

**We could have
easily done
without this
annual report.**

The Year 2009 in Review

The construction industry was hard hit by the worldwide recession in 2009, which triggered a sharp drop in the demand for building materials. On the one hand, new residential construction is heavily dependent on bank financing and, on the other hand, consumers tend to postpone investment decisions as a reaction to the weak economy and uncertain expectations for the future. Wienerberger implemented a wide-ranging action plan to adjust capacity to reflect these developments, which also included active working capital management to reduce inventories, a decrease in administrative and selling costs and a cutback in investments to the necessary minimum.

Wienerberger recorded in part significantly lower sales volumes on all markets as well as a substantial decline in earnings for 2009: Group revenues fell by 25% to € 1,816.9 million, operating EBITDA by 53% to € 208.6 million and operating EBIT by 92% to € 19.0 million. Adjusted earnings per share (before non-recurring effects) dropped to € -0.34 (2008: € 1.69). Despite the weak development of operating earnings, Wienerberger increased free cash flow by an impressive 28% to roughly € 251 million in a difficult market environment with cost savings of € 160 million from the action plan and, above all, through a significant reduction in working capital and investments. These funds and the proceeds of € 320 million from the capital increase in September 2009 were used to strengthen the equity base and thereby cut net debt by more than half during the reporting period.

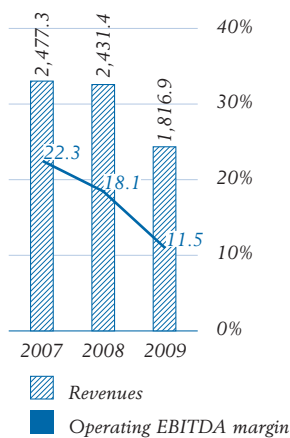
The Managing Board has made a recommendation to the Supervisory Board, calling for the waiver of the 2009 dividend – since we consider it an obligation to handle the funds provided by our shareholders through the capital increase with the greatest possible care to create the maximum value on their behalf.

Market Positions

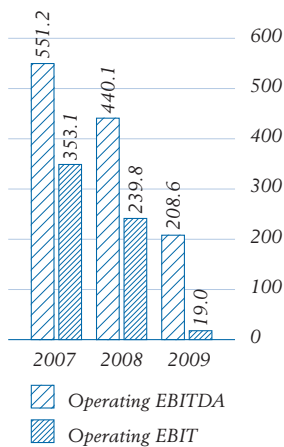
Wienerberger is the world's largest producer of bricks and Nr. 1 on the clay roof tile market in Europe with 227 plants in 27 countries. We also hold leading positions in concrete pavers in Central-East Europe.

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

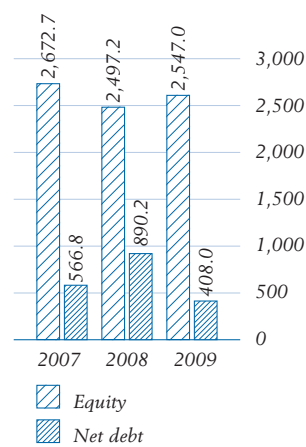
Revenues and Operating EBITDA Margin
in € mill. and %



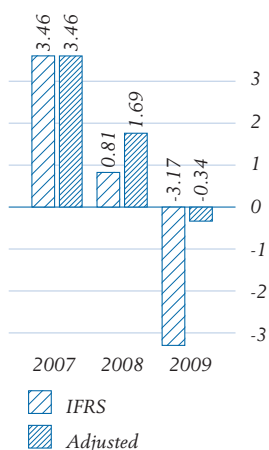
EBITDA and EBIT (operating)
in € mill.



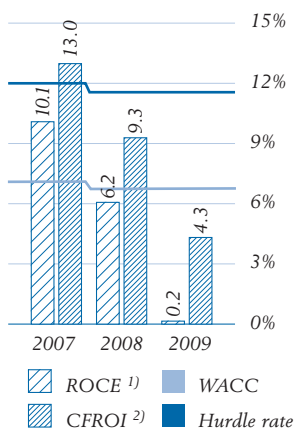
Equity and Net Debt
in € mill.



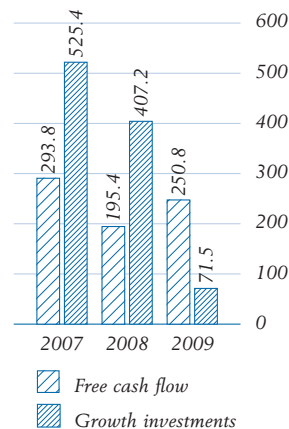
Earnings per Share
in €



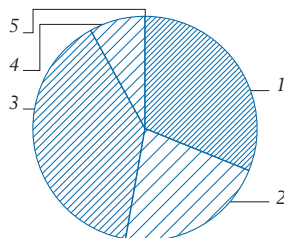
ROCE and CFROI
in %



Free Cash Flow and Growth Investments
in € mill.

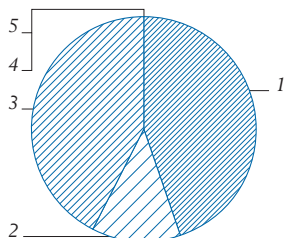


Revenues by Segment



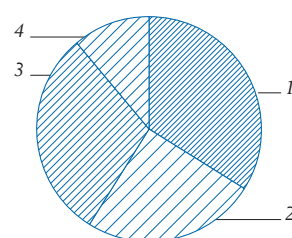
- 1 Central-East Europe 32%
- 2 Central-West Europe 22%
- 3 North-West Europe 40%
- 4 North America 8%
- 5 Investments and Other -2%

Operating EBITDA by Segment



- 1 Central-East Europe 52%
- 2 Central-West Europe 15%
- 3 North-West Europe 49%
- 4 North America -6%
- 5 Investments and Other -10%

Revenues by Product



- 1 Wall 34%
- 2 Roof 25%
- 3 Facade 30%
- 4 Pavers 11%

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

Earnings Data		2007	2008	2009	Chg. in %
Revenues	<i>in € mill.</i>	2,477.3	2,431.4	1,816.9	-25
Operating EBITDA ¹⁾	<i>in € mill.</i>	551.2	440.1	208.6	-53
Operating EBIT ¹⁾	<i>in € mill.</i>	353.1	239.8	19.0	-92
Restructuring costs and impairment charges to property, plant and equipment	<i>in € mill.</i>	0.0	-55.0	-153.7	<-100
Impairment charges to goodwill	<i>in € mill.</i>	0.0	-16.7	-123.3	<-100
Profit before tax	<i>in € mill.</i>	358.4	123.1	-295.6	<-100
Profit after tax	<i>in € mill.</i>	295.8	103.3	-258.7	<-100
Free cash flow ²⁾	<i>in € mill.</i>	293.8	195.4	250.8	+28
Maintenance capex	<i>in € mill.</i>	120.2	98.4	62.7	-36
Growth investments	<i>in € mill.</i>	525.4	407.2	71.4	-82
ROCE ³⁾	<i>in %</i>	10.1	6.2	0.2	-
CFROI ⁴⁾	<i>in %</i>	13.0	9.3	4.3	-
Employees ⁵⁾		14,785	15,162	12,676	-16

Balance Sheet Data		2007	2008	2009	Chg. in %
Equity ⁶⁾	<i>in € mill.</i>	2,672.7	2,497.2	2,547.0	+2
Net debt	<i>in € mill.</i>	566.8	890.2	408.0	-54
Capital employed	<i>in € mill.</i>	3,060.2	3,252.2	2,816.8	-13
Balance sheet total	<i>in € mill.</i>	4,329.9	4,383.9	4,087.4	-7
Gearing	<i>in %</i>	21.2	35.6	16.0	-

Stock Exchange Data		2007	2008	2009	Chg. in %
Earnings per share	<i>in €</i>	3.46	0.81	-3.17	<-100
Adjusted earnings per share ¹⁾	<i>in €</i>	3.46	1.69	-0.34	<-100
Dividend per share	<i>in €</i>	1.45	0.00	0.00	0
Share price at year-end	<i>in €</i>	37.93	11.90	12.78	+7
Shares outstanding (weighted) ⁷⁾	<i>in 1,000</i>	75,491	82,895	91,298	+10
Market capitalization at year-end	<i>in € mill.</i>	3,184.1	999.0	1,502.0	+50

Operating Segments 2009	Central-East Europe		Central-West Europe ⁸⁾		North-West Europe ⁸⁾		North America		Investments and Other ⁹⁾	
<i>in € mill. and %</i>										
Revenues	582.7	(-35%)	391.1	(-11%)	729.2	(-19%)	149.0	(-36%)	-35.1	(+23%)
Operating EBITDA ¹⁾	108.8	(-58%)	32.3	(-24%)	102.5	(-29%)	-13.3	(-100%)	-21.7	(+8%)
Operating EBIT ¹⁾	44.8	(-77%)	-2.4	(-100%)	37.1	(-49%)	-35.4	(-100%)	-25.1	(+8%)
CFROI in % ⁴⁾	7.5		4.0		5.5		-1.9		-32.9	
Total investments	55.6	(-75%)	13.2	(-65%)	50.1	(-72%)	8.8	(-81%)	6.4	(-65%)
Capital employed	787.7	(-8%)	373.0	(-23%)	1,131.4	(-13%)	488.4	(-16%)	36.3	(+2%)
Employees	5,174	(-11%)	2,143	(-10%)	4,076	(-14%)	1,043	(-47%)	240	(+6%)

1) Adjusted for non-recurring income and expenses

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

3) Calculation based on average capital employed

4) Calculation based on average historical capital employed

5) Average number of employees for the year

6) Equity including non-controlling interests and hybrid capital

7) Adjusted for treasury stock

8) The cross-border trading activities of the Netherlands and Germany were transferred to the Central-West Europe segment as of January 1, 2009 (previously: North-West Europe); the comparable figures from the prior year period were adjusted accordingly

9) Including Group eliminations and holding costs; negative revenues are due to the offset of inter-company sales

Note: In the table of the operating segment data, changes in % to the comparable prior year period are shown in brackets. All abbreviations and foreign terms are defined in the glossary on page 162.

Or some of
the tough
measures we
implemented
in 2009.

Our Vision

Building Value. For a sustainable future.

Mission Statement

As the world's leading manufacturer of bricks, we regard the economy as an integral part of society. Its duty is to serve people and generate benefits for all. Our goal is to create sustainable values with natural products: a residential environment of lifelong quality and safety for our customers, a sound investment for our shareholders and attractive jobs for our employees. We take our role as a responsible member of society seriously and act in accordance with economic, ecological and social principles – in order to remain successful in the future.

We focus on the areas in which we are among the best in the world – our core products for wall, roof, facade and paving. The long history of our company, our strong affiliation with natural products, our employees who act as entrepreneurs and our internationality through individual diversity provide a sound basis for the creation of lasting values.

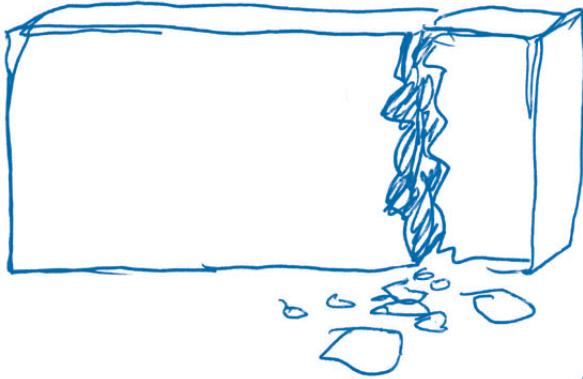
We believe in people.

Bricks by Wienerberger. Designed for living.

But they were
a necessary
investment
in our future.

REVENUES

EBITDA



The decline in new residential construction hit us hard.

**-25% in revenues
and -53% in
operating EBITDA**

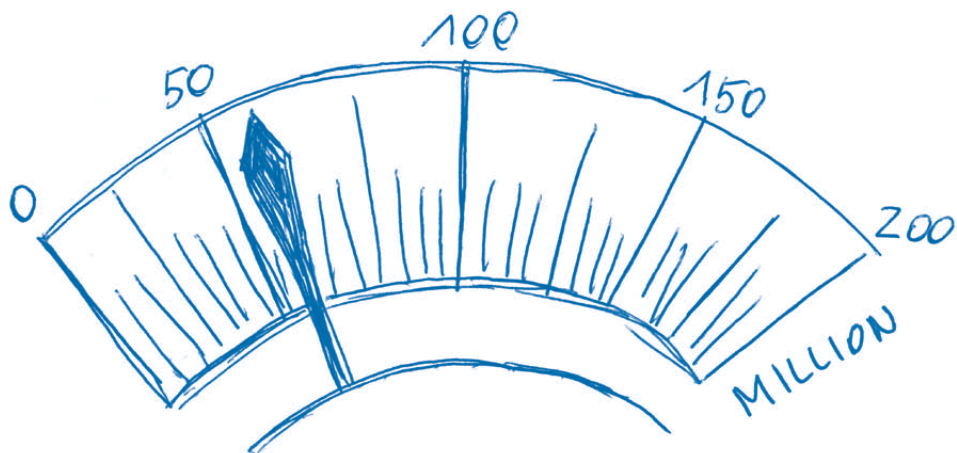
The development of business in 2009 was shaped by the global economic crisis. A shortage of project financing and, above all, low consumer confidence triggered a sharp drop in new residential construction on all our markets. Wienerberger consequently recorded a 25% decline in revenues to € 1,816.9 million and 53% lower operating EBITDA of € 208.6 million.



Reducing fixed costs was essential in this difficult market environment.

Necessary capacity adjustments put into action

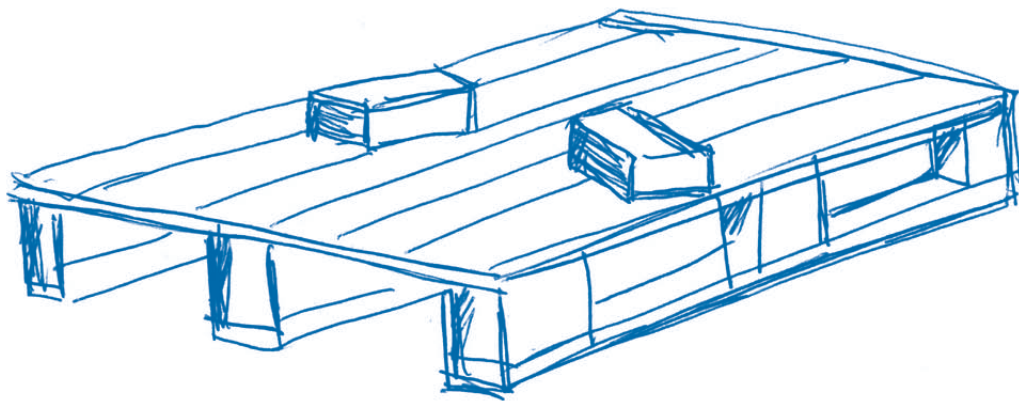
31 plants were closed or mothballed in 2009 and corporate administrative and sales structures were streamlined to reflect the weak demand. The resulting costs of € 121 million (including € 69 million of special write-downs) were contrasted by € 160 million of realized savings. Our supply capability remained untouched by these steps because of our modern and cost-efficient plant network with 227 locations in 27 countries.



We also set a limit for investments.

Maintenance capex cut to € 63 million

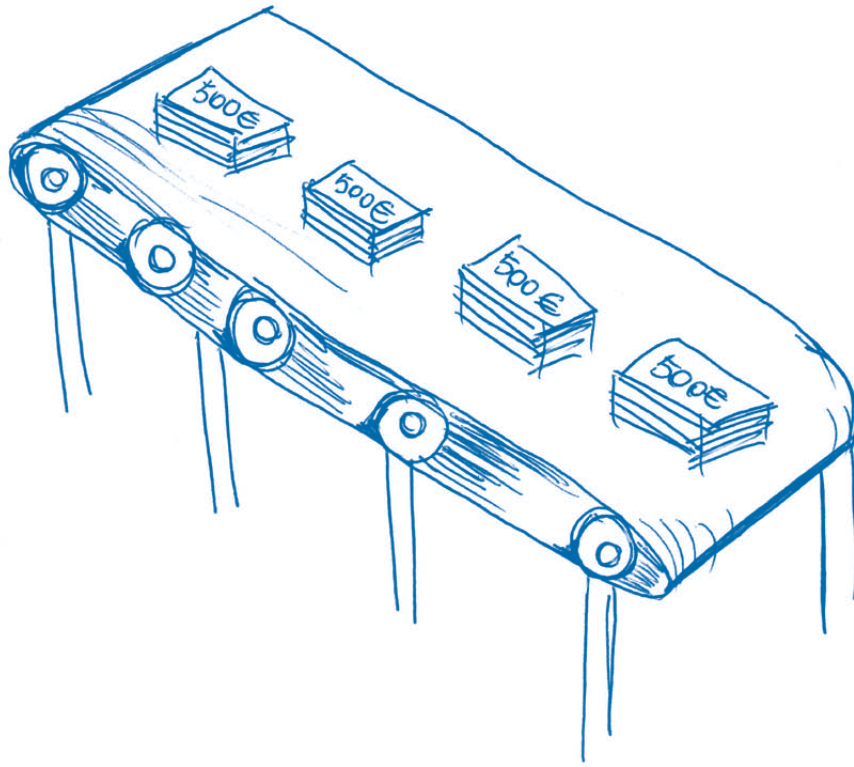
Investments were reduced to the necessary minimum of € 134 million. € 71 million were spent to complete previously started growth projects, and maintenance capex was limited to a one-time low of € 63 million (33% of depreciation). In 2010, we expect capex of roughly € 120 million.



In 2009 we turned a lot of things into cash.

Inventories reduced by € 168 million

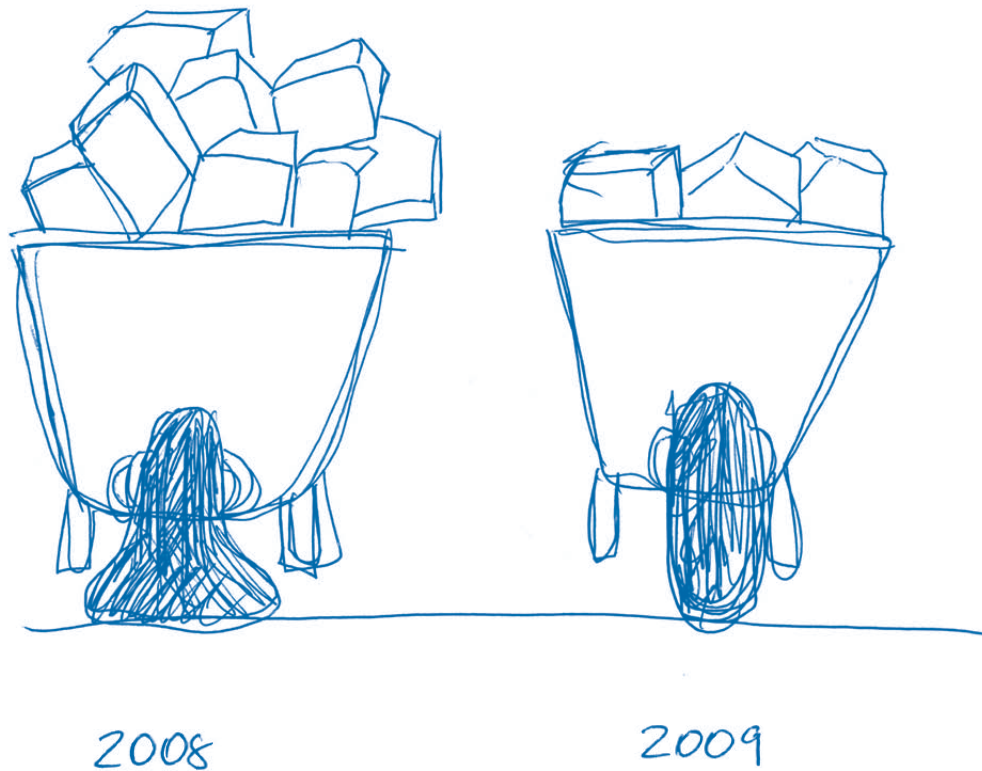
Capacity adjustments and temporary standstills at nearly all our plants helped us to reduce inventories from the 2008 level of € 720 million to € 552 million in spite of the weak market environment.



These savings really paid off.

Free cash flow increased by 28% to € 251 million

In spite of the difficult economic environment and weak operating earnings, Wienerberger generated impressive free cash flow of € 251 million – compared with € 195 million in the previous year – through cost savings and a reduction in inventories.



A strong equity base is essential in times like these.

Net debt reduced to € 408 million

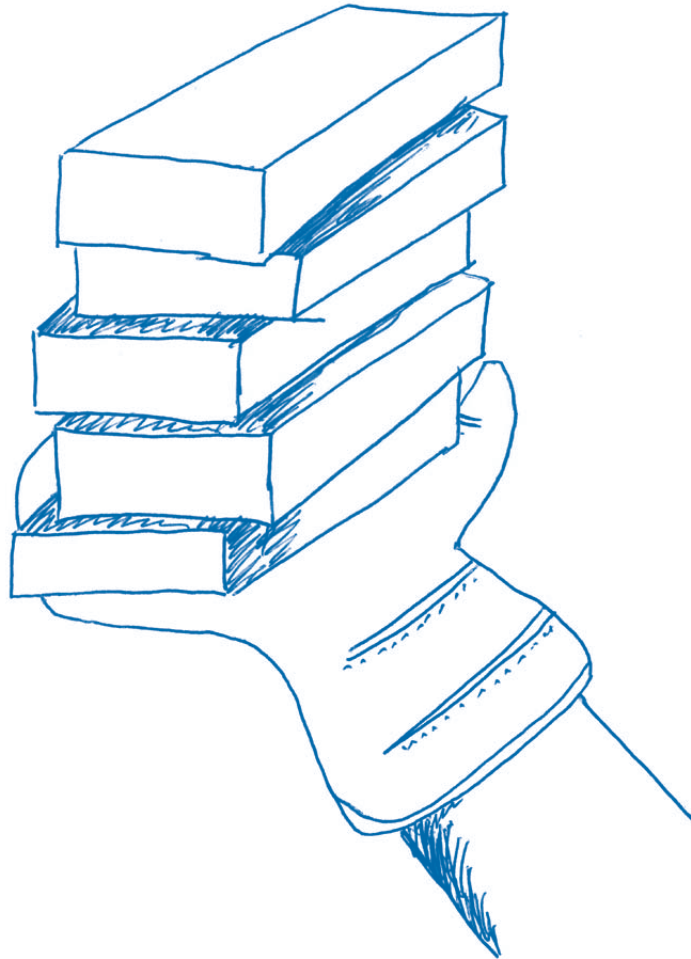
Net debt equaled € 890 million at year-end 2008, but was reduced to € 408 million by the end of 2009, with € 320 million from the capital increase in September and € 162 million from cash flow generation. Gearing improved from 36 to 16% during the same period.

Extensive action plan:

- ✓ Adjustment of capacity to reflect the weak market
- ✓ Reduction in fixed administrative and selling costs
- ✓ Active working capital management (in particular, a sizeable decrease in inventories)
- ✓ Cutback in investments to the necessary minimum

-
- Cost savings of € 160 million!
 - Working capital reduced by € 224 million!
 - Net debt of € 408 million
(cut by more than half!)





Due to these measures, we are stronger than ever.

Fast implementation of the action plan allowed us to realize sizeable cost savings, significantly reduce working capital and cut net debt by more than half in spite of the difficult market environment. We now have lean cost structures and a solid capital base, and are stronger than ever.

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

certainty over the return c
increase the share again fel
78 for a slight plus of 7%
annualreport.wienerberger.com/share

CHIEF EXECUTIVE'S REVIEW

Dear Shareholders,

I took over as Chief Executive Officer on August 1, 2009, and am now pleased to issue my first report on the major events of the past year and the strategic goals for the Wienerberger Group.

2009 was marked by global economic crisis

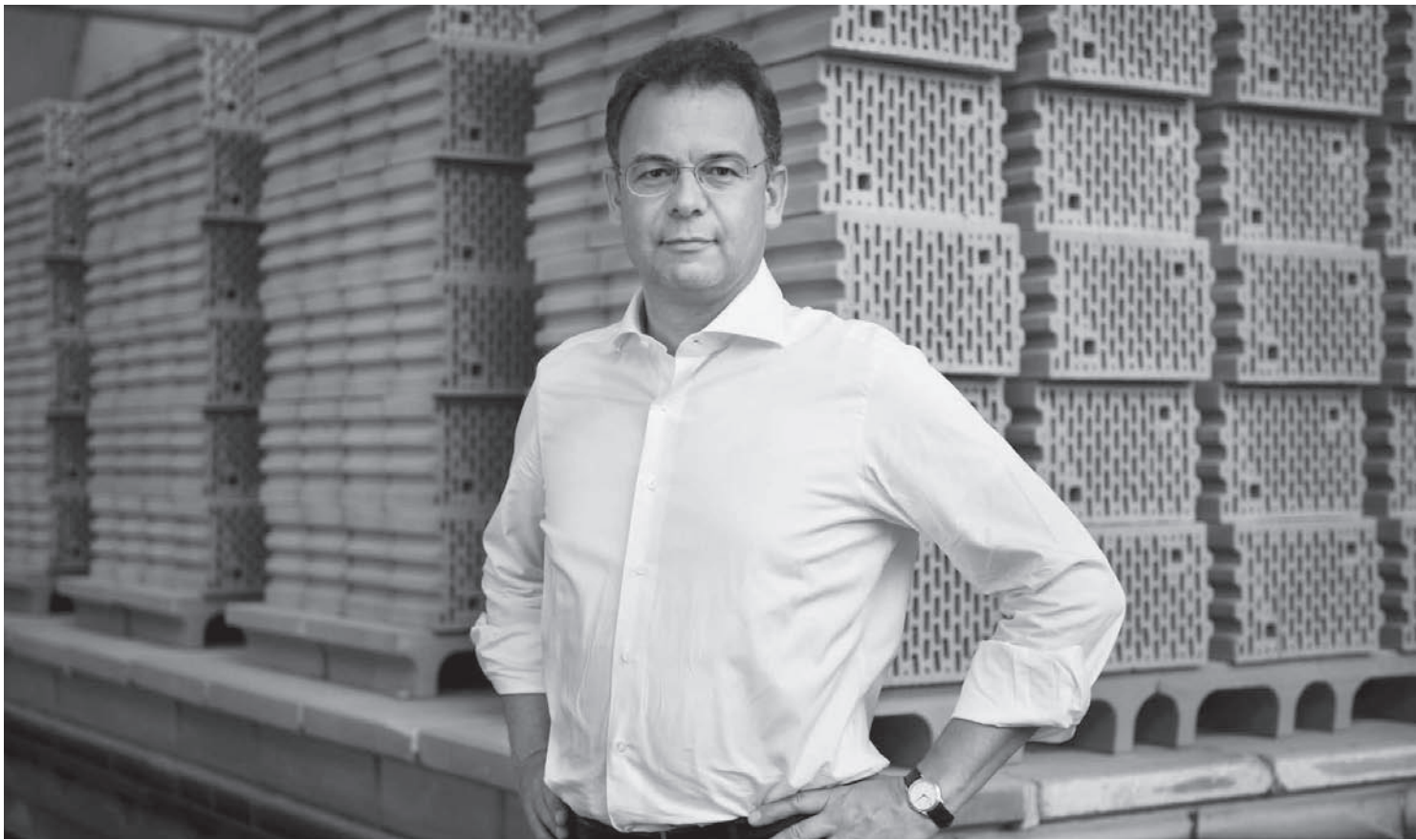
The economic environment made 2009 a very challenging year for us, which was marked by extensive restructuring. The financial crisis and its spread to the real economy triggered a world-wide recession. Companies were forced to cut capital expenditure, which led to a loss of jobs and undermined consumer confidence. The construction industry was particularly hard hit by these developments. On the one hand, new residential construction is heavily dependent on bank financing and, on the other hand, consumers tend to postpone long-term investment decisions as a reaction to the weak economy and uncertain expectations for the future. Wienerberger was unable to disengage from these developments, and was faced with in part significantly lower demand for building materials on all markets during 2009.

Sales volume decline in all markets

The biggest disappointment was undoubtedly the North American market, which has been on a downward spiral since 2006 and remained substantially below expectations in the reporting year with a further 36% drop in revenues. Operating EBITDA in this segment was negative as a result of the very low capacity utilization of 20% as part of our inventory reduction program. On a positive note, we were successful in holding prices constant in spite of a difficult US market environment. Central-East Europe, where the effects of the financial and economic crisis have only been felt since the beginning of 2009, also recorded a substantial decline in earnings from the good 2008 level. Revenues in this region were 35% lower in 2009. Operating EBITDA was negatively influenced by foreign exchange effects and a 10% drop in average local currency prices, and fell substantially below the prior year level to € 108.8 million. New residential construction in Western Europe contracted sharply during the first six months of 2009, but recovered slightly during the second half-year. The demand for building materials has stabilized over recent months, above all in Great Britain and Germany. Revenues in North-West Europe equaled € 729.2 million, or 19% less than in the previous year, while operating EBITDA reached € 102.5 million with a decline of 29%. Central-West Europe reported a 11% decrease in revenues to € 391.1 million and 24% lower operating EBITDA of € 32.3 million.

Operating results considerably lower in 2009

The development of business in our operating segments was reflected in results for 2009: the Wienerberger Group recorded a decline of 25% in revenues to € 1,816.9, 53% in operating EBITDA (before restructuring costs) to € 208.6 million and 92% in operating EBIT to € 19.0 million. Restructuring costs of € 121.4 million for optimization measures (including € 52.6 million cash out), € 32.3 million of impairment losses on assets as well as € 123.3 million of impairment charges to goodwill led to EBIT after special effects of € -258.1 million. Based on a net after-tax loss of € 258.7 million and after the deduction of the hybrid coupon and non-controlling interests, earnings per share equaled € -3.17. Adjusted earnings per share amounted to € -0.34 after the inclusion of non-recurring effects.



Heimo Scheuch, Chief Executive Officer of Wienerberger AG

We proceeded quickly and implemented a wide-ranging action plan to adjust our corporate structures to reflect the weaker demand. The related measures included the adjustment of capacity to reflect market developments, active working capital management to reduce inventories, a decrease in administrative and selling costs and a cutback in investments to the necessary minimum. A total of 31 plants were closed or mothballed, and extensive standstills were ordered throughout the production network to reduce inventories. We also stopped our growth program and only completed previously started projects. Investments totaled € 134 million in 2009, including € 63 million for maintenance capex. This represents a year-on-year reduction of nearly 40% in maintenance expenditures to a one-time low that will, however, not endanger the performance capability of our plants. The measures implemented during the reporting year were reflected in total costs of roughly € 121 million, whereby the major component – namely € 69 million – represented special write-downs. These costs were contrasted by savings of € 160 million. We not only met but exceeded all the goals we set at the beginning of 2009. In addition, we cut inventories by € 168 million and subsequently reduced net debt to € 408 million by year-end 2009. Despite the weak development of operating earnings, Wienerberger increased free cash flow by an impressive 28% to roughly € 251 million in a difficult market environment with strict cost savings and, above all, a significant reduction in working capital and investments. !!!

Despite difficult market environment, free cash flow increased by 28% to € 251 million

The limited liquidity and volatility on financial markets have increased the importance of a strong capital structure and secured financing, and Wienerberger has taken numerous steps to address these issues. In spring 2009 we extended loans that were due for repayment by the end of 2010, and in June we arranged for the suspension of existing covenants and negotiated new conditions for our financing agreements. In September we issued 33.6 million new shares in a fixed price procedure with trading in subscription rights. The offering was directed to existing shareholders, who were entitled to purchase two new shares at a fixed price of € 10 each for every five old shares. The resulting net proceeds of € 320 million were used primarily to repay debt, and not only increased our financial flexibility but give us access to additional sources of financing and form the basis for an improvement in our rating over the mid-term.

Capital increase strengthened balance sheet by € 320 million

**Waiver of dividend
in 2009**

The Managing Board has made a recommendation to the Supervisory Board, calling for the waiver of the 2009 dividend. We did not take this decision lightly and held numerous advance discussions with our shareholders. They provided us with nearly € 320 million through the capital increase, and we consider it an obligation to handle these funds carefully to create the best possible value on their behalf.

**Cost savings expected
to bring earnings
improvement in 2010**

My forecasts for 2010 remain cautious because the visibility on our markets is still very limited. I am an optimistic person and assume the worst is now over in most of our markets, but just when and to what extent recovery will take hold is something I cannot predict at this time. I consider the restructuring process at Wienerberger to be completed and, from the current point of view, do not expect any further plant closures in 2010. Indeed, our first quarter results will be negatively influenced by the severe winter weather, but I expect a substantial improvement in earnings for the full year based on additional cost savings and a price-related decline in energy costs.

**Wienerberger stronger
than ever**

We now have lean cost structures and a solid balance sheet and therefore are stronger than ever. Wienerberger is the largest and most innovative brick producer, and we also want to use this lead in difficult times by turning our full attention to the operating business.

**Growth through focus on
premium products**

In order to drive the company's growth, we plan to concentrate on expanding sales of our premium products in existing markets and launching these products in new markets as well as intensifying our sales activities. We have prepared a wide-ranging package of measures that is designed to strengthen customer ties, not only through better service but also with our innovative products. For example: Dryfix[®], a special aerosol masonry adhesive that is used instead of mortar to "glue" bricks together, speeds up construction and reduces drying time, even at temperatures below the freezing point. Customers save time and money, and also get top quality with an outstanding, vapor permeable and environmentally safe wall system that creates a healthy atmosphere. The Dryfix[®] system has been enthusiastically received by the market and, after a successful launch in several Central-East European countries, will be rolled out in Western Europe during 2010.

**Sustainability forms
important part of
Wienerberger's
economic success**

To explain our mid- and long-term strategy in more detail, I would like to draw your attention to our first sustainability report. We have defined sustainability as a key strategic goal because of its growing importance for the future development of Wienerberger. I view sustainability as an integral part of our business, and thereby also as an important factor for the economic success of the company. Against the backdrop of the climate discussion, the primary objective of sustainable construction is to reduce the energy requirements of buildings and the quantity of materials used in construction. Bricks have optimal properties for sustainable construction because of the natural raw materials from which they are made and their long service life. We intend to utilize and expand these benefits, and have defined the focal points of our research and development activities accordingly. We are working on solutions to make brick production more energy-efficient and substitute renewable energy for a greater share of fossil fuels over the coming years. At the same time, we are continuing to develop our sustainable products. These activities are designed to

improve the technical properties of bricks with respect to thermal insulation, stability and acoustic insulation, whereby we always view our products as an integral component of the entire building. My intention here is to think beyond the product, to offer systems and solutions for roofs and walls, and to establish Wienerberger as THE partner for sustainable construction. We will utilize product innovation as well as cost and technology leadership in production to defend our leading role on the market and to further expand our positions.

The Wienerberger plants are currently not operating at full capacity or are mothballed, and this represents a sizeable potential for organic growth when the markets recover. A market upturn should allow Wienerberger to generate a substantial improvement in earnings based on the largely sustainable reduction in fixed costs. I also see the present crisis as an opportunity for profitable takeovers – meaning only projects that generate CFROI of more than 16% in the third year after the investment. Our goal is to hold the debt ratio below 2.5 times net debt / operating EBITDA, and within this limit we will use the available funds for selective expansion.

The strength of Wienerberger is based on a strong corporate culture of dynamic and efficient action in which goal orientation, entrepreneurial achievement and responsibility are a matter of course. Our operating companies owe their success to their highly motivated employees and managers whose drive to achieve is supported by the Group's corporate services. This dedication is also honored by our customers and business partners. I would like to thank the Supervisory Board for their interesting and supportive discussions and the efficient handling of issues, and my colleagues on the board for their intensive and constructive teamwork during the past year. My special thanks go out to our employees and managers for their tremendous commitment, above all in these difficult times. In conclusion, I would like to thank you, our shareholders, for demonstrating your trust in Wienerberger during the capital increase and in this volatile period on capital markets. I assume the worst is now over and look to the future with optimism – and I invite you to accompany us on this road.

Yours


Capacity reserves offer substantial organic growth potential

Thanks to employees and management, Supervisory Board and shareholders

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, long-term increase in the value of the company. 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. Cash flows were invested primarily in growth projects during times of economic expansion, but Wienerberger has now shifted its strategic focus to the protection of liquidity as a reaction to the global financial and economic crisis and the resulting difficult market environment.

Compliance Code to prevent insider trading

We give the highest priority to equal treatment for and the provision of comprehensive information to all shareholders. To prevent insider trading, we have installed a compliance code that implements the provisions of the Issuer Compliance Code published by the Austrian Financial Market Authority, and also covers the members of the Supervisory Board. A compliance officer monitors the observance of these rules.

Voluntary observance of Austrian Corporate Governance Code

The Austrian Corporate Governance Code was enacted in October 2002 and adapted as of January 1, 2010 to reflect the Stock Corporation Amendment Act 2009 and an April 2009 European Commission recommendation regarding the remuneration system of directors in 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 key principles are intended to strengthen the confidence of investors in the company and in Austria as a financial marketplace, and include equal treatment for all shareholders, transparency, the independence of the supervisory board, open communications between the managing board and supervisory board, the avoidance of conflicts of interest by bodies of the corporation and efficient control by the supervisory board and auditor. The code exceeds legal requirements, and compliance is voluntary. Observance of the code also means that the failure to meet C-Rules (“comply or explain”) must be explained and disclosed.

Wienerberger is the leader for transparency

Wienerberger was one of the first companies to announce its support for the Austrian Corporate Governance Code (see www.corporate-governance.at) and to commit to compliance with its rules. Wienerberger met all rules and recommendations of the code (in the version dated January 2009) during the reporting year. The corporate governance report is integrated in this annual report (pages 18 to 35).

Evaluation and confirmation of compliance with code by KPMG and Wolf Theiss

The implementation and correctness of our public announcements is evaluated by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH on a two-year basis in accordance with the standards issued by the Institutional Federation of Accountants for reviews, and their report is published on our website. The last auditor’s evaluation of our adherence to the rules of the code and the correctness of our announcements in 2008 confirmed that the public declarations of compliance are correct. Compliance with the provisions of the code that relate to the auditor is also evaluated biennially by Wolff Theiss attorneys-at-law. The resulting report indicated no objections, and is also available for review on our website.

The 140th Annual General Meeting nominated KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH to audit the 2009 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 less than € 0.1 million in 2009. The fees for the audit of the Group and similar services related to the capital increase amounted to € 2.4 million.

**Disclosure of
auditor's fees**

In order to strengthen risk management, Wienerberger has installed an internal audit department. This staff function reports directly to the Managing Board, and is responsible for the evaluation of operating processes in connection with risk management and the identification of opportunities to improve efficiency as well as the monitoring of compliance with legal directives, internal regulations and procedures. In addition, the internal control system (ICS) was extended in recent years to support the early identification and management of risks (see pages 34 and 35). The Managing Board continuously reports to the Supervisory Board on the internal audit plan for the following year and the audit findings. A management letter prepared by the auditor and a report by this firm on the efficiency of risk management in the Wienerberger Group were presented to the Chairman of the Supervisory Board and discussed by the entire Supervisory Board.

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

The number of common shares issued by Wienerberger AG totaled 117.5 million after the capital increase in September 2009. There are no preferred shares or limitations on common shares, and the principle "one share – one vote" therefore applies in full. In accordance with the Austrian Corporate Takeover Act, each shareholder will receive the same price for his or her Wienerberger shares in the event of a mandatory offer. Wienerberger AG has no core shareholder. The shareholder structure of the company is described on page 65 and 66.

**"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 26 (Capital and reserves) on page 134. The chapter Wienerberger Shares and Shareholders beginning on page 63 contains information on direct and indirect investments in Wienerberger capital, while the provisions of the former stock option plan are described under point 36 of the notes (stock option plan) on page 152. The Remuneration Report (pages 30 to 32) explains the principles of remuneration policy and provides detailed information on 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 Boards are disclosed on the company's website under "Directors' Dealings". Change of control clauses are included in the employment contracts with the members of the Managing Board, the terms of the 2005 corporate bond and 2007 hybrid bond, the syndicated term loans and other loans concluded in 2005, 2006 and 2008.

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

Supervisory Board rules of procedure reflect provisions of 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 regular meetings of the Supervisory Board. The Supervisory Board also exercises its consultative and control functions through the following four committees: the *Presidium* and *Remuneration Committee*, the *Strategy Committee*¹⁾, the *Audit Committee* and the *Personnel and Nominating Committee*. The rules of procedure for the Supervisory Board are published on our website.

Duties and responsibilities of the committees of the Supervisory Board

The *Supervisory Board* is responsible for decisions that involve subjects of fundamental importance or the strategic direction of the Wienerberger Group, and has established four committees to support its activities. The *Presidium* represents the interests of the company on all Managing Board issues, and also serves as a *Remuneration Committee* for the members of the Managing Board. The *Strategy Committee* evaluates the strategy and development of the company and prepares strategic issues for voting by the Supervisory Board. It is also authorized to approve transactions and measures that do not require the approval of the full Supervisory Board – in particular capital expenditures, acquisitions and the sale of property between € 7.5 and 30 million – and also makes decisions in urgent cases. The *Audit Committee* is responsible for all issues related to the annual financial statements, the audit of the Group and accounting, in preparation for the Supervisory Board. In addition, this committee monitors the effectiveness of the internal control, audit and risk management systems and evaluates the independence of the auditor and its qualifications as verified by a peer review. Harald Nogrsek serves as the financial expert on the Audit Committee. The *Personnel and Nominating Committee* is in charge of succession planning for the Managing Board and the preparation of nominations to the Supervisory Board, whereby its goal is to guarantee the independence of the members of this body. It recommends nominations to the Supervisory Board, which are placed before the Annual General Meeting for a vote. The Personnel and Nominating Committee establishes a description of the required qualifications prior to the appointment of persons to the Managing Board, and prepares decisions for the Supervisory Board based on a defined selection procedure and succession planning. This committee also approves the terms of remuneration systems for managers in the Wienerberger Group. Stock options were granted annually from 2002 to 2008 as part of a stock option plan (also see page 152 of the notes and details on the Wienerberger website). This plan was discontinued in 2009 because it was no longer considered to be an effective or appropriate incentive for the members of the Managing Board and management due to the changed economic environment. The Supervisory Board is working to develop an alternative model (“LTI” – long-term incentive) that will be implemented by mid-2010 and focus compensation for the Managing Board and management on the sustainable growth of the company.

Employee participation in Supervisory Board is part of Austrian legal system

The participation of Wienerberger employees on the Supervisory Board and its committees through their elected representatives forms a legally regulated part of the Austrian corporate governance system. The 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).

1) Formerly the Project Committee (renamed at the Supervisory Board meeting on March 16, 2009)

The Austrian Corporate Governance Code requires the majority of shareholder representatives on a supervisory board to be independent. A supervisory board member is considered to be independent when he or she has no business or personal relationships with the company or its managing board that may lead to a material conflict of interest and subsequently influence his or her behavior. In accordance with this guideline and Appendix 1 of the Austrian Corporate Governance Code (in the version dated January 2009), the Supervisory Board of Wienerberger AG defined six criteria for the independence of its members. A member of the Supervisory Board is considered to be independent when he or she did not serve as a member of the Managing Board or key employee of Wienerberger AG or a Wienerberger Group company during the past five years; when he or she has no business relations with Wienerberger AG or a Wienerberger Group company of a scope considered material for that member (the same also applies to business relations with a company in which the Supervisory Board member holds a significant personal economic interest); when he or she did not work on the audit of Wienerberger AG or was not employed by or did not hold an investment in the public accounting firm that performed the audit during the past three years; when he or she did not serve on the managing board of another company in which a member of the Wienerberger Managing Board serves on the supervisory board; when he or she has not served on the Wienerberger Supervisory Board for more than 15 years; and when he or she is not closely related to a member of the Wienerberger Managing Board or to a person in one of the above-mentioned positions. All shareholder representatives on the Supervisory Board reconfirmed their independence in accordance with these criteria at a meeting on February 10, 2010. The criteria for independence are published in detail on the Wienerberger website.

All members of the Supervisory Board are independent

No loans were granted to the members of the Supervisory Board or Managing Board, and no agreements have been concluded with these persons. Information on related party transactions is provided on page 152 of the notes.

Report on related party transactions

Members and Committees of the Supervisory Board

8 shareholder representatives

Friedrich Kadrnoska <i>Chairman</i>	independent, born 1951, appointed to 144th AGM (2013), first elected: May 8, 2002 Managing Board member of Privatstiftung zur Verwaltung von Anteilsrechten, Chairman of the Supervisory Boards of Österreichisches Verkehrsbüro AG, Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, CEESEG AG and Wiener Börse AG, member of the Supervisory Boards of card complete Service Bank AG, Porr Technobau und Umwelt AG and PORR Projekt und Hochbau Aktiengesellschaft, Director of UniCredit S.p.A., member of the Administrative Board of conwert Immobilien Invest SE and Wiener Privatbank SE
Christian Dumolin <i>Vice-Chairman</i>	independent, born 1945, appointed to 144th AGM (2013), first elected: July 17, 1996 Chairman of the Supervisory Board of Koramic Investment Group NV, honorary member of the Board of Regents of the Belgian National Bank, member of the Supervisory Board of the Belgian Banking, Finance and Insurance Commission (CBFA), member of the Board of Directors of USG People, De Steeg Investments, E & L Real Estate, Vitalo Industries and Spector
Karl Fink	independent, born 1945, appointed to 142nd AGM (2011), first elected: April 27, 2006 Member of Group Management of Vienna Insurance Group Wiener Städtische Versicherung AG, Managing Board Member of Wiener Städtische Wechselseitige Versicherungsanstalt Vermögensverwaltung, member of the Supervisory Board of AT&S Austria Technologie & Systemtechnik AG
Peter Johnson	independent, born 1947, appointed to 144th AGM (2013), first elected: May 12, 2005 Chairman of the Board of DS Smith Plc, Non-Executive Director of SSL International plc.
Harald Nograsek	independent, born 1958, appointed to 142nd AGM (2011), first elected: May 8, 2002 Chief Executive Officer of Österreichisches Verkehrsbüro AG, Chairman of the Supervisory Board of DDSG – Blue Danube Schifffahrt GmbH, Managing Director of Fontana Sporthotel Gesellschaft m.b.H., Ruefa Reisen Direktbuchung GmbH and Verkehrsbüro Finanzmanagement GmbH, member of the Board of Directors of conwert Immobilien Invest SE
Claus Raidl	independent, born 1942, appointed to 144th AGM (2013), first elected: May 11, 2004 President of the Oesterreichische Nationalbank, Chief Executive Officer of Böhler-Uddeholm AG, Managing Board member of voestalpine AG, member of the Supervisory Board of Wiener Börse AG
Wilhelm Rasinger	independent, born 1948, appointed to 142nd AGM (2011), first elected: April 27, 2006 Managing partner of Inter-Management Unternehmensberatung Gesellschaft m.b.H. and “Am Klimtpark” LiegenschaftsverwaltungsgesmbH, Chairman of IVA - Interessenverband für Anleger, Chairman of the Supervisory Board of Friedrichshof Wohnungsgenossenschaft reg. Gen. M.b.H., member of the Supervisory Boards of Erste Group Bank AG and CEE Immobilien Development AG
Franz Rauch	independent, born 1940, appointed to 143rd AGM (2012), first elected: May 11, 2004 Managing partner of Franz Rauch GmbH, Vice-Chairman of the Supervisory Boards of ÖBB-Personenverkehr Aktiengesellschaft and Treibacher Industrie AG, member of the Supervisory Boards of ÖBB Holding AG, Fohrenburger Beteiligungs-AG, UniCredit Bank Austria AG, Vorarlberger Kraftwerke AG, Vorarlberger Illwerke AG and Hirschmann Automotive GmbH

4 employee representatives

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

4 committees

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

Report of the Supervisory Board

The Supervisory Board and Managing Board held eight meetings during the reporting year, which focused on the financial position and strategic development of the Wienerberger Group as well as major events, restructuring and other measures. The Managing Board provided the Supervisory Board with detailed information at all meetings, and also supplied regular written reports on the business and financial condition of the Group and its holdings as well as the personnel situation, restructuring measures and investment plans. Separate reports were submitted on special projects. In addition, the Chairman of the Supervisory Board held regular conferences with the Chief Executive Officer to discuss the strategy, development of business and risk management of the company.

