

# The first half- year is no reason to stop moving.

Report on the First Six Months of 2014

<b>Earnings Data</b>		<b>1-6/2013</b>	<b>1-6/2014</b>	<b>Chg. in %</b>	<b>Year-end 2013</b>
Revenues	<i>in € mill.</i>	1,260.4	1,349.4	+7	2,662.9
Operating EBITDA	<i>in € mill.</i>	106.3	135.1	+27	266.5
Operating EBIT	<i>in € mill.</i>	4.9	33.5	>100	55.3
Profit before tax	<i>in € mill.</i>	-29.2	4.5	>100	-3.1
Profit after tax <sup>1)</sup>	<i>in € mill.</i>	-31.0	-1.7	+94	-7.8
Earnings per share	<i>in €</i>	-0.40	-0.15	+63	-0.34
Free cash flow <sup>2)</sup>	<i>in € mill.</i>	-144.4	-100.7	+30	92.9
Normal capex	<i>in € mill.</i>	43.3	52.2	+21	106.0
Growth capex	<i>in € mill.</i>	0.1	0.1	+80	0.7

<b>Balance Sheet Data</b>		<b>31.12.2013</b>	<b>30.6.2014</b>	<b>Chg. in %</b>
Equity <sup>3)</sup>	<i>in € mill.</i>	2,254.2	2,205.7	-2
Net debt	<i>in € mill.</i>	538.9	693.4	+29
Capital employed	<i>in € mill.</i>	2,767.6	2,879.9	+4
Balance sheet total	<i>in € mill.</i>	4,211.4	4,223.9	0
Gearing	<i>in %</i>	23.9	31.4	-
Ø Employees		13,787	13,887	+1

<b>Stock Exchange Data</b>		<b>1-12/2013</b>	<b>1-6/2014</b>	<b>Chg. in %</b>
Share price high	<i>in €</i>	13.21	13.98	+6
Share price low	<i>in €</i>	7.13	11.52	+62
Share price at end of period	<i>in €</i>	11.53	12.25	+6
Shares outstanding (weighted) <sup>4)</sup>	<i>in 1,000</i>	115,063	115,063	0
Market capitalization at end of period	<i>in € mill.</i>	1,354.5	1,439.7	+6

<b>Divisions 1-6/2014</b>	<b>Clay Building</b>		<b>Pipes &amp; Pavers</b>		<b>North</b>		<b>Holding</b>		<b>Reconciliation</b>
<i>in € mill. and % <sup>5)</sup></i>	<b>Materials Europe</b>		<b>Europe</b>		<b>America</b>		<b>&amp; Others</b>		
Third party revenues	719.6	(+10%)	518.1	(+5%)	108.3	(-1%)	2.7	(-7%)	
Inter-company revenues	0.9	(+1%)	0.4	(-18%)	0.9	-	4.9	(+15%)	-6.4
Revenues	720.5	(+10%)	518.6	(+4%)	109.2	(0%)	7.5	(+6%)	-6.4
Operating EBITDA	97.1	(+52%)	45.8	(-1%)	2.3	(-47%)	-10.1	(-24%)	
Operating EBIT	35.6	(>100%)	18.4	(-18%)	-8.7	(-25%)	-11.8	(-14%)	
Total investments	29.2	(+15%)	17.0	(+51%)	3.3	(+67%)	2.8	(-40%)	
Capital employed	1,793.5	(-6%)	632.8	(-2%)	434.4	(-6%)	19.2	(+12%)	
Ø Employees	8,259	(-1%)	4,183	(+4%)	1,247	(+4%)	198	(+1%)	

1) Before non-controlling interests and accrued hybrid coupon

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

3) Equity including non-controlling interests and hybrid capital

4) Adjusted for treasury stock

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

Explanatory notes to the report:

- Operating EBITDA and operating EBIT are adjusted for non-recurring income and expenses.

- Rounding differences may arise from the automatic processing of data.

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# Chief Executive's Review

*Dear Shareholders,*

I am glad to report on a strong performance of our Group during the first six months of this year. We have increased revenues by 7% to € 1.35 billion and the operating EBITDA by 27% to € 135 million. This performance shows clearly, that we were able to outperform a number of our key markets such as the Netherlands, France, Italy, the Czech Republic and Hungary, which all have seen stronger declines as originally anticipated. In addition, the recovery of the new residential housing market in Germany and the United States was slower than assumed. The UK, however, has seen a strong development and improved capacity utilization in our plants led to a substantial increase in margins for our UK business. In order to meet the rising demand for bricks in the UK, we will restart mothballed plants for the first time since the crisis. However, we are still faced with a challenging market environment in Europe and I am therefore particularly pleased to report on organic volume growth in all areas of our business.

The Clay Building Materials Europe Division recorded the strongest earnings improvement in the Group with an increase of 10% in revenues and roughly € 33 million in operating EBITDA. Supported by mild weather conditions the rise in construction activity across Europe brought volume growth in all of the division's product groups. Higher average prices and realized cost savings of € 11 million had an additional positive effect on earnings development in the Clay Building Materials Europe Division.

In the Pipes & Pavers Europe Division, revenues rose by 5% in the first six months and operating EBITDA roughly matched the prior year level. Our plastic pipe producer Pipelife benefited from sound organic growth in its Nordic core markets, however, was due to weaker demand unable to duplicate the record results in the industrial and special pipe business from the prior year. At Steinzeug-Keramo, our specialist for ceramic wastewater pipes, and Semmelrock, our concrete paver producer in Central and Eastern Europe, higher demand led to an improvement in revenues and earnings.

The North America Division was confronted with a slower-than-expected recovery in new residential construction. Third party revenues in this division totaled € 108 million, which roughly matches the prior year level. Earnings were additionally negatively affected by lower average prices for bricks, above all due to increased local competitive pressure, higher start-up costs for production sites and softer housing market business in Canada. Therefore operating EBITDA in the North America Division fell by approx. € 2 million.

At the beginning of July we set a major strategic milestone for the growth of the Wienerberger Group with the increase of our stake in Tondach Gleinstätten. The antitrust authorities already released the transaction beginning of August. The purchase price for the additional shares amounted to € 43 million, whereby € 23 million will be paid in the form of treasury shares. Tondach is the market leader in Central and Eastern Europe with 15 production sites in eight countries. The Tondach Group is expecting revenues of approx. € 155 million and operating EBITDA of approx. € 23 million in 2014 as well as net debt of roughly € 60 million at year-end. Including the expected realization of nearly € 3 million of synergies over the coming years, Tondach has an EBITDA potential of roughly € 35 million in a normalized market environment.



*Heimo Scheuch,  
Chief Executive Officer of  
Wienerberger AG*

The takeover of Tondach represents a further important development step for Wienerberger in one of our core businesses. Tondach will strengthen our presence in Central and Eastern Europe and expand our offering of application-oriented roofing solutions in Europe. Both the increasing renovation market and in particular the pent-up demand in Central and Eastern Europe offer interesting value-creating perspectives on the mid- and long-term.

Our targets for the full year remain intact. In Europe we anticipate an overall stable to slightly positive development in our relevant markets, however, with substantial regional differences. For the Pipes & Pavers Europe Division, we expect a nearly stable development and in the USA the recovery of the new residential housing market should continue, however, at a slightly slower pace. Tondach shall be consolidated for the first time beginning of July and should contribute approx. € 90 million to Group revenues and approx. € 15 million to operating Group EBITDA.

After the takeover of Tondach, I expect operating Group EBITDA of approx. € 315 million and Wienerberger's return to the profit zone in 2014. The planned implementation of restructuring measures should bring the expected € 17 million of savings this year. At the beginning of July, we repaid as planned the maturing € 250 million bond from our cash reserves on the balance sheet. After the repayment of the bond and the takeover of Tondach, the ratio of net debt / operating EBITDA should stay well below 2.5 at year-end. This confirms our strong capital structure which provides us with sufficient financial headroom for further value-creating growth opportunities.

We focus on organic growth by means of innovative, energy-efficient and ecologically friendly products which create added value for our customers. Wienerberger's recent developments include high-tech building materials that also support energy-saving, ecologically compatible and cost-efficient construction in multi-story residential buildings – which represent the future of social housing in urban areas. Continuous product development differentiates us from our competition and creates quality living and value for our customers. Our strategy is confirmed by our customers, who increasingly choose to rely on our building material solutions. I am therefore confident that we will be able to continue our growth path in the future.

