wienerberger

Smart Solutions

Annual Report 2016

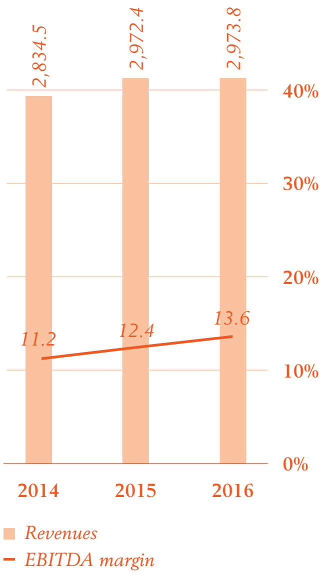
Wienerberger Annual Report

Contents

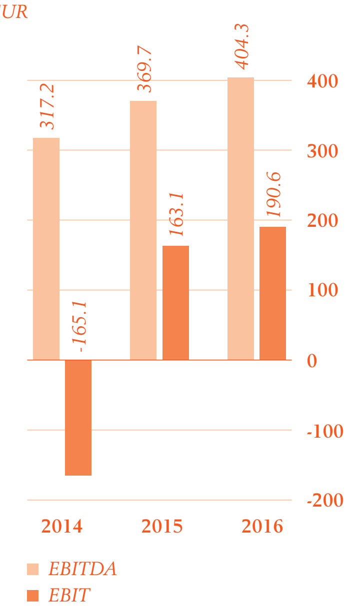
The Annual Report and Annual Financial Statements for 2016, which were released on March 29, 2017 and presented at the 148th Annual General Meeting on May 19, 2017 in Vienna, are also available for download under www.wienerberger.com.

Available in German and English.

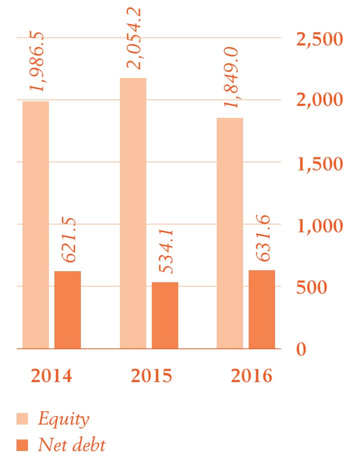
Revenues and EBITDA Margin
in MEUR and %



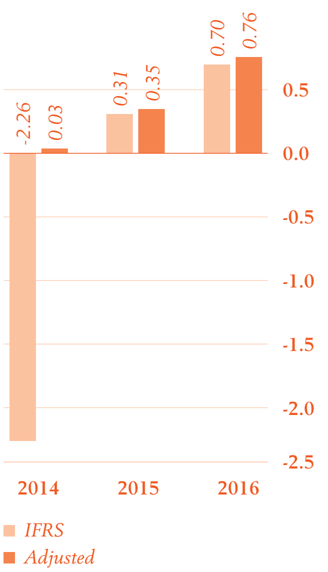
EBITDA and EBIT
in MEUR



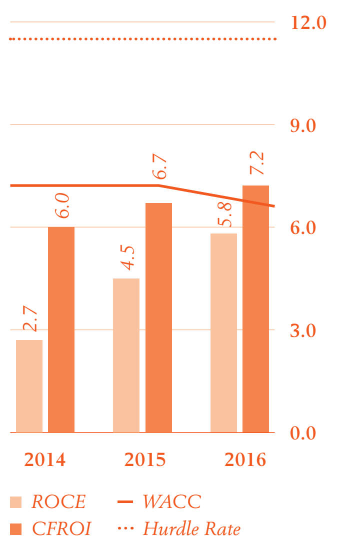
Equity and Net Debt
in MEUR



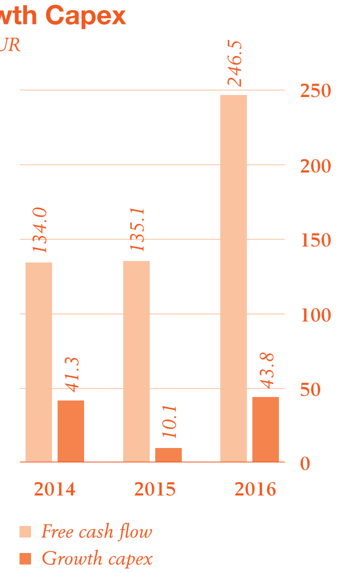
Earnings per Share
in EUR



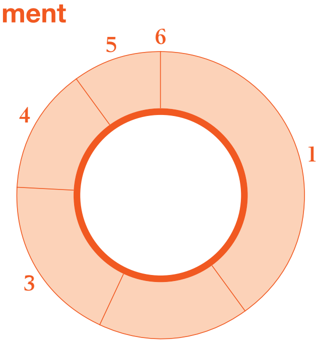
ROCE and CFROI
in %



Free Cash Flow and Growth Capex
in MEUR

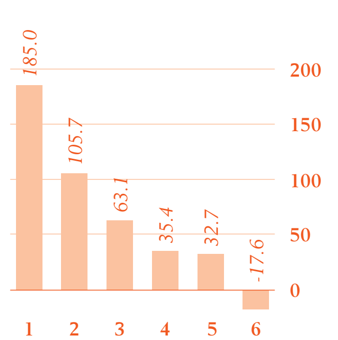


Third Party Revenues by Segment



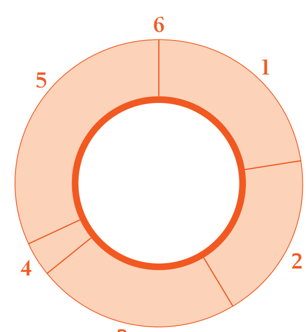
1 *Clay Building Materials Western Europe 40%*
2 *Clay Building Materials Eastern Europe 17%*
3 *Pipes & Pavers Western Europe 19%*
4 *Pipes & Pavers Eastern Europe 14%*
5 *North America 10%*
6 *Holding & Others 0%*

EBITDA by Segment
in MEUR



1 *Clay Building Materials Western Europe*
2 *Clay Building Materials Eastern Europe*
3 *Pipes & Pavers Western Europe*
4 *Pipes & Pavers Eastern Europe*
5 *North America*
6 *Holding & Others*

Revenues by Product



1 *Wall 23%*
2 *Roof 19%*
3 *Facade 23%*
4 *Surface 4%*
5 *Pipes 32%*
6 *Others 0%*

Explanatory notes to the report:
Operating EBIT and *adjusted earnings per share* are adjusted for impairment charges to goodwill and assets as well as the reversal of impairment charges to assets. // ROCE and EVA® are calculated based on average capital employed. // CFROI and CVA are calculated based on average historical capital employed. // Rounding differences may arise from the automatic processing of data.

Earnings Data		2014 restated[1]	2015	2016	Chg. in %
Revenues	in MEUR	2,834.5	2,972.4	**2,973.8**	0
EBITDA	in MEUR	317.2	369.7	**404.3**	+9
Operating EBIT	in MEUR	100.2	167.6	**197.7**	+18
Impairment / Reversal of impairment charges to assets	in MEUR	-102.6	-4.5	**-0.2**	+95
Impairment charges to goodwill	in MEUR	-162.7	0.0	**-6.9**	-100
EBIT	in MEUR	-165.1	163.1	**190.6**	+17
Profit before tax	in MEUR	-215.3	107.0	**158.5**	+48
Net result	in MEUR	-261.7	36.5	**82.0**	>100
Free cash flow[2]	in MEUR	134.0	135.1	**246.5**	+82
Normal capex	in MEUR	121.8	137.7	**137.3**	0
Growth capex	in MEUR	41.3	10.1	**43.8**	>100
ROCE[3]	in %	2.7	4.5	**5.8**	-
CFROI[3]	in %	6.0	6.7	**7.2**	-
Ø Employees	in FTE	14,836	15,813	**15,990**	+1

Balance Sheet Data		2014 restated[1]	2015	2016	Chg. in %
Equity[4]	in MEUR	1,986.5	2,054.2	**1,849.0**	-10
Net debt	in MEUR	621.5	534.1	**631.6**	+18
Capital employed	in MEUR	2,591.9	2,569.9	**2,460.0**	-4
Total assets	in MEUR	3,831.0	3,691.6	**3,637.2**	-1
Gearing	in %	31.3	26.0	**34.2**	-