Extensive coordination between Supervisory and Managing Board

The global financial and economic crisis affected new residential construction in all relevant markets much stronger than expected at the beginning of 2009. Against this backdrop, cash preservation was given top priority. The Managing Board concentrated on the implementation of its 2009 action plan to adjust corporate structures as best as possible to reflect the weak market environment. The related measures included the shutdown or mothballing of 31 plants – which reduced fixed costs by € 160 million in 2009 – as well as active working capital management to decrease inventories and a cutback in investments to a minimum. The Managing Board provided the Supervisory Board with regular reports on the implementation of this action plan.

Detailed discussion of restructuring and optimization measures (Action Plan 2009)

The committees examined a range of specialized subjects in detail and reported to the Supervisory Board on the results of these discussions. The Personnel and Nominating Committee met four times; the Audit Committee met three times; and the Strategy Committee met twice. The Presidium, which also serves as a remuneration committee, met once. It received regular information from the Managing Board on the development of business and represented the company on Managing Board issues. The activities of the Presidium included a review and the approval of Managing Board remuneration, including the variable components of compensation and pension fund contracts. The criteria used to determine the variable components of compensation, the principles underlying pension commitments and severance payments as well as information on the compensation paid to individual members of the Managing Board and Supervisory Board are explained in the remuneration report (pages 30 to 32). One member of the Supervisory Board was absent at more than half of the meetings. One committee member did not attend three meetings, and another committee member did not attend two meetings. All members of the Audit Committee were present at all three meetings.

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

The Audit Committee consulted the auditor in its meeting on March 11, 2009, which focused on an examination of the 2008 annual financial statements of Wienerberger AG, the management report, the consolidated financial statements, the group management report and the recommendation of the Managing Board for the distribution of profits. In addition, the Audit Committee reviewed the independence of the auditor for the 2009 financial year, covering the legal relations of this firm with the Wienerberger Group and the members of its corporate bodies, and prepared a recommendation for the auditor's election. The Audit Committee also discussed a report by the auditor on the status of risk management in the Group. It concluded that risk management

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



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

at Wienerberger permits the effective identification, evaluation and monitoring of risk factors as well as reaction to these risks. A report on the activities of the internal audit department and the audit schedule for 2009 were also on the agenda, with detailed discussions following at subsequent meetings of the Audit Committee.

**Kadrnoska and Johnson
nominated for re-election
to the Supervisory Board;
installation of an
Executive Committee;
appointment of Heimo
Scheuch as CEO**

A meeting of the Personnel and Nominating Committee on December 9, 2008 discussed nominations to the Supervisory Board for submission to the Annual General Meeting. In accordance with these nominations, Peter Johnson and I were re-elected to the Supervisory Board by the 144th Annual General Meeting on May 14, 2009. On March 16, 2009 the Supervisory Board followed a recommendation by the Personnel and Nominating Committee, which was based on a request of the Managing Board, and amended the distribution of duties among the members of the Managing Board as of May 1, 2009. An Executive Committee was also installed, comprising four Executive Managing Directors with regional and product group responsibility. On April 20, 2009 the Personnel and Nominating Committee recommended the appointment of Heimo Scheuch as new Chief Executive Officer of Wienerberger AG as of August 1, 2009 following the retirement of Wolfgang Reithofer; this recommendation was approved unanimously by the Supervisory Board.

**Development of an
alternative incentive
model**

The previous stock option plan was discontinued in 2009 because it was no longer considered to be an effective or appropriate incentive for the members of the Managing Board and management due to the changed economic environment. The Supervisory Board is developing an alternative model ("LTI" – long-term incentive) that will be implemented by mid-2010 and compensate the Managing Board and management based on the sustainable growth of the company.

**Discussion of corporate
governance by the
Supervisory Board**

The Supervisory Board reviewed corporate governance in the Group on February 11 and March 16, 2009. At these meetings the Managing Board submitted a compliance report on the past year, and the individual members of the Supervisory Board reconfirmed their independence in accordance with the Austrian Corporate Governance Code. The criteria for independence that were established by the Supervisory Board are presented on page 21 and are disclosed in detail on the Wienerberger website. The responsibilities of the various committees of the Supervisory Board are described at length in the chapter "Corporate Governance at Wienerberger" on page 20, and the members of the committees are listed on page 22.

**Project Committee
renamed Strategy
Committee**

At the Supervisory Board meeting on March 16, 2009, the rules of procedure for the Supervisory Board were amended to change the name of the Project Committee to Strategy Committee.

The Supervisory Board meeting that followed the Annual General Meeting on May 14, 2009 reconfirmed Friedrich Kadrnoska as chairman and Christian Dumolin as vice-chairman.

Chairman and vice-chairman confirmed

At the Supervisory Board meeting on August 17, 2009 the Managing Board reported in detail on results for the first six months of 2009. Discussions also focused on a self-evaluation by the members of the Supervisory Board with respect to the efficiency of working procedures. The main topic at the meeting on September 11 was the capital increase, while discussions on December 11, 2009 covered the current development of business, an outlook on results for 2009 and the revision of the compliance guideline as well as the approval of the budget for 2010.

Self-evaluation by Supervisory Board

The annual financial statements and the group management report for Wienerberger AG as well as the consolidated financial statements for 2009 according to IFRS were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH this audit did not give rise to any objections. The Audit Committee discussed all documentation related to the annual financial statements, the recommendation of the Managing Board for the distribution of profits 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 agrees with the results of the audit. The Supervisory Board has approved the annual financial statements, which are hereby ratified in accordance with § 96 Par. 4 of the Austrian Stock Corporation Act, and agrees with the recommendation by the Managing Board to carry forward the 2009 balance sheet loss.

Auditor's report on annual financial statements

The Supervisory Board would like to express its thanks to the management and employees of the Group for their outstanding performance in a market environment made challenging by the global financial and economic crisis. Wienerberger is well-positioned for a future economic upturn due to the implementation of its action plan and secured financing.

Thanks to employees and management

Vienna, March 23, 2010
Friedrich Kadrnoska, Chairman



Managing Board and Management

Heimo Scheuch

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



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

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

Willy Van Riet

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



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

Johann Windisch

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



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

Work Processes in the Managing Board

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

Individual areas of responsibility

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

Joint work on the Managing Board

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



*Willy Van Riet,
Heimo Scheuch and
Johann Windisch*

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

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

**Corporate management
based on extensive
reporting system**

Managing Board of Wienerberger AG

Heimo Scheuch took over as Chief Executive Officer of Wienerberger on August 1, 2009, replacing Wolfgang Reithofer who had retired. This changeover also led to adjustments in the Wienerberger organization, which resulted in a smaller but more efficient structure. The Managing Board of Wienerberger AG is now comprised of only three members, since the position Heimo Scheuch as COO was not filled. The reduction in the size of the Managing Board and the related expanded areas of responsibility for the individual members signify that cost consciousness also has the highest priority for the Wienerberger Managing Board.

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

The previous eight country clusters were allocated to the four regions (Central-East Europe, Central-West Europe, North-West Europe and North America) based on the reporting structure. Four Executive Managing Directors were subsequently installed, each of whom is responsible for the operating management of a region at both the geographical and product levels. The responsibility of these directors covers the operating management in the region, the regional development of the product groups and the coordination of actions between the operating country units and the product groups. This new structure is intended to reduce decision paths and also increase regional and product-specific synergies through cross-national cooperation.

Executive Committee as consultative body for the Managing Board

The Managing Committee, which previously comprised the Cluster Managers and Heads of Corporate Services, was replaced by the Executive Committee. It includes the Managing Board of Wienerberger AG and the four Executive Managing Directors. The Executive Managing Directors exercise an advisory and support function for the Managing Board in all operating and strategic issues involving the Wienerberger Group.

Top Management Holding

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

Executive Managing Directors

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

Heads of Product Groups

Martin Kasa	Product Group Wall
Franz Kolnerberger	Product Group Roof
Johan Van Der Biest	Product Group Facade
Karl Thaller	Product Group Concrete

Heads of Corporate Services

Barbara Braunöck	Investor and Public Relations
Bernd Braunstein	General Secretary
Gerald Ettmann	Internal Audit
Gerhard Hanke	Corporate Controlling
Stefan Huber	Group Treasury
Martin Kasa	Corporate Marketing
Gerhard Koch	European Affairs
Christian Reingruber	Corporate Development
Jörg Schwander	Corporate Engineering
Bernhard Waiker	International Procurement
Wolfgang Weiss	Human Resources (since March 1, 2009)

Organization

	Heimo Scheuch CEO	Johann Windisch COO	Willy Van Riet CFO
Corporate Services	Corporate Development	Corporate Engineering	Corporate Controlling
	Corporate Marketing	International Procurement	Corporate IT
	European Affairs		Group Treasury
	General Secretary		Internal Audit
	Human Resources		Investor Relations
	Public Relations		Risk Management
Executive Managing Directors	North America	Central-East Europe	
	Emerging Markets	Central-West Europe	
		North-West Europe	
Product Groups	Product Group Concrete	Product Group Wall	
		Product Group Roof	
		Product Group Facade	
Operating Segments	Central-East Europe	Central-East Europe	North-West Europe
	Russia	Austria	Belgium
	Baltics	Slovakia	France
	Finland	Czech Republic	Netherlands
	Ukraine	Hungary	Great Britain
		Romania	Denmark
	North America	Bulgaria	Sweden
	USA	Poland	Norway
	Canada	Slovenia	
		Croatia	
	Concrete	Serbia	
	Semmelrock	Tondach Gleinstätten	
	Bramac		
	Investments and Other	Central-West Europe	
	India	Germany	
	Real Estate	Italy	
	Pipeline	Switzerland	

Remuneration Report

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

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

Remuneration system focused on appropriate compensation for Managing Board

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

Fixed component of salary reflects scope of responsibility, variable component for 2009 linked to implementation of action plan

The *fixed component* reflects the scope of responsibility of the Managing Board member and, following common practice in Austria, is divided into fourteen installments and paid at the end of each month. This results in different base salaries that correspond to the individual duties as well as the related strategic and operating responsibilities of the various board members. In August 2009 the Wienerberger Managing Board was restructured with Heimo Scheuch, former COO, following Wolfgang Reithofer as CEO. The Managing Board was reduced from four to three members as part of this transition, and the responsibilities of the individual board members were expanded accordingly. The *variable component* for the new Managing Board team in 2009 was linked to the implementation of the action plan, whereby the following three criteria were defined as benchmarks: a reduction of more than € 100 million in working capital, a cutback in investments to less than € 180 million and a decrease in net debt (without capital measures) of more than € 100 million. Since all defined goals were met in 2009, the members of the Managing Board are entitled to receive the full amount of variable remuneration. The Managing Board suggested limiting variable compensation to 50% of the annual fixed salary. After verification by the auditor, variable remuneration for 2009 will be paid out during 2010 in 14 installments together with the fixed salary for that year.

Variable compensation limited to 50% of fixed component

The remuneration for the members of the Managing Board is shown in the following table:

Cash compensation						
Managing Board						
<i>in EUR</i>	2008			2009		
	Fixed	Variable	Total	Fixed	Variable	Total
Wolfgang Reithofer ¹⁾	679,418	240,781	920,199	407,201	390,262	797,463
Heimo Scheuch	417,522	127,045	544,567	509,550	254,775	764,325
Johann Windisch	417,522	127,045	544,567	430,254	215,127	645,381
Willy Van Riet	334,018	127,045	461,063	344,203	172,101	516,304
Total	1,848,480	621,916	2,470,396	1,691,208	1,032,265	2.723.473

1) Wolfgang Reithofer up to July 31, 2009

From 2002 to 2008 the *share-based compensation* for the Managing Board was based on a stock option plan for key managers of the Group. The number of allocated options was dependent on the fulfillment of annual performance goals (also see page 152 in the notes and in detail on the Wienerberger website). In 2009 this stock option plan was discontinued because it was no longer considered to be an effective or appropriate incentive for the members of the Managing Board and management due to the changed economic environment. The Supervisory Board is developing an alternative model that will be implemented by mid 2010 and compensate the Managing Board and management based on the sustainable growth of the company.

Development of new incentive model by mid-2010 to replace stock option plan

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

Other activities require approval of Supervisory Board

All members of the Managing Board are covered by *defined contribution pension agreements* that require the company to make a fixed contribution each year. The company has no obligations above and beyond these agreements. Contributions to pension funds (defined contribution commitments) and provisions for pensions (defined benefit commitments) totaled € 649,897 for the members of the Managing Board in 2009 (2008: € 1,517,606). 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. The addition to the provision for severance compensation totaled € 803,919 in 2009 (2008: € 801,606). During the reporting year, payments of € 3,321,126 (2008: € 637,557) were made to former members of the Managing Board and their surviving dependents, including Wolfgang Reithofer who retired on July 31, 2009.

Pension agreements for the Managing Board are mainly defined contribution plans

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

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

The AGM on April 27, 2006 approved a new remuneration system for the Supervisory Board, whereby each member receives reimbursement for cash expenses as well as fixed remuneration of € 10,000 per year. In addition, each member of the Strategy, Audit as well as Personnel and Nominating Committee receives € 5,000 per year and committee. This fixed remuneration will be adjusted on the basis of the Statistik Austria consumer price index for 2005 or any other subsequent index. Furthermore, every member of the Supervisory Board will receive performance-based remuneration equal to 0.07% of annual profit after tax before non-controlling interests and after the deduction of the related costs for any hybrid bonds and/or other comparable financial instruments issued by Wienerberger AG, as shown in the audited and certified consolidated financial statements. The Chairman receives twice this amount and the Vice-Chairman one and one-half this amount. If a member of the Supervisory Board is not active during the full financial

AGM approves remuneration system for Supervisory Board

year, the remuneration is paid in proportion to the time available. If members of the Supervisory Board take on a special function in the interests of the company in this capacity, the AGM may approve special remuneration for their activities. The members of the Supervisory Board received remuneration totaling € 169,726 for 2009 (payment in 2010), which is distributed as follows:

Supervisory Board Remuneration in EUR	2008	2009
Friedrich Kadrnoska, Chairman ¹⁾	51,915	42,431
Christian Dumolin, Vice-Chairman	38,936	31,823
Karl Fink	20,707	15,912
Peter Johnson ¹⁾	20,707	15,912
Harald Nogrsek	20,707	15,912
Claus Raidl	20,707	15,912
Wilhelm Rasinger	20,707	15,912
Franz Rauch	20,707	15,912
Total	215,094	169,726

1) The term of office was extended to 2013 by the 140th AGM

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 have been made to the members of the Wienerberger Supervisory Board.

Managing and Supervisory Boards voluntarily disclose holdings in Wienerberger shares

The members of the Managing and Supervisory Boards have voluntarily agreed to disclose their holdings in shares of Wienerberger AG. In accordance with § 48 of the Austrian Stock Exchange Act, the purchase or sale of shares by the members of these boards is reported to the Austrian Financial Market Authority and also disclosed on the Wienerberger website (see "Directors' Dealings"). The number of Wienerberger shares held by the members of the Managing and Supervisory Boards at the end of 2009 totaled 246,679.

Number of shares owned		1.1.2009	Purchase	Sale	31.12.2009
Managing Board	Wolfgang Reithofer ¹⁾	121,245	-	-	-
	Heimo Scheuch	29,466	11,786	0	41,252
	Willy Van Riet	1,530	20,612	0	22,142
	Johann Windisch	0	0	0	0
Supervisory Board	Friedrich Kadrnoska	6,759	2,702	0	9,461
	Christian Dumolin	95,000 ²⁾	38,000 ³⁾	0	133,000
	Karl Fink	0	0	0	0
	Peter Johnson	0	0	0	0
	Harald Nogrsek	1,000	400	0	1,400
	Claus Raidl	3,000	1,200	0	4,200
	Wilhelm Rasinger	35,224	0	0	35,224
	Franz Rauch	0	0	0	0
Total	293,224	74,700	0	246,679	

1) Wolfgang Reithofer retired on July 31, 2009; at that time he owned 121,245 shares

2) Including 29,000 shares held in the name of Koramic Finance Company NV (Korfima)

3) Purchase of 38,000 shares in the name of Koramic Finance Company NV (Korfima)

Risk Management

Global operations expose the Wienerberger Group to a variety of risks. In principle, Wienerberger views risk as the potential divergence from corporate goals and therefore as a range of potential future scenarios. Risk covers the possibility of a loss (risk in the literal sense of the word) as well as the failure to realize an additional gain. The goal of our risk management system is to identify risks at an early stage and implement suitable measures to minimize any variance from corporate goals. These procedures require the identification, assessment, management and monitoring of risks, and represent an integral part of our internal risk management activities. The risk assessment that was prepared in prior periods is updated annually by top management. Based on the probability of occurrence and the potential impact on the Group, the identified risks are ranked according to their significance and the 15 major risks are analyzed in detail. In 2009 this process led to a change in the weighting of individual risks as well as the addition of new factors to our risk catalogue. The most important risks are described in detail below (a detailed description of all risks is provided in the risk report beginning on page 145 of the notes).

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

Market, Production and Price Risks

Market risks arise from developments in the major economies in which Wienerberger operates across Europe and North America, whereby the individual markets normally have different development and growth cycles. In order to minimize the impact of individual markets on Group earnings, we pursue a strategy of geographical diversification and concentration on our core business. However, the global economic crisis has led to a similar deterioration in the macroeconomic conditions on nearly all markets. The Group's broad-based geographic portfolio and decentralized structure with local companies are no longer able to moderate this resulting market risk, which has therefore attained a special relevance. Weak economic growth and a subsequent decline in local construction activity have also increased the risk of excess capacity, which can lead to greater pressure on prices and uncovered costs. In order to reduce the effects of these risks on earnings, we continuously monitor our capacity and make the necessary adjustments through temporary standstills and/or the shift of production to reflect market demand. In 2009 a further 31 plants were closed or mothballed as part of the company's action plan. Our strong position as a quality leader and investments in the development of high-quality products should allow us to minimize price risks.

Fast adjustment of capacity to reflect changing markets

Financial Risks

The major financial risks are insufficient liquidity and financing. Wienerberger responded to these risks in summer 2008 – and to an even greater extent in 2009 – by quickly adjusting its strategy to define the maximization of cash flow to preserve liquidity as the top priority. The most important management tools for meeting this goal include active capacity and working capital management as well as cost reduction. In order to ensure that all covenants are met, our goal for the coming years is to hold the ratio of net debt to operating EBITDA at a maximum of 2.5. Exchange rates and interest rates represent two further sources of financial risk. We use foreign exchange swaps to secure appropriate coverage between assets and liabilities, and thereby decrease the impact of exchange rate fluctuations on Group equity. In recent years Wienerberger has been able to significantly lower the risks associated with exchange rate and interest rate risks through its hedging activities. A description of the financing situation and hedging measures is provided in the Financial Review on page 79; exchange rate risk is discussed on page 148 of the notes.

Top priority: maximization of cash flow to preserve liquidity

Hedging and long-term supply contracts to counteract energy shortage

Procurement Risks

The necessary raw material supplies are secured by company-owned property (two-thirds) and long-term mining contracts (one-third). 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 entering into long-term supply contracts. For 2010 we have already signed contracts that cover a large part of our natural gas and electricity requirements. A detailed description of our energy procurement policy is provided on page 45. However, our main activities in this area are directed to optimizing the use of energy in production.

Group-wide compliance guideline to ensure observance of antitrust laws

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 business policies; our internal guidelines expressly prohibit such activities and call for sanctions in the event of violations.

No identifiable risks that could endanger the entire Group

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

Risks only taken on in operating business

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. All 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 parent company of the Group. 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).

Internal control system evaluated by internal audit

Internal Control System

The installation of an internal audit department as a staff function reporting to the Managing Board is designed to reflect the principles of good corporate governance, in particular through the strengthening of the internal control system (ICS). The internal audit department evaluates operating processes for the management of risk and identifies opportunities to improve efficiency, and also monitors compliance with legal directives, internal regulations and procedures. This work is based on an annual audit schedule that is approved by the Managing Board as well as a group-wide risk analysis of corporate activities. The internal audit department is also responsible for ad-hoc audits, which are requested by management and address current and future risks.

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

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

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

ICS implemented locally, but compliance monitored centrally by internal audit

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

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

Reporting plays a key role in the monitoring and control of the risks associated with operating activities. The Group auditor evaluates the effectiveness of Wienerberger risk management each year, and reports to the Supervisory and Managing Boards on the results of this analysis. The functional capability of Wienerberger risk management was examined and confirmed by the auditor. In addition, the control systems of the individual corporate functions are tested as part of the annual year-end audit. The focal points of this audit are selected to ensure that all areas of the company are evaluated with respect to all risks as part of a cycle that covers a maximum of five years. A detailed description of the risks facing the Wienerberger Group is provided beginning on page 145 of the notes.

Effectiveness of risk management audited and confirmed by KPMG

THE COMPANY

Interview with Heimo Scheuch, CEO

Mr. Scheuch, you took over as CEO on August 1, 2009 in the midst of a very difficult period for Wienerberger. How would you summarize the first six months?

I can only say that I look back on the last half-year with a great deal of satisfaction. We met – and in some cases substantially exceeded – all the goals we set for 2009. We cut costs by € 160 million, reduced inventories by € 168 million and decreased net debt by € 162 million through our own efforts – an impressive success in this difficult market environment. These achievements were made possible above all by the exceptional and committed performance of our employees. They supported my course with their full power – and I would like to take this opportunity to thank each one of them for their contribution. A further milestone in 2009 was the successful placement of the capital increase. Our shareholders demonstrated their confidence in Wienerberger, especially by exercising their subscription rights. The cost savings from the action plan and the funds from the capital increase have made Wienerberger stronger than ever, and allow me to look toward the future with optimism.

Speaking of the future – can we expect a change in strategy under your management?

I wouldn't call it a change in strategy, but rather a new strategic direction. The focus will remain on our core business – bricks, roof tiles and pavers – even though I intend to increase our concentration on the renovation market. My goal is to refocus the company. I view the restructuring process as completed, and we must now turn our full attention to the operating business. My aim is to position Wienerberger as a dynamic and innovative company, and as THE partner for energy-efficient, sustainable construction. That means we will need to concentrate even more on innovation, marketing and sales in order to further improve our positions and strengthen our customer relations. As the number one on the market, we must always remain one step ahead of the industry and take the leading role in sustainable construction.



How innovative can bricks really be? Are major improvements still possible?

Of course. Let me give you an example: 15 years ago our best brick had a thermal insulating value of 0.50 W/m²K. Today, our top product – a clay block filled with volcanic material – reaches 0.14 W/m²K. With these bricks you can build a low energy or passive energy house that doesn't require additional surface insulation, and have an outstanding, vapor permeable and environmentally safe wall system that creates a healthy atmosphere. I see further potential for improvement in the properties and energy efficiency of our products, and we will concentrate on these issues in the coming years.

Does that mean Wienerberger is no longer focused on growth?

No, just the opposite. Wienerberger will remain a growth company – but our near-term growth will also have a strong organic component. The major growth driver for the coming years will be the company's inherent potential. Here I mean the reserves in plants that are not operating at full capacity as well as the mothballed facilities that we can reactivate quickly. Based on the fact that half of our realized cost savings will be permanent, I am expecting a substantial positive earnings effect. I also see the crisis as a chance for profitable takeovers, whereby the emphasis in this area will be placed entirely on the creation of value. In other words, only projects that exceed a CFROI of 16% in the third year after the investment. Wienerberger shareholders supported us on the capital increase and we will, of course, handle these funds with care. Our goal is to keep the net debt ratio below 2.5-times net debt/operating EBITDA. Within this limit, we will use the available funds for selective expansion. I am thinking primarily of smaller assets that would represent a good strategic addition to the Wienerberger Group and can be acquired at attractive conditions. However, I want to emphasize that we intend to be very disciplined and only realize of opportunities within a limited scope.

The company has built new plants in India and Russia – how would you judge the growth potential of these projects and markets for Wienerberger?

Both countries offer significant opportunities for building material producers. They have large populations and a growing middle class as well as dynamic economies that have remained largely untouched by the current crisis. These factors fuel the demand for housing and, in turn, create a strong market for building materials. However, we must not forget that the two countries are only at the beginning of this development – which means they have a lack of sufficient infrastructure, no regulated approval procedures and many other things that make company start-ups more difficult. We have built our first production facilities in India and Russia, and will now concentrate on their optimization, and based on the progress made in 2010 we will decide on our strategy in these markets.



Strategy and Business Model

Strategic focus in times of crisis on maximization of cash flows

The brick and clay roof tile business is capital intensive. It requires a high initial investment and generates stable cash flows. Maintenance capex in the core business averages roughly 60% of depreciation in normal business years. The resulting free cash flows can be used to reduce net debt, pay dividends and invest in growth projects. In the years before the economic crisis, our strategy was focused on profitable growth in the core business through acquisitions and new plant construction. This strategy was adjusted following the spread of the financial crisis to Europe and the resulting change in the economic environment, and the maximization of cash flows to strengthen and protect liquidity was defined as the top priority.

€ 160 million savings achieved through strict cost reduction program in 2009

In order to reach this goal, we implemented a strict cost reduction program that included proactive capacity and working capital management, the reduction of administrative and selling expenses, and a cutback in investments. Our primary task was to adjust fixed costs as quickly as possible to reflect the deteriorating market climate and declining sales volumes. Since summer 2008 we have closed or mothballed a total of 58 primarily older plants, including 31 in 2009. Extended plant standstills were also ordered in nearly all countries to reduce inventories as part of our active working capital management. These steps did not – and will not – impair our supply capability, since production was shifted to other plants. Investments were limited to € 134 million during 2009 (2008: € 506 million), with € 71 million directed to growth projects. Only previously started projects were completed, and no new investments were committed. In 2010 we expect to spend a further € 25 million on growth investments. Maintenance capex was also cut to a one-time minimum of € 63 million (or 33% of depreciation) during the reporting year. However, this did not endanger the performance capability of our plants or shift capex requirements into the future. We expect to spend roughly € 95 million (nearly 50% of depreciation) on maintenance, which will result in a total investment of approximately € 120 million for 2010. The measures implemented during 2009 brought cost savings of € 160 million as well as a decrease of € 224 million in working capital, and consequently supported a reduction in net debt (also due to the capital increase) from € 890 million to € 408 million.

Strong organic component in future growth

Wienerberger now has lean cost structures as well as a solid balance sheet and – after the capital increase – is stronger than ever. We intend to use this leading position for further, above all organic growth.

Future growth through focus on the operating business and innovative products

Focus on premium products: stronger positions with higher market penetration and new launches

As long as there are no clear indications of recovery in new residential construction, we will concentrate on expanding sales of our premium products in existing markets and launching these products in new markets. These efforts will focus above all on our plane ground clay blocks, which will be introduced throughout Eastern Europe during the coming year, as well as stronger market penetration in Western Europe with our infill blocks, clay blocks filled with Perlite, a pure thermal insulating material made of expanded volcanic rock. Following a successful launch in several Central-East Europe markets, our Dryfix® system will also be rolled out in Western Europe during 2010. This special aerosol masonry adhesive is used instead of mortar to “glue” clay blocks together, and thereby speeds up construction. We also intend to intensify our sales activities and thereby strengthen customer ties, not only through better service but also with our premium products.

Wienerberger has defined sustainability as a key strategic goal because of its growing importance for the future. We view sustainability as an integral part of our business, and thereby also as an important factor for the economic success of the company. Against the backdrop of the climate discussion, the primary objective for sustainable construction is to reduce the energy consumption of buildings and the quantity of materials used in construction. Bricks have optimal properties for sustainable construction because of the natural raw materials from which they are made and their long service life. We intend to utilize and expand these benefits, and have defined the focal points of our research and development activities accordingly. On the one hand, we are working on solutions to improve energy efficiency in brick production and increase the substitution of fossil fuels with renewable energy over the coming years. On the other hand, we are working to further develop our sustainable products. These activities are designed to improve the technical properties of bricks with respect to thermal insulation, stability and acoustic insulation, whereby our products are always viewed as an integral component of the entire building. We utilize product innovation as well as cost and technology leadership in production to maintain our leading role on the market, to expand our positions and, in this way, to realize further growth.

Research directed to improvement of sustainable products

Organic growth potential

Wienerberger has plants and equipment that are not fully utilized or mothballed at the present time, and these facilities represent a sizeable organic potential for growth when the markets recover. Accordingly, this recovery should allow for a substantial improvement in earnings based on the largely sustainable reduction in fixed costs.

Unused capacity as growth potential

Growth through further market development and expansion

Our goal is to hold the ratio of net debt to operating EBITDA at a maximum of 2.5 times. Within this financial framework, we will use the crisis for selective expansion in our core business with smaller, profitable acquisitions. We will only invest in projects that can generate a CFROI (cash flow return on investment) of more than 16% in the third year after investment, and thereby support our CFROI goal of over 11.5% for the Group. Over the mid-term we plan to strengthen our market positions, especially in Bulgaria, Romania and the Balkans. We are also working to improve our position in the renovation market, since this sector is more anti-cyclical than new residential construction.

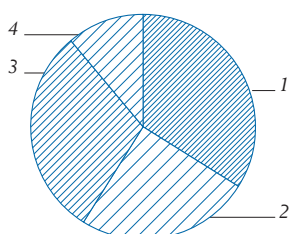
Crisis as opportunity for smaller, profitable acquisitions

Focus on the core business

Wienerberger concentrates on products for walls, roofs and paving, with a special focus on ceramic products in the form of bricks and clay roof tiles. We are the largest multi-national supplier in our core business, and hold strong market positions with our 227 plants in 27 countries and five export markets (also see pages 86 and 87). Our strategy for the core business is designed to establish and increase leading positions in all markets in which we are present.

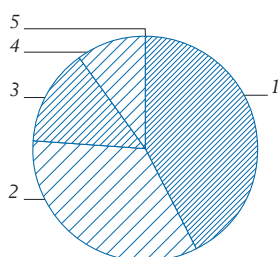
Clay blocks are our main product for walls, and represent the most popular building material in the world for new residential construction. Wienerberger is the largest producer of clay blocks in the world, and holds leading positions in all relevant markets in Eastern and Western Europe (with the exception of the Iberian Peninsula). With a 34% share of revenues and 47% of operating EBITDA, clay blocks are our most profitable product. Our standing in the industry is based on

Revenues 2009 by Product



- 1 Wall 34%
- 2 Roof 25%
- 3 Facade 30%
- 4 Pavers 11%

Operating EBITDA 2009 by Product



- 1 Wall 47%
- 2 Roof 37%
- 3 Facade 15%
- 4 Pavers 11%
- 5 Investments and Other -10%

the competitive advantages of Wienerberger – cost-efficient plants, our own production technology, a broad-based plant structure and innovative products – as well as the rising share of our business that is generated in Eastern Europe. Our expansion in this region took place almost exclusively through the construction of new plants because of the outdated technology in these countries. As a result, our plants in Eastern Europe now have state-of-the-art technology and cost-efficient equipment.

Clay roof tiles are used primarily to cover pitched roofs in Europe. More than half of these tiles are used in renovation, which leads to a lower dependency on cyclical new housing starts than clay blocks and facing bricks. The major features of the clay roof tile industry are growing market shares and stable cash flows. Our clay roof tile activities in Belgium, the Netherlands, France, Germany, Poland and Switzerland as well as a 25% holding in Tondach Gleinstätten in Central-East Europe produce roofing systems made of clay. Bramac, a 50/50 joint venture with Monier (formerly Lafarge Roofing), manufactures concrete roof tiles for Central-East Europe. Clay roof tiles and concrete tiles contribute 25% to revenues and 37% to operating EBITDA.

Facing bricks are used as a facade product in new residential and non-residential construction, above all in the USA, Great Britain, the Benelux countries and several other regions of North-western Europe. They are our second most important source of revenues with a share of 30%. The substantially lower level of profitability compared with clay blocks in 2009 was the result of market weakness in the USA and Great Britain (and the resulting costs of lower capacity utilization in our plants) as well as the high share of merchandise in this product group. This latter factor is a result of the direct sales system in the USA. In contrast to Europe, where our products are sold primarily by building material traders, more than 65% of our US revenues are recorded through our own sales offices and specialized brick merchants. These sales channels also generate additional revenues (at lower margins) with related products that are in part made by other producers, and currently represent about 20% of the revenues recorded by the facade product group.

The fourth core product area is formed by pavers. Concrete pavers are used for a wide range of applications in private and public construction in Central-East Europe, while clay pavers represent a high-quality niche product in North-West Europe. This product group generates 11% of revenues and operating EBITDA. Concrete pavers have a lower EBITDA margin than clay products, but the initial investment is much lower than the cost of a brick plant.

Products

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 moisture regulation. In short, walls made of clay blocks create an unmistakably pleasant and comfortable atmosphere.

Wienerberger clay blocks are sold under the POROTHERM brand (POROTON in Germany), and are optimized to meet a wide range of special applications and requirements. Examples are high thermal insulating clay blocks for exterior walls, special heavy clay blocks for improved sound insulation and seismic-resistant bricks for safe construction in earthquake zones. POROTHERM brick ceilings (slab system) combined with brick walls help to create a pleasant atmosphere because – similar to brick walls – brick ceilings also absorb moisture in a humid room and release it when the air becomes dry. Combined with the significant thermal storage capacity of bricks, this guarantees a balanced and healthy indoor climate. The Wienerberger clay block system includes lintels and ceilings as well as mortar and plaster, which make it possible to build an entire house with bricks – from the basement to the roof.

In addition to the technical properties, speed and cost are two of the most important factors in the construction of a building. Porotherm Dryfix[®], a special aerosol masonry glue, has a major advantage over conventional mortar-based methods because it allows construction to proceed more quickly and thereby reduces costs. This easy-to-use, fast and dry method also makes masonry work possible without interruption at winter temperatures down to -5°C.

Wienerberger is working to combine the advantages of prefabricated construction with the major product benefits of bricks in order to use this building material in prefabricated, but at the same time, individual structures. In Belgium Wienerberger has launched PWS (Porotherm Wall System), a complete brick pre-fabricated system based on the proven plane brick system. Prefabricated walls designed for individual customer demand are produced directly at the plant, which speeds up construction and lowers costs.

Roof

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

**Wienerberger clay block
brand: POROTHERM
(POROTON in Germany)**

**Wienerberger brand
for clay roof tiles:
KORAMIC**

Wienerberger clay roof tiles are sold under the KORAMIC brand. They are available in a wide variety of forms (pressed or plain tiles), colors and surfaces (natural, glazed, sanded or engobed). These product features create a unique and attractive look for a roof made of clay tiles. The product line also includes large-sized tiles, which reduce laying costs because of the lower number of tiles required per square meter of roof area. A complete line of special tiles and ceramic accessories is marketed for each model (type of tile). With the introduction of KoraTech® in 2008, Wienerberger expanded its product line to include non-ceramic accessories for roofs. This line covers all technical accessory products that complement roof tiles and are needed to complete the construction of a roof.

The pitched roof of a house is exposed to a variety of different weather conditions. Only high-quality, perfectly matched roofing components provide lasting protection and preserve the building substance for many years. The KoraTech® line covers a broad range of accessories that is coordinated to complement the function, shape and color of Koramic roof tiles. It also includes the *sturmFIX* hook, a Wienerberger innovation that is attached to a specially designed roof tile. This fixation system is easy to use and prevents roof tiles from breaking loose, even in a heavy storm. The KoraTech® product line was extended in 2009 to include a complete range of high-quality underlays, ridge and hip rolls, eave and valley accessories. Wall and chimney connections, roof inspection and snow retention systems and other top products complement the KoraTech® line. These products allow Wienerberger to provide its customers with complete solutions for roofing.

Through its 50% holding in Bramac the Wienerberger Group also produces concrete tiles that are used to cover pitched roofs, primarily in Austria and the southeast region of Europe. The main areas of application for these products are found in new residential construction. Wienerberger has also established a position on the concrete roof tile market in Great Britain with its own production capacity through the acquisition of Sandtoft.

Facade – facing bricks

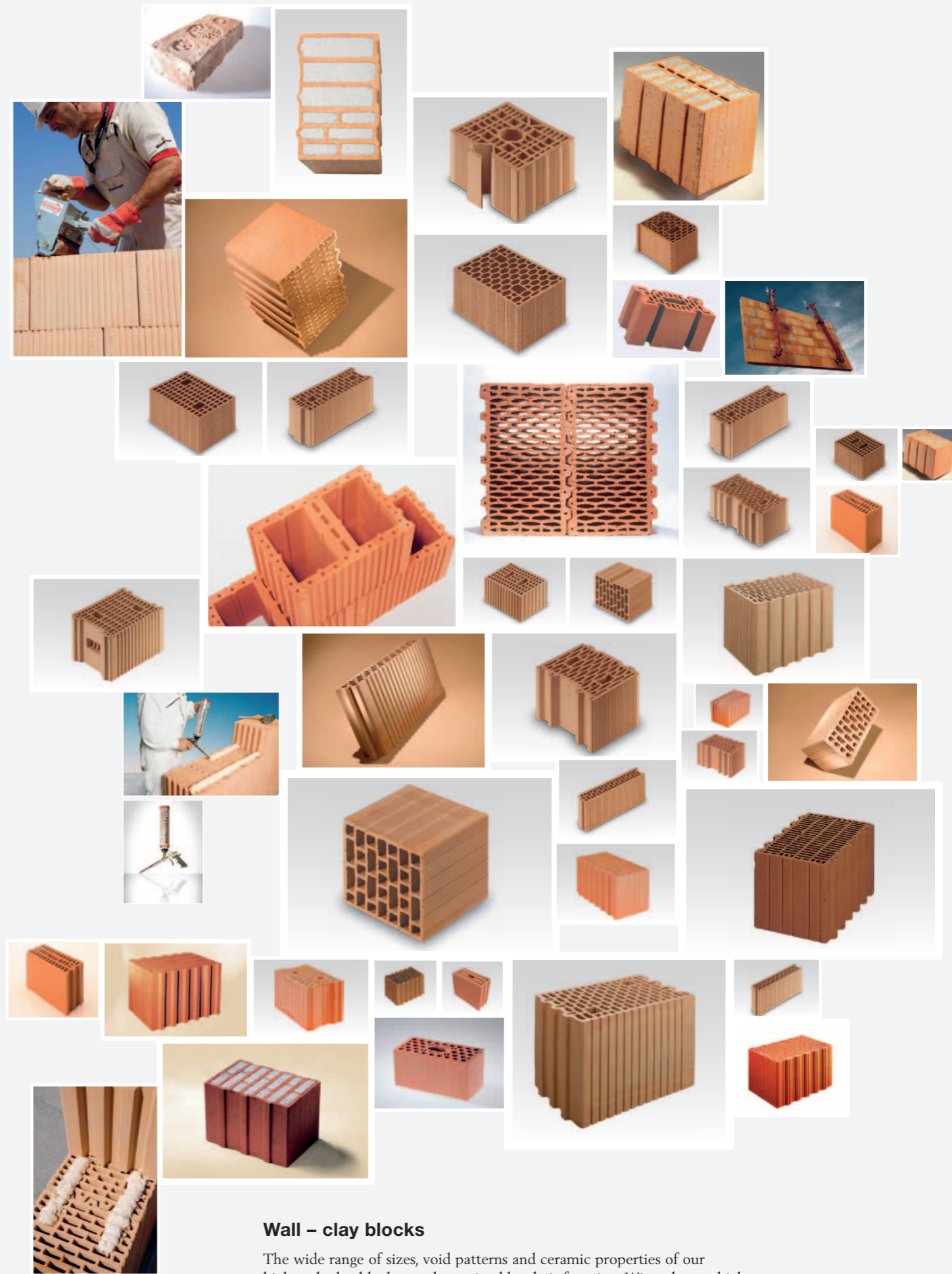
Facing bricks are used in visible brick architecture: facades and interior walls are made from or covered with these bricks. The necessary functions of the load-bearing walls are provided by clay blocks or other building materials such as concrete or calcium silicate blocks. A wall made of facing bricks is an esthetic calling card for a home, and also provides optimal protection from the weather – there is no maintenance or expensive renovation in later years. 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 storey-high prefabricated elements for fast construction. Especially in the non-residential sector, brick architecture can therefore play an important role in modern, economic building.

**Wienerberger
product brand:
TERCA**

Products

Roof

Pitched roofs are traditionally covered with clay roof tiles or concrete roof tiles. The Wienerberger roof tile product line offers more than 100 models of our KORAMIC clay roof tiles and BRAMAC concrete roof tiles (50% stake) in a broad range of colors.

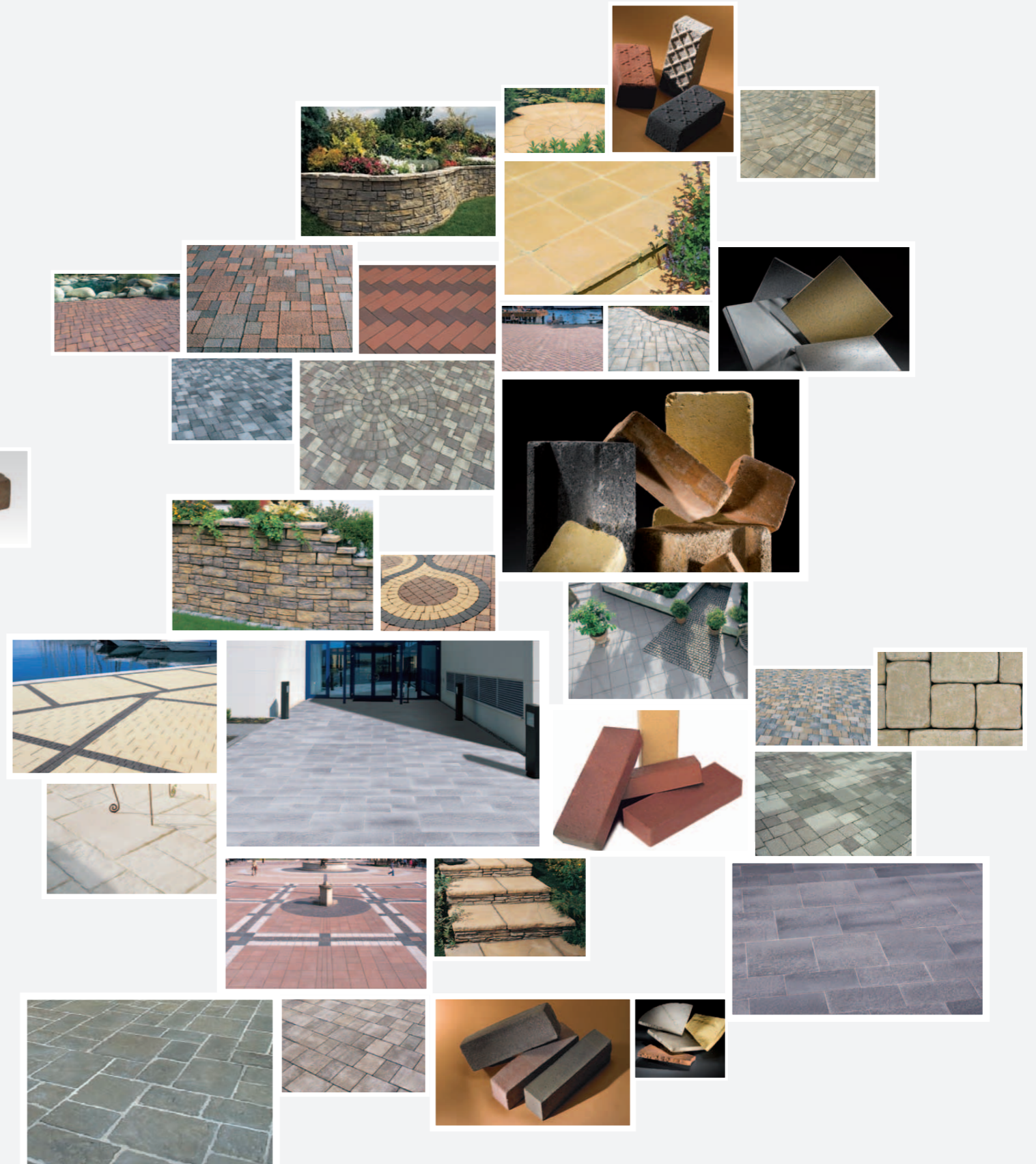
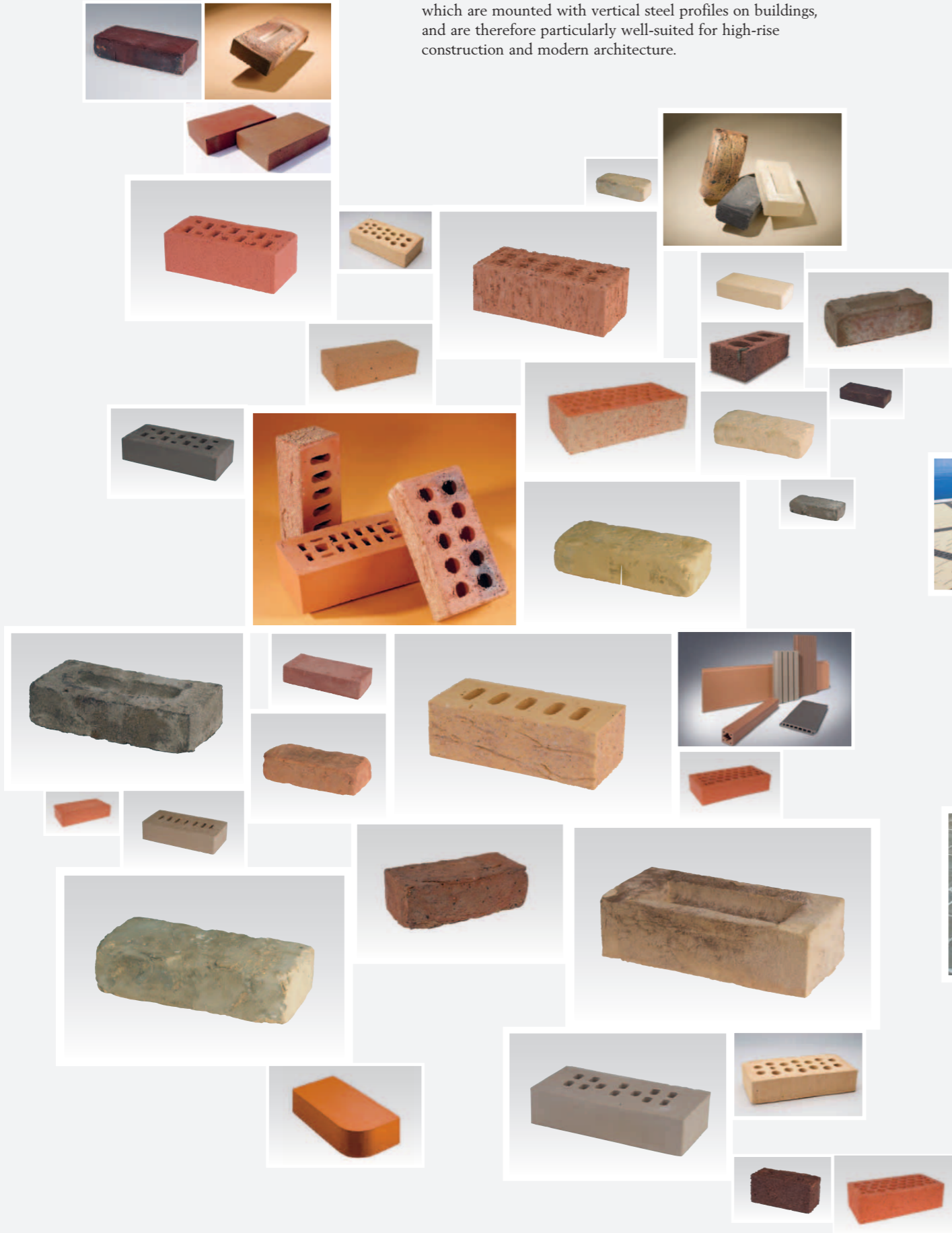


Wall – clay blocks

The wide range of sizes, void patterns and ceramic properties of our high-tech clay blocks are determined by their function: Wienerberger high thermal insulating clay blocks for exterior walls, heavy clay blocks for improved sound insulation, seismic-resistant clay blocks, clay blocks for infill masonry, clay blocks with infill etc. have different properties to produce optimal results in statics, building physics and thermal insulation.

