly 630 investors and analysts personally during the past year, and discussed the company as well as its development and strategy in conference calls and video conferences. The Capital Markets Day in the USA during September also gave management an opportunity to provide the nearly 30 international participants with detailed insight into the Wienerberger Group and its North American activities. The presentation slides from this event can be found on our website.

The Wienerberger website represents an important communications medium and provides a wide range of information on the company. Included here are online versions of the annual and interim reports, press releases and ad-hoc announcements, a financial calendar, current presentations, live webcasts of the Annual General Meeting, press conferences and conference calls (and recordings) and analysts' earnings estimates. A free app for iPad-users makes it possible to download the annual report, quarterly reports and the sustainability report.

Wienerberger's commitment to maximum transparency and quality in reporting was also confirmed by numerous national and international awards in 2013. Wienerberger was recognized by trend magazine at the Austrian Annual Reporting Award for the best sustainability report. At the international ARC Awards, Wienerberger received Gold Awards in the categories "Overall Annual Report" and "Chairman's Letter". In the "Annual Report on Annual Reports" – one of the most challenging international rankings – an independent expert jury rated Wienerberger's 2012 annual report 14th among 400 submitted reports after global players like Adidas, Volvo and Elektrolux. This represents the highest ranking by an Austrian company.

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. As of March 2014, Wienerberger was covered by 13 analysts. The following brokers publish regular reports on Wienerberger and its stock (in alphabetical order): Baader Bank (Munich), Berenberg Bank (London), Citigroup (London), Davy Securities (Dublin), Deutsche Bank (Vienna), Erste Bank (Vienna), Exane BNP Paribas (London), Goldman Sachs (London), HSBC Trinkhaus (Düsseldorf), Kepler Capital Markets (Vienna), Main First Bank AG (Frankfurt), Raiffeisen Centrobank (Vienna) and UBS (London).

Professional investor relations guarantee high transparency

Regular and extensive contacts with investors throughout the world



Extensive information on the Wienerberger website

National and international rankings confirm the high quality of Wienerberger's communications

Wienerberger currently covered by 13 analysts

Sustainability at Wienerberger

**Sustainable management
at Wienerberger**

**Sustainability
management is anchored
in the organization**

**Sustainability strategy
focused on products
and system solutions**

Wienerberger Principles of Sustainability

Sustainability at Wienerberger is anchored in the corporate strategy and represents an integral part of the corporate culture. This is reflected in all stages of the value creation process.

In recent years our approach to sustainability management has become substantially more professional and more firmly anchored in the company. Responsibilities for sustainability have also been clearly defined. In addition to a Group-wide sustainability officer and a sustainability officer for each business unit, each of our country organizations has designated a person who is responsible for sustainability and the implementation of the related measures. Additional information on the institutionalization of sustainability management at Wienerberger is provided in the management report on page 102.

Our products and system solutions form the focal point of our sustainability strategy. Wienerberger produces and sells a wide variety of building material products and solutions that are used for very different applications. One of our most important goals is to create added value for our customers through our products with their long service life, technical properties, low impact on the environment over the entire lifecycle and economy. In general, we see sustainability as a function between the service life of a product and its impact on the environment during production, transport, installation, use and disposal:

$$\text{SUSTAINABILITY} \uparrow = \frac{\uparrow \text{SERVICE LIFE}}{\downarrow \text{IMPACT ON THE ENVIRONMENT}}$$

**Sustainability =
service life / impact on
the environment**

The sustainability of a product increases with its service life. Increasing the service life of a product reduces the use of resources and the effects on the environment over the entire lifecycle. In this same way, a reduction in the use of resources based on a constant lifecycle makes products more sustainable.

The Sustainable Management Cycle

At Wienerberger, sustainability is embedded in all stages of the value creation process. We see sustainability as an integrated process that creates lasting value for all our stakeholders.

Sustainability is an integrated process



Sustainability begins with our **employees**. We place high value on their safety, health, advancement and development because our success is based on the commitment of a workforce that believes in sustainability and acts as entrepreneurs. Our focus for **production** lies on the conservation of resources and the recycling of materials. We produce innovative, long-lasting **products and system solutions** for residential construction and infrastructure that create sustainable value. Our **commitment to society** is demonstrated through measures that are specifically related to our business activities. In accordance with our donation guideline, we provide in-kind support for the needy with our products and also give young people an opportunity for training in sustainable construction. Our entrepreneurial actions are designed to create sustainable added value for all our **stakeholders**, which completes the cycle.

The sustainable management cycle

Sustainability report as part of a continuous process

Additional information on sustainability management at Wienerberger is provided in our 2012 sustainability report and on our website. The sustainability indicators for 2013 will be published on June 24, 2014.

Sustainability report on our website



In nearly all countries where Wienerberger is present, we promote a variety of projects to support our sustainability strategy. The following two pages present a selection of the projects that were carried out in 2013.

Sustainability Projects in 2013

Responsible handling of resources

400 hectares for protected plants and animals

Together with a number of NGOs, our brick subsidiary in the Netherlands celebrated the 20th anniversary of cooperation on the restoration of clay mining sites in 2013. The expert restoration of clay pits as part of the initiative has led to the creation of a huge nature reserve. This 400 hectare area near Nijmegen provides a new habitat for protected animal and plant species and has become one of the most impressive and species-rich nature reserves in the country.

In 2013 Pipelife launched a number of projects to further improve the efficient use of resources. A new heat exchanger was installed at a Norwegian plant, which not only requires less energy to cool the pipes during production but also uses substantially less water. At Pipelife's subsidiary in Poland, a project was started to reduce energy consumption by recovering the heat released by the production process and recycling it to heat the production halls. Simple measures that brought significant energy savings – for example, the insulation of production machines – were also implemented at other Pipelife plants. Plans now call for the expansion and roll out of these and other similar projects throughout the company.

Environmental certificate for pipes and fittings

Steinzeug-Keramo products were awarded the Cradle to Cradle® certificate in 2013. This recognition highlights the company's standing as a pioneer and makes it the only supplier in the pipe industry with life cycle certification. Cradle to Cradle® products must meet demanding ecological criteria and be 100% recyclable. The underlying principle for certification is the use of environmentally compatible, healthy and recyclable materials in a closed cycle. That eliminates waste and conserves resources. This certificate, which is tied to a specific product and the related production process, carries global validity. The certification of Steinzeug-Keramo's ceramic pipes and fittings by an independent institute is an outstanding acknowledgment that also underscores the sustainability of these products.

A strong product for greater safety and energy efficiency

The newly developed ENDURANCE RS4™ STRUCTURAL BRICK is one of the most revolutionary products ever launched by Wienerberger's US subsidiary General Shale. This clay block is an absolute innovation, above all in America where load-bearing walls are normally built with wooden frames. The block is characterized by high static stability and excellent thermal insulation values – which makes it the ideal building material for regions that are frequently hit by heavy storms, tornados or earthquakes. It is not only ideal for residential construction, but also provides greater protection and safety in public buildings like schools, hospitals and police stations.

PRODUCTION

PRODUCTS

Cooperation with Habitat for Humanity

Wienerberger has been working with the NGO Habitat for Humanity for over one year to provide disadvantaged people with safe and livable housing. We provide building materials from all our product lines (walls, roof tiles and pipes), while our employees help out at the construction site free of charge and train other volunteers. We are particularly proud to be involved in the construction of the first hospice in Romania. The hospice in Bucharest has 30 beds for needy patients as well as an out-patient clinic that treats up to 5,700 children and adults each year. Together with Habitat for Humanity, Wienerberger has realized 15 housing units in Romania as well as other social construction projects in Bulgaria, Great Britain and the USA during recent years.

Wienerberger Sustainable Building Academy (WISBA)

In cooperation with well-known European universities, Wienerberger introduced an international educational program on sustainable construction in 2013. The Wienerberger Sustainable Building Academy (WISBA) is open to outstanding students from the fields of architecture and construction engineering, and provides additional practical training in sustainable construction. The modules are held in Austria, Germany and Poland, where the students work for one semester on real-life sustainable construction projects in interdisciplinary and international teams under the guidance of experts from various scientific and business disciplines. Completion of the WISBA gives the students five ECTS points toward the completion of their studies. The successful conclusion of the first course will be followed by the expansion of the WISBA to six countries in 2014.

SOCIAL RESPONSIBILITY

Our charitable projects are based on our business expertise, i.e. the provision of building material solutions and know-how in sustainable construction. Two initiatives were coordinated and implemented by corporate headquarters in several countries during 2013.

EMPLOYEES

Support for health at the workplace

At ZZ Wancor, our brick subsidiary in Switzerland, a special committee is working on measures to improve occupational safety for employees. A pilot project at one location involves mandatory protective glasses for all plant employees, including special optical glasses for employees with visual problems. The costs for these glasses are carried by ZZ Wancor, and the program will be extended to all plants in Switzerland if it is successful. In addition to occupational safety, the company has also implemented a range of measures to actively support employees' health. Mondays have been designated as health days, and the employees are offered free fruit from the local region as well as information on the related positive health effects. Voluntary blood pressure and blood sugar measurements are also available.

Steering committees in all plants

Our goal is to introduce a continuous, structured dialogue with our stakeholders at 90% of our ceramic production locations by 2020. Wienerberger's subsidiary in Italy has already set a good example in this respect by establishing stakeholder committees at all its plants in 2013. These committees meet as required with environmental authorities at the regional and supra-regional levels as well as with local associations from the districts near the plant. This dialogue is designed to provide neighboring residents and other stakeholders with information on the plant and to learn more about their specific needs. The positive feedback received to date from the participants shows that we are on the right course. We also plan to continue this program in 2014 by extending the dialogue to other countries.

STAKE- HOLDERS

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 and code of conduct for lobbying activities



We give the highest priority to providing all shareholders with the same comprehensive information. To prevent insider trading, we have released a compliance guideline 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. A code of conduct based on the Austrian Lobbying Act covers all corporate bodies and the employees of Austrian companies in which Wienerberger AG holds a controlling interest. This code defines the principles for lobbying activities and can be reviewed on the Wienerberger website (www.wienerberger.com).

Voluntary observance of Austrian Corporate Governance Code



The Austrian Corporate Governance Code (see www.corporate-governance.at) was enacted in October 2002 and last adapted as of July 1, 2012 to reflect the latest amendments to the Austrian Stock Corporation Act and the Commercial Code, in particular regarding the remuneration system for directors and the composition of the supervisory board 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 communication 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 July 2012) during the reporting year.

Evaluation of compliance by KPMG and the Audit Committee



The implementation and correctness of our public announcements is evaluated by the auditor, KPMG Wirtschaftsprüfungs- und Steuerberatungs AG, in connection with their review of the corporate governance report; the auditor's report on this evaluation is published on our website. The last auditor's review of the corporate governance report covered the 2013 financial year and did not lead to any objections over the compliance of our public declarations with the code. Compliance with the provisions of the code that relate to the auditor was evaluated by the Audit Committee, which reported to the Supervisory Board that they did not identify any deviations from the rules of the code in 2013.

The 144th Annual General Meeting nominated KPMG Wirtschaftsprüfungs- und Steuerberatungs AG to audit the 2013 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 € 0.5 million for the entire Group in 2013 (2012: € 0.5 million). The fees for the audit of the Wienerberger Group and related services amounted to € 1.8 million (2012: € 2.0 million).

**Disclosure of
auditor's fees**

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 Group-wide 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 page 106 and 108). 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 chairwoman of the Supervisory Board and discussed by the entire Supervisory Board.

**Internal audit function
further improves risk
management**

Wienerberger AG has issued 117.5 million common shares. 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 Wienerberger shares in the event of a mandatory offer. Wienerberger AG has no core shareholder. The company's shareholder structure is described on pages 104 and 105.

**"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 23 (Capital and reserves) beginning on page 140. The chapter Wienerberger Shares and Shareholders beginning on page 103 contains information on direct and indirect investments in Wienerberger capital. The Remuneration Report (pages 64 to 68) 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. 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 2010, 2011, 2012 and 2013 corporate bonds, the 2007 hybrid bond and the syndicated loans and other loans concluded in 2008 and 2012.

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



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



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** is responsible for decisions involving issues of fundamental importance or the strategic direction of the Wienerberger Group. The duties of the Supervisory Board include: appointing and dismissing the members of the Managing Board, preparing nominations to the Supervisory Board for voting by the annual general meeting, approving the annual financial statements and reporting to the annual general meeting on the annual financial statements, approving the acquisition or sale of real estate and investments as well as capital expenditure projects over € 30 million and authorizing the establishment or discontinuation of areas of business or major changes in the company's products and services. Depending on the significance and technical focus, the Supervisory Board also exercises its consulting and control activities through the following four committees: the **Presidium**, the **Strategy Committee**, the **Audit Committee** and the **Personnel and Nominating Committee / Remuneration Committee**. The rules of procedure for the Supervisory Board are available for review on our website.

**Duties and
responsibilities of the
Supervisory Board
committees**

The **Presidium** represents the company on all legal transactions with the members of the Managing Board. It decides on issues involving the relationship between the company and the members of the Managing Board unless the full Supervisory Board or the Personnel and Nominating Committee is responsible. In accordance with the rules of procedure for the Supervisory Board, the Presidium consists of the chairwoman and the vice-chairmen of the Supervisory Board.

The **Strategy Committee** evaluates the company's strategy and development 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. Peter Johnson, who has many years of experience in the building materials sector, is the chairman of the Strategy Committee.

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. As financial expert Harald Nograsek serves as chairman on the Audit Committee.

The **Personnel and Nominating Committee** is responsible for preparing nominations to the Managing and Supervisory Boards. It recommends nominations to the Supervisory Board, which are subsequently voted on by the Annual General Meeting. The Personnel and Nominating Committee establishes a description of the required qualifications prior to the nomination of persons to the Managing Board or Supervisory Board, and prepares decisions for the Supervisory Board based on a defined selection procedure and succession planning. In its function as a **Remuneration Committee**, the Personnel and Nominating Committee deals with the remuneration of the Managing Board members and the content of their employment contracts. Karl Fink,

who has many years of experience in various management board positions in the insurance industry, serves as chairman of the Personnel and Nominating / Remuneration Committee.

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).

**Employee participation
on Supervisory Board**

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 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 behavior. In accordance with this guideline and Appendix 1 of the Austrian Corporate Governance Codex (in the version dated July 2012), 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:

**Criteria for the
independence of
Supervisory Board
members**

- 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;
- 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);
- 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;
- did not serve on the managing board of another company in which a member of the Wienerberger Managing Board serves on the supervisory board;
- has not served on the Wienerberger Supervisory Board for more than 15 years; and
- 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 was 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. After the end of his term of office, Christian Dumolin did not stand for re-election at the 144th Annual General Meeting and retired from the Supervisory Board on May 14, 2013. The Supervisory Board of Wienerberger AG had five shareholder representatives as of December 31, 2013 who reconfirmed their independence in accordance with the above criteria at the beginning of 2014.

**Criteria for the
independence of
Supervisory Board on
Wienerberger website**



No loans were granted to a member of the Supervisory Board or Managing Board. Information on related party transactions is provided on page 170 of the notes.

**Related party
transactions**

Members and Committees of the Supervisory Board

5 shareholder representatives

Regina Prehofer <i>Chairwoman</i>	<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, Second Vice-Chairwoman of the Supervisory Board of AT&S Austria Technologie & Systemtechnik AG, member of the Supervisory Boards of SPAR Holding AG and SPAR Österreichische Warenhandels-AG, BAUMAX Anteilsverwaltungs AG, bauMAX AG and 6B47 Beteiligungs AG
Karl Fink <i>Vice-Chairman</i>	<i>independent, born 1945, appointed to 146th AGM (2015), first elected: April 27, 2006</i> Member of the Managing Board of Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group with supervisory board functions in Turkey, Czech Republic, Slovakia and Austria, Chairman of the Supervisory Board of VIG Re zajišťovna, Prague, member of the Supervisory Board of AT&S Austria Technologie & Systemtechnik AG
Peter Johnson <i>Vice-Chairman</i>	<i>independent, born 1947, appointed to 148th AGM (2017), first elected: May 12, 2005</i> Chairman of the Supervisory Board of Electrocomponents PLC
Harald Nogrsek	<i>independent, born 1958, appointed to the 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, member of the Supervisory Board of Motel One Austria GmbH
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, S IMMO AG and Haberkorn Holding AG, Chairman of the Supervisory Board of Friedrichshof Wohnungsgenossenschaft reg. Gen.m.b.H., Chairman of the Foundation HATEC Privatstiftung Dornbirn

2 employee representatives

Claudia Schiroky	<i>delegated for the first time: July 2, 2002; Chairwoman of the Employees' Council at Wienerberger AG</i>
Gerhard Seban	<i>delegated for the first time: February 3, 2006; Salesman at the Hennersdorf plant in Austria, Chairman of the European Employees' Council, the Central Employees' Council and the Group Employees' Council</i>

4 committees

Presidium	Regina Prehofer (<i>Chairwoman</i>), Karl Fink, Peter Johnson
Strategy Committee	Peter Johnson (<i>Chairman</i>), Karl Fink, Regina Prehofer, Gerhard Seban
Audit Committee	Harald Nogrsek (<i>Chairman</i>), Wilhelm Rasinger, Gerhard Seban
Personnel and Nominating Committee / Remuneration Committee	Karl Fink (<i>Chairman</i>), Regina Prehofer, Peter Johnson, Gerhard Seban

Managing Board and Management

Heimo Scheuch

Chief Executive Officer, appointed up to April 1, 2018, 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 Boards of the Wiener Börse AG and CEESEG AG, President of the European Bricks and Tiles Federation, Vice-President of Cerame-Unie and Construction Products Europe.



Willy Van Riet

Chief Financial Officer, appointed up to April 1, 2018, 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. 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.



Composition of and Workflows in the Managing Board of Wienerberger AG

Wienerberger AG has had a two-member Managing Board since January 2013, with Heimo Scheuch serving as CEO and Willy Van Riet as CFO. Heimo Scheuch is responsible for the strategic and operating development of the Wienerberger Group, while Willy Van Riet is in charge of financial matters.

Wienerberger Managing Board has two members

The foundation for the work of the Managing Board is formed by the joint handling of strategic and operating issues and the continuous exchange of information. The framework for these actions is formed by board meetings that are normally held once each week and through the ongoing exchange of information at the informal level. Frequent contact is also guaranteed by the set up of offices – the rooms for the board members are adjoining and connected by a common secretariat. Transactions that require the consent of the Supervisory Board are discussed in the Managing Board meetings, and the relevant proposals are submitted to the Supervisory Board after approval. The Managing Board passes its resolutions unanimously and follows the dual control principle in signing all contracts. Monthly meetings are held with the operating managers to discuss the development of business, in particular trends in demand, prices and costs as well as capacity utilization in the Wienerberger plants. Strategic issues are also discussed at these meetings, with a concentration on the development of markets, products and technologies. Decisions on necessary measures are taken jointly, but implemented locally by the responsible operating managers.

Joint handling of strategic and operating issues



Willy Van Riet, Heimo Scheuch

**Corporate management
based on extensive
reporting system**

The management of the company is built on an extensive reporting system. Of special importance is the monthly report, which includes aggregated data for the Group level and detailed facts and figures on the divisions, in particular an income statement by country 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 monthly reports on the energy and financial situation as well as the status of product and technology projects. Reports on general market and macroeconomic data in the individual countries and on SHE (Safety, Health & Education) are provided regularly.

**Organizational structure
at first reporting level
follows the Group's
divisional structure**

Organizational Structure at the First Reporting Level

The first reporting level is structured in four divisions and reflects internal and external reporting: Clay Building Materials Europe, Pipes & Pavers Europe, North America and Holding & Others. Managing boards in the individual operating units are responsible for operations and the implementation of strategic projects. In the Clay Building Materials Europe Division, the country managers report to the divisional managing board. Wienerberger has also defined three product groups – wall, roof and facade – whose management reports to the divisional managing board. The Pipes & Pavers Europe Division comprises three operating units that report directly to the Wienerberger Managing Board: Pipelife, Steinzeug-Keramo and Semmelrock. In accordance with the responsibilities of the members of the Managing Board, the CEOs in the operating units report to the CEO and the CFOs to the CFO of the Wienerberger Group. The various Corporate Services in the holding company report to one of the Managing Board members in accordance with the focus of their activities.

Wienerberger Management

	CEO	CFO
Management Board	Heimo Scheuch	Willy Van Riet
Clay Building Materials Europe	Christof Domenig	Gerhard Hanke
Pipelife	Niels Rune Solgaard-Nielsen	Marc Vandermensbrugghe
Steinzeug-Keramo	Gernot Schöbitz	Frank Franco
Semmelrock	Robert Holzer	Christian Reingruber
Bricks North America	Charles Smith	Marcel Scheicher

Measures to Support Women

The principles of sustainable human resources management at Wienerberger ensure that all employees have the same rights and opportunities. Discrimination is not tolerated in any form. Wienerberger traditionally has a high share of male employees because of its concentration on production. Special efforts are therefore in progress to increase the number of women, above all in administration and sales as well as mid-level and senior management. One of the implemented measures involves preferential treatment for women in appointments to senior management positions when candidates' qualifications are identical. The share of women in the Wienerberger Group equaled 13.6% as of December 31, 2013. The share of women in senior management totaled 6.7% in 2013, while it amounted to 46.6% in administration and 24.0% in sales. The targets for the share of women in these areas are described in detail in our 2013 Sustainability Report.

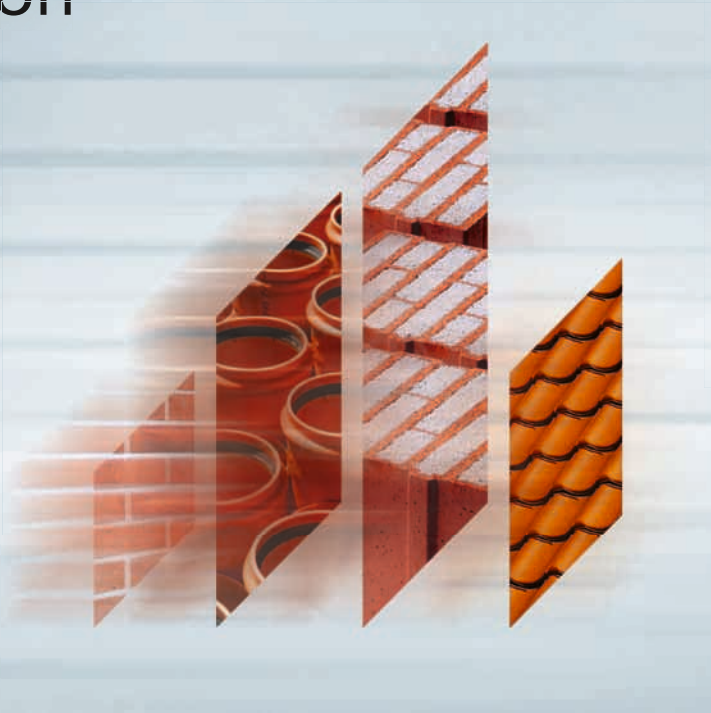
Our support for women and our goal to increase the share of women are reflected in all areas of the corporation. The Supervisory Board underscored these aims with the election of Regina Prehofer, the first chairwoman in the history of Wienerberger AG, in December 2013. The appointment of a woman to the Managing Board is not feasible at the present time because there are no plans to expand this corporate body.

Clear goals to support women in management positions



Supervisory Board underscores efforts to increase share of women in management positions

Organization



DIVISIONS

Clay Building Materials Europe

PRODUCT GROUPS

Clay Blocks
Facing Bricks
Roof Tiles

OPERATING SEGMENTS

Clay Building Materials Western Europe	Clay Building Materials Eastern Europe
Belgium	Bulgaria
Denmark	Croatia
Germany	Austria
Estonia	Poland
Finland	Romania
France	Russia
Great Britain	Slovakia
Italy	Slovenia
Netherlands	Czech Republic
Norway	Hungary
Sweden	
Switzerland	

50% INVESTMENTS

Schlagmann Tondach Gleinstätten



CEO
Heimo Scheuch



CFO
Willy Van Riet

Heimo Scheuch is responsible for the strategic and operating development of the Wienerberger Group. The following Corporate Services report directly to him:

- ▶ Corporate Communications: *Barbara Braunöck*
- ▶ Corporate Sustainability/European Affairs: *Gerhard Koch*
- ▶ Corporate Development: *Judith Ableitinger*
- ▶ Corporate Human Resources: *Wolfgang Weiss*

Willy van Riet is responsible primarily for financial matters. The following Corporate Services report directly to him:

- ▶ Corporate Reporting: *Helmut Sorger*
- ▶ Corporate IT Architecture & Organisation: *Hans Ebner*
- ▶ Corporate SAP Business Applications: *Ernst Tschach*
- ▶ Corporate Investor Relations: *Klaus Ofner*
- ▶ Corporate Legal Services: *Bernd Braunstein*
- ▶ Corporate Treasury: *Stefan Huber*
- ▶ Corporate Internal Audit: *Gerald Ettmann*

Pipes & Pavers Europe

Plastic Pipes
Ceramic Pipes
Concrete Pavers

North America

Facing Bricks
Plastic Pipes
Concrete Products

Holding & Others

-

Pipes & Pavers Western Europe

Belgium
Germany
Estonia
Finland
France
Great Britain
Ireland
Netherlands
Norway
Sweden

Pipes & Pavers Eastern Europe

Bulgaria
Greece
Croatia
Austria
Poland
Romania
Russia
Slovakia
Slovenia
Czech Republic
Turkey
Hungary

Canada
USA

India

Remuneration Report

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

Remuneration system focused on appropriate compensation for Managing Board

Fixed component of salary is based on responsibilities

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.

Managing Board Remuneration

The goal of the remuneration system is to provide the members of the Managing Board with compensation that reflects their functions and scopes of responsibility and is appropriate in national and international comparison and in line with competitors in the building materials sector. Another important goal is to link the variable component of remuneration to a sustainable increase in the value of the company. Following the reduction in the Managing Board from three to two members at the end of 2012, the terms of office for the remaining members were extended prematurely to April 2018 and the remuneration system was redesigned. The Personnel and Nominating Committee developed the new system in close cooperation with the presidium and the support of an external consultant.

The *fixed component of remuneration* 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 specific duties as well as the related strategic and operating responsibilities of the individual board members. In 2013 fixed remuneration totaled € 700,000 for CEO Heimo Scheuch (2012: € 658,529) and € 520,000 for CFO Willy Van Riet (2012: € 483,270). The year-on-year increase in fixed cash remuneration reflected the reduction in the Managing Board as of January 1, 2013 and the resulting expansion of individual responsibilities. The fixed remuneration for the total Managing Board declined by 27% compared with the previous year. Fixed remuneration for 2014 was set at the 2013 level and will be adjusted in the following years based on the consumer price index 2010 issued by Statistik Austria or a subsequent index.

Fixed Remuneration in €	2012	2013
Heimo Scheuch	658,529	700,000
Willy Van Riet	483,270	520,000
Johann Windisch ¹⁾	525,293	-
Total	1,667,092	1,220,000

1) Resigned from the Managing Board of Wienerberger AG as of December 31, 2012

Redesign of variable remuneration to reflect extended board terms

Variable remuneration is linked to a sustainable increase in shareholder value and consists of a short-term and a long-term component. The primary objective of the newly designed Managing Board remuneration system is to increase transparency by linking targets to clearly defined earnings and profitability indicators. In addition, delayed payment coupled with the repeated achievement of targets in the following period was also introduced for the short-term variable remuneration component.

The **short-term variable remuneration component** is tied to the achievement of short-term corporate goals and determined by the Supervisory Board annually for the next financial year. The targets include financial (75%) as well as strategic goals (25%). The financial goals are based equally on EBITDA and free cash flow, whereby upper and lower limits were defined and the target achievement is determined on a linear basis within this range. The short-term variable remuneration will equal 100% of fixed remuneration if the financial and strategic goals are met; the upper limit equals 150% of fixed remuneration. No short-term remuneration is paid if the minimum limit is not reached. If EBITDA does not reach the minimum level, the component that is coupled to the strategic goals is also forfeited. The claim based on this target achievement is paid out in equal parts over two years. In the second year, payment is made if at least 70% of the goals for the previous financial year were met. Under the assumption that the targets for delayed payment will be met, the entitlements to the short-term variable remuneration component in 2013 equal € 427,000 (2012: € 0) for CEO Heimo Scheuch and € 317,200 (2012: € 0) for CFO Willy Van Riet.

Short-term variable remuneration is tied to the achievement of short-term corporate goals

The **long-term variable remuneration component** is designed as a long-term incentive (LTI) program. In 2010 it replaced the stock option plan that was discontinued in 2009. The LTI program covers the Managing Board and key Group managers, and was adjusted for all participants in connection with the redesign of Managing Board remuneration. The LTI program is designed to focus the actions of managers more on the value-oriented viewpoint of shareholders and to strengthen their identification with corporate planning and goals. With this LTI program, Wienerberger fully meets the requirements of the Austrian Corporate Governance Code for sustainable, long-term remuneration programs for managing boards and management.

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

The LTI program is renewed each year and involves the allocation of virtual shares, so-called performance share units (PSUs) (Heimo Scheuch: 110,000 PSUs, Willy Van Riet: 80,000 PSUs). Special conditions for participation apply to the Managing Board: the CEO must hold at least 90,000 Wienerberger shares and a Managing Board member at least 20,000 shares. The individual shareholdings may not fall below the defined levels during the program's term. The target equals budgeted CFROI for the current financial year. The lower limit is formed by CFROI for the previous year, while the upper limit corresponds to CFROI for the final year in the business plan, which is prepared annually for a four-year forecast period. The monetary value of the PSUs is determined at year-end by multiplying the target achievement with the average price of the Wienerberger share during the last 20 ATX trading days in that year. The target achievement is calculated as the difference between the actual CFROI for the respective year and the defined target and is determined on a linear basis within the target corridor. There is no payout if CFROI falls below the target corridor. If the upper limit is exceeded, the payment is capped at 100% of fixed remuneration. Payouts resulting from the target achievement are not made at once, but in three equal installments. The installment payout will be canceled if the CFROI in the respective year falls below the actual CFROI in the year the PSUs were granted. Under the assumption that the targets for delayed payment will be met, the entitlements to the long-term variable remuneration component in 2013 equal € 700,000 (2012: € 0) for Heimo Scheuch and € 520,000 (2012: € 0) for Willy Van Riet.

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

After the Managing Board waived its € 1,066,939 bonus entitlement in 2012 because of the restructuring program, the targets for short-term and long-term variable remuneration were met in part during 2013:

Variable Remuneration 2013 in €	Entitlements ¹⁾			Payout		
	Bonus	LTI	Total	Bonus	LTI	Total
Heimo Scheuch	427,000	700,000	1,127,000	213,500	233,333	446,833
Willy Van Riet	317,200	520,000	837,200	158,600	173,333	331,933
Total	744,200	1,220,000	1,964,200	372,100	406,666	778,766

1) The above amounts represent the entitlements earned during the respective financial year, under the assumption that the targets for delayed payout will be met.

Defined contribution pension plans for the Managing Board

The 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) on behalf of the Managing Board amounted to € 502,449 in 2013 (2012: € 1,189,570). Of this total, € 236,243 are attributable to Heimo Scheuch and € 266,206 to Willy Van Riet. The substantial decline in pension expenses resulted from the reduction in the size of the Managing Board from three to two members as of December 31, 2012.