Stock Exchange Data		2014 restated[1]	2015	2016	Chg. in %
Earnings per share	in EUR	-2.26	0.31	**0.70**	>100
Adjusted earnings per share	in EUR	0.03	0.35	**0.76**	>100
Dividend per share	in EUR	0.15	0.20	**0.27**	+35
Share price at year-end	in EUR	11.45	17.09	**16.50**	-3
Shares outstanding (weighted)[5]	in 1,000	116,017	116,956	**116,956**	0
Market capitalization at year-end	in MEUR	1,345.1	2,008.5	**1,938.6**	-3

Divisions 2016 *in MEUR and %*[6]	Clay Building Materials Europe		Pipes & Pavers Europe		North America		Holding & Others		Reconciliation	
Third party revenues	1,681.2	*(+2%)*	988.2	*(-5%)*	292.7	*(+5%)*	8.6	*(+14%)*		
Inter-company revenues	3.6	*(>100%)*	1.2	*(0%)*	0.6	*(-83%)*	14.5	*(+10%)*	-16.8	*(+11%)*
Revenues	1,684.9	*(+2%)*	989.4	*(-5%)*	293.3	*(+4%)*	23.0	*(+11%)*	-16.8	*(+11%)*
EBITDA	290.7	*(+17%)*	98.5	*(-9%)*	32.7	*(+1%)*	-17.6	*(+11%)*		
Operating EBIT	163.6	*(+35%)*	48.2	*(-21%)*	5.9	*(-24%)*	-20.1	*(+13%)*		
CFROI in %	7.5	-	12.1	-	3.9	-	-27.0	-		
Total investments	97.5	*(+15%)*	66.3	*(+37%)*	12.7	*(+4%)*	4.6	*(+96%)*		
Capital employed	1,575.6	*(-6%)*	532.5	*(-2%)*	352.8	*(-3%)*	-1.0	*(+85%)*		
Ø Employees	10,333	*(+1%)*	4,163	*(+1%)*	1,289	*(+1%)*	205	*(+4%)*		

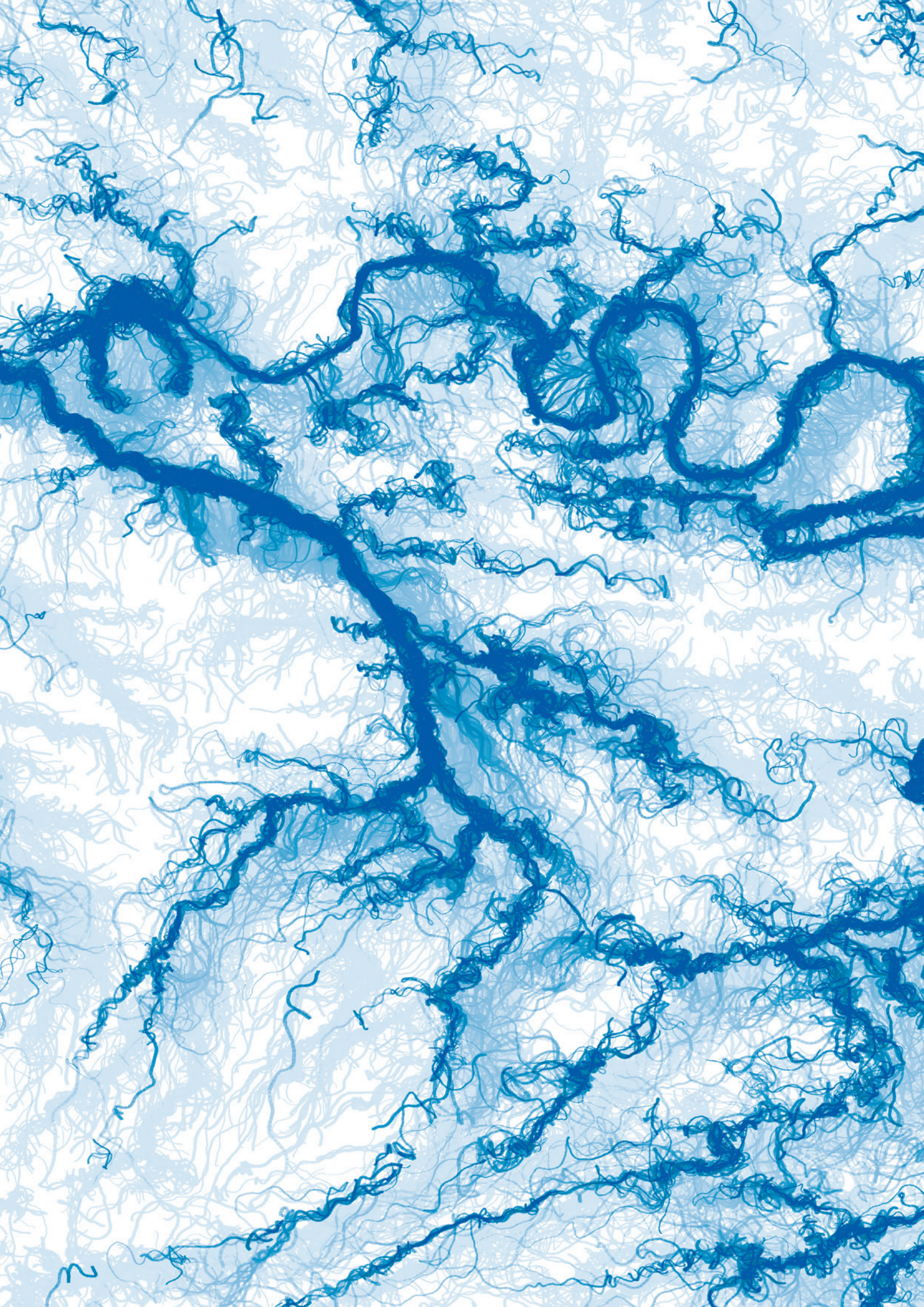
1) The figures for the year 2014 were restated in accordance with IAS 8 // 2) Cash flow from operating activities less cash flow from investing activities plus growth capex // 3) 2014 calculated on a pro-forma 12-month basis // 4) Equity including non-controlling interests and hybrid capital // 5) Adjusted for treasury stock // 6) Changes in % to the comparable prior year period are shown in brackets

All abbreviations and special terms are explained in the glossary beginning on page 187.

Smart Solutions

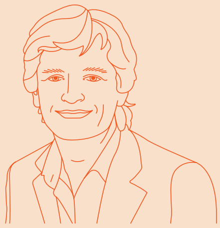
The Wienerberger world
from the digital perspective

Unique designs illustrate the complex nature of future-oriented solutions. They open up entirely new perspectives to the viewer and symbolize our endeavors to rethink proven and tested procedures and pave the way for innovations.



No more flash flooding

How can we cope with rainwater draining off roofs, parking lots or access ramps? This question confronts urban planners as well as operators of airports, industrial facilities and shopping centers. Pipelife's smart infiltration system provides a solution.



This system takes the burden off sewer systems in cities, as well as the growing residential areas around them, and prevents major damage through flash flooding. At the same time, we promote sustainable water management and the efficient use of this vital resource.

Hielke Hoekstra, R&D International Project Manager, Pipelife International

Climate change is progressing and its impact is being felt all over the world. Extreme rainfall events have become more and more frequent over the past forty years. This is a particular problem for urban agglomerations, where large sealed surfaces are unable to absorb infiltration water and the sewer systems are not designed for such huge quantities of water. As a result, flash flooding occurs. This development is a major challenge for urban planners and operators of public supply networks. With its Raineo system, Pipelife, the plastic pipe specialist, offers a forward-looking smart solution.

Rainwater harvesting and treatment

Raineo is simple and effective: Rainwater is collected, purified through filtering, stored underground in so-called Stormboxes and reused for various purposes. On the one hand, water can thus be harvested for irrigation or sanitary facilities. On the other hand, rainwater returns to the water cycle through infiltration and maintains the natural function of the soil.

Without any doubt, there is a growing scarcity of clean drinking water. The most important source is precipitation, which is absorbed by the soil and can subsequently be drawn from above-ground sources or wells. The Pipelife system protects this vital resource. "We support sustainable water management by purifying this precious resource for effective and efficient reuse", says Hielke Hoekstra, R&D International Project Manager at Wienerberger's subsidiary.