Yours  


# Interim Management Report

## FINANCIAL REVIEW

### Earnings

Wienerberger generated primarily volume-based growth of 7% and recorded revenues of € 1,349.4 million in the first six months of 2014 (2013: € 1,260.4 million). Price levels in the Group's markets differed by region: in Eastern Europe prices were stable, but Western Europe saw price increases that covered cost inflation. Foreign exchange effects reduced revenues by € 24.5 million, with the largest negative effects coming from the Russian ruble, Norwegian krone and Turkish lira.

In the Clay Building Materials Europe Division, third party revenues rose by a sound 10% to € 719.6 million. Operating EBITDA increased 52% to € 97.1 million due to higher capacity utilization and the successful implementation of efficiency improvement and cost reduction measures.

The Pipes & Pavers Europe Division recorded a more moderate 5% increase in third party revenues to € 518.1 million, whereby the declining international project business with industrial and special pipes was offset by higher volumes in the European core markets. The concrete paver business generated a significant increase in volumes and revenues during the first six months. Operating EBITDA in the Pipes & Pavers Europe Division was slightly lower year-on-year at € 45.8 million.

The North America Division was confronted with a long winter that delayed the start of the construction season. In spite of positive indicators for building permits and housing starts in the USA, third party revenues remained near the prior year level at € 108.3 million for the first six months. Plant start-up costs and slightly lower prices had a negative effect on operating EBITDA, which fell to € 2.3 million (2013: € 4.4 million).

The Wienerberger Group recorded a significant 27% increase in operating EBITDA to € 135.1 million for the reporting period. This growth was driven, above all, by the positive development of key markets in Great Britain, Belgium and Poland, and by our efficiency improvement measures and higher capacity utilization in the plants.

Operating EBIT totaled € 33.5 million for the first six months (2013: € 4.9 million). The program to sell non-operating assets contributed € 2.4 million to EBITDA.

Financial results of € -29.0 million (2013: € -34.1 million) consist primarily of interest expense, which is higher than the previous year due to added interest costs for the bond issued in April 2013, and income from associates and joint ventures, which improved from € -5.2 million to € -2.7 million. This represents, above all, the income from our 50% stake in Tondach Gleinstätten, which we will fully consolidate as of the beginning of July, and our 50% stake in Schlagmann.

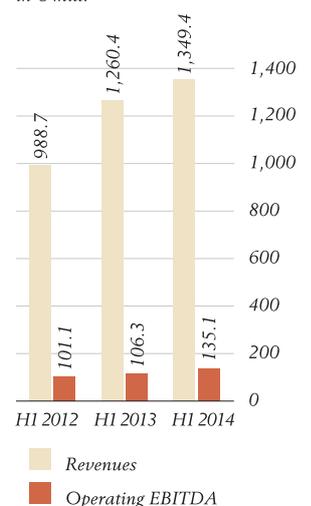
Profit before tax improved substantially to € 4.5 million for the first six months (2013: € -29.2 million). After the deduction of taxes, Wienerberger recorded a loss of € 1.7 million (2013: € -31.0 million). Earnings per share equaled € -0.15, compared with € -0.40 in the first six months of 2013. The calculation of earnings per share includes an adjustment for the accrued hybrid coupon.

**Sound revenue growth in first half-year**

**Clay Building Materials Europe: 52% year-on-year increase in operating EBITDA**

**Pipes & Pavers Europe: slight decline in EBITDA**

**H1 Revenues and Operating EBITDA**  
in € mill.



**Gross cash flow of  
€ 101.9 million**

## Cash Flow

Gross cash flow was positive at € 101.9 million for the reporting period and improved substantially by € 26.0 million due to the increase in operating earnings. Cash flow from operating activities totaled € -50.0 million based on the seasonal rise in working capital, in particular trade receivables. This represents a year-on-year improvement of € 57.1 million and reflects the Group's continued focus on strict working capital management.

Expenditures for maintenance, investments in technical upgrades for production processes and growth projects amounted to € 52.3 million for the first six months (2013: € 43.3 million). Proceeds of € 7.1 million (2013: € 5.7 million) were generated by the sale of real estate and other assets, in particular transactions from the program to sell non-operating assets. Cash flow from financing activities totaled € -30.6 million for the reporting period, whereby the € 32.5 million hybrid coupon payment and the € 13.8 million dividend payment represent the main cash outflows.

**Total comprehensive  
income after tax positive**

## Asset and Financial Position

Group equity fell below the year-end 2013 level as of June 30, 2014 despite slightly positive total comprehensive income after tax due to the payment of the hybrid coupon and the dividend and the purchase of non-controlling interests. Net debt rose by € 154.5 million to € 693.4 million in the first half-year due to the seasonal increase in working capital.

**Net debt/operating  
EBITDA equals 2.3 years  
on June 30, 2014**

## Financing and Treasury

Gearing rose to 31% at the end of the reporting period for seasonal reasons (versus 24% at year-end 2013). However, the treasury indicators calculated for the first half of 2014 based on rolling 12-month results show net debt / operating EBITDA of 2.3 years and operating EBITDA / interest result of 5.1 – both of which are comfortably below, respectively above the agreed levels defined by the credit agreements.

Wienerberger issued a seven-year bond with a volume of € 300 million and a fixed coupon of 4.00% in April 2013 and used the proceeds to refinance the bond that matured in July 2014. The protection of the strong capital structure and financial discipline remain the top priorities. Accordingly, our goal to hold the ratio of net debt to operating EBITDA below 2.5 at year-end remains intact.

<b>Treasury Ratios</b>	<b>30.6.2013</b>	<b>31.12.2013</b>	<b>30.6.2014</b>	<b>Threshold</b>
Net debt / operating EBITDA <sup>1)</sup>	3.2	2.0	2.3	<3.50
Operating EBITDA <sup>1)</sup> / interest result <sup>2)</sup>	4.6	4.8	5.1	>3.75

1) Calculated on the basis of 12-month operating EBITDA

2) Calculated on the basis of 12-month interest results

## Second Quarter of 2014

Group third party revenues roughly matched the comparable prior year period at € 764.6 million in the second quarter. The brick and pipe business in Eastern Europe generated further volume growth, but business development in Western Europe was negatively affected by acceleration effects resulting from the early start of the construction season. Operating EBITDA rose by 3% to € 107.0 million (Q2 2013: € 104.2 million), supported by the growth in Eastern Europe as well as ongoing efficiency improvement measures and the planned realization of cost savings.

**EBITDA rises by 3% to € 107.0 million in Q2**

Revenues in the Clay Building Materials Europe Division declined slightly by 1% to € 400.8 million. This development resulted primarily from acceleration effects during the first three months of 2014, especially in Western Europe. In addition, key markets like France and the Netherlands were in part substantially weaker than expected and Italy was unable to reach the prior year level because of the challenging market environment. Revenues in the Clay Building Materials Western Europe Segment were 3% lower than in the second quarter of 2013 at € 308.2 million, despite the continued very strong rise in demand in Great Britain. In Eastern Europe, Poland reported further volume growth as expected and Austria and Russia recorded a year-on-year increase in volumes. The revenue increase in the Clay Building Materials Eastern Europe Segment totaled 4%.

**Clay Building Materials Europe Division with 11% EBITDA increase in Q2**

EBITDA in the Clay Building Materials Europe Division rose by 11% to € 73.9 million, supported by price increases that offset cost inflation as well as leaner cost structures and the continuing implementation of efficiency improvement measures. This growth also includes planned savings of roughly € 5 million from the cost reduction program, which were realized primarily in Western Europe.

Revenue development in the Pipes & Pavers Europe Division was stable in the second quarter at € 299.3 million (Q2 2013: € 299.0 million), but operating EBITDA fell by 10% to € 34.2 million. Similar to the first quarter, the strong development in the Nordic core markets and the recovery of demand in Eastern Europe were unable to completely offset the decline in Pipelife's international project business and weaker demand in France and the Netherlands.