Severance compensation for Managing Board reflects legal regulations in Austria

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 total compensation as well as the length of service with the company. In 2013 expenses of € 181,476 were recognized for additions to the provision for severance compensation (2012: € 399,334). Payments of € 836,318 were made to former members of the Managing Board and their surviving dependents during the reporting year (2012: € 815,800).

Payments limited for premature termination of board contracts following a change of control

The employment contracts with the members of the Managing Board include *change of control clauses*, which regulate payment obligations in the event a board member is terminated prematurely following a change in the control of the company. The articles of association of Wienerberger AG define a change of control as an increase in a shareholding to over 20% that triggers a mandatory takeover offer to all other shareholders. The change of control clauses limit the total payments in such cases to a maximum of three years' remuneration, depending on the remaining term of the employment contract.

Conclusion of D&O insurance with coverage of € 100 million

Wienerberger has concluded *directors and officers insurance* with coverage of € 100 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). There is no deductible for the insured corporate bodies and employees of the Wienerberger Group.

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. All outside activities that involve seats on supervisory boards or comparable positions for publicly traded companies are listed on page 59 and also disclosed on the Wienerberger website. No compensation is provided for positions in Group companies.

Other activities require Supervisory Board approval



Supervisory Board Remuneration

The remuneration system for the Supervisory Board was approved in 2011 by the 142nd Annual General Meeting: Until further notice, each elected member of the Supervisory Board will receive annual fixed remuneration of € 15,000. The fixed remuneration for the vice-chairmen and chairwoman 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-chairmen 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.

Supervisory Board remuneration system remains unchanged since 2011

The Supervisory Board received remuneration of € 429,021 for 2013, which will be distributed in 2014 (2012: € 451,887). The year-on-year decline of 5% is attributable, above all, to the reduction in the size of the Supervisory Board to five shareholder representatives. This remuneration is distributed as shown in the following table:

Supervisory Board Remuneration in €	2012	2013
Regina Prehofer, Chairwoman ¹⁾	47,500	60,000
Friedrich Kadrnoska, Chairman ²⁾	52,500	75,000
Christian Dumolin, Vice-Chairman ³⁾	61,250	24,890
Karl Fink, Vice-Chairman	52,500	56,250
Peter Johnson, Vice-Chairman ⁴⁾	45,000	67,120
Harald Nogrsek	62,500	60,000
Claus J. Raidl ³⁾	50,000	20,760
Wilhelm Rasinger	62,500	65,000
Franz Rauch ⁵⁾	18,137	-
Total	451,887	429,021

¹⁾ Chairwoman of the Supervisory Board since December 10, 2013

²⁾ Died on December 9, 2013

³⁾ Member of the Supervisory Board up to May 14, 2013

⁴⁾ Vice-Chairman of the Supervisory Board since May 14, 2013

⁵⁾ Member of the Supervisory Board up to May 11, 2012

No pension commitments or additional compensation for Supervisory Board

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.

Shareholdings

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"). In 2013 none of the Supervisory Board or Managing Board members purchased or sold Wienerberger shares. The number of Wienerberger shares held by the members of the Managing and Supervisory Boards totaled 165,118 at the end of 2013.



Managing and Supervisory Boards voluntarily disclose holdings in Wienerberger shares

Number of shares owned		1.1.2013	Purchase	Sale	31.12.2013
Managing Board	Heimo Scheuch	101,252	0	0	101,252
	Willy Van Riet	22,142	0	0	22,142
Supervisory Board	Regina Prehofer	0	0	0	0
	Karl Fink	0	0	0	0
	Peter Johnson	0	0	0	0
	Harald Nogrask	1,400	0	0	1,400
	Wilhelm Rasinger	40,324	0	0	40,324
Total		165,118	0	0	165,118

Report of the Supervisory Board

The Supervisory Board and Managing Board held seven meetings during the reporting year, which focused on the strategic development and the financial position of the Wienerberger Group as well as major events, investments and other measures. In addition to its advisory functions, the activities of the Supervisory Board focused, above all, on monitoring the legality, propriety and appropriateness of management. 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. Friedrich Kadrnoska and I as well as the chairmen of the committees met regularly with the CEO to discuss Wienerberger's strategy, business development and risk management. 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 56, and the members of the committees are listed on page 58. The Personnel and Nominating Committee, which also serves as a Remuneration Committee, met three times in 2013 and the Audit Committee met five times. Strategic issues were regularly discussed at the Supervisory Board meetings and also examined in detail by the Strategy Committee, which met four times. The Presidium, which decides in all matters involving the relationship between the Company and the members of the Managing Board, unless the full Supervisory Board or Personnel and Nominating Committee is responsible, received regular information from the Managing Board on the development of business. Since all relevant Supervisory Board decisions were taken in the plenary sessions, the Presidium did not meet during the reporting year. No member of the Supervisory Board was absent from more than half of the meetings; one Supervisory Board member who is active on several committees did not attend three committee meetings, and two committee members were each excused from one meeting. All members of the Audit Committee were present at all five meetings.

Extensive coordination between Supervisory and Managing Boards

The Audit Committee consulted the auditor in its meetings on February 21 and March 20, 2013, which covered the examination of the consolidated financial statements for 2012, 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. In order to provide the capital market with timely information, audited results for the 2012 financial year were published in the form of a short report on February 26, 2013. The full annual report was released on March 29, 2013. On March 20, 2013 the Audit Committee 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. 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 for 2013. Based on a tender, a recommendation was made to the Supervisory Board on March 28, 2013 for the election of the auditor. 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

Confirmation of independence by Supervisory Board members



The members of the Supervisory Board reconfirmed their independence in accordance with the Austrian Corporate Governance Code at the meeting on February 25, 2013. Christian Dumolin, who ceased to meet the independence criteria on July 17, 2011 because of his membership on the Supervisory Board for over 15 years, did not stand for re-election at the 144th Annual General Meeting (AGM) and left the Supervisory Board on May 14, 2013. The independence criteria defined by the Supervisory Board are summarized on page 57 and disclosed in detail on the Wienerberger website. Discussions at several meetings of the Supervisory Board, among others as part of the annual self-evaluation, also focused on the efficiency of its working procedures, cooperation between the Supervisory Board and its committees, succession planning for this corporate body and opportunities for optimization.

Change in remuneration system and extension of contracts for Managing Board

Following the reduction in the Managing Board from three to two members at the end of 2012, the terms of office for Heimo Scheuch and Willy Van Riet were extended prematurely to April 1, 2018 based on the Group's very successful new orientation. The new employment contracts and remuneration system for the Managing Board were designed by the Presidium and Personnel and Nominating Committee with the support of external consultants. In particular, the total remuneration for the Managing Board was developed and determined together. Detailed information on the criteria for variable remuneration, the underlying principles for pensions and claims at the end of employment is provided in the Remuneration Report (see pages 64 to 68).

Christian Dumolin and Claus Raidl leave Supervisory Board

Christian Dumolin and Claus J. Raidl did not stand for re-election at the 144th AGM following the end of their terms on the Supervisory Board. The number of shareholder representatives on the Supervisory Board therefore declined from eight to six. At the Supervisory Board meeting following the 144th AGM on May 14, 2013, Friedrich Kadrnoska was confirmed as chairman and Karl Fink as vice-chairman. Peter Johnson followed Christian Dumolin as a further vice-chairman and, in accordance with the rules of procedure for the Supervisory Board, also joined the Presidium. In connection with new appointments to the Supervisory Board committees, I became a member of the Strategy and Audit Committees and was replaced by Peter Johnson on the Personnel and Nominating Committee. At that same meeting the Supervisory Board followed the AGM authorization and, in accordance with § 270 (1) of the Austrian Commercial Code, formally engaged KPMG Wirtschaftsprüfungs- und Steuerberatungs AG to audit the financial statements for 2013.

Supervisory Board visits Belgian country organization in the Clay Building Materials Europe Division

The Supervisory Board meeting on October 23, 2013 took place during a two-day visit to Belgium. This trip gave the Supervisory Board an opportunity for intensive discussions with local management on operating and strategic issues in the Belgian country organization as well as tours of the facing brick plant in Beerse, the clay block plant in Rumst and the showroom in Londerzeel.

*Regina Prehofer,
Chairwoman of the
Supervisory Board
of Wienerberger AG*



The Supervisory Board was informed of the death of our chairman, Friedrich Kadrnoska, at the meeting on December 10, 2013. We will always honor the memory of our longstanding chairman who died unexpectedly on December 9, 2013 at the age of 62 after a brief, severe illness. Friedrich Kadrnoska chaired the Supervisory Board following his election in May 2002 and, in his monitoring and advising functions, provided the Managing Board with outstanding support for the benefit of the Wienerberger Group. During his time in office, Friedrich Kadrnoska played a decisive role in the strategic orientation and internationalization of the Wienerberger Group.

Tribute

Wienerberger has integrated a long-term succession management process at all levels of the corporation. The Supervisory Board was therefore able to react to this sad event on a timely basis and elected me, a member of this body since 2011, unanimously as its chairwoman. With this decision, the Supervisory Board underscores its approval of the Group's support for women in management positions. Following my election as chairwoman, I resigned, as planned, from the Audit Committee and joined the Personnel and Nominating Committee.

Regina Prehofer elected chairwoman of Supervisory Board

The annual financial statements and the management report of Wienerberger AG as well as the IFRS consolidated financial statements for 2013 were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs AG; 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, after an analysis of the company's financial position, agreed with the recommendation of the Managing Board for the use of profit.


Auditor's report on annual financial statements for 2013

**Thanks to employees
and management**

The Supervisory Board would like to express its thanks to the Managing Board, management and all employees of the Wienerberger Group for their outstanding performance in 2013. Wienerberger has a strong and diversified industrial base, a healthy capital structure as well as innovative products and system solutions for energy-efficient and sustainable construction and the infrastructure of the future. With its motivated and success-oriented employees and experienced management, Wienerberger is well positioned to play an active role in a future economic recovery.

At the end of my report, I would like to express my thanks for the trust placed in me. I look forward to continuing my extremely constructive and results-oriented cooperation with my colleagues on the Supervisory Board and with the Managing Board of Wienerberger AG.

Vienna, March 27, 2014

A handwritten signature in black ink, appearing to read 'R. Prehofer', with a long, sweeping horizontal line extending to the right.

Regina Prehofer, Chairwoman

The Economy and Capital Markets

Developments on the capital markets in 2013 were fuelled by the end of the recession in Europe, an improved outlook for medium-term growth in the western industrial countries and a diminishing probability that risk scenarios will actually materialize in Europe. As a result, most of the leading indexes in the financial capitals of Europe and the USA closed the year on a sound upturn.

Markets fuelled by growing optimism over economic recovery

The USA recorded the strongest growth among the western industrial states with a plus of 1.9% in 2013. Although momentum was slower than the previous year (+2.8%), the annualized growth rates in the third quarter (+4.1%) and fourth quarter (+3.2%) were encouraging and led, among others, to a decline in the unemployment rate to 6.7% at year-end, the lowest level since October 2008. The budget sequestration with nearly USD 42 billion of automatic budget cuts for the 2013 fiscal year and the conflict over the debt ceiling, which led to a 16-day government shutdown in October, only slowed growth temporarily and did not result in a further lasting decline. The new budget act was finally passed by both houses of Congress and signed by President Obama at the end of December 2013. The search for a successor to Federal Reserve chairman Ben Bernanke, who announced his intention to resign at the end of his term on January 31, 2014, and uncertainty over the effects on future monetary policies preoccupied the financial markets during the second half of the year. Increasing signs that the Federal Reserve was planning to end its extremely expansive monetary policy also began to appear at mid-year. The start of tapering, i.e. the gradual reduction in monthly purchases of government bonds and securitized mortgage loans, was announced in December 2013, together with plans to hold key interest rates at an extremely low level for the time being. A more optimistic outlook for economic growth in the USA as well as the end of the ultra-loose monetary policy and the increasing willingness of investors to take on risk was reflected in an increase in yields on government bonds starting in May 2013.

Continued improvement in USA despite fiscal cutbacks and end of extremely expansive monetary policy

Developments in Europe during 2013 were influenced by the end of recession in the euro zone. The first quarter decline of 0.2% in real economic growth was followed by an increase of 0.3% in the second quarter, which marked the end of the six-quarter recession. Expectations of continuing and slightly stronger growth as well as further progress on structural reforms reduced the fears that risk scenarios, such as the exit of individual member states from the euro zone, would actually materialize. Growing confidence in the stability of the euro zone was reflected, above all, in lower risk premiums for government bonds in the peripheral countries. The sustainability of the recovery and the success of fiscal and structural measures were underscored by the announcement of plans by Ireland and Spain to leave the European Stability Mechanism. However, there is still no end in sight to the euro zone's expansive financial and monetary policy. The European Central Bank (ECB) reacted to the declining inflation rates, and surprised the markets, by cutting the key interest rate to a new record low in November 2013. ECB president Mario Draghi used the occasion to reinforce the ECB's intention and maneuvering room to take further steps if necessary. Great Britain, the largest European economy outside the euro zone, significantly outpaced the core euro states with growth of 1.7%. This development was supported by a strong service sector and easier access to credit financing for private households and small and medium-sized companies.

End of recession in euro zone

Source: IMF, ECB

Sound gains for key indexes in 2013

In the USA, the Dow Jones Industrial Average closed the year with an increase of 26.5% and a new all-time high of 16,576.7 points at year-end. The broader S&P 500 (+29.6%) and the NASDAQ Composite (+38.3%) also reported growth for the year and new annual highs of 1,848.4 points (S&P 500) and 4,176.6 points (NASDAQ Composite) at the end of December. In Europe, the German DAX reflected the solid macroeconomic fundamentals in that country and recorded the strongest performance among the leading European indexes with an increase of 25.5%. The DAX rose to a new high of 9,589.4 points in December 2013 before ending the year at 9,552.2 points. The British FTSE 100 (+14.4%) and the French CAC40 (+18.0%) produced double-digit increases in 2013, while the Austrian ATX rose by only 6.1% to 2,546.5 points. This more modest growth resulted primarily from the weak development of heavily weighted companies in the banking and insurance, telecommunications and utility sectors. The leading Asian indexes showed a mixed picture: the Shanghai Composite Index (-6.7%) and the Hang Seng (+2.9%) were negatively influenced by the slower economic growth in China, but the NIKKEI 225 was pushed by extensive measures to stimulate the Japanese economy and rose by 56.7% to 16,291.3 points.

Further decline for residential construction in Europe during 2013

Residential construction in Europe weakened further in 2013 and remained below expectations at the beginning of the year. Consumer confidence in the euro zone exceeded the long-term average at year-end for the first time since July 2011, but construction activity was still negatively influenced by the generally weak economy and restrictive lending by banks. Construction was also slowed by the long, snowy winter during the first four months and flooding in Central Europe during the early summer, and the catch-up effects therefore failed to materialize. The comparatively mild start into the winter 2013/14 was only able to partly offset the weakness at the beginning of the year. Euroconstruct forecasted a slight 0.3% increase in residential construction output on Wienerberger's relevant markets in its December 2012 report, but reduced this estimate to a decline of 0.8% at year-end. Construction output fell by only 0.5% in Western Europe, but by 9.4% in the four East European countries under monitoring (Poland, Slovakia, Czech Republic and Hungary). Among Wienerberger's most important West European markets, the Netherlands, France and Italy were particularly hard hit in 2013. New residential construction output was 1.2% lower than the previous year, with a more substantial drop of 12.6% in Eastern Europe. The less cyclical renovation market was also unable to match the prior year's performance and recorded a slight decline of 0.5%. Following in part significant declines from an already weak level, construction on a number of markets fell below the crisis year 2009 in 2013. For 2014, Euroconstruct is projecting a trend reversal with growth of 1.9% in residential construction output on Wienerberger's relevant markets.

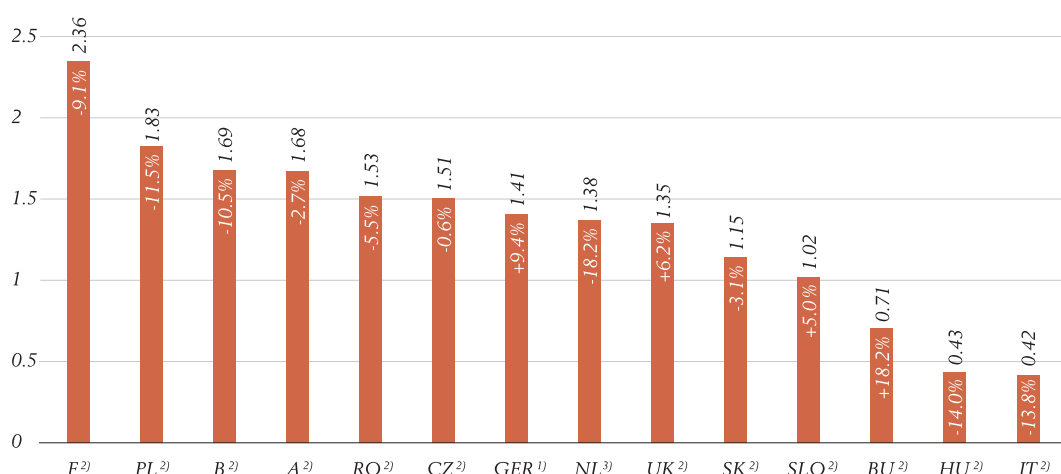
Housing starts per 1,000 residents fall by 2.6% in Western Europe and 7.6% in Eastern Europe

The number of housing starts for single- and two-family houses per thousand residents is an important indicator of construction activity in the end markets for the Clay Building Materials Europe Division. In 2013 positive development was recorded only in Germany, Great Britain, Bulgaria and Slovenia. With declines ranging from 9.1% to 18.2%, these statistics also underscore the sharp drop in construction on Wienerberger's key markets in France, Belgium, Poland and the Netherlands. The weighted average fell by 2.6% in Western Europe and by 7.6% in Eastern Europe.

Housing Starts Single and Two Family Houses in 2013

per 1,000 Residents yoy in %

Source: Management estimates



1) Housing permits

2) Housing starts

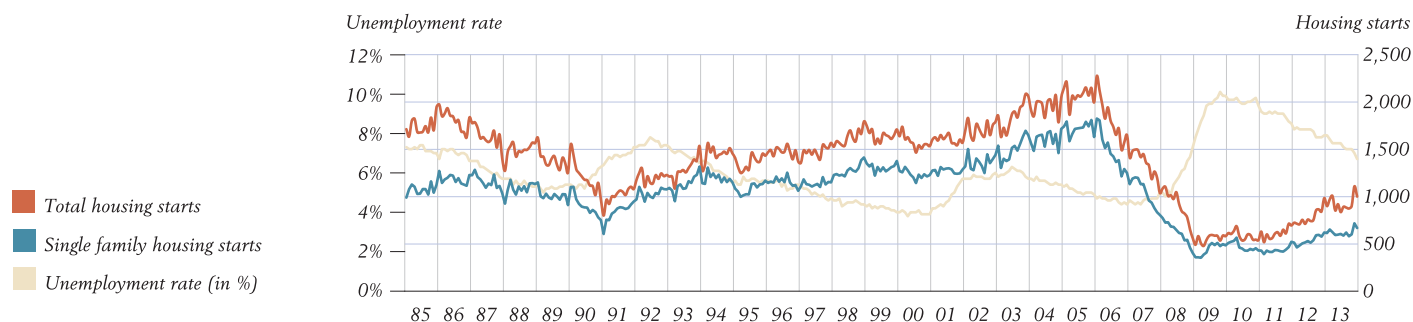
3) Completions

The pressure on public sector authorities to cut spending was also reflected in a decline in infrastructure investments during 2013. Construction output in the markets where the Wienerberger Group is present fell by 3.3% in 2012 and by a comparatively more moderate 0.9% in 2013, but was still substantially stronger than engineering activity in total Europe with a year-on-year minus of 4.0%. Wienerberger's relevant markets in Western Europe recorded a slight 0.4% rise in the new construction segment and modest growth of in aggregate 0.5% in the renovation segment in Western and Eastern Europe. In contrast, new construction in Eastern Europe contracted sharply with a drop of 17.7%. Euroconstruct is forecasting an increase of 2.4% in infrastructure investments on our relevant markets in 2014. The waterworks subsegment, which represents nearly 10% of infrastructure spending, fell by 3.3% in our markets during 2013. This area also includes fresh water and wastewater systems, which are an important market for our pipe business. The decline is attributable to Western Europe, where construction output dropped by 4.2%. A further decline of 1.4% in waterworks construction is projected for 2014. Construction in the telecommunication segment was stable in 2013 with a plus of 0.1%, while the energy segment recorded an increase of 2.0%. Both areas are expected to generate growth in 2014, with a plus of 1.3% for telecommunications and 4.8% for energy. Non-residential construction output fell by 2.2% in our relevant markets during 2013 after a decline of 2.5% in the previous year. However, stabilization is expected in 2014 with a slight increase of 0.4%.

**Infrastructure spending
also lower in 2013**

Annualized US Housing Starts in 1,000 per month versus US Unemployment Rate

Source: U.S. Census Bureau



US housing market emerges from crisis with strong growth in housing starts

The reporting year brought continued recovery on the US housing market. According to the U.S. Census Bureau, housing completions rose by 17.4% to 762,200 units and housing starts by 18.3% to 923,400 units. Building permits totaled 974,700 (+17.5%) and, for the first time in years, the growth rates for housing starts in the single-family segment were higher than the multi-family segment. The National Association of Home Builders (NAHB) expects an increase in housing starts to 1.15 million in 2014, whereby this forecast is slightly higher than the market consensus based on estimates by banks and other market research institutes. The NAHB/Wells Fargo Housing Market Index, which measures current estimates of house sales by builders and developers as well as their expectations for the next six months, continued to rise and reached an index value of 57 in December 2013. The index has held steady above 50 since June 2013, which indicates that more market participants see the outlook as positive than negative. The increase in yields on US government bonds was accompanied by an increase in the fixed interest rates for 30-year mortgage loans from 3.4% in December 2012 to roughly 4.5% in December 2013 (Freddie Mac Primary Mortgage Market Survey). This development has a substantial negative impact not only on the demand for mortgage loans and house purchases, but also on the refinancing market. However, the Mortgage Bankers Association is projecting a further increase in the volume of mortgage loans for house purchases during 2014 in spite of the subdued expectations. Selling prices rose by 13.4% year-on-year in the 12 months up to and including December 2013, according to the S&P/Case-Shiller 20-City Composite Home Price Index. In total, the large number of positive indicators on the US housing market points to a continuation of the upward trend in 2014.

Financial Review

Earnings

The development of the Wienerberger Group in 2013 was influenced by a weather-related slow start into the construction season and an ongoing difficult market environment in Europe. Sound results were recorded in North America and Great Britain, above all in the second half-year when steady recovery in the construction industry drove volume growth, and on the market in Russia. Pipelife also met its targets with stable revenues, in spite of headwinds in many regions. A strong final quarter in the European brick business was unable to fully offset the weak start into the year, but made a contribution to the better-than-expected improvement in Group earnings.

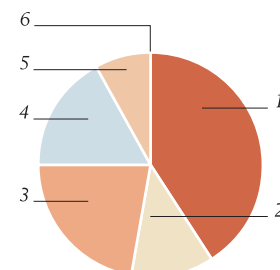
Group revenues rose by 13% year-on-year to € 2,662.9 million, whereby the increase is attributable to the initial inclusion of Pipelife for the full financial year. After an adjustment for acquisitions and foreign exchange effects, organic revenues matched the prior year. Prices were roughly constant at the prior year level for the Wienerberger Group as a whole, but volumes were slightly lower. The strong euro had a negative effect of € 35.8 million on revenues, whereby the largest negative foreign exchange effects resulted from the British pound, the US dollar, the Norwegian krone and the Russian ruble.

The Clay Building Materials Europe Division generated external revenues of € 1,402.4 million, or 3% less than the previous year. The ongoing difficult market environment and severe weather in the first quarter also had a significant negative impact on the European construction industry in 2013, with individual markets falling below the crisis year 2009. Operating EBITDA in this division fell by 7% year-on-year to € 171.3 million. The decline resulted in part from the costs for extended plant standstills, which were not fully offset by savings from the restructuring programs implemented in 2012.

External revenues in the Pipes & Pavers Europe Division rose from € 711.2 million to € 1,029.5 million. This growth was based primarily on the contribution made by the Pipelife Group, which was fully consolidated as of May 31, 2012. Wienerberger's concrete paver business, which operates exclusively in Eastern Europe, registered sound earnings improvement in a difficult market environment due to the implementation of strict cost savings measures. While Steinzeug-Keramo recorded stable revenues in 2013, operating results were burdened by non-recurring costs.

The North America Division saw a substantial improvement in construction activity during 2013, with Wienerberger also benefiting from this development. External revenues in North America increased 16% to € 224.7 million and operating EBITDA rose by 35% to € 13.2 million.

Revenues by Segment



- 1 Clay Building Materials Western Europe 41%
- 2 Clay Building Materials Eastern Europe 12%
- 3 Pipes & Pavers Western Europe 22%
- 4 Pipes & Pavers Eastern Europe 17%
- 5 North America 8%
- 6 Holding & Others 0%

Declining earnings in the Clay Building Materials Europe Division

Pipelife and Semmelrock with sound earnings growth in the Pipes & Pavers Europe Division

Accelerating recovery in North America

Earnings Development	2012	Disposals ¹⁾	Purchases ¹⁾	F/X ²⁾	Organic	2013
	<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	2,355.5	0.0	347.7	-35.8	-4.5	2,662.9
Cost of goods sold	-1,661.0	0.0	-267.1	26.1	14.6	-1,887.4
Selling expenses	-486.6	0.0	-43.5	6.2	1.1	-522.9
Administrative expenses	-144.9	0.0	-15.8	1.6	-2.2	-161.4
Other operating expenses and income	-32.0	0.0	-4.4	0.4	-0.1	-36.1
Operating EBITDA	245.5	0.0	31.1	-4.3	-5.8	266.5
Operating EBIT	31.0	0.0	16.9	-1.5	8.8	55.3
Non-recurring items ³⁾	-52.8	0.0	0.0	0.0	62.2	9.4
Financial results ⁴⁾	-14.5	0.0	-3.4	0.3	-50.2	-67.8
Profit/loss before tax	-36.2	0.0	13.5	-1.1	20.7	-3.1
Profit/loss after tax	-40.5	0.0	10.9	-1.0	22.8	-7.8

1) Effects from changes in the consolidation range

2) Foreign exchange effects

3) Restructuring costs, impairment charges to property, plant and equipment as well as goodwill, and income from the reversal of a provision for an impending antitrust penalty

4) Including income from investments in associates

Operating EBITDA 9% higher than prior year at € 266.5 million

Operating EBITDA rose by 9% year-on-year to € 266.5 million in 2013. Negative foreign exchange differences of € 4.3 million from the Russian ruble, Norwegian krone and British pound were contrasted by a further € 31.1 million in consolidation effects from Pipelife's earnings contribution in the first five months. After an adjustment for foreign exchange effects, the organic change in operating EBITDA for the Wienerberger Group amounted to a decline of 4%.

Operating EBITDA	2012	2013	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Clay Building Materials Europe	183.5	171.3	-7
Pipes & Pavers Europe	67.4	100.3	+49
North America	9.8	13.2	+35
Holding & Others	-15.2	-18.2	-21
Wienerberger Group	245.5	266.5	+9

Energy costs fall by € 6.4 million

Energy costs fell by € 6.4 million to equal 10% of revenues in 2013 (2012: 12%). The comparatively higher decline in energy costs as a share of revenues resulted from the decrease in production volumes and from the initial consolidation of Pipelife. In contrast to the ceramic products business, energy consumption represents a smaller component of expenses in the production of plastic pipes.

Depreciation and amortization of € 211.2 million (2012: € 238.5 million) include scheduled depreciation and amortization as well as impairment charges of € 13.3 million (2012: € 19.9 million). These impairment charges are related primarily to mothballed or deactivated facilities as well as the shutdown of production capacity. An impairment charge is recognized when the carrying amount of the respective asset exceeds the recoverable amount. In 2013 no impairment charges were recognized in connection with restructuring (2012: € 14.2 million) or goodwill (2012: € 9.8 million). The depreciation ratio declined from 8.3% in 2012 to 7.4% for the reporting year. This value, which is relatively high in international comparison, reflects the strong pace of investment activity in prior years and is an indicator of the capital-intensive nature of the business and the technical potential of the Wienerberger Group.

Depreciation and amortization include € 13.3 million of impairment charges

Profitability Ratios	2012	2013
	<i>in %</i>	<i>in %</i>
Gross profit to revenues	29.5	29.1
Administrative expenses to revenues	6.2	6.1
Selling expenses to revenues	20.7	19.6
Operating EBITDA margin	10.4	10.0
Operating EBIT margin	1.3	2.1

The operating EBITDA margin declined slightly from 10.4% in 2012 to 10.0% in 2013. This change is explained by the different cost structure in the plastic pipe business, which had a stronger effect than in 2012 due to the inclusion of Pipelife for the full reporting year. In contrast, the CFROI for Pipelife is substantially higher than the internal hurdle rate of 11.5% because the plastic pipe business is less capital intensive than the brick business.

Operating EBITDA margin declines from 10.4% to 10.0%

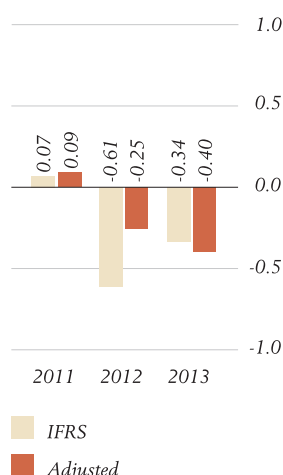
Operating EBIT rose to € 55.3 million for the reporting year (2012: € 31.0 million). The remaining provision for the impending antitrust penalty in Germany was released to profit or loss following the termination of legal proceedings and resulted in income of € 9.4 million. After an adjustment for non-recurring effects, Wienerberger generated EBIT of € 64.7 million (2012: € -21.7 million).

Operating EBIT rises from € 31.0 million in 2012 to € 55.3 million in 2013

Income from investments in associates and joint ventures fell from € 4.5 million in the previous year to € -2.6 million. This decline is explained by the loss recorded by Tondach Gleinstätten AG and the effect from the initial consolidation of the Pipelife Group, whose results for the first five months of 2012 were included under this position. The interest result reflects the higher financing costs resulting from the issue of a bond in April 2013 and therefore deteriorated from € -50.7 million in the prior year to € -56.0 million in 2013. Other financial results amounted to € -9.2 million, whereby the prior year value of € 31.7 million includes a positive special effect of € 42.3 million from the valuation of the previously held 50% stake in Pipelife in connection with the initial consolidation. Profit before tax improved substantially from € -36.2 million in the previous year to € -3.1 million in 2013.