Stormbox, the heart of the system

The patented Stormbox is the core of this modular system. With about 95% of its volume available for storage, it can take up to 206 liters of water. This is a major advantage over grit or gravel layers, which absorb water in less than one third of their volume. For temporary rainwater storage, several Stormboxes are stacked and connected with one another. They take high loads and can even be installed under trafficked surfaces. They are well-suited for installation under roads, paths, access ramps or parking lots.

This intelligent water management system is already in use in 25 markets served by Pipelife. Raineo can handle any volume of collected water – from parking spaces in front of residential buildings to airport runways. Pipelife supports its customers throughout

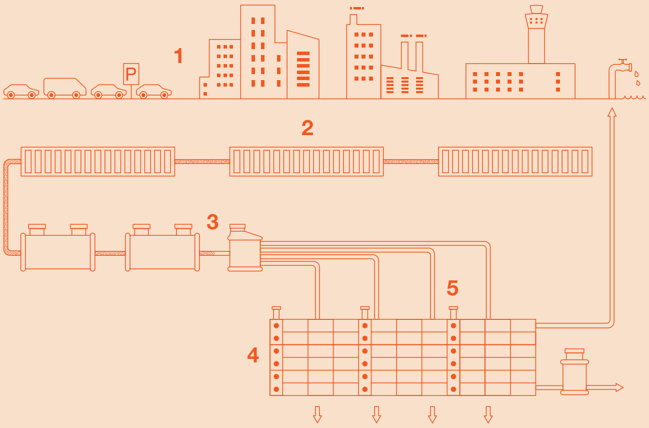
The individual components of the patented modular Raineo system can be used flexibly – as illustrated by the Nurmijärvi project in Finland.

Interior view: One Stormbox can hold up to 206 liters of water.

the project by offering advice and software solutions from the planning phase to completion. The company also supplies all products and accessories on a one-stop-shop basis, including pipes and fittings, oil separators or road gullies and gutters. Since the take-over of a Finnish pipe producer, oil separators are also produced in-house by Pipelife.

According to a study by the European Commission, 500 square kilometers of surface are being sealed annually in the countries of the EU, which corresponds to almost 200 football pitches per day. Consequently, the know-how of Pipelife's specialists will be in high demand in the future.

This is how Raineo works



1 Applications
- Roads and parking lots
- Urban agglomerations
- Airports
- Stadiums and sports facilities
- Agriculture
- Commercial and industrial sites

2 Harvesting and redirecting
- Line drainage and gullies
- Manholes
- Connecting pipes and distributor pipes

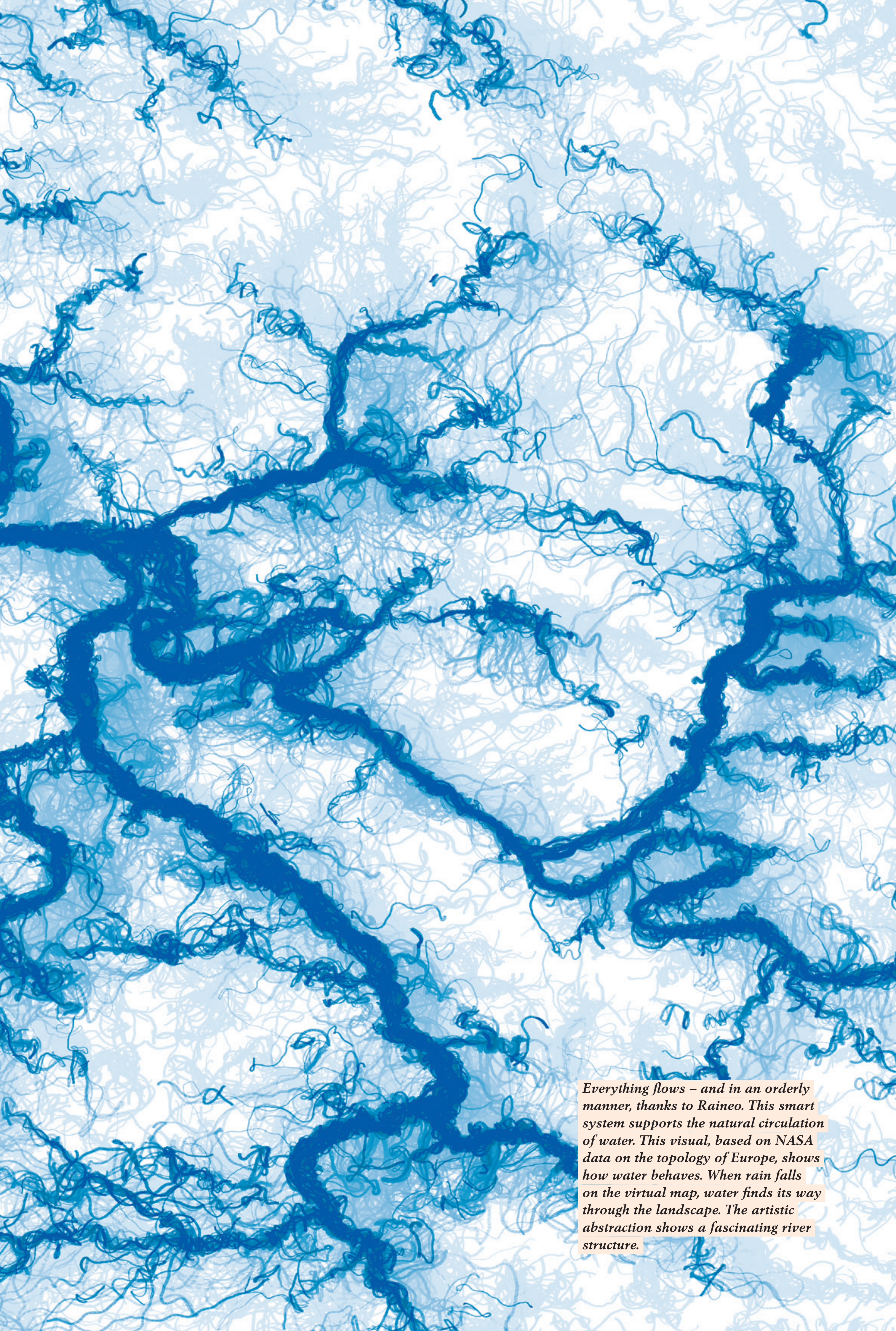
3 Filtering and cleaning
- Sand and sludge collectors
- Oil separators
- For heavily soiled surfaces: filters combined with separators for sand, solids, oil and fuel residues as well as chemical filters for heavy metals and other pollutants

4 Temporary storage
- Geotextile lining for protection against ingress of soil
- Water for reuse: lined with geomembranes, the box serves as a temporary storage tank; pipes and pumps connect the Stormbox to the surface
- Controlled discharge of surplus water

5 Inspection and maintenance
- Access to pipes, filters, separators and distribution and drainage shafts via manholes
- Inspection chambers for access to the water tank

Stormbox – light-weight, compact and with a high storage volume

The Stormbox is the heart of the Raineo system. 120 x 30 x 60 centimeters in size, it weighs less than nine kilos and can easily be installed single-handedly. Every Stormbox is equipped with horizontal and vertical inspection and maintenance ducts. For small projects, Pipelife supplies prefabricated packages consisting of four Stormboxes.



Everything flows – and in an orderly manner, thanks to Raineo. This smart system supports the natural circulation of water. This visual, based on NASA data on the topology of Europe, shows how water behaves. When rain falls on the virtual map, water finds its way through the landscape. The artistic abstraction shows a fascinating river structure.

Chief Executive's Review

Heimo Scheuch, Chief Executive Officer of Wienerberger AG

Ladies and Gentlemen,

In 2016, we concentrated our efforts on the implementation of our strategy and succeeded in generating further organic growth through intensified innovation, diversification and optimization. Our EBITDA rose to € 404 million and we more than doubled our net profit, year on year, to € 82 million. This is all the more satisfactory in view of the fact that 2016 was a year marked by high volatility in some of our markets, currency and interest-rate fluctuations, and a downward trend in infrastructure spending in several Eastern European countries.

It also shows that Wienerberger has made great progress in its development in recent years and is now much better capable of addressing the challenges of a continuously changing environment.

Our industry, too, is in a state of profound transformation. The complexity of business processes is increasing and a wide variety of stakeholders are interacting more and more closely. Consequently, value chains are evolving permanently. In this environment, it is essential for us to take advantage of the progressive digitalization of entire business processes, but not without taking social and ecological components into account in our decisions in the interest of sustainable corporate development.