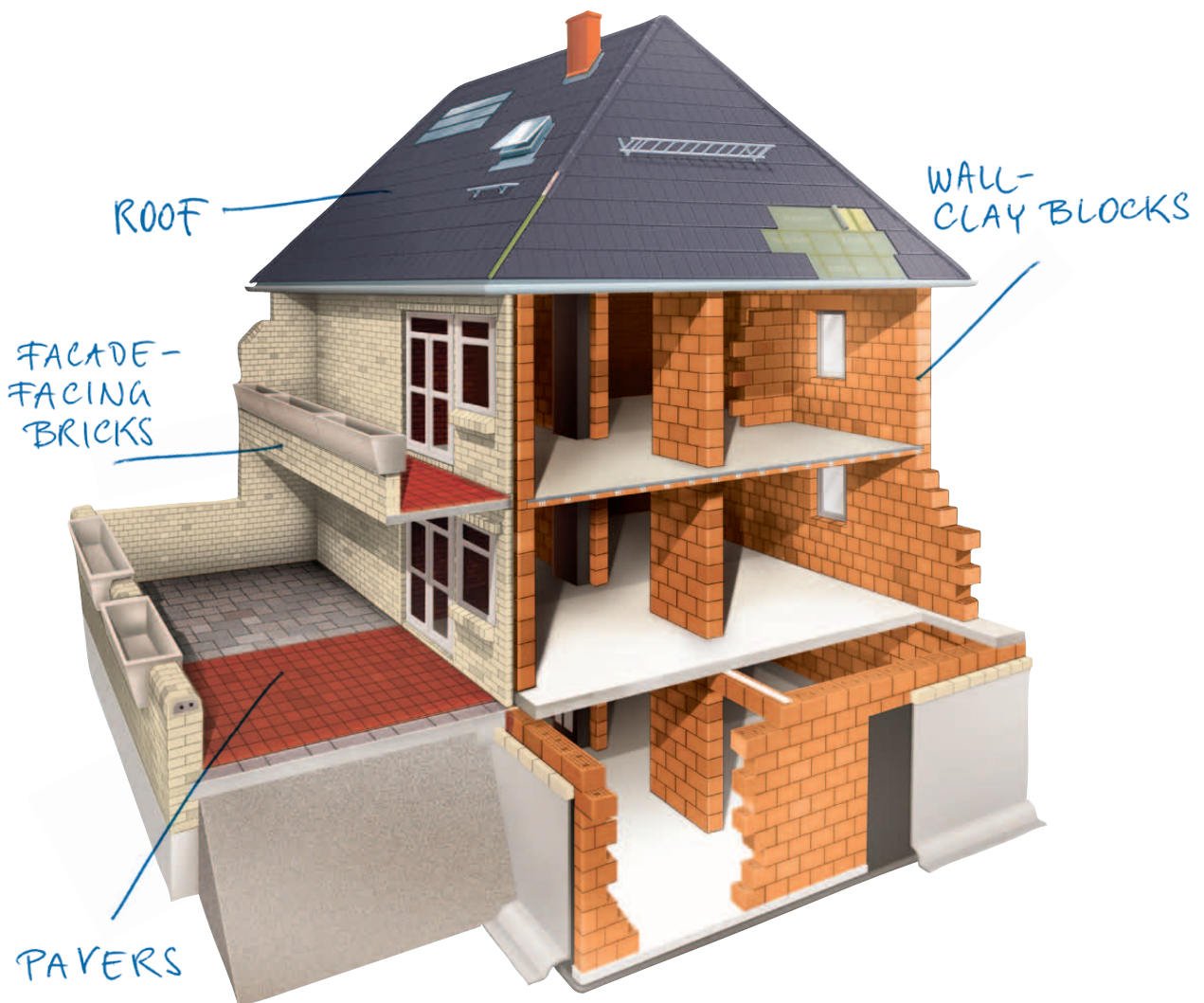
Facade – facing bricks

We have expanded our continuously growing line of facing bricks – which are available in over 1,000 models in a wide range of shapes and colors – to also include facade systems, which are mounted with vertical steel profiles on buildings, and are therefore particularly well-suited for high-rise construction and modern architecture.



Pavers

Clay pavers and concrete pavers are characterized by a high resistance and lasting esthetics, and play an important role in the design of gardens, landscaping and other urban areas. New colors and unusual shapes make it possible to set specially designed optical accents.



An innovative gluing technique for TERCA facing bricks makes it possible to set unique esthetic accents in the design of facades. The bricks are connected not by mortar, but by a thin layer of adhesive. This opens a broad range of new perspectives for facades – from both a construction and creative point of view. In particular, architects have praised the new imaginative options for facade design.

Corium is a ceramic facade system that can be used in both new construction and renovation. These brick tiles are clipped in vertical steel profiles, which are mounted on a load-bearing wall, and subsequently pointed. That makes Corium ideal for construction projects where traditional masonry cannot be used for technical reasons, e.g. in high-rise buildings, the addition of stories to existing structures and renovation. Fast-track installation significantly reduces construction time and thereby lowers costs.

In addition to the world's largest range of facing bricks, Wienerberger also markets ArGeTon® ceramic facade boards. ArGeTon is the Wienerberger brand for large rear-ventilated ceramic facade boards, which permit the ideal combination of traditional clay building materials with contemporary building products such as glass, aluminum or steel. The result is a timeless modern facade with the distinctive character of ceramics. The continuous optimization and development of product properties, sizes and colors allows ArGeTon to meet the latest market demands and ensures flexible reaction to individual customer wishes. For example, ArGeTon is the first producer of ceramic facade boards to pass the DIN 18032-3 safety test for ball impact. That makes the ArGeTon facade particularly well suited for buildings, such as schools, that are exposed to increased mechanical stress.

Pavers

Pavers by Wienerberger are produced as clinkers made of clay (TERCA) or as concrete tiles and slabs (SEMMELOCK). These materials are used by homeowners (for driveways, paths, terraces and garden design) as well as in public areas (sidewalks, open areas and pedestrian zones). The large range of shapes, colors and surface structures offered by TERCA clay pavers and SEMMELOCK concrete pavers place virtually no limits on the esthetic fantasy and durability of paver designs.

TERCA clay pavers create a special, unmistakable flair in gardens, terraces and open areas. These clinkers are able to resist the most extreme environmental pollution for decades. They have been fired at such high temperatures that they absorb virtually no water, which makes the pavers weather- and frost-proof. Neither environmental factors nor mechanical stress can cause any damage. The lasting natural beauty of these pavers is created solely from the firing of the raw clay. The colors are "natural" and, for this reason, cannot fade or be bleached by the sun.

SEMMELOCK concrete pavers also permit the spatial structuring and design of garden landscapes, for example with products for slopes, planters and fencing systems. With Semmelrock Protect and Semmelrock Premium Protect, a special surface shield was developed for heavily trafficked areas. The concrete surface is sealed during production and hardened under UV-light. These pavers substantially reduce cleaning costs for customers, since stubborn soiling (e.g. chewing gum) is easily removed. Major fast food chains have discovered this benefit and outfitted their restaurants and outdoor dining areas with these special concrete pavers.

Procurement

Business activities in 27 countries and the decentralized structure of the Wienerberger Group have created a wide range of challenges for our strategic procurement department. Our goal in this area is to identify synergies in close cooperation with the local Wienerberger units, and to realize these synergies through coordinated actions on procurement markets. We also work to improve the efficiency and enlarge the scope of our procurement services on a continuous basis.

Our most important raw material is clay, and our supplies of this material are secured for the next 15 to 20 years. Roughly two-thirds of required clay reserves are owned by the Group, and the rest is safeguarded through long-term mining contracts.

A major challenge for procurement is the development of energy prices. As a reaction to the growing importance of this area, Wienerberger has centralized the strategic procurement of this resource. Decisions to set volumes and prices are made centrally in close coordination with the country organizations and Wienerberger risk management. This process allows for the more efficient implementation of a common energy strategy throughout the Group and also strengthens synergies. Different regional hedging mechanisms and price formulas subject energy markets to varying dynamics. In countries where the energy markets are not regulated, we apply the following hedging strategy: 75% of energy costs are hedged for the next six months, 50% for the next 12 months and 25% for the next 24 months. This hedging is based on a rolling planning process, and prices for part of the required energy volumes are established for up to three years in advance depending on market trends. In 2009 we hedged energy costs in countries where the energy markets are not regulated, if it was possible and also reasonable from a financial standpoint. The goals of this process are to improve cost planning and limit price fluctuations.

The average market prices for gas in 2009 were less than the comparable prior year values. Since Wienerberger had already hedged a major part of 2009 requirements by the end of 2008, the benefits of lower energy prices were only realized to a limited extent and a slight price-related increase in the cost of energy was recorded for the year. The sharp drop in production during 2009 led to a 31% or € 115.2 million decrease in the cost of energy for the Group to € 259.3 million. Energy costs as a percentage of revenues therefore fell from 15.4% in 2008 to 14.3% for the reporting year. Group expenses for energy can be classified into 68% for natural gas, 24% for electricity, 4% for crude oil and 4% for coal and other sources.

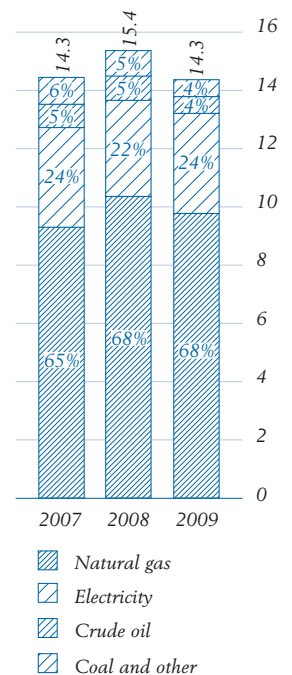
Fixed price contracts had been concluded by December 31, 2009 to secure 49% of our natural gas requirements for the next 12 months. In 2009 we also signed contracts to secure 58% of our required electricity supplies for the coming year. For 2010 we expect a slight price-related decline in energy costs based on the hedges that cover part of our requirements (under the assumption that production remains at the 2009 level).

Strategic procurement department helps realize synergies in the Group

Clay supplies secured over the long-term

Strategic procurement of energy centralized

Energy costs
as a % of revenues



Slight price-related decline in energy costs expected for 2010

Key Factors and Major Drivers for the Brick Business

1

New residential construction and renovation

The pace of new residential construction on local markets has a major influence on the demand for bricks. Population growth, bank lending policies and consumer confidence in the individual countries are the most important drivers for new residential construction. Bricks are also used in non-residential construction, which includes commercial and public buildings. In contrast, the demand for clay roof tiles is driven more by renovation (55%) and less by new construction (45%).

2

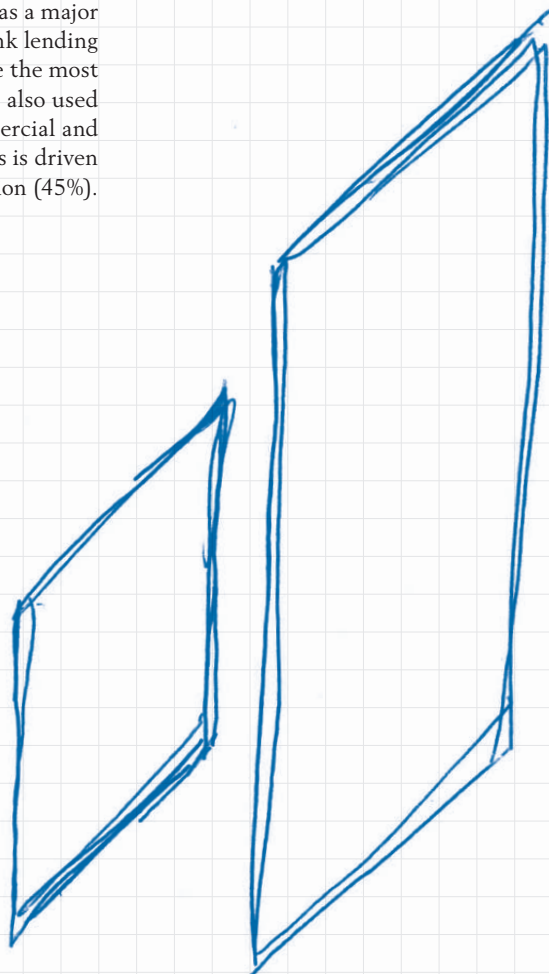
Focus on the core business and generation of high cash flows

The core business of Wienerberger – wall, facade, roof and paving products – is capital-intensive. After a high initial investment, only about 60% of depreciation is normally required for maintenance, rationalization and environmental protection measures (2009: less than 40%). This releases substantial free cash flows that are available for debt repayment, dividends and growth projects. However, in times of economic uncertainty we use these cash flows above all to preserve liquidity and maintain a healthy capital structure.

3

Local presence and decentralized organization

In order to fully cover a regional market with bricks, a company needs a network of production facilities as well as an organization that places high value on decentralized responsibility and local know-how. The maximum economically feasible supply radius is 250 km for clay blocks, 500 km for facing bricks and 800 km for clay roof tiles. Different regional and cultural preferences and construction standards influence the development of markets and products. Wienerberger can rely on a network of plants in 27 countries.



④

Products and product development

Wienerberger has established a reputation as the most innovative company in the brick industry through decades of successful research and development work. Our close contacts with architects, construction firms and consumers give us new impulses and suggestions for the improvement of our products. In the clay block segment, our goal is to optimize the technical properties of our products – for example thermal accumulation, sound insulation and efficient laying – and also improve stability and load-bearing capacity, which play an important role above all in earthquake-prone areas. In facing bricks, clay roof tiles and pavers, we concentrate on the early identification of architectonic trends. We adjust our offering to meet local needs and tastes, and continually add new items to our product lines. In the roof tile segment, we have positioned our company as a system provider by expanding our product line to also include non-ceramic accessories.

⑤

Strong market positions and customer relations

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 work to meet this goal with high-quality products and services as well as sustainable and responsible actions by all our employees.

⑥

Cost and capacity management

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

⑦

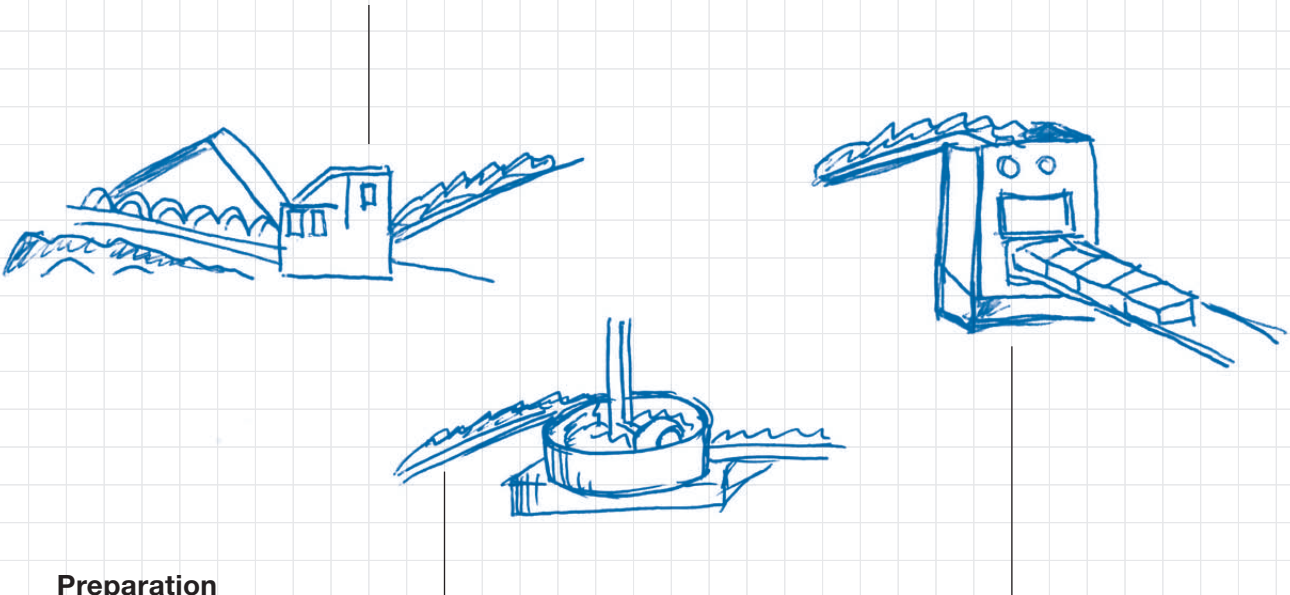
Know-how and synergies

The competitive advantage of the Wienerberger Group is based on detailed knowledge of local markets by all our employees in the operating companies as well as the use of group-wide synergies through the exchange of know-how in the areas of technology, marketing, product development and procurement.

Brick Production

Raw materials management

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



Preparation

In the second step, the clay is collected from the stockpiles and transported in box feeders. It is then prepared through a grinding (pam mill) and milling process (roller mill). Water and sand – and for clay blocks, pore-forming agents like sawdust – are added and mixed to achieve the right consistency. The clay is next transported to a storage area (mud house) by conveyor belts, and from here fed through rotary disk feeders into the extruder. Technical progress now makes it possible for us to use lower quality clay that was formerly discarded as residue. The use of biogenic, renewable materials such as sunflower seed shells or hay and secondary raw materials like paper fiber improves environmental compatibility and reduces costs.

Shaping

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

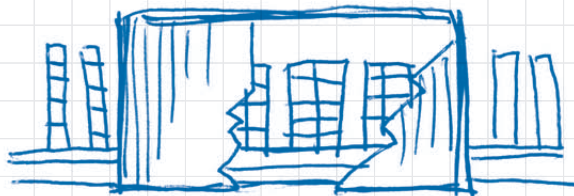
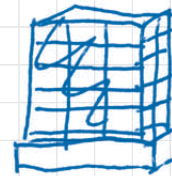
Drying

The drying process removes the moisture from the soft "green" bricks, and prepares the bricks for firing. Depending on the type of the product and the production technology, the drying period takes between 4 and 45 hours. During this process the moisture content drops from 20% to less than 2%. After drying the bricks are automatically repackaged into a firing setting and transferred to the kiln by kiln cars. New and more efficient drying and air stream technologies have significantly reduced the drying period. This lowers energy consumption, improves product quality and makes it possible to develop new products.



Packaging

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



Firing

The firing of the brick in the tunnel kiln at a temperature of 900 to 1,200°C is the final part of the production process, and lasts between 6 and 36 hours. This process gives the bricks a permanent strength. The pulp and sawdust (pore-forming agents) that were added to clay blocks during preparation burn out completely and leave tiny holes that improve thermal insulation. Facing bricks and clay roof tiles can also be produced with a ceramic surface (engobe or glazed), which is burned in and creates a particularly attractive surface. After firing, bricks are nonflammable and fire-safe for ever. Specially developed kiln and firing technologies as well as air stream systems have reduced the required firing time by up to two-thirds. This has created enormous advantages: a 50% decrease in the use of primary energy over the past ten years, up to 90% less emissions through thermal post-combustion equipment, optimized product quality and a substantial increase in capacity.

Delivery

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

Research and Development

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

Research and development (R&D) represents an integral part of strategic planning for Wienerberger and is of major importance for the Group. The focal points of R&D are the steady development and improvement of our products as well as the optimization of our production processes. Our goal is to protect and further expand our market positions through **product innovation and cost and technology leadership**. R&D projects are designed to improve the technical properties of our bricks with respect to thermal insulation, stability and acoustic protection as well as to develop system solutions for roofs and walls and increase the energy efficiency of our production. Sustainability has also become a focal point of our strategy, and our R&D activities will concentrate more on this subject in the future. R&D is managed centrally, but implemented locally in the Wienerberger Group. Our central engineering and product management team includes roughly 60 men and women who work together with our local engineering departments to develop innovative solutions for our products, systems and technologies.

Steady improvement in the thermal insulation properties of bricks

Product developments and innovations

With its 5,000 year history, the brick is not only one of the most successful building materials from a historical point of view. It still remains one of the most important materials for construction throughout the world in the 21st Century. Continuous development has made the brick a modern, technologically mature and esthetically versatile product. The natural materials from which it is made and a long service life make the brick an optimal material for sustainable construction. As a consequence of the climate discussion, reducing the energy consumption of buildings has become a key goal for sustainable construction. Wienerberger product research will therefore be directed to the further and continuously improvement of the **thermal insulating** properties of bricks.

Top product: high thermal insulating, filled bricks for the construction of passive energy houses without extra insulation

The current leader in thermal insulating bricks is the Porotherm 50 T.i Plane – a clay block with a width of 50 cm whose voids are filled with perlite, a mineral granulate made of expanded volcanic rock. This brick provides particularly a high thermal insulation value of 0.14 W/m²K and, for this reason, is an optimal building material for low-energy and passive energy houses without additional insulation. Not only the reduction of heating requirements, but also the **cooling of rooms** during hot weather and a related decrease in air conditioning costs represent an important focus of optimization and R&D activities at Wienerberger. Bricks provide numerous advantages over lightweight constructions, especially with respect to accumulation properties, and help reduce the amount of energy required for the more expensive cooling of buildings.

Special load-bearing bricks for earthquake zones and multi-storey residential construction

Extensive research has led to developments like the special Porotherm SBZ.i Plane. This plane ground block is well-suited for heavy load-bearing walls, e.g. in multi-storey residential construction and earthquake-prone areas. It meets the highest demands for compressive, tensile and shear strength through the additional insert of vertical and horizontal reinforcements in combination with vertical and horizontal bracings.

Porotherm Dryfix® allows for faster construction at lower cost

In addition to technical factors, speed and cost are important factors in the construction of a building. Porotherm **Dryfix**®, a special aerosol masonry glue, has a major advantage over conventional mortar-based methods because it allows construction to proceed more quickly and thereby reduces costs. In addition, it makes masonry work possible at temperatures below the freezing

point. Wienerberger intends to combine the advantages of pre-fabricated construction with the significant product benefits of bricks in order to use this building material in pre-fabricated structures. The related process involves the use of pre-fabricated brick components to manufacture brick walls in production halls – independent of weather conditions – which leads to a substantial reduction in outdoor construction time. This innovation has already been successfully launched on a number of markets.

Our goal in the roof segment was to position Wienerberger as a system provider. We met this goal in 2008 with the expansion of our product line to include non-ceramic accessories, which are marketed under the **KoraTech®** brand. The KoraTech® line covers a broad range of accessories for pitched roofs that is coordinated to match the function, shape and color of our Koramic roof tiles.

Positioning as system provider in the roof segment

One internally developed innovation for this line is the **sturmFIX** hook. Climatic changes led to the development of an innovative fixation system (hook + special roof tile) that prevents roof tiles from breaking loose, even in a heavy storm. This storm security system is unique in comparison with other products on the market, and is also viewed as a pioneering innovation by our partners in the roofing branch. It has been successfully launched in Germany and is now scheduled for roll-out across Western Europe.

Storm-proof roofs with the unique Wienerberger sturmFIX system

Our reserves of fossil fuels are not unlimited, but sunlight is inexhaustible and free. Wienerberger has developed an integrated photovoltaic system with a continuous ceramic roof area, which allows for the optimal utilization of this energy source on pitched roofs. The first step involved the integration of photovoltaic panels into a flat tile, and this attractive system will now be extended to include additional models.

KoraSun: integrated photovoltaic panels for roofs

Wienerberger has recorded notable successes with the sale of large ceramic facade boards under the ArGeTon brand. This product is used with a special fixing system as a rear-ventilated facade, whereby its properties make it ideal for light and weight-saving construction that is also well-suited for high-rise buildings. At the 2009 construction trade fair in Munich Wienerberger introduced an ArGeTon prototype with an integrated photovoltaic system, which represents a further step towards low-energy construction.

Prototype for facade boards with integrated photovoltaic system

e⁴: the energy-efficient house of the future

Together with partners from the building materials industry and real estate developers, Wienerberger is marketing a complete solution for energy-efficient construction: the e⁴ house. Modern brick products for walls and the use of alternative energy sources guarantee low operating costs, minimize the use of primary energy and thereby reduce greenhouse gas emissions, and also provide high quality living space at an affordable price. The e⁴ house concept stands for maximum energy efficiency, sustainability, economy and living quality. It also underscores the role of Wienerberger as a producer of sustainable building materials and a key contributor to climate protection.

e⁴ guarantees optimal energy efficiency, economy and living quality

Corporate Responsibility

Our goal is to create sustainable values with natural products

Wienerberger views business as an integral part of society. Its duty is to serve people and create value for all. Wienerberger takes its role as a responsible member of society seriously and acts in accordance with economic, ecological and social principles. Our goal is to create sustainable values with natural products.



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

Sustainability anchored in Wienerberger mission statement

In 2004 Wienerberger management carried out an intensive dialogue on the subject of sustainability with the support of external consultants. It underscored the fact that sustainability is not just a slogan for Wienerberger, and also confirmed our long-standing focus on economic, ecological and social principles. In order to play a key role in the development of a “sustainable future” we have defined sustainability as our foremost goal. Management has now decided to add a further level to the company’s strategic focus on sustainability, and the publication of the first Wienerberger sustainability report represents an important part of this decision.

Publication of first sustainability report

This first sustainability report underscores our commitment to sustainable development. It is based on the standards defined by the Global Reporting Initiative and represents the start of a continuous process. All levels of management and our employees have taken on a comprehensive and shared responsibility for the implementation of measures that will support a continuous improvement in sustainability at Wienerberger. In our first sustainability report we provide information on the status quo and future measures relating to sustainable products and environmental protection in our production facilities as well as our workforce and society.

Committee (SDSC) founded to define sustainability strategy

A Sustainable Development Steering Committee (SDSC) was founded to define our sustainability strategy, key indicators and goals. This committee will meet once each quarter and includes representatives from the following areas of the Wienerberger Group: Managing Board, operating management, marketing, international product technology, engineering, corporate controlling, general secretary, research & development, human resources, investor relations and European affairs & sustainable development.

Active Protection of the Environment

All local companies are working to improve environmental protection

“Building value for a sustainable future” is one of our guiding principles, and our many activities demonstrate that these are not just empty words. As a producer of bricks, Wienerberger “uses” nature in a kind of symbiosis: our clay mining procedures are designed to minimize the impact on

the environment, and our clay-based products are ecologically friendly, natural products that have a long service life and can be easily be recycled. All companies in the Wienerberger Group work continuously to improve environmental protection measures and optimize the use of energy.

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

Specially designed activities and cooperation with NGOs

Social Responsibility

In keeping with our focus on people, social engagement and support for the needy form a cornerstone of our social responsibility. Wienerberger works to provide its employees with an attractive and social working environment through training programs, the improvement of working conditions, voluntary benefits and support for common activities. Questionnaires and feedback cycles form the basis for an active dialogue with employees, and help to identify their particular needs. This leads to the development of country-specific measures that reflect the requirements of the local workforce. For example, working hours in Austria were made more flexible to give employees a greater scope of responsibility and in Ukraine Wienerberger voluntarily provides its employees with health insurance to give them added security.

Projects for social working environment adapted to meet the needs of local employees

“Wienerberger makes bricks, but homes are built for people”. This awareness is reflected in our goal to use our products and financial support as a means of helping people who have been affected by unforeseen circumstances or misfortune. Our most important concern in this respect is to help children, the weakest members of our society. We work together with recognized organizations, which we support by providing free bricks for the construction of educational facilities and buildings as well as financial backing for their projects. A long-standing partnership connects us with SOS-Kinderdorf, and we have steadily intensified this contact through numerous projects on different continents in recent years. With the founding of the SOS-Sustainability Foundation – special funds that are invested under professional management and will continue to grow over the years – we have found an instrument that will guarantee long-term assistance for the disadvantaged.

Support for charitable organizations with special emphasis on children

We regularly support and promote social projects in nearly all countries in which Wienerberger is present. The following two pages present a selection of the sustainability projects that we carried out in 2009.

Selected projects are presented on the next pages

Corporate Responsibility Projects 2009

Former clay pit as recreational area and biotope for natterjack toads

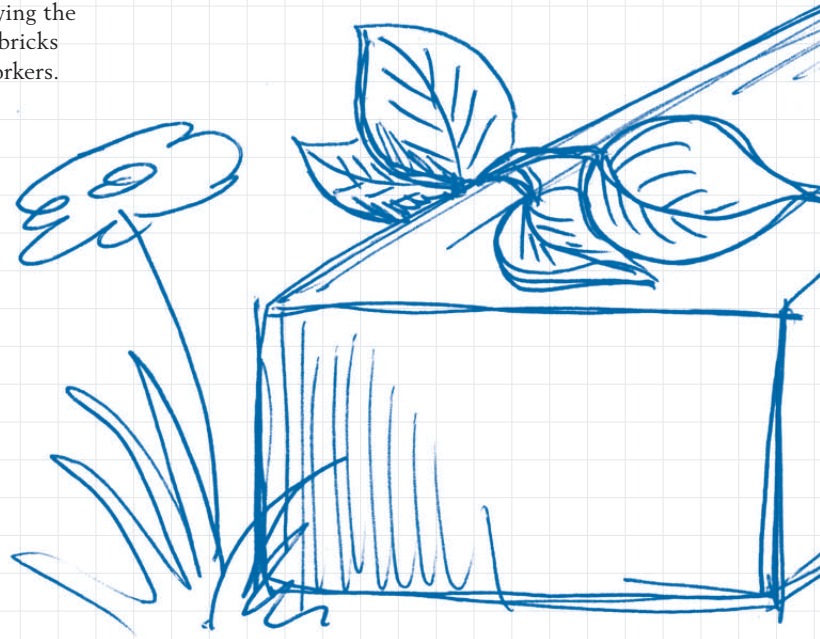
Germany In 2009 Wienerberger restored a former clay pit in Brendlorenzen near the Bad Neustadt plant. This resulted in the creation of an idyllic recreational area with a 200 m² pond that adjoins a residential community. A biotope for natterjack toads was also built close to the water. These toads are one of the most endangered and heavily protected species in Germany.

Bricks for a historical monument

Great Britain A monument to deceased miners was built at Piccadilly (Staffordshire) in the heart of England, with Wienerberger supplying the bricks for construction. A replica of miner's lamp and individual bricks engraved with the miners' names serve as a memorial to these workers.

Donations for residential construction in Bulgaria

Bulgaria During the past year Wienerberger supported the construction of housing for needy Roma families in Kyustendil, Bulgaria, with numerous deliveries of bricks. The bricks were also used to build a health center, which will provide thousands of Roma with access to medical treatment.

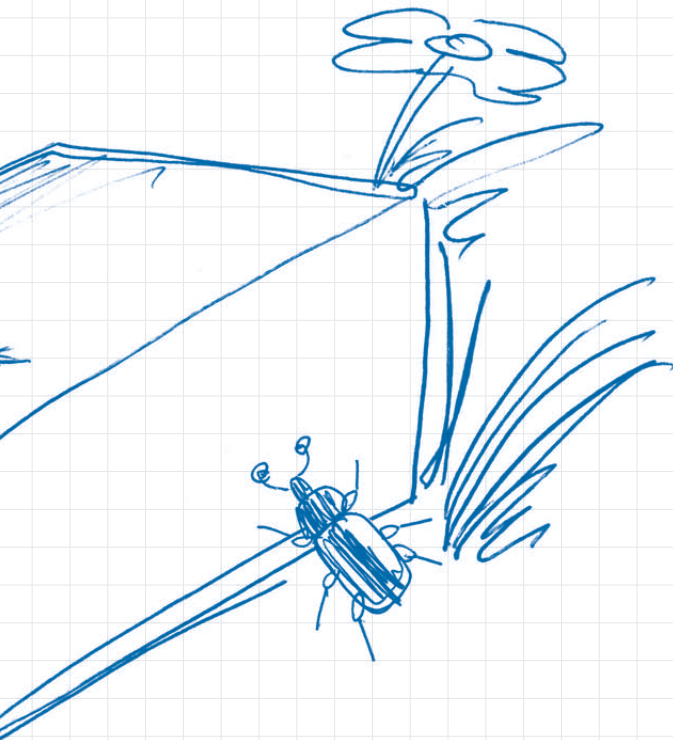


Support for schools and childcare facilities

Hungary As part of a special initiative, Wienerberger has supported the construction and renovation of schools and day care centers in numerous Hungarian cities since 2000. In keeping with the motto "Wienerberger makes bricks, but homes are built for people", the 2009 programs covered the renovation of schoolrooms, the installation of sanitary facilities in day care centers and the repair of outdated roofs.

Protection for the “Rumex scutatus”, a French spinach plant

France Archeological research led to the discovery of a protected French spinach plant (*Rumex scutatus*) in a Wienerberger stone quarry at Hulluch, in the north of France. Wienerberger has agreed to relocate clay mining and also leave 100,000 m³ of the quarry untouched – and thereby made an important contribution to maintaining the biodiversity in this region



Support for charitable organizations

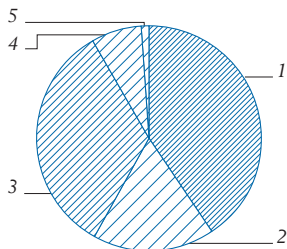
France | Niger A central concern of Wienerberger is to assist children, the weakest members of society. For two years Wienerberger France has supported training and educational programs in Dakoussa, Niger. Together with the association “Aide et Action”, these programs are developed to go beyond individual campaigns and draw attention to the problems of children by gathering broad-based support.

Recycling of old bricks as an alternative to clay

Belgium In order to reduce the amount of clay required for the production of bricks, the Wienerberger plant in Rumst (Belgium) launched a project to use old bricks instead of new clay blocks as raw materials. The recycled elements are imported from a plant in Bergen op Zoom (Netherlands), which is supported by Wienerberger. This project has led to a significant reduction in the use of fresh raw materials for the production process, and will now be extended to other plants in Belgium and the Netherlands. In March 2009 Wienerberger received an award from the Flemish government for this project.

Employees

Employees by Segment



- 1 Central-East Europe 41%
- 2 Central-West Europe 17%
- 3 North-West Europe 32%
- 4 North America 8%
- 5 Investments and Other 2%

In response to the economic downturn that has gripped the US and Europe since 2008, Wienerberger continued its restructuring program during 2009 to adjust its capacity to reflect demand. The consequences were plant closures and mothballing and a related reduction in the workforce. A total of 2,053 men and women in the USA and Europe lost their jobs. Wienerberger employed a workforce of 11,646 as of December 31, 2009, or roughly 17% less than at the end of the previous year (2008: 14,071). In spite of this development, revenues per employee declined 11% year-on-year to approx. € 143,300 and operating EBITDA per employee fell sharply by 43% to € 16,500.

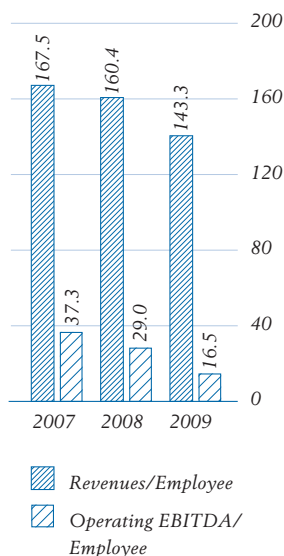
We view the advancement of human capital as a key factor for the success of our company, especially in difficult economic times. In keeping with our decentralized structure, human resource management is the responsibility of our local companies. However, the personnel policies for key executives are coordinated centrally. Our actions are concentrated on the development of group-wide networks and the international transfer of know-how, the support of future managers and the preparation of talented men and women for management positions.

Responsibility

Wienerberger is well aware of its responsibility to its employees, and takes this responsibility very seriously. We have therefore attempted to provide the best possible support for employees released in connection with the restructuring program. For example, in Germany we implemented an extensive benefit plan together with the federal labor agency that is designed to facilitate job changing and help these men and women search for new positions. In addition, we have been working together with trade unions in Europe to develop creative solutions and thereby reduce hardship cases.

In order to provide quantifiable data on important issues relating to the workforce and the work environment, we collect facts and figures on the make-up of the workforce, work safety and training. The results of the latest survey were very informative and entirely positive. The relatively high average employment period of 12.4 years shows that Wienerberger is able to develop a commitment between the company and one of its most important resources – its employees.

Development of Productivity
in TEUR



Entrepreneurial Spirit

Management compensation at Wienerberger includes both a fixed and a variable component to increase motivation and strengthen identification with corporate goals. The variable component of remuneration for the Managing Board in 2009 reflected the company's strategic goals and was based on cost savings as well as a reduction in net debt and working capital. The variable component of management remuneration was also linked to earnings indicators in 2009, and fell substantially because of the drop in earnings. In order to synchronize the actions of management with the objectives of our shareholders, a "long-term incentive (LTI)" program will be developed in 2010. This program will replace the previous stock option plan, and offer management incentives that support the sustainable development of the company.

Quality

The Ambassador Program was launched by Wienerberger in 2004 to develop the managers of the future. It provides talented men and women with training in the form of modular seminars that cover specialized know-how, social skills and system capabilities. The graduates then return to serve as ambassadors in our subsidiaries, and spread their newly acquired know-how and the Wienerberger spirit throughout the Group. A new cycle was started in 2009 with three groups and a total of 43 participants from 18 countries. This training program will be continued in 2010.

The Wienerberger Engineering Academy was established as a permanent facility to provide instruction in various technical disciplines, and thereby support the internal development of specialists to safeguard the long-term success of our company. This program focuses above all on ceramic products and production technologies, whereby the know-how compiled by our international experts in the areas of raw material testing, preparation, drying and firing technology and quality analysis is passed on to our technical personnel. The goal of our Engineering Academy is to safeguard and increase our competitive advantage in engineering over the long-term. The Wienerberger plant manager program was also continued in 2009 as a supplement to the Wienerberger Engineering Academy. A total of 33 participants from 16 countries are taking part in this course, which is led by specially trained Wienerberger staff members. Engineering, financing and management are covered in three modules at different locations throughout the Group, and create an additional platform for the international transfer of know-how and global networking.

One of our most important corporate goals is to intensify our marketing and sales activities, and thereby strengthen our customer ties. Support for employees in this area will be provided by the Wienerberger Sales Academy, a training program for sales managers that is scheduled to start in 2010. The program will focus not only on production, but also on selling activities in the various countries. It is designed to create a know-how network and support the active exchange of ideas.

The Human Touch

A health and safety program will be launched in 2010 to standardize safety norms across all Wienerberger companies. This program will involve the preparation and implementation of Group-wide guidelines, which we hope will be particularly effective in Eastern Europe.

Diversity

Wienerberger is committed to the principles of sustainability, multi-cultural diversity, decentralized responsibility and entrepreneurial beliefs. Our personnel policies are also based on this conviction. We place high value on extensive communication and transparency at all levels of the corporation. The training and identification of employees with our shared values represent a key objective of the Wienerberger Group, and will also be pursued through various educational and networking activities in 2010.

**Training and support
for employees**

**We promote the
international exchange of
know-how – successful
completion of first plant
manager courses**

**Sales training offensive
in 2010**

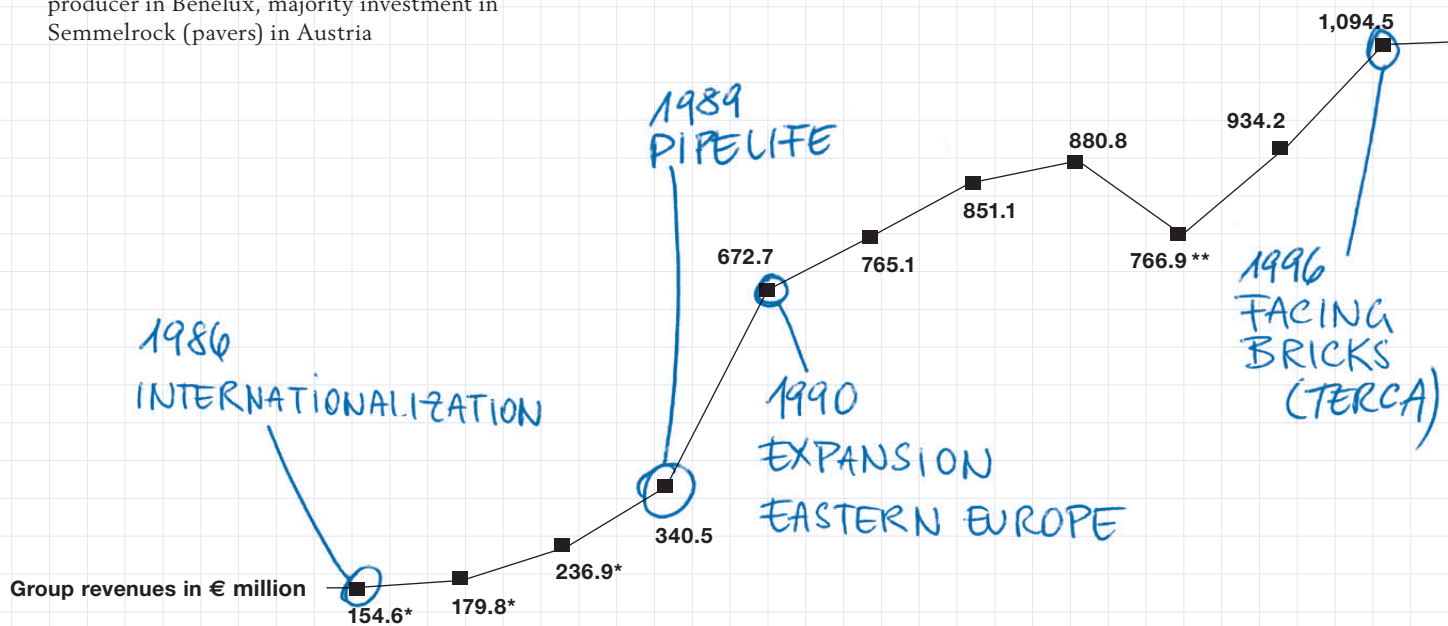
**Planned start of
Health & Safety program**

**Support for
multi-cultural diversity**

THE YEAR 2009 AND OUTLOOK

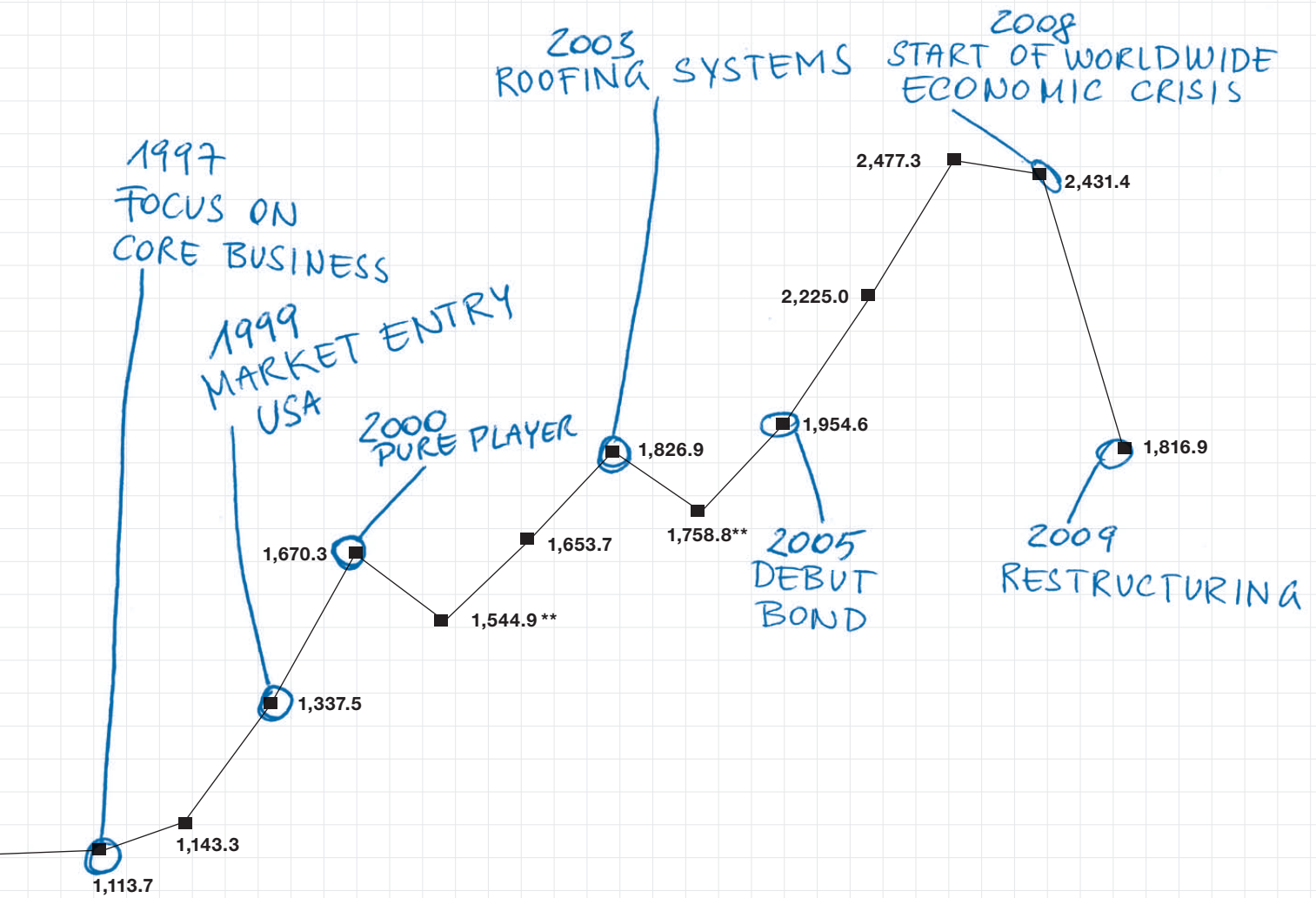
The Wienerberger History

- 1819** Founding by Alois Miesbach on the Wienerberg in Vienna
- 1869** Start of public trading on the Vienna Stock Exchange
- 1918** Loss of plants in Croatia, Hungary and Czechoslovakia in the wake of World War I
- 1945** Hundreds of dead and destruction of plants on the Wienerberg in aerial attacks
- 1955** Record production for the reconstruction of Vienna after World War II
- 1972** Investment in Bramac concrete roof tile company in Austria
- 1980** Beginning of reorganization and turnaround by new management under Erhard Schaschl
- 1986** Start of **internationalization** and expansion through acquisition of the Oltmanns Group in Germany
- 1989** Founding of the **Pipelife** joint venture (plastic pipes), investment in Treibacher Chemische Werke (metallurgy and abrasives) and the ÖAG Group (sanitary ware wholesaler), expansion of clay pipe activities
- 1990** Start of **expansion in Eastern Europe** through market entry in Hungary
- 1994** Sale of the ÖAG Group
- 1995** Acquisition of the Sturm Group in France
- 1996** Acquisition of **Terca**, the leading facing brick producer in Benelux, majority investment in Semmelrock (pavers) in Austria
- 1997** Introduction of Wienerberger Value Management and **focus on core business**, sale of the Business Park Vienna real estate project and Treibacher Abrasives
- 1999** Advance to Global Player through the acquisition of General Shale in the **USA**, purchase of ZZ Wancor in Switzerland, and acquisition of Mabo in Scandinavia by Pipelife
- 2000** Transformation to **pure player** in building materials through sale of Treibacher Industries and Wipark garage business, acquisition of Cherokee Sanford in the US
- 2001** New Managing Board under Wolfgang Reithofer, acquisition of Optiroc brick division in Northern Europe, implementation of a Group-wide restructuring program with focus on Germany
- 2002** Acquisition of Hanson PLC brick activities in Continental Europe
- 2003** Development of a second core business **roofing systems** through acquisition of a 50% stake in Koramic Roofing and advance to Number 2 in clay roof tiles in Europe, sale of Steinzeug clay pipe activities



* 1986 to 1988 non-consolidated revenues of Wienerberger AG

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



2004 Transformation to a pure free float company, full acquisition of Koramic Roofing and the brick business in Great Britain

2005 € 400 million **debut bond** issued

2006 Acquisition of Robinson Brick in the western region of the US

2007 Market entry in Canada, expansion of market position in Great Britain, issue of a hybrid bond (volume: € 500 mill.) and capital increase (net proceeds: € 424 mill.)