Strong improvement in profit before tax from € -36.2 million in 2012 to € -3.1 million

Earnings per Share in €



Income taxes slightly higher than prior year

Earnings per share equal € -0.34

Balance sheet total of € 4,211.4 million

Working capital to revenues reflects target with year-end level of approx. 20%

Income Statement

	2012	2013	Chg.
	in € mill.	in € mill.	in %
Revenues	2,355.5	2,662.9	+13
Cost of goods sold	-1,661.0	-1,887.4	+14
Selling and administrative expenses ¹⁾	-631.5	-684.2	+8
Other operating expenses	-83.8	-79.5	-5
Other operating income	51.8	43.5	-16
Operating EBIT	31.0	55.3	+78
Restructuring costs and impairment charges to property, plant and equipment	-43.0	0.0	-100
Impairment charges to goodwill	-9.8	0.0	-100
Release of a provision for an impending antitrust penalty	0.0	9.4	>100
EBIT	-21.7	64.7	>100
Financial results ²⁾	-14.5	-67.8	<-100
Profit/loss before tax	-36.2	-3.1	+91
Income taxes	-4.3	-4.8	+9
Profit/loss after tax	-40.5	-7.8	+81

¹⁾ Including freight costs

²⁾ Including income from investments in associates

Income tax expense rose slightly to € 4.8 million (2012: € 4.3 million) due to the lower pre-tax loss recorded for the reporting year. This reflects the regional shift of earnings to West European countries with higher nominal tax rates, an effect that was increased by the initial consolidation of the Pipeline Group for the full financial year and the non-deductibility of tax loss carryforwards in individual countries of the ceramic business.

The after-tax loss recorded by the Wienerberger Group was reduced from € -40.5 million in 2012 to € -7.8 million for the reporting year. 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 115.1 million shares outstanding (2012: 115.1 million shares), earnings per share improved to € -0.34 (2012: € -0.61).

Asset and Financial Position

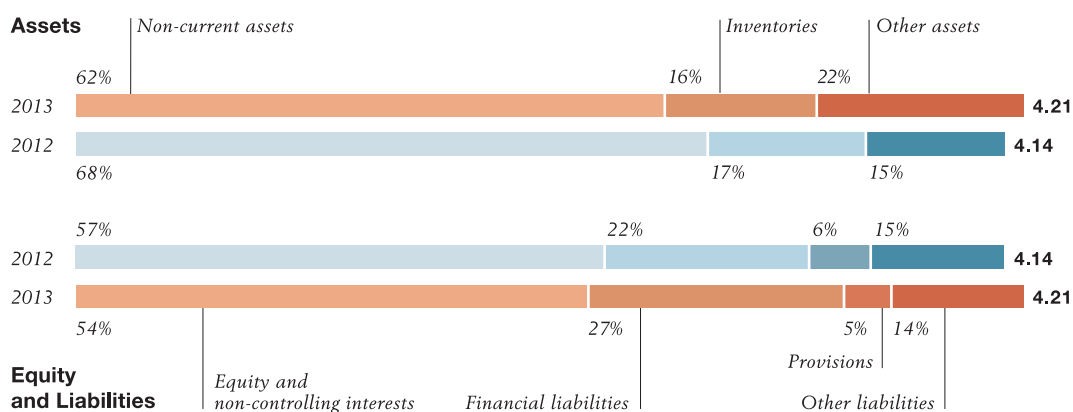
The balance sheet total rose by 2% year-on-year to € 4,211.4 million in 2013. This increase resulted primarily from the issue of a € 300.0 million bond in April 2013 and the related rise in liquid funds, which were reserved to refinance the bond that is scheduled to mature in July 2014. The balance sheet structure of the Wienerberger Group is typical for the industry, and is characterized by a high fixed asset component and long-term financing.

Non-current assets were lower than the previous year at 62% of total assets (2012: 68%), whereby property, plant and equipment represented 60% (2012: 62%) of capital employed at year-end. The successful continuation of strict working capital management during the reporting year led to a reduction in inventories from € 700.9 million in 2012 to € 666.0 million. Average days sales outstanding rose from 26 to 34 days due to the longer payment terms prevailing in the plastic pipe business, while days payables outstanding decreased from 44 to 41 days. Working

capital (inventories + net trade receivables - trade payables) was reduced to € 541.9 million in 2013 (2012: € 589.9 million). This represents roughly 20% (2012: 25%) of revenues and reflects our target. The average working capital conversion period rose to 98 days (2012: 93 days). At year-end 2013 Wienerberger had cash and cash equivalents, securities and other financial assets totaling € 588.1 million (2012: € 314.8 million). In accordance with our proactive financing strategy, these strong liquidity reserves will be used to repay a bond that is scheduled to mature in July 2014 and to finance the seasonal build-up of working capital.

Development of Balance Sheet Structure

in € billion



Group equity declined by 5% to € 2,254.2 million (2012: € 2,363.7 million). Equity was reduced by the € 32.5 million hybrid coupon payment and the € 13.8 million dividend payment as well as negative foreign exchange differences of € 71.2 million, primarily from the US dollar, Russian ruble and Norwegian krone. The after-tax loss reduced equity by € 7.8 million, but actuarial gains of € 5.5 million were recognized under other comprehensive income in connection with defined benefit pension plans and provisions for severance compensation.

**Group equity equals
€ 2,254.2 million**

Deferred taxes declined slightly year-on-year to € 104.0 million (2012: € 105.8 million). Employee-related provisions fell from € 132.3 million in the prior year to € 116.2 million. 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. Current provisions decreased to € 57.4 million (2012: € 80.6 million) following the implementation of restructuring measures announced or started in 2012 and the release of a provision for an impending antitrust penalty in 2013. Non-current and current provisions represented 5% (2012: 6%) of the balance sheet total at year-end. Interest-bearing loans (financial liabilities) rose by € 210.2 million to € 1,127.0 million following the issue of a bond in April 2013 and include € 1,116.8 million due to banks, bondholders and other parties, € 10.0 million of derivatives with negative market values and € 0.2 million of Group liabilities. These liabilities are contrasted by cash, bank deposits and securities of € 588.1 million. Of the € 1,126.8 million in interest-bearing

**Release of provision for
impending antitrust
penalty after termination
of proceedings**

liabilities (excluding Group liabilities), 74% (2012: 94%) are long-term and 26% (2012: 6%) short-term in nature.

Calculation of Net Debt ¹⁾	2012	2013	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Long-term interest-bearing financial liabilities	858.7	836.1	-3
Short-term interest-bearing financial liabilities	57.7	290.7	>100
Financial leases	0.2	0.0	-93
- Intercompany receivables and payables from financing	-22.2	-27.6	+24
- Securities and other financial assets	-50.1	-63.7	+27
- Cash and cash at bank	-242.3	-496.7	>100
Net debt	602.0	538.9	-10

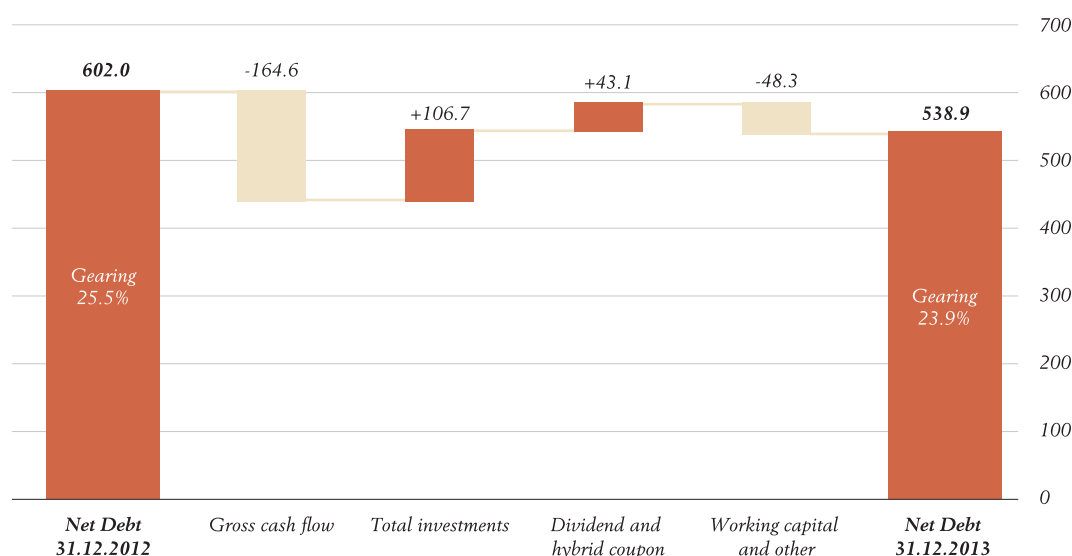
1) Excluding the hybrid bond, which is reported under equity in accordance with IFRS

**Net debt falls to
€ 538.9 million at year-end
from € 602.0 million
in prior year**

Net debt was reduced by 10% during the reporting year to € 538.9 million as of December 31, 2013. This decline resulted primarily from an increase in gross cash flow to € 164.6 million, a € 26.2 million reduction in working capital and proceeds of € 19.9 million from the disposal of non-current assets (mainly non-core real estate). These items were contrasted by investments totaling € 106.7 million, the € 32.5 million hybrid coupon payment and the € 13.8 million dividend. Gearing equaled 23.9% at the end of the reporting year (2012: 25.5%). Long-term financing such as equity, non-current provisions and long-term liabilities covered 129% of fixed and financial assets at year-end 2013 (2012: 126%). The ratio of net debt to operating EBITDA equaled 2.0 as of December 31, 2013 (2012: 2.2), and the EBITDA interest coverage ratio was 4.8 (2012: 5.0).

Development of Net Debt

in € mill.



Balance Sheet Development	2012	Disposals ¹⁾	Purchases ¹⁾	F/X ²⁾	Organic	2013
	<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	1,803.1	0.0	0.2	-42.3	-97.7	1,663.3
Intangible assets and goodwill	882.1	0.0	-3.1	-20.9	-15.2	842.9
Other non-current assets	155.1	0.4	0.1	-4.6	6.1	156.3
Inventories	700.9	0.0	0.0	-13.6	-21.3	666.0
Other current assets	598.5	-0.4	0.1	-7.0	290.8	882.8
Balance sheet total	4,139.7	0.0	-2.7	-88.4	162.7	4,211.4
Equity ³⁾	2,363.7	0.0	0.0	-71.2	-38.3	2,254.2
Provisions	265.9	0.0	0.0	-3.6	-37.8	224.5
Liabilities	1,510.1	0.0	-2.7	-13.6	238.9	1,732.7

1) Effects from changes in the consolidation range

2) Foreign exchange effects

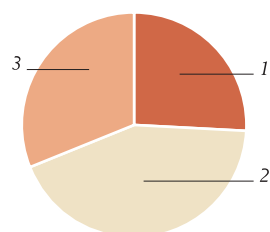
3) Including non-controlling interests and hybrid capital

The organic increase in the balance sheet total resulted primarily from the issue of a bond in April 2013 and the related growth in cash and cash equivalents.

Balance Sheet Ratios	2012	2013
Capital employed	<i>in € mill.</i> 2,931.3	2,767.6
Net debt	<i>in € mill.</i> 602.0	538.9
Equity ratio	<i>in %</i> 57.1	53.5
Gearing	<i>in %</i> 25.5	23.9
Asset coverage	<i>in %</i> 84.4	86.4
Working capital to revenues	<i>in %</i> 25.0	20.3

Wienerberger issues € 300 million bond

Term Structure of Interest-bearing Financial Liabilities in %



- 1 < 1 year 26%
2 1 – 5 years 43%
3 > 5 years 31%

Treasury

High central bank liquidity continued to influence the financial markets in 2013, a situation that was reflected in strong demand by investors for stocks and bonds. Wienerberger used this market climate to issue a € 300 million bond with a seven-year term and a 4% coupon, which was planned as refinancing for 2014. This proactive refinancing strategy with the issue of smaller bonds will be retained in the future to optimize the term structure of liabilities.

Wienerberger will continue to hold sufficient liquidity reserves because cash preservation and a strong capital structure remain top priority. However, the structure of the liquidity reserve will be optimized to not only include liquid funds as reported on the balance sheet, but also the increased use of committed credit lines in order to reduce interest expense. At year-end 2013 Wienerberger had cash and cash equivalents of € 496.7 million as well as € 350.0 million of committed, unused credit lines to cover liquidity fluctuations. The indicators related to the covenants defined in the bank credit agreements remain clearly within the agreed levels. Net debt / operating EBITDA equaled 2.0 at year-end, which is far below the defined limit of 3.5 and the internal threshold of 2.5. Operating EBITDA / interest result declined from 5.0 in the previous year to 4.8, but is still substantially over the minimum level of 3.75. In line with the slightly less conservative refinancing policy, the interest cover is expected to improve in 2014.

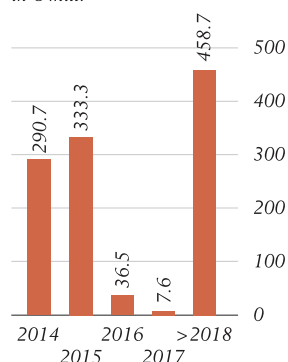
Treasury Ratios

	31.12.2012	31.12.2013	Threshold
Net debt / operating EBITDA ¹⁾	2.2	2.0	<3.50
Operating EBITDA ¹⁾ / interest result ²⁾	5.0	4.8	>3.75

1) 2012 calculated on the basis of a pro-forma 12-month operating EBITDA

2) 2012 calculated on the basis of a pro-forma 12-month interest results

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



As of December 31, 2013, 89% of liabilities carried fixed interest rates. The remaining 11% of liabilities have variable interest rates and are contrasted by variable interest deposits. This practically eliminates the Group's interest rate risk. The reporting year was characterized by in part strong foreign exchange fluctuations, which were reflected primarily as translation risks on Wienerberger's balance sheet. Most of the financing is denominated in euros, but Wienerberger manages 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-currency swaps based on monthly sensitivity tests. In keeping with the respective economic restrictions, interest rate-currency swaps are used to hedge foreign currency financial receivables due from Wienerberger subsidiaries. As of December 31, 2013, the Group held derivative positions in the Canadian dollar, Czech koruna, Danish krone, British pound, Polish zloty, US dollar and Swiss franc.

Derivative reporting under the European Market Infrastructure Regulation (EMIR) Directive started on February 12, 2014. Wienerberger is classified as a "non-financial counterparty" below the clearing threshold because the Group does not use any speculative instruments. Wienerberger is only subject to the reporting requirement, which is covered by the current internal systems.

Cash Flow

Gross cash flow rose by 30% year-on-year to € 164.6 million in 2013. This development underscores Wienerberger's ability to also generate strong cash flows in a difficult market environment. However, cash flow from operating activities declined to € 190.9 million due to the substantial reduction in working capital after the initial consolidation of Pipelife in 2012. While the measures implemented as part of our active working capital management program led to a further reduction of € 34.9 million in inventories during 2013, we are carefully monitoring stocks to maintain unrestricted supply capability in all product segments.

Gross cash flow rises by 30%

Cash outflows for investments and acquisitions of € 106.7 million were substantially lower than the prior year level of € 268.7 million, which includes the purchase of the 50% stake in Pipelife. The reporting year also contains a short-term investment of € 11.9 million in marketable securities, which was used to optimize cash balances. Cash flow from investing activities contains proceeds of € 19.9 million from the sale of property, plant and equipment, whereby € 13.6 million resulted from Wienerberger's program to divest non-core assets.

Cash outflows for investments of only € 106.7 million

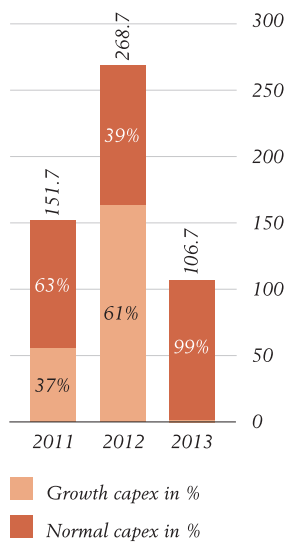
Wienerberger generated free cash flow (cash flow from operating activities less cash flow from investing activities plus growth capex) of € 92.9 million in 2013, compared with € 163.6 million in the prior year. These funds were used for the € 32.5 million hybrid coupon, the € 13.8 million dividend and the repayment of liabilities. Cash flow from financing activities included the above payments as well as the proceeds from the issue of a € 300 million bond in April 2013 and cash inflows of € 3.2 million in the form of dividends from associated companies and joint ventures.

Free cash flow of € 92.9 million based on higher earnings and strict working capital management

Cash Flow Statement	2012	2013	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Gross cash flow	127.0	164.6	+30
Change in working capital and other	102.5	26.2	-74
Cash flow from operating activities	229.5	190.9	-17
Normal capex (maintenance, rationalization, environment)	-105.3	-106.0	-1
Growth capex	-163.4	-0.7	+100
Divestments and other	39.4	8.0	-80
Cash flow from investing activities	-229.3	-98.7	+57
Growth capex	163.4	0.7	-100
Free cash flow	163.6	92.9	-43

Normal capex held at prior year level

Total Investments
in € mill.



Investments

Investments totaled € 106.7 million for the reporting year (2012: € 268.7 million) and were generally limited to normal capex. The difference between growth capex and normal capex is based primarily on whether an investment leads to the development of new markets or product segments or the expansion of capacity. Maintenance, investments for technical upgrading and production equipment for premium products are reported under normal capex. Growth capex amounted to € 0.7 million in 2013 (2012: € 163.4 million) and involve the purchase of land for the possible construction of a plant. Normal capex totaled € 106.0 million (2012: € 105.3 million) and equaled 54% of depreciation for the reporting year (2012: 54%). The investments made in 2013 were distributed among the divisions as follows: 58% in Clay Building Materials Europe, 33% in Pipes & Pavers Europe, 7% in North America and 2% in Holding & Others.

Development of Non-current Assets	Intangible	Tangible	Financial	Total
	in € mill.	in € mill.	in € mill.	in € mill.
31.12.2012	882.1	1,884.4	34.3	2,800.8
Capital expenditure ¹⁾	5.3	104.2	0.1	109.6
Changes in the consolidation range	-3.1	0.2	0.0	-2.9
Depreciation and amortization	-19.2	-192.0	-0.1	-211.3
Disposals	-0.2	-12.2	-3.5	-15.9
Currency translation and other	-22.0	-42.9	-5.4	-70.3
31.12.2013	842.9	1,741.7	25.4	2,610.0

1) Additions as per schedule of fixed and financial assets

Total Investments ¹⁾	2012	2013	Chg.
	in € mill.	in € mill.	in %
Clay Building Materials Europe	65.4	61.7	-6
Pipes & Pavers Europe	183.9	34.9	-81
North America	15.3	7.3	-52
Holding & Others	4.1	2.8	-32
Wienerberger Group	268.7	106.7	-60

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 strategic 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 / average 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. Our minimum sustainable target for CFROI, after an adjustment for non-recurring income and expenses, is 11.5% (= hurdle rate) in 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

		2012	2013
Operating EBITDA ¹⁾	<i>in € mill.</i>	274.1	266.5
Average capital employed	<i>in € mill.</i>	2,984.5	2,849.5
Average accumulated depreciation	<i>in € mill.</i>	2,281.8	2,388.0
Average historical capital employed	<i>in € mill.</i>	5,266.3	5,237.5
CFROI ¹⁾	<i>in %</i>	5.2	5.1

1) Calculated on a pro-forma 12-month basis

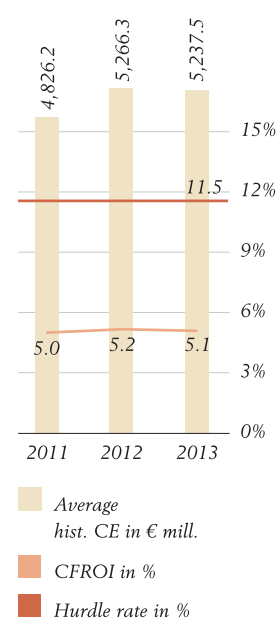
CFROI 2013 by Divisions	Operating EBITDA	Average historical CE	CFROI	CVA
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>	<i>in € mill.</i>
Clay Building Materials Europe	171.3	3,788.3	4.5	-264.3
Pipes & Pavers Europe	100.3	705.2	14.2	19.2
North America	13.2	683.9	1.9	-65.5
Holding & Others	-18.2	60.0	-30.4	-25.2
Wienerberger Group	266.5	5,237.5	5.1	-335.8

CFROI equaled 5.1% in 2013 (2012: 5.2%) and remained substantially below the 11.5% hurdle rate.

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 average 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 equaled 6.97% in 2013.

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

CFROI vs. hist. CE and Hurdle Rate



After-tax WACC of 6.97%

NOPAT amounted to € 37.0 million for the reporting year (2012: € 11.6 million). ROCE rose to 1.3% (2012: 0.4%) and resulted in EVA® of € -161.4 million (2012: € -192.2 million).

Calculation of Group ROCE		2012	2013
Operating EBIT ¹⁾	<i>in € mill.</i>	51.5	55.3
Income taxes ¹⁾	<i>in € mill.</i>	-10.4	-4.8
Adjusted income taxes ¹⁾	<i>in € mill.</i>	-29.5	-13.5
NOPAT ¹⁾	<i>in € mill.</i>	11.6	37.0
Equity and non-controlling interests	<i>in € mill.</i>	2,363.7	2,254.2
Financial liabilities and financial leases	<i>in € mill.</i>	916.6	1,126.8
Intercompany receivables and payables from financing	<i>in € mill.</i>	-22.0	-27.6
Cash and financial assets	<i>in € mill.</i>	-327.0	-585.8
Capital employed	<i>in € mill.</i>	2,931.3	2,767.6
Average capital employed ¹⁾	<i>in € mill.</i>	2,984.5	2,849.5
ROCE ¹⁾	<i>in %</i>	0.4	1.3

**ROCE of 1.3% and
EVA® of € -161.4 million**

Value Ratios		2012	2013
ROCE ¹⁾	<i>in %</i>	0.4	1.3
EVA® ^{1) 2)}	<i>in € mill.</i>	-192.2	-161.4
CFROI ¹⁾	<i>in %</i>	5.2	5.1
CVA ¹⁾	<i>in € mill.</i>	-331.8	-335.8

1) 2012 calculated on a pro-forma 12-month basis

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

Operating Segments

Clay Building Materials Europe

The 2013 financial year failed to bring any major changes in the difficult market environment for the construction industry. The development of new residential construction was still influenced by ongoing uncertainty and restrictive lending by banks in a number of our European core countries. In addition, the Clay Building Materials Europe Division was confronted with weather-related difficulties at the beginning of the year. Construction was unable to start before the second week in April because of the unusually long winter and was slowed by heavy rain and flooding in parts of Europe during May and June. The second half-year brought stabilizing demand. Mild weather in large parts of Europe during the fourth quarter had an additional positive effect on business development, above all compared with the last quarter of 2012. Driven by higher volumes in all product groups, revenues and operating EBITDA in the Clay Building Materials Europe Division exceeded the weather-related lower prior year values in the fourth quarter.

The positive development in the second half of 2013 was, however, unable to offset the initial decline in revenues and earnings because the construction industry did not expand capacity to handle the backlog of projects from the weather-related difficult first months of the year. Average prices in the Clay Building Materials Europe Division roughly matched the prior year, whereby Wienerberger was able to implement price adjustments to cover cost inflation in Western Europe despite a market-related decline in volumes. In Eastern Europe, the weaker demand for building materials in a number of regions led to increasing pressure on prices. Wienerberger used its cost advantages to strengthen individual market positions through sales promotions in these areas. Volumes in Eastern Europe therefore rose slightly in contrast to the market trend. The Clay Building Materials Europe Division recorded a 3% year-on-year decline in revenues to € 1,402.4 million and a 7% drop in operating EBITDA to € 171.3 million.

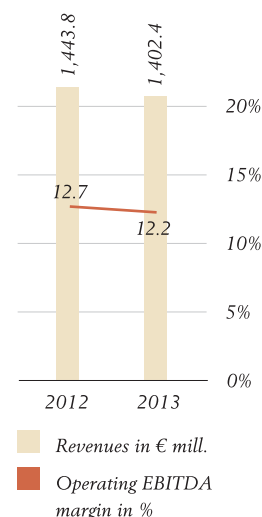
Clay Building Materials Europe		2012	2013	Chg. in %
Third party revenues	<i>in € mill.</i>	1,443.8	1,402.4	-3
Operating EBITDA	<i>in € mill.</i>	183.5	171.3	-7
Operating EBIT	<i>in € mill.</i>	36.4	35.0	-4
Total investments	<i>in € mill.</i>	65.4	61.7	-6
Capital employed	<i>in € mill.</i>	1,895.2	1,776.3	-6
Ø Employees		8,743	8,323	-5

The restructuring program announced in the third quarter of 2012 is being implemented as planned. The focus is on the optimization of shift models and the mothballing of plants as well as structural adjustments in administration and sales. Cost structures will be further improved through the creation of additional plant clusters and the shift of production to alternative locations. This cost reduction program resulted in total savings of € 19.1 million for the Wienerberger Group in 2013. The clay block and facing brick activities in the Netherlands, Belgium, Germany and France represent a key element of these measures and, consequently, most of the Group-wide cost savings were recorded in the Clay Building Materials Western Europe Segment.

Difficult market environment and severe weather in Europe

Average prices generally reflect 2012 levels

Clay Building Materials Europe



Restructuring program proceeding as planned

**Differentiated outlook
for new residential
construction in Europe**

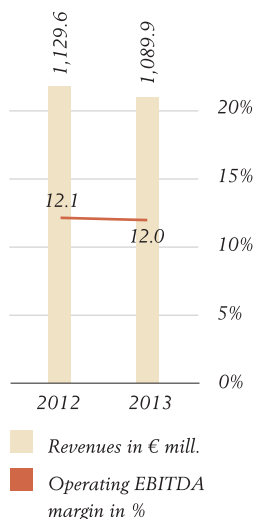
Following the normalization of demand in a number of markets during the second half of 2013, we are expecting further stabilization to slight growth in Europe during 2014. At the same time we still see a highly differentiated business environment, which makes a general statement difficult. Positive developments in single- and two-family house construction in Great Britain, Poland and Russia as well as a stable environment in Germany, Belgium and the Czech Republic will be contrasted by ongoing difficult market conditions in France, the Netherlands, Italy and Hungary. Based on the weather-related lower comparative data from the first half of 2013, we are forecasting a moderate increase in volumes for all product groups and an improvement in revenues and earnings during 2014.

Clay Building Materials Western Europe

The Clay Building Materials Western Europe Segment was hit particularly hard by the long winter and the difficult market environment in the first half of 2013. The third quarter brought increasing normalization on the relevant markets, which was supported by milder weather in the fourth quarter. However, positive impulses in individual markets were unable to completely offset the volume declines in clay blocks and roof tiles from the first half-year. The market recovery in Great Britain led to an increase in facing brick volumes over the 2012 level. Revenues in Western Europe fell by 4% to € 1,089.9 million in 2013. The decline in volumes was only offset in part by slightly higher average prices and cost savings from the restructuring program. Operating EBITDA declined 4% year-on-year to € 131.1 million.

**Lower volumes of clay
blocks and roof tiles,
but slightly higher
average prices**

Clay Building Materials Western Europe



**Price adjustments
to offset cost inflation
in Germany**

Clay Building Materials Western Europe		2012	2013	Chg. in %
Third party revenues	in € mill.	1,129.6	1,089.9	-4
Operating EBITDA	in € mill.	136.5	131.1	-4
Operating EBIT	in € mill.	31.8	34.4	+8
CFROI	in %	5.0	4.8	-
Total investments	in € mill.	51.0	44.6	-13
Capital employed	in € mill.	1,426.2	1,357.1	-5
Ø Employees		6,227	5,940	-5
Sales volumes clay blocks	in mill. NF	2,203	2,060	-6
Sales volumes facing bricks	in mill. WF	1,205	1,262	+5
Sales volumes roof tiles ¹⁾	in mill. m ²	23.55	22.76	-3

1) Sales volumes of clay and concrete roof tiles incl. accessories; the comparable prior year value was adjusted

Germany, the largest market in the region, registered a slight upward trend in building permits for single- and two-family houses. In spite of this development, housing starts were slightly lower than the previous year due to the severe weather during the first six months and the lack of capacity expansion in the construction industry. The result was a decline in sales volumes of facing bricks and roof tiles. The positive market trend in the second half of 2013 was, however, reflected in a slight increase in clay block volumes for the full year. Shifts in the mix to premium products allowed for price adjustments to cover cost inflation. Together with the implementation of optimization measures, this led to stable earnings.

In France, the downturn in single- and two-family house construction and renovation continued throughout 2013. This development was reflected in a contraction in clay block and roof tile volumes for the reporting year. The resulting higher unit costs led to a decline in earnings that was only offset in part by a slight increase in average prices and the implementation of restructuring measures. On a positive note, bricks continue to gain market shares over concrete as a wall building material.

Lower volumes due to difficult market in France

The Netherlands experienced a further sharp drop in new residential construction and renovation from an already low level. Real estate prices appear to be stabilizing, but many homeowners are facing property values that are lower than the related mortgages. In addition, restrictive bank lending represents a major problem for the market. Average prices remained stable, but the existing situation led to sharp volume declines in all product groups and lower revenues in 2013. However, earnings remained stable due to the realized optimization measures.

Further sharp decline on residential construction market in the Netherlands

In Belgium, single- and two-family house construction also weakened slightly during the reporting year and led to a decline in volumes of clay blocks, facing bricks and roof tiles. This downward trend slowed during the second half of 2013, but business development was unable to offset the volume declines resulting from the long winter and weak market environment. Shifts in the mix to premium products and price adjustments to offset cost inflation supported an improvement in average prices for all product groups. These factors, in total, led to a year-on-year decline in revenues and earnings in Belgium.

Continued difficult market situation in Belgium

Single- and two-family house construction weakened slightly in Switzerland and substantially in Italy during the reporting year. Lower clay block volumes led to a decline in revenues in both countries. In Switzerland, earnings remained stable due to the positive development of the roofing business.

Market declines in Switzerland and Italy

The “Help to Buy” stimulus program launched by the British government led to the start of recovery in new residential construction and renovation from a low level in 2013. The result was a sound year-on-year increase in volumes of facing bricks and roof tiles. Wienerberger’s customers in Great Britain include large property developers, above all in the facing brick business. A number of framework agreements concluded with those developers during 2012 held the increase in margins below volumes for the reporting year. The successive renegotiation of these agreements should lead to price adjustments in excess of cost inflation in 2014. The roofing business made a solid contribution to revenues and earnings in 2013, which was reflected in an increase in operating earnings in Great Britain.

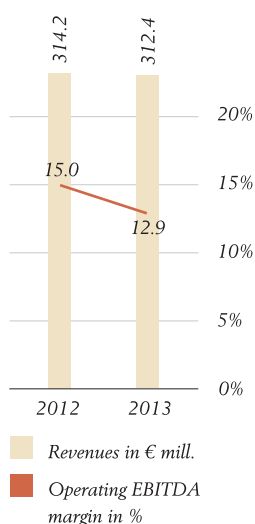
Market recovery in Great Britain leads to higher volumes

For 2014, we expect general stabilization to slight growth on the markets in Western Europe. Further steady declines in single- and two-family house construction are projected, above all for the Netherlands and France. However, the previously implemented restructuring measures should lead to positive earnings contributions. Germany, Belgium and Switzerland are expected to see stable to slightly positive development, and the market recovery in Great Britain should continue. Based on the weather-related low basis for comparison from the first half of 2013 and further cost savings, we are forecasting an increase in revenues and earnings for the Clay Building Materials Western Europe Segment in 2014.

Market stabilization to slight growth expected in Western Europe during 2014

Difficult markets in Eastern Europe and lower average prices

Clay Building Materials Eastern Europe



Substantial decline on Polish market

Market declines in Czech Republic and Slovakia in 2013

Clay Building Materials Eastern Europe

The effects of the debt crisis in Eastern Europe are still clearly visible. The market environment in many countries of the Clay Building Materials Eastern Europe Segment remained difficult throughout 2013 with in part double-digit declines in single- and two-family house construction. Wienerberger's proactive pricing policy not only led to a slight increase in clay block volumes in contrast to the market trend, but also strengthened market positions. Revenues roughly matched the prior year at € 312.4 million in 2013. Operating EBITDA was negatively influenced by lower average prices and fell 14% year-on-year to € 40.2 million. In order to protect our position as the innovation leader in Eastern Europe, we will continue to focus on innovative products for this region. During the second half of 2013 we invested in a production plant for high thermal insulating mineral wool-filled clay blocks in Austria and a similar plant in the Czech Republic.