As our performance shows, Wienerberger turns challenges into opportunities for sustainable growth.

As the year 2016 has shown, it is thanks to our role as the technology and innovation leader of our industry and the consistent implementation of our Digital Agenda that we are being increasingly successful in positioning our company as a strong partner in new construction, renovation and infrastructure by offering innovative products and services. Last year, we invested approximately 1% of our revenues in research and development and in future-oriented products, and innovative products accounted for 27% of our revenues. Our commitment to “smart solutions” underlines that our strategic focus on innovation is an important pillar of our success and the foundation for long-term, organic growth.

Our strategic focus on innovation is an important pillar of our success.

Other central elements of our growth strategy are the continuous expansion of our market positions and the growing diversification of our business areas. During the year under review, we spent € 44 million on growth investments, thus strengthening our presence in the brick business in Eastern Europe and consolidating our pipe activities in Northern Europe. We will consistently pursue this course in 2017. However, our success is also due to a strong commitment to steady improvement. Through the ongoing optimization of our structures and processes in production and management we were able to cut costs by € 7 million last year, and we intend to achieve further savings of € 10 million in the current year.

We have set ourselves a clear growth target for 2017: we want to increase organic EBITDA to € 415 million.

2017 will again be marked by important developments in the political arena, such as the elections in the Netherlands, France, Germany and the Czech Republic, as well as the forthcoming BREXIT negotiations, all of which are bound to have a significant influence on the European economy. The financial markets will also feel the impact of interest-rate and currency fluctuations.

Against this background, we have set ourselves the ambitious target of increasing our EBITDA to € 415 million through organic growth, which is an improvement by 9% over the comparable previous year’s figure.

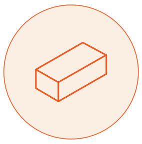
Owing to our solid operational performance in recent years, we have a strong industrial and financial base, which we are going to use consistently for further sustainable growth. Strengthened by your trust and confidence, ladies and gentlemen, we look forward to continuing on this course together with you.

Yours

Regions & Divisions

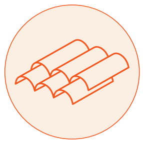
Clay Blocks

Nr. 1 worldwide



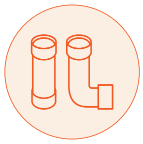
Facing Bricks

Nr. 1 in Europe, leading positions in the USA



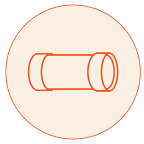
Clay Roof Tiles

Nr. 1 in Europe



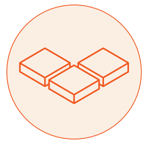
Plastic Pipes

Leading positions in Europe



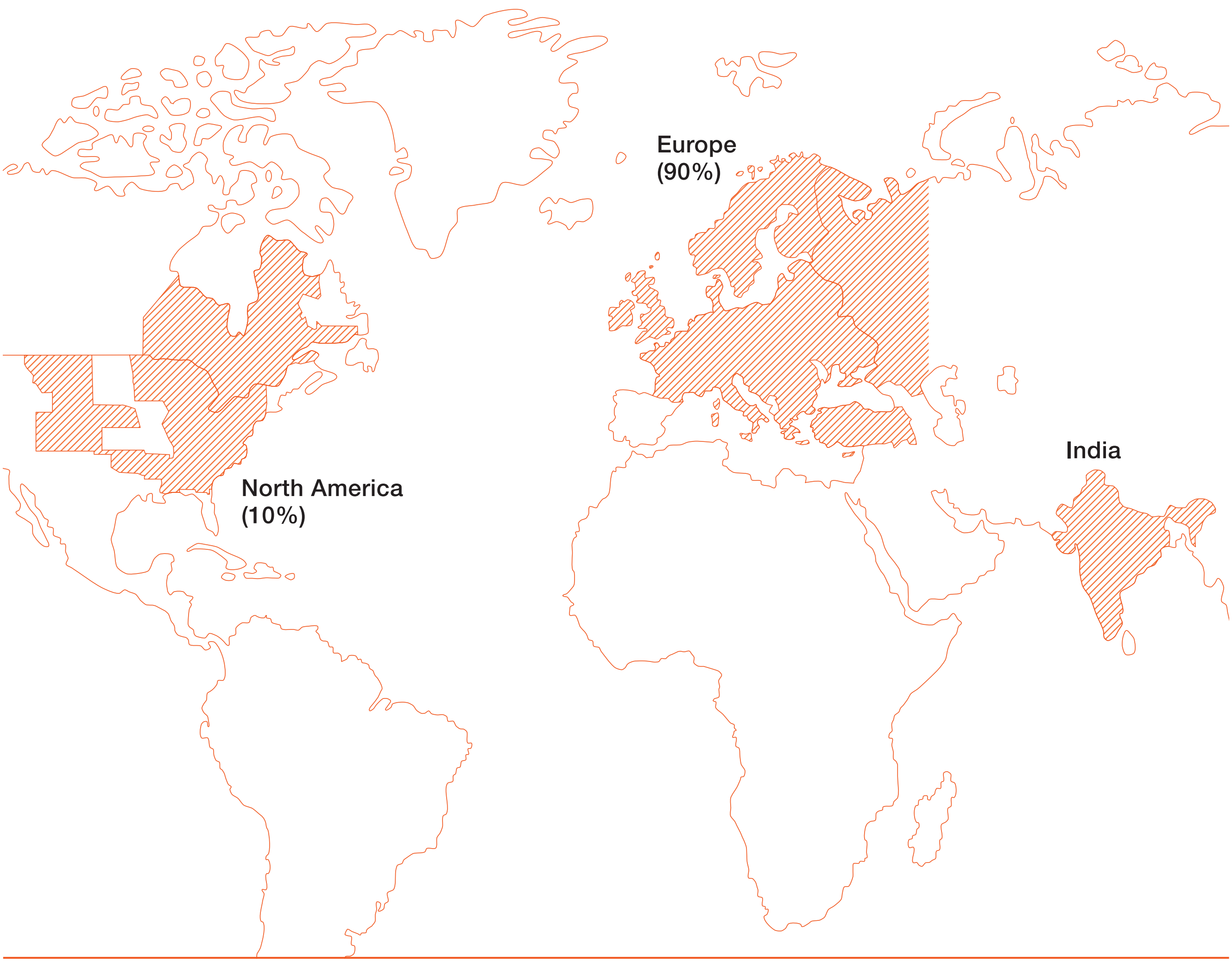
Ceramic Pipes

Nr. 1 in Europe

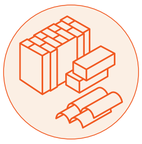


Concrete Pavers

Nr. 1 in Central-East Europe



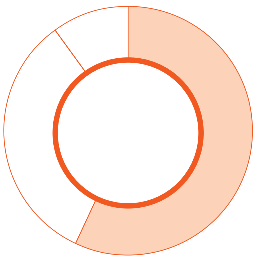
Our Divisions



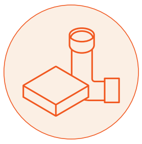
Clay Building Materials Europe

Clay Blocks
Facing Bricks
Roof Tiles

Third party revenues 2016
57%



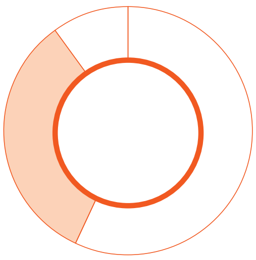
EBITDA
in MEUR



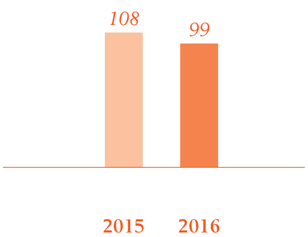
Pipes & Pavers Europe

Plastic Pipes
Ceramic Pipes
Concrete Pavers

Third party revenues 2016
33%



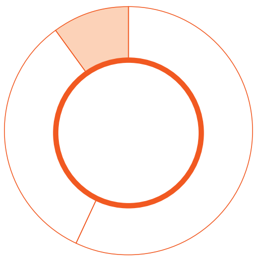
EBITDA
in MEUR



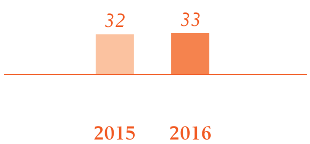
North America

Facing Bricks
Plastic Pipes
Concrete Products
Calcium Silicate

Third party revenues 2016
10%



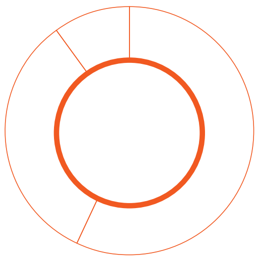
EBITDA
in MEUR



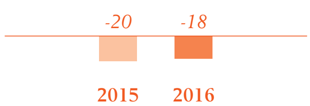
Holding & Others

Clay Blocks

Third party revenues 2016
0%



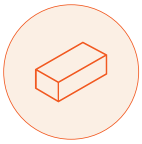
EBITDA
in MEUR



Wienerberger at a Glance

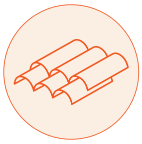
Wall (A)

Innovative clay blocks already fulfil the demanding standards of building physics that will have to be met by the buildings of tomorrow. Depending on local building traditions, they are used for load-bearing exterior monolithic or cavity walls of single-family homes as well as multi-story buildings. They are also used for load-bearing interior walls and for non-load-bearing partitions or infill walls.