2008 Acquisition of majority stake in British clay roof tile producer Sandtoft, increasing spread of financial crisis to real economy, triggers **global economic crisis**

2009 **Economic crisis** leads to collapse of Wienerberger markets, Heimo Scheuch appointed new CEO as of August 1, successful implementation of comprehensive **restructuring program** 2009 – liquidity sustainably secured, capital increase (net proceeds of € 320 million)

The Economy

2009 shaped by global recession; uncertain economic forecasts

The economic climate continued to deteriorate throughout 2009. The worldwide recession had spread to most national economies – both large and small – and led to the continuous downward revision of macroeconomic forecasts. The impact of the autumn 2008 collapse of Lehman Brothers on the global economic network was quickly visible. The USA reported a GDP decline of 2.5% in 2009, while Japan registered a GDP decline of 5.9% due to a sharp drop in exports. The economy in the EU-27 region contracted 4.1%. Only China remained virtually untouched by the international crisis, and exceeded expectations with growth of slightly more than 8%.

Significant economic decline in first six months; downward trend slows toward year-end

Extensive economic stimulus packages were implemented throughout Europe well into the autumn to slow the downturn and support the affected business sectors. The European Central Bank successively cut the key interest rate to 1.0% (May 2009) in order to boost capital market liquidity. However, unemployment and bankruptcies rose in many industrial countries despite government support in the billions and wide-ranging economic incentives. Consumer confidence also remained weak. Restrictive inter-bank lending – which was caused by a general climate of uncertainty – triggered a credit shortage. The real economy continues to suffer from this crisis of confidence, a situation that is also reflected by GDP growth in Central-West and North-West Europe. In Great Britain, the starting point of the crisis in Europe, GDP growth fell from 0.6% to -4.6%. Dramatic GDP declines were also reported by Germany with -5.0%, Italy with -4.7%, the Netherlands with -4.5%, Belgium with -2.9% and France with -2.2%.

Growth stops in Eastern Europe, economic decline more dramatic than in the west

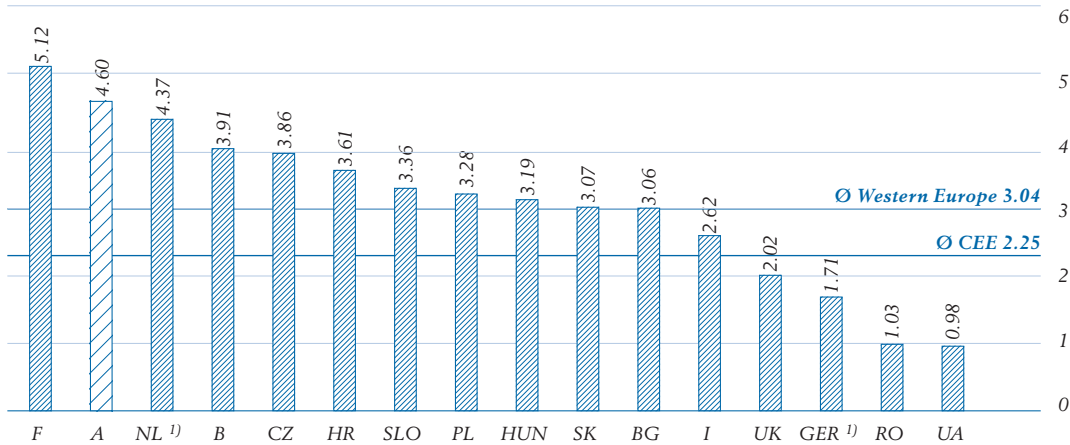
After years of sound growth, the East European countries were particularly hard hit by the global financial and economic crisis. Exports declined, raw material prices fell and western banks also reduced their lending in this region. Even though Eastern Europe was only affected beginning in early 2009, the economic contraction in many countries was much stronger than in the west. Romania recorded a GDP decline of -8.0%, Slovenia -7.4%, Hungary -6.5%, Bulgaria -5.9%, Croatia and Slovakia each -5.8% and the Czech Republic -4.8%. Only Poland reported a positive GDP growth of 1.2%. This development was driven by strong domestic demand as well as stability-oriented monetary policies and a tax reduction. We assume the worldwide economic climate will remain tense, with 2010 serving as a defining period for the government stimulus programs. If and to what extent recovery does take hold will also depend on consumer confidence, interest rates and unemployment trends. *Source: EU Commission, EUROSTAT, OECD (GDP forecast, December 2009)*

Sharp drop in new residential construction across Western Europe, growing weakness in Eastern Europe

The construction industry was the first industrial sector to be affected by the global financial and economic crisis. The consequences were a limited availability of financing sources, rising unemployment, declining consumer confidence and increasing pressure on the real economy. Stimulus packages were implemented to support the industry, but these funds were invested primarily in infrastructure projects and not in new residential construction. A further decline was recorded above all in single- and two-family housing starts. In Western Europe, the number of housing starts per thousand residents fell by 23% from 3.97 to 3.04. Residential construction in Great Britain was negatively influenced above all by a lack of project financing, and housing starts per thousand residents declined 10% from 2.26 to 2.02. Housing completions in Germany started the year at a low level, only to drop by a further 18% from 2.09 to 1.71. New residential

Housing starts per 1,000 residents in 2009

Source: Euroconstruct December 2009



1) Housing completions

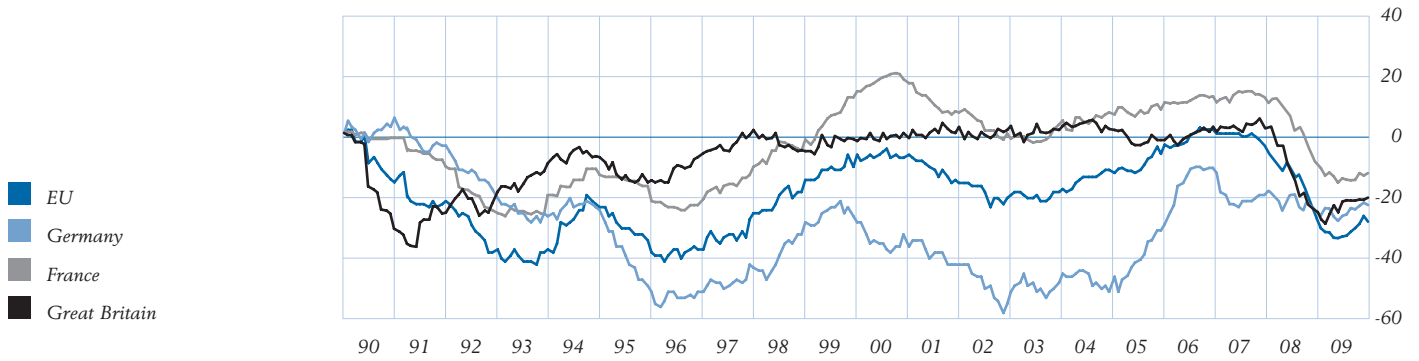
construction also weakened in Belgium, but a government cut in the value added tax on building materials and services had a stabilizing effect. Housing starts per thousand residents declined 14% from 4.56 to 3.91. In the Netherlands, housing completions fell from 4.80 to 4.37 per thousand residents. Residential construction in France was also weak and, based on housing starts, dropped 12% from 5.82 to 5.12 per thousand residents. Housing starts in Italy fell 30% from 3.75 to 2.62 (per thousand residents). Residential construction in Eastern Europe decreased considerably. Investors did finalize previously started projects at the beginning of 2009, but there was no new development after this time. The demand for building materials weakened throughout the entire region, and the pent-up demand for new residential construction was unable to drive the market because of lower consumer confidence and limited lending.

The construction industry suffered a further severe setback in 2009, in particular larger projects in the single- and two-family housing segment. The building materials sector was still considered “unattractive” as an investment vehicle and fell victim to a crisis of confidence. The Construction Confidence Index (CCI), an indicator of expected developments in the industry, shows that confidence in France remained somewhat reserved, but rose slightly in Germany and stabilized to a certain extent in Great Britain. In Eastern Europe, new residential construction followed solid development in 2007 and 2008 by losing substantially more ground than in the west. Close connections with western industrial sectors prevented the East European countries from effectively fighting the crisis. The pent-up demand for new residential construction remains intact, but was interrupted by the crisis.

Confidence in building materials sector also shaken in 2009

Expected development of the construction industry in Europe

Source: Construction Confidence Index, Datastream

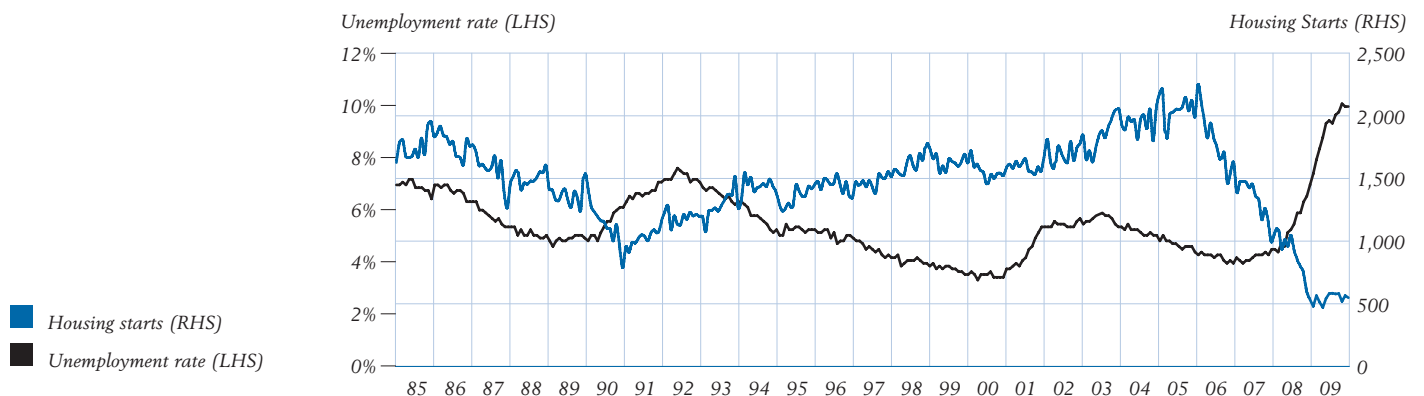


US real estate remains tense

The USA remained in the midst of a severe recession throughout 2009. As a means of countering the downturn, the Federal Reserve cut the federal funds rate to a historically low range of 0 to 0.25% during the final quarter of 2008 and did not alter this corridor in 2009. The alarming state of the financial sector (more than 130 failed banks) led to calls for new and more stringent regulations for financial transactions. A five-point plan was announced by the US government to support the ailing economy. The downturn did slow substantially during the second half-year, and the crisis now appears to have bottomed out. US banks have reported surprisingly good performance and signaled their plans to repay the government aid sooner than expected. Incoming orders at US industrial companies stabilized, and the real estate market also provided a slight impulse following a decline in housing prices – although the number of housing starts continued at a low level due to the crisis. US housing starts fell by 39% to 555,000 units (or 1.81 per thousand residents), and the market situation remains tense. Consumer uncertainty is growing because of the steady rise in unemployment, and this is becoming a dominant issue for the economy. The supply of unsold homes reached 3.5 million at the end of 2009 (2008: 3.7 million), which reflects 8.1 months of demand. As a result of the volatile economic climate, foreclosures have risen by 21%. Forecasts are pointing to a moderate recovery in the USA during 2010, but the aftereffects of the global financial crisis will certainly be felt over the mid-term.

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

Source: U.S. Census Bureau



Wienerberger Share and Shareholders

International stock markets remained under substantial pressure during the first quarter of 2009 before stabilizing in the spring and subsequently rising from a low level. In contrast to experts who saw this as a temporary peak in a longer downturn, the generally good mood among investors prevailed. It was give-and-take between market players who refused to believe in a sustainable recovery and those who saw the approaching end of the financial crisis. The latter were responsible for a strong positive close to the year on key markets. The FTSE 100 just missed the level at the time of the 2008 Lehman bankruptcy and, with 5,412.88 points, ended its best year since 1997 with a plus of 22%. The DAX gained 62% following an annual low in March and, supported by the index heavyweights Deutsche Bank, Infineon and Henkel, registered a 12-month increase of 24% to 5,957.43 points. The Vienna Stock Exchange outperformed numerous global markets in 2009, with the ATX rising strongly from a low of 1,379.86 points in March to close the year at 2,495.56 points and a plus of 43%. The market capitalization of the Vienna Stock Exchange rose by 48% to € 77 billion in 2009.

**ATX closes rally at
2,495.56 points**

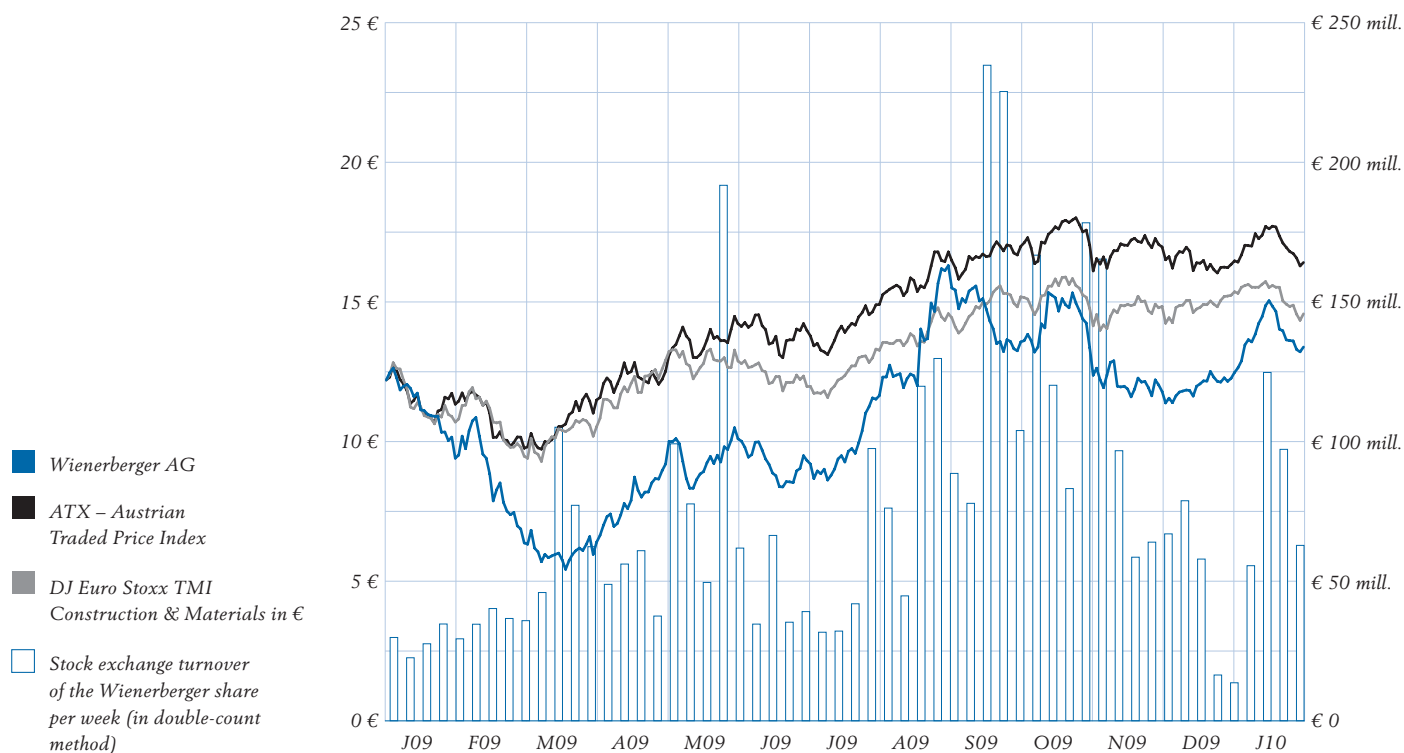
After a correction at the beginning of the year, the US stock markets also stabilized during the spring. A weaker dollar and better-than-expected economic indicators triggered a strong upturn during the summer months. In particular, surprisingly good quarterly reports by a number of US financial institutions fueled the anticipation of a sustainable recovery. The Dow Jones Industrial Average ended the year at 10,428.05 points, for a plus of 19% and the best annual performance since 2003. The upward trend on international exchanges was also reflected in a 23% increase in the American S&P 500 to 1,115.1 points and a 28% rise in the Dow Jones Euro Stoxx Construction & Materials Index. This positive development was driven by the companies included in these indexes, which reported relatively constant growth in spite of limited visibility on the new residential construction market.

**Positive sentiment
drives US exchanges**

The Wienerberger share was faced with a major correction during the first quarter. Unfavorable economic indicators and the repeated downward revision of macroeconomic forecasts led to massive pressure on the construction material sector. The share declined to an annual low of € 4.70 in March, but followed with a turnaround later that month. Supported by the increasingly positive mood on international financial markets, the Wienerberger share rose to an annual high of € 17.24 in August despite persistent uncertainty over the further development of the weak construction sector. Following the capital increase the share again fell below the € 14-mark in the fourth quarter and closed 2009 at € 12.78 for a slight plus of 7%.

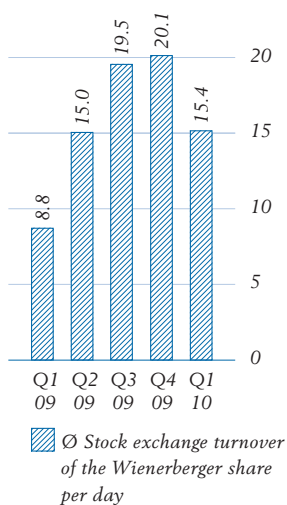
**Massive loss in first
quarter, strong recovery
by year-end**

Development of the Share Price



Liquidity

in € mill.



Key Data per Share		2007	2008	2009	Chg. in %
Earnings	in €	3.46	0.81	-3.17	<-100
Adjusted earnings ¹⁾	in €	3.46	1.69	-0.34	<-100
Dividend	in €	1.45	0.00	0.00	0
Free cash flow ²⁾	in €	3.89	2.36	2.75	+17
Equity ³⁾	in €	28.88	24.18	22.50	-7
Share price high	in €	58.06	39.02	17.24	-56
Share price low	in €	32.84	8.24	4.70	-43
Share price at year-end	in €	37.93	11.90	12.78	+7
P/E ratio high ⁴⁾		16.8	23.1	-50.7	-
P/E ratio low ⁴⁾		9.5	4.9	-13.8	-
P/E ratio at year-end ⁴⁾		11.0	7.0	-37.6	-
Shares outstanding (weighted) ⁵⁾	in 1,000	75,491	82,895	91,298	+10
Market capitalization at year-end	in € mill.	3,184.1	999.0	1,502.0	+50
Ø Stock exchange turnover/day	in € mill.	30.2	25.1	15.9	-37

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty, adjusted for related tax effects

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

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

4) Based on adjusted earnings per share

5) Adjusted for treasury stock

The very weak first quarter was responsible for a sharp 37% year-on-year decline in the value-based trading volume of the Wienerberger share. With annual turnover of € 3,942.2 million or an average of 1,501,106 shares per day (purchases and sales, double-count method), the liquidity of the Wienerberger share was nearly one-third higher than in the previous year. Accordingly, the share maintained its sixth place in a ranking of top issues on the Vienna Stock Exchange. Over-the-counter sales totaled € 512.0 million in 2009, compared with € 670.9 million in 2008. On the Austrian Futures and Option Exchange (ÖTOB) 69,622 option contracts with a total value of € 75.0 million were traded for Wienerberger shares.

The Managing Board has made a recommendation to the Supervisory Board, calling for the waiver of the 2009 dividend – since we consider it an obligation to handle the funds provided by our shareholders through the capital increase with the greatest possible care to create the maximum value on their behalf.

Capital Increase

In September 2009 Wienerberger carried out a capital increase through the issue of 33.6 million new shares. Plans called for the use of the proceeds, above all, to repay debt and thereby strengthen the balance sheet. This transaction not only increased financial flexibility, but also gave Wienerberger access to additional financing sources and will support a higher rating over the mid-term. In order to protect the interests of shareholders while ensuring the greatest possible transaction safety, Wienerberger decided to use a fixed price procedure with subscription rights trading based on the European model. The offering was directed to existing shareholders, who were able to purchase the new shares through subscription rights at a ratio of 5:2 at a previously fixed price of € 10 per share. Prior to the announcement of the capital increase, the Wienerberger share traded at € 15.50. The discount to the theoretical value of the new shares (€ 13.93) equaled 28%, which is significantly less than the European average for other issues. The Wienerberger share remained constant at a good level during the subscription period, and closed at € 14.10 after the placement. 98% of the subscription rights were exercised, and the remaining shares were placed with institutional investors in Austria and other countries. This capital increase was heavily supported by existing shareholders. The placement generated net proceeds of approx. € 320 million, and was accompanied by the Royal Bank of Scotland, Morgan Stanley and UniCredit as joint bookrunners and underwriters.

Shareholder Structure

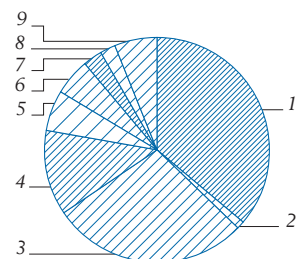
Wienerberger AG is listed with 117.5 million shares of zero par value common stock (bearer shares, no preferred or registered shares) in the Prime Market segment of the Vienna Stock Exchange. In the USA the company trades on the OTC market through an ADR Level 1 Program of the Bank of New York. With market capitalization of € 1.5 billion and a weighting of 4% in the ATX at year-end 2009, Wienerberger is one of the largest publicly traded companies in Austria.

Higher liquidity despite pressure on share price

Waiver of dividend

Capital increase in September raises net proceeds of € 320 million

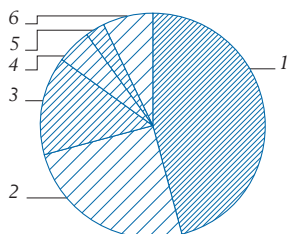
Shareholder Structure by Country



- 1 USA 36%
- 2 CAN 1%
- 3 UK & Ireland 28%
- 4 Austria 13%
- 5 France 6%
- 6 Germany 5%
- 7 North Europe 3%
- 8 Switzerland 2%
- 9 Other 6%

Pure free float company with € 1.5 billion capitalization at year-end 2009

Shareholder Structure by Investor Type



- 1 Value 46%
- 2 Growth 25%
- 3 GARP 14%
- 4 Index 5%
- 5 Hedge Funds 3%
- 6 Other 7%

Quiet period prior to the announcement of earnings

Ongoing extensive contacts with investors throughout the world

Annual report 2008 receives international awards

Wienerberger is a pure free float company without a core shareholder, and 100% of the shares are held in free float. In accordance with § 91 of the Austrian Stock Exchange Act, which requires the reporting of changes in significant investments, Dodge & Cox Inc. is the largest Wienerberger shareholder with over 10% of the shares outstanding. There are no other current reports of shareholdings that exceed 5%.

Wienerberger has a widely diversified shareholder structure, which is typical for an international publicly traded company. A December 2009 survey of the shareholder structure showed the majority of investors in the Anglo-American region: North America (37%) and Great Britain and Ireland (28%). The share of private investors rose slightly to over 14%, but institutional investors still dominate with a share of 86%. Value-oriented investors play an important role at 46%, followed by growth-oriented and GARP investors (see graph on the left).

Investor Relations

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

Wienerberger also held numerous road shows and participated in investor conferences throughout Europe and the USA during 2009, including the Davy Building Conference, Citigroup Building Conference, Deutsche Bank Corporate Conference, Erste Bank Conference in Stegersbach and UniCredit Corporates in Kitzbühel as well as the Cheuvreux Corporate Conference in Frankfurt and the RCB Conference in Zürs. The Managing Board and the investor relations team met hundreds of investors personally, and discussed the company as well as its development and strategy in conference calls and video meetings. The Wienerberger website represents an important communications medium, and provides a wide range of information on the company as well as download versions of annual and interim reports, a financial calendar, current presentations, live webcasts of the annual general meeting and press conferences, recordings of conference calls, analysts' earnings estimates, and a specially designed online annual report (annualreport.wienerberger.com).

Our efforts to continually improve investor relations were again honored by the financial community with numerous national and international prizes in 2009. At the ARC (Annual Report Competition) Awards in New York, Wienerberger repeated its successful 2008 performance and, from over 2,000 reports submitted from 26 countries, received three Grand Awards as the world's best annual report across all sectors (for financial data, cover design and best of Austria) as well as four Gold Awards as the best annual report in the sector (for overall annual report, financial data, interior design and cover photo/design as well as a Silver Award for written text). For the best corporate communications in the German-speaking countries, Wienerberger followed gold

in the previous year with platinum for its 2008 annual report at the renowned Econ Award in Berlin. At the Midas Awards in New York (world's best work in financial services communication over 40 countries), Wienerberger received silver for the 2008 annual report. In Austria, Wienerberger was ranked overall second (first place for business reporting, third place for medium quality) at the trend Awards and also received an excellence prize from the Cercle Investor Relations Austria. In connection with a worldwide survey of analysts and investors by Thomson Reuters, Wienerberger was recognized for the best investor relations work in Austria. In addition, the annual web ranking by the Swedish agency Hallvarsson & Halvarsson again rated the Wienerberger website number one from over 30 of the largest Austrian corporations.

The coverage of our company by a large number of well-known Austrian and international investment banks maintains the *visibility* of the Wienerberger share in the financial community. During the past year HSBC Trinkaus (Frankfurt) and ING Bank (London) started coverage of Wienerberger, while Berenberg Bank (Frankfurt) ended its coverage. As of March 2010 Wienerberger was covered by 20 analysts, and the following brokers publish regular reports on Wienerberger and its stock (in alphabetical order): Bank of America Merrill Lynch (London), Bayerische Landesbank (Munich), Cheuvreux (Zurich), Citigroup (London), Collins Stewart (London), Credit Suisse (London), Davy Securities (Dublin), Deutsche Bank (Frankfurt), Erste Bank (Vienna), Exane BNP Paribas (London), Goldman Sachs (London), HSBC Trinkaus (Frankfurt), ING Bank (London), MF Global (London), Morgan Stanley (London), RCB (Vienna), Royal Bank of Scotland (London), Sal. Oppenheim (Vienna), UBS (London) and UniCredit (Vienna).

Wienerberger coverage rises to 20 international and national analysts

Information on the Company and the Wienerberger Share

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

Highlights 2009

January 16

Joint venture between Semmelrock and Ebenseer approved

The management of Semmelrock International, a 75% subsidiary of Wienerberger AG, receives cartel authority approval for the merger of Ebenseer and Semmelrock paver activities in Austria. Semmelrock will take over the management of the newly founded joint venture, Semmelrock Ebenseer Baustoffindustrie GmbH & Co KG. The transaction is intended to realize synergies through the optimization of the plant network and central corporate functions like sales, distribution and logistics, and also to enable the combination and extension of the product range.

March 17

Difficult economic environment impacts 2008 results

The financial crisis and global recession have a negative impact on Wienerberger results for 2008. Group revenues fall slightly by 2% to € 2,431.4 million, operating EBITDA by a substantial 20% to € 440.1 million and operating EBIT by 32% to € 239.8 million. Wienerberger is confronted with a sharp drop in the demand for building materials, above all in the USA and Great Britain. In contrast, developments in most of the East European countries remain stable up to autumn 2008, with the first signs of a downturn appearing in the fourth quarter. However, these markets are unable to offset the effects of the financial and economic crisis. 2008 is nevertheless the third best year in the history of the company based on operating EBITDA.

April 17

Wienerberger continues to increase liquidity buffer

Against the backdrop of the unparalleled changes in the global financial and economic environment over the past 18 months, a secure financial base and sufficient liquidity have top priority for Wienerberger. The extension of € 223 million in credit lines will allow Wienerberger to further increase its liquidity buffer at normal market conditions – no matter-of-course achievement in the current financial environment. This is made possible by the company's excellent, long-standing relations with its banks.

April 20

Succession: retirement of Wolfgang Reithofer; Heimo Scheuch new CEO

After more than 28 years with Wienerberger, including 24 years as a member of the Managing Board and CEO since 2001, Wolfgang Reithofer announces his plans to retire as of July 31 after his 60th birthday. Heimo Scheuch, long-standing COO and Deputy CEO since 2009, will become CEO on August 1. This appointment will ensure continuity in top management; the Managing Board of Wienerberger AG will be comprised of three members in the future.

May 6

Weak markets and severe winter influence first quarter of 2009

As expected, Wienerberger AG records a massive decline in revenues and earnings during the first three months of 2009 compared with the record first quarter of the previous year. Group revenues fall by 37% to € 360.3 million and operating EBITDA by 82% to € 16.2 million. Decisive factors for the development of business in the Group are the further deterioration of macro-economic conditions and severe winter weather during most of the first quarter.

2009

January

WK	M	T	W	T	F	S	S
1				1	2	3	4
2	5	6	7	8	9	10	11
3	12	13	14	15	16	17	18
4	19	20	21	22	23	24	25
5	26	27	28	29	30	31	

February

WK	M	T	W	T	F	S	S
5							1
6	2	3	4	5	6	7	8
7	9	10	11	12	13	14	15
8	16	17	18	19	20	21	22
9	23	24	25	26	27	28	

March

WK	M	T	W	T	F	S	S
9						1	
10	2	3	4	5	6	7	8
11	9	10	11	12	13	14	15
12	16	17	18	19	20	21	22
13	23	24	25	26	27	28	29
14	30	31					

April

WK	M	T	W	T	F	S	S
14			1	2	3	4	5
15	6	7	8	9	10	11	12
16	13	14	15	16	17	18	19
17	20	21	22	23	24	25	26
18	27	28	29	30			

May

WK	M	T	W	T	F	S	S
18					1	2	3
19	4	5	6	7	8	9	10
20	11	12	13	14	15	16	17
21	18	19	20	21	22	23	24
22	25	26	27	28	29	30	31

June

WK	M	T	W	T	F	S	S
23	1	2	3	4	5	6	7
24	8	9	10	11	12	13	14
25	15	16	17	18	19	20	21
26	22	23	24	25	26	27	28
27	29	30					

July

WK	M	T	W	T	F	S	S
27			1	2	3	4	5
28	6	7	8	9	10	11	12
29	13	14	15	16	17	18	19
30	20	21	22	23	24	25	26
31	27	28	29	30			

August

WK	M	T	W	T	F	S	S
31						1	2
32	3	4	5	6	7	8	9
33	10	11	12	13	14	15	16
34	17	18	19	20	21	22	23
35	24	25	26	27	28	29	30
36	31						

September

WK	M	T	W	T	F	S	S
36		1	2	3	4	5	6
37	7	8	9	10	11	12	13
38	14	15	16	17	18	19	20
39	21	22	23	24	25	26	27
40	28	29	30				

October

WK	M	T	W	T	F	S	S
40				1	2	3	4
41	5	6	7	8	9	10	11
42	12	13	14	15	16	17	18
43	19	20	21	22	23	24	25
44	26	27	28	29	30	31	

November

WK	M	T	W	T	F	S	S
44						1	
45	2	3	4	5	6	7	8
46	9	10	11	12	13	14	15
47	16	17	18	19	20	21	22
48	23	24	25	26	27	28	29
49	30						

December

WK	M	T	W	T	F	S	S
49		1	2	3	4	5	6
50	7	8	9	10	11	12	13
51	14	15	16	17	18	19	20
52	21	22	23	24	25	26	27
01	28	29	30	31			

August 8

Heimo Scheuch implements comprehensive action plan

Wienerberger reports a 29% drop in revenues to € 898.1 million during the first half of 2009. After a very weak first quarter that was also influenced by bad weather, the second quarter weakness is more moderate in annual comparison. Operating EBITDA falls by 57% to € 100.6 million and operating EBIT by 94% to € 7.8 million for the first six months of 2009. The downturn on the Group's markets is stronger than expected during the first half-year, and the Managing Board therefore reacts by expanding the restructuring program. This extensive action plan includes a further reduction in production capacity, active working capital management, a decrease in fixed costs and a cut-back in investments to a minimum. The Group's banks also agreed to amend the covenants, which provides greater financial flexibility.

September 21

Award for best IR work

The Wienerberger investor relations team is recognized for the best IR work in Austria at the Thomson Reuters Extel Survey Awards.

September 30

Capital increase raises new equity for Wienerberger

Wienerberger AG successfully completes a capital increase and places 33.6 million new shares – or 40% of the original share capital – which generates net proceeds of € 320 million. These funds will be used primarily to repay debt and thereby strengthen the balance sheet, in order to improve Wienerberger's financial flexibility. This capital increase raises the number of issued shares from 83.9 million to 117.5 million.

November 6

Q3: cash flow clearly positive in spite of still weak demand

The development of business for Wienerberger during the first nine months is negatively influenced by the effects of the global financial and economic crisis: revenues fall by 26% to € 1,416.7 million and operating EBITDA by 51% to € 177.5 million; operating EBIT drops 83% to € 36.7 million. In spite of these weaker operating results, Wienerberger generates impressive free cash flow of € 109.9 million (vs. € 122.2 million in the previous year) due to cost savings and the reduction of inventories.

November 19

Wienerberger's 2008 annual report receives numerous Austrian and international awards

At the Annual Report Competition Awards in New York, Wienerberger receives four Gold Awards for the best annual report in the sector and three Grand Awards (the "Oscar" for annual reports across all sectors) in the categories for best of financial data, best of cover design and best of Austria. At the ECON Award in Berlin, Wienerberger follows gold in the previous year with its first platinum as the best annual report in the German-speaking countries. The Austrian business journal "trend" ranks Wienerberger's business reporting as number one in 2008.

December 10

Wienerberger donates 1,000 m² of pavers for charitable project

At the traditional Christmas cocktail, which brings together customers and business partners as well as high-ranking representatives from politics, business and industry, Wienerberger announces this year's Christmas donation. 1,000 m² of Terca pavers will be donated for the Concordia charity project organized by Father Sporschill.

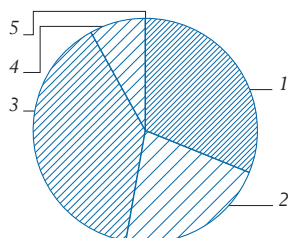
Financial Review

Earnings

The 2009 financial year was shaped by the impact of the economic crisis on new residential construction in all markets. Wienerberger reacted to the resulting change in demand with an extensive restructuring program and the adjustment of production capacity.

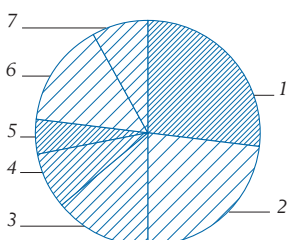
Group revenues fell by 25% to € 1,816.9 million, whereby € 14.5 million of this amount was generated by acquisitions and initial consolidations. The weak British pound and the devaluation of several East European currencies led to € 68.2 million of negative foreign exchange effects. After an adjustment for acquisitions and foreign exchange effects, organic growth totaled -23%. An analysis by region showed the strongest volume declines in Central-East Europe and North America. The biggest disappointment was undoubtedly the North American market, which has been on a downward trend since 2006 and remained substantially below expectations in the reporting year with a 39% drop in housing starts. In Central-East Europe, where the effects of the economic crisis have only been felt since the beginning of 2009, revenues fell 35% below the good prior year level. The markets in Hungary, Bulgaria and Romania were hit particularly hard by the crisis, while Poland reported somewhat better results due to strong domestic demand. Semmelrock was able to increase volumes in this difficult environment, with sales reaching the prior year. The positive development was supported above all by new capacity in Eastern Europe as well as € 13.3 million of consolidation effects from the integration of Ebenseer. Revenues in North-West Europe equaled € 729.2 million, or 19% less than in 2008. New residential construction dropped sharply in all countries of this segment during the first six months of 2009, but moderated slightly during the second half-year. The limited availability of construction financing was reflected in significantly lower volumes, above all in the Netherlands, while the decline in Belgium was less severe, in particular due to a reduction in the value added tax on building materials. Sales volumes in Great Britain stabilized in comparison with the low 2008 level during the final months of the year. Central-West Europe reported a 11% drop in revenues to € 391.1 million because of ongoing weakness in single- and two-family housing construction in Germany and the collapse of new residential construction and continuing pressure on prices in Italy.

Revenues by Segment



- 1 Central-East Europe 32%
- 2 Central-West Europe 22%
- 3 North-West Europe 40%
- 4 North America 8%
- 5 Investments and Other -2%

Revenues by Region



- 1 Eastern Europe 27%
- 2 Benelux 23%
- 3 Germany 14%
- 4 France 8%
- 5 Austria 5%
- 6 Other Europe 15%
- 7 North America 8%

Lower operating EBITDA due to cost of working capital measures

The Wienerberger Group recorded operating EBITDA of € 208.6 million for 2009, which represents a 53% decline below the comparable 2008 value. The active working capital management program to significantly reduce inventories was reflected in extensive standstills throughout the entire plant network. The resulting costs, combined with lower volumes in all markets and a more flexible pricing policy in Central-East Europe, led to a decline in the operating EBITDA margin from 18.1% to 11.5%. Foreign exchange effects from East European currencies had an added negative effect of € 15.4 million on operating EBITDA. Energy costs dropped 31%, or € 115.2 million, to € 259.3 million due to the cutback in production and equaled 14.3% of revenues, compared with 15.4% in the prior year.

Operating EBITDA in Central-East Europe amounted to € 108.8 million, or 58% less than in 2008. This decline was caused by lower volumes in all countries, a 10% year-on-year drop in average local currency prices and reduced capacity utilization. A total of 19 plants were closed or mothballed across the region, which led to restructuring costs of € 54.2 million (including € 35.4 million of special write-downs). The weakest market in Central-East Europe was Hungary, where a high budget deficit and declining real income triggered a severe economic crisis. In addition, the demand for bricks was cut by lower exports. Wienerberger reacted to the situation by closing or mothballing the production capacity in this country. Poland proved to be somewhat more stable, but also recorded lower revenues and earnings. The BRAMAC Group, which focuses primarily on the production and sale of concrete roof tiles in Eastern Europe, was negatively affected by weak new residential construction in the region, and recorded lower volumes and earnings due to a drop in capacity utilization.

Operating EBITDA in Central-East Europe 58% below prior year

Average prices in Central-West Europe remained constant, but operating EBITDA fell 24% to € 32.3 million in 2009. This decline was caused by a weak new residential construction market in Germany as well as continuing pressure on prices from structural overcapacity in Italy, while earnings in Switzerland roughly matched the prior year level. In Germany, four plants were closed and extensive measures were implemented to optimize sales and administration. Restructuring costs totaled € 27.0 million in 2009 (including € 12.5 million of special write-downs).

Operating EBITDA falls 24% to € 32.3 million in Central-West Europe

North-West Europe recorded a 29% decline in operating EBITDA to € 102.5 million for the reporting year, despite a slight improvement in average prices. Lower volumes in all countries and high standstill costs from reduced capacity utilization were responsible for this development. The shutdown of five plants and restructuring in sales and administration led to costs of € 25.6 million in this segment (including € 13.0 million of special write-downs).

29% decline in operating EBITDA to € 102.5 million in North-West Europe

In North America, capacity utilization was cut to a historical low of nearly 20% in the USA to decrease inventories. The related standstill costs reduced operating EBITDA to € -13.3 million for 2009, compared with € 15.1 million in the previous year. As a reaction to the continuing weakness in US residential construction, Wienerberger took additional steps to reduce administrative and selling costs and also closed three further plants. Almost 700 employees were affected by these measures. The resulting expenses totaled € 13.8 million (including € 7.7 million of special write-downs).

Lower capacity utilization leads to negative earnings in North America

The holding company costs included in the Investments and Other segment were reduced during the reporting year through a continuation of the cost savings program launched in 2008.

**Non-recurring items
of € 277.0 million**

Earnings Development	2008	Disposals	Purchases ¹⁾	F/X ²⁾	Organic	2009
	<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	2,431.4	0.2	17.3	-68.2	-563.4	1,816.9
Operating EBITDA ³⁾	440.1	0.2	4.2	-15.4	-220.1	208.6
Operating EBIT ³⁾	239.8	0.2	1.3	-3.2	-218.7	19.0
Non-recurring items	-81.7	0.0	0.0	4.4	-199.7	-277.0
Financial results ⁴⁾	-35.0	0.1	-1.9	0.4	-0.9	-37.5
Profit before tax	123.1	0.1	-1.2	-3.6	-413.8	-295.6
Profit after tax	103.3	0.1	0.3	2.2	-364.4	-258.7

1) *Effects from changes in the consolidation range*

2) *Foreign exchange effects*

3) *Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty*

4) *Including income from investments in associates*

**Restructuring costs
of € 121.4 million
contrasted by savings
of € 160 million**

The € 220.1 million organic decline in operating EBITDA was increased by € 15.4 million of negative foreign exchange effects, primarily from the British pound and East European currencies. Changes in the consolidation range had a positive effect of € 4.0 million. Wienerberger reacted to the sharp drop in demand with a comprehensive action plan, and closed or temporarily mothballed 31 plants during the reporting year to bring capacity in line with the weak market. Widespread standstills were also ordered throughout the plant network to reduce inventories, and measures were implemented to decrease fixed administrative and selling costs. The resulting non-recurring restructuring costs of € 121.4 million included € 52.6 million of cash out and € 68.8 million of special write-downs. In contrast, cost savings of € 160 million were realized in 2009 and a further € 35 million are expected for 2010.

**Additional impairment
charges of € 32.3 million**

The lasting impairment of property, plant and equipment, above all real estate in Great Britain and Switzerland as well as equipment in Russia, was reflected in impairment charges of € 32.3 million. This led to a total amount of € 101.1 million in special write-downs during 2009.

Operating EBITDA ¹⁾	2008	2009	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Central-East Europe	262.0	108.8	-58
Central-West Europe ²⁾	42.6	32.3	-24
North-West Europe ²⁾	143.9	102.5	-29
North America	15.1	-13.3	<-100
Investments and Others ³⁾	-23.5	-21.7	+8
Wienerberger Group	440.1	208.6	-53

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

2) Cross-border trading activities of the Netherlands and Germany were transferred to the Central-West Europe segment as of January 1, 2009 (previously: North-West Europe); the comparable figures from prior year period were adjusted accordingly

3) Including holding company costs

**Operating EBITDA falls
53% to € 208.6 million**

Wienerberger tests its assets for impairment at regular intervals in connection with its annual corporate planning processes. Due to the stronger-than-expected effects of the global economic crisis on new residential construction, unscheduled impairment tests were carried out at mid-year based on even more conservative assumptions for the future development of the Group's markets (stress tests). Impairment charges to goodwill totaled € 123.3 million in 2009, and differed from the first half-year only by foreign exchange effects. They were recorded as follows: € 48.2 million in the United States, € 21.1 million in Italy, € 20.4 million for the brick business in Great Britain, € 10.0 million for facing brick activities in France, € 8.4 million for facing brick and roofing activities in Germany, € 13.7 million in Scandinavia and the Baltic States and € 1.5 million for the Semmelrock paver business in the Czech Republic.

**Impairment charges
of € 123.3 million to
goodwill**

The restructuring costs and impairment charges to property, plant and equipment and goodwill – which totaled € 277.0 million in 2009 – are shown below operating EBIT on the income statement to improve transparency.

**One-offs total
€ 277.0 million**

There were no major sales of non-core real estate in 2009. The depreciation ratio rose from 8.2% of revenues in 2008 to 10.4% for the reporting year. This value, which is relatively high in international comparison, resulted from the strong pace of investment activity in recent years. It is also an indicator of the capital intensive nature of our business and the technical potential of the Wienerberger Group. The increase in this indicator over the comparable 2008 value resulted from the decline in revenues during 2009.

**Depreciation ratio of
10.4% reflects capital
intensive brick business**

**EBITDA margin declines
from 18.1 to 11.5%**

Profitability Ratios	2008	2009
	<i>in %</i>	<i>in %</i>
Gross profit to revenues	34.8	28.1
Administrative expenses to revenues	6.1	6.8
Selling expenses to revenues	19.3	21.3
Operating EBITDA margin ¹⁾	18.1	11.5
Operating EBIT margin ¹⁾	9.9	1.0

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

**92% drop in operating
EBIT to € 19.0 million**

Income Statement	2008	2009	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Revenues	2,431.4	1,816.9	-25
Cost of goods sold	-1,585.6	-1,305.9	-18
Selling and administrative expenses ¹⁾	-617.4	-510.3	-17
Other operating expenses	-35.7	-41.2	+15
Other operating income	47.1	59.5	+26
Operating EBIT ²⁾	239.8	19.0	-92
Restructuring costs and impairment charges to property, plant and equipment	-55.0	-153.7	>100
Addition to a provision for an impending antitrust penalty	-10.0	0.0	<-100
Impairment charges to goodwill	-16.7	-123.3	>100
EBIT ³⁾	158.1	-258.1	<-100
Financial results ⁴⁾	-35.0	-37.5	-7
Profit/loss before tax	123.1	-295.6	<-100
Income taxes	-19.8	36.9	<-100
Profit/loss after tax	103.3	-258.7	<-100

1) Including freight costs

2) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

3) Calculated on the basis of unrounded data

4) Including income from investments in associates

The continuing market weakness was responsible for a 92% drop in operating EBIT before restructuring costs to € 19.0 million in 2009. Financial results declined slightly, primarily due to lower income from the investments in Pipelife and Tondach Gleinstätten. Interest result improved substantially from € -42.1 million in the prior year to € -37.8 million. The tax rate declined year-on-year to 12.5% (2008: 16.1%). The lower effective tax rate for the Wienerberger Group reflects the different underlying tax rates as well as the non-deductibility of impairment charges to goodwill and loss carryforwards in individual countries.

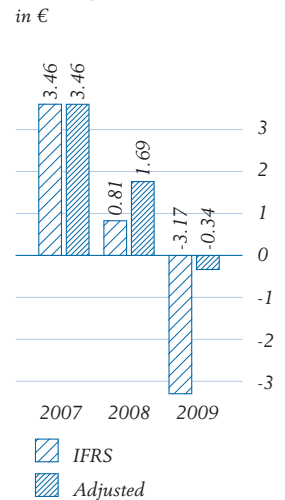
Earnings per share are computed after the deduction of non-controlling interests and the € 32.5 million hybrid coupon payment. Based on a 10% rise in the weighted number of shares outstanding to 91.3 million following the capital increase, earnings per share equaled € -3.17 for 2009 (2008: € 0.81). Adjusted earnings per share of € -0.34 (2008: € 1.69) were calculated before restructuring costs and impairment charges to property, plant and equipment and goodwill as well as the related tax effects.