**Weaker activity in Pipelife's volatile international project business leads to EBITDA decline in Pipes & Pavers Europe Division**

Steinzeug-Keramo, our expert for ceramic wastewater systems, recorded a slight year-on-year decline in revenues and earnings in the second quarter. The positive market environment in Poland and Romania was also reflected in higher volumes during the past three months, but advance purchases during the strong start into the year had a negative effect and led to volume declines in the second quarter. In addition, the markets in Belgium, France and Italy remained difficult and public sector investments were lower than the previous year. Semmelrock, the market leader for concrete pavers in Central and Eastern Europe, recorded a slight increase in revenues during the second quarter, which resulted primarily from volume growth in Poland, Slovakia and Romania. We are working to offset the effects of the strong competitive pressure on prices by increasing our focus on premium products.

**Semmelrock with further volume growth in Q2; Steinzeug-Keramo negatively affected by advance purchases**

**Slight revenue growth to € 63.3 million in Q2 for North America**

After a very cold and long winter in North America, which delayed the start of the construction season beyond the first quarter especially in Canada, the second quarter brought a double-digit increase in facing brick deliveries over the comparable prior year period. Revenues and earnings in the USA improved despite the continuing slight decline in prices. Second quarter deliveries in Canada were lower than the previous year due to the long winter. The wet spring weather led to a slight year-on-year earnings decline in the North American plastic pipe business. Revenues in the North America Division increased by 2% to € 63.3 million, whereas EBITDA decreased by 4% to € 3.9 million in the second quarter.

<b>Third party revenues</b> <i>in € mill.</i>	<b>4-6/2013</b>	<b>4-6/2014</b>	<b>Chg. in %</b>
Clay Building Materials Europe	405.8	400.8	-1
Clay Building Materials Eastern Europe	89.3	92.6	+4
Clay Building Materials Western Europe	316.5	308.2	-3
Pipes & Pavers Europe	299.0	299.3	0
Pipes & Pavers Eastern Europe	133.1	146.7	+10
Pipes & Pavers Western Europe	165.9	152.6	-8
North America	62.1	63.3	+2
Holding & Others	1.3	1.3	-7
<b>Wienerberger Group</b>	<b>768.3</b>	<b>764.6</b>	<b>0</b>

<b>Operating EBITDA</b> <i>in € mill.</i>	<b>4-6/2013</b>	<b>4-6/2014</b>	<b>Chg. in %</b>
Clay Building Materials Europe	66.7	73.9	+11
Clay Building Materials Eastern Europe	15.1	19.0	+26
Clay Building Materials Western Europe	51.6	54.9	+6
Pipes & Pavers Europe	37.8	34.2	-10
Pipes & Pavers Eastern Europe	16.4	17.7	+8
Pipes & Pavers Western Europe	21.4	16.5	-23
North America	4.1	3.9	-4
Holding & Others	-4.3	-5.1	-17
<b>Wienerberger Group</b>	<b>104.2</b>	<b>107.0</b>	<b>+3</b>

## OPERATING SEGMENTS

### Clay Building Materials Europe

Residential construction in Europe was generally stable to slightly positive in year-on-year comparison during the first half of 2014 and somewhat below our expectations at the beginning of the year. The sound momentum in Great Britain, Belgium and Poland was still contrasted by substantial declines in the Netherlands, France, Italy, the Czech Republic and Hungary. Wienerberger successfully launched new products and expanded its market positions in this challenging environment with the support of extensive sales efforts. Volumes were moderately higher in all product groups during the first half of 2014 at slightly higher average prices.

Revenues in the Clay Building Materials Europe Division rose by 10% to € 719.6 million for the reporting period, while operating EBITDA increased 52% to € 97.1 million. This improvement reflects higher capacity utilization as well as continued efficiency improvements in the production process.

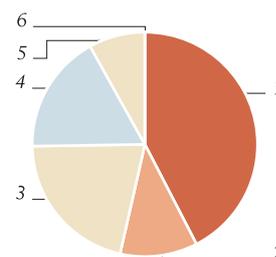
The restructuring program announced with the presentation of first half-year results in 2012 is being implemented as planned. The focus is on the optimization of shift models and the mothballing of plants as well as structural adjustments in administration and sales. This cost reduction program resulted in approx. € 11 million of savings for the Wienerberger Group during the first six months of 2014. The related measures were concentrated, above all, on clay block and facing brick activities in the Netherlands, Belgium, Germany and France. Hence, most of the Group-wide cost savings were recorded in the Clay Building Materials Western Europe Segment.

Clay Building Materials Europe		1-6/2013	1-6/2014	Chg. in %
Third party revenues	<i>in € mill.</i>	652.5	719.6	+10
Operating EBITDA	<i>in € mill.</i>	63.7	97.1	+52
Operating EBIT	<i>in € mill.</i>	-0.2	35.6	>100
Total investments	<i>in € mill.</i>	25.4	29.2	+15
Capital employed	<i>in € mill.</i>	1,901.9	1,793.5	-6
Ø Employees		8,332	8,259	-1

We expect generally stable to slightly positive growth on our European core markets during the second half-year. Great Britain, Belgium and Poland should continue their positive development, but further, in part substantial declines in single- and two-family house construction are expected in France, Italy, the Czech Republic and Hungary. The market environment in Germany remains stable, and the Netherlands shows signs of bottoming out towards year-end despite the further decline during the year. For 2014, we are projecting moderate volume growth in all product groups and an improvement in revenues and earnings. The consolidation of Tondach Gleinstätten is expected to contribute approx. € 90 million to revenues and approx. € 15 million to EBITDA in the second half-year.

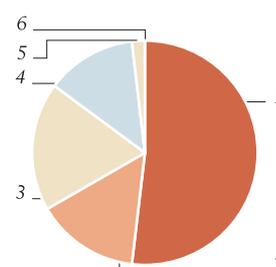
**Higher volumes in all product groups despite challenging market environment**

#### H1 Third Party Revenues by Segment



- 1 Clay Building Materials Western Europe 42%
- 2 Clay Building Materials Eastern Europe 11%
- 3 Pipes & Pavers Western Europe 21%
- 4 Pipes & Pavers Eastern Europe 17%
- 5 North America 8%
- 6 Holding & Others 0%

#### H1 Operating EBITDA by Segment



- 1 Clay Building Materials Western Europe 56%
- 2 Clay Building Materials Eastern Europe 16%
- 3 Pipes & Pavers Western Europe 20%
- 4 Pipes & Pavers Eastern Europe 14%
- 5 North America 2%
- 6 Holding & Others -7%

**Slight market recovery in Western Europe in line with expectations**

## Clay Building Materials Western Europe

Western Europe generally confirmed our expectations at the beginning of the year with stable to slightly positive market development in the first six months of 2014. Sound volume growth was recorded particularly in facing bricks and roof tiles. In addition to the market recovery in Great Britain and Belgium, this growth was the result of our intensified sales activities and the introduction of innovative products. Clay block volumes were also higher during the first half-year. Revenues in the Clay Building Materials Western Europe Segment rose by 11% to € 566.2 million for the reporting period. Better capacity utilization in our plants, the successful implementation of optimization measures in production and price increases over cost inflation supported a sound 45% increase in operating EBITDA to € 75.5 million.

Clay Building Materials Western Europe		1-6/2013	1-6/2014	Chg. in %
Third party revenues	<i>in € mill.</i>	512.0	566.2	+11
Operating EBITDA	<i>in € mill.</i>	51.9	75.5	+45
Operating EBIT	<i>in € mill.</i>	7.3	32.4	>100
Total investments	<i>in € mill.</i>	18.2	22.8	+25
Capital employed	<i>in € mill.</i>	1,456.1	1,378.7	-5
Ø Employees		5,957	5,875	-1
Sales volumes clay blocks	<i>in mill. NF</i>	1,004	1,021	+2
Sales volumes facing bricks	<i>in mill. WF</i>	588	654	+11
Sales volumes roof tiles <sup>1)</sup>	<i>in mill. m<sup>2</sup></i>	10.00	11.24	+12

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

**Continued sound momentum in Great Britain**

The “Help to Buy“ subsidy program initiated by the British government led to significant growth in single- and two-family house construction. We successfully offset supply bottlenecks for building materials by adding additional production shifts and, based on our Group-wide plant network, with imports from Belgium and the Netherlands. In a further step we have reactivated two mothballed plants, which should result in an additional contribution to earnings beginning in 2015. In this market environment, higher volumes of facing bricks and roof tiles as well as higher average prices supported an increase in revenues and earnings for the first half of 2014.