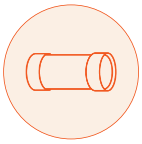
Facade (B)

Facing bricks are used, above all, in visible brick architecture as the most striking aesthetic exterior feature of a building. A facing brick wall provides optimal protection from weather conditions, but still allows the building to breathe. Thanks to the durability of facing bricks, there is no need for costly renovation or maintenance as the building gets older. Through the combination of different colors, formats and surface structures, facing bricks are ideally suited for modern and cost-effective urban brick architecture.



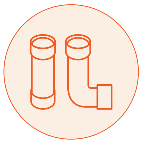
Roof (C)

Clay roof tiles are used for pitched roofs, low slope roofs and as design elements on facades. They protect the building and its facade from weather influences and moisture for many years. On account of their long useful life and their color-fastness, they are the preferred material for renovation works. A broad range of roof tiles and accessories is available for creative applications in modern residential construction as well as for traditional solutions in renovation and for classified buildings.



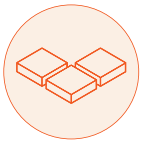
Ceramic pipes (D)

Ceramic pipes (incl. fittings, shafts and accessories) are used in open-trench and trenchless construction, providing sustainable solutions for municipal waste-water disposal. Thanks to their durability, stability, low maintenance requirements and resistance to effluents, ceramic pipes meet all the requirements of modern sewage systems.



Plastic pipes (E)

Plastic pipes (incl. fittings and accessories) are suitable for a wide variety of applications for private and industrial use. The range of high-quality, durable pipe systems includes products for building services installations, drinking water supply, irrigation, waste-water and rain-water management, drainage, energy supply and data transfer, as well as special products for industrial applications.



Pavers (F)

Concrete and clay pavers offer outstanding advantages in terms of durability and lifetime esthetics. They are used for a wide variety of applications, from public spaces and heavily trafficked roads to private buildings and gardens. Customers appreciate the high-quality surface finish as well as the variations in design and setting patterns.

Mission Statement

Our Vision

We want to be the most highly regarded producer of building materials and infrastructure solutions and the preferred employer in our markets. We share our values, our knowledge, our experience and our success.

Our Mission

We improve people's quality of life by providing outstanding, sustainable building material and infrastructure solutions.

wienerberger

Our Goal

The primary goal of our entrepreneurial activities is to achieve a sustainable increase in the value of the company in accordance with ecological, social and economic principles.

Our Values

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

Our values form the basis of our entrepreneurial activities. We live by our values and share them in our day-to-day cooperation.

Corporate Goal

Clear structures

To reach our corporate goal, we have defined a clear strategy and established an efficient organizational structure with short decision-making routes. The Managing Board identifies the main topics regarding the orientation of the Group and its long-term capital allocation. The local management teams are responsible for operational implementation and contribute to the decision-making process. The Supervisory Board is involved in all major strategic projects and, besides its supervisory function, actively exercises an advisory function.

Corporate Governance Report, beginning on page 48

Well-balanced decisions

In our strategic considerations, we focus on the interests of our organization as well as those of our stakeholders, with whom we engage through a network of long-standing relations. We are convinced that balanced decisions taken with a long-term view bring about a convergence of interests and can broaden the basis for our organic growth. Thus, we create the best possible prerequisites for sustainable value creation.

Strategy and targets 2020, page 18

The primary goal of our entrepreneurial activities is to achieve a sustainable increase in the value of the company in accordance with ecological, social and economic principles.

Global market leader in regional markets

We combine the potential of an internationally operating group with the regional know-how of strong local organizations. We utilize our profound market expertise and our networks, sharing know-how and innovations within the company and beyond it. Our strong corporate culture and our values enable us to overcome geographic and cultural differences. Our strong brands, firmly associated with local building traditions in numerous regions, testify to our leading market positions.

Production sites and market positions, page 34

Value creation

Our value creation process consists in the industrial production and marketing of innovative building materials and systems for modern buildings and infrastructure. We interact with numerous stakeholders in order to address the growing complexity of construction projects. Within our organization, we aim at a balanced and value-creating use of our inputs along the entire value chain.

Value creation, beginning on page 20

Digital garden design

Elegant Umbriano pavers or modern Asti slabs? The GardenVisions App is an innovative tool that allows customers to design their open spaces. Mobile solutions are also used increasingly by Wienerberger's sales force and by employees dealing with safety matters.

At work and at play, useful apps have become part of our lives. They facilitate our daily routine and simplify business processes. The Wienerberger Group is continually developing new mobile solutions for its customers and employees. With its GardenVisions App, Semmelrock, the specialist in concrete pavers, has taken the lead. This smart solution enables private individuals to visualize their open spaces, from ramps and paths to patios and gardens.

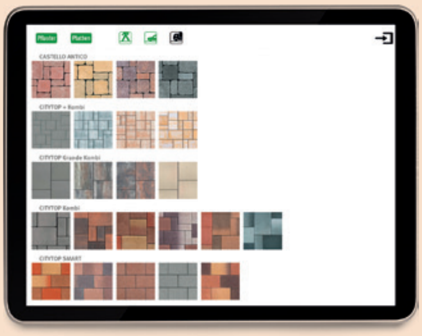
Surface design custom made

From elegant slabs for the patio to decorative pavers for the garden path: translating visions into images is child's play for users of the GardenVisions App. Based on a photograph of their plot of land on a smartphone or tablet computer, customers can try out different formats, colors and surface structures to create a personalized design based on their specific needs and wishes.

GardenVisions App – garden design in just a few steps

1 The customer takes a photo of the plot of land and opens it in the GardenVisions App.

2 The surface to be designed is marked by simple finger movements.



3 Products are selected from the catalog; currently, about 40 products are available in 100 colors and styles.

4 The selected product is visualized in the desired design.

5 The surface can be moved and adjusted according to the customer's needs.

6 Done! The visualized garden vision can be saved as image.

The GardenVisions App is extremely easy to use. It gives you a perfect impression of which type of paving goes with your house.

Sabine Berger, Head of Group Marketing, Semmelrock

Smart tablet solution: The My GS App makes it easier for field staff to enter and process orders from wherever they are.

Any change in the product range is reflected in the app, so that customers are always up to date. The GardenVisions App also provides information on building materials dealers in the immediate vicinity, which facilitates ordering and project execution. The tool has been well received. Since its launch in Hungary in 2016, it has been downloaded more than 4,000 times. In 2017, the app will be rolled out to another seven countries: besides Austria, it will be available in Bulgaria, Croatia, Poland, Romania, Slovakia and the Czech Republic.