Asset and Financial Position

The balance sheet total fell by 7% to € 4,087.4 million in 2009 as the result of impairment charges to property, plant and equipment and goodwill, and above all due to a reduction in inventories. 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 declined to 67% (2008: 69%) of total assets, whereby property, plant and equipment represented 68% (2008: 64%) of capital employed. Property, plant and equipment decreased by € 170.4 million in the reporting period, above all due to impairment charges. Inventories decreased from € 720.0 million at year-end 2008 to € 552.4 million as of December 31, 2009, or by € 167.6 million during the reporting year. The average turnover of trade receivables fell from 38 to 34 days, and the average turnover of trade payables declined from 48 to 42 days. Working capital (inventories + trade receivables – trade payables) was reduced by € 223.8 million in 2009 through inventory control measures and factoring of € 28.4 million, and equaled € 506.7 million or 18% (2008: 22%) of capital employed. The average working capital turnover rose to 125 days in spite of the substantial inventory reduction (2008: 113 days). Liquidity, which is comprised of cash, deposits with banks, securities and other financial assets, nearly doubled from € 296.3 million in 2008 to € 542.4 million as a result of the capital increase in September.

Earnings per Share

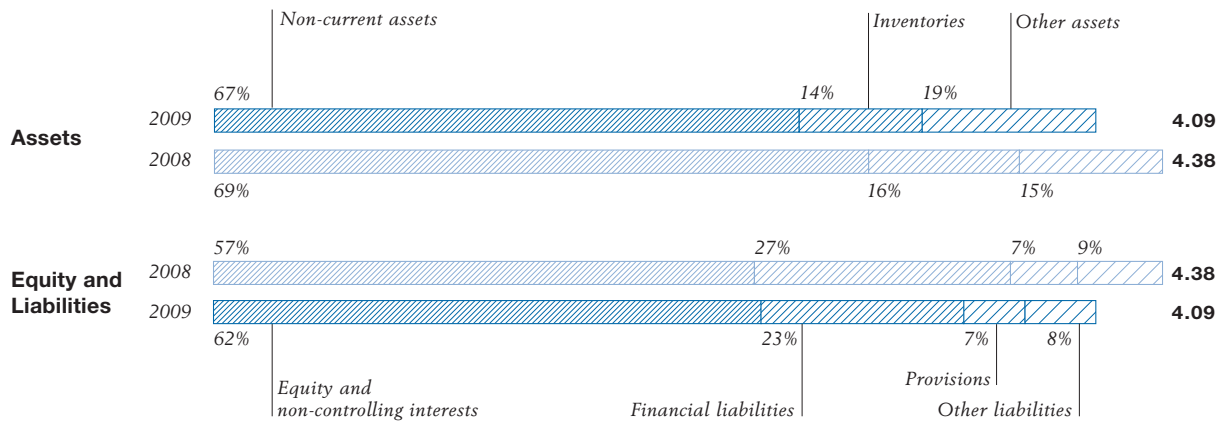


Impairment charges and lower working capital lead to decline in balance sheet total

Working capital reduced above all by € 223.8 million cutback in inventories

Development of Balance Sheet Structure

in € billion



Capital increase strengthens equity base

Group equity rose by 2% to € 2,547.0 million (2008: € 2,497.2 million). The main contributing factors in this development were the € 320.1 million proceeds from the capital increase, which were contrasted by the € 258.7 million loss recorded for the year and the € 32.5 million hybrid coupon payment. Foreign exchange differences (after the offset of effects from hedging instruments) and changes in non-controlling interests increased equity by € 17.6 million and € 3.3 million, respectively. Investments made during the reporting year were financed entirely from current cash flow. The equity ratio (including non-controlling interests) rose from 57 to 62%. As of the balance sheet date, equity covered 93% of non-current assets.

Reduction of € 236.1 million in financial liabilities

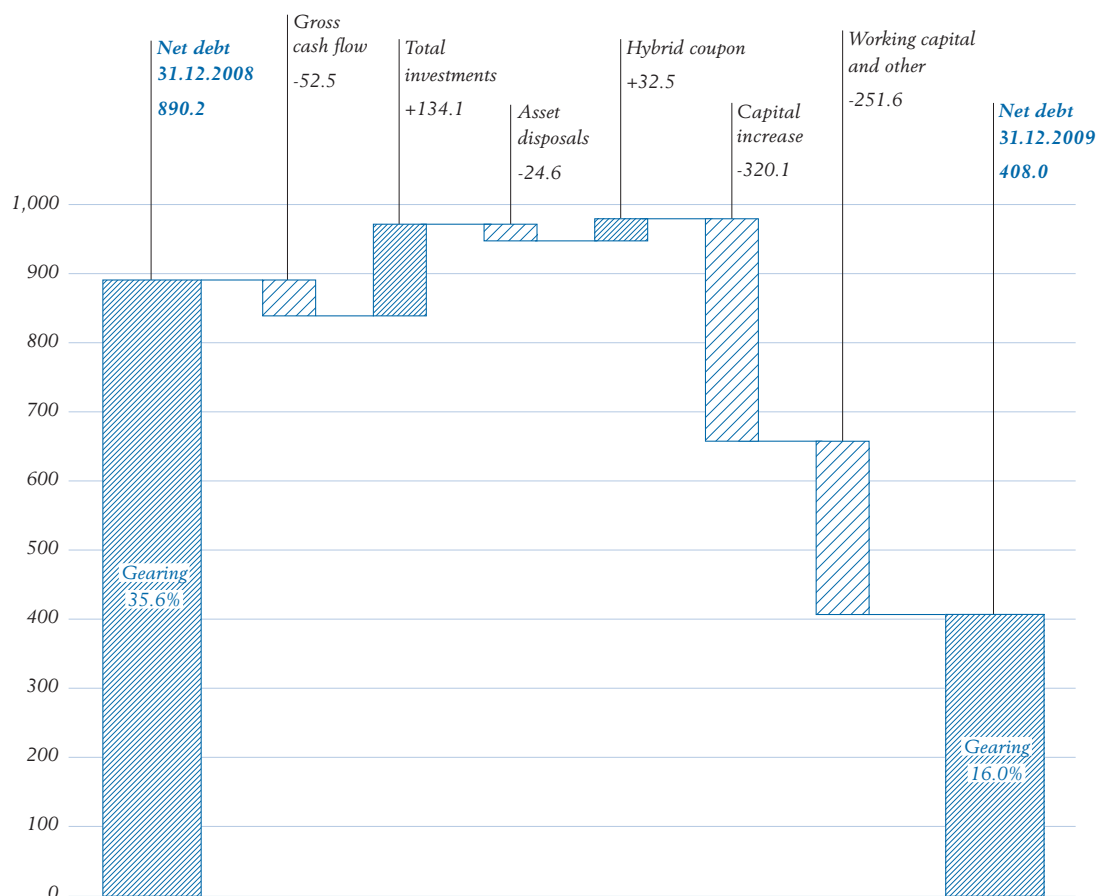
Non-current provisions fell by 17% to € 217.3 million, above all due to a substantial reduction in the provision for deferred taxes. Current provisions rose by 8% to € 59.9 million, primarily due to employee-related provisions from the restructuring program. The total of non-current and current provisions remained unchanged at 7% of the balance sheet total. The provisions for deferred taxes fell by a substantial 29% to € 89.2 million during the reporting year. The provisions for pensions were slightly lower than the prior year at € 45.0 million because of foreign exchange effects and reversals, and are of lesser importance for the long-term financing of the Wienerberger Group. Interest-bearing loans (financial liabilities) were reduced by € 236.1 to 950.4 million in 2009, and include € 937.0 million due to banks and bondholders, € 6.3 million of derivatives with negative market values, € 5.9 million of leasing liabilities and € 1.2 million of Group liabilities. These liabilities are contrasted by cash, bank deposits and securities of € 542.4 million. Of the € 937.0 million in liabilities due to banks and bondholders, 93% (2008: 85%) are long-term and 7% (2008: 15%) are short-term in nature.

Calculation of Net Debt ¹⁾	2008	2009	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Long-term financial liabilities	1,006.3	876.0	-13
Short-term financial liabilities	172.4	67.2	-61
Financial leases	7.1	5.9	-17
- Intercompany receivables and payables from financing	-14.7	-20.5	+39
- Securities and other financial assets	-74.1	-71.0	-4
- Cash and cash at bank	-206.8	-449.6	>100
Net debt	890.2	408.0	-54

1) Excluding hybrid capital

Development Net Debt

in € mill.



Net debt cut more than half by capital increase and positive working capital effects

Net debt totaled € 408.0 million as of December 31, 2009, or 54% less than the year-end 2008 value of € 890.2 million. Net debt was increased by € 134.1 million of investments and by € 32.5 million for the hybrid coupon payment. Net debt was reduced by € 320.1 million through the capital increase in September as well as the € 223.8 million decline in working capital, gross cash flow of € 52.5 million, divestments of € 24.6 million and foreign exchange differences and other items totaling € 27.8 million. The combined effect of these factors was a drop in gearing from 35.6 to 16.0%. Long-term financing such as equity, non-controlling interests, non-current provisions and long-term liabilities covered 135% of fixed and financial assets at year-end 2009 (2008: 127%). The ratio of net debt to operating EBITDA was in line with the prior year level of 2.0.

Balance Sheet Development	2008	Disposals	Purchases ¹⁾	F/X ²⁾	Organic	2009
	<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 and financial assets	2,075.9	0.0	5.2	-0.3	-175.4	1,905.4
Intangible assets	769.5	0.0	-5.5	6.6	-129.5	641.1
Other non-current assets	200.7	0.0	0.6	1.0	14.8	217.1
Inventories	720.0	0.0	7.3	0.0	-174.9	552.4
Other current assets	617.8	0.0	4.7	-7.3	156.1	771.4
Balance sheet total	4,383.9	0.0	12.3	0.0	-308.8	4,087.4
Equity ³⁾	2,497.2	0.0	3.0	9.3	37.5	2,547.0
Provisions	316.5	0.0	1.1	1.9	-42.4	277.1
Liabilities	1,570.2	0.0	8.2	-11.2	-303.9	1,263.3

1) Effects of companies and stakes acquired or sold in 2009

2) Foreign exchange effects

3) Including non-controlling interests and hybrid capital

Organic balance sheet decrease

The acquisition-related growth was related primarily to the takeover of the Ebenseer concrete paver activities in Austria. Impairment charges to property, plant and equipment and goodwill, above all, the significant reduction in inventories were responsible for an organic decrease of € 308.8 million in the balance sheet total.

Balance Sheet Ratios		2008	2009
Capital employed	<i>in € mill.</i>	3,252.2	2,816.8
Net debt	<i>in € mill.</i>	890.2	408.0
Equity ratio	<i>in %</i>	57.0	62.3
Gearing	<i>in %</i>	35.6	16.0
Asset coverage	<i>in %</i>	82.9	93.4
Working capital to revenues	<i>in %</i>	30.0	27.9

Treasury

The volatility and limited liquidity on financial markets have increased the importance of a strong capital structure and financing, and Wienerberger has taken numerous steps to address these issues. In April 2009 we extended loans with a total volume of € 222.7 million that were originally due in 2009 and 2010 to 2011, respectively 2013, and in June we negotiated the amendment or temporary suspension of the covenants with our banks. That gave Wienerberger the flexibility to reduce net debt by releasing the capital tied up in net current assets. The amended indicators set an upper limit of 3.75 for the ratio of net debt to operating EBITDA and replaced the EBIT interest cover by an indicator that reflects the strength of the balance sheet: (equity less goodwill) / (balance sheet total less goodwill) > 35%. This agreement is valid until December 31, 2010, when the former covenants with their original levels will become effective again.

After an extensive analysis of the development of earnings and the situation on financial markets, Wienerberger decided in favor of a capital increase during autumn 2009. This transaction involved the placement of 33.6 million new shares with subscription rights (two new for every five old shares) at a fixed subscription price of € 10 per share. The proceeds from the capital increase were used to pay off short-term borrowings and for the premature repayment of long-term loans.

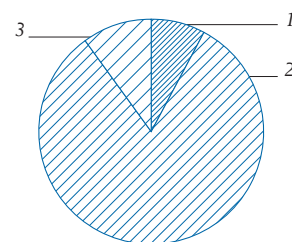
In addition to financing measures, Group-wide credit insurance was also concluded in 2009 to carry the expected crisis-related increase in credit risk and broaden the range of available financing sources to include factoring. This step also strengthened risk management by increasing the Group's circle of financing partners, and added a particular focus on the diversification of risk for the temporary investment of liquid funds.

The variable component of the debt portfolio was increased in 2009 as planned, in order to benefit from the current low interest rates. Strong cash flow as well as the capital increase and the related repayment of variable interest borrowings raised the fixed interest component of the portfolio to 64% as of December 31, 2009. The major component of the Group's financing is denominated in the euro. However, Wienerberger also monitors the foreign exchange risk associated with balance sheet items based on the net risk position in its major currencies (USD, CHF, GBP, PLN) and hedges this risk with cross currency swaps based on monthly stress tests. Since the risk position includes equity as well as debt components, an allocation to financial liabilities does not make sense.

Treasury Ratios	2008	2009
Net debt / operating EBITDA ¹⁾	2.0	2.0
Operating EBITDA ¹⁾ / interest result	10.4	5.5
Operating EBIT ¹⁾ / interest result	5.7	0.5

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

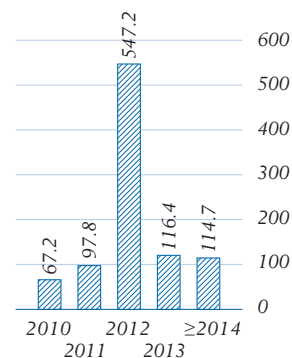
Term Structure of Interest-bearing Financial Liabilities



1 < 1 year 7%
2 1-5 years 83%
3 > 5 years 10%

Term Structure of Interest-bearing Financial Liabilities

in € mill.



64% of liabilities are fixed interest

Despite weaker results free cash flow increased by 28% up to € 250.8 million

Cash Flow

Despite substantially lower operating earnings and an 83% drop in gross cash flow to € 52.5 million during 2009, cash flow from operating activities rose by 11% to € 290.9 million (2008: € 262.8 million). This development resulted above all from the reduction of inventories and successful working capital management. Cash flow from investing activities was substantially lower at € -111.5 million (2008: € -474.6 million), and reflected the restrictive investment policy that limited spending to the completion of previously started projects and excluded new expenditures. In a very difficult market environment with lower demand in all regions, Wienerberger generated impressive free cash flow (cash flow from operating activities minus cash flow from investing activities plus growth investments) of € 250.8 million for the reporting year, and will use these funds to strengthen its financial base. Cash flow from financing activities includes the € 320.1 million proceeds from the capital increase, the repayment of € 118.9 million in long-term credit lines, a reduction of € 108.8 million in short-term credit lines and the payment of the € 32.5 million hybrid coupon. Dividends of € 3.7 million were received from associated companies in 2009.

Cash Flow Statement	2008	2009
	<i>in € mill.</i>	<i>in € mill.</i>
Cash flow from operating activities	262.8	290.9
Maintenance capex (maintenance, rationalization, environment)	-98.4	-62.7
Bolt-on projects (new plant construction, extensions, small acquisitions)	-308.3	-71.4
Strategic projects (large acquisitions)	-98.9	0.0
Divestments and other	31.0	22.6
Cash flow from investing activities	-474.6	-111.5
Growth investments	407.2	71.4
Free cash flow	195.4	250.8

Investments

Investments were limited to the necessary minimum of € 134.1 million in 2009 (2008: € 505.6 million). Maintenance, rationalization and environmental investments (maintenance capex) were reduced to a one-time historical low of € 62.7 million (2008: € 98.4 million) or 33% of depreciation for the year (2008: 49%). This represents the part of capital expenditure that is required to maintain current production capacity and modify equipment to meet the latest technical standards. A total of € 71.4 million (2008: € 308.3 million) was spent to complete previously started growth projects (bolt-on and strategic projects). The growth investments were distributed as follows in 2009: 54% in North-West Europe, 29% in Central-East Europe and 8% in North America.

Maintenance capex substantially cut from € 98.4 to 62.7 million

Investments in property, plant and equipment are divided among the various asset groups as follows: land and buildings at € 23.8 million, machinery and equipment at € 72.9 million, fixtures, fittings and office equipment at € 4.0 million and construction in progress at € 26.0 million.

Development of Non-current Assets	Intangible	Tangible	Financial	Total
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in € mill.</i>	<i>in € mill.</i>
31.12.2008	769.5	2,106.4	135.1	3,011.0
Capital expenditure ¹⁾	3.0	126.7	1.4	131.1
Changes in the consolidation range	-5.5	5.2	0.2	-0.1
Depreciation	-132.6	-281.5	-1.5	-415.6
Disposal	-0.7	-9.4	-0.1	-10.2
Currency translation and other	7.4	-0.7	3.1	9.8
31.12.2009	641.1	1,946.7	138.2	2,726.0

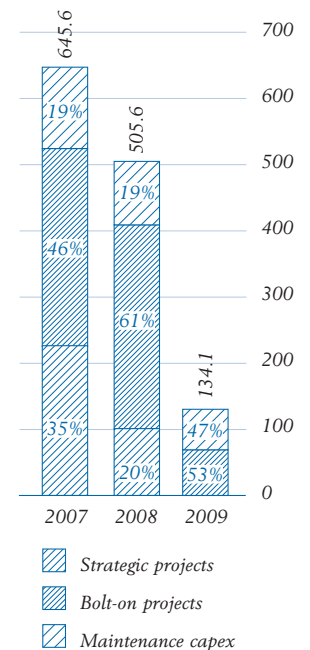
1) Additions as per schedule of fixed and financial assets

Total Investments ¹⁾	2008	2009	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Central-East Europe	226.0	55.6	-75
Central-West Europe ²⁾	37.6	13.2	-65
North-West Europe ²⁾	176.7	50.1	-72
North America	47.1	8.8	-81
Investments and Other	18.2	6.4	-65
Wienerberger Group	505.6	134.1	-73

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

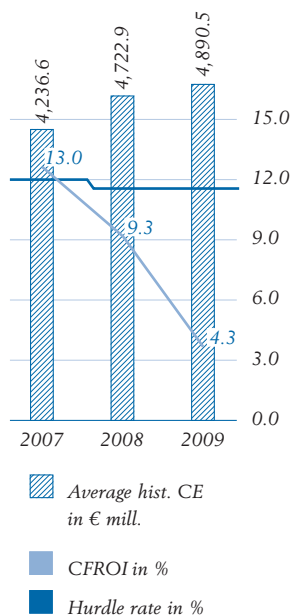
2) Cross-border trading activities of the Netherlands and Germany were transferred to the Central-West Europe segment as of January 1, 2009 (previously: North-West Europe); the comparable figures from prior year period were adjusted accordingly

Total Investments
in € mill.



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

**Group CFROI below
hurdle rate of 11.5%**



Wienerberger Value Management

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

Calculation of Group CFROI		2008	2009
Operating EBITDA ¹⁾	<i>in € mill.</i>	440.1	208.6
Average capital employed	<i>in € mill.</i>	3,156.2	3,034.5
Average accumulated depreciation	<i>in € mill.</i>	1,566.7	1,856.0
Average historical capital employed	<i>in € mill.</i>	4,722.9	4,890.5
CFROI	<i>in %</i>	9.3	4.3

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

CFROI 2009 by Business Segments	Operating EBITDA ¹⁾ <i>in € mill.</i>	Average historical CE <i>in € mill.</i>	CFROI ²⁾ <i>in %</i>	CVA ²⁾ <i>in € mill.</i>
Central-East Europe	108.8	1,446.8	7.5	-57.6
Central-West Europe	32.3	803.4	4.0	-60.1
North-West Europe	102.5	1,858.8	5.5	-111.2
North America	-13.3	715.5	-1.9	-95.6
Investments and Other ³⁾	-21.7	66.0	-32.9	-29.3
Wienerberger Group	208.6	4,890.5	4.3	-353.8

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

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

3) Including holding company costs

Due to the weak development of earnings in all markets, CFROI did not exceed the hurdle rate in any of the Wienerberger segments. Group CFROI fell below the hurdle rate to 4.3% for 2009.

In addition to CFROI, return on capital employed (ROCE) is also computed at the Group level. This indicator is calculated 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 was calculated at 7.05% in 2009.

Net operating profit after tax (NOPAT) is calculated on the basis of operating EBIT before restructuring costs and impairment charges to goodwill. This indicator fell sharply to € 6.6 million during the reporting year. Impairment charges to goodwill, property, plant and equipment as well as a substantial reduction in inventories led to a 4% decline in average capital employed to € 3,034.5 million for the reporting year. ROCE reached only 0.2% because of the decline in earnings (2008: 6.2%) and led to a drop in Economic Value Added (EVA®) to € -207.3 million (2008: € -27.8 million).

Calculation of Group ROCE		2008	2009
Operating EBIT ¹⁾	<i>in € mill.</i>	239.8	19.0
Income taxes	<i>in € mill.</i>	-19.8	36.9
Adjusted income taxes	<i>in € mill.</i>	-25.9	-49.3
NOPAT	<i>in € mill.</i>	194.1	6.6
Equity and non-controlling interests	<i>in € mill.</i>	2,497.2	2,547.0
Financial liabilities and financial leases	<i>in € mill.</i>	1,185.8	949.2
Intercompany receivables and payables from financing	<i>in € mill.</i>	-14.7	-20.5
Cash and financial assets	<i>in € mill.</i>	-416.1	-658.9
Capital employed	<i>in € mill.</i>	3,252.2	2,816.8
Average capital employed	<i>in € mill.</i>	3,156.2	3,034.5
ROCE ²⁾	<i>in %</i>	6.2	0.2

ROCE of 0.2%, reflects weak operating results

Value Ratios		2008	2009
ROCE ²⁾	<i>in %</i>	6.2	0.2
EVA ^{2) 3)}	<i>in € mill.</i>	-27.8	-207.3
CFROI ⁴⁾	<i>in %</i>	9.3	4.3
CVA ⁴⁾	<i>in € mill.</i>	-103.0	-353.8

Negative EVA® of € 207.3 million

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

2) Calculated on the basis of average capital employed (average of capital employed on January 1, 2009 and December 31, 2009)

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

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

Interview with Willy Van Riet, CFO

You previously announced that the proceeds from the capital increase would be used to reduce debt. Given the high cash balance at year-end, that was apparently not the case. Why not?

That's not completely correct, we did make a number of repayments. When you decide to reduce financial liabilities, there are a number of different factors to be considered – not only the terms and maturities of the loans. I also want to make sure the company has a reasonable bank portfolio. We have now evaluated all the variables and are working to find the best solution for Wienerberger from both a financial and strategic point of view – and that takes time. Negotiations with our banks are well underway, and we expect to complete this process over the coming months.

Wienerberger now has a sound equity ratio. Where do you see gearing over the mid- and long-term? Are you planning another substantial increase in the debt ratio?

No, there are no plans to significantly raise our debt ratio over the mid-term. My goal is to hold the debt ratio – measured as net debt to operating EBITDA – below 2.5 over the mid-term. The current crisis has shown just how important it is for a company to have a strong balance sheet, and I intend to see that Wienerberger maintains its solid capital structure.

Your stated goal is to regain an investment grade rating for Wienerberger. How quickly do you think this can be done?

As much as I would like to, this is something I can't predict – it depends on the rating agencies. I can only say that we took the right measures at the right time, and this is reflected in our results for 2009. The rapid adjustment of capacity, the reduction of fixed costs and a cutback in investments to the necessary minimum allowed Wienerberger to generate positive net cash flow in a very difficult market environment. And I assume the rating agencies will also honor this performance.



Mr. Van Riet was interviewed on January 7, 2010 by Christian Pokorny, Investor Relations at Wienerberger.

Outlook and Goals

The year 2009 was marked by further restructuring in the Wienerberger Group. Fast implementation of the action plan allowed for the realization of € 160 million in cost savings and a reduction of € 168 million in inventories. Consequently, net debt was reduced to € 408 million as of December 31, 2009. These measures streamlined our cost structures and, together with the capital increase, strengthened the balance sheet. As a result, Wienerberger is now stronger than ever. Supported by additional cost savings of € 35 million and a price-related decline in energy costs (approx. € 15 million), we are expecting a significant improvement in earnings during 2010 – in spite of the still limited visibility on our markets and the severe winter in Europe and North America, and the corresponding negative influence on first quarter results.

Developments on the markets in Central-East Europe are presently difficult to predict. Poland, the only country in the region that provides grounds for optimism, should record an increase in new residential construction driven by its macroeconomic stability and sound domestic demand. Visibility in the other countries is currently so low that a further decline in demand as well as lower average prices cannot be excluded.

In Western Europe, we expect volumes to reach the 2009 level. We are forecasting slightly higher demand for building materials in Germany and Great Britain, stability in Belgium and France and a slight decline from the good level in Switzerland. The Netherlands should experience another substantial drop in new residential construction during 2010 since financing remains tense and residential construction is heavily dependent on project development companies. The current pressure on prices in Italy will continue due to structural overcapacity.

For the USA, the NAHB (National Association of Home Builders) is predicting an increase of more than 20% in housing starts during 2010. However, we remain cautious because of the steady rise in unemployment and high number of foreclosures – and therefore expect the demand for building materials to remain stable at a low level at least during the first six months, with a potential recovery in the second half of the year. The extensive restructuring measures implemented in recent years and the resulting sustainable cost reductions in combination with an improvement in capacity utilization lead us to expect a significant improvement in earnings for 2010.

We intend to intensify our marketing activities and also increase our focus on premium products in existing markets and their launch into new markets during 2010. Investments will be limited to a maximum of € 120 million, whereby € 95 million will represent maintenance capex to service and optimize existing equipment (50% of planned depreciation) and € 25 million will be directed to growth investments (value-creating bolt-on projects, smaller acquisitions). We also plan to reduce working capital by a further € 50 million, above all with the further optimization of inventories.

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 shares in Wienerberger AG.

Significant improvement in earnings expected for 2010

Central-East Europe: Poland stable, otherwise low market visibility

Western Europe: modest recovery in Germany and Great Britain, declines in the Netherlands and Switzerland expected

North America: recovery possible in second half-year

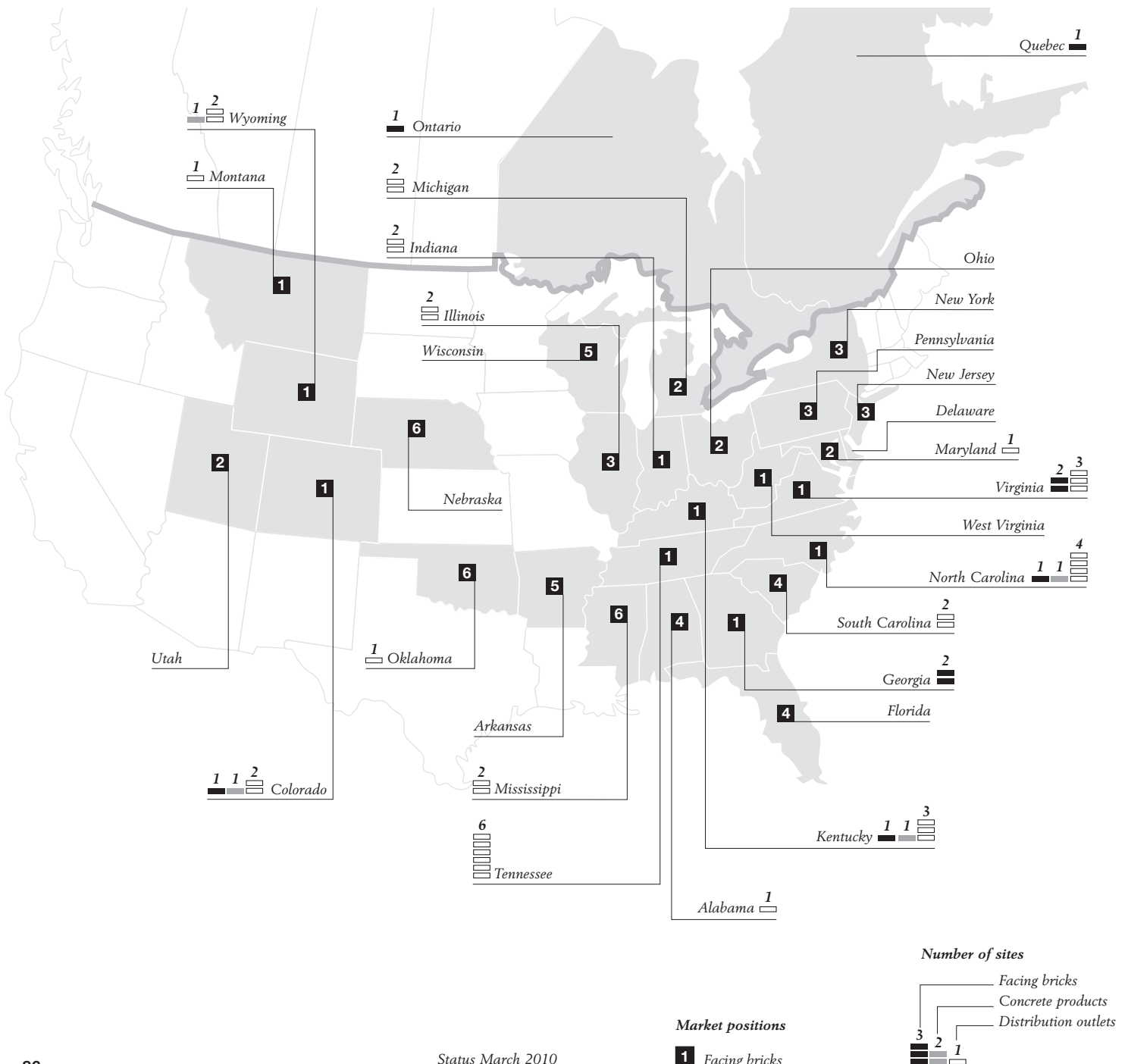
Measures for 2010: focus on operating business; investments capped at € 120 million; further reduction in working capital

OPERATING SEGMENTS

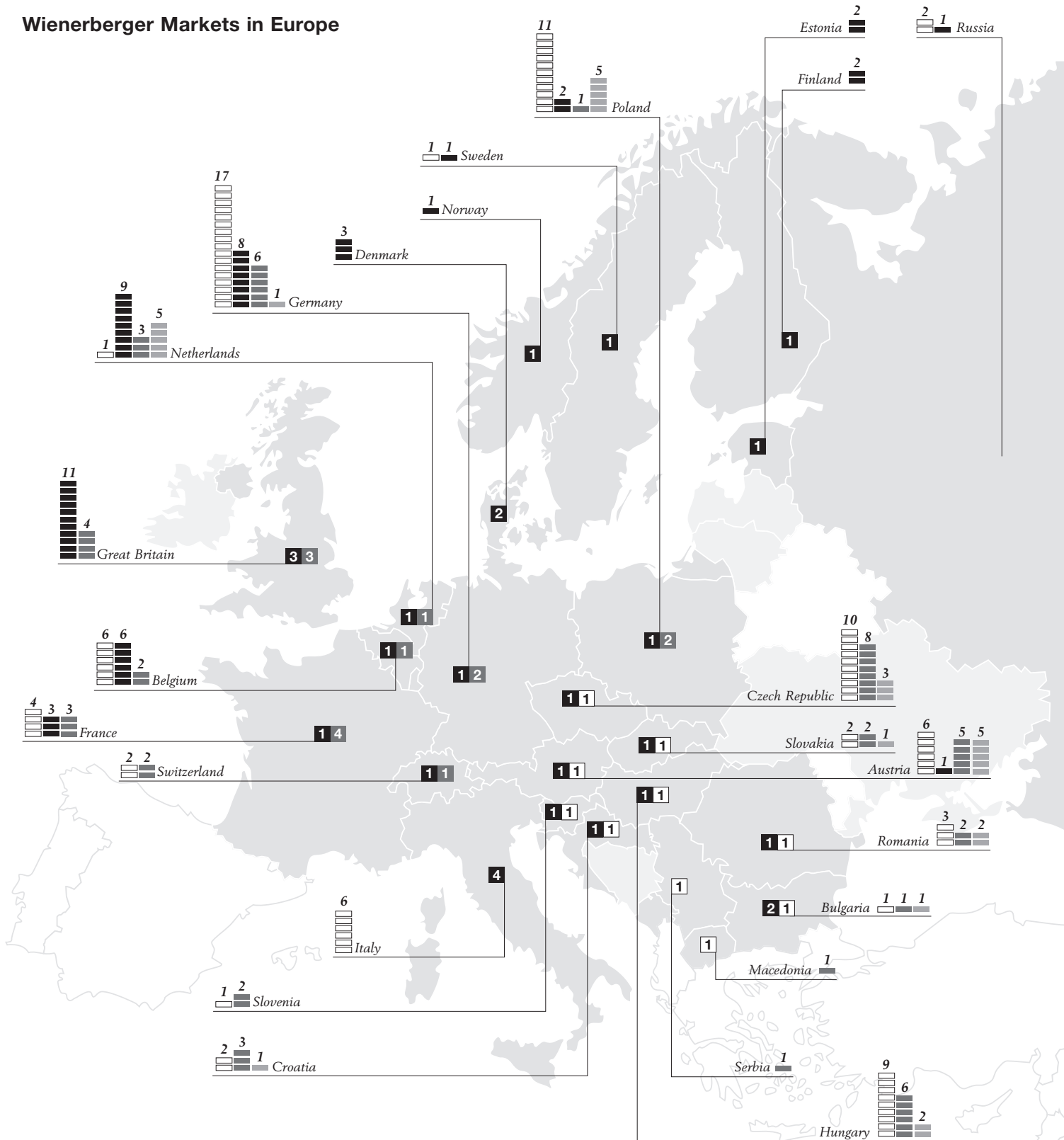
Plant Sites and Market Positions

Wienerberger is the only multinational producer of bricks and roof tiles, with a total of 227 plants in 27 countries and five export markets, including the recently opened new plant in India. We are concentrating on our core expertise and continuously expanding our geographical portfolio. Our focus is placed on the development and expansion of strong positions in the markets in which we are present.

Wienerberger Markets in North America



Wienerberger Markets in Europe



Market positions

- 1** Clay blocks and/or facing bricks
- 1** Clay roof tiles
- 1** Joint ventures
Bramac concrete roof tiles (50%)
and Tondach Gleinstätten clay roof tiles (25%)

Number of plants

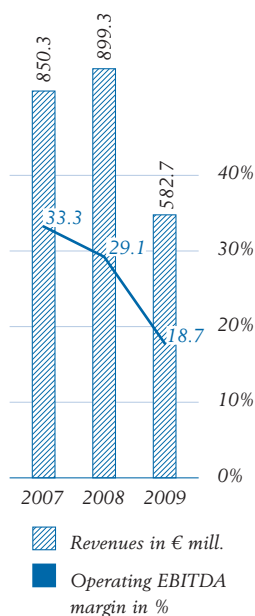
- 3 Clay blocks
- 2 Facing bricks
- 1 Roofing systems
- 1 Pavers

- Markets with plant sites
- Export markets

Central-East Europe

The Central-East Europe segment covers our brick and roof tile activities in Austria, Central and Eastern Europe as well as Semmelrock (concrete pavers, 75% stake, full consolidation), Bramac (concrete roof tiles, 50% stake, proportionate consolidation) and Tondach Gleinstätten (clay roof tiles, 25% stake, at equity consolidation).

The effects of the financial and economic crisis have only been felt in the countries of Central-East Europe since the end of 2008. Limited project financing and lower consumer confidence led to a decline in new residential construction from the good 2008 level, although the extent of the downturn differed from country to country. The consequences included a slump in sales of building materials and thereby also clay blocks, the most important product segment for Wienerberger in this region. Revenues in Central-East Europe fell by 35% to € 582.7 million, in part due to negative foreign exchange effects of € 61.9 million. A 10% drop in average local currency prices as well as standstill costs had a negative effect on segment earnings and triggered a 58% drop in operating EBITDA to € 108.8 million – which, in this environment, still represents a sound operating EBITDA margin of 18.7%. As a reaction to the lower demand and in accordance with our active working capital management program, 19 plants were shut down or mothballed and plant standstills were extended, which allowed for a 24% reduction in inventories. The cost of these restructuring measures totaled € 54.2 million (including € 35.4 million of special write-downs). Central-East Europe generated 32% of Group revenues and 52% of EBITDA in 2009.



Central-East Europe		2008	2009	Chg. in %
Revenues	<i>in € mill.</i>	899.3	582.7	-35
Operating EBITDA ¹⁾	<i>in € mill.</i>	262.0	108.8	-58
Operating EBIT ¹⁾	<i>in € mill.</i>	193.4	44.8	-77
CFROI ²⁾	<i>in %</i>	19.6	7.5	-
CVA ^{2) 3)}	<i>in € mill.</i>	108.1	-57.6	<-100
Total investments	<i>in € mill.</i>	226.0	55.6	-75
Capital employed	<i>in € mill.</i>	854.9	787.7	-8
Employees ⁴⁾		5,832	5,174	-11
Sales volumes clay blocks	<i>in mill. NF</i>	4,040	2,921	-28
Sales volumes concrete pavers	<i>in mill. m²</i>	9.73	11.06	+14
Sales volumes concrete roof tiles ⁵⁾	<i>in mill. m²</i>	20.50	14.08	-31

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

2) Calculation based on average historical capital employed

3) Hurdle rate = 11.5%

4) Average number of employees for the year

5) Sales volumes are not proportional, but reflect 100%

Poland (7% of Group revenues)

Poland was the only European country to record GDP growth in 2009, a development that was driven by strong domestic demand. However, lower consumer confidence and a lack of financing also led to a decrease in long-term investment on this market. Housing starts fell 18% below the sound 2008 level, with single family housing less affected (-7%) than the multi-family segment (-32%). Wienerberger recorded a decline in margins from the sound 2008 level due to a drop in volumes and average prices as well as lower capacity utilization. Despite the shutdown of four smaller plants, our production capacity in Poland remained constant in comparison with 2008 due to the optimization of our new modern plant in Olesnica and increased capacity at Lebork. Since the economic crisis did not hit Poland as hard as other countries in this region, we are more optimistic for 2010 and expect stable development in new residential construction. We assume the market for single- and two-family houses will improve during 2010, while the multi-family housing sector will lag behind due to its dependence on project financing.

Lower revenues and earnings in Poland

Czech Republic (3% of Group revenues)

In the Czech Republic, a decline in the demand for housing triggered a sharp drop in sales volumes of bricks. A higher share of imports from neighboring countries increased the pressure on domestic margins and reduced local currency average prices. Wienerberger recorded substantially lower revenues and earnings in this difficult market environment. For 2010 we expect a slight decline in the demand for building materials as well as continued competitive pressure from domestic producers and from imports. We intend to react with a more flexible pricing policy and an increased focus on premium products in order to protect and expand our market position.

Weaker domestic demand and import pressure in Czech Republic

Hungary (2% of Group revenues)

In Hungary, which slid into a severe economic crisis in 2008 because of a high budget deficit, high unemployment and declining real income, the situation continued to deteriorate throughout 2009. The collapse of new residential construction in the prior year was followed by a further 30% drop in housing starts during 2009. Business development was accordingly weak, with a significant decline in revenues and earnings for the reporting period. Wienerberger reacted to the low demand with extensive restructuring measures in production, sales and administration. There are currently no signs of stabilization, and forecasts for new residential construction in 2010 therefore remain reserved. However, we expect the cost savings realized to date will lead to an improvement in earnings for our Hungarian unit during 2010.

Extensive restructuring measures implemented in Hungary

Romania (2% of Group revenues)

A high level of foreign debt and a sizeable foreign trade deficit as well as declining private consumption coupled with the rising indebtedness of Romanian households brought the previous dynamic growth in this country to a halt in 2009. Against the backdrop of a 45% slump in building permits, Wienerberger outperformed the competition and increased its market share. Revenues were lower but cost optimization and a higher share of domestic volumes (at the expense of Wienerberger imports from Hungary) led to an improvement in the EBITDA margin. Developments for 2010 are difficult to estimate at the present time and further weakness in new residential construction appears possible.

Significant decline in housing starts in Romania

Successful launch of Dryfix® system in Austria

Austria (3% of Group revenues)

Single- and two-family housing construction in Austria weakened during 2009, and was reflected in lower revenues and earnings for Wienerberger. The plant in Laa an der Thaya was permanently closed during the first quarter to adjust for excess capacity in the plant network, and extended temporary standstills were ordered. Despite a drop in volumes, margins fell only slightly below the prior year level due to the successful national roll-out of the premium Dryfix® plane ground block system. In 2010 we expect to strengthen our market position with an increased focus on products like the plane ground block and the Dryfix® system.

Competitive pressure in Slovakia

Slovakia (1% of Group revenues)

The economic crisis and rising unemployment were responsible for a significant drop in new residential construction and, consequently, lower sales volumes in Slovakia during 2009. The introduction of the euro at the beginning of the year drew increased imports from neighboring countries, and the expansion of clay block capacity by the competition intensified market pressure. Wienerberger recorded a decrease in market share as well as substantial revenue and earnings declines in this weak building materials market. We reacted to these developments with a more flexible pricing policy and intensified our focus on the marketing of premium products. This strategy will be continued in 2010 in order to protect our market positions and regain lost market shares.

No signs of stabilization in Finland or the Baltics

Finland and the Baltics (1% of Group revenues)

Sales volumes of facing bricks in Finland also declined in 2009 because of the deteriorating economic environment and resulting pressure on housing construction. In the Baltics, there were virtually no signs of activity in the residential construction sector. We adjusted our capacity to reflect the adverse market climate by closing one facing brick plant. All these countries reported significant declines in revenues and earnings for the reporting year, and there are no indications of recovery in 2010.

Focus on premium blocks in Southeast Europe

Southeast Europe (1% of Group revenues)

Wienerberger brick activities in Croatia, Slovenia, Serbia and Bosnia are combined in this region. The macroeconomic environment in Southeast Europe reflected the effects of the current crisis with a shortage of project financing and lower private consumption. Volumes declined, but prices remained stable. The restructuring measures implemented in this region included the shutdown of two plants and temporary standstills. Wienerberger will continue to focus on an earnings-driven and quality-oriented strategy in Southeast Europe during 2010, with a special focus on premium blocks.

Difficult market environment; optimization of new plants in Russia

Russia (<1% of Group revenues)

The Wienerberger Group entered the Russian market in 2006 with the construction of its first plant in Kiprevo near Moscow. A second production line in Kiprevo and a new plant in Kazan followed during the first quarter of 2009. However, the market growth that characterized Russia up to 2008 was abruptly halted by the financial crisis and residential construction activity

accordingly collapsed. The result was a massive drop in the demand for building materials and declining prices. Production in the previous year was focused more on standard sizes, but we increased the testing of premium products during 2009. We do not expect any recovery in new residential construction on the Russian market in 2010, and will therefore continue to optimize our plants, product portfolio and sales network in this country.

Bulgaria (<1% of Group revenues)

Dynamic growth in 2007 and 2008 was followed by a significant downturn on the new residential construction market in Bulgaria during the reporting year. Lower average prices allowed Wienerberger to strengthen its position and increase its market shares, above all at the expense of imports, in spite of a slight year-on-year volume decline. For 2010 we expect a further contraction in residential construction, but assume Wienerberger will be able to protect its position on this tense market with its premium brick products.

Market position strengthened in Bulgaria

Semmelrock Concrete Pavers (7% of Group revenues)

Our specialist for high-quality concrete pavers recorded higher volumes in 2009 and, based on more flexible pricing, was successful in holding revenues at the prior year level despite a substantial decline on the paver market. This development was supported above all by new capacity in Eastern Europe that came on line in 2009 as well as consolidation effects from the integration of Ebenseer in Austria. The combination of business activities with Ebenseer, a major Austrian concrete paver producer, took place at the beginning of 2009 and is intended to create a stronger position on the domestic market. Semmelrock is active almost exclusively in Central-East Europe. Since the visibility in this region is very limited, developments in 2010 are difficult to estimate.

Higher sales volumes at Semmelrock despite lower demand for concrete pavers

Bramac Concrete Roof Tiles (4% of Group revenues)

Bramac (50% stake, proportionate consolidation), which produces and markets concrete roof tiles primarily in Eastern Europe, was also affected by the economic crisis in 2009. Since these products are used chiefly in new construction, the company recorded a sharp drop in sales volumes due to the low level of residential construction throughout Central-East Europe. Prices remained constant, but revenues and earnings fell below the record results for 2008. In 2010 Bramac plans to develop new markets in the flat roof segment by increasing its focus on innovative products such as energy-efficient roof systems and concrete roof tiles that can be used on a slope as low as 7°.

Bramac results for 2009 below record prior year level

Tondach Gleinstätten AG (consolidated at equity)

Tondach Gleinstätten, a 25% investment that is consolidated at equity in the financial statements of the Wienerberger Group, recorded a sizeable drop in revenues for 2009 as a result of weakness on the East European markets. This situation was met with capacity adjustments in older plants and the relocation of production to newer facilities. The Bekescaba plant in Hungary, which started operations during the fourth quarter of 2008, and the Czech plant in Hranice were also optimized during the reporting year.

Revenue decline for Tondach Gleinstätten

Interview with Hans Windisch, COO

Eastern Europe recorded strong declines in 2009 and everyone is now waiting to see just what will happen in 2010. What are your expectations for this region?

This question is really quite difficult to answer because the forecasts for Central-East Europe are surrounded by significant uncertainty. The region again reported substantial declines during the last quarter of 2009 and has still shown no signs of stabilization. In contrast, countries like Poland, the Czech Republic and Slovakia are expected to resume GDP growth in 2010. I anticipate a continuation of the difficult operating environment this year, with a possible improvement during the second six months.



Brick prices in Eastern Europe fell by roughly 10% in local currency during 2009. Do you think this trend will continue?

That was not a price decline, but a correction triggered by market weakness. The price level throughout the entire region was excellent throughout 2008, but we made a number of adjustments in 2009 to reflect the condition of the market and were still able to generate an impressive EBITDA margin of 19%. New capacity has recently come on line in the Czech Republic and Slovakia, and will increase the competitive pressure in these countries. Our goal for 2010 is to hold prices at a constant level, but we will defend our market positions with a more flexible pricing policy if this becomes necessary. We have successfully positioned Wienerberger as the quality leader in these markets with our high-quality products and can use this product portfolio – above all the new high thermal insulating bricks and plane ground blocks – to realize our strategic and earnings goals. This should also have a positive effect on our average revenues in Central-East Europe.

On the one hand, you expect a substantial increase in capacity utilization during 2010 but, on the other hand, your plans call for a further cut in inventories. Aren't you concerned that actual capacity utilization will be lower than expected during the coming year and also affect 2010 results?

This isn't a contradiction even if it appears so at first glance. In many countries we produced substantially fewer bricks than we sold during the past year. Let me give you an example: in the USA we produced less than half (!) the amount sold in 2009 – and that at the lowest level of demand in decades. Capacity utilization in the Wienerberger plants was slightly more than 20% in 2009. That translates into utilization of almost 50% if we only produce what we actually sell and sales volumes remain constant in 2010. If volumes increase slightly, we can maintain this level of production and still reduce inventories.

Central-West Europe

The markets of Germany, Italy and Switzerland, which form the Central-West Europe segment, followed a difficult year in 2008 with a further decline in sales volumes of clay blocks, clay roof tiles and facing bricks in 2009. Segment revenues fell by 11% to € 391.1 million and operating EBITDA by 24% to € 32.3 million. These results reflected the weak demand for building materials in Germany as well as the collapse of new residential construction in Italy. Extended temporary plant standstills in Germany to decrease working capital – inventories in the region were reduced by 29% during the reporting year – and pressure on prices in Italy had a negative impact on earnings. Continuing weakness in single- and two-family housing construction on the German market led to further capacity adjustments through the permanent closure of four plants in 2009. The related expenses totaled € 27.0 million (including € 12.5 million of special write-downs). Central-West Europe was responsible for 22% of revenues and 15% of operating EBITDA recorded by the Wienerberger Group in 2009.