**Belgium with slight market growth**

The residential construction market in Belgium also recorded a slightly positive development during the first six months of 2014. As the innovation leader, we used this momentum to offer our customers innovative solutions for their construction projects. These efforts were reflected in an improvement in average prices through shifts in the mix to premium products and price adjustments to cover cost inflation. Therefore, revenues and earnings for the first six months were higher than the comparable prior year period.

**Stable market in Germany**

Single- and two-family house construction in Germany remained roughly at the prior year level, while multi-story residential construction continued to increase. In this market, we successfully defended our position in the first half-year and increased revenues and earnings based on higher volumes of clay blocks and roof tiles. Our future focus for Germany is on innovative products to improve our market penetration, above all in multi-story residential construction.

France and the Netherlands reported in part substantial declines in single- and two-family house construction during the reporting period. The measures under implementation as part of the restructuring program and continued efficiency improvements in the production process have been successful and are making a positive contribution to earnings in both countries.

**Further decline in new residential construction for France and the Netherlands**

For the second half-year, we expect further stable to slightly positive development on the residential construction markets in Western Europe. The market environment in Great Britain is particularly promising and should support a significant increase in single- and two-family house construction. We also expect moderate growth in residential construction in Belgium and stable markets in Germany. The Netherlands could bottom out towards year-end, but France and Italy are expected to record further declines. In the Netherlands and France, our focus is on the successful conclusion of the restructuring program and a positive contribution to earnings. Our forecasts call for an improvement in revenues and earnings for the Clay Building Materials Western Europe Segment in 2014.

**Improvement in revenues and earnings expected for full year in Western Europe**

### Clay Building Materials Eastern Europe

The market environment in Eastern Europe remained challenging throughout the first half of 2014. The weather-related good start in the construction season was followed by the stabilization of demand during the second quarter in line with expectations. Wienerberger recorded a sound increase in clay block volumes and strengthened its market positions. Revenues in the Clay Building Materials Eastern Europe Segment rose by 9% to € 153.4 million. Operating EBITDA increased by 83% to € 21.6 million in spite of negative foreign exchange effects and stable average prices due to better capacity utilization and continued process improvements.

**Increase in revenues and earnings for Eastern Europe in first half-year**

<b>Clay Building Materials Eastern Europe</b>		<b>1-6/2013</b>	<b>1-6/2014</b>	<b>Chg. in %</b>
Third party revenues	<i>in € mill.</i>	140.5	153.4	+9
Operating EBITDA	<i>in € mill.</i>	11.8	21.6	+83
Operating EBIT	<i>in € mill.</i>	-7.4	3.2	>100
Total investments	<i>in € mill.</i>	7.2	6.5	-10
Capital employed	<i>in € mill.</i>	445.8	414.8	-7
Ø Employees		2,375	2,384	0
Sales volumes clay blocks	<i>in mill. NF</i>	1,248	1,339	+7

In Poland, single- and two-family house construction increased slightly during the first half of 2014. We outperformed the market in this environment and generated sound volume growth in the second quarter based on stable average prices. Our roofing business in Poland also recorded positive development and made a solid contribution to earnings for the reporting period.

**Moderate increase in residential construction in Poland**

The markets in the Czech Republic and Slovakia showed a moderate decline during the first half-year. In both countries, we increased clay block volumes at higher average prices. The production line for mineral wool-filled clay blocks in the Czech Republic started operations and played an important role in increasing the share of revenues from innovative products.

**Higher volumes despite difficult markets in Czech Republic and Slovakia**

**Hungary remains  
a difficult market**

New residential construction in Hungary continues to decline from a very low level. Wienerberger held clay block volumes at the prior year level in this difficult environment based on stable average prices and increased its market position.

**Continuing stabilization  
in Romania; slight  
weakness in Bulgaria**

Romania continued to stabilize at a low level, but single- and two-family house construction in Bulgaria declined slightly because of the political and economic uncertainty in the region. In spite of these developments, we increased clay block volumes and market shares in both countries.

**Stable market  
environment in Russia**

The market environment in Russia remained stable during the first six months of 2014. We maintained our good market position in Moscow and Kazan, which are the relevant markets for Wienerberger, and increased volumes over the comparable prior year period. To date our business has only been affected through negative foreign currency effects by the international sanctions related to the political tensions on the Ukrainian border.

**Increase in revenues and  
earnings expected for  
Clay Building Materials  
Eastern Europe Segment  
in 2014**

Our previously announced assumptions for business development in Eastern Europe are still relevant. We see slight recovery in single- and two-family house construction in Poland. Slovakia and Austria should record stable development, but further weakness is projected for the Czech Republic and Hungary. The market environment in Russia should remain positive in our key Moscow and Kazan regions, despite the tense political situation surrounding Ukraine. The current stabilization in Romania is expected to continue at a low level, but a slight decline is projected for Bulgaria. In total, we see organic growth in revenues and earnings for the Clay Building Materials Eastern Europe Segment this year. We also expect a contribution of approx. € 90 million to revenues and approx. € 15 million to operating EBITDA from the consolidation of Tondach Gleinstätten.

## Pipes & Pavers Europe

Revenues in the Pipes & Pavers Europe Division rose by 5% to € 518.1 million in the first half of 2014, while operating EBITDA was nearly stable at € 45.8 million (2013: € 46.3 million).

Pipelife, our specialist for plastic pipe systems, benefited from a healthy market environment in the core Nordic countries and steady improvement in Eastern Europe during the first half-year. Our broad product portfolio and innovative system solutions supported an increase in market shares and the further expansion of our leading positions. However, the market environment in France and the Netherlands remained challenging, as expected, and led to an earnings decline in both countries. The international project business, which is subject to greater fluctuations because of its dependence on large individual orders, was unable to duplicate the strong prior year earnings due to a lower order volume. The sound development in the Nordic and East European countries was unable to fully offset the resulting earnings decline. Pipelife's earnings were also reduced by negative foreign exchange effects in a number of Scandinavian and East European currencies.

Steinzeug-Keramo, our specialist for ceramic wastewater systems, recorded higher revenues in the European core business as well as sound growth, above all on its German home market and in Poland. The continued expansion of our offering to include new innovative products and system solutions supported a further shift in the mix to premium products and an increase in operating earnings. Semmelrock, our specialist for concrete pavers in Central and Eastern Europe, recorded double-digit volume growth in the first half-year, which was driven above all by strong development in Poland, Hungary and Romania. The product mix was also improved by the successive roll-out of new products with innovative surface structures and new installation systems that underscore our positioning as a premium supplier. Semmelrock generated a sound year-on-year improvement in earnings for the first six months based on leaner cost structures and further optimization measures.

Pipes & Pavers Europe		1-6/2013	1-6/2014	Chg. in %
Third party revenues	<i>in € mill.</i>	495.8	518.1	+5
Operating EBITDA	<i>in € mill.</i>	46.3	45.8	-1
Operating EBIT	<i>in € mill.</i>	22.3	18.4	-18
Total investments	<i>in € mill.</i>	11.3	17.0	+51
Capital employed	<i>in € mill.</i>	646.0	632.8	-2
Ø Employees		4,011	4,183	+4

For the second half-year, we expect a general continuation of the first six month trend. Steinzeug-Keramo should record a solid increase in operating earnings based on moderate volume growth, the improvement of the product mix and the absence of non-recurring costs that influenced the previous year. An increase in earnings for the full year is also forecasted for Semmelrock, above all as a result of higher volumes and leaner cost structures. In the Pipelife plastic pipe business, we see continued revenue and earnings growth in the Nordic and East European core markets. We also expect an improvement in the international project business during the second half-year due to new orders, which should make a positive contribution to earnings at year-end. We assume the growth in the European core markets will not fully offset the earnings decline in the international project business for the entire 12 months and therefore expect, as announced at the beginning of this year, a moderate earnings decline for Pipelife. Our outlook for the Pipes & Pavers Europe Division calls for nearly stable earnings development in 2014.