GardenVisions App – at a glance

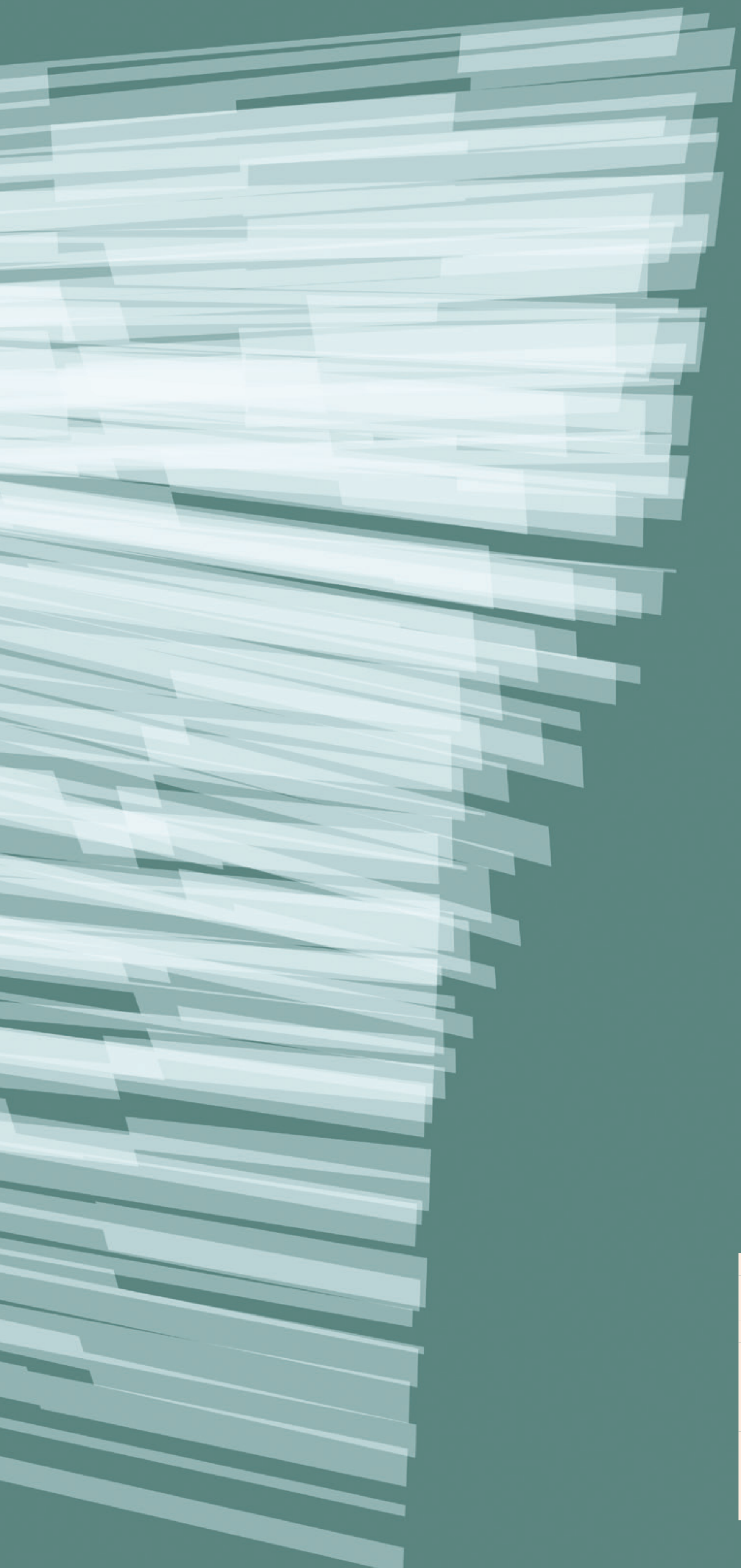
Number of products: ~ **40**
Colors and variants: ~ **100**
Registered dealers: ~ **340**
Downloads since 2016: ~ **4,000**

Clever tools for Wienerberger employees

Smart solutions enable Wienerberger employees to interact more closely with their customers. The My GS App developed by General Shale, Wienerberger's US subsidiary, helps field staff to efficiently record and process orders. They can access the digital product catalog at any time and enter their orders directly in the internal order management system. Special customer requests as well as information on delivery and payment conditions can easily be uploaded. Customers can be informed about the status of their orders and provided with additional information.

Occupational safety is another area where apps prove to be useful. Digital solutions will help Wienerberger to reach the Group's zero-accident target. Pipelife, the specialist in plastic pipes, has developed a safety app to prevent accidents at its production sites. Employees can document potential hazards or incidents and share experiences and photos with colleagues. Open communication helps to diminish the frequency of accidents and sharpen people's awareness for safety issues.

With smart solutions like these, Wienerberger is creating added value for the users. Important information can be accessed via apps at any time and from any place. Thus, processes can be optimized and customers receive even better and more accurately targeted services.



Users of the GardenVisions App can design their own open spaces by varying the shape, color and surface finish of the paving. This image was inspired by the diversity of product configurations. Surfaces and three-dimensional objects were generated from graphic patterns and a visual cross-section was created through super-position: a work of art that symbolizes the impressive range of this app.

Priorities

Organic growth

We generate organic growth by focusing on the following priorities:

- **Innovation.** As the innovation leader in our industry, we are continuously improving and further developing our products and system solutions for all fields of application. Key priorities of our development efforts include a sparing use of raw materials, experiments with new materials and more efficient production processes, as well as innovations in the fields of application of our products, their use and reuse.
- **Market proximity.** The planning and implementation of construction projects is becoming more and more complex. We therefore take the individual needs of specific customer groups, stakeholders and decision-makers into account by offering comprehensive advisory services and supporting projects from the design phase to execution.
- **Digitalization.** Within the framework of our Digital Agenda, we are working on various projects and taking the lead in the digital transformation of our industry.
- **Industrial potential.** Wienerberger operates a modern and efficient network of production sites in all its business units. Our strategic capacity reserves enable us to participate in market growth and generate a more than proportional increase in earnings, while keeping our maintenance capex at a level below depreciation

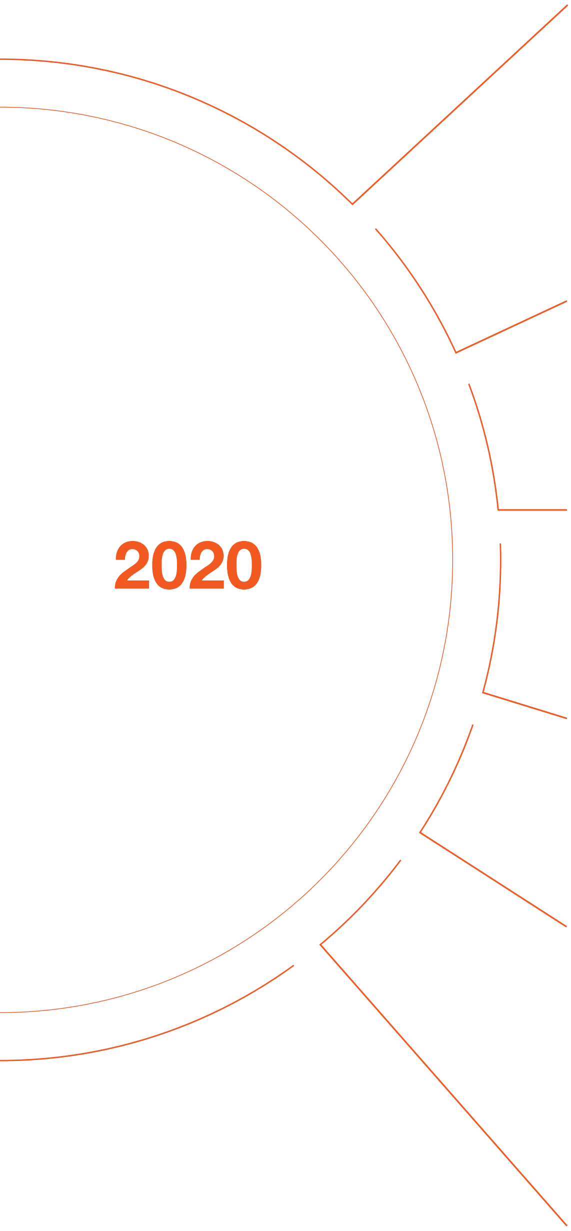
Operational Excellence

In all our business units, we are continually achieving cost reductions through programs aimed at optimizing production processes and structures and networking along the value chain.

Growth investments and portfolio optimization

- Growth investments comprise corporate acquisitions and takeovers of individual plants, as well as capacity extensions. They serve our strategic objectives of entering into new product segments and deepening our market penetration in existing fields of business.
- On the basis of structured analyses of growth projects and the performance of our existing business units, we take decisions on investments and divestments in accordance with strict profitability targets.

Targets



Financial targets

Revenues ~ € 4 billion

The revenue target of € 4 billion at Group level is based on two components. First of all, we want to increase revenues by 3-4% annually through organic growth that includes both volume growth and improvements in average prices. Our target is based on the assumption that we will see continued and even slightly increased growth in our markets. Secondly, we want to generate growth through value-creating acquisitions, for which our strong balance sheet gives us the necessary financial headroom.