Central-West Europe ¹⁾		2008	2009	Chg. in %
Revenues	<i>in € mill.</i>	439.0	391.1	-11
Operating EBITDA ²⁾	<i>in € mill.</i>	42.6	32.3	-24
Operating EBIT ²⁾	<i>in € mill.</i>	4.6	-2.4	<-100
CFROI ³⁾	<i>in %</i>	5.2	4.0	-
CVA ^{3,4)}	<i>in € mill.</i>	-51.8	-60.1	-16
Total investments	<i>in € mill.</i>	37.6	13.2	-65
Capital employed	<i>in € mill.</i>	481.5	373.0	-23
Employees ⁵⁾		2,390	2,143	-10
Sales volumes clay blocks	<i>in mill. NF</i>	1,581	1,302	-18
Sales volumes facing bricks	<i>in mill. WF</i>	161	147	-9
Sales volumes clay roof tiles ⁶⁾	<i>in mill. m²</i>	8.80	8.23	-6

1) The cross-border trading activities of the Netherlands and Germany were reclassified to Central-West Europe beginning in 2009 (previously: North-West Europe); the comparable prior year data were adjusted accordingly

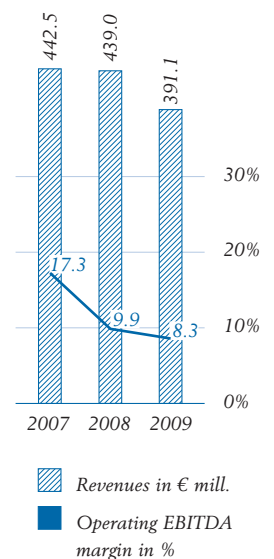
2) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

3) Calculation based on average historical capital employed

4) Hurdle rate = 11.5%

5) Average number of employees for the year

6) Sales volumes of clay roof tiles include accessories



Germany (14% of Group revenues)

The demand for building materials in Germany remained weak throughout the reporting year. According to the Heinze Institute, the number of building completions fell to a new historical low with a 10% drop to 137,000 units in 2009. The renovation market, which is a key driver for sales of clay roof tiles (65% of German clay roof tile sales are attributable to this segment), outpaced new residential construction supported by federal subsidies for energy-saving improvements. The continued downturn in new residential construction was brought about by the still limited availability of financing and above all by low consumer confidence in the wake of the economic crisis.

Housing construction in Germany remains weak

Faltering domestic demand was reflected in volume declines across the entire product range. In addition, the market collapse in Central-East Europe had a negative effect on clay block exports from Germany into this region. Average prices remained constant, but revenues declined in comparison with the prior year. As a reaction to the ongoing market weakness, four additional plants in Germany were closed in 2009. Optimization measures in the facing brick product group were successfully concluded during the reporting year, and now only the most efficient and cost-effective plants for these products remain in operation. Despite extended winter standstills during the first and last quarters of 2009 to reduce working capital and a related drop in capacity utilization, margins were nearly constant due to the successful optimization of sales and administration.

Modest recovery expected in Germany during 2010

We are expecting modest recovery in new residential construction and renovation on the German market during 2010, whereby our assessment is underscored by a slight rise in building permits since summer 2009. Wienerberger has increasingly positioned itself as a system provider for roofs in recent years by extending its product line to also include non-ceramic accessories. In 2010 we intend to strengthen our marketing and sales programs to further improve customer ties and reinforce our positioning as a system provider for walls and roofs.

Italy (3% of Group revenues)

Lower volumes and pressure on prices in Italy throughout 2009

The new residential construction market in Italy contracted further during 2009 with a drop of roughly 15% in housing starts. In the Italian brick industry, which is characterized by a large number of small- and mid-sized businesses, declining demand intensified the pressure on prices because of structural overcapacity. This situation, combined with higher energy and standstill costs, had a negative effect on earnings and led to margin declines in this country for the reporting year. For 2010 we are forecasting further weakness in residential construction and continued strong pressure on prices. We intend to counter these developments by increasing our focus on premium products and expanded our sales activities. Positive impulses can be expected beginning in the second half of 2010 from the government's "Piano Casa" program, which will support subsidized residential construction and also permit renovation and smaller housing extensions without municipal permits.

Switzerland (4% of Group revenues)

Stable revenues in Switzerland during 2009

Single- and two-family housing construction in Switzerland declined slightly from the good prior year level despite a high pace of new construction in the Geneva and Zurich regions. This development was also reflected in sales volumes of clay blocks, which fell moderately in annual comparison. In the roof segment, Wienerberger profited from government subsidies for energy-saving measures (roof insulation) and volumes therefore remained constant. Revenues and earnings matched 2008 results. We are forecasting a further decline in new residential construction for 2010, but expect positive impulses for our business with the market launch of infill blocks.

North-West Europe

Wienerberger brick and roof tile activities in the Netherlands, Belgium, France, Great Britain and Scandinavia are combined under the North-West Europe segment. Revenues in this region fell by 19% to € 729.2 million and operating EBITDA by 29% to € 102.5 million for the reporting year. Negative foreign exchange effects from the British pound reduced segment revenues by a total of € 14.3 million. In all countries – with the exception of the roofing business in Belgium – average prices rose slightly, but volumes declined. As part of the action plan implemented in 2009, five further plants in the region were closed at a cost of € 25.6 million (including € 13.0 million of special write-downs). These closures and extended winter standstills supported an 18% year-on-year reduction in inventories, but the related costs led to lower margins. North-West Europe recorded 40% of Group revenues and 49% of operating EBITDA for 2009.

North-West Europe ¹⁾		2008	2009	Chg. in %
Revenues	<i>in € mill.</i>	904.2	729.2	-19
Operating EBITDA ²⁾	<i>in € mill.</i>	143.9	102.5	-29
Operating EBIT ²⁾	<i>in € mill.</i>	73.2	37.1	-49
CFROI ³⁾	<i>in %</i>	7.9	5.5	-
CVA ^{3,4)}	<i>in € mill.</i>	-65.4	-111.2	-70
Total investments	<i>in € mill.</i>	176.7	50.1	-72
Capital employed	<i>in € mill.</i>	1,297.1	1,131.4	-13
Employees ⁵⁾		4,745	4,076	-14
Sales volumes clay blocks	<i>in mill. NF</i>	1,125	937	-17
Sales volumes facing bricks	<i>in mill. WF</i>	1,518	1,146	-25
Sales volumes clay roof tiles ⁶⁾	<i>in mill. m²</i>	16.50	14.11	-14

1) The cross-border trading activities of the Netherlands and Germany were reclassified to Central-West Europe beginning in 2009 (previously: North-West Europe); the comparable prior year data were adjusted accordingly

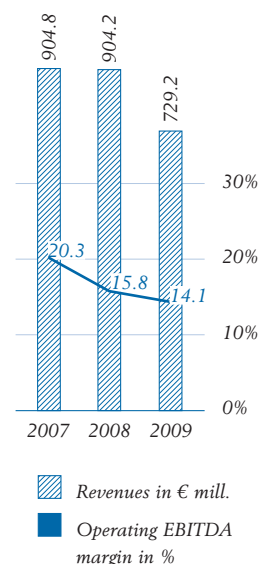
2) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

3) Calculation based on average historical capital employed

4) Hurdle rate = 11.5%

5) Average number of employees for the year

6) Sales volumes of clay roof tiles include accessories



Belgium (12% of Group revenues)

New residential construction fell by a sizeable 19% in 2009, while the renovation market showed only moderate weakness due to a reduction in the value added tax on building materials and federal subsidies for the installation of solar power generation equipment on roofs. Wienerberger profited from this development and was able to hold sales volumes of clay roof tiles at the 2008 level. The highest volume declines were recorded by the facing brick product group. The cost-efficient plant structure for clay blocks, which has been under development since 2007, produced successful results. In spite of higher standstill costs, margins nearly matched the 2008 level. In Belgium we are expecting a slight drop in the demand for building materials during 2010.

Roof business in Belgium profited from federal subsidies

Lower volumes in all product groups in the Netherlands

Netherlands (11% of Group revenues)

Local statistics show a 15% decrease in housing completions to 63,000 units for 2009, while the decline in the renovation sector was more moderate. In this market environment Wienerberger recorded lower sales volumes in all product groups. Shifts in the product mix toward premium products supported an increase in prices slightly above the prior year average. However, higher energy costs and extended plant standstills to optimize working capital led to margin declines in this country. New residential construction in the Netherlands is heavily dependent on the project business, and 2010 is expected to bring a further sharp drop in homebuilding because of the still limited availability of financing and weak consumer confidence. We are therefore prepared for a continuation of this difficult market environment during 2010.

Wienerberger increases market shares of clay blocks in France

France (8% of Group revenues)

The downturn in single- and two-family housing construction on the French market slowed during the second six months after a very reserved period at the beginning of the year, triggering a 20% decline in housing starts for 2009. The demand for clay blocks was somewhat more stable due to an increase in the market share of bricks in the wall construction segment. Wienerberger profited from this growth in a difficult market environment and expanded its position in the western region of the country. Business in the facing brick segment was characterized by a sharp drop in volumes. The renovation market weakened during 2009 for the first time in many years, and led to a decline in sales volumes of clay roof tiles. Standstill costs from lower capacity utilization caused margins to fall below the comparable 2008 levels. For 2010 we expect stable development in both new residential construction and renovation.

Sizeable inventory reduction in Great Britain

Great Britain (7% of Group revenues)

For the first time since the collapse of new residential construction in mid-April 2008, sales volumes began to rise slowly above the (low) prior year level beginning in September 2009 after a sharp drop during the first half-year. Wienerberger reacted quickly during the first six months by extending its restructuring program, which meant extended temporary standstills and the shutdown or mothballing of two further plants in Great Britain. Inventories were reduced by a sizeable amount, while earnings roughly matched 2008 results in spite of negative foreign exchange effects. The first signs of modest recovery in new residential construction lead us to expect an increase in revenues during 2010, while the measures implemented during the reporting year and higher capacity utilization should be reflected in a moderate improvement in earnings.

Residential construction in Scandinavia remains weak

Scandinavia (2% of Group revenues)

Denmark, Sweden and Norway reported further revenue declines as a result of the weakness in residential construction, whereby the downturn was strongest in Denmark. For 2010 we are forecasting an increase in revenues and earnings for Scandinavia.

North America

US housing starts fell by 39% from the exceptionally low level at year-end 2008 to 555,000 units for the reporting year, and set off a further sharp drop in sales volumes of facing bricks. This development led to a 36% decline in revenues to € 149.0 million, despite € 6.6 million of positive effects from the strong average US dollar exchange rate. The operating environment remained weak, but we were able to reduce inventories more than 30% in relation to 2008 with extensive temporary plant standstills. The optimization of working capital as well as historically low capacity utilization of roughly 20% had a negative impact on segment earnings and resulted in operating EBITDA of € -13.3 million. North America contributed 8% to Group revenues and -6% to operating EBITDA in 2009.

The impairment charges recognized to goodwill at half-year 2009 were related primarily to our business unit in the Midwest, where the automobile industry is a major driver for the regional economy. Since there are no signs of significant recovery in this region over the mid-term, goodwill was adjusted by € 48.2 million.

North America		2008	2009	Chg. in %
Revenues	<i>in € mill.</i>	234.3	149.0	-36
Operating EBITDA ¹⁾	<i>in € mill.</i>	15.1	-13.3	<-100
Operating EBIT ¹⁾	<i>in € mill.</i>	-4.0	-35.4	<-100
CFROI ²⁾	<i>in %</i>	2.2	-1.9	-
CVA ^{2,3)}	<i>in € mill.</i>	-65.1	-95.6	-47
Total investments	<i>in € mill.</i>	47.1	8.8	-81
Capital employed	<i>in € mill.</i>	583.2	488.4	-16
Employees ⁴⁾		1,969	1,043	-47
Sales volumes facing bricks	<i>in mill. WF</i>	535	307	-43

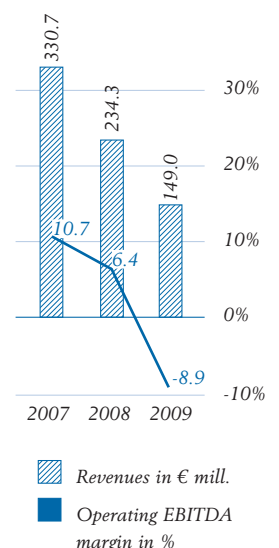
- 1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
 2) Calculation based on average historical capital employed
 3) Hurdle rate = 11.5 %
 4) Average number of employees for the year

The restructuring programs implemented in 2007 and 2008 were followed by new cost reduction measures during the reporting period. In addition to extended temporary standstills, three further plants were permanently closed. More than 700 employees were affected by these measures. The related restructuring costs amounted to € 13.8 million (including € 7.7 million of special write-downs).

Despite positive forecasts for the development of new residential construction in the USA, our estimates for 2010 remain cautious. The NAHB (National Association of Home Builders) has forecasted a 25% rise in housing starts to 695,000 units for 2010, and reports show a drop in the current supply of new homes to 8.1 months at year-end 2009 (2008: 12.8 months). Residential construction in this country appears to have reached the bottom, but it is questionable whether the crisis has passed because the number of foreclosures is still rising and thereby increasing the supply of available properties. Nevertheless, we expect clearly improved, positive operating earnings in 2010 because of the extensive measures implemented to date and higher capacity utilization.

Residential construction dropped by a further 39% to 555,000 units

Impairment charges of € 48.2 million to goodwill



Extensive standstills and additional plant closures in 2009

Positive operating results expected for 2010

Investments and Other

Other investments, holding company costs and Indian brick activities in this segment

The Investments and Other segment comprises the corporate headquarters and related costs, the Wienerberger brick activities in India and other investments held by the Group. In particular, these investments include Pipelife plastic pipes (50/50 joint venture with Solvay) and real estate. The Pipelife Group has developed into an independent company with autonomous management in recent years. It is therefore consolidated at equity, and is not included in the operating results of this segment.

Negative results due to inclusion of holding company costs

The operating results of the Investments and Other segment cover the Group headquarters and holding company services that are charged out as well as Wienerberger brick activities in India. These revenues totaled € 11.7 million in 2009. Cost reduction measures supported an improvement in operating EBITDA to € -21.7 million for the reporting year. The increase in the number of employees in this segment reflects additional hiring for our newly opened plant in India.

Investments and Other		2008	2009	Chg. in %
Revenues	<i>in € mill.</i>	14.9	11.7	-21
Operating EBITDA ¹⁾	<i>in € mill.</i>	-23.5	-21.7	+8
Operating EBIT ¹⁾	<i>in € mill.</i>	-27.4	-25.1	+8
Capital employed	<i>in € mill.</i>	35.5	36.3	+2
Employees ²⁾		226	240	+6

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

2) Average number of employees for the year

Stable margins at Pipelife despite lower revenues

The Pipelife Group, one of the largest producers of plastic pipe systems in Europe, was also affected by the economic crisis in 2009. Substantially lower demand, above all in Central-East Europe as well as in the USA, France, Spain and Ireland, triggered a 22% drop in revenues to € 699 million for the reporting year. As a reaction to the unfavorable economic environment, the company launched an extensive cost and working capital reduction program in all countries during 2008. The first results of the related measures were realized in 2009 – Pipelife was able to hold the operating EBITDA margin constant and generate operating EBITDA of € 60 million despite lower sales volume. For 2010 the company is forecasting a slight improvement in revenues.

Non-core real estate with carrying amount of € 41 million

Our goal is to sell non-core assets and use these funds to refinance the core business. Non-core real estate with a value of € 0.8 million was sold during the reporting year. The carrying amount of our portfolio rose from € 31 million in 2008 to € 41 million in 2009 due to the addition of real estate from closed plants.

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Income Statement

Notes		2009 in TEUR	2008 in TEUR
(9)	Revenues	1,816,884	2,431,388
(10-12, 16)	Cost of goods sold	-1,305,879	-1,585,560
	Gross profit	511,005	845,828
(10-12, 14, 16)	Selling expenses	-387,140	-467,971
(10-12, 14, 16)	Administrative expenses	-123,229	-149,427
(14)	Other operating expenses	-41,178	-35,734
(15)	Other operating income	59,518	47,151
	Profit/loss before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty	18,976	239,847
(11, 17)	Restructuring costs and impairment charges to property, plant and equipment	-153,694	-55,020
(11)	Impairment charges to goodwill	-123,341	-16,717
(17)	Addition to a provision for an impending antitrust penalty	0	-10,000
	Profit/loss after restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty	-258,059	158,110
	Income from investments in associates	6,065	13,389
(18)	Interest and similar income	20,893	40,956
(18)	Interest and similar expenses	-58,684	-83,105
(18)	Other financial results	-5,794	-6,244
	Financial results	-37,520	-35,004
	Profit/loss before tax	-295,579	123,106
(19)	Income taxes	36,902	-19,788
	Profit/loss after tax	-258,677	103,318
	Thereof attributable to non-controlling interests	-1,880	3,350
	Thereof attributable to hybrid capital holders	32,500	32,500
	Thereof attributable to equity holders	-289,297	67,468
(20)	Earnings per share (in EUR)	-3.17	0.81
(20)	Diluted earnings per share (in EUR)	-3.17	0.81

Statement of Comprehensive Income

Notes		2009 <i>in TEUR</i>	2008 <i>in TEUR</i>
	Profit/loss after tax	-258,677	103,318
(7, 26)	Foreign exchange adjustments	8,542	-119,514
	Foreign exchange adjustments to investments in associates	714	-6,281
(24, 26)	Changes in the fair value of available-for-sale financial instruments	-143	-628
(26)	Changes in hedging reserves	8,333	12,528
	Other	0	-51
	Other comprehensive income	17,446	-113,946
	Total comprehensive income	-241,231	-10,628
	Thereof comprehensive income attributable to non-controlling interests	-2,036	2,377
	Thereof share planned for hybrid capital holders	32,500	32,500
	Thereof comprehensive income attributable to equity holders	-271,695	-45,505

Cash Flow Statement

Notes		2009 <i>in TEUR</i>	2008 <i>in TEUR</i>
	Profit/loss before tax	-295,579	123,106
(11)	Depreciation and amortization	189,597	200,273
(11)	Impairment charges to goodwill	123,341	16,717
(11)	Impairment of assets	102,632	21,836
	Write-ups of fixed and financial assets	-130	-157
	Increase/decrease in long-term provisions	-44,363	-16,608
	Income from associates	-6,065	-13,389
	Gain/loss from the disposal of fixed and financial assets	-15,552	-8,391
(18)	Interest results	37,791	42,149
	Interest paid	-53,839	-81,795
	Interest received	19,814	41,894
	Income taxes paid	-5,161	-24,780
	Gross cash flow	52,486	300,855
	Increase/decrease in inventories	174,906	-38,277
	Increase/decrease in trade receivables	85,991	33,505
	Increase/decrease in trade payables	-30,671	-16,630
	Increase/decrease in other net current assets	5,866	-12,366
	Changes in non-cash items resulting from foreign exchange translation	2,279	-4,254
	Cash flow from operating activities	290,857	262,833
	Proceeds from the sale of assets (including financial assets)	24,591	28,678
	Purchase of property, plant and equipment and intangible assets	-129,684	-390,328
	Payments made for investments in financial assets	-1,355	-487
	Increase/decrease in securities and other financial assets	-3,199	2,823
	Net payments made for the acquisition of companies	-3,109	-115,326
	Net proceeds from the sale of companies	1,251	0
(21)	Cash flow from investing activities	-111,505	-474,640
	Increase/decrease long-term financial liabilities	-118,910	200,917
	Increase/decrease short-term financial liabilities	-108,773	42,053
(26)	Dividends paid by Wienerberger AG	0	-120,109
(26)	Hybrid coupon paid	-32,500	-32,500
	Dividends paid to and other changes in non-controlling interests	-225	2,010
	Dividend payments from associates	3,656	42,092
(26)	Capital increase Wienerberger AG	320,067	0
(36)	Cash inflows from exercise of stock options	0	0
(26)	Purchase of treasury stock	0	-9,318
	Cash flow from financing activities	63,315	125,145
	Change in cash and cash equivalents	242,667	-86,661
	Effects of exchange rate fluctuations on cash held	110	123
	Cash and cash equivalents at the beginning of the year	206,835	293,373
	Cash and cash equivalents at the end of the year	449,612	206,835

Balance Sheet

Notes		31.12.2009 in TEUR	31.12.2008 in TEUR
	Assets		
(22)	Intangible assets and goodwill	641,109	769,451
(22)	Property, plant and equipment	1,905,437	2,075,878
(22)	Investment property	41,272	30,543
(3, 22)	Investments in associates	118,977	115,679
(22)	Other financial assets	19,250	19,464
(29)	Deferred tax assets	37,636	35,071
	Non-current assets	2,763,681	3,046,086
(23)	Inventories	552,352	719,995
(24)	Trade receivables	110,312	187,750
(24, 25)	Other current receivables	118,694	133,822
(24, 33)	Securities and other financial assets	92,766	89,445
	Cash and cash equivalents	449,612	206,835
	Current assets	1,323,736	1,337,847
	Total assets	4,087,417	4,383,933
	Equity and Liabilities		
	Issued capital	117,527	83,948
	Share premium	1,115,896	829,408
	Hybrid capital	492,896	492,896
	Retained earnings	1,010,842	1,299,671
	Other reserves	-173,848	-191,450
	Treasury stock	-40,697	-40,697
	Non-controlling interests	24,416	23,415
(26)	Equity	2,547,032	2,497,191
(27, 28)	Employee-related provisions	61,795	68,049
(27, 29)	Deferred taxes	89,164	126,457
(27)	Other non-current provisions	66,307	66,532
(30, 32, 33)	Long-term financial liabilities	880,507	1,011,600
(30)	Other non-current liabilities	28,044	52,158
	Non-current provisions and liabilities	1,125,817	1,324,796
(27)	Other current provisions	59,876	55,503
(30, 32, 33)	Short-term financial liabilities	69,851	174,858
(30)	Trade payables	156,000	177,319
(30)	Other current liabilities	128,841	154,266
	Current provisions and liabilities	414,568	561,946
	Total Equity and Liabilities	4,087,417	4,383,933

Changes in Equity Statement

Notes	<i>in TEUR</i>	Issued capital	Share premium	Hybrid capital	Retained earnings
	Balance on 31.12.2007	83,948	829,408	492,896	1,350,369
	Profit/loss after tax				99,968
(7, 26)	Foreign exchange adjustments				
	Foreign exchange adjustments to investments in associates				
	Changes in hedging reserves				
	Changes in other reserves				-51
(26)	Dividend payment/hybrid coupon				-152,609
	Capital increase/decrease				0
	Increase/decrease in non-controlling interests				0
	Changes in treasury stock				0
	Expenses from stock option plans				1,994
	Balance on 31.12.2008	83,948	829,408	492,896	1,299,671
	Profit/loss after tax				-256,797
(7, 26)	Foreign exchange adjustments				
	Foreign exchange adjustments to investments in associates				
	Changes in hedging reserves				
	Changes in other reserves				0
(26)	Dividend payment/hybrid coupon				-32,500
	Capital increase/decrease	33,579	286,488		0
	Increase/decrease in non-controlling interests				0
	Changes in treasury stock				0
	Expenses from stock option plans				468
	Balance on 31.12.2009	117,527	1,115,896	492,896	1,010,842

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

Other Reserves						
AfS reserve ¹⁾	Hedging reserve	Translation reserve	Treasury stock	Controlling interests	Non-controlling interests	Total
-127	57,478	-135,877	-31,379	2,646,716	25,993	2,672,709
				99,968	3,350	103,318
		-118,541		-118,541	-973	-119,514
		-6,281		-6,281	0	-6,281
	12,526			12,526	2	12,528
-628				-679	-2	-681
				-152,609	-2,505	-155,114
				0	4,515	4,515
				0	-6,965	-6,965
			-9,318	-9,318	0	-9,318
				1,994	0	1,994
-755	70,004	-260,699	-40,697	2,473,776	23,415	2,497,191
				-256,797	-1,880	-258,677
		8,698		8,698	-156	8,542
		714		714	0	714
	8,333			8,333	0	8,333
-143				-143	0	-143
				-32,500	-225	-32,725
				320,067	0	320,067
				0	3,262	3,262
			0	0	0	0
				468	0	468
-898	78,337	-251,287	-40,697	2,522,616	24,416	2,547,032

Table of Non-Current Assets

Acquisition or Production Costs

<i>in TEUR</i>	Balance on 1.1.2009	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31.12.2009
Goodwill	718,546	-5,509	3,435	0	6	0	716,466
Other intangible assets	105,673	19	3,265	3,030	2,128	626	110,485
Intangible assets and goodwill	824,219	-5,490	6,700	3,030	2,134	626	826,951
Land and buildings	1,155,114	9,328	5,678	23,682	17,044	44,263	1,221,021
Machinery and equipment	2,146,105	-5,139	249	72,872	18,329	125,521	2,321,279
Fixtures, fittings, tools and equipment	112,462	640	-348	3,998	8,903	312	108,161
Prepayments and assets under construction	260,321	29	-4,826	26,032	733	-193,264	87,559
Property, plant and equipment	3,674,002	4,858	753	126,584	45,009	-23,168	3,738,020
Investment property	45,919	0	522	70	2,502	22,542	66,551
Investments in associates	55,785	151	1,489	0	0	0	57,425
Investments in subsidiaries	831	0	0	1,349	1,308	0	872
Other investments	18,969	0	-10	6	18	0	18,947
Other financial assets	19,800	0	-10	1,355	1,326	0	19,819
	4,619,725	-481	9,454	131,039	50,971	0	4,708,766

Acquisition or Production Costs

<i>in TEUR</i>	Balance on 1.1.2008	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31.12.2008
Goodwill	709,341	38,016	-27,915	0	946	50	718,546
Other intangible assets	87,070	23,116	-6,661	2,206	298	240	105,673
Intangible assets and goodwill	796,411	61,132	-34,576	2,206	1,244	290	824,219
Land and buildings	1,114,309	22,675	-37,475	42,801	13,509	26,313	1,155,114
Machinery and equipment	2,024,971	32,281	-46,226	114,280	12,648	33,447	2,146,105
Fixtures, fittings, tools and equipment	104,965	1,689	-2,342	10,481	1,603	-728	112,462
Prepayments and assets under construction	121,232	590	-15,310	220,287	2,812	-63,666	260,321
Property, plant and equipment	3,365,477	57,235	-101,353	387,849	30,572	-4,634	3,674,002
Investment property	39,750	2,431	990	273	1,869	4,344	45,919
Investments in associates	61,598	661	-6,474	0	0	0	55,785
Investments in subsidiaries	10,298	-9,673	1	482	277	0	831
Other investments	19,817	0	16	5	869	0	18,969
Other financial assets	30,115	-9,673	17	487	1,146	0	19,800
	4,293,351	111,786	-141,396	390,815	34,831	0	4,619,725

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

Depreciation

Balance on 1.1.2009	Change in consolidation range	Foreign exchange incr./decr.	Depreciation	Impairments	Write-ups	Disposals	Transfers	Balance on 31.12.2009	Carrying amount 31.12.2009
17,553	0	-215	0	123,341	0	0	0	140,679	575,787
37,215	0	320	9,214	0	0	1,391	-195	45,163	65,322
54,768	0	105	9,214	123,341	0	1,391	-195	185,842	641,109
355,397	-241	853	54,422	31,917	3	13,266	6,401	435,480	785,541
1,169,520	-78	227	112,802	69,203	126	15,205	-17,006	1,319,337	1,001,942
73,207	-4	-51	12,493	0	1	7,874	-76	77,694	30,467
0	0	0	130	0	0	56	-2	72	87,487
1,598,124	-323	1,029	179,847	101,120	130	36,401	-10,683	1,832,583	1,905,437
15,376	0	221	536	0	0	1,732	10,878	25,279	41,272
-59,894	-24	775	0	0	6,065	-3,656	0	-61,552	118,977
14	0	0	0	1,347	0	1,270	0	91	781
322	0	-9	0	165	0	0	0	478	18,469
336	0	-9	0	1,512	0	1,270	0	569	19,250
1,608,710	-347	2,121	189,597	225,973	6,195	37,138	0	1,982,721	2,726,045

Depreciation

Balance on 1.1.2008	Change in consolidation range	Foreign exchange incr./decr.	Depreciation	Impairments	Write-ups	Disposals	Transfers	Balance on 31.12.2008	Carrying amount 31.12.2008
3,433	0	-2,597	0	16,717	0	0	0	17,553	700,993
28,818	0	-649	9,367	0	1	287	-33	37,215	68,458
32,251	0	-3,246	9,367	16,717	1	287	-33	54,768	769,451
314,810	0	-5,498	45,780	1,585	8	531	-741	355,397	799,717
1,042,681	0	-12,012	131,812	19,958	136	12,129	-654	1,169,520	976,585
62,159	0	-1,180	12,430	0	12	677	487	73,207	39,255
0	0	0	0	0	0	0	0	0	260,321
1,419,650	0	-18,690	190,022	21,543	156	13,337	-908	1,598,124	2,075,878
13,239	0	399	884	0	0	87	941	15,376	30,543
-88,404	0	-193	0	0	13,389	-42,092	0	-59,894	115,679
14	0	0	0	0	0	0	0	14	817
848	0	14	0	293	0	833	0	322	18,647
862	0	14	0	293	0	833	0	336	19,464
1,377,598	0	-21,716	200,273	38,553	13,546	-27,548	0	1,608,710	3,011,015

Operating Segments

Operating segments <i>in TEUR</i>	Central-East Europe		Central-West Europe ⁴⁾		North-West Europe ⁴⁾	
	2009	2008	2009	2008	2009	2008
Third party revenues	579,445	894,960	373,221	414,297	713,352	885,964
Inter-company revenues	3,227	4,336	17,866	24,706	15,818	18,219
Total revenues	582,672	899,296	391,087	439,003	729,170	904,183
Operating EBITDA ¹⁾	108,757	262,022	32,338	42,578	102,527	143,951
Depreciation and amortization	63,947	68,589	34,720	37,975	65,443	70,773
Operating EBIT ¹⁾	44,810	193,433	-2,382	4,603	37,084	73,178
Restructuring costs and impairment charges to property, plant and equipment	62,533	13,935	30,503	14,830	44,535	24,121
Impairment charges to goodwill	12,054	0	29,433	0	33,663	16,717
Addition to a provision for an impending antitrust penalty	0	0	0	10,000	0	0
Income from investments in associates	-2,645	3,089	59	0	-320	-150
Investments in associates	27,723	30,517	1,882	1,823	1,438	2,224
Interest result	-4,254	-10,101	-10,078	-18,894	-31,493	-61,470
Income taxes	-3,006	-24,472	-198	-5,460	19,535	-3,858
Profit/loss after tax	-43,891	135,724	-77,300	-48,665	-31,624	-38,094
Liabilities	632,836	731,332	337,595	445,595	992,088	1,102,779
Capital employed	787,689	854,926	372,975	481,511	1,131,401	1,297,135
Assets	1,714,276	1,847,054	558,191	659,058	1,979,830	2,112,005
Maintenance capex	35,104	39,007	11,775	19,727	11,776	24,588
Growth capex ²⁾	20,523	186,957	1,457	17,887	38,301	152,140
Employees	5,174	5,832	2,143	2,390	4,076	4,745

Products <i>in TEUR</i>	Revenues		Operating EBITDA ¹⁾		Capital employed	
	2009	2008	2009	2008	2009	2008
Wall ³⁾	617,155	910,981	98,113	244,200	1,018,021	1,113,954
Facade	546,512	764,363	30,877	60,642	970,441	1,185,820
Roof	455,221	538,091	77,978	122,609	571,800	677,444
Pavers	197,542	217,429	23,713	35,641	248,742	259,557
Other	454	524	-22,108	-22,971	7,780	15,452
Wienerberger Group	1,816,884	2,431,388	208,573	440,120	2,816,784	3,252,226

Revenues <i>in TEUR</i>	Central-East Europe		Central-West Europe ⁴⁾		North-West Europe ⁴⁾	
	2009	2008	2009	2008	2009	2008
Austria	96,638	89,320				
Czech Republic	78,952	136,558				
Hungary	55,664	99,956				
Poland	163,546	251,507				
Other Eastern Europe	184,675	317,633				
Germany			261,388	285,444		
Switzerland			64,788	65,856		
Italy			47,734	63,941		
Belgium					215,696	240,877
Netherlands					206,313	261,410
France					138,036	168,015
Great Britain					119,922	172,443
Scandinavia					33,576	43,497
North America						
Wienerberger Group	579,475	894,974	373,910	415,241	713,543	886,242

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

2) Including investments in financial assets beginning in 2009

North America		Investments and Other ³⁾		Reconciliation ⁵⁾		Wienerberger Group	
2009	2008	2009	2008	2009	2008	2009	2008
149,023	234,326	858	528	0	0	1,815,899	2,430,075
0	0	10,856	14,395	-46,782	-60,343	985	1,313
149,023	234,326	11,714	14,923	-46,782	-60,343	1,816,884	2,431,388
-13,340	15,083	-21,709	-23,514	0	0	208,573	440,120
22,043	19,126	3,444	3,810	0	0	189,597	200,273
-35,383	-4,043	-25,153	-27,324	0	0	18,976	239,847
14,233	2,134	1,890	0	0	0	153,694	55,020
48,191	0	0	0	0	0	123,341	16,717
0	0	0	0	0	0	0	10,000
0	0	8,971	10,450	0	0	6,065	13,389
0	0	87,934	81,115	0	0	118,977	115,679
-26,664	-23,110	34,698	71,426	0	0	-37,791	-42,149
19,116	13,515	1,455	487	0	0	36,902	-19,788
-106,986	-18,202	33,619	363,954	-32,495	-291,399	-258,677	103,318
535,039	533,739	1,042,283	1,199,208	-1,999,456	-2,125,911	1,540,385	1,886,742
488,426	583,226	36,293	35,428	0	0	2,816,784	3,252,226
538,877	642,234	4,052,973	3,881,849	-4,756,730	-4,758,267	4,087,417	4,383,933
3,269	14,064	755	1,052	0	0	62,679	98,438
5,541	33,025	5,647	17,207	0	0	71,469	407,216
1,043	1,969	240	226	0	0	12,676	15,162

Total investments

2009	2008
74,999	274,835
23,281	79,973
8,829	104,530
26,282	45,347
757	969
134,148	505,654

North America		Investments and Other		Wienerberger Group	
2009	2008	2009	2008	2009	2008
		933	605	97,571	89,925
				78,952	136,558
				55,664	99,956
				163,546	251,507
				184,675	317,633
				261,388	285,444
				64,788	65,856
				47,734	63,941
				215,696	240,877
				206,313	261,410
				138,036	168,015
				119,922	172,443
				33,576	43,497
149,023	234,326			149,023	234,326
149,023	234,326	933	605	1,816,884	2,431,388

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

4) The cross border trading activities of the Netherlands and Germany were reclassified to Central-West Europe beginning in 2009 (previously: North-West Europe); the comparable prior year data were adjusted accordingly

5) The reconciliation comprises only the elimination of intra-group income and expense as well as accounts receivable and payable between group companies.

Notes to the Financial Statements

General Information

1. Basis for preparation of the consolidated financial statements

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

The consolidated financial statements were prepared in accordance with § 245a of the Austrian Commercial Code as well as the International Financial Reporting Standards (IFRSs) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which 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 International Accounting Standards Board (IASB) and require mandatory application in 2009.

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

2. Effects of new and revised standards

The changes to IFRSs and the IFRIC interpretations had the following effects on the consolidated financial statements of Wienerberger: IFRS 8 (January 1, 2009), which requires mandatory application for the reporting year, has been applied by Wienerberger since the 2007 financial year. IFRIC 13 (January 1, 2009), which requires mandatory application beginning on January 1, 2009, is not relevant for the 2009 consolidated financial statements. IAS 1 (revised) was applied on an early basis beginning in the prior year; the revision of IAS 23 (both January 1, 2009) had no effect on Wienerberger because the Group previously capitalized a proportional share of the borrowing costs attributable to the production of qualified non-current assets and did not expense these costs as incurred. The additional disclosures on financial instruments that are required by IFRS 7 (January 1, 2009) were provided for the reporting year. The changes to IAS 39 concerning the reclassification of financial instruments (July 1, 2008) as well as the changes to IFRS 2 and IFRIC 9 (both January 1, 2009) are not relevant for the 2009 consolidated financial statements.

Of those standards and interpretations announced by the IASB that do not require mandatory application for the reporting year, IFRS 3 (revised) and IAS 27 (revised) (both July 1, 2009) as well as the new standard IFRS 9 (January 1, 2013) were not applied on an early basis. The changes to IAS 32 (January 1, 2011) and IAS 39 (January 1, 2009) as well as the new interpretations IFRIC 15 (January 1, 2010), IFRIC 16 (July 1, 2009), IFRIC 17 (November 1, 2009) and IFRIC 18 (November 1, 2009) are not relevant for the Wienerberger consolidated financial statements in 2009.

3. Consolidation range

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

Consolidation range	Full consolidation	Proportionate consolidation	Equity consolidation
Balance on 31.12.2008	134	15	7
Change in consolidation method	0	0	0
Included during reporting year for the first time	6	0	0
Merged/liquidated during reporting year	-27	0	-1
Divested during the reporting year	-1	0	0
Balance on 31.12.2009	112	15	6
Thereof foreign companies	92	13	4
Thereof domestic companies	20	2	2

Subsidiaries

In addition to Wienerberger AG, the 2009 financial statements include 20 (2008: 16) Austrian and 92 (2008: 118) foreign subsidiaries in which Wienerberger AG is able to directly or indirectly govern financial and operating policies through the majority of voting rights. The investments in subsidiaries are fully consolidated as of the date control is obtained and deconsolidated when control ceases to exist. Twenty-two (2008: 22) subsidiaries were not consolidated in 2009 because their influence on the financial position and financial performance of the Group is immaterial.

Joint ventures

Joint ventures under common control are included in the consolidated financial statements on a proportionate basis. This applies to 15 (2008: 15) companies in the Schlagmann and Bramac Group.

The following tables show the pro rata values for the joint ventures included in the financial statements at their proportional share:

<i>in TEUR</i>	2009	2008
Revenues	90,734	124,654
Operating EBITDA	16,186	29,719
Operating EBIT	10,464	22,835
Profit after tax	3,468	19,090

Assets <i>in TEUR</i>	31.12.2009	31.12.2008	Equity and Liabilities <i>in TEUR</i>	31.12.2009	31.12.2008
Non-current assets	73,939	65,991	Equity	51,210	39,365
Current assets	35,182	31,709	Non-current provisions and liabilities	16,993	17,362
			Current provisions and liabilities	40,918	40,973
	109,121	97,700		109,121	97,700

Investments in associates

Six (2008: 7) major holdings over which Wienerberger exercises significant influence are included in the consolidated financial statements at equity. Following are the proportional values for companies valued at equity (above all, the Pipelife Group and the Tondach Gleinstätten Group):

<i>in TEUR</i>	2009	2008
Revenues	414,233	509,166
Operating EBITDA	45,508	51,836
Operating EBIT	24,586	31,527
Profit after tax	6,065	13,389

Assets			Equity and Liabilities		
<i>in TEUR</i>	31.12.2009	31.12.2008	<i>in TEUR</i>	31.12.2009	31.12.2008
Non-current assets	173,316	159,261	Equity	113,517	112,416
Current assets	139,969	172,285	Non-current provisions and liabilities	62,370	69,808
			Current provisions and liabilities	137,398	149,322
	313,285	331,546		313,285	331,546

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

4. Acquisitions and disposals

The following acquisitions were consolidated for the first time in 2009:

Name of Company	Based in	Issued capital	Currency	Share in %
Semmelrock Ebenseer Baustoffindustrie GmbH & Co KG	Klagenfurt am Wörthersee	1,000,000	EUR	46.88%
Semmelrock Ebenseer GmbH	Klagenfurt am Wörthersee	35,000	EUR	46.88%
Lusit Betonelemente GmbH & Co KG	Klagenfurt am Wörthersee	3,052,259	EUR	46.88%
Lusit Betonelemente GmbH	Klagenfurt am Wörthersee	36,336	EUR	46.88%

The changes in the consolidation range since December 31, 2008 involved the following acquisitions and initial consolidations:

Building Trade Products Ltd., a brick merchant in Great Britain, was initially consolidated as of January 1, 2009. Semmelrock Ebenseer GmbH & Co KG, which resulted from the combination of concrete paver activities in Austria, as well as Lusit KG and Lusit GmbH were included in the Wienerberger financial statements as of May 1, 2009 through full consolidation. This business combination represents a strategic step to strengthen competitive ability and bundle expertise. The goal is to streamline key functions such as sales, distribution and logistics and also optimize the plant network. The involved companies were initially consolidated on the basis of preliminary data because final opening balance sheets were not available when these financial statements were prepared.

The following company was deconsolidated during the reporting year:

VVT Vermögensverwaltung GmbH, which principally owns real estate, was sold and deconsolidated as of September 30, 2009; the deconsolidation gain totaled TEUR 1,204. The 2009 income statement includes this company at the results generated up to the date of deconsolidation.

The comparative financial year from January 1, 2008 to December 31, 2008 included Wienerberger Brick Industry Private Limited in India (consolidated as of January 1, 2008), IGM Backa Nova in Serbia (acquired at the end of 2007; consolidated as of January 1, 2008) and Bockhorner Klinker GmbH in Germany (consolidated as of January 1, 2008). The following companies were not included in the 2008 consolidated financial statements or were not included for the entire reporting period: UAB Wienerberger Statybine Keramika (consolidated as of June 1, 2008), Sandtoft Ltd. in Great Britain (acquired as of January 11, 2008), the Croatian brick plant IGM Ciglana d.o.o. Petrinja (consolidated as of December 31, 2008), the Polish EUCOSO Sp. z o.o. as an associate as well as the activities of the Bramac Group in Albania and in Macedonia as a joint venture.

The net cash outflows for business combinations are shown in the following table. This data is derived from the opening balance sheets of the acquired companies and the purchase price for the acquisition of non-controlling interests.

<i>in TEUR</i>	Carrying amount	Adjustments	Total
Goodwill	0	-5,509	-5,509
Non-current assets	5,914	0	5,914
Current assets	18,767	-6,822	11,945
Non-current provisions and liabilities	-3,524	0	-3,524
Current provisions and liabilities	19,664	-6,822	12,842
Equity	8,541	-5,509	3,032
Addition non-controlling interests			-3,262
Net debt			3,339
Net payments made for the acquisition of companies			3,109

Companies included in the consolidation for the first time increased revenues by TEUR 14,503 (2008: TEUR 65,649) and operating EBITDA by TEUR 2,190 for the period from January 1, 2009 to December 31, 2009 (2008: TEUR 3,891).

The effects of changes in the consolidation range on the 2009 income statement and balance sheet are as follows (from/as of the date of initial consolidation or deconsolidation):

<i>in TEUR</i>	2009
Revenues	17,107
Operating EBITDA	3,877
Operating EBIT	1,044

Assets <i>in TEUR</i>	31.12.2009	Liabilities <i>in TEUR</i>	31.12.2009
Non-current assets	315	Non-current provisions and liabilities	-3,524
Current assets	8,946	Current provisions and liabilities	12,785
	9,261		9,261

5. Basis of consolidation

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

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

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

In accordance with IFRS 3 (2004), a put option granted to the seller(s) in connection with a business combination that allows for the transfer of the remaining non-controlling interest in a Group company to Wienerberger is recognized as a liability at the amount of the consideration expected to be paid. The non-controlling interest in Sandtoft Ltd., which was acquired in 2008, is reported under non-current financial liabilities.

6. Operating segments

The Wienerberger Group manages its business based on geographic criteria and, in accordance with the internal reporting structure, has designated the following regions as strategic operating segments: North-West Europe, Central-West Europe, Central-East Europe and North America as well as the Investment and Other segment. This last segment includes the Group headquarters and investments plus business activities in India. 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 key operating decision maker who decides on the allocation of resources to the individual segments.

Reports to the responsible key operating decision maker include operating EBITDA as the key indicator for the management of the business segments as well as operating EBIT, financial results and profit after tax. Accordingly, these indicators are also presented in the segment report. The allocation of revenues, operating EBITDA, operating 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.

7. Foreign exchange translation

The accounts of foreign companies are translated into the euro based on the functional currency method. The relevant local currency is the functional currency in all cases since these companies operate independently from a financial, economic, and organizational standpoint. All balance sheet positions, with the exception of equity, are translated at the closing rate on December 31, 2009. Goodwill is recorded as an asset in local currency and 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 on the balance sheet and the average exchange rate on the income statement are also recognized directly in equity.

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

Currency translation differences – including the translation differences related to non-controlling interests – of TEUR 9,256 were recorded under equity in 2009 as other comprehensive income without recognition to profit or loss (2008: TEUR 125,795). A total of TEUR 8,333 related to hedges was recognized in equity through the changes in other comprehensive income.

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

<i>in EUR</i>	Closing rate on		Average rate for the year	
	31.12.2009	31.12.2008	2009	2008
100 British Pound	112.59993	104.98688	112.21089	125.62188
100 Bulgarian Lev	51.12997	51.12997	51.12997	51.12997
100 Danish Krone	13.43761	13.42174	13.42956	13.41201
100 Canadian Dollar	66.10259	58.83045	63.07543	64.14467
100 Croatian Kuna	13.69863	13.59527	13.62381	13.84216
100 Norwegian Krone	12.04819	10.25641	11.45238	12.16150
100 Polish Zloty	24.36350	24.07608	23.11103	28.47044
100 Romanian Lei	23.60550	24.86016	23.59003	27.15655
100 Russian Ruble	2.31728	2.42230	2.26621	2.74582
100 Swedish Krone	9.75419	9.19963	9.41617	10.40089
100 Swiss Franc	67.40361	67.34007	66.22861	62.98592
100 Czech Koruna	3.77743	3.72093	3.78263	4.00756
100 Hungarian Forint	0.36980	0.37495	0.35679	0.39758
100 US Dollar	69.41552	71.85457	71.69639	67.99203

8. Significant accounting policies

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

Realization of revenue: Revenue arising from the provision of goods or services is realized when all major risks and opportunities arising from the delivered objects have been transferred to the buyer. Operating expenses are recognized when a service is rendered or a delivery is received, or at the point such liability is incurred.

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

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

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

Production plants (incl. warehouses)	25 years	Kilns and dryers (facings bricks)	10 – 20 years
Administrative buildings	40 – 50 years	Other machinery	5 – 15 years
Residential buildings	40 – 50 years	Fittings, furniture and office equipment	3 – 10 years
Kilns and dryers (clay blocks and roof tiles)	8 – 15 years	Other intangible assets	3 – 10 years

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

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

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

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

Impairment of goodwill and assets: The Wienerberger Group aggregates plants into cash-generating units based on the country in which they are located. In accordance with IAS 36, these cash-generating units – together with assets – are tested for impairment on a regular basis or additionally when there are indications of a lasting decline in value. This testing is performed

at least once each year in the cash-generating unit. It involves comparing the carrying amount of the goodwill and assets allocated to the unit with the sum of the present values (discounted at the weighted average cost of capital after tax – WACC) of expected future cash flows to be derived from the asset (value in use) and, if necessary, reducing the carrying amount to the value in use or to a possible sale price or liquidation value. An after-tax WACC of 7.05% was last determined for the Wienerberger Group, whereby risk-adjusted interest rates were derived from external sources based on recognized financial methods. The expected future cash flows are based on the latest internal forecasts, which were recently prepared for the following four years (2010-2013).

The quality of these forecasts is evaluated on a regular basis through a variance analysis that compares this data with actual figures, and the results of the analysis are incorporated into the subsequent planning process. The calculation reflects detailed planning for the period from 2010 to 2013, whereby the future cash flows in later planning periods are assumed to be realizable over the long-term based on the going concern principle and form the basis for determining a perpetual annuity. 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 and sales volumes. Therefore, the value in use is determined on the basis of forecasts published by statistical agencies (e.g. Euroconstruct) and values from past experience, which are coordinated with economic researchers in the various regional markets. Estimates for cost structures in the Wienerberger Group reflect the extrapolation of values from past experience. The carrying amount of a fixed asset that was previously written down is increased to the recoverable amount if the reasons for impairment cease to exist or a possible use is found for the item. In accordance with IFRS 36 and IFRIC 10, previously recognized impairment losses to goodwill are not reversed.