**Pipes & Pavers Europe: nearly stable operating EBITDA**

**Earnings growth in Pipelife's Nordic and East European core markets**

**Improvement in earnings based on volume growth and successive roll-out of innovative products by Steinzeug-Keramo and Semmelrock**

**Nearly stable earnings development expected for 2014**

**Sound development in Nordic markets unable to fully offset decline in international project business**

## Pipes & Pavers Western Europe

In the Pipes & Pavers Western Europe Segment, revenues declined by 5% to € 283.2 million and operating EBITDA by 19% to € 26.9 million for the first six months. Developments in the plastic pipe business varied significantly during the reporting period. Pipelife recorded higher revenues and earnings in the Nordic core markets and increased market shares with above-average growth in the region's stable to moderately improving markets. This sound development offset the declines in the still challenging markets of France and the Netherlands. Revenues and earnings from Pipelife's international project business, which operates from Western Europe, did not reach the record prior year level due to lower orders for LLLD (pipes with a diameter of up to 2.5 meters and a length of up to 600 meters) and fiber-reinforced pipes. These developments, in total, led to a decline in revenues and operating earnings compared with the first half of 2013.

**Higher volumes in West European core business for Steinzeug-Keramo**

Steinzeug-Keramo, our specialist for ceramic wastewater systems, reported slightly higher revenues and earnings for the first half-year. Germany, Poland and Romania recorded the strongest development and sound volume growth. France, Italy, the Czech Republic and Belgium fell below the previous year as a consequence of the continuing limitations on public sector investments or, in the case of Italy, due to an investment backlog that resulted from the failure to realize projects. The European core business saw moderate volume growth, but deliveries to the Middle East were lower than the previous year. Volumes were stable for the first six months and the positive shifts in the product mix led to an improvement in earnings.

<b>Pipes &amp; Pavers Western Europe</b>		<b>1-6/2013</b>	<b>1-6/2014</b>	<b>Chg. in %</b>
Third party revenues	<i>in € mill.</i>	298.7	283.2	-5
Operating EBITDA	<i>in € mill.</i>	33.1	26.9	-19
Operating EBIT	<i>in € mill.</i>	20.1	10.3	-49
Total investments	<i>in € mill.</i>	8.0	12.7	+58
Capital employed	<i>in € mill.</i>	344.8	334.9	-3
Ø Employees		1,776	1,787	+1

**Nearly stable earnings development expected for second half-year**

In the plastic pipe business, we see a continuation of the regional trends on the West European markets and an increase in the international project business. Earnings should show nearly stable development for the remainder of the year. The earnings growth in Western Europe, and above all the strong development in the Nordic core markets, will not be able to fully offset the decline in the international project business, and we expect a decrease in revenues and earnings for the full year. Developments in the ceramic pipe business should reflect the first half-year, and we are hoping for a gradual solution to the investment backlog in Italy. In contrast, market-related declines are forecasted for France, the Czech Republic and Belgium. Steinzeug-Keramo should record a sound improvement in earnings for the full year based on slight volume growth, leaner cost structures and the absence of non-recurring costs that influenced the previous year. In total, we are projecting a moderate earnings decline for the Pipes & Pavers Western Europe Segment in 2014.

## Pipes & Pavers Eastern Europe

The Pipes & Pavers Eastern Europe Segment recorded an increase of 19% in revenues to € 234.9 million and a significant improvement of 43% in operating EBITDA to € 18.9 million for the first six months of 2014. Both the plastic pipe business and Semmelrock generated double-digit volume growth that allowed us to expand our market shares in the region's stable to slightly growing markets.

**Pipes & Pavers Eastern Europe: 43% year-on-year increase in EBITDA to € 18.9 million**

<b>Pipes &amp; Pavers Eastern Europe</b>		<b>1-6/2013</b>	<b>1-6/2014</b>	<b>Chg. in %</b>
Third party revenues	<i>in € mill.</i>	197.1	234.9	+19
Operating EBITDA	<i>in € mill.</i>	13.2	18.9	+43
Operating EBIT	<i>in € mill.</i>	2.3	8.1	>100
Total investments	<i>in € mill.</i>	3.2	4.3	+33
Capital employed	<i>in € mill.</i>	301.2	297.9	-1
Ø Employees		2,235	2,396	+7

Pipelife recorded a sound improvement in revenues and earnings for the first six months and increased market shares based on above-average growth. Austria, the largest single market in the region, grew further from a sound level. In Poland, strong volume was reflected in an increase in revenues and earnings. The market recovery in Greece and Bulgaria continued from the previous year, and we outperformed the market in Hungary. Turkey also reported a strong improvement in demand after the challenging market environment in 2013, but results were reduced by the decline in the Turkish lira.

**Pipelife and Semmelrock with earnings growth and higher market shares in Eastern Europe**

Semmelrock, our specialist for concrete pavers in Central and Eastern Europe, followed a sound first quarter with further volume growth in the second quarter. The strongest development in the first six months was seen in Poland, Romania, Bulgaria and Slovakia, where volumes were noticeably higher than the comparable prior year period. Semmelrock recorded a sound increase in market shares in the region's stable to slightly growing markets. The continuing shift in the mix to premium products with innovative surface structures reduced the effects of the ongoing high competitive pressure on prices. The increase in revenues combined with cost reduction measures that strengthened earnings power led to double-digit growth in operating earnings.

The first six months confirm the expected stabilization of the markets in Eastern Europe, and our goal therefore remains intact to increase revenues and earnings for the full 12 months based on the strong reporting period development. In spite of the challenging fourth quarter comparative basis, we are projecting stable earnings development for the second half-year. Pipelife should record a broad-based improvement in earnings for the full year, which will be supported by continuing recovery from a weak level in markets like Greece, Bulgaria, Turkey and Hungary as well as higher earnings in Poland and Austria, the most important markets in the region. Our concrete paver business is expected to generate a year-on-year increase in earnings that will be driven, above all, by higher volumes, the successive shift of the mix to premium products and leaner cost structures.

**Revenue and earnings improvement expected for full year**

**Further recovery in US residential construction after difficult start**

## North America

New residential construction in the USA continued its recovery during the second quarter after a weather-related difficult start in 2014. In this environment, Wienerberger increased volumes of facing bricks and grew faster than the market. The plastic pipe business generated stable earnings for the first six months. Third party revenues in the North America Division were negatively affected by weaker development in Canada, price pressure in individual regional markets and foreign exchange effects and totaled € 108.3 million (2013: € 108.9 million). Operating EBITDA fell from € 4.4 million to € 2.3 million due to higher start-up costs for the commissioning of plants and the addition of new shifts.

<b>North America</b>		<b>1-6/2013</b>	<b>1-6/2014</b>	<b>Chg. in %</b>
Third party revenues	<i>in € mill.</i>	108.9	108.3	-1
Operating EBITDA	<i>in € mill.</i>	4.4	2.3	-47
Operating EBIT	<i>in € mill.</i>	-7.0	-8.7	-25
Total investments	<i>in € mill.</i>	2.0	3.3	+67
Capital employed	<i>in € mill.</i>	460.5	434.4	-6
Ø Employees		1,203	1,247	+4
Sales volumes facing bricks	<i>in mill. WF</i>	149	172	+16

**Earnings negatively affected by flexible pricing policy and higher start-up costs**

We expect nearly stable development in the plastic pipe business for the full 12 months of 2014. Since our pipe plant is approaching its capacity limits, we have decided to expand the existing location and will invest roughly € 5 million in additional production lines during the second half-year. The recovery in US new residential construction should continue, but somewhat weaker than expected at the beginning of the year, and lead to an increase in the demand for bricks. The flexible pricing policy from the first half-year will remain intact during the second six months due to the changed market expectations. In Canada we see a continuation of the slight market decline. Our outlook for the North America Division calls for nearly stable earnings development this year.

## Holding & Others

The Holding & Others Division includes the costs for the corporate headquarters as well as our brick activities in India. Volumes in India remained stable during the first half-year, but revenues declined 7% to € 2.7 million primarily due to the significant devaluation of the Indian rupee. Operating EBITDA in this division fell to € -10.1 million. For the full year, we expect stable revenue and earnings development in our Indian brick activities.