EBITDA > € 600 million

The consolidated EBITDA target and the revenue target are both based on contributions to earnings from organic growth and acquisitions. These two components are complemented by our Operational Excellence Program, which will enable us to reduce our fixed costs by approx. € 10 million annually until 2020.

CFROI 11.5%

CFROI sets the target for the return on capital employed and serves as the most important parameter for growth investments.

Net debt / EBITDA < 2.0

The internal criteria for financial discipline define the financial framework for the strategic development of the Group. For the implementation of value-creating growth projects, this target may be exceeded on a short-term basis up to a maximum of 2.5 years at year-end.

Dividend: 10-30% of free cash flow post hybrid coupon

The dividend to be paid out depends on the development of business, the economic outlook and potential growth projects.

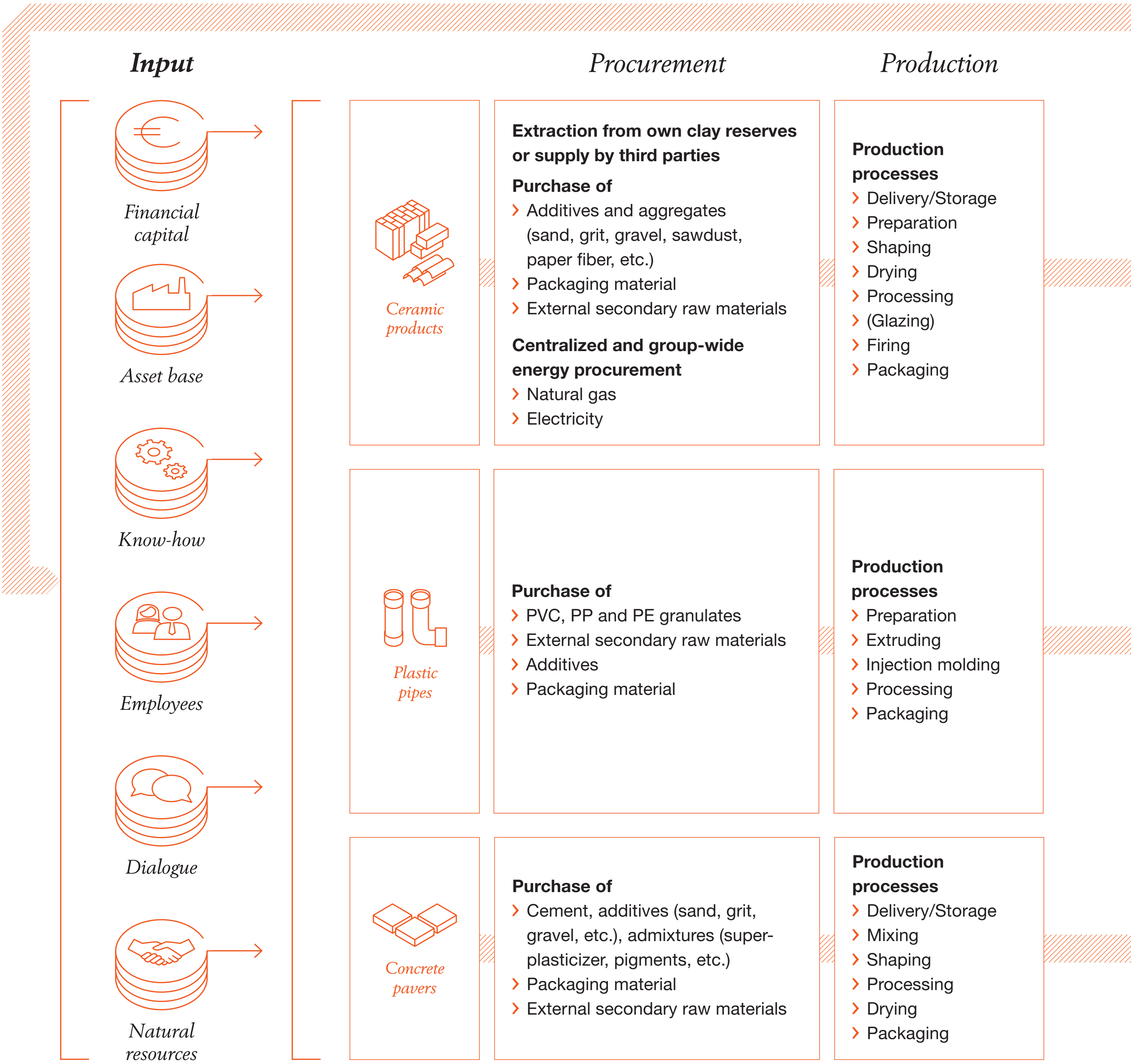
Non-financial targets

Sustainability Roadmap 2020

The Sustainability Roadmap 2020 sets out the targets for our non-financial performance as regards employees, production, products and corporate social responsibility. Based on the results of a materiality analysis, we have defined the corresponding qualitative and quantitative targets.

Value Creation

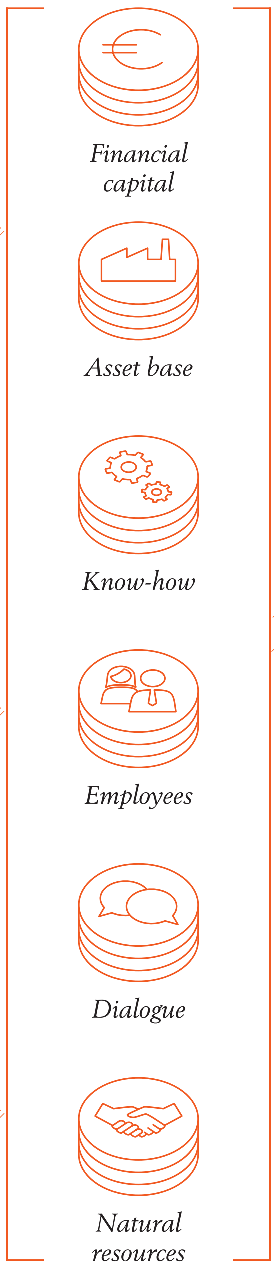
Our value creation process provides the basis for the achievement of our goal: to sustainably increase the value of our company in ecological, social and economic terms. The output of our industrial manufacturing processes presents itself in the form of innovative building material solutions for all fields of application, from sustainable and energy-efficient buildings to eco-friendly pavers to safe and secure pipe systems. Our value creation process



receives input from six sources – financial capital, production facilities, know-how, human resources, business relationships and natural resources. These interact closely with one another and are increased, diminished or transformed through our business activities. Changes within the input parameters are based on well-balanced strategic decisions. This is how we create added value for the organization and for our stakeholders.

Output		*End-of-life*
Roof tiles **Clay blocks** **Facing bricks** **Ceramic accessories**	**Private and public investments** **New construction & renovation** › Residential construction: *Single- and two-family homes, Multi-family houses* › Non-residential construction: *Office buildings, hotels, schools, nursery schools, etc.*	**Re-use** **Recovery** › Own production › External use **Landfill (debris)**
Ceramic pipes **Accessories**	**Public investments** › Waste water systems	
Plastic pipes **Fittings** **Accessories**	**Private and public investments** › Civil engineering & infrastructure: *Sewers, drainage, energy supply, cable protection, irrigation, etc.)* › Building construction & installation: *Heating, sanitary and electrical installations, building drainage, geothermal energy, etc.)* › Special applications: *Industrial projects, oil and gas industry*	**Recovery** › Own production › External use **Energy recovery** **Landfill**
Pavers and slabs **Walls and fences** **Steps, edging stones, design elements**	**Private and public investments** › Public spaces › Roads and walkways › Gardens › Patios, etc.	**Re-use** **Recovery** › Own production › External use **Landfill (debris)**

Outcome



Financing Success

Our Principles

Wienerberger's financing policy is based on clear internal guidelines and transparent targets: securing an adequate liquidity position, building a strong capital structure, and ensuring unrestricted access to capital and credit markets. To achieve these targets, we maintain our equity at an adequate level and regularly explore refinancing opportunities from a diversified portfolio of financing instruments available to us. In this way, we adjust our financing structure to the needs of our operational business, lower our financing costs and balance our maturity profile. The sustainable generation of free cash flow is the basis of our strong financing structure and the increase in enterprise value. The funds are used, above all, to reduce debt, invest in value-creating growth projects and ensure that our shareholders participate in the financial success of the company. The Managing Board of the Wienerberger Group is committed to a policy of dividend distribution, with due consideration given to the development of business, the economic environment and potential growth projects. For detailed information on the Wienerberger share please refer to the Management Report beginning on page 94 and on our corporate bonds to our website (www.wienerberger.com).