Investment property is carried at depreciated cost.

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

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

Emission certificates: In accordance with IAS 20 and IAS 38, Wienerberger uses the acquisition cost of zero to record the emission certificates allocated free of charge based on EU-Emission Trading Guideline RL 2003/87/EU. If actual emissions exceed the free certificates, the additional certificates required are recognized at their market price on the balance sheet date. Purchased certificates are recorded at their market price on the balance sheet date.

Financial instruments: A financial instrument is a contract that gives rise to a financial asset in one company and a financial liability or equity instrument in another company. IAS 39 distinguishes between the category of loans and receivables as well as the categories of financial assets at fair value through profit or loss, financial assets held for trading, financial assets held to maturity and financial assets available for sale. A financial asset is derecognized when the contractual rights to receive the related cash flows expire.

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

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

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

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

Cash and cash equivalents include cash on hand, checks received and demand deposits with financial institutions. These items are carried at amortized cost.

Provisions: The provisions for severance payments – primarily for employees of the Austrian companies – are calculated according to actuarial principles based on a retirement age of 65 (men) and 60 (women), using a discount rate of 5.3%. The projected unit credit method is used for this calculation.

The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation after the payment of premiums. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the company up to the point of payment. The provisions for defined benefit pension plans are calculated according to the projected unit credit method. The valuation of pension commitments includes future wage/salary increases as well as increases in defined benefit commitments. These calculations are based on a discount rate that lies between 4.0 – 7.0%, an expected increase of 2.0 – 5.0% in income, an expected increase of 2.0 – 3.0% in pensions, average employee turnover of 2.0 – 4.0% and an expected return of 6.0 – 8.0% on plan assets. The provisions for pensions are calculated by actuaries.

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

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

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

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

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

Liabilities: Liabilities are stated at the actual amount received, less transaction costs. Any premium, discount or other difference between the amount received and the repayment amount is distributed over the term of the liability according to the effective interest rate method and recorded under other 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.

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

Hedges: Wienerberger applies the IAS 39 rules for hedges to transactions that serve as hedges for translation risk as well as the transaction risk associated with future cash flows. A cash flow hedge is defined as an instrument that provides protection against fluctuations in the future cash flows attributable to recognized assets or liabilities. Changes in the market value of an effective hedge are recognized directly in equity (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 the gain or loss on the foreign currency translation of the hedged instrument is recorded under equity and included under other comprehensive income. The accounting treatment applied to fair value hedges differs in that the change in the value of the derivative used as a hedging instrument and any gain or loss on the hedged item attributable to the hedged risk are recognized to profit or loss.

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

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

Estimates: In preparing the Group 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. In assessing whether deferred taxes will actually be realized, management also makes estimates concerning the utilization of deferred tax assets.

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

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

Notes to the Income Statement

9. Revenues

Consolidated revenues fell by 25% to TEUR 1,816,884 in 2009. An adjustment for changes in the consolidation range and currency translation effects results in an organic decline of -23% (2008: -7%). In Central-East Europe, where the effects of the economic crisis were first felt at the beginning of 2009, revenues fell significantly below the good prior year results in all markets. Revenues in North-West Europe stagnated at a low level because of the ongoing market weakness in major parts of the region, but volumes stabilized during the second six months above all in Great Britain. The development of revenues in Central-West Europe differed by country, with a further decrease in Italy and stabilization in Germany at a low level after first half-year declines. In North America, where the demand for building materials has been declining since 2006, continued weakness in new US residential construction led to a further drop in revenues. Group revenues were reduced by foreign exchange effects totaling TEUR 68,184, whereby positive effects from a stronger US dollar were unable to offset a decline in the value of the British pound and Polish zloty. Detailed information on revenues by region is provided in the presentation of operating segments on pages 108 and 109.

10. Material expense

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

<i>in TEUR</i>	2009	2008
Cost of materials	220,721	333,877
Maintenance expenses	88,216	143,954
Cost of merchandise	124,527	181,961
Cost of energy	259,269	374,494
Total	692,733	1,034,286

The reported expenses were increased by TEUR 137,773 (2008: reduced by TEUR 47,822) from the capitalization of TEUR 8,599 (2008: TEUR 13,980) from own work and a proportional share of borrowing costs related to the construction of qualified fixed assets as well as a reduction of TEUR 146,372 (2008: increase of 33,842) in work in process and finished goods inventories.

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

11. Amortization, depreciation and impairment of assets and goodwill

Production, selling and administrative expenses and other operating expenses for the reporting year include TEUR 189,597 (2008: TEUR 200,273) of scheduled depreciation and amortization. The impairment charges to property, plant and equipment totaled TEUR 101,120 (2008: TEUR 21,543), whereby TEUR 68,830 (2008: TEUR 21,543) were related to permanent plant closures as part of the Group-wide restructuring program and represent the write-down to fair value less cost to sell. These fair values were derived from comparable transactions, expert opinions by independent third parties and justifiable estimates, and subsequently reduced by the expected selling expenses.

Impairment testing in accordance with IAS 36 indicated a need for impairment charges of TEUR 123,341 to goodwill in 2009 (2008: TEUR 16,717).

<i>in TEUR</i>	2009	2008
Amortization of intangible assets and depreciation of property, plant and equipment	189,597	200,273
Impairment charges to goodwill	123,341	16,717
Impairment charges to assets	101,120	21,543
Impairment charges	224,461	38,260
Amortization, depreciation and impairment charges to goodwill, other intangible assets and property, plant and equipment	414,058	238,533

In accordance with IFRS 3, goodwill is no longer amortized on a regular basis but tested at least once each year together with the assets defined in IAS 36 for indications of impairment. Wienerberger defines plants as cash-generating units; these plants are aggregated by country and, in larger countries, further differentiated on the basis of regional criteria. This process led to the definition of roughly 50 cash-generating units in the Wienerberger Group for the reporting year.

In mid-2009 Wienerberger identified a need for impairment tests as defined in IAS 36 due to the effects of the economic crisis on the construction industry in many countries. Unscheduled impairment tests were therefore carried out on all cash-generating units based on updated corporate forecasts for the period 2010-2013. A value in use was calculated for each cash-generating unit on the basis of this forecast data by discounting the expected future net cash inflows (discounted cash flow method) and comparing this value with the carrying amount of the asset and the goodwill allocated to the unit. If the value in use was less than the carrying amount, an impairment charge was recognized to the asset and goodwill.

A 6.91% weighted average after-tax cost of capital was calculated for the Wienerberger Group and used in the unscheduled impairment tests carried out in mid-2009, but different regional WACC rates were applied to the United States (6.23%), Great Britain (6.31%) and Russia (10.80%). A basic growth rate of 1% for the Wienerberger Group was assumed for the time after the detailed planning period, but higher rates of up to 5% were applied to the growth markets of Russia and India. The unscheduled impairment tests resulted in impairment charges totaling TEUR 123,341, whereby TEUR 48,191 are attributable to the United States, TEUR 21,059 to Italy, TEUR 20,430 to the brick activities in Great Britain, TEUR 10,000 to the facing brick activities in France, TEUR 8,374 to the facing brick and roofing business in Germany, TEUR 5,514 to Finland, TEUR 5,000 to Estonia, TEUR 3,233 to Norway and TEUR 1,540 to Semmelrock paver activities in the Czech Republic. These impairment charges were recognized in the financial statements as of June 30, 2009 and, in accordance with IFRIC 10, may not be reduced if the relevant charges would have been lower in a subsequent accounting period.

Impairment testing also led to the recognition of impairment charges for the full year totaling TEUR 32,290 to property, plant and equipment. The major component of these charges represented the write-down of real estate in Great Britain, Austria and Switzerland as well as the write-down of other plant and equipment in Russia. The carrying amount of these assets may be increased at a later date if the reasons for impairment cease to exist.

Impairment tests carried out in December 2009 based on the new mid-term planning data for 2010-2013 did not result in any additional impairment losses above and beyond the charges recognized after the unscheduled impairment tests. An after-tax WACC of 7.05% was used for the Wienerberger Group in the December impairment tests, whereby different regional costs of capital were again applied to the United States (6.43%), Great Britain (6.66%) and Russia (10.80%). The assumptions for the growth rates were maintained unchanged.

The total impairment charges recognized to goodwill, intangible assets and property, plant and equipment during the reporting year are allocated to the operating segments as follows: Central-East Europe TEUR 55,787 (2008: TEUR 8,619), Central-West Europe TEUR 44,541 (2008: TEUR 5,413), North-West Europe TEUR 66,414 (2008: TEUR 23,021), North America TEUR 56,303 (2008: TEUR 1,207) and Investments and Other TEUR 1,416 (2008: TEUR 0).

12. Personnel expenses

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

<i>in TEUR</i>	2009	2008
Wages	186,483	248,348
Salaries	174,930	201,128
Leased personnel (permanently)	7,940	14,075
Expenses for stock option plans	468	1,994
Expenses for severance payments	3,239	14,720
Expenses for pensions	10,992	8,255
Expenses for mandatory social security and payroll-related taxes and contributions	92,947	106,169
Other employee benefits	10,969	12,844
Personnel expenses	487,968	607,533

The remuneration for the members of the Managing Board totaled TEUR 2,723 in 2009 (2008: TEUR 2,470). Of this amount, TEUR 1,691 represents a fixed component and TEUR 1,032 a variable component. For the active members of the Managing Board, pension expenses in the form of contributions to pension funds (defined contribution plans) and the service costs for defined benefit plans totaled TEUR 650 (2008: TEUR 1,518). Payments of TEUR 3,321 (2008: TEUR 638) were made to former members of the Managing Board or their surviving dependents.

The members of the Supervisory Board received remuneration of TEUR 215 in 2009 for their activities during the 2008 financial year (2008: TEUR 343). Detailed information on these payments is provided in the remuneration report on page 32.

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.

The members of the Managing Board and Supervisory Board are listed on pages 26 and 22. The number of shares owned by these persons is listed on page 32. Detailed information on compensation paid to the members of the Managing Board and Supervisory Board is provided in the remuneration report on pages 30 to 32. Expenses arising from the stock option plans are shown on page 154.

13. Employees

The average number of employees in 2009 and 2008 is shown in the following table:

	2009		2008	
	Total	Thereof joint ventures	Total	Thereof joint ventures
Production	8,430	409	10,685	480
Administration	1,222	66	1,397	67
Sales	3,024	170	3,080	177
Total	12,676	645	15,162	724
Thereof apprentices	70	1	152	2

Changes in the consolidation range led to an increase of 90 in the number of employees during the reporting year. Employees of companies included at their proportional share are reflected in this calculation based on the holdings in these companies.

14. Other operating expenses

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

<i>in TEUR</i>	2009	2008
Non-income based taxes	24,311	26,616
Loss on the disposal of fixed assets, excluding financial assets	2,095	2,960
Transportation costs for customer deliveries	101,471	129,013
Internal transport	45,949	69,643
Environmental protection measures	5,554	15,323
Uncollectible receivables	3,762	2,781
Services	83,566	111,000
Rental and leasing charges	38,255	42,102
Miscellaneous	54,455	50,373
Other operating expenses	359,418	449,811

A reconciliation of expenses under the total cost method to expenses under the cost of sales method is provided on page 125.

The cost of services is comprised primarily of expenses for business trips and travel, legal advising and consulting, advertising, insurance and telecommunications. Miscellaneous other expenses consist mainly of commissions, patent and trademark rights, business entertainment, customer claims and research and development. Research and development expenses at Wienerberger also include the costs for product development, process technology, the improvement of environmental standards and laboratory activities. The development costs for successful research programs are generally capitalized under the related asset. In 2009 research expenses amounted to TEUR 2,085 (2008: TEUR 2,214).

The fees charged by the auditing firm and other members of its partner network in 2009 were as follows: TEUR 1,504 for the audit of the consolidated financial statements, TEUR 309 for other assurance services and TEUR 667 for miscellaneous services.

15. Other operating income

<i>in TEUR</i>	2009	2008
Income from the disposal and write-up of tangible assets, excluding financial assets	17,777	11,510
Income from rental and leasing contracts	4,321	3,967
Subsidies	3,049	3,287
Insurance compensation	734	1,167
Miscellaneous	43,700	32,609
Other operating income	69,581	52,540

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

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

In an 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:

<i>in TEUR</i>	Cost of freight	Cost of materials	Cost of merchandise	Depreciation	Cost of energy	Personnel expenses	Other income	Other expenses	Total
Cost of goods sold	0	428,035	124,492	157,098	251,597	271,519	-6,193	79,331	1,305,879
Selling expenses	102,520	18,675	35	7,997	3,986	139,645	-2,589	116,871	387,140
Administrative expenses	0	0	0	11,077	735	76,804	-1,281	35,894	123,229
Other operating expenses	0	0	0	13,425	2,951	0	0	24,802	41,178
Other operating income	0	0	0	0	0	0	-59,518	0	-59,518
	102,520	446,710	124,527	189,597	259,269	487,968	-69,581	256,898	1,797,908

17. Restructuring costs

Wienerberger continued the restructuring program started in 2008 during the reporting year, which included further steps to optimize and adjust the plant network as a reaction to the declining demand for building materials in the wake of the global economic crisis. The costs incurred for these measures require separate disclosure because of their scope.

Costs recognized for the earlier-than-planned shutdown of facilities to optimize and restructure the production network as part of the 2009 restructuring program totaled TEUR 121,404 (2008: TEUR 55,020). Of this amount, TEUR 68,830 (2008: TEUR 21,543) represented impairment charges for the shutdown of production equipment and TEUR 52,574 (2008: TEUR 33,477) other restructuring and optimization measures. The major part of these costs covered plans for terminated employees and permanent plant closures, while a smaller amount involved costs for the scrapping and disposal of materials in connection with the shutdown of plants as well as legal and consulting fees. The impairment testing of assets in accordance with IAS 36 identified a need for impairment charges of TEUR 32,290 to property, plant and equipment, with the majority of these charges representing the write-down of property in Great Britain, Austria, Switzerland as well as the write-down of other plant and equipment in Russia. Restructuring costs and impairment charges to property, plant and equipment for the reporting year totaled TEUR 153,694.

Most of the reporting year costs for restructuring and impairment charges to property, plant and equipment were recognized in Central-East Europe TEUR 62,533 (2008: TEUR 13,935), which was affected by the global economic crisis at a later point in time, and in North-West Europe TEUR 44,535 (2008: TEUR 24,121). The remaining balance is distributed between Central-West Europe TEUR 30,503 (2008: TEUR 14,830) and North America TEUR 14,233 (2008: TEUR 2,134), where further production sites and sales offices were closed. Restructuring costs and impairment charges totaling TEUR 1,890 were recognized to property, plant and equipment in the Investments and Other segment during the reporting year.

The comparable prior year figures include a provision for an impending antitrust penalty in addition to restructuring costs. In a decision issued on December 15, 2008, the German Cartel Office levied an administrative fine of approx. TEUR 42,000 against Koramic Dachprodukte GmbH & Co KG, a wholly owned subsidiary of Wienerberger AG in Germany, for alleged price agreements in violation of fair competition. The company immediately appealed this decision. Based on estimates of antitrust experts, the fine and costs for legal proceedings – provided that the allegations are confirmed on their merits – are not expected to total more than TEUR 10,000. This amount remained unchanged in 2009. There is no new information on the status of the related proceedings, and a decision on the legality of the administrative fine was not issued during the reporting year. The company is cooperating with the responsible authorities and emphasizes that agreements in violation of free competition are not part of the corporate policies of the Wienerberger Group, but are expressly prohibited through internal guidelines and will be met with sanctions.

18. Interest and other financial results

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

2009 in TEUR	Total	Loans and receivables	FLAC ¹⁾	AFS ²⁾	Derivatives
Interest and similar income	20,893	12,014	0	74	8,805
Interest and similar expense	-58,684	0	-54,826	0	-3,858
Interest result	-37,791	12,014	-54,826	74	4,947
Income from third parties (dividends)	73	0	0	73	0
Income from subsidiaries	33				
Gains on the disposal of available-for-sale (AFS) financial instruments	234	0	0	234	0
Valuation of fair value hedges	0	0	0	0	0
Impairment of financial instruments	-1,361	0	0	-1,361	0
Valuation of financial instruments held for trading	-1,192	0	0	0	-1,192
Foreign exchange differences	-148				
Banking fees	-3,807				
Miscellaneous	374				
Other financial results	-5,794	0	0	-1,054	-1,192
Total	-43,585	12,014	-54,826	-980	3,755

1) Financial liabilities at amortized cost

2) Available-for-sale financial instruments

2008 <i>in TEUR</i>	Total	Loans and receivables	FLAC ¹⁾	AfS ²⁾	Derivatives
Interest and similar income	40,956	40,889	0	67	0
Interest and similar expense	-83,105	0	-83,105	0	0
Interest result	-42,149	40,889	-83,105	67	0
Income from third parties (dividends)	1,209	0	0	1,209	0
Income from subsidiaries	99				
Gains on the disposal of available-for-sale (AfS) financial instruments	-16	0	0	-16	0
Valuation of fair value hedges	-3,441	0	0	0	-3,441
Impairment of financial instruments	-324	0	0	-324	0
Valuation of financial instruments held for trading	0	0	0	0	0
Foreign exchange differences	-22				
Banking fees	-3,768				
Miscellaneous	19				
Other financial results	-6,244	0	0	869	-3,441
Total	-48,393	40,889	-83,105	936	-3,441

1) Financial liabilities at amortized cost

2) Available-for-sale financial instruments

Losses of TEUR 143 on available-for-sale financial assets were recognized directly in equity during the reporting year (2008: TEUR 628), and are shown separately on the statement of comprehensive income. The sale of securities generated income of TEUR 234 (2008: loss of TEUR 16). Available-for-sale financial instruments also include losses of TEUR 1,361 (2008: TEUR 324) that were recognized to profit or loss and resulted from lasting impairment.

The hedges previously included under fair value hedges were not effective in 2009. The valuation loss of TEUR 1,192 (2008: gain of TEUR 3,441) on these interest rate hedges is therefore reported under the market valuation of financial instruments held for trading.

Bank fees include current expenses as well as the allocation of capitalized transaction costs for the conclusion of loans or the issue of bonds (above all, bank charges) over the term of the financing. The reversal of discounts is included under interest result.

19. Income taxes

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

<i>in TEUR</i>	2009	2008
Current tax expense	3,626	24,766
Deferred tax expense	-40,528	-4,978
Income taxes	-36,902	19,788

The effective tax rate for 2009 was 12.5% (2008: 16.1%). This rate is a weighted average of the effective local income tax rates of all companies included in the consolidation.

The difference between the applicable Austrian corporate tax rate of 25% (2008: 25%) and the Group tax rate shown in these statements is due to the following factors:

<i>in TEUR</i>	2009	2008
Profit/loss before tax	-295,579	123,106
Tax expense at tax rate of 25%	73,895	-30,777
Other foreign tax rates	20,696	16,002
Tax income and expense from prior periods	-826	-1,082
Effect of tax free income from investments in associates	1,505	3,334
Valuation allowance for deferred tax assets and change in valuation allowances for deferred tax assets as well as tax-loss carryforwards	-21,364	-11,203
Non-temporary differences	-38,740	4,323
Changes in tax rates	1,736	-385
Effective tax expense	36,902	-19,788
Effective tax rate in %	12.5	16.1

The non-temporary differences resulted primarily from the impairment charges recognized to goodwill during 2009. Tax effects were not calculated for the other components of comprehensive income that are presented after tax, e.g. for the fair value measurement of available-for-sale financial instruments and changes resulting from hedges. These transactions only involve Wienerberger AG and Wienerberger Finanzservice GmbH, which are headquartered in Vienna, and presently have an effective tax rate of 0% due to the current loss situation and tax loss carryforwards from prior periods. Therefore, the allocation of these tax effects to the individual components of other comprehensive income would provide no additional information.

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

Following a capital increase in September 2009, the number of issued shares totaled 117,526,764 as of December 31, 2009. The number of shares held as treasury stock equaled 1,113,603 as of this same date (2008: 1,113,603) and were deducted prior to the calculation of earnings per share. The resulting weighted average number of shares for the calculation of earnings per share in 2009 equaled 91,297,853.

<i>Number of shares</i>	2009	2008
Outstanding	117,526,764	83,947,689
Treasury stock	1,113,603	1,113,603
Weighted average	91,297,853	82,894,992

In accordance with the definition provided in IAS 33, the options granted in 2004, 2005, 2006, 2007 and 2008 did not have a diluting effect on earnings per share during the 2009 financial year.

In accordance with the provisions of the Austrian Stock Corporation Act, the financial statements of Wienerberger AG as of December 31, 2009 form the basis for the distribution of profit/loss. These financial statements show net loss of EUR 89,526,669, which will be carried forward in full. The Managing Board recommends the Annual General Meeting waive the payment of a dividend for the 2009 financial year on issued capital of EUR 117,526,764.

Earnings per share of € -3.17 were calculated by dividing the earnings of the parent company by the weighted average number of shares outstanding. Adjusted earnings per share (= diluted adjusted earnings per share) of € -0.34 were based on the operating earnings of the parent company before restructuring costs and impairment charges to property, plant and equipment and goodwill as well as an adjustment for the tax effects arising from restructuring costs and the impairment of property, plant and equipment.

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, which also includes other components of income that are recognized directly in equity. These items are comprised above all of foreign exchange adjustments, changes to the hedging reserve recorded under equity and the results of the valuation of available-for-sale securities. The components of comprehensive income are presented after tax (see note 19, Income taxes).

Positive currency translation differences of TEUR 9,256 in 2009 (2008: TEUR 125,795) were generated primarily from the British pound and a number of East European currencies, and offset the negative effects from the US dollar. The market valuation of hedges of net investments in foreign operations and cash flow hedges increased the hedging reserves by a total of TEUR 8,333 after tax.

Expenses of TEUR 4,816 for gas futures (cash flow hedges) that matured during the reporting year were recognized to the income statement in 2009. Changes in the market value of these futures were previously recorded directly in equity.

As a consequence of the TEUR 258,677 after-tax loss recorded for 2009 (2008: profit after tax of TEUR 103,318), total comprehensive income after tax results in a reduction of TEUR 241,231 to equity for the reporting year (2008: reduction of TEUR 10,628).

Notes to the Cash Flow Statement

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

21. Cash flow from investing activities

The acquisition of property, plant and equipment and intangible assets resulted in an outflow of funds totaling TEUR 129,684 (2008: TEUR 390,328). This amount included TEUR 62,679 for maintenance, replacement rationalization and environmental protection investments (maintenance capex) as well as TEUR 67,005 for the construction of new plants or the expansion or revitalization of existing facilities (growth investments). Investments of TEUR 1,355 (2008: TEUR 487) were made in financial assets.

Cash inflows from the disposal of fixed and financial assets totaled TEUR 24,591 (2008: TEUR 28,678). These disposals generated gains of TEUR 15,552 (2008: TEUR 8,391).

Net payments for the acquisition of companies totaled:

<i>in TEUR</i>	2009	2008
Payments made for companies acquired	1,456	105,396
Cash from companies consolidated for the first time	0	-2,528
Acquisition of non-controlling interests	1,653	12,458
Net payments made for the acquisition of companies	3,109	115,326

Net payments of TEUR 3,109 (2008: TEUR 115,326) for the acquisition of companies include the purchase price for the proportional share of equity as well as any debt assumed in connection with the transaction (debt-free company). The sale of companies generated net cash inflows of TEUR 1,251 (2008: TEUR 0).

The reconciliation of total investments to maintenance capex and growth investments, including financial assets, in the Wienerberger Group is as follows:

<i>in TEUR</i>	2009	2008
Payments made for investments in tangible and intangible assets	129,684	390,328
Net payments made for the acquisition of companies	3,109	115,326
Investments in financial assets	1,355	487
Total investments including financial assets	134,148	506,141
Maintenance, replacement, rationalization and environmental investments	62,679	98,438
Maintenance capex	62,679	98,438
Payments made for new plant construction and renovation	67,005	291,890
Net payments made for the acquisition of companies	3,109	115,326
Growth investments	70,114	407,216
Investments in financial assets	1,355	487
Growth investments including financial assets	71,469	407,703

Notes to the Balance Sheet

22. Non-current assets

The development of non-current assets is shown on pages 106 and 107. The effect of changes in the consolidation range is shown in a separate column. The figures shown for foreign exchange rate increases and decreases represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year and at year-end.

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

<i>in TEUR</i>	2009	2008
Central-East Europe	63,447	65,967
Central-West Europe	55,841	85,273
North-West Europe	298,043	339,014
North America	157,227	209,534
Investments and Other	1,229	1,205
Goodwill	575,787	700,993

The remaining goodwill in the North-West Europe segment resulted primarily from the acquisition of brick activities in Great Britain (TEUR 51,929) and the clay roof tile producer Sandtoft (TEUR 25,551) as well as the roof tile business in Belgium, the Netherlands and France (total: TEUR 200,363). In North America goodwill arose from the purchase of General Shale in the USA (TEUR 146,788) and Arriscraft in Canada (TEUR 10,438).

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

Non-current assets include land with a value of TEUR 333,547 (2008: TEUR 352,948). Capitalized interest expense and foreign currency differences on new plant construction totaled TEUR 2,349 in 2009 (2008: TEUR 4,150).

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

<i>in TEUR</i>	2009	2008
Acquisition costs	37,791	43,998
Depreciation (accumulated)	5,409	11,092
Carrying amount	32,382	32,906

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>	2009	2008
For the following year	14,652	14,329
For the next two to five years	51,079	50,161
Over five years	19,144	19,476

Payments arising from operating leases, license and rental agreements totaled TEUR 38,255 for the reporting year (2008: TEUR 42,102).

The balance sheet item investment property includes real estate and buildings with a carrying amount of TEUR 41,272 (2008: TEUR 30,543), which are not used in current business operations. These assets are scheduled for sale over the middle to long-term, and are therefore classified as *investment property*. Based on comparable transactions, the fair value of these assets is estimated at TEUR 59,357 (2008: TEUR 45,162). This property generated rental and other income of TEUR 513 in 2009 (2008: TEUR 381). In 2009 Wienerberger sold investment property with a carrying amount of TEUR 770. Of the total non-current assets, property and plant with a combined carrying amount of TEUR 13,102 and a fair value of TEUR 25,683 are designated for sale; the majority of these items represent land and buildings at plant locations that have been permanently closed. However, management does not expect to conclude a sale within the next 12 months because of the generally unfavorable situation on the industrial property market. Therefore, these assets were not classified as *non-current assets held for sale and discontinued operations* in accordance with IFRS 5.

23. Inventories

<i>in TEUR</i>	2009	2008
Raw materials and consumables	80,760	105,914
Semi-finished goods	79,654	96,614
Finished goods and merchandise	389,656	514,385
Prepayments	2,282	3,082
Inventories	552,352	719,995

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 12,434 (2008: TEUR 7,169) 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 47,894 as of December 31, 2009.

24. Receivables, securities and other financial assets

Loans and receivables

<i>in TEUR</i>	2009			2008		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Trade receivables from third parties	109,693	108,577	1,116	187,296	173,008	14,288
Trade receivables from subsidiaries	619	619	0	454	454	0
Trade receivables	110,312	109,196	1,116	187,750	173,462	14,288
Financial receivables from subsidiaries	21,645	21,645	0	15,247	15,247	0
Receivables arising from loans	12,188	7,143	5,045	6,988	1,421	5,567
Loans granted	33,833	28,788	5,045	22,235	16,668	5,567
Loans and receivables	144,145	137,984	6,161	209,985	190,130	19,855

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 2009 individual valuation adjustments totaled TEUR 3,762 (2008: TEUR 2,781). Individual valuation adjustments to receivables during the reporting year equaled 2.6% of trade receivables and originated loans as well as less than 2% of total receivables, and are therefore not shown separately. The receivables due from Group companies result primarily from loans granted. Trade receivables totaling TEUR 9,542 (2008: TEUR 11,333) are secured by notes payable.

Available-for-sale financial instruments

	2009				2008			
	Carrying amount in TEUR	Market value in TEUR	Market value changes recog. to equity in TEUR	Ø Effective interest rate in %	Carrying amount in TEUR	Market value in TEUR	Market value changes recog. to equity in TEUR	Ø Effective interest rate in %
Shares in funds	3,813	3,813	-122	1.10	3,987	3,987	-601	1.64
Corporate bonds	2,062	2,062	-21	5.65	6,256	6,256	-28	4.47
Stock	6,452	6,452	0	-	6,452	6,452	1	-
Other	475	475	0	-	3,028	3,028	0	-
Available-for-sale financial instruments	12,802	12,802	-143		19,723	19,723	-628	

In addition to the available-for-sale financial instruments included under securities and other financial assets, other non-current financial assets include TEUR 19,250 (2008: TEUR 19,464) that are also assigned to this category. The resulting total of available-for-sale financial instruments is TEUR 32,052 (2008: TEUR 39,187).

Financial instruments held for trading

in TEUR	2009		2008	
	Carrying amount	Market value	Carrying amount	Market value
Derivatives from cash flow hedges	44,500	44,500	44,611	44,611
Derivatives from fair value hedges	0	0	1,755	1,755
Other derivatives	1,631	1,631	1,121	1,121
Derivatives with positive market value	46,131	46,131	47,487	47,487

The carrying amounts of securities and other financial assets totaled TEUR 92,766 (2008: TEUR 89,445). This amount includes TEUR 33,833 (2008: TEUR 22,235) of loans granted, TEUR 12,802 (2008: TEUR 19,723) of available-for-sale financial instruments and TEUR 46,131 (2008: TEUR 47,487) of derivatives with a positive market value.

25. Other receivables, prepaid expenses and deferred charges

<i>in TEUR</i>	2009			2008		
	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	5,300	5,300	0	9,201	9,201	0
Prepaid expenses and deferred charges	12,461	12,461	0	11,017	11,017	0
Miscellaneous receivables	100,933	83,446	17,487	113,603	88,265	25,339
Other current receivables, prepaid expenses and deferred charges	118,694	101,207	17,487	133,822	108,483	25,339

Miscellaneous receivables include receivables due from taxation authorities and social security carriers.

26. Capital and reserves

The development of capital and reserves in 2009 and 2008 is shown on pages 104 and 105.

Efficient capital structure management represents a key goal for Wienerberger, whereby the composition of the capital structure is closely linked with the capital-intensive nature of the brick and roof tile business. The financial crisis and its effects on the liquidity of financial markets have led us to place a special focus on the maintenance and expansion of a strong equity base. Our targets for specific financial indicators are defined above all by the covenants in the financing agreements we have concluded with banks: net debt/operating EBITDA of less than 3.75 years (whereby this indicator may increase up to 4.0 years during two quarters) and, for the first time, a ratio of adjusted net assets (equity less goodwill) to the balance sheet total (excluding goodwill) of at least 35%. A ratio of net debt to operating EBITDA below 2.5 years over the mid-term reflects our plans; as of December 31, 2009 this indicator equaled 2.0 years. The interest cover covenant (operating EBIT/interest result) was suspended through the end of 2010, and will equal 2.75 years after this time.

The 140th Annual General Meeting of Wienerberger AG on May 14, 2009 approved an increase in authorized capital, which may equal up to 50% of current share capital. This authorization covers an ordinary capital increase in exchange for contributions in cash or in kind. As in the past, the Managing Board may increase the share capital of the company, with the approval of the Supervisory Board, during a period of five years, e.g. up to May 13, 2014, in exchange for contributions in cash or in kind. Share capital can be increased by a maximum of EUR 41,973,844 or 50% of share capital through the issue of up to 41,973,844 new bearer or registered shares. This increase can also be carried out in multiple segments. The type of shares, the issue price and the issue conditions are to be determined by the Managing Board and approved by the Supervisory Board. The legal subscription rights of shareholders are given, but the Managing Board was 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).

Furthermore, the Annual General Meeting 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 was 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 new shares issued in connection with the above-mentioned capital measures may not exceed 41,973,844 (50% of share capital).

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.

In September 2009 Wienerberger AG carried out a capital increase from authorized capital, which was approved by the 140th Annual General Meeting. The capital increase involved the issue of 33,579,075 new shares and generated proceeds of TEUR 320,067 after the deduction of transaction costs. The relevant filing with the Austrian company register took place on September 30, 2009, and the capital increase was recorded on October 1, 2009.

The share capital of Wienerberger AG totaled EUR 117,526,764 as of December 31, 2009 and, since the capital increase, has been divided into 117,526,764 zero par value shares. All shares carry the same rights and are fully paid in.

On February 9, 2009 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% that can also be suspended if the dividend is postponed. After ten years Wienerberger AG may call the hybrid bond or extend the term at a variable interest rate (EURIBOR +325 bps). This instrument meets the criteria defined by IAS 32 for classification as equity, and the coupons are shown as part of the use of earnings on the changes in equity statement. In accordance with IAS 32, this data is presented after tax. Wienerberger AG has an effective tax rate of 0% due to the current loss situation and loss carryforwards from prior periods, and the distribution after tax therefore equals TEUR 32,500. In 2009 the accrued coupon interest reduced earnings per share by EUR 0.36.

Retained earnings of TEUR 1,010,842 (2008: TEUR 1,299,671) include the retained earnings of Wienerberger AG and the retained earnings of subsidiaries not eliminated during the capital consolidation. Group results for 2009, excluding the share of profit due to non-controlling interests, are shown under retained earnings.

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

Equity totaled TEUR 2,547,032 as of December 31, 2009, compared to TEUR 2,497,191 in the prior year. The changes in equity resulted above all from a reduction in retained earnings due to the loss recorded for the reporting year and the payment of the hybrid coupon as well as from an ordinary capital increase.

The Managing Board will recommend that the Annual General Meeting waive the distribution of a dividend for the 2009 financial year and use the retained funds to strengthen the equity base of the Group against the backdrop of the still difficult economic environment.

Free float is distributed among Austrian and international investors (also see page 65), with the US firm Dodge & Cox Inc. holding more than 10% of the company's shares. 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.

27. Provisions

<i>in TEUR</i>	1.1.2009	Foreign exchange incr./decr.	Chg. in consolidation range	Reversal	Use	Addition	31.12.2009
Provisions for severance payments	16,715	21	410	1,734	3,677	1,084	12,819
Provisions for pensions	46,793	712	0	36	10,993	8,494	44,970
Provisions for service anniversary bonuses	4,541	-1	-158	516	152	292	4,006
Employee-related provisions	68,049	732	252	2,286	14,822	9,870	61,795
Deferred taxes	126,457	403	135	24,828	22,270	9,267	89,164
Provisions for warranties	24,834	49	0	546	2,954	3,598	24,981
Provisions for site restoration	39,631	157	204	2,106	2,165	2,838	38,559
Provisions for environmental measures	2,067	17	0	25	563	1,271	2,767
Other non-current provisions	66,532	223	204	2,677	5,682	7,707	66,307
Non-current provisions	261,038	1,358	591	29,791	42,774	26,844	217,266
Provisions for current taxes	3,326	60	0	90	0	4,815	8,111
Other current provisions	52,177	474	520	7,152	20,726	26,472	51,765
Current provisions	55,503	534	520	7,242	20,726	31,287	59,876
Provisions	316,541	1,892	1,111	37,033	63,500	58,131	277,142

Other current provisions are comprised chiefly of provisions for restructuring and a provision of TEUR 10,000 for an impending antitrust penalty in Germany.

28. Pensions and employee benefits

Wienerberger has made pension commitments to selected managers as well as all employees in the Netherlands, Great Britain, the US and Switzerland. Defined contribution plans represent the goal for future pension agreements. In 2004 a number of *defined benefit* pension agreements with active managers were converted to *defined contribution* pension models through the transfer of previously earned claims to a pension fund. Wienerberger has also made a number of defined pension commitments mainly to former managers, which are not tied to plan assets; the length of service forms the basis for retirement benefits under these plans. General Shale Inc. (USA) employees have a funded defined benefit pension plan as well as non-funded health insurance; the amount by which the fair value of pension plan assets exceeds pension obligations is shown under other receivables. ZZ Wancor (Switzerland) has a defined contribution pension plan through an external pension fund. Claims earned by Dutch employees are satisfied primarily through contributions to an industry-wide pension fund in the Netherlands. In Great Britain a defined contribution pension plan covers all employees. The member companies of thebrickbusiness, 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. In 2009 the provisions for pensions equaled TEUR 44,970 and the provisions for posts-employment benefits TEUR 57,789.

The major actuarial parameters and relevant accounting principles are described on pages 118 and 119.

Total pension expenses for 2009 cover both defined contribution and defined benefit pension plans, and include the following components:

<i>in TEUR</i>	2009	2008	2007
Defined contribution plans			
Expenses for defined contribution pension plans	4,721	6,036	8,510
Defined benefit plans			
Service costs for defined benefit pension plans	2,287	3,597	4,540
Interest costs	9,345	9,711	7,827
Expected income from plan assets	-5,957	-8,426	-6,649
Actuarial gain/loss	4,564	-2,697	-3,268
Past service cost	-20	34	-464
Effect of plan curtailments and settlements	-3,948	0	0
Expenses for defined benefit plans	6,271	2,219	1,986
Total expenses for pensions	10,992	8,255	10,496

Gross pension obligations represent the present value of pension commitments as calculated by actuaries. Total pension obligations of TEUR 168,238 (2008: TEUR 158,858) include TEUR 152,007 (2008: TEUR 141,307) that are covered in part or in full by investments in funds (plan assets). The gross pension obligations can be reconciled with net obligations as shown on the balance sheet by deducting unrecognized past service cost and unrecognized actuarial gains and losses as well as the fair value of pension plan assets.

Of the total net obligations, TEUR 12,008 are related to the US (retirement) health insurance program. A change in the cost trend for medical services would not have any major impact on the interest cost or defined benefit pension obligation.

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

<i>in TEUR</i>	Defined benefit obligations			Fair value of plan assets		
	2009	2008	2007	2009	2008	2007
Value as of 1.1.	158,858	179,318	191,396	92,827	129,680	140,378
Changes in consolidation range	471	660	40,903	632	377	31,491
Foreign exchange increase/decrease	442	-17,563	-12,194	1,868	-13,658	-9,024
Service costs for defined benefit plans	2,287	3,597	4,540			
Interest cost	9,345	9,711	7,364			
Expected income from plan assets				5,957	8,426	6,649
Effects of plan curtailments and settlements	-3,960	-277	-44,000	0	-19	-43,072
Actuarial gain/loss	10,066	-6,585	-1,203	10,260	-29,664	5,385
Past service cost	0	-3,755	582			
Payments to retirees	-9,424	-6,383	-8,486	-9,424	-6,383	-8,486
Payments received from employees	153	135	416	153	135	416
Payments received from employers	0	0	0	4,953	3,933	5,943
Value as of 31.12.	168,238	158,858	179,318	107,226	92,827	129,680
Fair value of plan assets (funded)	-107,226	-92,827	-129,680			
Present value of unfunded obligations as of 31.12.	61,012	66,031	49,638			
Non-recorded past service cost	239	269	268			
Non-recorded actuarial gains/losses (off-balance sheet risk)	-21,581	-28,708	-2,368			
Net pension obligations recorded as of 31.12.	39,670	37,592	47,538			
Thereof provision for pensions (p. 136)	44,970	46,793	56,068			
Thereof fair value of plan assets in excess of pension obligations (p. 134)	5,300	9,201	8,530			

Pension plan assets are comprised of assets from the defined contribution pension plans in the USA and the former defined benefit pension plan in Great Britain. The expected return on plan assets in 2009 was TEUR 5,957 and the realized income was TEUR 16,217. The plan assets are invested in stocks (52%), bonds (44%) and other assets (4%).

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

<i>in TEUR</i>	2009	2008	2007	2006	2005
Defined benefit obligations	168,238	158,858	179,318	191,396	196,765
Fair value of plan assets (funded)	107,226	92,827	129,680	140,378	134,906
Present value of unfunded obligation	61,012	66,031	49,638	51,018	61,859

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

29. Deferred taxes

Deferred tax assets and deferred tax liabilities as of December 31, 2009 and December 31, 2008 are the result of the following temporary valuation and accounting differences between carrying amounts in the consolidated financial statements and the relevant tax bases:

<i>in TEUR</i>	2009		2008	
	Assets	Equity and Liabilities	Assets	Equity and Liabilities
Intangible assets	10,630	-20,826	2,475	-35,406
Property, plant and equipment	12,224	-107,835	4,907	-115,593
Financial assets	0	0	0	0
Inventories	3,140	-5,696	1,334	-11,189
Receivables	3,768	-7,831	3,599	-2,457
Cash and cash equivalents	0	0	0	0
Deferred charges	1,510	-54	788	-47
	31,272	-142,242	13,103	-164,692
Untaxed reserves	0	-15,901	0	-14,979
Provisions	17,376	-1,483	19,183	-970
Liabilities	5,714	-3,798	7,791	-2,692
Deferred income	3,665	-2,457	13,820	-1,531
	26,755	-23,639	40,794	-20,172
Tax loss carryforwards	132,232		94,123	
Deferred tax assets/provisions	190,259	-165,881	148,020	-184,864
Valuation allowance for deferred tax assets	-75,906		-54,542	
Offset within legal tax units and jurisdictions	-76,717	76,717	-58,407	58,407
Net deferred tax assets and provisions	37,636	-89,164	35,071	-126,457

In the consolidated financial statements, deferred tax assets were not calculated on temporary differences and tax loss carryforwards of TEUR 75,906 (2008: TEUR 54,542) because their use as tax relief is not yet sufficiently certain.

In accordance with IAS 12.39, provisions for deferred taxes were not recorded 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 214,903 (2008: TEUR -49,104).

30. 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 table:

2009 <i>in TEUR</i>		Remaining term < 1 year	Remaining term 1-5 years	Remaining term > 5 years	Thereof secured by collateral
	Total				
Interest-bearing loans	943,220	67,199	777,295	98,726	0
Finance leases	5,935	1,449	4,191	295	0
Financial liabilities owed to subsidiaries	1,203	1,203	0	0	0
Financial liabilities	950,358	69,851	781,486	99,021	0
Trade payables owed to third parties	155,448	154,267	1,181	0	0
Trade payables owed to subsidiaries	552	552	0	0	0
Trade payables	156,000	154,819	1,181	0	0
Prepayments received on orders	2,994	2,671	323	0	0
Amounts owed to tax authorities and social security carriers	45,597	45,333	64	200	0
Deferred income	19,693	7,706	9,635	2,352	0
Miscellaneous	88,601	73,131	11,301	4,169	0
Other liabilities	156,885	128,841	21,323	6,721	0
Liabilities as per balance sheet	1,263,243	353,511	803,990	105,742	0

2008 <i>in TEUR</i>		Remaining term < 1 year	Remaining term 1-5 years	Remaining term > 5 years	Thereof secured by collateral
	Total				
Interest-bearing loans	1,178,749	172,476	893,673	112,600	23,040
Finance leases	7,089	1,762	5,327	0	0
Financial liabilities owed to subsidiaries	620	620	0	0	0
Financial liabilities	1,186,458	174,858	899,000	112,600	23,040
Trade payables owed to third parties	176,686	168,901	7,779	6	0
Trade payables owed to subsidiaries	633	633	0	0	0
Trade payables	177,319	169,534	7,779	6	0
Prepayments received on orders	1,445	930	515	0	0
Amounts owed to tax authorities and social security carriers	48,159	46,365	1,609	185	0
Deferred income	24,304	10,927	9,330	4,047	0
Miscellaneous	132,516	96,044	31,077	5,395	0
Other liabilities	206,424	154,266	42,531	9,627	0
Liabilities as per balance sheet	1,570,201	498,658	949,310	122,233	23,040

Non-current financial liabilities include put options, whose exercise could result in the transfer of non-controlling interests in Group companies to Wienerberger (see 5. Basis of consolidation). In accordance with IFRS 3 (2004), these options are carried at the amount expected to be paid.

Other liabilities include TEUR 34,884 (2008: TEUR 43,674) due to employees and TEUR 27,651 (2008: TEUR 28,377) of accruals for bonuses and other sales deductions due to customers. The amounts owed to tax authorities and social security carriers include tax liabilities totaling TEUR 26,872 (2008: TEUR 29,532). Deferred income includes TEUR 7,765 (2008: TEUR 8,557) of subsidies and investment allowances granted by third parties, which are released to the income statement over the useful life of the related assets.

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

Financial instruments held for trading

<i>in TEUR</i>	2009	2008
Derivatives from cash flow hedges	5,772	7,023
Derivatives from fair value hedges	0	6,088
Other derivatives	492	1,220
Derivatives with negative market value	6,264	14,331

Of the total liabilities, TEUR 1,256,979 represent financial liabilities at amortized cost and TEUR 6,264 financial instruments held for trading. In 2009 Wienerberger held no financial liabilities carried at fair value through profit or loss, with the exception of the derivatives with negative market values.

Liabilities are expected to result in the following cash flows:

Analysis of contractual cash flows

2009 <i>in TEUR</i>	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	-449,429	-15,520	-214	-15,735	-416,786	-1,174
Commercial papers	0	0	0	0	0	0
Liabilities to banks	-555,442	-39,162	-10,420	-107,867	-394,905	-3,088
Liabilities to non-banks	-14,291	-107	-316	-419	-6,994	-6,455
Original financial instruments	-1,019,162	-54,789	-10,950	-124,021	-818,685	-10,717
Interest rate derivatives	958	1,350	-347	-27	-18	0
Forward exchange contracts and interest rate swaps	10,213	-2,825	29,728	26,631	-43,321	0
Derivative financial instruments	11,171	-1,475	29,381	26,604	-43,339	0
Contractual cash flows	-1,007,991	-56,264	18,431	-97,417	-862,024	-10,717

Analysis of contractual cash flows

2008

<i>in TEUR</i>	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	-465,455	-15,523	-185	-15,755	-432,385	-1,607
Commercial papers	-3,000	-3,000	0	0	0	0
Liabilities to banks	-764,700	-86,585	-53,981	-257,363	-364,577	-2,194
Liabilities to non-banks	-10,654	-72	-854	-337	-1,839	-7,552
Original financial instruments	-1,243,809	-105,180	-55,020	-273,455	-798,801	-11,353
Interest rate derivatives	1,830	269	709	883	-31	0
Forward exchange contracts and interest rate swaps	13,563	-7,774	31,190	20,400	-30,253	0
Derivative financial instruments	15,393	-7,505	31,899	21,283	-30,284	0
Contractual cash flows	-1,228,416	-112,685	-23,121	-252,172	-829,085	-11,353

31. Contingent liabilities and guarantees

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

<i>in TEUR</i>	31.12.2009	31.12.2008
Sureties	0	416
Guarantees	4,798	6,234
Obligations from bills of exchange	0	0
Other contractual obligations	2,503	2,662
Contingent liabilities	7,301	9,312

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

The only financial obligations above and beyond these contingent liabilities and guarantees (*off-balance sheet risks*) are the unrecognized actuarial losses arising from pension obligations (see page 138).