Clay Building Materials Eastern Europe		2012	2013	Chg. in %
Third party revenues	<i>in € mill.</i>	314.2	312.4	-1
Operating EBITDA	<i>in € mill.</i>	47.0	40.2	-14
Operating EBIT	<i>in € mill.</i>	4.6	0.7	-85
CFROI	<i>in %</i>	4.5	3.9	-
Total investments	<i>in € mill.</i>	14.4	17.1	+19
Capital employed	<i>in € mill.</i>	469.0	419.2	-11
Ø Employees		2,516	2,383	-5
Sales volumes clay blocks	<i>in mill. NF</i>	2,676	2,738	+2

Single- and two-family house construction in Poland, the largest market in this segment, weakened significantly during 2013, but there were signs of consolidation towards the end of the year. Wienerberger held clay block volumes nearly constant in this difficult market environment with targeted sales promotions, but lower average prices led to a year-on-year drop in earnings.

The markets in the Czech Republic and Slovakia also weakened during the reporting year. Wienerberger's clay block volumes were stable to slightly higher as the result of proactive pricing strategies, but lower average prices led to an earnings decline in both countries. In 2013 we built a production plant for mineral wool-filled clay blocks in the Czech Republic. This investment represents an important step forward, above all in two difficult markets, where we intend to strengthen our innovation potential.

The construction industry in Hungary is still negatively influenced by the aftereffects of the debt crisis. High unemployment and structural problems in the banking sector also prevented a trend reversal in 2013, and single- and two-family house construction fell further from the already very low level. In this difficult environment, Wienerberger was able to increase volumes based on lower average prices and strengthen its market shares.

Further sharp market drop from low level in Hungary

In Austria, single- and two-family house construction, the relevant market segment for Wienerberger, declined slightly in 2013. Average prices were slightly higher, but clay block volumes declined and led to a drop in revenues and earnings. We continued to roll-out our mineral wool-filled clay blocks on the Austrian market and started operations at a new filling plant during the third quarter.

Start of operations at new filling plant in Austria

Business development in Russia remained sound during the reporting year. Clay block volumes increased in the Moscow and Kazan regions, which are the relevant markets for Wienerberger. However, earnings remained near the very good prior year level due to higher production costs following the refitting of a plant and exchange rate losses.

Continued sound market development in Russia

In Romania and Bulgaria, the bottoming out that began during the previous year was confirmed in 2013 and led to a year-on-year increase in clay block volumes. Average prices were stable, and revenues and earnings improved.

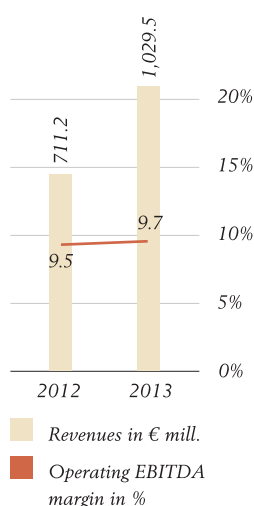
Bottoming out in Romania and Bulgaria confirmed

Our outlook for the East European region in 2014 depends very much on the individual countries. In Poland we see slight recovery in single- and two-family house construction from a low level. The Czech Republic, Slovakia and Austria should remain stable, but further weakness is projected for Hungary. In Russia, the positive market environment is expected to continue and – depending on the development of the Ruble – lead to an increase in revenues and earnings. For Romania and Bulgaria, we are optimistic that the current stabilization will continue at a low level. In total, we expect an improvement in revenues and earnings for the Clay Building Materials Eastern Europe Segment in 2014.

Differentiated outlook on 2014

Strong revenue and earnings growth for Pipes & Pavers Europe due to initial consolidation of Pipelife

Pipes & Pavers Europe



Pipes & Pavers Europe

The Pipes & Pavers Europe Division recorded a sound increase in revenues and operating EBITDA for 2013 based on the initial consolidation of Pipelife in the first five months. Revenues rose by 45% to € 1,029.5 million and operating EBITDA by 49% to € 100.3 million, which led to a slight improvement in the EBITDA margin to 9.7%. After an adjustment for this consolidation effect, organic revenue growth was stable and operating earnings were slightly higher.

Pipes & Pavers Europe		2012	2013	Chg. in %
Third party revenues	in € mill.	711.2	1,029.5	+45
Operating EBITDA	in € mill.	67.4	100.3	+49
Operating EBIT	in € mill.	31.6	52.1	+65
Total investments	in € mill.	183.9	34.9	-81
Capital employed	in € mill.	568.6	552.6	-3
Ø Employees		3,044	4,047	+33

Our plastic pipe business in Western Europe, which operates under the Pipelife brand, was supported by a strong earnings contribution from the international project business, which offset declines in a number of core markets. These market declines are related to the general weakness in the construction industry and reflect the consolidation pressure on national budgets and a resulting sharp drop in project orders. Steinzeug-Keramo, our specialist for ceramic pipe solutions, was unable to duplicate the very strong prior year earnings. Growth in the West European core markets offset the weather-related decline at the beginning of the year and reduced tenders in Poland, and led to flat revenue development. However, operating EBITDA was negatively influenced by standstill costs for unscheduled maintenance at one plant and structural adjustments in production during the fourth quarter.

In Eastern Europe, Pipelife generated sound earnings growth for the full year due to the turnaround in a number of countries. Semmelrock, our specialist for concrete pavers in Central-East Europe, recorded an increase in operating EBITDA despite a decline in volumes. The improvement in earnings at Semmelrock resulted primarily from the leaner cost structure that followed the structural adjustments in 2012 and 2013. The positioning of the company as a premium supplier also led to a shift in the product mix to premium products and system solutions.

In the fourth quarter, the Pipes & Pavers Europe Division registered a 2% increase in revenues to € 236.9 million and a 20% improvement in operating EBITDA to € 19.6 million. Better weather supported a year-on-year increase in operating earnings for Pipelife and Semmelrock, but non-recurring operating costs related to structural adjustments in production had a negative effect on earnings at Steinzeug-Keramo. The development at Semmelrock was particularly satisfying because the fourth-quarter volume growth offset in part substantial declines from earlier quarters. Semmelrock also continued to benefit from cost savings measures and the resulting substantial improvement in profitability.

In the Pipes & Pavers Europe Division, we expect stabilization to slight improvement in the markets during 2014. Semmelrock should see a slightly better market environment in the core countries of Eastern Europe, which should support a moderate increase in operating earnings as well as higher capacity utilization and a resulting increase in margins. We also see generally stable market development and an improvement in operating EBITDA for Steinzeug-Keramo due to the absence of the non-recurring costs recorded in 2013. Pipelife's markets should stabilize in Western Europe and continue their modest recovery in Eastern Europe. France is expected to record an improvement in earnings after the substantial market decline in 2013. However, we cannot exclude a slight year-on-year earnings decline for Pipelife, because, as the current viewpoint shows, it is unlikely that the record results generated by the international project business in 2013 can be repeated in 2014. In total, we are forecasting a stable development to slight increase in operating earnings for the Pipes & Pavers Europe Division.

Stable development to slight improvement in earnings expected for Pipes & Pavers Europe in 2014

Pipes & Pavers Western Europe

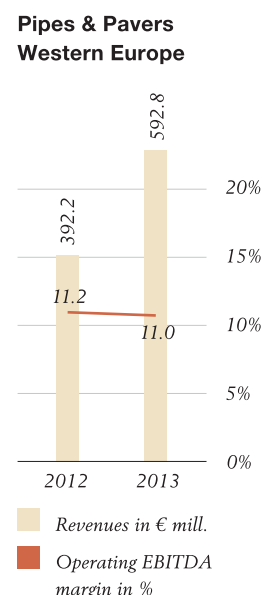
The Pipes & Pavers Western Europe Segment recorded an increase of 51% in revenues to € 592.8 million and 48% in operating EBITDA to € 65.2 million in 2013. This strong growth was driven by the initial consolidation of Pipelife for the first five months. The slight decline in margins resulted mainly from non-recurring costs and the resulting lower earnings at Steinzeug-Keramo, while operating earnings at Pipelife remained nearly constant in year-on-year comparison.

Sound earnings growth due to initial consolidation of Pipelife in first five months

Pipes & Pavers Western Europe		2012	2013	Chg. in %
Third party revenues	in € mill.	392.2	592.8	+51
Operating EBITDA	in € mill.	44.1	65.2	+48
Operating EBIT	in € mill.	27.9	39.3	+40
CFROI ¹⁾	in %	19.1	19.6	-
Total investments	in € mill.	171.3	30.3	-82
Capital employed	in € mill.	302.4	296.6	-2
Ø Employees		1,604	1,780	+11

1) 2012 calculated on a pro-forma 12-month basis

Expenditures for infrastructure projects declined during the reporting year due to the consolidation pressure on government budgets. This development was compounded by severe weather at the beginning of the year and only offset in part by a mild start into the winter during the fourth quarter. The markets in France and the Netherlands were particularly challenging in 2013. The sharp drop in construction activity in these countries led to a decline in revenues and earnings. The market weakness was also reflected in increased competitive pressure, above all in France. Pipelife's Nordic core markets had the expected stabilizing effect on business development and, in total, generated slightly higher earnings. The international project business registered a sound increase in EBITDA based on sales of LLLD pipes (pipes with a diameter of up to 2.5 meters and a length of up to 600 meters) and fiber-reinforced pipes from the Soluforce™ line. In the West European plastic pipe business, revenues were stable and operating EBITDA rose by a moderate amount. The stabilization of demand that took hold in the second quarter continued throughout the rest of the year. Pipelife recorded stable revenues in the third quarter, but higher revenues and earnings in the fourth quarter as a result of the mild weather.



Operating earnings at Steinzeug-Keramo negatively influenced by non-recurring costs

Steinzeug-Keramo, our specialist for ceramic pipe solutions, reported nearly stable revenue development in 2013. Average prices were moderately higher in year-on-year comparison, but volumes declined slightly, which resulted primarily from the difficult weather during the first four months and a reduction in public sector project tenders for wastewater disposal on a number of East European markets. Growth in Western Europe, above all in the company's home market of Germany, nearly offset the lower volumes in Eastern Europe and the weather-related weak start into the year. Exports to the Middle East weakened from a good level towards year-end, and recorded slightly lower volumes for the full year. Operating EBITDA for the Steinzeug-Keramo Group declined year-on-year because of standstill costs for unplanned maintenance and non-recurring costs related to structural adjustments in production that were implemented and recognized in the fourth quarter.

Stable earnings expected for 2014

For 2014, we expect a slight improvement in the market environment for the plastic pipe business and increasing profitability on the West European core markets. Our efforts will be directed to realizing sound earnings growth in France after the unsatisfactory results recorded for the reporting year. Earnings in the Nordic markets should be stable to slightly positive. However, the current viewpoint shows that the record prior year results in the international export business will not be duplicated and a slight earnings decline in the West European plastic pipe business is therefore possible. We are projecting higher volumes for our ceramic pipe solutions in 2014 with growth, above all, in Germany and Poland. The other core markets should at least remain stable, yet the difficult conditions in the Czech Republic are likely to continue. Higher volumes, leaner cost structures and the absence of non-recurring costs for structural adjustments should support a sound improvement in earnings. The Pipes & Pavers Western Europe Segment should generate slightly higher revenues and nearly stable earnings in 2014.

Pipes & Pavers Eastern Europe

The Pipes & Pavers Eastern Europe Segment recorded an increase of 37% in revenues to € 436.7 million and 50% in operating EBITDA to € 35.1 million for the reporting year. The sound earnings growth in this segment also resulted primarily from the consolidation of Pipelife in the first five months of 2013.

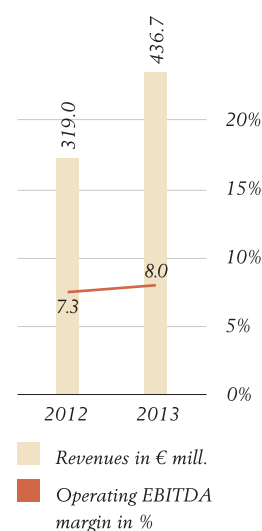
Pipes & Pavers Eastern Europe		2012	2013	Chg. in %
Third party revenues	<i>in € mill.</i>	319.0	436.7	+37
Operating EBITDA	<i>in € mill.</i>	23.3	35.1	+50
Operating EBIT	<i>in € mill.</i>	3.7	12.9	>100
CFROI ¹⁾	<i>in %</i>	8.9	9.4	-
Total investments	<i>in € mill.</i>	12.6	4.6	-63
Capital employed	<i>in € mill.</i>	266.2	256.0	-4
Ø Employees		1,440	2,267	+57

1) 2012 calculated on a pro-forma 12-month basis

Pipelife increased revenues and earnings in Eastern Europe during 2013, despite very different economic conditions on the individual markets. Greece and Bulgaria reported a sound improvement in volumes from a low level, which was accompanied by solid year-on-year earnings growth. Greece, above all, benefited from the extensive structural adjustments implemented in recent years as a reaction to the difficult market environment. We gained market shares in both countries. In Austria, the largest single market in the region, the fourth quarter failed to confirm the third-quarter stabilization of earnings and resulted in a decline in revenues and earnings for the full year. Pipelife's other key markets in Eastern Europe, e.g. Poland, Russia and Turkey, were nearly constant. Higher volumes in Poland during the second half-year almost offset the weather-related earnings decline in the first six months. In Hungary and the Czech Republic, Wienerberger was unable to disengage from the general downturn in construction and recorded lower revenues and earnings.

Semmelrock, our concrete paver specialist in Central-Eastern Europe, generated solid performance in a difficult market environment during the reporting year. Volumes were 11% lower because of the restrictive tenders by public authorities, weaker demand from the private sector and the severe weather during the first four months, but operating earnings increased year-on-year. Semmelrock benefited, above all, from the implementation of cost savings measures and the resulting improvement in production, sales and administrative cost structures. In addition, strict price management and a shift in the mix to premium products held average prices constant at the prior year level. Semmelrock was also able to gain market shares in countries like the Czech Republic, Hungary and Bulgaria despite strong competitive pressure. Mild weather in the fourth quarter supported further volume growth and a subsequent improvement in operating EBITDA.

Pipes & Pavers Eastern Europe



Higher earnings despite decline in concrete paver volumes

Revenue and earnings growth expected for 2014

For 2014, we expect a stabilizing market environment and an improvement in revenues and earnings for the Pipes & Pavers Eastern Europe Segment. The restructuring measures have generally been completed at Semmelrock, and we expect the positive effect on earnings to continue to unfold in 2014. Austria should generate higher earnings because of the positive effects from the extensive structural adjustments in sales and administration. In Poland, the largest single market for the Semmelrock Group, the market consolidation in the second half of 2013 should be followed by further moderate growth and a subsequent increase in revenues and earnings. We also expect a moderate improvement in earnings for Pipelife. With regard to the two core markets in the region, we are projecting a sound increase in operating earnings and a continuation of the fourth-quarter momentum in Poland and moderate earnings growth for Austria. Earnings should also improve in Greece, Bulgaria and Turkey. However, our outlook on South-Eastern Europe remains cautious because visibility is very limited and individual major projects can have a significant influence on results. In total, we expect moderate revenue and earnings growth for Pipes & Pavers Eastern Europe in 2014.

North America

Continued recovery in US residential construction; difficult market environment in Canada

Our business in the USA was negatively affected during the first six months by a severe winter that led to the postponement of housing starts. The first signs of recovery in US residential construction subsequently appeared at mid-year and continued into the fourth quarter. Slight volume growth in the first half of 2013 was followed by a strong rise in the demand for bricks towards the end of the year. We used the positive market environment to reduce inventories, above all in the fourth quarter. Average brick prices were slightly lower year-on-year due to price pressure in selected regional markets that was increased by destocking at year-end. However, volume growth and strict cost management led to an improvement in brick margins. In Canada, we maintained our position in a difficult market environment and held margins constant in spite of a decline in volumes. Sales volumes of facing bricks rose by 12% year-on-year in 2013.

North American plastic pipe activities included for full 12 months

The 2013 financial year includes our North American plastic pipe business, which operates one plant in Arkansas, for the full 12 months (initial consolidation as of May 31, 2012). In addition to water management products, we also produce pressure-resistant, fiber-reinforced pipes that are particularly well suited for high pressure applications in the oil and gas industry. The North American plastic pipe business recorded only a slight decline in operating earnings compared with the challenging basis in the very good prior year.

The North America Division reported a 16% increase in revenues to € 224.7 million in 2013, above all due to the initial inclusion of the North American plastic pipe business. Operating EBITDA rose by a strong 35% to € 13.2 million.

North America		2012	2013	Chg. in %
Third party revenues	<i>in € mill.</i>	193.8	224.7	+16
Operating EBITDA	<i>in € mill.</i>	9.8	13.2	+35
Operating EBIT	<i>in € mill.</i>	-14.7	-9.3	+37
CFROI ¹⁾	<i>in %</i>	1.7	1.9	-
Total investments	<i>in € mill.</i>	15.3	7.3	-52
Capital employed	<i>in € mill.</i>	458.7	426.6	-7
Ø Employees		1,064	1,213	+14
Sales volumes facing bricks	<i>in mill. WF</i>	297	333	+12

1) 2012 calculated on a pro-forma 12-month basis

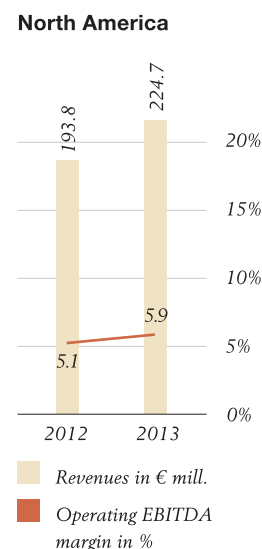
Rising mortgage interest rates had a negative effect on the demand for loans in the USA beginning in mid-2013. However, the National Association of Home Builders (NAHB) is forecasting a continuation of the positive trend in US residential construction during 2014 based on a range of positive indicators. Wienerberger therefore expects further steady recovery in single- and two-family house construction in the USA and an increase in the demand for bricks. In Canada, we do not see a trend reversal and assume the market will remain difficult. The market environment for our plastic pipe business should remain stable, and we plan to expand our customer base and play an active role in the substitution process to plastic pipes.

Holding & Others

The Holding & Others Division includes the costs for the corporate headquarters as well as our brick activities in India. Wienerberger is the only supplier of industrially manufactured bricks in India and operates with one plant in Bangalore, a city with an established middle class. This market was characterized by steady positive development in 2013. Rising volumes of clay blocks and higher average prices led to an increase in revenues and earnings. Revenues in the Holding & Others Division rose by 4% to € 5.6 million, while operating earnings fell to € -18.2 million following the creation of provisions for bonuses.

Holding & Others		2012	2013	Chg. in %
Third party revenues	<i>in € mill.</i>	5.4	5.6	+4
Operating EBITDA	<i>in € mill.</i>	-15.2	-18.2	-21
Operating EBIT	<i>in € mill.</i>	-22.3	-22.6	-2
Total investments	<i>in € mill.</i>	4.1	2.8	-31
Capital employed	<i>in € mill.</i>	8.8	12.1	+37
Ø Employees		209	204	-2

The approaching elections in India make forecasts for 2014 difficult. However, the previous growth in our relevant region leads us to expect a further slight increase in revenues and earnings for our brick activities in India.



Continued positive development in Indian brick business

Higher revenues and earnings expected in 2014

Outlook and Goals

Slight market growth in Europe and continued recovery in North America expected for 2014

We expect increasing stabilization and slight market growth in Europe during 2014. However, developments in single- and two-family house construction on Wienerberger's relevant brick markets in Europe present a widely differentiated picture. Growth is forecasted for markets like Great Britain, Poland and Russia, but construction in the Netherlands, France, Italy and Hungary will continue to decline. Most of the other markets should remain stable. In North America, a wide range of positive early indicators points to continuing recovery as well as a double digit increase in housing starts. The Pipes & Pavers Europe Division should record stable to slightly positive market development in all business units.

Increase in revenues and earnings projected for 2014

This slight upward market trend leads us to expect an increase in revenues and earnings for 2014. The weak prior year basis creates a potential for volume growth, above all in the first half-year, to the extent that weather conditions remain normal. The related improvement in capacity utilization will have a positive effect on the profitability of the Wienerberger Group. In the Clay Building Materials Europe Division, we are assuming moderate volume growth and our goal is to pass on cost inflation to the market. We believe we can reach this goal in Western Europe and are cautiously optimistic for Eastern Europe, but we must wait for the start of the construction season. In the plastic pipe business, we cannot exclude a slight decline in operating earnings. The stable European core markets should generate higher revenues and earnings, but the current point of view indicates that the excellent prior year results from the international project business will not be duplicated. The forecasts for Semmelrock and Steinzeug-Keramo show an improvement in revenues and earnings. We will also conclude the restructuring program as planned and realize approx. € 17 million of cost savings in 2014. The sale of real estate should contribute a further € 10 million to earnings for the year.

Focus remains on generation of strong cash flows

The generation of strong cash flows remains the focal point of our medium-term goals. These funds will be used, above all, to repay debt and to finance organic growth, investments and smaller, value-creating takeovers. Strict financial discipline with the goal of holding the ratio of net debt to operating EBITDA below the targeted 2.5 years forms our strong framework for the use of funds. Our goals for the operating business are to generate further organic growth and expand our market positions by focusing on innovative, high-quality products and a comprehensive range of supporting services. Normal capex should lead to cash outflows of € 125 million in 2014. We will also evaluate smaller, value-creating acquisitions in the future, whereby the strategic focus will be to expand our industrial base and increase the share of revenues generated on the renovation market.

Events after the balance sheet date

There were no events requiring disclosure between the balance sheet date of December 31, 2013 and authorization for issue on February 24, 2014.

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.

Additional Information on the Company

Research and Development

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 in all our application areas – from energy-efficient building concepts to environmentally compatible pavers and supply and sewerage systems. Our goal is to protect and further expand our market positions through cost and technology leadership and product innovation.

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

R&D at Wienerberger is managed centrally, but implemented locally based on close cooperation between the various R&D departments and local management and engineers. This ensures the fast and efficient rollout of successful developments throughout the Group. In 2013 R&D expenditures amounted to € 11.4 million and innovative products generated 24.2% of revenues.

R&D is managed centrally, but implemented locally

Wienerberger's commitment to sustainability is reflected in the continuous improvement of its production processes. The projects in our energy-intensive ceramic production (bricks and ceramic pipes) concentrate on reducing energy consumption in the drying and firing process. Other research focal points include resource conservation in production and the responsible processing of raw materials. Wienerberger is a leader in the recycling of products through the raw materials mix. For certain types of vitrified clay pipes, we have been able to use up to 60% of ceramic recycling materials in production.

Process optimization for ceramic products in the interest of sustainability

Research activities for plastic pipes are directed to optimizing the production process and refining formulas for the raw materials mix. In this area, we are working to increase the use of recycled products as raw materials and reduce product weight. The projects for concrete pavers are designed to improve the raw material mixtures, in particular by reducing the cement content. Another focal point is the development of new technologies to improve surface structures.

Continuous optimization of raw material mixtures for plastic pipes and concrete pavers

Another key building block for Wienerberger's sustainable success is the continuous development of the product portfolio and the improvement of existing products. Wienerberger operates several research centers in Europe that are specialized by product group. Their work is focused, above all, on the development of innovative products and system solutions for sustainable and energy-efficient construction. Our product management specialists work closely with the various marketing and sales departments to ensure that new developments always meet the needs of our customers. The international rollout of new products is managed centrally, but the products are adapted by our local specialists to meet the requirements of their respective markets. Additional information on our product innovations can be found on page 26 to 29.

Further development of the product portfolio is a key element of our sustainable success

Sustainability management is anchored in the organization

Sustainability Management

In recent years our approach to sustainability management has become substantially more professional and more firmly anchored in the company. Responsibilities for sustainability have also been clearly defined. In addition to a Group-wide sustainability officer who reports to the Chief Executive Officer of Wienerberger AG, each of our country organizations and subsidiaries has designated a staff member who is responsible for sustainability and the implementation of the respective Group guidelines and programs. These local staff members report directly to the Wienerberger sustainability officer.

Transparent communication of goals for first time in 2012 sustainability report



A Sustainability Steering Committee (SSC) is responsible for the definition of Wienerberger's sustainability strategy, key indicators according to GRI and goals for sustainable development. The members of the SSC are in regular contact and meet as required. The Chief Executive Officer of Wienerberger AG, Heimo Scheuch, is a member of this committee, which ensures that sustainability always has top priority for the company. The SSC discusses progress on the sustainability process and options for further actions. It also defines goals and measures for implementation throughout the Group. In order to make our commitment to these goals transparent, we published them for the first time in our 2012 sustainability report.

Sustainability report as part of a continuous process

The Wienerberger sustainability report transforms our commitment into an obligation. It is based on the standards defined by the Global Reporting Initiative (GRI) and represents an integral part of a continuous process. All levels of management and our employees have taken on shared responsibility for the implementation of measures to support a continuous improvement in sustainability at Wienerberger. The sustainability report provides information on the current status and further measures in the areas of employees, environmental protection in production, sustainable products, social responsibility and stakeholder management. It also serves as an instrument to monitor the progress of our sustainable development. We only publish a full sustainability report every two years because our sustainability principles cover the long-term. In the interim periods, we issue an update that presents the latest facts and figures as well as our progress in specific areas. The next update is scheduled for release on June 24, 2014.

Internal audit reviews individual aspects of the sustainability program

Internal audit, a staff department that reports directly to the Managing Board, reviews major aspects of the sustainability program as part of its operational audits and reports the results to the Managing and Supervisory Boards. These audits are based on an annual schedule and risk assessment that are approved by the Managing Board and coordinated with the Audit Committee of the Supervisory Board. Monitoring the internal control system in the accounting process is one of the most important responsibilities of internal audit. Another duty is the review of compliance with legal regulations and internal guidelines, for example the guidelines on business gifts and competition law. Internal audit also evaluates compliance with Wienerberger safety standards for employees and with selected areas of the Austrian Corporate Governance Code, whereby the latter is mainly a focus of activities by the external auditor.

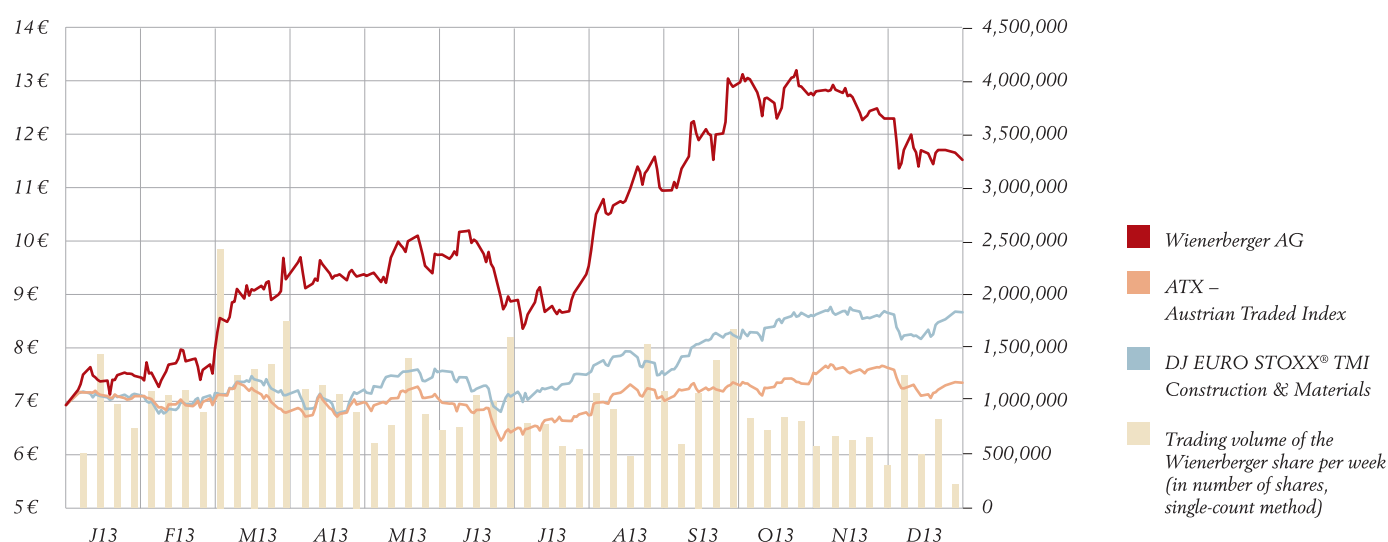
Wienerberger Share and Shareholders

Wienerberger recorded the strongest performance of all stocks in Austria's leading ATX index during 2013. The share started the reporting year at € 6.93 after a slight 0.6% loss in 2012. In spite of the bad weather and the resulting limited construction activity in large parts of Europe, Wienerberger traded 28% over this opening share price at mid-year. A slight correction in July was followed by an increase to the annual high of € 13.21 on October 23, 2013, which was supported by positive economic indicators in the USA and Great Britain. The Wienerberger share closed 2013 with a plus of 66.3% at € 11.53. With this development, the share significantly outpaced the ATX (+6.1%) and the DJ EURO STOXX® TMI Construction & Materials Index (+25.5%).

Wienerberger share price increases by 66% in 2013



Development of the Share Price



After a sharp drop in the trading volume for the broader ATX Prime in 2012, the value-based turnover (purchases and sales, double-count method) on the Vienna Stock Exchange rose by 8% to € 38.3 billion in 2013. This development was influenced, above all, by the sound development of industrial stocks despite a further decline in the trading volume.

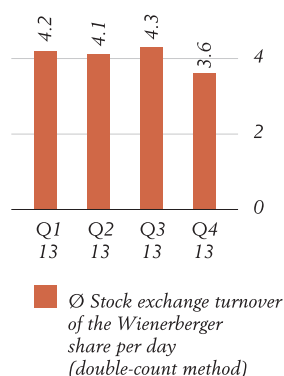
Value-based turnover in Vienna Prime Market rises by 8% in 2013

The development of the Wienerberger share was similar, with a 9% increase in the value-based turnover to € 1,005.1 million (purchases and sales, double-count method) that was driven by strong share price performance during the reporting year. However, the trading volume declined by a further 19%. The number of shares traded totaled 101.1 million (purchases and sales, double-count method), which represents a turnover factor of 0.4 for Wienerberger's outstanding share capital on the Vienna Stock Exchange in 2013. In comparison with the average daily trading volume, Wienerberger ranked tenth among the companies in the Austrian ATX index. Over-the-counter sales in Vienna amounted to € 113.4 million (single-count method), or 36% more than the € 83.3 million recorded in 2012. On the Austrian Futures and Options Exchange (ÖTOB) 8,656 option contracts with a total value of € 7.6 million were traded for Wienerberger shares.

Wienerberger share with 9% increase in value-based turnover

Liquidity

in € mill.