<b>Holding &amp; Others</b>		<b>1-6/2013</b>	<b>1-6/2014</b>	<b>Chg. in %</b>
Third party revenues	<i>in € mill.</i>	2.9	2.7	-7
Operating EBITDA	<i>in € mill.</i>	-8.1	-10.1	-24
Operating EBIT	<i>in € mill.</i>	-10.3	-11.8	-14
Total investments	<i>in € mill.</i>	4.7	2.8	-40
Capital employed	<i>in € mill.</i>	17.1	19.2	+12
Ø Employees		196	198	+1

**Business in India negatively affected by foreign exchange effects**

# Interim Financial Statements (IFRS)

## Wienerberger Group

### Income Statement

<i>in TEUR</i>	4-6/2014	4-6/2013	1-6/2014	1-6/2013
Revenues	764,779	768,494	1,349,397	1,260,443
Cost of goods sold	-517,035	-523,627	-947,788	-903,546
<b>Gross profit</b>	<b>247,744</b>	<b>244,867</b>	<b>401,609</b>	<b>356,897</b>
Selling expenses	-140,582	-138,518	-263,683	-254,122
Administrative expenses	-42,248	-40,210	-84,274	-80,089
Other operating expenses	-16,657	-14,774	-31,886	-29,469
Other operating income	5,706	2,331	11,734	11,672
<b>Profit/loss</b>	<b>53,963</b>	<b>53,696</b>	<b>33,500</b>	<b>4,889</b>
Income from investments in associates and joint ventures	1,985	1,911	-2,748	-5,156
Interest and similar income	2,115	2,002	4,099	3,822
Interest and similar expenses	-15,949	-15,688	-31,786	-29,189
Other financial results	1,069	-3,333	1,467	-3,606
<b>Financial results</b>	<b>-10,780</b>	<b>-15,108</b>	<b>-28,968</b>	<b>-34,129</b>
<b>Profit/loss before tax</b>	<b>43,183</b>	<b>38,588</b>	<b>4,532</b>	<b>-29,240</b>
Income taxes	-5,677	-11,134	-6,258	-1,793
<b>Profit/loss after tax</b>	<b>37,506</b>	<b>27,454</b>	<b>-1,726</b>	<b>-31,033</b>
Thereof attributable to non-controlling interests	63	20	-468	-550
Thereof attributable to hybrid capital holders	8,102	8,102	16,116	16,116
<b>Thereof attributable to equity holders of the parent company</b>	<b>29,341</b>	<b>19,332</b>	<b>-17,374</b>	<b>-46,599</b>
<b>Earnings per share (in EUR)</b>	<b>0.26</b>	<b>0.17</b>	<b>-0.15</b>	<b>-0.40</b>
<b>Diluted earnings per share (in EUR)</b>	<b>0.26</b>	<b>0.17</b>	<b>-0.15</b>	<b>-0.40</b>

### Statement of Comprehensive Income

<i>in TEUR</i>	4-6/2014	4-6/2013	1-6/2014	1-6/2013
<b>Profit/loss after tax</b>	<b>37,506</b>	<b>27,454</b>	<b>-1,726</b>	<b>-31,033</b>
Foreign exchange adjustments	18,329	-41,244	8,573	-43,959
Foreign exchange adjustments to investments in associates and joint ventures	62	0	-27	-524
Changes in the fair value of available-for-sale financial instruments	144	-334	395	-99
Changes in hedging reserves	-6,673	5,482	-6,531	8,257
<b>Other comprehensive income <sup>1)</sup></b>	<b>11,862</b>	<b>-36,096</b>	<b>2,410</b>	<b>-36,325</b>
<b>Total comprehensive income</b>	<b>49,368</b>	<b>-8,642</b>	<b>684</b>	<b>-67,358</b>
Thereof comprehensive income attributable to non-controlling interests	63	19	-468	-556
Thereof attributable to hybrid capital holders	8,102	8,102	16,116	16,116
<b>Thereof comprehensive income attributable to equity holders of the parent company</b>	<b>41,203</b>	<b>-16,763</b>	<b>-14,964</b>	<b>-82,918</b>

1) The components of other comprehensive income are reported net of tax and will be recycled in future periods.

## Balance Sheet

<i>in TEUR</i>	30.6.2014	31.12.2013
<b>Assets</b>		
Intangible assets and goodwill	840,696	842,897
Property, plant and equipment	1,619,057	1,663,283
Investment property	81,092	78,377
Investments in associates and joint ventures	18,278	24,454
Other financial assets and non-current receivables	7,079	6,869
Deferred tax assets	51,103	46,633
<b>Non-current assets</b>	<b>2,617,305</b>	<b>2,662,513</b>
Inventories	719,851	666,026
Trade receivables	332,757	203,467
Receivables for current taxes	22,844	17,920
Other current receivables	71,328	73,295
Securities and other financial assets	94,336	91,449
Cash and cash equivalents	365,495	496,690
<b>Current assets</b>	<b>1,606,611</b>	<b>1,548,847</b>
<b>Total Assets</b>	<b>4,223,916</b>	<b>4,211,360</b>
<b>Equity and Liabilities</b>		
Issued capital	117,527	117,527
Share premium	1,082,297	1,083,973
Hybrid capital	492,896	492,896
Retained earnings	755,688	803,254
Other reserves	-218,661	-221,071
Treasury stock	-24,324	-24,324
<b>Controlling interests</b>	<b>2,205,423</b>	<b>2,252,255</b>
Non-controlling interests	267	1,911
<b>Equity</b>	<b>2,205,690</b>	<b>2,254,166</b>
Deferred taxes	109,438	103,980
Employee-related provisions	117,393	116,172
Other non-current provisions	50,406	50,899
Long-term financial liabilities	838,111	836,121
Other non-current liabilities	8,566	8,237
<b>Non-current provisions and liabilities</b>	<b>1,123,914</b>	<b>1,115,409</b>
Current provisions	55,001	57,396
Payables for current taxes	10,348	12,359
Short-term financial liabilities	315,110	290,897
Trade payables	280,690	268,334
Other current liabilities	233,163	212,799
<b>Current provisions and liabilities</b>	<b>894,312</b>	<b>841,785</b>
<b>Total Equity and Liabilities</b>	<b>4,223,916</b>	<b>4,211,360</b>

## Changes in Equity Statement

<i>in TEUR</i>	2014			2013		
	Group	Non-controlling interests	Total	Group	Non-controlling interests	Total
<b>Balance on 1.1.</b>	<b>2,252,255</b>	<b>1,911</b>	<b>2,254,166</b>	<b>2,360,288</b>	<b>3,396</b>	<b>2,363,684</b>
Total comprehensive income	1,152	-468	684	-66,802	-556	-67,358
Dividend payments/hybrid coupon	-46,308	0	-46,308	-46,308	0	-46,308
Increase/decrease in non-controlling interests	-1,676	-1,176	-2,852	0	0	0
<b>Balance on 30.6.</b>	<b>2,205,423</b>	<b>267</b>	<b>2,205,690</b>	<b>2,247,178</b>	<b>2,840</b>	<b>2,250,018</b>