Financial Instruments

32. Financial instruments

Financial liabilities are comprised of the following items:

	Currency	Nominal value <i>in 1,000 local currency</i>	Market value <i>in TEUR</i>	Carrying amount per 31.12. <i>in TEUR</i>	Effective interest rate <i>in %</i>
Loans	EUR	364,916	371,873	345,253	4.94
			371,873	345,253	
Current loans	EUR	6,525	3,285	3,263	2.25
			3,285	3,263	
Fixed interest loans due to financial institutions			375,158	348,516	
	Currency	Nominal value <i>In 1,000 local currency</i>	Market value <i>in TEUR</i>	Carrying amount per 31.12. <i>in TEUR</i>	Effective interest rate <i>in %</i>
Loans	EUR	156,508	151,843	146,882	2.42
	GBP	1,206	1,343	1,243	-
			153,186	148,125	
Roll-over	EUR	305	303	303	0.97
	USD	1,405	975	975	0.73
	CAD	224	148	148	0.91
	DKK	216	29	29	1.76
			1,455	1,455	
Current loans	EUR	6,348	6,562	6,440	2.37
	CAD	53	35	35	0.00
			6,597	6,475	
Derivatives	EUR	-	6,264	6,264	
			6,264	6,264	
Variable interest loans due to financial institutions			167,502	162,319	

	Currency	Nominal value in 1,000 local currency	Market value in TEUR	Carrying amount per 31.12. in TEUR	Effective interest rate in %
Bonds - fixed interest	EUR	400,000	390,736	396,377	3.92
	USD	3,865	2,936	2,683	1.71
	EUR	10,535	10,535	10,535	-
Loans - fixed interest	EUR	6,388	4,936	3,241	7.42
	GBP	305	379	344	7.83
	RSD	3,659	37	38	0.00
	USD	148	302	411	0.00
Roll-over - fixed interest	EUR	4,872	3,319	2,436	7.50
Current loans - fixed interest	EUR	299	301	301	1.08
Loans - variable interest	EUR	7,025	7,179	7,025	-
	GBP	7,987	8,994	8,994	-
Financial liabilities due to non-banks			429,654	432,385	

In April 2005 Wienerberger issued a seven-year, fixed-interest, bullet repayment bond with a volume of TEUR 400,000, which is recorded under long-term borrowings. The related expenses of TEUR 10,139 (bank charges and interest rate hedges) were recorded together with the bond and not recognized to profit or loss. The difference will be recognized as interest expense or bank charges over the term of the bond in accordance with the effective interest rate method. The carrying amount of the bond includes accrued interest of TEUR 10,535.

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 150. Effectiveness tests carried out during the reporting year showed that the fair value hedges were not effective. Therefore, these derivatives are no longer reported under derivatives in hedges but under other derivatives. The measurement of these hedged loans at market value was suspended, and the financial liabilities were again valued at amortized cost.

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

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

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

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

All financial instruments carried at fair value by the Wienerberger Group are classified under level 1 or level 2. There were no reclassifications between hierarchy levels during the reporting year.

33. Derivative financial instruments

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

	2009			2008		
	Currency	Nominal value 31.12.2009 in 1,000 local currency	Market value 31.12.2009 in TEUR	Currency	Nominal value 31.12.2008 in 1,000 local currency	Market value 31.12.2008 in TEUR
Forward exchange, CO ₂ and gas contracts	EUR	31,998	-930	EUR	30,207	-6,412
	CAD	1,000	3	CAD	0	0
	CZK	60,000	34	CZK	0	0
	GBP	17,404	-167	GBP	8,221	408
	HUF	300,000	-32	HUF	200,000	15
	PLN	0	0	PLN	16,000	437
	USD	3,000	-21	USD	4,135	-115
Interest rate swaps	EUR	183,000	957	EUR	226,240	1,755
Cross currency swaps	CAD/EUR	20,000	1,020	CAD/EUR	20,000	2,620
	GBP/EUR	90,000	26,444	GBP/EUR	90,000	33,360
	CZK/EUR	560,000	-2,013	CZK/EUR	560,000	-1,883
	CHF/EUR	47,500	-2,230	CHF/EUR	77,500	-4,205
	USD/EUR	249,868	16,802	USD/EUR	199,868	7,176
			39,867			33,156

Risk Report

Principles of risk management

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

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

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

As a producer of building materials, Wienerberger operates in a cyclical branch and is therefore affected by developments in the major economies that form the backdrop for its business activities. The building material industry is affected above all by macroeconomic factors as well as developments in building construction in general and new residential construction and

renovation in particular. The development of business is also influenced by consumer confidence, long-term interest rates, the availability of financing, tax policies, building regulations and subsidies for housing construction as well as other factors that lie 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, a decline in margins and/or revenues that fail 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 mid-term measures that include temporary standstills or permanent plant closures as well as the relocation of production to more efficient facilities. In 2009 new construction declined on all markets, in part significantly, as a consequence of the global economic crisis. Wienerberger reacted to the subsequent decline in sales volumes by adjusting production capacity to reflect the change in demand, and closed further plants on a temporary or permanent basis.

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

The Group is also exposed to the risk of a loss in market shares to substitution products such as concrete, wood, limestone, glass, steel, aluminum and other wall and roofing materials. The competitive situation on the building materials market requires specialized development (research and development) of our primary products – bricks, clay roof tiles and pavers.

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

In order to avoid earnings fluctuations wherever possible, Wienerberger pursues a strategy of geographical diversification with parallel concentration on the core business. Our activities are subject to the usual risks inherent in local markets, where positions must be repeatedly defended against competitors and substitute products. The Group's most important customer group is the building materials sector, and further market 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 phases 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. In these markets and in Ukraine, Wienerberger is additionally exposed to tax risks that could arise from a change in tax laws or the interpretation of existing tax laws. However, the company is not able to quantify the probability of occurrence or the extent of these potential risks at the present time.

Procurement, production, investment and acquisition risks

The majority of the Wienerberger plants were constructed or modernized in recent years. Many older plants were permanently closed as part of the restructuring program. 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 used in the production of bricks represents a high percentage of the Group's cost structure. In 2009 energy costs for the Wienerberger Group totaled TEUR 259,269 (2008: TEUR 374,494), or 14.3% (2008: 15.4%) of revenues. These expenses consist of 68% for natural gas, 24% for electricity, 4% for oil and 4% for coal and other materials. Energy prices are dependent on international and local market developments, and are subject to fluctuations.

Wienerberger works to minimize the risk connected with rising energy prices on liberalized markets in Great Britain, the USA, the Netherlands and Belgium (in total, 38% of energy costs) by concluding futures contracts. In numerous East European countries (in total, 17% of energy costs) the prices for natural gas are regulated by the federal government and contracts with local suppliers are negotiated each year. In many Central and East European countries – including a number of EU member states – (in total, 45% of energy costs) Wienerberger concludes fixed price agreements or 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.

Beginning in 2013, Wienerberger will also be exposed to the risk of rising prices for CO₂ certificates if its allotments do not cover actual emissions.

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. The growing uncertainty caused by the dispute between the Russian Federation and Ukraine over natural gas deliveries represents a risk, above all for the Group's plants in Central and Eastern Europe. Wienerberger is currently testing the use of alternative fuels for the firing of kilns at plants in this region in order to safeguard production if natural gas supplies should be disrupted.

Continuing optimization and internal as well as external growth projects are implemented 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 external projects (also see the chapter "Strategy and Business Model" on page 38).

Financial risks

In addition to financing risk, operating activities expose Wienerberger to interest rate and exchange rate risks. Derivative financing instruments, in particular forward exchange contracts and interest swaps, are used to limit and manage this risk. All cash flow hedges and hedges of investments in foreign operations are classified as highly effective in accordance with IAS 39.88 as a means of offsetting the hedged risks in keeping with risk management objectives. No derivatives are used for trading or 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 the Group's financial guidelines, the ratio of net debt to operating EBITDA may not exceed 3.75 years (in two quarters this indicator may equal up to 4.0 years). Part of earnings is used for the payment of interest on debt and is therefore not available for other purposes. If the Group's rating should deteriorate or covenants are not met, interest expense could increase due to an increase in the credit risk premium and lead to higher financing costs and lower cash flow. The failure to comply with covenants could also result in a loan becoming due immediately.

Exchange rate risks

A significant portion of the revenues and earnings of the Wienerberger Group are generated by subsidiaries whose headquarters are not located in the euro zone. Wienerberger recorded 43% of its revenues for the reporting year in currencies other than the euro, predominately East European currencies (22%). 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 inter-Group cash flows is managed by the holding company.

Credit financing for the purchase of current assets is concluded in the local currency of the individual companies because of the decentralized structure of the Wienerberger Group. Foreign exchange risk in the financing area is therefore reduced to a minimum, since the Group companies generally issue their invoices in local currency and these transactions form a natural hedge. The exposure of financial liabilities to foreign exchange risk is discussed under note 32.

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

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

Revenues	2009		2008	
	<i>in € mill.</i>	<i>share in %</i>	<i>in € mill.</i>	<i>share in %</i>
Euro	1,032.9	57	1,142.0	47
East European currencies	399.9	22	745.8	31
US Dollar	127.7	7	206.8	8
Other	256.4	14	336.8	14
Revenues	1,816.9	100	2,431.4	100

Capital employed	2009		2008	
	<i>in € mill.</i>	<i>share in %</i>	<i>in € mill.</i>	<i>share in %</i>
Euro	1,658.0	59	1,809.4	56
East European currencies	663.4	24	769.0	24
US Dollar	263.6	9	392.6	12
Other	231.8	8	281.2	8
Capital employed after hedging effect	2,816.8	100	3,252.2	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, 2009, 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 95.7 (2008: MEUR 172.4) in equity and a decrease of MEUR 0.4 (2008: MEUR 0.2) in profit after tax. A decline in the euro compared with the major currencies would have led to a similar increase in equity and profit after tax.

Interest rate risks

Interest rate risk is comprised of two components: the relevant value (minimum or maximum) of the average term for the Group's financing and the separation into fixed and variable interest rates. The risk associated with fixed interest rates lies in a possible decline in interest rate levels, while the risk associated with variable interest rates arises from the possibility of an increase in interest rates. A parallel upward shift of 100 basis points in interest rates would have reduced profit after tax by MEUR 0.2 (2008: MEUR 2.8) and, through this change in the income statement, also reduced 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 exposure of Wienerberger AG to the interest rate risks arising from liabilities with fixed and variable interest rates is explained on page 150.

In order to analyze interest rate risk (fixed and variable interest rates), financial liabilities (pages 143 and 144) 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.

	2009		2008	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
<i>in TEUR</i>				
Interest-bearing loans	764,882	178,338	955,793	222,956
Reclassification of short-term fixed interest rate loans	-3,263	3,263	-40,507	40,507
Effects of derivatives instruments (hedging)	-161,941	161,941	-360,635	360,635
Interest-bearing loans after hedging effects	599,678	343,542	554,651	624,098

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 by the fact that virtually all securities held by the Group were issued by Austrian corporations and Wienerberger works only with financing partners whose credit rating has thus far led to expectations of a sound financial standing. However, financial partners with an excellent rating can also pose a credit risk and Wienerberger therefore continuously monitors developments on financial markets. The following table shows the maximum exposure of receivables and other assets to credit risks as of December 31, 2009, classified by region:

Credit risk	2009		2008	
	<i>in € mill.</i>	<i>share in %</i>	<i>in € mill.</i>	<i>share in %</i>
Western Europe	133.9	58	200.9	67
Central-East Europe	43.1	19	42.3	14
North America	30.6	13	30.7	10
Other	24.2	10	27.5	9
Credit risk for the Group	231.8	100	301.4	100

Trade receivables are comprised primarily of receivables due from building material retailers and large customers because the Group sells almost no products to final customers. Impairment charges to receivables equaled less than 2% of trade receivables, originated loans and other current receivables in 2009, and were not classified separately for this reason.

Liquidity risks

The protection of liquidity and preservation of the Group's healthy financial base represent the focal point of the Wienerberger strategy, above all in times of a worldwide economic crisis. The most important instruments for achieving these goals are the maximization of free cash flow through cost reduction, active working capital management and a cutback in investments to the necessary minimum. In particular, liquidity risks arise 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, by analyzing the cash conversion cycle. The calculation of this cycle is based on accounts payable turnover, inventory turnover and receivables conversion.

The average receivables conversion amounted to 34 days in 2009 (2008: 38), average inventory turnover to 133 days (2008: 123) and average accounts payable turnover to 42 days (2008: 48). This resulted in an average cash conversion cycle of 125 days in 2009 compared with 113 days in the prior year.

An analysis of the liquidity risks arising from liabilities is provided on pages 141 and 142.

Legal risks

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

Due to the position of Wienerberger on individual regional markets, the pricing policies of Group subsidiaries are actively monitored by competition authorities. Antitrust proceedings are pending in Germany, and a conviction would result in a fine. A provision was created for this impending antitrust penalty. The pending antitrust proceedings in Denmark were discontinued during the reporting year. It should be noted that price-fixing agreements are not part of Wienerberger business policies; internal guidelines expressly prohibit such activities and call for sanctions in the event of violations.

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 the imposition of 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.

The risks associated with a breakdown of our centralized Group data processing system as the result of natural disasters have been minimized through the parallel installation of 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.

Other Information

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

Wienerberger acquired the assets of the insolvent clay block producer Rimmele in Southern Germany during January 2010. These assets include a plant in Ehingen with a capacity of approx. 100 million NF as well as a clay pit that has sufficient raw material reserves for the next 20 years. This plant generated revenues of € 8.5 million in 2008, and 28 employees will be taken over to continue operations.

35. Related party transactions

The following companies and persons are considered to be related parties: the members of the Supervisory and Managing Boards, associated companies, joint ventures and non-consolidated subsidiaries of Wienerberger AG as well as the ANC private foundation and its subsidiaries. Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active reflect third-party conditions and are immaterial in scope. Business relationships between the company and related parties, in particular members of the Managing and Supervisory Boards of Wienerberger AG, are disclosed in note 12 if any payments to these persons are involved. Information on the stock options held by members of the Managing Board is provided in note 36.

Wienerberger AG successively transferred non-operating real estate and non-core business activities to the ANC private foundation and its subsidiaries in 2001. This foundation is directed by an independent 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 its subsidiaries and the ANC private foundation and in accordance with SIC 12, the requirements for control as defined in IAS 27 are not met.

As of December 31, 2009 Wienerberger AG and its subsidiaries held participation rights of TEUR 13,707 in the ANC private foundation as well as receivables of TEUR 16,586 from the sale of real estate. The ANC private foundation was also granted a TEUR 10,000 line of credit, of which TEUR 8,000 was not drawn as of the balance sheet date.

Wienerberger AG and its subsidiaries finance joint ventures, associates and non-consolidated subsidiaries through loans granted at ordinary market conditions. The outstanding receivables due from associates amounted to TEUR 7,556 as of December 31, 2009. The comparable amounts for non-consolidated subsidiaries and joint ventures were TEUR 9,554 and TEUR 4,597, respectively.

36. Stock option plan

On May 8, 2002 the Annual General Meeting of Wienerberger AG authorized the use of Wienerberger AG treasury stock for a stock option plan. Based on this authorization, an option program was implemented for key managers who have a direct influence on the development of the company. Under this plan the options have a five-year term, where by the earliest exercise period begins two years after the date of granting (three years up to and including the 2005 plan). After the expiration of this two-year period, the options may be exercised within certain windows four weeks after the announcement of quarterly results.

One-third of the shares purchased through the exercise of these options are subject to a 24-month retention period beginning on the exercise date; the remaining two-thirds are not subject to a retention period. The options may not be transferred or traded, and each option represents the right to purchase one share.

No options were granted under the Wienerberger stock option plan in 2009.

In order to service the stock options granted in 2004, 2005, 2006 and 2007 as well as any options granted in subsequent years, the 136th Annual General Meeting on May 12, 2005 approved the issue of authorized conditional capital and the 139th Annual General Meeting on May 9, 2008 authorized a share buyback. No shares were repurchased during the reporting year.

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

Development of options	2009		2008	
	Number of options	Average exercise price per option	Number of options	Average exercise price per option
Total at the beginning of the year	790,471	40.30	796,471	40.28
Options granted	0	0.00	326,000	31.50
Options exercised	0	0.00	0	0.00
Options forfeited	-29,598	25.00	-332,000	31.62
Options subsequently accepted by employees	0	0.00	0	0.00
Total at the end of the year	760,873	40.89	790,471	40.30
Eligible for exercise at year-end	760,873	40.89	213,971	35.77

Number of options granted	From 2008	From 2007	From 2006	From 2005	From 2004
Members of the Managing Board					
Wolfgang Reithofer (up to July 31, 2009)	18,000	18,000	18,000	12,354	18,000
Heimo Scheuch	15,000	15,000	15,000	10,295	15,000
Willy Van Riet	15,000	12,500	-	-	-
Hans Tschuden	-	-	15,000	10,295	15,000
Johann Windisch	15,000	15,000	15,000	10,295	15,000
Total for the Managing Board	63,000	60,500	63,000	43,239	63,000
Other key employees	263,000	226,000	230,000	144,134	300,000
Total number of options granted	326,000	286,500	293,000	187,373	363,000
Expired	-326,000	0	-3,000	-3,000	-59,598
Exercised options	0	0	0	0	-303,402
Existing options	0	286,500	290,000	184,373	0
Eligible for exercise at year-end	0	286,500	290,000	184,373	0

Valuation of options		From 2008	From 2007	From 2006	From 2005	From 2004
Major parameters for options granted						
Market price at granting	<i>in EUR</i>	30.40	45.57	42.20	33.86	27.53
Exercise price	<i>in EUR</i>	31.50	45.50	38.50	37.50	25.00
Term of options	<i>in years</i>	5	5	5	5	5
Risk-free interest rate	<i>in %</i>	3.90	4.01	3.32	3.15	3.90
Expected volatility	<i>in %</i>	30	28	28	28	30
Present value of options	<i>in EUR</i>	5.39	10.54	10.77	5.91	7.44
Fair value of stock options at grant date	<i>in TEUR</i>	1,653	3,019	2,965	962	2,029
Included in personnel expenses for 2009	<i>in TEUR</i>	0	468.1	0	0	0

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

The number of shares owned by the members of the Managing Board is disclosed in the remuneration report on page 32.

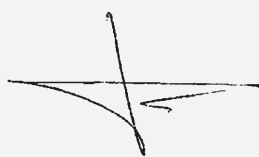
The Managing Board of Wienerberger AG released the consolidated financial statements on February 19, 2010 for distribution to the Supervisory Board. The Supervisory Board is responsible for examining and approving the consolidated financial statements.

Vienna, February 19, 2010

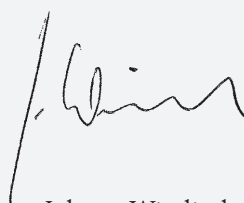
The Managing Board of the Wienerberger AG



Heimo Scheuch
CEO (as of August 1, 2009)



Willy Van Riet
CFO



Johann Windisch
COO

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 19, 2010

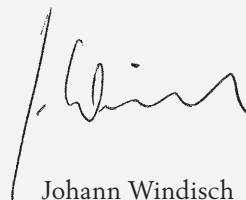
The Managing Board of the Wienerberger AG



Heimo Scheuch
CEO (as of August 1, 2009)



Willy Van Riet
CFO



Johann Windisch
COO

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 Teglaipari 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 prumysl, a.s.	Ceske Budejovice	50,000,000	CZK	100.00%	VK	
Cihelna Kinsky, spol. s.r.o.	Kostelec nad Orlici	2,000,000	CZK	73.20%	VK	
Wienerberger cihelna Jezernice, spol. s.r.o.	Ceske Budejovice	200,000	CZK	100.00%	VK	
Wienerberger cihelna Brozany, spol. s.r.o.	Ceske Budejovice	75,000,000	CZK	100.00%	VK	
Wienerberger cihelna Hodonin, spol. s.r.o.	Ceske Budejovice	50,000,000	CZK	100.00%	VK	
Wienerberger eurostroj, spol. s.r.o.	Ceske Budejovice	100,000	CZK	100.00%	VK	
Wienerberger euroform, spol. s.r.o.	Ceske Budejovice	44,550,000	CZK	100.00%	VK	
Wienerberger service, spol. s.r.o.	Ceske Budejovice	200,000	CZK	100.00%	OK	1)
Silike keramika, spol. s.r.o.	Ceske Budejovice	100,000	CZK	50.00%	EQ	
Wienerberger Slovenske tehelne spol. s.r.o.	Zlate Moravce	3,319,392	EUR	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	374,324,808	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	40.00%	OK	1)
Zaklad Ceramiki Budowlanej Stanislawów Sp. z o.o.	Czestochowa	50,000	PLN	40.00%	OK	1)
Wienerberger Zeslawice Sp. z o.o.	Warszawa	29,490,000	PLN	93.90%	VK	
Wienerberger Ilovac d.d.	Karlovac	8,988,040	HRK	99.92%	VK	
Wienerberger Cetera IGM d.d.	Karlovac	359,240	HRK	99.71%	VK	
IGM Ciglana d.o.o. Petrinja	Sisak	12,756,900	HRK	100.00%	VK	
WIENERBERGER Industrija opeke d.j.l.	Sarajevo	2,000	KM	100.00%	VK	
Wienerberger Opekarna Ormoz d.d.	Ormoz	951,986	EUR	88.40%	VK	
Opekarna Pragersko d.d.	Pragersko	1,022,743	EUR	88.40%	VK	
Wienerberger Backa d.o.o	Beograd	651,652	RSD	100.00%	VK	
WIENERBERGER Systeme de Caramizi S.R.L.	Bucuresti	39,147,100	RON	100.00%	VK	
WZI FINANZ-S.à.r.l.	Luxembourg	73,963,917	USD	100.00%	VK	
Wienerberger TOV	Kyiv	3,000,000	UAH	100.00%	VK	
Semmelrock International GmbH	Vienna	3,000,000	EUR	75.00%	VK	
Semmelrock Baustoffindustrie GmbH	Klagenfurt	1,000,000	EUR	75.00%	VK	
Semmelrock Ebenseer Baustoffindustrie GmbH	Klagenfurt	35,000	EUR	46.88%	VKE	
Lusit Betonelemente GmbH & Co.KG	Klagenfurt	3,052,259	EUR	46.88%	VKE	
Lusit Betonelemente GmbH	Klagenfurt	36,336	EUR	46.88%	VKE	
Semmelrock Ebenseer Baustoffindustrie GmbH & Co KG	Klagenfurt	100,000	EUR	46.88%	VKE	
Semmelrock Industriebeteiligungsverwaltung GmbH	Vienna	35,000	EUR	75.00%	VK	
Semmelrock Stein & Design Kft.	Ócsa	983,000,000	HUF	75.00%	VK	
SEMMELOCK STEIN + DESIGN Dlazby s.r.o.	Sered	91,200,000	SKK	75.00%	VK	
Semmelrock Stein & Design d.o.o.	Ogulin	15,520,000	HRK	75.00%	VK	
Semmelrock Stein & Design Sp. z o.o.	Kolbiel	42,070,000	PLN	75.00%	VK	
Semmelrock Stein + Design S.R.L.	Bolintin-Vale	33,354,600	RON	75.00%	VK	
Semmelrock Tlakovci d.o.o.	Ormoz	8,763	EUR	75.00%	OK	1)
Semmelrock Colorbeton a.s.	Praha	2,000,000	CZK	75.00%	VK	
Semmelrock Stein + Design EOOD	Sofia	7,785,500	BGL	75.00%	VK	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
BRAMAC Dachsysteme International GmbH	Pöchlarn	2,906,913	EUR	50.00%	QU	
Bramac stresni systemy spol. s r. o.	Praha	160,000,000	CZK	50.00%	QU	
Bramac Kft.	Veszprem	1,831,880,000	HUF	50.00%	QU	
Bramac stresni sistemi d.o.o.	Skocjan	1,043,232	EUR	50.00%	QU	
Bramac Krovni Sistemi d.o.o.	Beograd	755,425	EUR	50.00%	QU	
Bramac Stresne Systemy spol. s r.o.	Ivanka pri Nitre	2,000,000	EUR	50.00%	QU	
Bramac Pokrovni Sistemi d.o.o.	Novi Zagreb	7,778,000	HRK	50.00%	QU	
Bramac Sisteme de Invelitori S.R.L.	Sibiu	8,658,000	RON	50.00%	QU	
Bramac pokrivni sistemi EOOD	Elin Pelin	4,757,860	BGN	50.00%	QU	
Bramac Krovni Sistemi d.o.o.	Sarajevo	2,000	DEM	50.00%	QU	
Bramac Dachsysteme Holding GmbH	Pöchlarn	35,000	EUR	50.00%	QU	
Bramac Sisteme për çati Sh.p.k, Tirana	Tirana	160,000	EUR	50.00%	QU	
Bramac Pokrivni Sistemi DOOEL, Skopje	Skopje	160,000	EUR	50.00%	QU	
Wienerberger Ziegelindustrie GmbH	Hannover	9,500,000	EUR	100.00%	VK	
ArGeTon GmbH	Hannover	1,600,000	EUR	100.00%	VK	
Schlagmann Beteiligungs GmbH	Zeilarn	26,000	EUR	50.00%	OK	1)
Schlagmann Baustoffwerke GmbH & Co KG	Zeilarn	10,300,000	EUR	50.00%	QU	
Ziegelwerk B GmbH	Hannover	26,000	EUR	100.00%	VK	
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
KORAMIC Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
KORAMIC Dachprodukte GmbH & Co. KG	Hannover	39,000,000	EUR	100.00%	VK	4)
Bockhorner Klinker GmbH	Bockhorn	90,000	EUR	100.00%	VK	
Bockhorner Rohstoffgesellschaft mbH & Co. KG	Bockhorn	100,000	EUR	60.00%	OK	1)
Bockhorner Rohstoff Verwaltungs GmbH	Bockhorn	25,000	EUR	60.00%	OK	1)
Tongrube Lobenfeld GmbH	Oldenburg	25,000	EUR	75.00%	OK	1)
RM 2964 Vermögensverwaltungs GmbH	München	25,000	EUR	100.00%	OKE	1)
MR Erwerbs GmbH & Co KG	München	100	EUR	100.00%	OKE	1)
V.L. Baustoff GmbH	Ehingen	52,000	EUR	100.00%	OKE	1)
ZZ Wancor AG	Regensdorf	1,000,000	CHF	100.00%	VK	
Wienerberger S.p.A.	Bubano	10,000,000	EUR	99.40%	VK	
Fornaci Giuliane S.p.A.	Cormons	1,900,000	EUR	30.00%	EQ	
Wienerberger NV	Kortrijk	104,591,395	EUR	100.00%	VK	
Steenbakkerij Egem NV	Pittem-Egem	21,000,000	EUR	100.00%	VK	
Terca Zonnebeke NV	Zonnebeke	8,040,500	EUR	100.00%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
Wienerberger Building Solutions	Kortrijk	34,466,350	EUR	100.00%	VK	
Wienerberger Coordination Center NV	Kortrijk	61,500	EUR	100.00%	VK	
Soltech NV	Tienen	2,772,634	EUR	41.19%	EQ	
EUCOSO Sp. z o.o.	Zlotorya	60,000	PLN	49.00%	EQ	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger B.V.	Zaltbommel	36,778,680	EUR	100.00%	VK	
Van Hesteren & Janssens B.V.	Zaltbommel	363,024	EUR	100.00%	VK	
Desimpel AK1 B.V.	Zaltbommel	70,000	EUR	100.00%	VK	
BrickTrading Holland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
German Brick Trading B.V.	Deest	249,700	EUR	100.00%	VK	
Oostergrachtswal Holding B.V.	Zaltbommel	45,378	EUR	100.00%	VK	
Feikema B.V.	Zaltbommel	45,378	EUR	100.00%	VK	
Gelsing Oosterhout B.V.	Zaltbommel	18,200	EUR	100.00%	VK	
Gelsing en Verbaan B.V.	Zaltbommel	18,151	EUR	100.00%	VK	
Bos & Vermeer B.V.	Zaltbommel	22,689	EUR	100.00%	VK	
Aberson B.V.	Zwolle	60,000	EUR	100.00%	VK	
Steencentrale Neerbosch B.V.	Deest	45,400	EUR	100.00%	VK	
Leeuwis B.V.	Deest	91,210	EUR	100.00%	VK	
Steinzentrale Nord Leeuwis GmbH	Rellingen	52,500	EUR	100.00%	VK	
Desimpel Klinker (Deutschland) GmbH	Emmerich	25,000	EUR	100.00%	VK	
Straatsbaksteen Nederland B.V.	Oosterhout	18,000	EUR	100.00%	VK	
Wienerberger Limited	Cheadle	28,002,552	GBP	100.00%	VK	
Galileo Brick Limited	Cheadle	2,000,000	GBP	100.00%	VK	
Chelwood Group Unlimited	Cheadle	5,975,505	GBP	100.00%	VK	
The Brick Business Limited	Cheadle	900,002	GBP	100.00%	VK	
Building Trade Products Limited	Cheadle	1	GBP	100.00%	VKE	
Chelwood Brick Limited	Cheadle	890,850	GBP	100.00%	VK	
Galileo Block Limited	Cheadle	104,002	GBP	100.00%	VK	
Galileo Trustee Limited	Cheadle	1	GBP	100.00%	VK	
Sandtoft Roof Tiles Limited	Sandtoft	11,029	GBP	73.64%	VK	
Sandtoft Trading Limited	Sandtoft	1,000	GBP	73.64%	VK	
WIENERBERGER PARTICIPATIONS SAS	Achenheim	36,000,000	EUR	100.00%	VK	
WIENERBERGER SAS	Achenheim	75,000,000	EUR	100.00%	VK	
PACEMA SAS	Achenheim	3,800,000	EUR	100.00%	VK	
Société du Terril d'Hulluch (STF) SNC	Achenheim	300,000	EUR	100.00%	OK	1)
Desimpel Briques SAS	Cauchy à la Tour	3,821,410	EUR	100.00%	VK	
Wienerberger A/S	Helsingø	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	
GSI 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.	Luxemburg	12,500	EUR	100.00%	OK	1)
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
Arriscraft International LLC	Johnson City	3,389,930	USD	100.00%	VK	
Emilyson Corporation	Johnson City	8,465,587	USD	100.00%	OK	1)
Arriscraft International (USA) Inc.	Johnson City	8,465,587	USD	100.00%	VK	
Arriscraft International Holdings (USA) Inc.	Johnson City	3,000,001	USD	100.00%	VK	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
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)
1741785 Ontario Inc.	Toronto	100	CAD	100.00%	OK	1)
Wienerberger EOOD	Sofia	4,000,000	BGN	100.00%	VK	
Uspeh AD	Sofia	1,471,040	BGN	97.59%	VK	
Agro Property Bulgaria EOOD	Sofia	5,000	BGN	100.00%	OK	1)
OOO "Wienerberger Kirpitsch"	Kiprewo	469,423,261	RUR	81.94%	VK	
OOO Wienerberger Investitions- und Projektmanagement	Kiprewo	356,000	RUR	100.00%	VK	
Wienerberger OY AB	Helsinki	1,000,000	EUR	100.00%	VK	
Wienerberger AS	Aseri	24,074,000	EEK	100.00%	VK	
UAB Wienerberger Statybine Keramika Sp. Z o.o.	Vilnius	10,000	LTL	100.00%	VK	
Wienerberger Brick Industry Private Limited	Bangalore	840,000,000	INR	100.00%	VK	
PIPELIFE International GmbH	Wr. Neudorf	29,000,000	EUR	50.00%	EQ	2)
Wienerberger Dach Beteiligungs GmbH	Vienna	500,000	ATS	100.00%	VK	
WIBRA Tondachziegel Beteiligungs-GmbH	Vienna	500,000	ATS	50.00%	QU	
Tondach Gleinstätten AG	Gleinstätten	500,000	EUR	25.00%	EQ	3)
Wienerberger Beteiligungs GmbH	Vienna	1,000,000	ATS	100.00%	VK	
Wienerberger Anteilsverwaltung GmbH	Vienna	35,000	EUR	100.00%	VK	
Tondach Holding GmbH	Vienna	35,000	EUR	100.00%	VK	
Wienerberger Industriebeteiligungsverwaltung GmbH	Vienna	35,000	EUR	100.00%	VK	
Wienerberger Finance Service B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
Wienerberger Finanz Service GmbH	Vienna	25,435,492	EUR	100.00%	VK	
Wienerberger West European Holding GmbH	Vienna	35,000	EUR	100.00%	VK	
Wienerberger ZZ Holding GmbH	Vienna	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	Hennersdorf	35,000	EUR	100.00%	OK	1)
Wienerberger Gamma Asset Management	Vienna	35,000	EUR	100.00%	VK	

VK Full consolidation
VKE First time full consolidation
QU Proportionate consolidation
QUE First time proportionate consolidation
EQ Equity consolidation
EQE First time equity consolidation
OK No consolidation
OKE No consolidation (first time)

1) Immaterial
2) Holding company of Pipelife Group
3) Holding company of Gleinstätten Group
4) The subsidiary included in the consolidated financial statements has met the requirements of the German Commercial Code, and is therefore released from the obligation to disclose its annual financial statements.

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 2009 to 31 December 2009. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2009, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2009 and a summary of significant accounting policies and other explanatory notes.

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

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

Auditors' 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 and 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 2009 and of its financial performance and its cash flows for the year from 1 January to 31 December 2009 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 19, 2010

KPMG
Wirtschaftsprüfungs- und Steuerberatungs GmbH
signed by:

Helmut Kerschbaumer
Wirtschaftsprüfer



ppa Günther Hirschböck
Wirtschaftsprüfer

(Austrian Chartered Accountants)

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Glossary

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

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

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

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

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

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

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

CAGR Compound Annual Growth Rate

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

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

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

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

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

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

Common shares Shares that carry full rights in a stock corporation (including participation in the annual general meetings, voting rights and dividend rights)

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

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

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

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

CVA Cash Value Added; operating EBITDA – (average historical capital employed x hurdle rate)

Deferred taxes The result of timing differences in the valuation of individual company financial statements prepared according to IFRS and tax law

Depreciation, economic The value that must be earned each year in order to cover expenses for replacement investments at the end of an asset's useful life

Depreciation ratio Depreciation (excluding impairment charges to goodwill and assets) as a percentage of revenues

EBIT Earnings before interest and taxes, or operating profit

EBITDA Earnings before interest, taxes, depreciation and amortization, or operating profit before depreciation and amortization = gross cash flow

EBITDA margin EBITDA divided by revenues

EPS Earnings per share, net profit divided by the weighted number of shares outstanding minus treasury stock

Equity method Valuation method used for the consolidation of investments between 20% and 50% in other companies

Equity ratio Equity divided by total assets

EVA Economic Value Added, or the difference between the return on capital employed and cost of capital; average capital employed x (ROCE – WACC)

Facing brick External brick layer of two-layer non-load bearing exterior walls for buildings (face wall – air layer below/above insulation – rear wall)

Forward exchange contract Foreign exchange transaction that is not realized at conclusion of the relevant contract, but at a later point in time; a hedge against exchange rate fluctuations

Free cash flow Cash flow from operating activities less cash flow from investing activities + growth investments; 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 rate (see above)

Hybrid capital Subordinated perpetual corporate bond, which is ranked between equity and debt as mezzanine capital

IFRS International Financial Reporting Standards

Interest cover operating EBIT divided by interest result; indicates the number of times operating income will cover interest result

Interest rate swap Agreement to exchange cash flows with different terms over a specific period of time; these cash flows are based on fixed and variable interest rates; provides security against interest rate fluctuations

Investment grade rating Rating (also see below) between AAA (Aaa) and BBB (Baa), which underscores the good credit standing of a debtor and is a sign of relatively low risk for the bondholder

Investments Additions to plant, property and equipment and intangible assets (vs. acquisitions – see above)

Joint venture Agreement by two or more companies to jointly operate a business enterprise

Net debt Net sum of financial liabilities less cash and cash at bank and securities

NF Abbreviation for "Normalformat", the standard size for clay blocks (250 x 120 x 65 mm)

NOPAT Net operating profit after tax, or operating profit less taxes and adjusted taxes (tax effects from financial results)

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

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

Proportionate consolidation Method used to consolidate joint ventures in which a 50% stake is owned

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

Return on equity Net profit divided by equity, or the rate of return on shareholders' investments

ROCE Return on capital employed, or NOPAT divided by average capital employed = net yield on capital employed

Stock option Form of compensation that gives management and employees the right to purchase stock in their company at certain conditions if specific goals are reached

Strategic projects Acquisitions of larger competitors or companies with leading market positions or the construction of plants in new markets; these measures form the basis for future bolt-on projects (see above)

Total Shareholder Return (TSR) Average increase or decrease in the value of a stock investment over a specific period of time; based on gains and losses in the stock price and dividend payments

Translation risk Arises from the conversion of foreign currency items on the balance sheet; these foreign exchange fluctuations are not offset by balance sheet items in the same currency

Treasury Staff function to safeguard the financing, cash management and financial risk management of a company

UGB Unternehmensgesetzbuch (the Austrian Corporate Code)

WACC Weighted average cost of capital, or the average price a company must pay on financial markets for equity and debt

W/m2K Watt per sqm Kelvin; unit for thermal insulation value (R-value)

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

Financial Calendar

<i>March 1, 2010</i>	<i>Start of the quiet period</i>
March 24, 2010	2009 Final Results: Press and Analysts Conference in Vienna
March 25, 2010	2009 Final Results: Analysts Conference in London
<i>April 19, 2010</i>	<i>Start of the quiet period</i>
May 4, 2010	First Quarter Results for 2010
May 20, 2010	141st Annual General Meeting in the Austria Center Vienna
<i>July 26, 2010</i>	<i>Start of the quiet period</i>
August 17, 2010	Results for the First Six Months of 2010: Press and Analysts Conference in Vienna
August 18, 2010	Results for the First Six Months of 2010: Analysts Conference in London
<i>October 11, 2010</i>	<i>Start of the quiet period</i>
November 3, 2010	Third Quarter Results for 2010
December 2/3, 2010	Capital Markets Day 2010

Information on the Company and the Wienerberger Share

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Wienerberger Online Annual Report 2009:
<http://annualreport.wienerberger.com>

Ten-Year Review

Corporate Data		2000	2001	2002
Revenues	<i>in € mill.</i>	1,670.3	1,544.9	1,653.7
EBITDA	<i>in € mill.</i>	403.4	202.2	323.1
Operating EBITDA ¹⁾	<i>in € mill.</i>	307.8	221.2	302.6
EBITDA margin ¹⁾	<i>in %</i>	18.4	14.3	18.3
EBIT	<i>in € mill.</i>	254.3	-25.8	151.9
Operating EBIT ¹⁾	<i>in € mill.</i>	158.7	66.2	151.6
Profit before tax	<i>in € mill.</i>	228.3	-62.7	119.5
Profit after tax	<i>in € mill.</i>	201.4	-17.8	85.9
Free cash flow	<i>in € mill.</i>	244.0	241.3	237.3
Total investments	<i>in € mill.</i>	287.1	228.0	181.3
Net debt	<i>in € mill.</i>	604.8	674.1	618.5
Capital employed	<i>in € mill.</i>	1,568.5	1,613.9	1,508.7
Gearing	<i>in %</i>	54.5	66.9	63.6
Interest cover ²⁾		5.2	-0.7	4.4
Return on equity ³⁾	<i>in %</i>	18.6	-1.8	9.0
ROCE ⁴⁾	<i>in %</i>	7.8	4.0	7.1
EVA ⁴⁾	<i>in € mill.</i>	-2.6	-48.1	1.4
CFROI ⁵⁾	<i>in %</i>	11.4	7.3	10.0
CVA ⁵⁾	<i>in € mill.</i>	-17.7	-141.0	-59.5
Employees ⁶⁾		11,069	11,331	11,478

Stock Exchange Data		2000	2001	2002
Earnings per share	<i>in €</i>	2.86	-0.29	1.31
Adjusted earnings per share ¹⁾	<i>in €</i>	1.69	0.83	1.57
Dividend per share	<i>in €</i>	0.80	0.60	0.66
Dividends	<i>in € mill.</i>	55.1	38.8	42.7
Equity per share ⁷⁾	<i>in €</i>	15.7	14.8	15.1
Share price at year-end	<i>in €</i>	19.13	15.75	16.95
Shares outstanding (weighted) ⁸⁾	<i>in 1,000</i>	68,823	67,975	64,640
Market capitalization at year-end	<i>in € mill.</i>	1,328.7	1,093.9	1,106.5

Condensed Balance Sheet		2000	2001	2002
Non-current assets	<i>in € mill.</i>	1,611.3	1,556.3	1,460.9
Inventories	<i>in € mill.</i>	300.7	331.8	370.2
Other assets	<i>in € mill.</i>	624.3	543.8	491.1
Balance sheet total	<i>in € mill.</i>	2,536.3	2,431.9	2,322.2
Equity ⁹⁾	<i>in € mill.</i>	1,109.2	1,008.0	973.1
Provisions	<i>in € mill.</i>	325.6	283.1	310.1
Liabilities	<i>in € mill.</i>	1,101.5	1,140.8	1,039.0

1) Adjusted for non-recurring income and expenses

2) Operating EBIT : Interest result

3) Profit after tax : Equity

4) Since 2005 financial year calculation based on average capital employed

5) Since 2005 financial year calculation based on average historical capital employed and unrounded data

6) Average number of employees during the year

2003	2004	2005	2006	2007	2008	2009	CAGR 2000-2009
1,826.9	1,758.8	1,954.6	2,225.0	2,477.3	2,431.4	1,816.9	1%
349.9	405.4	429.3	476.6	551.2	396.6	157.5	-10%
349.9	405.4	428.4	471.9	551.2	440.1	208.6	-4%
19.2	23.1	21.9	21.2	22.3	18.1	11.5	
190.2	257.5	269.6	297.5	353.1	158.1	-104.3	<-100%
190.2	257.5	270.3	303.1	353.1	239.8	19.0	-21%
154.3	231.4	251.3	277.3	358.4	123.1	-295.6	<-100%
113.1	181.8	196.4	218.3	295.8	103.3	-258.7	<-100%
274.6	300.7	212.5	272.1	293.8	195.4	250.8	0%
392.6	632.6	338.7	530.4	645.6	505.6	134.2	-8%
739.0	762.4	934.4	1,159.8	566.8	890.2	408.0	-4%
1,635.4	2,031.5	2,289.4	2,598.2	3,060.2	3,252.2	2,816.8	7%
75.2	55.8	63.0	72.9	21.2	35.6	16.0	
5.3	7.7	6.2	6.2	8.2	5.7	0.5	
11.5	13.3	13.2	13.7	11.1	4.1	-10.2	
8.4	9.7	9.4	9.4	10.1	6.2	0.2	
22.4	43.8	41.5	45.7	72.8	-27.8	-207.3	
12.1	12.9	12.9	12.6	13.0	9.3	4.3	
3.0	28.6	28.7	23.8	42.8	-103.0	-353.8	
12,237	12,154	13,327	13,639	14,785	15,162	12,676	2%

2003	2004	2005	2006	2007	2008	2009	CAGR 2000-2009
1.71	2.54	2.66	2.95	3.46	0.81	-3.17	<-100%
2.01	2.54	2.67	3.02	3.46	1.69	-0.34	<-100%
0.77	1.07	1.18	1.30	1.45	0.00	0.00	<-100%
49.8	78.7	86.4	95.3	120.5	0.0	0.0	<-100%
15.2	19.6	20.3	21.7	28.9	24.2	22.5	4%
21.18	35.15	33.80	45.00	37.93	11.90	12.78	-4%
64,645	69,598	73,196	73,309	75,491	82,895	91,297	3%
1,382.6	2,607.0	2,506.9	3,337.6	3,184.1	999.0	1,502.0	1%

2003	2004	2005	2006	2007	2008	2009	CAGR 2000-2009
1,601.9	2,012.7	2,232.1	2,531.6	2,915.8	3,011.0	2,726.0	6%
348.4	391.4	445.9	509.8	669.8	720.0	552.4	7%
598.2	461.8	591.6	632.9	744.3	652.9	809.0	3%
2,548.5	2,865.9	3,269.6	3,674.3	4,329.9	4,383.9	4,087.4	5%
983.0	1,367.2	1,483.1	1,591.4	2,672.7	2,497.2	2,547.0	10%
307.0	271.0	273.7	288.1	313.4	316.5	277.1	-2%
1,258.5	1,227.7	1,512.8	1,794.8	1,343.8	1,570.2	1,263.3	2%

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

8) Adjusted for treasury stock, adjusted for 1:8 stock split (1999)

9) Equity including non-controlling interests and hybrid capital

Notes: The above data reflect figures reported in the relevant year; no retroactive adjustments were made for deconsolidated segments (included are Pipelife until 2003, Treibacher until 1999, Steinzeug until 2002).

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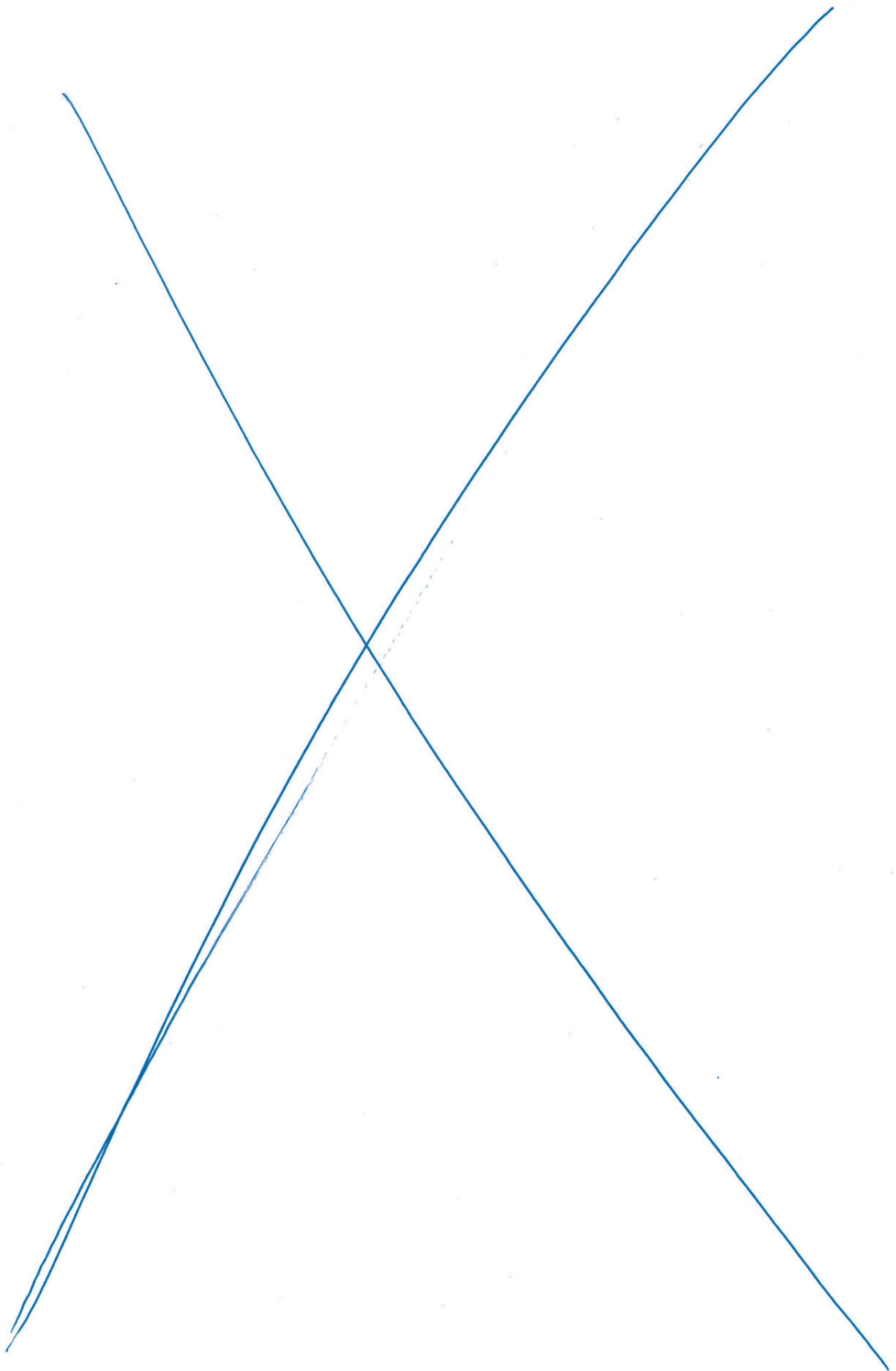
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