Key Data per Share

		2012	2013	Chg. in %
Earnings	in €	-0.61	-0.34	+44
Dividend	in €	0.12	0.12	0
Free cash flow ¹⁾	in €	1.42	0.81	-43
Equity ²⁾	in €	16.26	15.31	-6
Share price high	in €	9.49	13.21	+39
Share price low	in €	5.53	7.13	+29
Share price at year-end	in €	6.93	11.53	+66
P/E ratio high		-15.6	-38.9	-
P/E ratio low		-9.1	-21.0	-
P/E ratio at year-end		-11.4	-33.9	-
Shares outstanding (weighted) ³⁾	in 1,000	115,063	115,063	0
Market capitalization at year-end	in € mill.	814.3	1,354.5	+66
Ø Stock exchange turnover/day ⁴⁾	in € mill.	3.7	4.1	+11

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

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

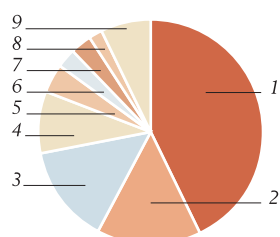
3) Adjusted for treasury shares

4) Double-count method

Recommended dividend of € 0.12 per share

Subject to further market developments and the best possible use of financial resources, the Managing Board will make a recommendation to the 145th Annual General Meeting on May 16, 2014, calling for the payment of a € 0.12 dividend per share. The amount of future dividends will depend on the market development and the availability of profitable growth projects.

Shareholder Structure by Country (Institutional Investors)



- 1 USA 43%
- 2 Austria 15%
- 3 Great Britain 14%
- 4 Canada 9%
- 5 Germany 4%
- 6 Switzerland 3%
- 7 Norway 3%
- 8 Poland 2%
- 9 Other 7%

Shareholder Structure

Wienerberger AG is listed with 117.5 million shares of zero par value common stock (bearer shares) in the Prime Market segment of the Vienna Stock Exchange. There are no preferred or registered shares and no restrictions on the common shares. The principle of “one share – one vote” therefore applies in full. 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 € 1,354.5 million and a weighting of 3% in the ATX at year-end 2013, Wienerberger is one of the largest publicly traded companies in Austria.

Wienerberger is a pure free float company and has no core shareholder. All of the shares represent free float, which is held by Austrian and international investors. In accordance with § 91 of the Austrian Stock Exchange Act, which requires the reporting of changes in significant holdings, we received the following notification: Dodge & Cox Inc., which is headquartered in the USA has held over 5% of the outstanding Wienerberger shares since February 19, 2014. First Eagle Investment Management, LLC, which is also located in the USA, has held a stake of over 5% since September 14, 2011. Black Creek Investment Management Inc., which is situated in Canada, has held more than 5% of Wienerberger shares since September 19, 2012. There are no other reports of shareholdings that exceed 4%. Wienerberger holds 2,464,138 treasury shares, which represent 2.1% of the total shares issued.

Wienerberger has a widely diversified shareholder structure, which is typical for an international publicly traded company. A January 2014 survey of the shareholder structure showed the majority of institutional investors in North America (52%) as well as the UK (14%). Most of Wienerberger's shares are held by institutional investors (70%), while the share of private investors equals 28%. An analysis of the various investor strategies shows value-oriented investors with a share of 57%, followed by GARP investors (23%) and index- as well as growth-oriented investors (7% each).

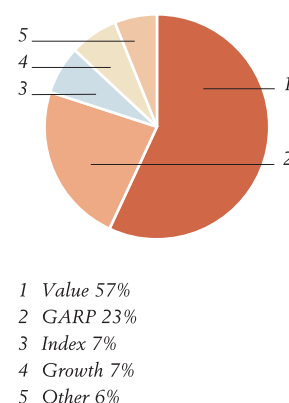
Information on Capital, Shares, Voting and Control Rights

The 140th Annual General Meeting in 2009 approved the creation of authorized capital totaling € 42.0 million (50% of share capital at that time) through the issue of up to 42.0 million new shares within a period of five years. Capital was increased in 2009 through the issue of 33.6 million shares, and Wienerberger now has authorized capital of 8.4 million shares remaining. The legal subscription rights of shareholders can be excluded under certain circumstances. The Managing Board was also authorized to issue convertible bonds in one or more segments with the approval of the Supervisory Board and to carry out a conditional capital increase for the issue of new shares to the holders of the convertible bonds. The total of all these capital measures is limited to the issue of up to 42.0 million new shares. The 140th Annual General Meeting also authorized the Managing Board to issue up to € 200 million of participation rights, also in multiple segments, during a period of five years, contingent upon the approval of the Supervisory Board. The approvals of the 140th Annual General Meeting expire on May 13, 2014.

The 143rd Annual General Meeting in 2012 authorized the Managing Board to repurchase the company's shares, up to the legally defined limit, during a period of 30 months. Since Wienerberger has already repurchased 2.1% of the issued shares, 7.9% are still available for possible repurchase under the current legal regulations.

Change of control clauses, which can result in the termination of a contract, are included in the employment contracts with the members of the Managing Board, in the terms of the 2010, 2011, 2012 and 2013 corporate bonds, in the 2007 hybrid bond and in the syndicated term loans and other loans concluded in 2008 and 2012. Further information on 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 note 23 ("Capital and reserves") starting on page 140.

**Shareholder Structure
by Investor Type
(Institutional Investors)**



Share buyback

Change of control clauses in Managing Board contracts, corporate bonds and loans

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

Risk Management

Global operations expose the Wienerberger Group to a variety of risks. 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. The related procedures require the identification, assessment, management and monitoring of risks, and represent an integral part of our activities in this area. 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 2013 this process led to a change in the weighting of individual risks and the addition of new risks to our risk catalogue. The major risks are described in detail below, and a detailed description of all risks is provided in the risk report beginning on page 163 of the notes.

Business development for Clay Building Materials is heavily dependent on new residential construction

Market, Production and Price Risks

Business development in the Clay Building Materials Division is heavily dependent, above all, on new residential construction – a sector whose development is closely linked to the economic environment in the respective countries. New residential construction is also influenced by consumer confidence, long-term interest rates and the availability of mortgages and financing for housing projects. In order to reduce the dependence 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 these efforts, since more than half of revenues are generated in renovation. Pavers and pipe systems, which are also used in infrastructure projects, are two further focal points. Weak economic growth and a subsequent decline in the demand for building materials increase the risk of excess production capacity. This can lead to greater pressure on prices and uncovered costs and, as a consequence, could make price adjustments necessary. In 2013 we were able to cover most of the higher input costs in Western Europe with price increases. Eastern Europe and North America presented a different picture because we were faced with pressure on prices because of the difficult market conditions and competitive situation. We reduce the effects of capacity risks on earnings by continuously monitoring our plant network and making the necessary adjustments through temporary shutdowns, shift models and/or the relocation of production to reflect market demand.

Flexible pricing policy to reduce highly volatile raw material prices in plastic pipe business

The plastic pipe business is substantially influenced by the development of raw material prices, which correlates closely with the price of crude oil. Synthetic polymers comprise a major part of the production cost for plastic pipes. The volatility of raw material prices has increased considerably in recent years. Flexible pricing is therefore required to limit the effects of these price changes and/or pass them on to the market. Fast price management is also a decisive factor for the sustainable protection of earnings.

Substitution risk through competition with other building materials

Wienerberger is also exposed to a risk of substitution through its competition with other building materials for roofs, walls, pavers and pipe systems. Our strong position as a quality leader and investments in the development of premium products should allow us to minimize this risk.

Financial Risks

The protection and maintenance of a strong capital base is a central objective for Wienerberger AG. We proactively strengthened our liquidity through the successful placement of bonds in a still challenging economic environment and have a balanced financing structure. Wienerberger is not only exposed to liquidity risk, but also to foreign exchange and interest rate risks. These risks are reduced through the targeted use of hedges. A description of the financing situation is provided in the Financial Review beginning on page 77; the financial risks are discussed on page 165 of the notes.

Protection of healthy capital base through financial discipline

Procurement Risks

Energy represents a key resource for our production processes in the Clay Building Materials Europe Division and at Steinzeug-Keramo. 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 2014 we have already signed contracts that cover a large part of our natural gas and electricity requirements. The most important input factor at Pipelife is plastic granulate. In addition to the above-mentioned price risk for these granulates, the limited storage capacity in our plants leads to a risk that our supplies of this key raw material may not always be sufficient to cover production requirements. Any interruption in supplies would lead to a production standstill. We counter procurement risks by developing alternative suppliers for almost all raw materials.

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. 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 corporate regulations and the supervision of employees in their interaction with risk is a basic responsibility of all Wienerberger managers.

Group-wide guideline to ensure compliance with antitrust laws

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 is a comprehensive tool for management

Internal Control System

The internal control system (ICS) of Wienerberger AG not only provides management with standardized reporting and corporate guidelines, but also represents a comprehensive tool for analyzing and managing the uncertainties and risks arising from business activities. This system is based on the standards defined in the COSO, a recognized international guideline for internal control procedures. Within the context of the ICS, the Managing Board issues a guideline that defines binding Group-wide rules for the accounting process to be used in preparing the annual and interim financial statements. Business transactions are recorded through standardized processes based on a uniform chart of accounts. Wienerberger's consolidated financial statements and interim financial statements are prepared in accordance with IFRS based on a fast close process. The financial statements of all subsidiaries are reviewed by the finance and controlling departments of the respective business units and the corporate reporting department in a two-step process, consolidated and subsequently released by the Managing Board of Wienerberger AG for distribution to the Supervisory Board.

Annual planning process as key part of the ICS

Business forecasting at Wienerberger follows an annual schedule that is designed as integrated planning in a bottom-up process. Included here are the preparation of budgets for the income statement, balance sheet, cash flows and capital expenditure for the following financial year and medium-term planning for a four-year horizon. A key element of the internal control and risk management system is the monthly comparison of actual results with the forecast for the respective period. In addition, the subsidiaries prepare a revised projection of expected annual results three times each year.

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 of the internal control system. Internal audit, which is organized as a staff function reporting to the Managing Board, monitors compliance with the ICS by local management and evaluates operating processes for their risk potential and opportunities for improvement. These activities are based on an annual audit schedule that is approved by the Managing Board and coordinated with the Audit Committee. The internal audit department is also responsible for monitoring compliance with legal directives, internal guidelines and procedures as well as ad-hoc audits as requested by management. The results are reported to the Managing Board of Wienerberger AG. Internal audit and corporate reporting provide the Audit Committee with regular 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

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 2013. In addition, the control systems of individual corporate functions are tested as part of the annual year-end audit.

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Income Statement

Notes		2013 in TEUR	2012 in TEUR
	Revenues	2,662,943	2,355,549
(8-10, 12-14)	Cost of goods sold	-1,887,362	-1,660,985
	Gross profit	775,581	694,564
(8-10, 12-14)	Selling expenses	-522,881	-486,637
(8-10, 12-14)	Administrative expenses	-161,355	-144,909
(12, 14)	Other operating expenses	-79,548	-83,778
(13, 14)	Other operating income	43,484	51,793
	Profit/loss before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the release of a provision for an impending antitrust penalty	55,281	31,033
	Restructuring costs and impairment charges to property, plant and equipment	0	-42,983
	Impairment charges to goodwill	0	-9,768
(13)	Release of a provision for an impending antitrust penalty	9,387	0
	Profit/loss after restructuring costs and impairment charges to property, plant and equipment and goodwill, and the release of a provision for an impending antitrust penalty	64,668	-21,718
(2)	Income from investments in associates and joint ventures	-2,553	4,539
(15)	Interest and similar income	7,817	10,664
(15)	Interest and similar expenses	-63,810	-61,355
(15)	Other financial results	-9,207	31,682
	Financial results	-67,753	-14,470
	Profit/loss before tax	-3,085	-36,188
(16)	Income taxes	-4,750	-4,348
	Profit/loss after tax	-7,835	-40,536
	Thereof attributable to non-controlling interests	-1,399	-2,744
	Thereof attributable to hybrid capital holders	32,500	32,500
	Thereof attributable to equity holders of the parent company	-38,936	-70,292
(17)	Earnings per share (in EUR)	-0.34	-0.61
(17)	Diluted earnings per share (in EUR)	-0.34	-0.61

Statement of Comprehensive Income

Notes		2013 in TEUR	2012 in TEUR
	Profit/loss after tax	-7,835	-40,536
(23, 32)	Foreign exchange adjustments	-68,992	30,978
	Foreign exchange adjustments to investments in associates and joint ventures	-2,257	7,942
(21, 23)	Changes in the fair value of available-for-sale financial instruments	164	2,957
(23)	Changes in hedging reserves	10,319	-385
	Items to be reclassified subsequently to profit or loss	-60,766	41,492
(23, 25)	Actuarial gains/losses	5,999	-24,125
	Actuarial gains/losses from investments in associates and joint ventures	-608	-415
	Items not to be reclassified subsequently to profit or loss	5,391	-24,540
	Other comprehensive income	-55,375	16,952
	Total comprehensive income	-63,210	-23,584
	Thereof comprehensive income attributable to non-controlling interests	-1,485	-2,827
	Thereof attributable to hybrid capital holders	32,500	32,500
	Thereof comprehensive income attributable to equity holders of the parent company	-94,225	-53,257

Cash Flow Statement

Notes		2013 in TEUR	2012 in TEUR
	Profit/loss before tax	-3,085	-36,188
(9)	Depreciation and amortization	197,961	194,663
(9)	Impairment charges to goodwill	0	9,768
(9)	Impairment of assets	13,368	37,003
	Write-ups of fixed and financial assets	0	-175
	Increase/decrease in long-term provisions and deferred taxes	-24,138	-17,830
(2)	Income from investments in associates and joint ventures	2,553	-4,539
	Gain/loss from the disposal of fixed and financial assets	-15,861	-53,413
(15)	Interest result	55,993	50,691
	Interest paid	-53,465	-52,108
	Interest received	7,105	9,048
	Income taxes paid	-15,784	-9,969
	Gross cash flow	164,647	126,951
	Increase/decrease in inventories	34,899	46,758
	Increase/decrease in trade receivables	-4,301	48,874
	Increase/decrease in trade payables	15,185	-39,320
	Increase/decrease in other net current assets	-17,015	43,174
	Changes in non-cash items resulting from foreign exchange translation	-2,519	3,073
	Cash flow from operating activities	190,896	229,510
	Proceeds from the sale of assets (including financial assets)	19,930	21,467
	Purchase of property, plant and equipment and intangible assets	-106,619	-121,955
	Payments made for investments in financial assets	-103	0
	Increase/decrease in securities and other financial assets	-11,900	17,946
	Net payments made for the acquisition of companies	0	-146,779
(18)	Cash flow from investing activities	-98,692	-229,321
	Increase/decrease in long-term financial liabilities	237,315	210,864
	Increase/decrease in short-term financial liabilities	-30,316	-429,250
(23)	Dividends paid by Wienerberger AG	-13,808	-13,808
(23)	Hybrid coupon paid	-32,500	-32,500
	Dividends paid to and other changes in non-controlling interests	0	3,000
	Dividend payments from associates and joint ventures	3,169	13,041
	Cash flow from financing activities	163,860	-248,653
	Change in cash and cash equivalents	256,064	-248,464
	Effects of exchange rate fluctuations on cash held	-1,662	379
	Cash and cash equivalents at the beginning of the year	242,288	490,373
	Cash and cash equivalents at the end of the year	496,690	242,288

Balance Sheet

Notes		31.12.2013 in TEUR	31.12.2012 in TEUR
	Assets		
(19)	Intangible assets and goodwill	842,897	882,060
(19)	Property, plant and equipment	1,663,283	1,803,067
(19)	Investment property	78,377	81,297
(19)	Investments in associates and joint ventures	24,454	33,039
(19, 22)	Other financial assets and non-current receivables	6,869	1,329
(26)	Deferred tax assets	46,633	39,490
	Non-current assets	2,662,513	2,840,282
(20)	Inventories	666,026	700,925
(21)	Trade receivables	203,467	199,166
(22)	Receivables for current taxes	17,920	18,974
(22)	Other current receivables	73,295	65,592
(21, 30)	Securities and other financial assets	91,449	72,504
(18)	Cash and cash equivalents	496,690	242,288
	Current assets	1,548,847	1,299,449
	Total Assets	4,211,360	4,139,731
	Equity and Liabilities		
	Issued capital	117,527	117,527
	Share premium	1,083,973	1,083,973
	Hybrid capital	492,896	492,896
	Retained earnings	803,254	855,998
	Other reserves	-221,071	-165,782
	Treasury stock	-24,324	-24,324
	Controlling interests	2,252,255	2,360,288
	Non-controlling interests	1,911	3,396
(23)	Equity	2,254,166	2,363,684
(26)	Deferred taxes	103,980	105,822
(25)	Employee-related provisions	116,172	132,277
(24)	Other non-current provisions	50,899	53,001
(27, 29)	Long-term financial liabilities	836,121	858,708
(27)	Other non-current liabilities	8,237	9,896
	Non-current provisions and liabilities	1,115,409	1,159,704
(24)	Current provisions	57,396	80,618
	Payables for current taxes	12,359	14,670
(27, 29, 30)	Short-term financial liabilities	290,897	58,062
(27)	Trade payables	268,334	253,149
(27)	Other current liabilities	212,799	209,844
	Current provisions and liabilities	841,785	616,343
	Total Equity and Liabilities	4,211,360	4,139,731

Changes in Equity Statement

Notes	in TEUR	Issued capital	Share premium	Hybrid capital	Retained earnings
	Balance on 31.12.2011 ¹⁾	117,527	1,084,180	492,896	940,098
	Profit/loss after tax				-37,792
(23, 32)	Foreign exchange adjustments				
	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				
	Total comprehensive income				-37,792
(23)	Dividend payment/hybrid coupon				-46,308
	Capital increase/decrease				
	Increase/decrease in non-controlling interests		-207		
	Balance on 31.12.2012	117,527	1,083,973	492,896	855,998
	Profit/loss after tax				-6,436
(23, 32)	Foreign exchange adjustments				
	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				
	Total comprehensive income				-6,436
(23)	Dividend payment/hybrid coupon				-46,308
	Balance on 31.12.2013	117,527	1,083,973	492,896	803,254

1) The data for 2011 were adjusted to reflect the premature application of IAS 19 Employee Benefits and the change to the equity method in 2012 for companies previously included through proportionate consolidation.

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

Other reserves							Total
Actuarial gains/losses	AfS reserve ²⁾	Hedging reserve	Translation reserve	Treasury stock	Controlling interests	Non-controlling interests	
-27,286	-1,822	48,281	-201,990	-24,324	2,427,560	3,259	2,430,819
					-37,792	-2,744	-40,536
			30,969		30,969	9	30,978
			7,942		7,942		7,942
		-385			-385		-385
-24,448	2,957				-21,491	-92	-21,583
-24,448	2,957	-385	38,911		-20,757	-2,827	-23,584
					-46,308		-46,308
						3,000	3,000
					-207	-36	-243
-51,734	1,135	47,896	-163,079	-24,324	2,360,288	3,396	2,363,684
					-6,436	-1,399	-7,835
			-68,972		-68,972	-20	-68,992
			-2,257		-2,257		-2,257
		10,319			10,319		10,319
5,457	164				5,621	-66	5,555
5,457	164	10,319	-71,229		-61,725	-1,485	-63,210
					-46,308		-46,308
-46,277	1,299	58,215	-234,308	-24,324	2,252,255	1,911	2,254,166

Notes to the Financial Statements

General Information

1. Basis for the 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 six segments according to management responsibilities: Clay Building Materials Eastern Europe, Clay Building Materials Western Europe, Pipes & Pavers Eastern Europe, Pipes & Pavers Western Europe, North America and Holding & Others. 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 and 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 2013. 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 consolidated financial statements were released for publication by the Managing Board of Wienerberger AG on February 24, 2013.

The annual financial statements were principally based on amortized acquisition and production costs, and prepared as of the balance sheet date. An exception to this policy is the accounting treatment applied to financial instruments held for trading (derivatives) and available-for-sale financial instruments, which are recorded at fair value. The income statement is prepared in accordance with the cost of sales method; the reconciliation to the total cost method is provided in the notes.

The consolidated financial statements are presented in thousand euros, while some amounts in the risk report are reported in million euros.

2. Consolidated companies

The list of companies at the end of the notes provides an overview of the fully consolidated subsidiaries, joint ventures included at equity, associates and investments that are not fully consolidated for materiality reasons. The following table shows the changes in the consolidation range of the Wienerberger Group during the reporting year and comprises subsidiaries as well as associates and joint ventures accounted for at equity:

Consolidated companies	Full consolidation	Equity consolidation
Balance on 31.12.2012	148	6
Included during reporting year for the first time	4	0
Merged/liquidated during reporting year	-8	0
Divested during reporting year	0	-1
Balance on 31.12.2013	144	5
Thereof foreign companies	121	4
Thereof domestic companies	23	1

Subsidiaries

In addition to Wienerberger AG, the 2013 consolidated financial statements include 23 (2012: 24) Austrian and 121 (2012: 124) foreign subsidiaries in which Wienerberger AG is able to directly or indirectly govern financial and operating policies through the majority of voting rights. Subsidiaries are fully consolidated as of the date control is obtained and deconsolidated when control ceases to exist. Twelve subsidiaries were not consolidated in 2013 (2012: 16) because their influence on the Group's financial position and financial performance is immaterial.

Investments in associates and joint ventures

Five (2012: 6) investments held by Wienerberger under joint control or over which Wienerberger exercises significant influence are included in the consolidated financial statements at equity. The following table shows the proportional values resulting from the aggregation of associates and joint ventures (above all the Tondach Group and Schlagmann), whereby the prior year includes the proportional share of Pipelife Group results for the first five months.

<i>in TEUR</i>	2013	2012
Revenues	110,809	288,276
Operating EBITDA	15,761	30,918
Operating EBIT	4,895	12,423
Profit after tax	-2,553	4,539

Assets			Equity and Liabilities		
<i>in TEUR</i>	31.12.2013	31.12.2012	<i>in TEUR</i>	31.12.2013	31.12.2012
Non-current assets	93,544	104,288	Equity	22,443	30,026
Current assets	46,132	49,924	Non-current provisions and liabilities	50,694	54,676
			Current provisions and liabilities	66,539	69,510
	139,676	154,212		139,676	154,212

Acquisitions and disposals

No companies were acquired during the reporting year. Bockhorner Rohstoffgesellschaft mbH & Co. KG, Bockhorner Rohstoff Verwaltungen GmbH and KORAMIC Verwaltungen-GmbH, which were previously reported under other investments, were initially consolidated as of January 1, 2013.

In June 2013, the associate Soltech NV was sold at the carrying amount and Tongrube Lobenfeld GmbH, a non-consolidated company, was sold at a slight loss of TEUR 29.

3. Basis of consolidation

The acquisition method of accounting is applied to all companies included through full consolidation. Under this method, the compensation transferred in exchange for 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 recoverable amount in the event of impairment. Impairment tests are also performed more frequently if there are indications of a lasting decline in the value of a cash-generating unit (see note 4. Significant accounting policies and note 19. Non-current assets).

All revenues, income and expenses as well as receivables and liabilities arising between subsidiaries are eliminated. 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.

The basic methodology of consolidation applies to associates and joint ventures consolidated at equity, whereby local valuation methods are retained if the variances are immaterial.

4. Significant accounting policies

The accounting policies that form the basis for these consolidated financial statements remain unchanged in comparison with the prior year and were expanded to include the new IFRSs that require mandatory application for 2013 (see note 6. Effects of new and revised standards). A detailed description of the accounting policies can be found beginning on page 156.

5. Assumptions and 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 include 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.

The measurement of deferred tax assets requires assumptions for the estimation of future taxable income and the timing for the realization of the deferred tax assets. However, the valuation of deferred taxes is connected with uncertainty because the future development of business cannot be predicted with certainty and cannot be influenced completely by the Wienerberger Group.

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. A sensitivity analysis was performed to show the influence of changes in macroeconomic parameters on forecasts for the income statement. This analysis is explained in detail under note 19. Non-current assets.

6. Effects of new and revised standards

The following table provides an overview of the new standards and interpretations that were adopted by the EU as of the balance sheet date.

Standards/ Interpretations	Published by IASB	Latest application for Wienerberger
IFRS 13 Fair Value Measurement	May 2011	1.1.2013
IAS 19 Employee Benefits (2011)	June 2011	1.1.2013
IAS 1 Presentation of Items of Other Comprehensive Income	June 2011	1.1.2013
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	October 2011	1.1.2013
IFRS 7 Financial instruments: Disclosures – Offsetting of Financial Assets and Liabilities	December 2011	1.1.2013
IAS 32 Offsetting Financial Assets and Financial Liabilities	December 2011	1.1.2013
Annual Improvements to IFRSs 2009 – 2011	May 2012	1.1.2013
IAS 27 Separate Financial Statements (2011)	May 2011	1.1.2014
IAS 28 Investments in Associates and Joint Ventures (2011)	May 2011	1.1.2014
IFRS 10 Consolidated Financial Statements	May 2011	1.1.2014
IFRS 11 Joint Arrangements	May 2011	1.1.2014
IFRS 12 Disclosures of Interests in Other Entities	May 2011	1.1.2014
IFRS 10 Consolidated Financial Statements: Transition Guidance	June 2012	1.1.2014
IFRS 11 Joint Arrangements: Transition Guidance	June 2012	1.1.2014
IFRS 12 Disclosure of Interests in Other Entities: Transition Guidance	June 2012	1.1.2014
IFRS 10 Consolidated Financial Statements: Investment Entities	October 2012	1.1.2014
IFRS 12 Disclosure of Interests in Other Entities: Investment Entities	October 2012	1.1.2014
IAS 27 Separate Financial Statements (2011): Investment Entities	October 2012	1.1.2014
IAS 36 Recoverable Amount Disclosures for Non-Financial Assets	May 2013	1.1.2014
IAS 39 Novation of Derivatives and Continuation of Hedge Accounting	June 2013	1.1.2014

The changes to IAS 19 Employee Benefits (June 2011), which require mandatory application beginning with the 2013 financial year, were applied prematurely in 2012.

The consolidated financial statements were not affected by the mandatory application in 2013 of the changes to IAS 32 and IFRS 7 on the offsetting of financial assets and liabilities and the related disclosures in the notes or by the clarification to IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine since these standards were previously applied by the Wienerberger Group.

The changes to IAS 1 involving the presentation of other comprehensive income were reflected on the statement of comprehensive income by inserting subtotals for the items that will be reclassified to the income statement and for items that will not be reclassified to the income statement.

IFRS 13 Fair Value Measurement requires mandatory application beginning with the 2013 financial year and was applied by Wienerberger in 2013. The application of uniform rules to the determination of fair value had no material effect on the measurement of assets or liabilities in the consolidated financial statements. The required disclosures in the notes are included in notes 29 – 31 on financial instruments. Information on the fair values of non-financial assets and investment property is provided under note 19.

The new consolidation standards IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities were adopted by the EU on December 11, 2012 and require mandatory retrospective application as of January 1, 2014. The premature application of these standards also requires the concurrent application of IAS 27 Separate Financial Statements (2011) and IAS 28 Investments in Associates and Joint Ventures (2011). One major effect is the change in the accounting treatment of joint ventures under IFRS 11, which generally requires the presentation of proportionately consolidated companies at equity. Since Wienerberger changed the consolidation method applied to the Schlagmann und Tondach joint ventures to the equity method in 2012, the application of the new consolidation standards will have no major effect on the consolidated financial statements.

7. Operating segments

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.

The full takeover of Pipelife, which was finalized at the end of May 2012, led to a change in the definition of operating segments for reporting purposes to reflect the new assignment of management responsibilities. The business activities of the Wienerberger Group are still managed on a regional basis, whereby the new segmentation also reflects the different business areas. The Clay Building Materials Europe Division covers activities in the areas of clay blocks, facing bricks and roof tiles in two segments: Clay Building Materials Eastern Europe and Clay Building Materials Western Europe. The Pipes & Pavers Europe Division contains the activities of the plastic pipe producer Pipelife, the ceramic pipe producer Steinzeug-Keramo and the concrete paver producer Semmelrock, and includes the Pipes & Pavers Western Europe and Pipes & Pavers Eastern Europe Segments. Activities in North America are reported together under the North America Segment. The Holding & Others Segment consists primarily of Wienerberger's brick business in India and activities at the corporate headquarters.

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 after tax, assets, liabilities, capital employed and capital expenditure 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.

Consolidated revenues rose by 13% to TEUR 2,662,943 in 2013. An adjustment for changes in the consolidation range and currency translation effects resulted in an organic revenue decline of TEUR 4,543. Revenues were reduced by currency translation effects of TEUR 35,807, but increased by TEUR 347,744 from changes in the consolidation range. Group revenues include TEUR 41,270 (2012: TEUR 20,145) of revenues from construction orders. Detailed information on revenues by region is provided in the presentation of operating segments on pages 122 and 123.

Operating Segments	Clay Building Materials Eastern Europe		Clay Building Materials Western Europe		Pipes & Pavers Eastern Europe	
<i>in TEUR</i>	2013	2012	2013	2012	2013	2012
Third party revenues	312,434	314,211	1,089,936	1,129,633	436,708	318,984
Inter-company revenues ¹⁾	5,861	4,582	9,498	7,561	11,729	6,044
Total revenues	318,295	318,793	1,099,434	1,137,194	448,437	325,028
Operating EBITDA ²⁾	40,192	46,991	131,125	136,472	35,055	23,309
Depreciation and amortization	39,502	42,403	96,771	104,723	22,177	19,628
Restructuring costs and impairment charges to property, plant and equipment	0	3,291	0	38,578	0	1,114
Impairment charges to goodwill	0	9,566	0	202	0	0
Release of a provision for an impending antitrust penalty	0	0	9,387	0	0	0
EBIT	690	-8,269	43,741	-7,031	12,878	2,567
Income from investments in associates and joint ventures	-5,935	-2,877	3,382	1,636	0	0
Investments in associates and joint ventures	13,169	22,208	11,285	10,831	0	0
Interest result	-9,665	-11,634	-38,850	-16,738	-7,922	-8,951
Income taxes	4,592	-3,927	-2,180	13,194	365	-219
Profit/loss after tax	-11,286	-27,126	6,380	-19,725	4,223	-6,396
Liabilities	247,184	274,334	1,217,731	1,318,352	214,451	233,467
Capital employed	419,216	468,961	1,357,130	1,426,159	255,995	266,148
Assets	609,216	664,051	1,895,774	2,382,088	398,815	419,040
Normal capex	17,104	14,125	44,487	48,649	4,625	5,049
Growth capex ³⁾	0	244	76	2,409	0	7,540
Ø Employees	2,383	2,516	5,940	6,227	2,267	1,440

Products	Revenues		Operating EBITDA ²⁾		Capital employed	
<i>in TEUR</i>	2013	2012	2013	2012	2013	2012
Wall ⁴⁾	606,635	627,666	70,025	60,931	812,743	848,441
Facade	574,158	574,363	42,416	47,937	870,844	965,115
Roof	398,026	414,577	83,285	95,102	531,338	549,666
Pavers	110,599	121,285	10,930	6,030	123,923	141,528
Pipes	972,623	617,283	95,908	64,142	442,797	445,096
Other	902	375	-36,041	-28,596	-13,998	-18,552
Wienerberger Group	2,662,943	2,355,549	266,523	245,546	2,767,647	2,931,294

Revenues	Clay Building Materials Eastern Europe		Clay Building Materials Western Europe		Pipes & Pavers Eastern Europe	
<i>in TEUR</i>	2013	2012	2013	2012	2013	2012
Austria	46,185	48,920			133,362	98,249
Czech Republic	38,585	41,574			29,720	21,420
Poland	98,683	104,343			84,677	72,484
Russia	47,166	38,142			32,903	23,564
Germany			250,232	257,113		
Switzerland			66,681	73,713		
Belgium			215,641	223,012		
Netherlands			138,010	159,330		
France			155,436	162,016		
Great Britain			183,051	160,663		
Sweden			6,643	6,947		
Norway			10,139	13,806		
Finland			12,678	13,096		
USA						
Other	82,033	81,507	51,840	60,881	156,046	103,267
Wienerberger Group	312,652	314,486	1,090,351	1,130,577	436,708	318,984

1) Inter-company revenues represent the revenues between fully consolidated, at-equity consolidated and unconsolidated Group companies.