## Cash Flow Statement

in TEUR

	1-6/2014	1-6/2013
Profit/loss before tax	4,532	-29,240
Depreciation and amortization	101,630	101,403
Increase/decrease in long-term provisions and deferred taxes	1	-8,895
Income from investments in associates and joint ventures	2,748	5,156
Gain/loss from the disposal of fixed and financial assets	-3,384	-3,420
Interest result	27,687	25,367
Interest paid	-20,373	-9,375
Interest received	1,456	1,176
Income taxes paid	-12,441	-6,313
<b>Gross cash flow</b>	<b>101,856</b>	<b>75,859</b>
Increase/decrease in inventories	-53,825	-32,241
Increase/decrease in trade receivables	-129,290	-145,603
Increase/decrease in trade payables	12,387	12,837
Increase/decrease in other net current assets	19,019	-16,293
Changes in non-cash items resulting from foreign exchange translation	-127	-1,678
<b>Cash flow from operating activities</b>	<b>-49,980</b>	<b>-107,119</b>
Proceeds from the sale of assets (including financial assets)	7,114	5,735
Purchase of property, plant and equipment and intangible assets	-52,324	-43,266
Payments made for investments in financial assets	0	-102
Increase/decrease in securities and other financial assets	-5,718	237
Net payments made for the acquisition of companies	0	26
Net proceeds from the sale of companies	50	0
<b>Cash flow from investing activities</b>	<b>-50,878</b>	<b>-37,370</b>
Increase/decrease in long-term financial liabilities	1,990	237,571
Increase/decrease in short-term financial liabilities	13,164	-4,732
Dividends paid by Wienerberger AG	-13,808	-13,808
Hybrid coupon paid	-32,500	-32,500
Dividends paid to and other changes in non-controlling interests	-2,852	0
Dividend payments from associates and joint ventures	3,401	3,120
<b>Cash flow from financing activities</b>	<b>-30,605</b>	<b>189,651</b>
<b>Change in cash and cash equivalents</b>	<b>-131,463</b>	<b>45,162</b>
Effects of exchange rate fluctuations on cash held	268	-1,359
Cash and cash equivalents at the beginning of the period	496,690	242,288
<b>Cash and cash equivalents at the end of the period</b>	<b>365,495</b>	<b>286,091</b>

## Operating Segments

1-6/2014 in TEUR	Clay Building Materials		Pipes & Pavers		North America	Holding & Others <sup>1)</sup>	Reconciliation <sup>2)</sup>	Wienerberger Group
	Eastern Europe	Western Europe	Eastern Europe	Western Europe				
Third party revenues	153,426	566,197	234,908	283,233	108,327	2,673		1,348,764
Inter-company revenues	2,730	5,742	6,604	10,811	859	4,865	-30,978	633
Total revenues	156,156	571,939	241,512	294,044	109,186	7,538	-30,978	1,349,397
Operating EBITDA	21,584	75,479	18,928	26,902	2,318	-10,081		135,130
Operating EBIT	3,166	32,409	8,078	10,326	-8,695	-11,784		33,500
Total investments	6,454	22,779	4,296	12,684	3,290	2,821		52,324
Capital employed	414,775	1,378,705	297,902	334,888	434,420	19,196		2,879,886
Ø Employees	2,384	5,875	2,396	1,787	1,247	198		13,887

### 1-6/2013

Third party revenues	140,493	512,025	197,083	298,716	108,902	2,875		1,260,094
Inter-company revenues	2,737	3,617	5,995	7,275	0	4,216	-23,491	349
Total revenues	143,230	515,642	203,078	305,991	108,902	7,091	-23,491	1,260,443
Operating EBITDA	11,826	51,907	13,199	33,062	4,412	-8,114		106,292
Operating EBIT	-7,434	7,254	2,279	20,062	-6,977	-10,295		4,889
Total investments	7,172	18,225	3,221	8,036	1,965	4,723		43,342
Capital employed	445,764	1,456,111	301,214	344,753	460,499	17,110		3,025,451
Ø Employees	2,375	5,957	2,235	1,776	1,203	196		13,742

1) The Holding & Others segment includes the costs for the corporate headquarters and business activities in India.

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

# Notes to the Interim Financial Statements

## Basis Preparation

The interim financial report as of June 30, 2014 was prepared in accordance with the principles set forth in International Financial Reporting Standards, Guidelines for Interim Reporting (IAS 34). The accounting and valuation methods in effect on December 31, 2013 remain unchanged, with the exception of the IFRS that require mandatory application as of January 1, 2014.

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

Standards/ Interpretations	Published by IASB	Latest application for Wienerberger
IAS 27 Separate Financial Statements (2011)	May 2011	1.1.2014
IAS 28 Investments in Associates and Joint Ventures (2011)	May 2011	1.1.2014
IFRS 10 Consolidated Financial Statements	May 2011	1.1.2014
IFRS 11 Joint Arrangements	May 2011	1.1.2014
IFRS 12 Disclosures of Interests in Other Entities	May 2011	1.1.2014
IFRS 10 Consolidated Financial Statements: Transition Guidance	June 2012	1.1.2014
IFRS 11 Joint Arrangements: Transition Guidance	June 2012	1.1.2014
IFRS 12 Disclosure of Interests in Other Entities: Transition Guidance	June 2012	1.1.2014
IFRS 10 Consolidated Financial Statements: Investment Entities	October 2012	1.1.2014
IFRS 12 Disclosure of Interests in Other Entities: Investment Entities	October 2012	1.1.2014
IAS 27 Separate Financial Statements (2011): Investment Entities	October 2012	1.1.2014
IAS 36 Recoverable Amount Disclosures for Non-Financial Assets	May 2013	1.1.2014
IFRIC 21 Levies	May 2013	1.1.2014
IAS 39 Novation of Derivatives and Continuation of Hedge Accounting	June 2013	1.1.2014

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

The changes to IAS 36 regarding disclosures on the recoverable amount, the changes to IAS 39 on the continuation of hedge accounting and IFRIC 21 Levies have no effect on the consolidated financial statements.

For additional information on the accounting and valuation principles, see the financial statements as of December 31, 2013, which form the basis for these interim financial statements.

The business activities of the Wienerberger Group are managed on a regional basis, whereby the segmentation also reflects the different business areas. The Clay Building Materials Europe Division covers activities in the areas of clay blocks, facing bricks and roof tiles in two segments: Clay Building Materials Eastern Europe and Clay Building Materials Western Europe. The Pipes & Pavers Europe Division contains the activities of the plastic pipe producer Pipelife, the ceramic pipe producer Steinzeug-Keramo and the concrete paver producer Semmelrock, and includes the Pipes & Pavers Eastern Europe and Pipes & Pavers Western Europe Segments. Activities in North America are reported together under the North America Segment. The Holding & Others Segment consists primarily of Wienerberger's brick business in India and activities at the corporate headquarters.

## **Consolidated Companies**

The consolidated financial statements include all major Austrian and foreign companies in which Wienerberger AG has management control or directly or indirectly owns the majority of shares. The joint ventures in the Tondach Gleinstätten Group and the Schlagmann Group are reported at equity (50%).

MR Erwerbs GmbH & Co KG, which was previously included through full consolidation, was sold to Schlagmann and deconsolidated at the beginning of January.

## **Seasonality**

The sales volumes recorded by Wienerberger during the first and last months are lower than at mid-year due to the impact of the weather on construction activity. These seasonal fluctuations are demonstrated by data from the first or fourth quarter of the year, which generally lie below results for the second and third quarters.

## **Wienerberger Hybrid Capital**

The TEUR 500,000 hybrid capital is reported as a component of equity, while the coupon payment is shown as part of the use of earnings on the changes in equity statement. The issue costs and the discount were deducted from retained earnings. Wienerberger AG paid a coupon of TEUR 32,500 on February 10, 2014. The proportionate share of the accrued coupon interest for the first six months of 2014 equaled TEUR 16,116; this amount was reflected in the calculation of earnings per share and led to a reduction of EUR 0.14 in this ratio.

## **Notes to the Income Statement**

Group revenues rose by 7% over the comparable prior year period to TEUR 1,349,397 for the first six months of 2014 (2013: TEUR 1,260,443). Operating EBITDA amounted to TEUR 135,130, which is TEUR 28,838 higher than the comparable prior year value of TEUR 106,292. Operating profit equaled TEUR 33,500 for the reporting period, compared with TEUR 4,889 in 2013.

Wienerberger held 2,464,138 treasury shares as of June 30, 2014, which were deducted for the calculation of earnings per share. The weighted number of shares outstanding from January 1, 2014 to June 30, 2014 was 115,062,626. The number of issued shares remained unchanged at 117,526,764 as of June 30, 2014.

## **Notes to the Statement of Comprehensive Income**

Positive foreign exchange differences of TEUR 8,546 (2013: negative differences of TEUR 44,483), which are reported under other comprehensive income, resulted above all from the British pound and the US dollar. The hedging reserve reduced equity by TEUR 6,531 after tax during the reporting period (2013: increase of TEUR 8,257). Positive changes in the fair value of available-for-sale financial instruments totaled TEUR 395 (2013: negative changes of TEUR 99). The after-tax loss recorded for the first six months of 2014 reduced equity by TEUR 1,726 (2013: reduction of TEUR 31,033). Total comprehensive income after tax increased equity by TEUR 684 (2013: reduction of TEUR 67,358).