2) Adjusted for restructuring costs and income from the release of a provision for an impending antitrust penalty

Pipes & Pavers Western Europe		North America		Holding & Others		Reconciliation ⁵⁾		Wienerberger Group	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
592,782	392,164	224,699	193,774	5,589	5,393	0	0	2,662,148	2,354,159
14,494	4,269	1,243	100	9,123	8,713	-51,153	-29,879	795	1,390
607,276	396,433	225,942	193,874	14,712	14,106	-51,153	-29,879	2,662,943	2,355,549
65,241	44,090	13,158	9,781	-18,248	-15,097	0	0	266,523	245,546
25,980	16,145	22,440	24,466	4,372	7,148	0	0	211,242	214,513
0	0	0	0	0	0	0	0	0	42,983
0	0	0	0	0	0	0	0	0	9,768
0	0	0	0	0	0	0	0	9,387	0
39,261	27,945	-9,282	-14,685	-22,620	-22,245	0	0	64,668	-21,718
0	5,780	0	0	0	0	0	0	-2,553	4,539
0	0	0	0	0	0	0	0	24,454	33,039
-6,972	-4,369	-28,490	-28,430	35,906	19,431	0	0	-55,993	-50,691
-8,913	-3,894	-2,387	-1,920	3,773	-7,582	0	0	-4,750	-4,348
31,528	75,113	-41,063	-45,952	32,445	13,894	-30,062	-30,344	-7,835	-40,536
486,971	414,225	524,406	534,654	1,367,130	981,210	-2,100,679	-1,980,195	1,957,194	1,776,047
296,627	302,446	426,554	458,742	12,125	8,838	0	0	2,767,647	2,931,294
800,126	721,864	487,244	530,060	4,671,089	3,936,262	-4,650,904	-4,513,634	4,211,360	4,139,731
30,315	24,715	7,314	8,704	2,159	4,076	0	0	106,004	105,318
0	146,637	0	6,586	642	0	0	0	718	163,416
1,780	1,604	1,213	1,064	204	209	0	0	13,787	13,060

Total investments

2013	2012
32,882	36,194
21,952	31,039
14,612	15,979
4,643	12,589
30,315	171,352
2,318	1,581
106,722	268,734

Pipes & Pavers Western Europe		North America		Holding & Others		Wienerberger Group	
2013	2012	2013	2012	2013	2012	2013	2012
257	102			295	290	180,099	147,561
						68,305	62,994
						183,360	176,827
						80,069	61,706
50,253	44,416					300,485	301,529
						66,681	73,713
76,437	73,916					292,078	296,928
100,924	52,205					238,934	211,535
79,693	45,556					235,129	207,572
7,575	3,928					190,626	164,591
78,042	45,843					84,685	52,790
110,448	64,599					120,587	78,405
39,508	24,591					52,186	37,687
		199,137	164,302			199,137	164,302
49,645	37,008	25,562	29,472	5,456	5,274	370,582	317,409
592,782	392,164	224,699	193,774	5,751	5,564	2,662,943	2,355,549

3) Including investments in other financial assets

4) India is assigned to the Holding & Others Segment, but reported under the wall product segment.

5) The 'reconciliation' column includes eliminations between Group companies.

Notes to the Income Statement

8. Material expenses

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

<i>in TEUR</i>	2013	2012
Cost of materials	542,168	422,041
Maintenance expenses	107,420	99,111
Cost of merchandise	312,097	246,087
Cost of energy	278,158	284,526
Total	1,239,843	1,051,765

The reported expenses were increased by a change of TEUR 34,713 in inventories of semi-finished and finished goods (2012: TEUR 35,528). This was contrasted by income of TEUR 1,485 (2012: TEUR 1,364) from the capitalization of own work and a proportional share of borrowing costs, including foreign exchange differences, related to the construction of qualified plant and equipment.

The cost of materials consists mainly of expenses for clay, sand, plastics, 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.

9. Depreciation, amortization and impairment of assets

The cost of goods sold, selling and administrative expenses and other operating expenses for the reporting year include TEUR 197,961 of scheduled depreciation and amortization (2012: TEUR 194,663). Impairment charges to property, plant and equipment and intangible assets totaled TEUR 13,281 for the reporting year (2012: TEUR 19,850) and comprise special write-downs for the mothballing of plants in prior periods as well as impairment charges to real estate and other assets.

<i>in TEUR</i>	2013	2012
Depreciation of property, plant and equipment and amortization of intangible assets	197,961	194,663
Impairment charges to goodwill	0	9,768
Impairment charges to property, plant and equipment	13,281	19,850
Impairment charges due to restructuring	0	14,223
Impairment charges	13,281	43,841
Depreciation, amortization and impairment charges to goodwill, other intangible assets and property, plant and equipment	211,242	238,504

10. Personnel expenses

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

<i>in TEUR</i>	2013	2012
Wages	257,954	234,158
Salaries	235,095	213,290
Leased personnel (permanently)	7,219	9,572
Expenses for long term incentive programs	2,884	0
Expenses for severance payments	3,708	4,492
Expenses for pensions	12,822	8,512
Expenses for mandatory social security and payroll-related taxes and contributions	105,723	107,944
Other employee benefits	11,947	14,535
Personnel expenses	637,352	592,503

The remuneration for the members of the Managing Board totaled TEUR 3,184 in 2013 (2012: TEUR 1,667). Of this amount, TEUR 1,220 (2012: TEUR 1,667) represent fixed components and TEUR 1,964 (2012: TEUR 0) variable components. Included here are expenses of TEUR 1,220 (2012: TEUR 0) for a long-term remuneration component, which will be paid out in three equal instalments over three years if the defined targets are met. For the active members of the Managing Board, pension expenses in the form of contributions to pension funds (defined contribution plans) totaled TEUR 502 in 2013 (2012: TEUR 1,190). A provision of TEUR 181 (2012: TEUR 399) was created for severance compensation claims. Payments of TEUR 836 (2012: TEUR 816) were made to former members of the Managing Board and their surviving dependents.

The members of the Supervisory Board received remuneration of TEUR 452 in 2013 for their activities during the 2012 financial year (2012: TEUR 501).

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.

11. Employees

The average number of employees in 2013 and 2012 is shown on the following table:

	2013	2012
Production	9,185	8,673
Administration	1,241	1,142
Sales	3,361	3,245
Total	13,787	13,060
Thereof apprentices	98	95

12. Other operating expenses

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

<i>in TEUR</i>	2013	2012
Non-income based taxes	22,940	23,659
Loss on the disposal of fixed assets, excluding financial assets	535	946
Transportation costs for customer deliveries	168,089	149,181
Internal transport	52,170	53,241
Environmental protection measures	6,364	4,583
Uncollectible receivables	2,018	4,175
Services	108,885	101,449
Rental and leasing charges	37,601	39,593
Miscellaneous	144,435	115,691
Other operating expenses	543,037	492,518

A reconciliation of expenses under the total cost method to expenses under the cost of sales method is provided on page 127.

The cost of services is comprised primarily of expenses for business trips and travel, legal advising and miscellaneous consulting, advertising, insurance and telecommunications. Expenses for the auditor and members of the auditor's network totaled TEUR 1,831 for the audit of the consolidated financial statements in 2013 (2012: TEUR 1,999), TEUR 124 (2012: TEUR 48) for assurance services and TEUR 406 (2012: TEUR 468) for other services.

Miscellaneous other expenses consist mainly of commissions, patent and trademark rights, business entertainment, customer claims and research and development. Research expenses amounted to TEUR 11,361 for the reporting year (2012: TEUR 9,008).

13. Other operating income

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

<i>in TEUR</i>	2013	2012
Income from the disposal of tangible assets, excluding financial assets	16,424	12,230
Income from rental and leasing contracts	4,897	4,465
Subsidies	1,553	2,127
Insurance compensation	7,321	508
Miscellaneous	26,845	41,617
Other operating income	57,040	60,947

Miscellaneous other operating income represents sales-like revenues that are not part of the direct business activities of the Wienerberger Group. The remaining amount represents a provision that was created in 2008 for an impending antitrust penalty in Germany. This provision was released following the termination of the proceedings and is shown separately on the income statement (TEUR 9,387).

14. 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:

2013 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	664,400	311,134	153,748	269,560	367,374	-6,768	127,914	1,887,362
Selling expenses	168,685	18,416	963	7,061	5,127	170,638	-3,594	155,585	522,881
Administrative expenses	0	0	0	9,181	1,226	99,340	-3,194	54,802	161,355
Other operating expenses	0	0	0	41,252	2,245	0	0	36,051	79,548
Other operating income	0	0	0	0	0	0	-43,484	0	-43,484
	168,685	682,816	312,097	211,242	278,158	637,352	-57,040	374,352	2,607,662

2012 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	538,224	245,188	152,485	275,281	336,487	-4,681	118,001	1,660,985
Selling expenses	149,803	17,092	899	6,757	5,148	167,026	-3,347	143,259	486,637
Administrative expenses	0	0	0	8,207	1,014	88,990	-1,126	47,824	144,909
Other operating expenses	0	0	0	47,064	3,083	0	0	33,631	83,778
Other operating income	0	0	0	0	0	0	-51,793	0	-51,793
	149,803	555,316	246,087	214,513	284,526	592,503	-60,947	342,715	2,324,516

15. Interest and other financial results

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

2013 <i>in TEUR</i>	Total	Loans and receivables	FLAC ¹⁾	AfS ²⁾	Derivatives
Interest and similar income	7,817	5,909	0	1,276	632
Interest and similar expense	-63,810	0	-61,749	0	-2,061
Interest result	-55,993	5,909	-61,749	1,276	-1,429
Income from third parties (dividends)	131	0	0	131	0
Income from subsidiaries	131	0	0	131	0
Result from the disposal of financial instruments	-438	0	-200	-238	0
Valuation of fair value hedges	-1,699				-1,699
Impairment of financial instruments	-914	-827	0	-87	0
Foreign exchange differences	-3,622				
Net result	-6,673	-827	-200	-325	-1,699
Banking fees	-2,665				
Other financial results	-9,207	-827	-200	-194	-1,699
Total	-65,200	5,082	-61,949	1,082	-3,128

2012 <i>in TEUR</i>	Total	Loans and receivables	FLAC ¹⁾	AfS ²⁾	Derivatives
Interest and similar income	10,664	7,974	0	1,451	1,239
Interest and similar expense	-61,355	0	-59,157	0	-2,198
Interest result	-50,691	7,974	-59,157	1,451	-959
Income from third parties (dividends)	131	0	0	131	0
Income from subsidiaries	131	0	0	131	0
Result from the disposal of financial instruments	110	0	0	110	0
Income from the disposal of joint ventures	42,303				
Valuation of fair value hedges	3,477				3,477
Impairment of financial instruments	-9,900	-6,970	0	-2,930	0
Foreign exchange differences	-1,981				
Net result	34,009	-6,970	0	-2,820	3,477
Banking fees	-2,458				
Other financial results	31,682	-6,970	0	-2,689	3,477
Total	-19,009	1,004	-59,157	-1,238	2,518

1) Financial liabilities at amortized cost

2) Available-for-sale financial instruments

Interest expense includes the expected net interest result of TEUR 4,395 (2012: TEUR 3,458) from defined benefit pension plans and similar obligations to employees (see note 25. Employee benefits). The sale of available-for-sale financial instruments during the reporting year generated TEUR -238 (2012: TEUR 110). In the prior year, the purchase of the remaining 50% stake in Pipelife and the resulting adjustment of the consolidation range led to a net valuation effect of TEUR 42,303 in the original at-equity investment. Loans and receivables include impairment charges of TEUR 827 (2012: TEUR 6,970) to receivables from associates. Available-for-sale financial instruments also include impairment charges of TEUR 87 (2012: TEUR 2,930) 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 200 (2012: TEUR 0). The market valuation of fair value hedges resulted in a negative contribution of TEUR -1,699 (2012: TEUR 3,477) to net profit.

16. Income taxes

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

<i>in TEUR</i>	2013	2012
Current tax expense	11,858	13,839
Deferred tax income	-7,108	-9,491
Income taxes	4,750	4,348

The difference between the applicable Austrian corporate tax rate of 25% (2012: 25%) and the Group tax rate shown in these statements is due to the following factors:

<i>in TEUR</i>	2013	2012
Profit/loss before tax	-3,085	-36,188
Tax expense at tax rate of 25%	771	9,047
Other foreign tax rates	4,932	6,741
Tax income and expense from prior periods	2,865	-2,717
Effect of tax free income from investments in associates and joint ventures	-410	1,203
Change in valuation allowance for deferred tax assets	-12,400	-30,181
Non-temporary differences	-4,379	11,255
Changes in tax rates	3,871	304
Effective tax expense	-4,750	-4,348
Effective tax rate in %	-154.0	-12.0

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

The number of shares issued totaled 117,526,764 as of December 31, 2013. Wienerberger held 2,464,138 shares as treasury stock as of this same date (2012: 2,464,138). The calculation of earnings per share for 2013 was based on a weighted average of 115,062,626 shares outstanding, and reflects the deduction of treasury shares.

<i>Number of shares</i>	2013	2012
Outstanding	117,526,764	117,526,764
Treasury stock	2,464,138	2,464,138
Weighted average	115,062,626	115,062,626

Earnings per share of EUR -0.34 were calculated by dividing the results of the parent company by the weighted average number of shares outstanding. Diluted earnings per share of EUR -0.34 represent basic earnings per share for 2013.

In accordance with the provisions of the Austrian Stock Corporation Act, the financial statements of Wienerberger AG as of December 31, 2013 form the basis for the dividend payment.

These financial statements show net profit of EUR 18,793,934.15. The Managing Board will ask the Annual General Meeting to 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. The Managing Board also recommends that the Annual General Meeting approve the carryforward of the remaining EUR 4,986,419.03.

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, actuarial gains and losses from the measurement of defined benefit pension plans and other long-term employee benefits, the change in the hedging reserve and the results from the valuation of available-for-sale securities. The components of comprehensive income are presented after tax.

Currency translation differences of TEUR -71,249 (2012: TEUR 38,920) were generated primarily by the US dollar, Russian ruble and Norwegian krone. No currency translation differences were reclassified to the income statement in 2013 (2012: TEUR -7,464).

Gains of TEUR 164 on the sale of available-for-sale financial assets were recorded under other comprehensive income without recognition through profit or loss in 2013 (2012: TEUR 2,957). The market valuation of hedges of net investments in foreign operations and cash flow hedges increased the hedging reserves by a total of TEUR 10,319 after tax (2012: TEUR -385). Market value changes of TEUR 119 in available-for-sale financial instruments were reclassified from other comprehensive income to the income statement during the reporting year (2012: TEUR 0).

Based on the after-tax loss of TEUR 7,835 recorded in 2013 (2012: TEUR -40,536), total comprehensive income after tax led to a decrease of TEUR 63,210 in equity (2012: TEUR -23,584).

Deferred tax liabilities of TEUR 267 (2012: TEUR 4,086) were recognized under other comprehensive income for actuarial gains and losses arising from the valuation of defined benefit pension plans and other similar post-employment benefits (IAS 19). Tax effects were not calculated on the other components of comprehensive income, 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.

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 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.

18. Cash flow from investing activities

The acquisition of property, plant and equipment and intangible assets resulted in an outflow of funds totaling TEUR 106,619 (2012: TEUR 121,955). This amount includes TEUR 106,004 (2012: TEUR 105,318) of normal capex, maintenance and investments in technical upgrades. A total of TEUR 615 (2012: TEUR 163,416) was spent on acquisitions, plant expansion and environmental investments. Investments of TEUR 103 (2012: TEUR 0) were made in financial assets.

Cash inflows from the disposal of fixed and financial assets amounted to TEUR 19,930 (2012: TEUR 21,467) and include the disposal of property, plant and equipment and intangible assets as well as the sale of financial assets. These disposals generated net gains of TEUR 15,861 (2012: TEUR 11,110). In addition, land was sold for a price of TEUR 8,696 in 2013. This transaction is not included in cash inflows from the disposal of fixed and financial assets because the proceeds will be paid in installments.

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

<i>in TEUR</i>	2013	2012
Payments made for investments in tangible and intangible assets	106,619	121,955
Net payments made for the acquisition of companies	0	146,779
Investments in financial assets	103	0
Total investments including financial assets	106,722	268,734
Maintenance and investments in technical upgrades	106,004	105,318
Normal capex	106,004	105,318
Payments made for plant expansions and environmental investments	615	16,637
Net payments made for the acquisition of companies	0	146,779
Growth capex	615	163,416
Investments in financial assets	103	0
Growth capex including financial assets	718	163,416

Notes to the Balance Sheet

19. Non-current assets

The development of non-current assets is shown on pages 136 and 137. 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>	2013	2012
Clay Building Materials Eastern Europe	42,999	44,020
Clay Building Materials Western Europe	358,496	363,479
Pipes & Pavers Eastern Europe	17,086	17,123
Pipes & Pavers Western Europe	45,329	46,930
North America	165,996	174,277
Holding & Others	988	1,137
Goodwill	630,894	646,966

In accordance with IFRS 3, goodwill is not amortized on a regular basis but tested at least once each year for indications of impairment as defined in IAS 36. Wienerberger defines plants as cash-generating units. These plants are aggregated by divisions and regions based on the new Group structure, which led to a reduction in the number of cash-generating units from 65 in the prior year to 59 in 2013. The carrying amount of the goodwill and operating assets allocated to the respective units is compared with the recoverable amount and, if necessary, written down to the lower value in use or to a possible sale price or liquidation value. Since it is not practical to establish the fair value of an individual cash-generating unit, cash flows are estimated for all units of the Wienerberger Group based on an income approach. These cash flows are discounted at the weighted average cost of capital after tax (WACC) to develop the present value. For the determination of the value in use, the after-tax WACC is derived from external sources on the basis of recognized financial methods.

The expected future cash surpluses are based on the latest internal forecasts prepared by top management and approved by the Managing and Supervisory Boards for the period from 2014 to 2017 and explicitly exclude the earnings potential of future strategic business developments. 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 is based on four detailed planning periods (2014 – 2017), whereby the surplus cash inflows in the following fifth planning period are assumed to be sustainable over the long-term based on the going concern principle and form the basis for determining the present value of the perpetual yield. These perpetual cash flows include a country-specific growth rate that is derived from an external source (IMF, 2013, World Economic Outlook Database). 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 impairment tests carried out in December 2013 based on the latest approved mid-term planning data for 2014 – 2017 did not result in any impairment charges to goodwill (2012: TEUR 9,768). The following after-tax costs of capital and growth rates were used for these impairment tests:

in %	WACC		Growth rate	
	2013	2012	2013	2012
Euro zone	6.99	6.84	1.7	1.0
USA	7.05	6.03	3.1	1.0
Great Britain	6.58	5.53	2.3	1.0
Russia	12.02	11.63	3.5	3.5
India	11.83	9.69	6.7	4.0
Turkey	11.80	8.77	4.5	3.0
Wienerberger Group	6.97	6.80	1.5 – 6.7	1.0 – 4.0

The value in use based on the above parameters amounted to TEUR 850,791 for Clay Building Materials Eastern Europe, TEUR 2,124,451 for Clay Building Materials Western Europe, TEUR 643,326 for Pipes & Pavers Eastern Europe, TEUR 831,122 for Pipes & Pavers Western Europe and TEUR 758,963 for North America.

In connection with the impairment testing process, the country budgets were subjected to stress tests that included changes in individual macroeconomic parameters as part of a sensitivity analysis. The following table summarizes the results of the stress tests and shows a risk of impairment to goodwill based on an increase in the WACC and lower growth rates.

Sensitivity impairment 2013			WACC		
in TEUR	+50 Basis points	+25 Basis points	Tested	-25 Basis points	-50 Basis points
Growth rate – tested	-8,546	-73	0	0	0
Growth rate cut to half	-132,783	-83,013	-43,451	-6,007	-673
Growth rate of zero	-220,018	-177,652	-133,750	-90,851	-56,329

In the prior year, an increase of 100 basis points in the risk-free interest rate that forms the basis for the cost of capital would have resulted in impairment of TEUR 39,310 and a parallel reduction of one-half in the growth rates would have resulted in impairment of TEUR 92,007.

Miscellaneous non-current intangible assets are comprised primarily of acquired customer bases totaling TEUR 118,517 (2012: TEUR 130,395) and acquired trademark rights of TEUR 51,520 (2012: TEUR 52,915) as well as patents and concessions. A total of TEUR 484 was capitalized for internally generated intangible assets in 2013 (2012: TEUR 414).

Non-current assets include land with a value of TEUR 374,725 (2012: TEUR 389,633). Borrowing costs and foreign exchange differences capitalized up to the completion of new plant construction amounted to TEUR 268 (2012: TEUR 84).

The Wienerberger Group also uses *finance leases*, but only to a limited extent. All major finance leases have expired or been terminated by the exercise of the related purchase options. The remaining carrying amounts totaled TEUR 632 as of December 31, 2013 (2012: TEUR 10,110).

<i>in TEUR</i>	2013	2012
Acquisition costs	632	13,458
Depreciation (accumulated)	0	3,348
Carrying amount	632	10,110

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>	2013	2012
For the following year	26,393	22,363
For the next two to five years	57,252	55,725
Over five years	28,314	34,241

Payments arising from operating leases, license and rental agreements totaled TEUR 37,601 (2012: TEUR 39,593).

The balance sheet item *“investment property”* includes real estate and buildings with a carrying amount of TEUR 78,377 (2012: TEUR 81,297), 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. The fair values of these assets based on comparable transactions are allocated to level two in the valuation hierarchy according to IFRS 13 and estimated at TEUR 142,042 (2012: TEUR 147,655). The investment properties generated rental and other income of TEUR 1,047 in 2013 (2012: TEUR 765). Wienerberger sold investment property with a carrying amount of TEUR 10,265 during the reporting year (2012: TEUR 7,107). Of the total non-current assets, equipment with a combined carrying amount of TEUR 3,651 (2012: TEUR 3,184) and a fair value of TEUR 3,653 (2012: TEUR 2,668) 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 any sales 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.

<i>in TEUR</i>	Acquisition or Production Costs						Balance on 31.12.2013
	Balance on 1.1.2013	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	
Goodwill	807,606	-3,109	-16,864	0	0	0	787,633
Other intangible assets	304,443	0	-9,606	5,299	9,255	-839	290,042
Intangible assets and goodwill	1,112,049	-3,109	-26,470	5,299	9,255	-839	1,077,675
Land and buildings	1,218,949	250	-22,469	15,225	7,795	-6,921	1,197,239
Machinery and equipment	2,466,116	0	-46,919	46,407	71,703	25,647	2,419,548
Fixtures, fittings, tools and equipment	102,432	5	-2,363	7,930	8,894	304	99,414
Assets under construction	52,232	0	-1,673	34,658	340	-34,032	50,845
Property, plant and equipment	3,839,729	255	-73,424	104,220	88,732	-15,002	3,767,046
Investment property	174,600	0	-3,084	16	31,458	15,841	155,915
Investments in associates and joint ventures	29,478	0	-2,292	1	1,647	0	25,540
Investments in subsidiaries	606	-203	-1	100	352	0	150
Other investments	5,223	0	6	2	6	0	5,225
Other financial assets	5,829	-203	5	102	358	0	5,375
	5,161,685	-3,057	-105,265	109,638	131,450	0	5,031,551

<i>in TEUR</i>	Acquisition or Production Costs						Balance on 31.12.2012
	Balance on 1.1.2012 ¹⁾	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	
Goodwill	764,150	42,175	1,280	0	0	1	807,606
Other intangible assets	122,736	178,222	3,950	3,146	3,690	79	304,443
Intangible assets and goodwill	886,886	220,397	5,230	3,146	3,690	80	1,112,049
Land and buildings	1,156,010	53,967	14,227	20,984	5,215	-21,024	1,218,949
Machinery and equipment	2,341,339	96,078	26,654	50,334	59,498	11,209	2,466,116
Fixtures, fittings, tools and equipment	91,773	7,478	1,111	7,779	6,513	804	102,432
Assets under construction	49,494	10,916	719	39,479	690	-47,686	52,232
Property, plant and equipment	3,638,616	168,439	42,711	118,576	71,916	-56,697	3,839,729
Investment property	132,458	2,922	2,317	233	19,947	56,617	174,600
Investments in associates and joint ventures	73,089	-44,097	486	0	0	0	29,478
Investments in subsidiaries	1,291	-685	0	0	0	0	606
Other investments	5,208	24	5	0	14	0	5,223
Other financial assets	6,499	-661	5	0	14	0	5,829
	4,737,548	347,000	50,749	121,955	95,567	0	5,161,685

1) The data for 2011 were adjusted to reflect the premature application of IAS 19 Employee Benefits and the change to the equity method in 2012 for companies previously included through proportionate consolidation.

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

Depreciation and Amortization

Balance on 1.1.2013	Change in consolidation range	Foreign exchange incr./decr.	Depreciation/ Amortization	Impairments	Write-ups	Disposals	Transfers	Balance on 31.12.2013	Carrying amount 31.12.2013
160,640	0	-3,901	0	0	0	0	0	156,739	630,894
69,349	0	-1,677	18,987	253	0	9,043	170	78,039	212,003
229,989	0	-5,578	18,987	253	0	9,043	170	234,778	842,897
426,693	83	-5,363	36,582	3,001	0	7,116	-4,094	449,786	747,453
1,538,880	0	-24,374	133,338	8,408	0	71,147	-24	1,585,081	834,467
70,763	5	-1,420	8,460	39	0	8,470	-486	68,891	30,523
326	0	-1	14	0	0	69	-265	5	50,840
2,036,662	88	-31,158	178,394	11,448	0	86,802	-4,869	2,103,763	1,663,283
93,303	0	-1,431	580	1,580	0	21,193	4,699	77,538	78,377
-3,561	0	-35	0	0	-3,161	-1,521	0	1,086	24,454
175	-162	0	0	0	0	0	0	13	137
4,325	0	6	0	87	0	0	0	4,418	807
4,500	-162	6	0	87	0	0	0	4,431	944
2,360,893	-74	-38,196	197,961	13,368	-3,161	115,517	0	2,421,596	2,609,955

Depreciation and Amortization

Balance on 1.1.2012 ¹⁾	Change in consolidation range	Foreign exchange incr./decr.	Depreciation/ Amortization	Impairments	Write-ups	Disposals	Transfers	Balance on 31.12.2012	Carrying amount 31.12.2012
150,953	0	-81	0	9,768	0	0	0	160,640	646,966
56,411	0	590	14,523	1,530	0	3,685	-20	69,349	235,094
207,364	0	509	14,523	11,298	0	3,685	-20	229,989	882,060
409,164	0	4,258	36,785	6,772	0	4,500	-25,786	426,693	792,256
1,434,568	0	15,680	133,830	24,937	145	58,264	-11,726	1,538,880	927,236
67,422	0	770	8,830	32	0	5,921	-370	70,763	31,669
285	0	-1	70	0	30	0	2	326	51,906
1,911,439	0	20,707	179,515	31,741	175	68,685	-37,880	2,036,662	1,803,067
65,301	0	1,515	625	802	0	12,840	37,900	93,303	81,297
-59,043	47,006	9	0	-450	4,124	-13,041	0	-3,561	33,039
175	0	0	0	0	0	0	0	175	431
941	0	4	0	3,380	0	0	0	4,325	898
1,116	0	4	0	3,380	0	0	0	4,500	1,329
2,126,177	47,006	22,744	194,663	46,771	4,299	72,169	0	2,360,893	2,800,792

20. Inventories

<i>in TEUR</i>	2013	2012
Raw materials and consumables	114,973	120,210
Semi-finished goods	86,660	85,056
Finished goods and merchandise	463,370	492,898
Prepayments	1,023	2,761
Inventories	666,026	700,925

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 10,895 (2012: TEUR 10,025) 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 62,132 as of December 31, 2013 (2012: TEUR 47,393).

21. Receivables, securities and other financial assets

Loans and receivables

<i>in TEUR</i>	2013			2012		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Trade receivables from third party	202,305	202,305	0	198,328	198,260	68
Trade receivables from subsidiaries	1,162	1,162	0	838	838	0
Trade receivables	203,467	203,467	0	199,166	199,098	68
Financial receivables from subsidiaries	27,760	27,760	0	22,270	22,270	0
Receivables arising from loans	4,584	3,583	1,001	4,464	3,447	1,017
Loans granted	32,344	31,343	1,001	26,734	25,717	1,017
Loans and receivables	235,811	234,810	1,001	225,900	224,815	1,085

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 2013 individual valuation adjustments totaled TEUR 2,018 (2012: TEUR 4,175). Individual valuation adjustments to receivables during the reporting year equaled 0.9% of trade receivables and originated loans as well as less than 1% of total receivables, and are therefore not shown separately. Sold receivables (factoring) are derecognized as required by IAS 39. As of December 31, 2013, trade receivables totaling TEUR 85,007 (2012: TEUR 81,800) had been sold to third parties. The receivables due from Group companies reflect loans granted to companies included in the consolidation at equity and loans granted to other investments. Trade receivables totaling TEUR 2,185 (2012: TEUR 1,784) are secured by notes payable.

Available-for-sale financial instruments

	2013				2012			
	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	7,290	7,290	-98	0.71	7,432	7,432	122	0.69
Corporate bonds	19,470	19,470	262	6.83	21,828	21,828	2,835	6.43
Stock	6,452	6,452	0	-	6,452	6,452	0	-
Other	11,416	11,416	0	-	1,860	1,860	0	-
Available-for-sale financial instruments	44,628	44,628	164		37,570	37,570	2,957	

In addition to the available-for-sale financial instruments included under securities and other financial assets, other non-current financial assets include TEUR 944 (2012: TEUR 1,329) that are also assigned to this category. The resulting total of available-for-sale financial instruments is TEUR 45,572 (2012: TEUR 38,899).

Financial instruments held for trading

in TEUR	2013		2012	
	Carrying amount	Market value	Carrying amount	Market value
Derivatives from cash flow hedges	9,675	9,675	1,859	1,859
Derivatives from fair value hedges	0	0	6,287	6,287
Other derivatives	4,802	4,802	54	54
Derivatives with positive market value	14,477	14,477	8,200	8,200

The carrying amounts of securities and other financial assets totaled TEUR 91,449 (2012: TEUR 72,504). This amount includes TEUR 32,344 (2012: TEUR 26,734) of loans granted, TEUR 44,628 (2012: TEUR 37,570) of available-for-sale financial instruments and TEUR 14,477 (2012: TEUR 8,200) of derivatives with a positive market value.

22. Other receivables, prepaid expenses and deferred charges

in TEUR	2013			2012		
	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	61	61	0	0	0	0
Prepaid expenses and deferred charges	13,093	13,093	0	13,384	13,384	0
Receivables for current taxes	17,920	17,920	0	18,974	18,974	0
Miscellaneous receivables	66,066	58,393	7,673	52,208	51,457	751
Other receivables, prepaid expenses and deferred charges	97,140	89,467	7,673	84,566	83,815	751

Miscellaneous receivables consist primarily of receivables due from tax authorities and social security carriers. A receivable of TEUR 5,925 from the sale of land has a medium term and is therefore reported as a non-current asset under other financial assets and non-current receivables.

23. Capital and reserves

The development of capital and reserves in 2013 and 2012 is shown on pages 114 and 115.

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. This authorization is valid up to May 13, 2014. 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 shares. 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 also 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 shares. 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).

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.

Authorized capital totaled EUR 8,394,769 after the capital increase of 33,579,075 shares in 2009 (7% of share capital in 2013). This authorized capital may be increased through the issue of up to 8,394,769 new bearer or registered shares.

The 143rd Annual General Meeting of Wienerberger AG on May 11, 2012 authorized the Managing Board to repurchase the company's shares, up to the legally defined limit, during a period of 30 months beginning on the day the resolution was passed. The price for these share purchases may not exceed twice the stock market quotation on May 11, 2012 and may not be lower than € 1.00 per share. The Managing Board was also empowered, without obtaining further authorization from the Annual General Meeting, to withdraw or resell these shares and to sell treasury shares in another manner than over the stock

exchange or through a public offer. This authorization replaced the authorization for the repurchase of treasury shares that was granted by the Annual General Meeting on May 20, 2010.

Group equity totaled TEUR 2,254,166 as of December 31, 2013, compared to TEUR 2,363,684 in the previous year. Equity was reduced during the reporting year by the decrease in retained earnings, the payment of the hybrid coupon and the dividend, and negative foreign currency translation differences. Equity was increased by TEUR 15,874, after the deduction of deferred taxes, by components of other comprehensive income such as the hedging reserve, the measurement of available-for-sale financial instruments and actuarial gains and losses related to post-employment benefits as defined in IAS 19 (2011).

The share capital of Wienerberger AG totaled EUR 117,526,764 as of December 31, 2013 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 11, 2013 Wienerberger AG paid the TEUR 32,500 annual 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 (3 month 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 2013 the coupon interest reduced earnings per share by EUR 0.28.

Retained earnings of TEUR 803,254 (2012: TEUR 855,998) include the retained earnings of Wienerberger AG and the retained earnings of subsidiaries not eliminated during the capital consolidation. Group results for 2013, excluding the share of profit or loss 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 companies accounted for at equity 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 2010, 2011, 2012 and 2013 corporate bonds, in the 2007 hybrid bond and in the syndicated term loans and other loans concluded in 2008 and 2012.

Free float is distributed among Austrian and international investors. The US firms Dodge & Cox Inc. (San Francisco) and First Eagle Investment Management LLC (New York) as well as Black Creek Investment Management Inc. (Canada) each held more than 5% of the company's shares in 2013. 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.

24. Provisions

<i>in TEUR</i>	1.1.2013	Foreign exchange incr./decr.	Change in consolidation range	Reversal	Use	Addition	31.12.2013
Provisions for warranties	13,255	-113	0	3,686	1,465	5,155	13,146
Provisions for site restoration	37,017	-1,303	55	3,091	2,824	4,799	34,653
Provisions for environmental measures	2,729	-35	0	55	296	757	3,100
Other non-current provisions	53,001	-1,451	55	6,832	4,585	10,711	50,899
Provisions for current taxes	7,032	0	0	3,792	144	459	3,555
Other current provisions	73,586	-384	0	23,381	24,532	28,552	53,841
Current provisions	80,618	-384	0	27,173	24,676	29,011	57,396
Provisions	133,619	-1,835	55	34,005	29,261	39,722	108,295

25. Employee benefits

The obligations for employee benefits are as follows:

<i>in TEUR</i>	1.1.2013	Foreign exchange incr./decr.	Change in consolidation range	Reversal	Use	Addition	31.12.2013
Provisions for severance payments	24,412	-166	0	2,037	2,945	1,695	20,959
Provisions for pensions	101,902	-1,594	0	10,229	19,856	18,156	88,379
Provisions for service anniversary bonuses	5,963	-23	0	167	375	1,436	6,834
Employee-related provisions	132,277	-1,783	0	12,433	23,176	21,287	116,172

The obligations for post-employment benefits total TEUR 109,338 (2012: TEUR 126,314) and comprise pension obligations of TEUR 88,379 (2012: TEUR 101,902) and severance compensation obligations of TEUR 20,959 (2012: TEUR 24,412). The major actuarial parameters and relevant accounting principles are described on pages 160 and 161.

The company is exposed to various risks in connection with the plans for post-employment benefits. In addition to general actuarial risks such as the longevity risk for pensions or interest rate risk, the company is also exposed to foreign exchange and capital market risks.

Pension obligations

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. The employees of General Shale Inc. (USA) have a funded defined benefit pension plan as well as non-funded health insurance. ZZ Wancor (Switzerland) has a defined benefit pension plan through an external pension fund, whereby the company is de facto obliged to make additional contributions if the collective foundation should become insolvent. Claims earned by Dutch employees are satisfied through a defined contribution pension plan, 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-Keramo Group have three defined benefit pension plans. The acquisition of the Pipelife Group in 2012 and the subsequent changes in the consolidation range added a further nine defined benefit pension plans to the provision. The Irish plan was terminated in 2013, which generally explains the settlement payments. The Pipelife Group now has eight defined benefit pension plans for individual members of management in the Netherlands, Belgium, Norway, Austria, France, Germany and Bulgaria.

Total pension expenses for 2013 cover both defined contribution and defined benefit pension plans. The current and past service cost and the effects of plan settlements are reported under operating results and the net interest effect under interest result.

<i>in TEUR</i>	2013	2012
Defined contribution plans		
Expenses for defined contribution pension plans	13,279	6,585
Defined benefit plans		
Service costs for defined benefit pension plans	3,900	2,858
Past service cost	-1,473	-479
Effects of plan curtailments and settlements	-2,884	-452
Net interest cost	3,693	3,292
Expenses for defined benefit plans	3,236	5,219
Total expenses for pensions	16,515	11,804

The gross pension obligations can be reconciled with net obligations as shown on the balance sheet by deducting the fair value of plan assets. Of the total net obligations, TEUR 9,992 (2012: TEUR 11,714) 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 the 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		Fair value of plan assets	
	2013	2012	2013	2012
Value as of 1.1.	350,242	248,919	248,340	180,653
Changes in consolidation range	0	64,699	0	51,162
Foreign exchange increase/decrease	-7,003	268	-5,415	677
Service costs for defined benefit pension plans	3,900	2,858	0	0
Interest cost	12,405	13,049	0	0
Expected income from plan assets	0	0	8,712	9,757
Effects of plan curtailments and settlements	-2,884	-452	0	0
Actuarial gains/losses	8,094	43,939	14,394	16,080
Past service cost	-1,473	-479	0	0
Payments to retirees	-17,523	-15,398	-16,485	-15,398
Payments received from employees	1,785	1,754	1,785	1,754
Settlements	-2,500	-8,915	-2,500	-5,213
Payments received from employers	0	0	7,894	8,868
Value as of 31.12.	345,043	350,242	256,725	248,340
Fair value of plan assets	-256,725	-248,340		
Present value of unfunded obligations	88,318	101,902		
thereof: provision for pensions	88,379	101,902		
thereof: market value of plan assets in excess of pension obligations	61	0		
Actuarial gains/losses resulting from pension plans				
Actuarial gains/losses from changes in demographic assumptions	1,056	2,132		
Actuarial gains/losses from changes in financial assumptions	7,038	41,807		
Return on plan assets greater than expected	-14,394	-16,080		
Actuarial gains (-)/losses (+) in other comprehensive income	-6,300	27,859		

The defined benefit plan in Ireland was terminated in 2013 and the available funds from the plan were distributed to the members of the pension plan in January 2014. This resulted in settlement payments of TEUR 1,839 and effects from plan reductions totaling TEUR 1,729.

Pension plan assets consist mainly of the assets from the fund-linked defined contribution pension plans in the USA, Great Britain, Switzerland and Pipelife's plan in the Netherlands. The plan assets are invested in stocks (36%; 2012: 32%), bonds (32%; 2012: 52%) and other assets (32%; 2012: 16%).

The sensitivity of the gross pension obligation was tested by modifying the major actuarial assumptions individually while holding all other conditions constant. A negative amount represents a reduction of the obligation, while a positive amount indicates an increase.

<i>in TEUR</i>	Change of parameter in basis points (bps)/years	Increase of parameter	Decrease of parameter
Discount rate	+/-25 bps	-12,449	12,888
Salary increase	+/-100 bps	4,452	-3,898
Employee turnover	+/-100 bps	-2,501	976
Mortality rate	+/-1 year	10,265	-10,244

In 2012, a reduction of 25 basis points in interest rates would have led to an increase of TEUR 14,841, and an increase in interest rates by the same amount would have resulted in a decrease of TEUR 12,937 in the gross pension obligation.

The contributions to pension plans are expected to total TEUR 7,507 in 2014. As of December 31, 2013, the weighted average duration of the pension obligations was 15 years (2012: 15 years).

Severance compensation obligations

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, Italy and Poland.

The past service cost from defined benefit obligations for severance compensation is reported under operating results, while the net interest effect is included under interest result.

The severance compensation obligations in France are covered by plan assets, which are held in stocks (8%) and other assets (92%).

<i>in TEUR</i>	2013	2012
Service costs for defined benefit severance obligations	1,027	5,581
Effects of plan curtailments and settlements	5	0
Net interest cost	702	166
Expenses for severance payments	1,734	5,747

The composition of the severance compensation obligations is shown below:

<i>in TEUR</i>	Defined benefit obligations		Fair value of plan assets	
	2013	2012	2013	2012
Value as of 1.1.	24,412	13,353	0	0
Changes in consolidation range	0	5,891	0	0
Transfers	464	0	1,971	0
Foreign exchange increase/decrease	-166	33	0	0
Service costs for defined benefit severance obligations	1,027	5,581	0	0
Interest cost	702	166	0	0
Effects of plan curtailments and settlements	5	0	0	0
Actuarial gains/losses	642	675	0	0
Payments	-4,156	-1,287	0	0
Value as of 31.12.	22,930	24,412	1,971	0
Fair value of plan assets	-1,971	0		
Present value of unfunded obligations	20,959	24,412		
Actuarial gains/losses resulting from severance payment plans				
Actuarial gains/losses from changes in demographic assumptions	-158	-166		
Actuarial gains/losses from changes in financial assumptions	800	841		
Actuarial gains (-)/losses (+) in other comprehensive income	642	675		

The sensitivity of the gross severance obligation was tested by modifying the major actuarial assumptions individually while holding all other conditions constant. A negative amount represents a reduction of the obligation, while a positive amount indicates an increase.

<i>in TEUR</i>	Change of parameter in basis points (bps)/years	Increase of parameter	Decrease of parameter
Discount rate	+/-25 bps	-525	546
Salary increase	+/-100 bps	2,111	-1,849
Employee turnover	+/-100 bps	-1,533	1,016

The contributions to severance compensation plans are expected to total TEUR 1,081 in 2014. As of December 31, 2013, the weighted average duration of the severance compensation obligations was 8 years (2012: 9 years).

26. Deferred taxes

Deferred tax assets and deferred tax liabilities as of December 31, 2013 and December 31, 2012 are the result of the following temporary valuation and accounting differences between carrying amounts in the consolidated financial statements and the respective tax bases:

in TEUR	2013		2012	
	Assets	Equity and Liabilities	Assets	Equity and Liabilities
Intangible assets	7,440	-54,275	5,716	-66,457
Property, plant and equipment	11,055	-114,097	11,102	-123,223
Inventories	2,743	-6,683	3,356	-4,704
Receivables	10,437	-9,208	14,315	-15,262
Deferred charges	62,112	-57	57,347	-64
	93,787	-184,320	91,836	-209,710
Untaxed reserves	1,378	-21,067	1,626	-20,982
Provisions	27,002	-3,251	34,102	-9,412
Liabilities	8,325	-2,950	15,038	-3,375
Deferred income	473	-32	888	-518
	37,178	-27,300	51,654	-34,287
Tax loss carryforwards	226,313		224,780	
Deferred tax assets/liabilities	357,278	-211,620	368,270	-243,997
Valuation allowance for deferred tax assets	-203,005		-190,605	
Offset within legal tax units and jurisdictions	-107,640	107,640	-138,175	138,175
Net deferred tax assets and liabilities	46,633	-103,980	39,490	-105,822

In the consolidated financial statements, deferred tax assets were not calculated on deductible temporary differences and tax loss carryforwards of TEUR 699,552 (2012: TEUR 671,800) because medium-term planning did not reliably demonstrate their use as tax relief. This represents deferred tax assets totaling TEUR 203,005 (2012: TEUR 190,605).

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 615,947 (2012: TEUR 538,337).

27. 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:

2013 <i>in TEUR</i>	Total	Remaining term < 1 year	Remaining term 1-5 years	Remaining term > 5 years	Thereof secured by collateral
Interest-bearing loans	1,126,809	290,688	488,443	347,678	1,543
Finance leases	13	13	0	0	0
Financial liabilities owed to subsidiaries	196	196	0	0	0
Financial liabilities	1,127,018	290,897	488,443	347,678	1,543
Trade payables owed to third parties	267,318	267,318	0	0	19
Trade payables owed to subsidiaries	1,016	1,016	0	0	0
Trade payables	268,334	268,334	0	0	19
Prepayments received on orders	2,392	2,383	9	0	0
Payables for current taxes	12,359	12,359	0	0	0
Amounts owed to tax authorities and social security carriers	47,725	47,725	0	0	0
Deferred income	12,716	8,860	1,077	2,779	0
Miscellaneous	158,203	153,831	4,332	40	215
Other liabilities	233,395	225,158	5,418	2,819	215
Total liabilities	1,628,747	784,389	493,861	350,497	1,777

2012 <i>in TEUR</i>	Total	Remaining term < 1 year	Remaining term 1-5 years	Remaining term > 5 years	Thereof secured by collateral
Interest-bearing loans	916,421	57,726	667,192	191,503	4,596
Finance leases	193	180	13	0	0
Financial liabilities owed to subsidiaries	156	156	0	0	0
Financial liabilities	916,770	58,062	667,205	191,503	4,596
Trade payables owed to third parties	252,848	252,536	312	0	0
Trade payables owed to subsidiaries	301	301	0	0	0
Trade payables	253,149	252,837	312	0	0
Prepayments received on orders	2,693	2,693	0	0	0
Payables for current taxes	14,670	14,670	0	0	0
Amounts owed to tax authorities and social security carriers	57,614	57,390	224	0	0
Deferred income	14,663	10,374	1,228	3,061	0
Miscellaneous	144,770	139,387	5,340	43	0
Other liabilities	234,410	224,514	6,792	3,104	0
Total liabilities	1,404,329	535,413	674,309	194,607	4,596

Current financial liabilities include a put option of TEUR 2,251 (2012: TEUR 13,315), whose exercise would result in the transfer of non-controlling interests in Group companies to Wienerberger (see note 31. Information on financial instruments).

Other liabilities include TEUR 50,856 (2012: TEUR 49,771) due to employees and TEUR 56,733 (2012: TEUR 53,772) of accruals for bonuses and other sales deductions due to customers. Deferred income includes TEUR 2,334 (2012: TEUR 3,701) 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 38,258 (2012: TEUR 36,649).

Financial liabilities also include the following derivative financial instruments with negative market values:

Financial instruments held for trading

<i>in TEUR</i>	2013	2012
Derivatives from cash flow hedges	9,776	12,350
Derivatives from fair value hedges	0	864
Other derivatives	190	5,031
Derivatives with negative market value	9,966	18,245

Total liabilities include TEUR 1,616,530 of financial liabilities at amortized cost, TEUR 2,251 of financial liabilities at fair value, TEUR 9,776 of derivatives in hedges and TEUR 190 of other derivatives.

Liabilities are expected to result in the following cash flows:

Analysis of contractual cash flows

2013						
<i>in TEUR</i>	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	-986,411	-11,967	-271,444	-227,250	-151,750	-324,000
Liabilities to banks	-240,761	-4,968	-10,653	-141,215	-57,130	-26,795
Liabilities to non-banks	-8,092	-187	-7,181	-445	-279	0
Original financial instruments	-1,235,264	-17,122	-289,278	-368,910	-209,159	-350,795
Interest rate derivatives	7,222	-671	1,968	1,476	4,449	0
Forward exchange contracts and interest rate swaps	-3,697	6,254	3,261	-10,902	-2,310	0
Derivative financial instruments	3,525	5,583	5,229	-9,426	2,139	0
Contractual cash flows	-1,231,739	-11,539	-284,049	-378,336	-207,020	-350,795

Analysis of contractual cash flows

2012

<i>in TEUR</i>	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	-635,876	0	-27,438	-277,438	-225,750	-105,250
Commercial paper	-12,000	-12,000	0	0	0	0
Liabilities to banks	-324,379	-16,905	-10,814	-5,594	-237,714	-53,352
Liabilities to non-banks	-26,645	-113	-118	-20,296	-5,845	-273
Original financial instruments	-998,900	-29,018	-38,370	-303,328	-469,309	-158,875
Interest rate derivatives	-183	-56	-31	-50	-46	0
Forward exchange contracts, interest rate swaps and derivative liability	-14,485	-5,340	-455	-253	-8,437	0
Derivative financial instruments	-14,668	-5,396	-486	-303	-8,483	0
Contractual cash flows	-1,013,568	-34,414	-38,856	-303,631	-477,792	-158,875

28. Contingent liabilities and guarantees

Contingent liabilities result from obligations to third parties, and include the following:

<i>in TEUR</i>	31.12.2013	31.12.2012
Sureties	49	49
Guarantees	23,247	16,889
Other contractual obligations	2,947	2,313
Contingent liabilities	26,243	19,251

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.

29. 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 per 31.12.2013 <i>in TEUR</i>	Effective interest rate <i>in %</i>
2013					
Loans	EUR	125,990	138,898	126,396	5.62
Roll-over	TRY	500	200	169	5.25
Current loans	EUR	1,269	1,269	1,269	-
Fixed interest loans due to financial institutions			140,367	127,834	

	Currency	Nominal value <i>in 1,000 local currency</i>	Market value <i>in TEUR</i>	Carrying amount per 31.12.2012 <i>in TEUR</i>	Effective interest rate <i>in %</i>
2012					
Loans	EUR	132,906	147,247	128,064	5.63
Roll-over	TRY	617	261	261	11.50
Current loans	EUR	10,000	1,018	1,010	3.95
Fixed interest loans due to financial institutions			148,526	129,335	

	Currency	Nominal value <i>in 1,000 local currency</i>	Market value <i>in TEUR</i>	Carrying amount per 31.12.2013 <i>in TEUR</i>	Effective interest rate <i>in %</i>
2013					
Loans	EUR	109,002	114,012	109,005	2.28
			114,012	109,005	
Roll-over	EUR	149	148	149	0.41
	HRK	13,907	1,808	1,823	3.97
			1,956	1,972	
Current loans	EUR	5,849	5,863	5,858	0.70
	CAD	182	124	124	-
	HRK	201	26	26	-
	USD	920	668	668	-
	other	32	1	1	-
			6,682	6,677	
Derivatives	EUR	9,963	9,963	9,963	-
	other	13	3	3	-
			9,966	9,966	
Variable interest loans due to financial institutions			132,616	127,620	

	Currency	Nominal value <i>in 1,000 local currency</i>	Market value <i>in TEUR</i>	Carrying amount per 31.12.2012 <i>in TEUR</i>	Effective interest rate <i>in %</i>
2012					
Loans	EUR	146,090	154,846	146,108	1.91
	CZK	83,000	3,303	3,300	1.64
	GBP	1,500	1,839	1,838	1.80
	HUF	1,300,000	4,435	4,447	7.05
	SEK	40,000	4,662	4,661	2.63
	USD	5,000	3,793	3,790	1.53
			172,878	164,144	
Roll-over	EUR	3,726	3,736	3,726	3.23
	CZK	10,121	403	402	1.28
	HRK	14,572	1,933	1,928	4.25
	RON	1,416	318	319	9.30
	RSD	44,118	385	393	11.95
	TRY	9,157	3,863	3,888	6.60
	Other		201	201	-
			10,839	10,857	
Current loans	EUR	1,874	1,874	1,842	0.16
	HRK	201	27	27	-
	USD	1,152	873	873	-
			2,774	2,742	
Derivatives	EUR	13,245	13,245	13,245	-
			13,245	13,245	
Variable interest loans due to financial institutions			199,736	190,988	

	Currency	Nominal value <i>in 1.000 local currency</i>	Market value <i>in TEUR</i>	Carrying amount per 31.12.2013 <i>in TEUR</i>	Effective interest rate <i>in %</i>
2013					
Bonds – fixed interest	EUR	844,300	863,582	838,933	4.64
	EUR	20,970	20,970	20,970	-
Loans – fixed interest	EUR	505	511	505	2.00
	USD	296	201	214	-
Current loans – fixed interest	EUR	5,818	5,933	5,820	4.00
	TRY	7,880	2,662	2,662	-
Loans – variable interest	GBP	1,877	2,251	2,251	-
Financial liabilities due to non-banks			896,110	871,355	

	Currency	Nominal value <i>in 1,000 local currency</i>	Market value <i>in TEUR</i>	Carrying amount per 31.12.2012 <i>in TEUR</i>	Effective interest rate <i>in %</i>
2012					
Bonds – fixed interest	EUR	550,000	571,946	546,705	4.61
	EUR	12,625	12,625	12,625	-
Loans – fixed interest	EUR	6,187	6,773	6,187	3.69
	USD	370	268	280	-
Commercial paper – fixed interest	EUR	11,982	11,982	11,986	0.59
Loans – variable interest	GBP	10,866	13,315	13,315	-
Derivative liabilities	EUR	5,000	5,000	5,000	-
Financial liabilities due to non-banks			621,909	596,098	

On April 11, 2013 Wienerberger issued a new bond with a volume of TEUR 300,000 and a seven-year term. This instrument has a denomination of EUR 1,000 and a fixed coupon of 4.00%. The proceeds were used to refinance existing liabilities, to fund the operating business and to improve the Group's liquidity position. Bonds are recorded under non-current or current borrowings in accordance with their remaining term. The related expenses of TEUR 9,411 (bank charges and interest rate hedges) were recorded together with the respective bond and not recognized to profit or loss. These differences are 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 20,970.

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 168.

30. Derivative financial instruments

The market value for derivative financial instruments 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 fair value. These valuation parameters can be monitored on the market and are available to all market participants.

	2013			2012		
	Currency	Nominal value	Market value	Currency	Nominal value	Market value
		31.12.2013 in 1,000 local currency	31.12.2013 in TEUR		31.12.2012 in 1,000 local currency	31.12.2012 in TEUR
Forward exchange contracts	EUR	28,632	137	EUR	28,997	-28
	CAD	0	0	CAD	3,000	30
	CHF	0	0	CHF	3,000	-3
	CZK	60,000	-12	CZK	60,000	-9
	DKK	10,000	-2	DKK	6,000	-1
	GBP	34,128	-506	GBP	13,757	113
	HUF	1,914,912	-27	HUF	100,000	1
	PLN	6,274	-3	PLN	8,101	-19
	SEK	12,510	0	SEK	6,287	-4
	TRY	0	0	TRY	19,693	-808
	USD	12,000	-17	USD	0	0
Interest rate swaps	EUR	73,000	4,326	EUR	77,000	5,656
Cross currency swaps	CAD/EUR	40,000	2,498	CAD/EUR	42,500	-556
	CHF/EUR	75,000	-9,043	CHF/EUR	75,000	-10,430
	CZK/EUR	800,000	2,058	CZK/EUR	745,000	-379
	DKK/EUR	108,000	0	DKK/EUR	108,000	-50
	GBP/EUR	58,000	1,284	GBP/EUR	10,000	24
	PLN/EUR	52,350	508	PLN/EUR	72,750	246
	USD/EUR	80,000	3,310	USD/EUR	60,000	1,172
Derivative liability	EUR	0	0	EUR	5,000	-5,000
			4,511			-10,045

31. Information on financial instruments

Financial instruments are classified in three levels that reflect the degree of valuation certainty. 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

The financial instruments carried at fair value by the Wienerberger Group are generally classified under level 1 (shares in funds, corporate bonds and stock; see note 21) or level 2 (other available-for-sale financial instruments and derivative financial instruments; see note 30). No items were reclassified between hierarchy levels during the reporting year.

The following table shows the financial assets and liabilities carried at fair value by Wienerberger:

<i>in TEUR</i>	Level 1	Level 2	Level 3	Carrying amount per 31.12.2013
Shares in funds	7,290			7,290
Corporate bonds	19,470			19,470
Stock	6,452			6,452
Other	1,381	10,035		11,416
Available-for-sale financial instruments	34,593	10,035		44,628
Derivative hedges		9,675		9,675
Other derivatives		4,802		4,802
Derivatives with positive market value		14,477		14,477
Derivative hedges		9,776		9,776
Other derivatives		190		190
Derivatives with negative market value		9,966		9,966
Financial liabilities due to non-banks carried at fair value			2,251	2,251

The sellers of Sandtoft Ltd., a company acquired in 2008, were given a put option which entitles them to transfer the remaining non-controlling interests to Wienerberger. The fair value of this put option was calculated on the basis of budgeted EBITDA and the agreed multiple, and discounted with the country-specific WACC for Great Britain (6.58%); the put option is classified under level three in the valuation hierarchy. After the partial exercise of this option by the seller, the liability was reduced by TEUR 8,094 to TEUR 2,251. The position "reclassification" includes the valuation effects, which must be reported as an adjustment to the opening balance sheet and not under financial results in accordance with the transition rules defined by IFRS 3 (2008). Wienerberger assumes the remainder of the option will be exercised in 2014, and the item is therefore reported under current financial liabilities.

The valuation of financial instruments classified under level three is shown in the following table:

<i>in TEUR</i>	2013
Balance on 31.12.2012	13,315
Additions	0
Results from valuation	0
Disposals	-8,094
Reclassification	-2,970
Balance on 31.12.2013	2,251

Wienerberger generally carries liabilities at amortized cost. The fair value of these liabilities can either be monitored on the market, which permits classification under level 1 (bonds), or can be derived by means of an income approach, which permits classification under level 2 (loans).

<i>in TEUR</i>	Level 1	Level 2	Level 3	Carrying amount per 31.12.2013
Financial liabilities due to financial institutions		263,017		245,488
Bonds	884,552			859,903
Loans		712		719
Current loans		8,595		8,482
Financial liabilities due to non-banks	884,552	9,307	–	869,104

Significant Accounting Policies

Revenues: 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. In addition, a reliable measurement of the amount of the revenues and the costs related to the sale must be possible. Revenues are presented net of rebates, discounts and bonuses.

Costs of goods sold: The cost of goods sold includes direct material and production costs as well as a proportional share of overhead expenses for production equipment. Other components of the cost of goods sold are fixed production costs that cannot be capitalized due to the underutilization of capacity, impairment charges to inventories and the procurement cost of sold merchandise.

Construction contracts: When the results of construction contracts can be reliably estimated, the respective revenues and costs are recognized in accordance with the percentage of completion method. Construction contracts are found in Pipelife's business and involve the production of LLLD (long length large diameter) pipes. The percentage of completion is based on the number of tons produced. If the costs for a specific contract are expected to exceed the agreed revenues, a provision for impending losses is recognized.

Government grants: Wienerberger records government grants at their fair value under liabilities. Their release is reported under other income during the relevant accounting period when there is reasonable assurance that all conditions attached to the grant have been met.

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 bondholders, divided by the weighted number of shares outstanding (less treasury shares).

Intangible assets: Identifiable intangible assets purchased by the Group are recorded at acquisition cost less straight-line amortization and any necessary impairment charges. Intangible assets with an indefinite useful life are tested annually for signs of impairment.

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.

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. 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.

The depreciation rates are based on the useful economic lives of the respective assets (component approach) as shown in the following table:

Production plants (incl. warehouses)	40 years	Other machinery	5 – 15 years
Administrative and residential buildings	40 – 50 years	Fittings, furniture and office equipment	3 – 10 years
Building infrastructure	15 – 30 years	Customer bases	5 – 15 years
Kilns and dryers	8 – 20 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 sold or retired, the gain or loss arising from the difference between the proceeds on sale and the remaining carrying amount or impairment charge 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.

Impairment of non-financial assets: In accordance with IAS 36, assets are tested regularly if there are any indications of lasting impairment. Assets are tested separately for impairment when it is possible to allocate distinct cash flows to the individual asset. Impairment testing involves comparing the carrying amount of an asset with its recoverable amount, which represents the higher of fair value less costs to sell and the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount. Fair value less costs to sell is the price that would be received on the sale of an asset, after the deduction of selling costs. The value in use is determined on the basis of an income approach and represents the present value of expected future cash flows to be derived from the asset or cash-generating unit.

Independent cash flows cannot be allocated to intangible assets with an indefinite useful life. These assets are tested for impairment as part of a cash-generating unit at least once each year in accordance with IAS 36.

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 and, with the exception of land, is depreciated on a straight-line basis.

Investments in associates, joint ventures and other companies: Investments in associates over which Wienerberger exercises a significant influence (as a rule, between 20% and 50% of the shares) and joint ventures are carried at equity. Other investments include companies that are not consolidated for materiality reasons and investments in which Wienerberger does not have a significant influence. These investments are recognized at cost and only written down to fair value in the event of lasting impairment. Impairment losses and revaluations 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 uses the acquisition cost of zero to record the emission certificates allocated free of charge based on EU Emission Trading Directives 2003/87/EC and 2009/29/EC. 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 cost or the lower 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 the related cash flows expire.

Loans and receivables are carried at amortized 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 instruments**.

Financial instruments carried at fair value through profit or loss 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**. Included here, above all, are short-term investments in the form of shares in funds, debt issued by corporations and shares that 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; these losses are recognized to profit or loss and reported under financial results. 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.

Derivative financial instruments: Derivative financial instruments are concluded only to hedge the risks arising from business operations. Foreign exchange futures are used to hedge transaction risks, and interest rate swaps to optimize the fixed, respectively variable interest rate component of financial liabilities. Cross currency swaps are used to hedge the net investments in foreign subsidiaries that maintain their accounting in a currency other than the euro. All derivative financial instruments are recorded at fair value when the contract is concluded in accordance with IFRS 13, whereby the counterparty default risk is taken into account. The fair value of quoted financial instruments 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 keeping 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.

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 directly 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 changes 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 (basis adjustment).

Non-current assets held for sale: Wienerberger owns land and buildings that are not used in business operations and intends to realize the value of these assets through a sale. In accordance with IFRS 5, non-current assets held for sale must be reclassified to current assets when they are available for immediate sale in their present condition and their sale is highly probable within one year. If these requirements are met, the items are reported under current assets and measured at the lower of the carrying amount and fair value less costs to sell. Scheduled depreciation is not recognized on assets held for sale.

Cash and cash equivalents include cash on hand, checks received, demand deposits and short-term investments as well as deposits with financial institutions that have a fixed term of up to three months.

Provisions for pensions: The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation for the employer after the payment of premiums. The employer's contributions to these pension plans are reported under expenses for pensions. 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 increases in wages/salaries and pensions.