## **Notes to the Cash Flow Statement**

Cash flow from operating activities of TEUR -49,980 (2013: TEUR -107,119) was substantially higher than the first six months of the prior year due to the growth in revenues and the weather-related weaker increase in working capital. Cash outflows of TEUR 52,324 (2013: TEUR 43,342) for investments in non-current assets (incl. financial assets) and acquisitions included TEUR 52,187 (2013: TEUR 43,266) of normal capex for maintenance and investments in technical upgrades as well as TEUR 137 (2013: TEUR 76) of growth capex for acquisitions, plant expansion and environmental investments.

## **Notes to the Balance Sheet**

Normal and growth capex for the first six months of 2014 increased non-current assets by TEUR 52,324 (2013: TEUR 43,266). Net debt rose by TEUR 154,511 over the level at December 31, 2013 to TEUR 693,390 due to the seasonal increase in working capital.

## Disclosures on Financial Instruments

The following table shows the financial assets and liabilities carried at fair value by Wienerberger and their classification under the three hierarchy levels defined by IFRS 13. No items were reclassified between hierarchy levels during the reporting period.

<i>in TEUR</i>	Level 1	Level 2	Level 3	Carrying amount per 30.6.2014
Shares in funds	7,567			7,567
Corporate bonds	19,610			19,610
Stock	6,452			6,452
Other	1,440	10,412		11,852
<b>Available-for-sale financial instruments</b>	<b>35,069</b>	<b>10,412</b>		<b>45,481</b>
Derivative hedges		6,833		6,833
Other derivatives		7,806		7,806
<b>Derivatives with positive market value</b>		<b>14,639</b>		<b>14,639</b>
Derivative hedges		13,080		13,080
Other derivatives		153		153
<b>Derivatives with negative market value</b>		<b>13,233</b>		<b>13,233</b>
<b>Financial liabilities due to non-banks carried at fair value</b>			<b>2,419</b>	<b>2,419</b>

Wienerberger generally carries financial liabilities at amortized cost. The fair value of these liabilities is shown in the following table:

<i>in TEUR</i>	Level 1	Level 2	Level 3	Carrying amount per 30.6.2014
<b>Financial liabilities due to financial institutions</b>		<b>280,567</b>		<b>268,421</b>
Bonds	901,388			868,249
Loans		241		245
Current loans		448		445
<b>Financial liabilities due to non-banks</b>	<b>901,388</b>	<b>689</b>		<b>868,939</b>

## **Risk Report**

Wienerberger focuses on the early identification and active management of risks in its operating environment within the context of the principles defined by the Managing Board. The major risks identified by the Group during the first six months of 2014 were the slow recovery of the construction industry in individual markets and the resulting pressure on prices as well as competition from substitution products like concrete, steel and wood. Management sees further relevant risks in higher input costs and volatile raw material prices for plastics, but to a lesser extent than in the previous year. Wienerberger regularly monitors the risks in its operating environment as part of its corporate risk management program and takes appropriate actions to counter these risks whenever necessary. The development of the construction industry and major indicators of the demand for building materials are watched closely to permit the timely adjustment of capacity in the plant network to reflect changing market conditions. The price levels on local markets are also monitored regularly, and pricing strategies are adjusted if necessary. Wienerberger counters the risk of rising input costs by establishing fixed procurement prices at an early point in time and by concluding long-term supply contracts. The risks associated with rising energy costs are reduced through the Group's hedging strategy. The risks expected by Wienerberger during the remaining six months of this year are linked to higher input costs, uncertainty over further developments in the construction industry and continued pressure on prices in individual markets.

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

Wienerberger is exposed to legal risks in connection with increasingly strict environmental, health and safety regulations, whereby the Group could become liable for penalties or claims to compensation for damages in the event of non-compliance. In June 2012 the EU Commission ordered searches at the offices of plastic pipe and fitting producers in connection with alleged agreements in violation of cartel law, which also included Pipelife International GmbH. The responsible authorities have not issued any findings to date. It should be noted that price-fixing agreements are not part of business policies in the Wienerberger Group; internal guidelines expressly prohibit such activities and call for sanctions in the event of violations.

## **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.

Wienerberger AG and its subsidiaries finance associated companies, joint ventures and non-consolidated subsidiaries through loans granted at ordinary market conditions. The outstanding receivables due from associated companies and joint ventures amounted to TEUR 20,690 as of June 30, 2014 (2013: TEUR 17,706), while the comparable amount for non-consolidated subsidiaries was TEUR 9,435 (2013: TEUR 6,449).

## **Other Information**

On April 18, 2014 Wienerberger announced the appointment of two members of its top management to the board of the ANC Private Foundation. Although these appointments allow Wienerberger to exercise control, consolidation is not permitted under IFRS 10 because the shareholders of Wienerberger AG, and not the company, hold the rights to variable returns from the foundation.

The ANC Private Foundation had a consolidated balance sheet total of TEUR 25,043 as of June 30, 2014. The foundation's assets consist primarily of property, plant and equipment totaling TEUR 13,107 and securities and liquid funds of TEUR 11,251. As of the balance sheet date the ANC Private Foundation did not have any financial liabilities.

### **Significant Events after the Balance Sheet Date (Supplementary Report)**

Wienerberger recently acquired additional shares in Tondach Gleinstätten, which resulted in a majority stake as of July 1, 2014. The Tondach Group was included at equity (50%) up to June 30, 2014 and will be fully consolidated upon the finalization of the transaction. The purchase price for the acquired shares totals MEUR 42.8, whereby MEUR 23.4 will be paid in the form of treasury shares (1,910,985 shares) and the rest in cash. After the conversion of financial liabilities totaling MEUR 26 into subordinated participation rights, the involved banks hold an investment of approx. 18% and Wienerberger holds 82% of the shares. Wienerberger is forecasting revenues of roughly MEUR 155 and operating EBITDA of approx. MEUR 23 for the Tondach Group in 2014. Therefore, this transaction is expected to add approx. MEUR 90 to consolidated Group revenues and approx. MEUR 15 to consolidated operating EBITDA in 2014.

### **Waiver of Audit Review**

This interim report by Wienerberger AG was neither audited nor reviewed by a certified public accountant.

# Statement by the Managing Board

We confirm to the best of our knowledge that these interim financial statements (interim financial report under IFRS) 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 important events that occurred during the first six months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

The Managing Board of Wienerberger AG  
Vienna, August 19, 2014



Heimo Scheuch  
Chief Executive Officer



Willy Van Riet  
Chief Financial Officer

# Financial Calendar

<i>July 22, 2014</i>	<i>Start of the quiet period</i>
August 19, 2014	Results for the First Six Months of 2014: Press and Analysts Conference in Vienna
August 20, 2014	Analysts Conference in London
September 11, 2014	Capital Markets Day 2014 in Belgium
<i>October 21, 2014</i>	<i>Start of the quiet period</i>
November 12, 2014	Third Quarter Results for 2014
<i>January 29, 2015</i>	<i>Start of the quiet period</i>
February 26, 2015	Results of 2014: Press and Analysts Conference in Vienna
February 27, 2015	Analysts Conference in London
March 31, 2015	Publication of the 2014 Annual Report on the Wienerberger website
<i>April 17, 2015</i>	<i>Start of the quiet period</i>
May 7, 2015	First Quarter Results for 2015
May 22, 2015	146 <sup>th</sup> Annual General Meeting in the Austria Center Vienna
May 27, 2015	Deduction of dividends for 2014 (ex-day)
May 29, 2015	Payment day for 2014 dividends
June 2015	Publication of the Sustainability Report 2014
<i>July 24, 2015</i>	<i>Start of the quiet period</i>
August 18, 2015	Results for the First Six Months of 2015: Press and Analysts Conference in Vienna
August 19, 2015	Analysts Conference in London
September 2015	Capital Markets Day 2015
<i>October 23, 2015</i>	<i>Start of the quiet period</i>
November 12, 2015	Third Quarter Results for 2015

## Information on the Company and the Wienerberger Share

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The Report on the First Six Months of 2014 is available in German and English.

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