The provisions for pensions are calculated by independent actuaries based on the following parameters:

	2013	2012
Discount rate	2.0% - 4.9%	2.2% - 4.7%
Expected salary increases	1.0% - 4.0%	1.0% - 4.2%
Expected pension increases	0.4% - 3.2%	1.5% - 3.0%
Average fluctuation rates	1.5% - 6.5%	1.5% - 6.5%
Mortality tables		
Austria	AVÖ 2008-P	AVÖ 2008-P
Germany	Heubeck 2005 G	Heubeck 2005 G
Switzerland	BVG 2010 GT	BVG 2010 GT
USA	RP-2000 Generational BB	2013 Static Ann/Non-Ann
Great Britain	105% of SAPS Normal Tables with allowance (CMI 2011)	105% of SAPS Normal Tables with allowance (CMI 2011)
Belgium	MR-3/FR-3	MR-3/FR-3
France	THTF 00-02	THTF 00-02
Netherlands	AG Prognosetafel 2010-2062	AG Prognosetafel 2010-2062

The country-specific discount rates are based on the average interest rate for first-rate, fixed interest industrial bonds with a term that reflects the average payment period of the obligations to employees.

The provisions for pensions are netted out with the pension plan assets that are held to cover commitments. In accordance with IAS 19, actuarial gains and losses are recognized under other comprehensive income as incurred after the deduction of deferred taxes. The interest component of post-employment benefits is reported separately under financial results. Expenses for additions to the provisions for pensions are allocated to the various functional areas.

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

Provisions for severance compensation: 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, among others, in France, Italy and Poland. The provisions for severance compensation are calculated according to actuarial principles based on the projected unit credit method. The country-specific discount rate is based on the same interest curve used to calculate the pension obligations. The calculations are based on an interest rate of 2.0% to 4.7%, an expected increase of 1.7% to 5.1% in wages and salaries as well as average employee turnover of 0.5% to 7.9%.

For employees in Austria whose employment relationship began after December 31, 2002, the employer contributes 1.53% of the gross wage or salary each month to an employee severance compensation fund. This fund represents a defined contribution plan in accordance with IAS 19, and the related employer contributions are reported under severance compensation expense.

Provisions for site restoration: 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 respective countries. The provisions for site restoration on clay pits purchased before 2005 are based on depletion and reflect the transition rule to IAS 16. Long-term provisions that are expected to be used after 12 months are discounted and recorded at their present value.

Provisions for guarantees: Wienerberger provides manufacturer's guarantees, above all for clay products, which lead to the recognition of provisions for guarantees on the balance sheet. These provisions are calculated on the basis of individual risks and on the overall risk resulting from past experience. This involves the analysis of actual damage cases and the estimation of potential obligations through stochastic methods.

Other provisions: Other current obligations which result from a past event and are expected to lead to an outflow of resources, but whose timing or amount are uncertain, are recognized at their full cost in accordance with IAS 37 and reported as provisions.

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 as well as loss carryforwards whose future use is probable. Deferred tax assets also include tax credit entitlements which arise from the expected use of existing loss carryforwards in future years and whose realization is probable. These entitlements are calculated on the basis of planned operating results and the earnings effects from the reversal of taxable temporary differences. Deferred taxes are 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 applicable to the individual Group company. Future changes in tax rates are included if the relevant legal amendment has been enacted as of the balance sheet date.

Financial 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.

Transfer prices: There are several regional supply and delivery relationships between the individual operating segments. 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.

32. 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, 2013). 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 certain countries in Eastern Europe. These transactions involve the conclusion of a foreign currency-euro swap equal to the value of the foreign currency assets to be hedged.

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	
	31.12.2013	31.12.2012	2013	2012
100 British Pound	119.94722	122.53400	117.74957	123.30979
100 Bulgarian Lev	51.12997	51.12997	51.12997	51.12997
100 Danish Krone	13.40608	13.40303	13.40856	13.43427
100 Canadian Dollar	68.16168	76.12088	73.07965	77.85998
100 Croatian Kuna	13.11217	13.23189	13.19501	13.29481
100 Norwegian Krone	11.95743	13.60859	12.80949	13.37589
100 Polish Zloty	24.07144	24.54590	23.82376	23.89029
100 Romanian Lei	22.36636	22.49972	22.62961	22.42766
100 Russian Ruble	2.20631	2.47957	2.36200	2.50417
100 Swedish Krone	11.28783	11.65230	11.55864	11.48782
100 Swiss Franc	81.45976	82.83632	81.23081	82.96582
100 Czech Koruna	3.64604	3.97599	3.84916	3.97590
100 Turkish Lira	33.77808	42.46104	39.47046	43.21446
100 Hungarian Forint	0.33665	0.34211	0.33684	0.34560
100 US Dollar	72.51106	75.79203	75.29440	77.83166

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 business environment is shaped, above all, by macroeconomic developments, construction activity in both the residential and public (infrastructure) sectors and renovation. 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 competes with other roof and wall materials such as concrete, wood, limestone, glass, steel, aluminum and other wall and roofing materials, 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 substitution risks. In particular, these developments involve improvements in the physical properties 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, since 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. This core business covers bricks and roof tiles as well as pavers and pipe systems, and positions Wienerberger as a supplier of building material solutions for residential construction and infrastructure projects. 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 adjustments in this branch are 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.

The plastic pipe business is substantially influenced by the development of raw material prices, which correlates closely with the price of crude oil. Synthetic polymers comprise a major part of the production cost for plastic pipes. The volatility of raw material prices has increased considerably in recent years. Strong fluctuations within individual months require flexible pricing to limit the effects of these price changes and/or pass them on to the market. Fast, coordinated price management is also a decisive factor for the sustainable protection of earnings. In addition to price risk, this business is exposed to a raw material supply risk. Any interruption in supplies would invariably disrupt production. This risk is met, with few exceptions, by developing alternative suppliers for raw materials.

Procurement, production, investment and acquisition risks

Wienerberger has a modern and efficient plant network. 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 guaranteed 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 2013 energy costs for the Wienerberger Group totaled TEUR 278,158 (2012: TEUR 284,526), or 10.4% (2012: 12.1%) of revenues. These expenses consist of 61% for natural gas, 31% for electricity and 8% for 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 for its European brick activities in 2011 and 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) and 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 rates swaps, as well as operational measures 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. According to these covenants, the ratio of net debt to operating EBITDA may not exceed 3.5 years; this indicator equaled 2.0 years as of December 31, 2013. Moreover, operating EBITDA/net interest result equaled 4.8 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 rise 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 46% of its revenues for the reporting year in currencies other than the euro, predominately East European currencies (19%) and the US dollar (8%). 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 in note 29.

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.

	2013		2012	
	<i>in € mill.</i>	<i>Share in %</i>	<i>in € mill.</i>	<i>Share in %</i>
Revenues				
Euro	1,439.7	54	1,327.0	56
East European currencies	506.0	19	438.4	19
US Dollar	199.1	8	164.3	7
Other	518.1	19	425.8	18
Revenues	2,662.9	100	2,355.5	100

	2013		2012	
	<i>in € mill.</i>	<i>Share in %</i>	<i>in € mill.</i>	<i>Share in %</i>
Capital employed				
Euro	1,691.1	61	1,640.5	56
East European currencies	523.2	19	575.4	20
US Dollar	314.0	11	358.6	12
Other	239.3	9	356.7	12
Capital employed after hedging effect	2,767.6	100	2,931.3	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, 2013, 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 85.1 (2012: MEUR 90.4) in equity and a decrease of MEUR 1.5 (2012: MEUR 1.4) 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 0.2 (2012: MEUR 0.8) 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 151 to 153) 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.

	2013		2012	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
<i>in TEUR</i>				
Interest-bearing loans	996,938	129,871	707,118	209,303
Reclassification of short-term fixed interest rate loans	-248,684	248,684	-13,635	13,635
Effects of derivative instruments (hedging)	-27,000	27,000	-23,000	23,000
Interest-bearing loans after hedging effects	721,254	405,555	670,483	245,938

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 and sets counterparty limits based on this credit rating. However, financial partners with an excellent rating can also pose a credit risk and Wienerberger therefore continuously monitors developments on financial markets and adjusts credit limits accordingly.

The following table shows the maximum exposure of trade receivables and miscellaneous receivables to credit risks as of December 31, 2013, classified by region:

Credit risk	2013		2012	
	<i>in € mill.</i>	<i>Share in %</i>	<i>in € mill.</i>	<i>Share in %</i>
Western Europe	135.2	47	138.3	51
Central-East Europe	93.3	32	90.3	33
North America	19.9	7	20.9	8
Other	39.1	14	20.9	8
Credit risk for the Group	287.5	100	270.4	100

Trade receivables, of which MEUR 125 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 1% of trade receivables, originated loans and other current receivables in 2013, and were not classified separately for this reason.

Liquidity risks

The protection of liquidity and the preservation of a healthy financial base represent the focal points of the Wienerberger strategy. Accordingly, Wienerberger strengthened its financial position with the issue of a new bond in 2013 to refinance financial liabilities that were scheduled for repayment in 2014. 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 is managed on a regular basis, 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 34 days in 2013 (2012: 26), the inventory turnover period averaged 106 days (2012: 111) and the payable turnover period averaged 41 days (2012: 44). This resulted in a cash conversion cycle of 98 days in 2013 compared with 93 days in the prior year.

An analysis of the liquidity risks arising from liabilities is provided on page 149.

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.

The pricing policies of Group subsidiaries are actively monitored by competition authorities because of Wienerberger's position on individual regional markets. The MEUR 10 provision created for an impending antitrust penalty as of December 31, 2008 was released during the reporting year following the termination of the respective proceedings. In June 2012 the EU Commission ordered searches at the offices of plastic pipe and fitting producers in connection with alleged agreements in violation of cartel law, which also included Pipelife International GmbH. The responsible authorities have not issued any findings to date. It should be noted that price-fixing agreements are not part of business policies in the Wienerberger Group; internal guidelines expressly prohibit such activities and call for sanctions in the event of violations.

In 2013 the European Commission launched an investigation to determine whether the partial exemption from the German surcharge for the promotion of renewable energies, which is granted to electricity-intensive companies (so-called "EEG levy"), is in agreement with EU regulations for government assistance. The opening of the proceedings brought only a preliminary opinion by the Commission and does not support any conclusions over a possible outcome. The federal government in Germany does not see any violation of the EU regulations for government assistance, and Wienerberger therefore sees only a minimal risk that previously received subsidies must be repaid.

In connection with real estate transactions carried out in earlier years, Wienerberger AG is liable for possible contamination and the resulting damages during its ownership.

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 developed curricula that include the Sales Academy, the Plant Manager Program and the Ready4Excellence Program. Wienerberger uses these programs and personalized 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. Related party transactions

The following companies and persons are considered to be related parties of Wienerberger: 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. Business relationships between the company and related parties, in particular members of the Managing and Supervisory Boards of Wienerberger AG, are disclosed in note 10 if any payments to these persons are involved. Transactions between companies included in the consolidated financial statements and one former member of the Supervisory Board of Wienerberger AG are related primarily to clay deliveries of TEUR 88 (2012: TEUR 27), rentals of TEUR 2,103 (2012: TEUR 2,354) and license payments of TEUR 2,934 (2012: TEUR 2,846) for the use of brand names.

The ANC private foundation operates landfill activities in Austria that were transferred by Wienerberger AG in 2001 and owns a limited amount of assets (in particular real estate). 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.

Wienerberger AG and its subsidiaries finance associates, joint ventures and non-consolidated subsidiaries through loans granted at ordinary market conditions. The outstanding receivables due from associates and joint ventures amounted to TEUR 20,403 as of December 31, 2013 (2012: TEUR 15,530), while the comparable amount for non-consolidated subsidiaries was TEUR 7,344 (2012: TEUR 6,707).

34. Share-based payments


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 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, 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.

In 2013, an LTI plan was approved for the allocation of virtual shares to the Managing Board and management. This plan covered the distribution of 190,000 virtual shares to the Managing Board (CEO: 110,000, CFO: 80,000) and 164,000 virtual shares to management. The related provision amounted to TEUR 2,884.


The Managing Board of Wienerberger AG released the consolidated financial statements on February 24, 2014 for distribution to the Supervisory Board. The Supervisory Board is responsible for examining and approving the consolidated financial statements.

Vienna, February 24, 2014

The Managing Board of Wienerberger AG



Heimo Scheuch
Chief Executive Officer



Willy Van Riet
Chief Financial 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 24, 2014

The Managing Board of Wienerberger AG



Heimo Scheuch

Chief Executive Officer



Willy Van Riet

Chief Financial 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 cihlarsky 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	68.80%	VK	
Wienerberger cihelna Jezernice, spol. s r.o.	Ceske Budejovice	200,000	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 Bohemia cihelny, 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 slovenské 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	99.81%	VK	
Wienerberger Ilovac d.d.	Karlovac	8,988,040	HRK	99.92%	VK	
Wienerberger Cetera d.d.	Karlovac	359,240	HRK	99.71%	VK	
IGM Ciglanja d.o.o. Petrinja	Petrinja	12,756,900	HRK	100.00%	VK	
WIENERBERGER Industrija opeke d.o.o.	Sarajevo	2,000	KM	100.00%	VK	
Wienerberger Opekarna Ormoz d.o.o.	Ormoz	951,986	EUR	100.00%	VK	
Opekarna Pragersko d.o.o.	Pragersko	1,022,743	EUR	100.00%	VK	
Wienerberger Backa d.o.o	Mali Idos	651,652	EUR	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	
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	983,100,000	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	22,870,000	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	55,151,300	RON	100.00%	VK	
Semmelrock Tlakovci d.o.o.	Ormoz	8,763	EUR	100.00%	OK	1)
Semmelrock Stein + Design Dlazby a.s.	Ledcice	2,000,000	CZK	100.00%	VK	
Semmelrock Stein und Design EOOD	Sofia	13,785,500	BGN	100.00%	VK	
Wienerberger GmbH	Hannover	9,500,000	EUR	100.00%	VK	
Schlagmann Beteiligungs GmbH	Zeilarn	26,000	EUR	50.00%	OK	1)
Schlagmann Poroton GmbH & Co KG	Zeilarn	10,300,000	EUR	50.00%	EQ	
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
RM 2964 Vermögensverwaltungs GmbH	Hannover	25,000	EUR	100.00%	OK	1)
MR Erwerbs GmbH & Co KG	Hannover	100	EUR	100.00%	VK	
ZZ Wancor AG	Regensburg	1,000,000	CHF	100.00%	VK	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger S.p.A.	Bubano	10,000,000	EUR	100.00%	VK	
Fornaci Giuliani S.p.A.	Cormons	1,900,000	EUR	30.00%	EQ	
Wienerberger NV	Kortrijk	47,557,745	EUR	100.00%	VK	
Wienerberger Asset Management NV	Zonnebeke	13,240,053	EUR	100.00%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
EUCOSO Sp. z o.o. (in liquidation)	Zlotorya	60,000	PLN	49.00%	EQ	
Wienerberger Lanaken NV (in liquidation)	Lanaken-Veldwezelt	7,000,000	EUR	100.00%	VK	
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	
Wienerberger Steenvisie B.V.	Zaltbommel	18,000	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	81,120,552	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	94.96%	VK	
Sandtoft Trading Limited	Sandtoft	1,000	GBP	94.96%	VK	
WIENERBERGER PARTICIPATIONS SAS	Achenheim	36,000,000	EUR	100.00%	VK	
WIENERBERGER SAS	Achenheim	75,000,000	EUR	100.00%	VK	
Briqueterie de Rouffach SAS	Rouffach	336,120	EUR	100.00%	VK	
Wienerberger A/S	Helsingør	107,954,000	DKK	100.00%	VK	
Wienerberger AS	Lunde	43,546,575	NOK	100.00%	VK	
Wienerberger AB	Bjærrød	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.à.r.l.	Luxembourg	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	2,141,220	BGN	99.66%	VK	

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	10,000	LTL	100.00%	VK	
Wienerberger India Private Limited	Bangalore	990,000,000	INR	100.00%	VK	
PIPELIFE International GmbH	Wiener Neudorf	29,000,000	EUR	100.00%	VK	2)
Pipeline Asset Management GmbH	Wiener Neudorf	35,000	EUR	100.00%	VK	
Pipeline Austria GmbH & Co KG	Wiener Neudorf	4,360,370	EUR	100.00%	VK	
Pipeline Austria GmbH	Wiener Neudorf	36,337	EUR	100.00%	VK	
Pipeline Belgium NV	Kalmthout	10,890,000	EUR	100.00%	VK	
Pipeline Bulgaria EOOD	Botevgrad	30,000	BGN	100.00%	VK	
Pipeline Czech s r.o.	Otrokovice-Kucovaniny	202,971,000	CZK	100.00%	VK	
PIPELIFE Deutschland Asset Management GmbH	Bad Zwischenahn	26,000	EUR	100.00%	VK	
PIPELIFE Deutschland GmbH & Co. KG Bad Zwischenahn	Bad Zwischenahn	5,000	EUR	100.00%	VK	
Pipeline Deutschland Verwaltungs-GmbH Bad Zwischenahn	Bad Zwischenahn	5,726,469	EUR	100.00%	VK	
Pipeline Eesti AS	Harjumaa Eesti Vabariik	2,422,400	EUR	100.00%	VK	
Pipeline Finland OY	Oulu	33,637	EUR	100.00%	VK	
Pipeline France SNC	Gaillon	19,743,000	EUR	100.00%	VK	
Pipeline Hellas S.A.	Thiva	24,089,735	EUR	100.00%	VK	
Pipeline Hrvatska d.o.o.	Sveta Nedelja	47,171,500	HRK	100.00%	VK	
Pipeline Hungaria Kft.	Debrecen	3,123,520,000	HUF	100.00%	VK	
QUALITY PLASTICS HOLDINGS LTD	Cork	635,000	EUR	100.00%	VK	
PIPELIFE IRELAND LTD	Cork	254	EUR	100.00%	VK	
Quality Plastics Sales Limited	Cork	127	EUR	100.00%	VK	
Dromalour Plastics Limited	Cork	3	EUR	100.00%	VK	
Kenfern Investments Ltd	Cork	508	EUR	100.00%	OK	1)
Pipeline UK Ltd	Corby	244,001	GBP	100.00%	VK	
UAB Pipeline Lietuva	Vilnius	1,600,000	LTL	100.00%	VK	
Pipeline Latvia SIA	Riga	300,000	LVL	100.00%	VK	
Pipeline Nederland B.V.	Enkhuizen	11,344,505	EUR	100.00%	VK	
Pipeline Finance B.V.	Enkhuizen	18,000	EUR	100.00%	VK	
Pipeline Norge AS	Surnadal	50,000,000	NOK	100.00%	VK	
Pipeline Polska S.A.	Krokowa	112,243,963	PLN	100.00%	VK	
Pipeline Romania S.R.L.	Bucuresti	7,323,115	RON	100.00%	VK	
Pipeline Serbia d.o.o.	Beograd	97,355,375	RSD	100.00%	VK	
Pipeline RUS LLC	Zhukov	359,458,072	RUB	100.00%	VK	
Pipeline Hafab AB	Haparanda	3,000,000	SEK	100.00%	VK	
Pipeline Nordic AB	Ölsremma	167,000,000	SEK	100.00%	VK	
Pipeline Sverige AB	Ljung	3,600,000	SEK	100.00%	VK	
Pipeline Slovenija d.o.o.	Trzin	843,258	EUR	100.00%	VK	
Pipeline Slovakia s r.o.	Piestany	6,700	EUR	100.00%	VK	
Arili Plastik Sanayii A.S.	Pendik/Istanbul	30,590,000	TRY	100.00%	VK	
Pipeline Jet Stream, Inc.	Siloam Springs	0	USD	100.00%	VK	
PJSC Pipeline Ukraine	Kyiv	30,000	USD	100.00%	OK	1)

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Tondach Gleinstätten AG	Gleinstätten	500,000	EUR	50.00%	EQ	3)
Ziegelwerk Polsterer GmbH	Leobersdorf	36,336	EUR	50.00%		4)
Tondach Slovensko spol. s.r.o.	Nitrianske Pravno	14,937,263	EUR	100.00%		4)
Tondach Slovenija d.o.o.	Krizevci pri Ljutomeru	5,195,293	EUR	100.00%		4)
Potisje Kanjiza d.d.	Kanjiza	605,394,000	RSD	100.00%		4)
Tondach Makedonija d.d.	Vinica	349,460,010	MKD	100.00%		4)
Tondach Bulgaria EOOD	Sofia	298,400	BGN	100.00%		4)
Tondach Ceska republika s.r.o.	Hranice	250,100,000	CZK	100.00%		4)
Tondach Magyarorszag Rt.	Csorna	11,683,550,000	HUF	100.00%		4)
Tondach Romania GmbH	Sibiu	58,320,655	RON	100.00%		4)
Tondach Hrvatska d.d.	Bedekovcina	116,715,500	HRK	100.00%		4)
Tondach Bosna i Hercegovina d.o.o.	Sarajevo	200,000	KM	80.00%		4)
Wienerberger Dach Beteiligungs GmbH	Wien	500,000	ATS	100.00%	VK	
WIBRA Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	100.00%	VK	
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	
Wienerberger Beteiligungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Dryfix GmbH	Henndorf	35,000	EUR	100.00%	VK	
Wienerberger Gamma Asset Management GmbH	Wien	35,000	EUR	100.00%	VK	
Steinzeug-Keramo GmbH	Frechen	18,408,000	EUR	100.00%	VK	
Steinzeug - Keramo NV	Hasselt	9,400,000	EUR	100.00%	VK	
Keramo-Wienerberger Immo NV	Hasselt	14,068,558	EUR	100.00%	VK	
SOCIETA DEL GRES S.p.A.	Sorisole	2,000,000	EUR	100.00%	VK	
Keramo Steinzeug s.r.o.	Ceske Budejovice	40,000,000	CZK	100.00%	OK	1)
Steinzeug - Keramo B.V.	Belfeld	2,722,680	EUR	100.00%	VK	
Steinzeug - Keramo SARL	Pontoise	38,125	EUR	100.00%	VK	
Steinzeug-Keramo Sp. z o.o.	Piekary Slaskie	2,000,000	PLN	100.00%	VKE	

VK.....Full consolidation

VKE....First time full consolidation

EQ.....At Equity consolidation

EQE.....First time at equity consolidation

OK.....No consolidation

OKE ...No consolidation (first time)

1) Immaterial

2) Holding company of the Pipelife Group

3) Holding company of the Tondach Group

4) Subsidiary of the Tondach Gleinstätten AG

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 2013 to 31 December 2013**. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year 2013 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, and the additional requirements pursuant to § 245a UGB (Austrian Commercial Code). 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 control 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 control. 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 2013 and of its financial performance and its cash flows for the year from 1 January to 31 December 2013 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, February 24, 2014

KPMG

Wirtschaftsprüfungs- und Steuerberatungs AG

signed by

Mag. Helmut Kerschbaumer
Wirtschaftsprüfer
(Austrian Chartered Accountants)

Mag. Yann-Georg Hansa
Wirtschaftsprüfer

Glossary

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

ADR American Depositary 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

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

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

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

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

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

Long-term incentive (LTI) program

A long-term variable remuneration program for the Managing Board and key Group managers to synchronize management goals with shareholders' interests

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)

Operating EBIT EBIT adjusted for non-recurring income and expenses

Operating EBITDA EBITDA adjusted for non-recurring income and expenses

Paver Product made of clay or concrete, which is used in the design of gardens and public areas

PE Polyethylene, a synthetic material

PP Polypropylene, a synthetic material

Preferred shares Shares that are senior to common shares based on special rights conveyed by the articles of association

PVC Polyvinyl chloride, a synthetic material

P/E ratio Price/earnings ratio; an indicator for the market valuation of a stock

Rating Standardized evaluation of the credit standing of a company, which indicates the probability of insolvency or delayed payments

Registered shares Shares issued in the name of the shareholder; the owner is listed in the company's share register

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

WF Abbreviation for "Waalformat", the standard size for a facing brick (210 x 100 x 50 mm)

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Ten-Year Review

Corporate Data		2004	2005	2006	2007
Revenues	<i>in € mill.</i>	1,758.8	1,954.6	2,225.0	2,477.3
EBITDA	<i>in € mill.</i>	405.4	429.3	476.6	551.2
Operating EBITDA	<i>in € mill.</i>	405.4	428.4	471.9	551.2
Operating EBITDA margin	<i>in%</i>	23.1	21.9	21.2	22.3
EBIT	<i>in € mill.</i>	257.5	269.6	297.5	353.1
Operating EBIT	<i>in € mill.</i>	257.5	270.3	303.1	353.1
Profit before tax	<i>in € mill.</i>	231.4	251.3	277.3	358.4
Profit after tax	<i>in € mill.</i>	181.8	196.4	218.3	295.8
Free cash flow	<i>in € mill.</i>	300.7	212.5	272.1	293.8
Total investments	<i>in € mill.</i>	632.6	338.7	530.4	645.6
Net debt	<i>in € mill.</i>	762.4	934.4	1,159.8	566.8
Capital employed	<i>in € mill.</i>	2,031.5	2,289.4	2,598.2	3,060.2
Gearing	<i>in%</i>	55.8	63.0	72.9	21.2
Interest cover ²⁾		7.7	6.2	6.2	8.2
Return on equity ³⁾	<i>in%</i>	13.3	13.2	13.7	11.1
ROCE ⁴⁾	<i>in%</i>	9.7	9.4	9.4	10.1
EVA® ⁴⁾	<i>in € mill.</i>	43.8	41.5	45.7	72.8
CFROI ⁵⁾	<i>in%</i>	12.9	12.9	12.6	13.0
CVA ⁵⁾	<i>in € mill.</i>	28.6	28.7	23.8	42.8
Ø Employees		12,154	13,327	13,639	14,785

Stock Exchange Data		2004	2005	2006	2007
Earnings per share	<i>in €</i>	2.54	2.66	2.95	3.46
Adjusted earnings per share	<i>in €</i>	2.54	2.67	3.02	3.46
Dividend per share	<i>in €</i>	1.07	1.18	1.30	1.45
Dividend	<i>in € mill.</i>	78.7	86.4	95.3	120.5
Equity per share ⁶⁾	<i>in €</i>	19.6	20.3	21.7	28.9
Share price at year-end	<i>in €</i>	35.15	33.80	45.00	37.93
Shares outstanding (weighted) ⁷⁾	<i>in 1,000</i>	69,598	73,196	73,309	75,491
Market capitalization at year-end	<i>in € mill.</i>	2,607.0	2,506.9	3,337.6	3,184.1

Condensed Balance Sheet		2004	2005	2006	2007
Non-current assets	<i>in € mill.</i>	2,012.7	2,232.1	2,531.6	2,915.8
Inventories	<i>in € mill.</i>	391.4	445.9	509.8	669.8
Other assets	<i>in € mill.</i>	461.8	591.6	632.9	744.3
Balance sheet total	<i>in € mill.</i>	2,865.9	3,269.6	3,674.3	4,329.9
Equity ⁸⁾	<i>in € mill.</i>	1,367.2	1,483.1	1,591.4	2,672.7
Provisions	<i>in € mill.</i>	178.9	168.4	177.5	188.4
Liabilities	<i>in € mill.</i>	1,319.8	1,618.1	1,905.4	1,468.8

1) The data were adjusted to reflect a change in accounting policy

2) Operating EBIT / Interest result

3) Profit after tax / Equity

4) Since 2005 financial year, calculation based on average capital employed
(2012 calculated on pro-forma 12-month basis)

2008	2009	2010 ¹⁾	2011 ¹⁾	2012	2013	CAGR 2004-2013
2,431.4	1,816.9	1,663.6	1,915.4	2,355.5	2,662.9	5%
396.6	157.5	198.3	240.4	216.7	275.9	-4%
440.1	208.6	198.3	240.4	245.5	266.5	-5%
18.1	11.5	11.9	12.6	10.4	10.0	
158.1	-258.1	4.6	37.5	-21.7	64.7	-14%
239.8	19.0	4.6	40.0	31.0	55.3	-16%
123.1	-295.6	-42.5	47.4	-36.2	-3.1	-162%
103.3	-258.7	-35.4	39.4	-40.5	-7.8	-171%
195.4	250.8	170.5	135.0	163.6	92.9	-12%
505.6	134.2	143.5	151.7	268.7	106.7	-18%
890.2	408.0	362.3	358.8	602.0	538.9	-4%
3,252.2	2,816.8	2,718.4	2,652.1	2,931.3	2,767.6	3%
35.6	16.0	14.5	14.8	25.5	23.9	
5.7	0.5	0.1	1.1	0.6	1.0	
4.1	-10.2	-1.4	1.6	-1.7	-0.3	
6.2	0.2	0.0	0.9	0.4	1.3	
-27.8	-207.3	-183.8	-163.3	-192.2	-161.4	
9.3	4.3	4.2	5.0	5.2	5.1	
-103.0	-353.8	-348.6	-313.7	-331.8	-335.8	
15,162	12,676	11,296	11,893	13,060	13,787	1%

2008	2009	2010 ¹⁾	2011 ¹⁾	2012	2013	CAGR 2004-2013
0.81	-3.17	-0.58	0.07	-0.61	-0.34	-180%
1.69	-0.34	-0.58	0.09	-0.25	-0.40	-181%
0.00	0.00	0.10	0.12	0.12	0.12	-22%
0.0	0.0	11.7	14.1	14.1	14.1	-17%
24.2	22.5	17.3	16.6	16.3	15.3	-3%
11.90	12.78	14.29	6.97	6.93	11.53	-12%
82,895	91,297	116,528	116,762	115,063	115,063	6%
999.0	1,502.0	1,679.5	819.2	814.3	1,354.5	-7%

2008	2009	2010 ¹⁾	2011 ¹⁾	2012	2013	CAGR 2004-2013
3,011.0	2,726.0	2,708.1	2,611.4	2,800.8	2,610.0	3%
720.0	552.4	555.9	576.6	700.9	666.0	6%
652.9	809.0	737.3	803.4	638.0	935.4	8%
4,383.9	4,087.4	4,001.3	3,991.4	4,139.7	4,211.4	4%
2,497.2	2,547.0	2,503.3	2,430.8	2,363.7	2,254.2	6%
190.0	187.9	205.3	197.2	265.9	224.5	3%
1,696.7	1,352.5	1,292.7	1,363.4	1,510.1	1,732.7	3%

5) Since 2005 financial year, calculation based on average historical capital employed
(2012 calculated on pro-forma 12-month basis)

6) Equity including non-controlling interests; excluding hybrid capital

7) Adjusted for treasury stock

8) Equity including non-controlling interest and hybrid capital

Financial Calendar

<i>January 28, 2014</i>	<i>Start of the quiet period</i>
February 27, 2014	Results of 2013: Press and Analysts Conference in Vienna
February 28, 2014	Analysts Conference in London
March 28, 2014	Publication of the 2013 Annual Report on the Wienerberger website
<i>April 17, 2014</i>	<i>Start of the quiet period</i>
May 9, 2014	First Quarter Results for 2014
May 16, 2014	145th Annual General Meeting in the Austria Center Vienna
May 20, 2014	Deduction of dividends for 2013 (ex-day)
May 22, 2014	Payment Day for 2013 dividends
June 24, 2014	Sustainability Update 2013
<i>July 22, 2014</i>	<i>Start of the quiet period</i>
August 19, 2014	Results for the First Six Months of 2014: Press and Analysts Conference in Vienna
August 20, 2014	Analysts Conference in London
September 2014	Capital Markets Day 2014
<i>October 21, 2014</i>	<i>Start of the quiet period</i>
November 12, 2014	Third Quarter Results for 2014

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If you want to learn more about
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