Our Activities

- We have taken a further step toward optimizing our financing costs and negotiated a new credit line in an amount of € 150 million with a term of eight years at a total rate of interest of 1.22% p.a.
- Together with the buyback of the 2007 hybrid bond on 9 February 2017 and the simultaneous lowering of the coupon on the 2014 hybrid bond from 6.5% to 5.0% our annual interest and coupon payments are being reduced by roughly € 17 million.
- The ratio of net debt to EBITDA was 1.6 years at year-end. Despite the reclassification of the 2007 hybrid bond from equity to debt resulting from the exercise of the call option, we outperformed our self-imposed internal target of less than 2.0 years.
- We succeeded in increasing our free cash flow for the third consecutive year to € 246.5 million, which again confirmed the strength of our business model.
- The Managing Board and the Supervisory Board will propose to the 148th Annual General Meeting that the dividend be increased by 35% to € 0.27 per share.

Financial indicators		2015	2016	Chg. in %
Free cash flow	*in MEUR*	135.1	**246.5**	+82
ROCE	*in %*	4.5	**5.8**	-
CFROI	*in %*	6.7	**7.2**	-
Equity	*in MEUR*	2,054.2	**1,849.0**	-10
of which hybrid capital	*in MEUR*	490.6	**266.0**	-46
Market capitalization	*in MEUR*	2,008.5	**1,938.6**	-3
Dividends paid	*in MEUR*	17.5	**23.4**	+33
Hybrid coupon paid	*in MEUR*	20.9	**32.5**	+55
Financial liabilities	*in MEUR*	747.4	**881.4**	+18
Interest paid	*in MEUR*	45.8	**33.6**	-27
Net debt	*in MEUR*	534.1	**631.6**	+18
Net debt / EBITDA	*in years*	1.4	**1.6**	-

Optimizing Our Asset Base

Our Principles

The industrial production and distribution of high-quality building materials and infrastructure solutions are at the core of Wienerberger's economic activity. As market leaders in terms of costs and technology, we aim at an efficient and sparing use of resources in production while, at the same time, improving the quality of our products. To this end, Wienerberger relies on its diversified industrial base and its comprehensive network of 198 production sites in 30 countries. Our normal capital expenditure serves not only to cover the costs of regular maintenance of our production facilities, but also finances technological improvements of existing products and production processes. Moreover, we develop new production technologies and explore measures to save costs and perfect our processes within the framework of our Operational Excellence Program. At the same time we regularly evaluate portfolio optimization measures and, if necessary, adjust our structures to market conditions. As Wienerberger employs its capital exclusively in its core areas of business, non-core assets and business areas identified for divestment are disposed of in structured sales processes, and the proceeds generated are reinvested. Our organic growth potential, based on our existing production sites, is enhanced through value-creating growth projects. These include acquisitions, selective take-overs of individual plants as well as capacity expansions and the construction of new plants.

Our Activities

- Continuous optimization programs, such as the Plant Improvement Program (PIP) in the brick segment and the Production Excellence Program (PEP) in the concrete paver business, aim at sustainable cost savings through improved production processes. In our plastic pipe business, we pursue the Lean Six Sigma management approach to achieve quality improvements and implement optimized production processes.
- In the year under review, the sale of non-core assets generated proceeds in an amount of € 28.0 million and a contribution to earnings of € 17.9 million. Thus, our non-core asset sales program for the period from 2012 to 2016 was completed with a total inflow of funds of roughly € 93 million.
- In 2016, Wienerberger invested a total of € 43.8 million in growth projects. These included among others the take-over of one clay block plant each in Poland and Romania, the acquisition of a plastic pipe producer in Finland, and the construction of a new concrete paver plant in Austria. These investments extend our geographic footprint and broaden our product range.
- Based on the results of our ongoing portfolio analysis, we carried out some structural adjustments in North America in 2016. These included the sale of two concrete product plants, one still operational and the other already mothballed, as well as the shut-down of one facing brick plant, the contribution to earnings amounting to € 2.9 million.

Financial indicators		2015	2016	Chg. in %
Capital Employed	*in MEUR*	2,569.9	**2,460.0**	-4
Property, plant and equipment	*in MEUR*	1,614.9	**1,564.7**	-3
Depreciation of property, plant and equipment	*in MEUR*	180.1	**171.5**	-5
Impairment charges to property, plant and equipment	*in MEUR*	13.8	**18.9**	+37
Normal capex	*in MEUR*	137.7	**137.3**	0
Growth capex	*in MEUR*	10.1	**43.8**	>100
Proceeds from the sale of assets (incl. financial assets)	*in MEUR*	23.9	**42.1**	+76

Sharing Know-how

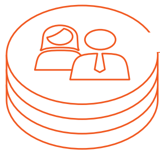
Our Principles

Given the increasing requirements to provide affordable and efficient housing and infrastructure, our building material solutions are confronted with new challenges. We therefore consider it our task to continually develop and improve our processes and products in an effort to create lasting values for generations to come. For us, the crucial factors for success are our strategic focus on innovation and our highly committed and experienced staff. A corporate culture supported by all and based on our shared values – expertise, passion, integrity and respect, customer orientation, entrepreneurship, quality and responsibility – is an integral part of our model of success. Over many years of international activity, we have not only acquired a profound understanding of our markets, but also developed comprehensive solution competencies and flexible organizational structures, which gives us a competitive edge. Our strong brands, which are closely associated with local building traditions in many regions, testify to our leading position in numerous markets.

Our Activities

- Wienerberger operates several research centers in Europe, which specialize in different product groups and experiment with innovative product properties and processing methods. Our engineers cooperate closely with the marketing and sales departments in order to adapt our developments to customer requirements and local market conditions.
- Our sales teams provide advice and support for stakeholders and decision-makers all along the value chain. We focus on the individual needs of specific customer groups and provide comprehensive services, ranging from planning to logistics to the implementation of the construction project.
- As the technology and innovation leader in our industry, Wienerberger has introduced digital modelling of construction projects on a one-stop-shop basis in pilot markets. This enables us not only to efficiently simulate the effects of design changes, but also to offer more reliable projections of construction time and project costs.
- In our core markets, we increasingly rely on project teams working exclusively in multi-story buildings and supporting decision-makers from the land development phase to completion. We are thus gradually increasing our market share in this segment and, at the same time, responding to the trend towards higher building density and larger urban agglomerations.
- We are developing digital and mobile solutions, including a variety of applications to facilitate fast data and information exchange. Such apps are not only used for internal purposes in the field of accident prevention and for sales support, but are also available to external users as a tool for product visualization, project planning and ordering.

Financial and non-financial indicators		2015	2016	Chg. in %
Intangible assets	*in MEUR*	193.8	**193.0**	0
Goodwill	*in MEUR*	507.6	**497.5**	-2
Amortization of intangible assets	*in MEUR*	17.4	**17.4**	0
Impairment charges to intangible assets and goodwill	*in MEUR*	0.2	**6.9**	>100
R&D expenditure	*in MEUR*	17.2	**14.9**	-14
Revenues generated by innovative products	*in %*	28	**27**	-



Developing Employees

Our Principles

We owe our success to the experience and the dedication of our 16,000 employees. It is therefore part of our vision to be the preferred employer in our markets. To achieve this goal, we create all the necessary prerequisites and conditions through continuous progress in all areas relating to occupational health and safety, diversity and equal opportunities, further training and succession management. Moreover, we make a special effort to ensure fair remuneration for all and to facilitate the reconciliation of work and family duties in the best possible way through flexible working time models. An environment of open communication within the company, the consistent involvement of our employees, and a motivating work environment are essential components of our firmly rooted and living corporate culture.

Our Activities

- We continuously upgrade our safety standards in order to reduce the frequency and severity of occupational accidents and build awareness for occupational safety among our employees. To a growing extent, we rely on digital and mobile solutions to draw attention to potential hazards and share information with other employees.
- Within the framework of our further training initiatives for the senior management, 93 persons from different country organizations participated in workshops on topics such as coaching, emotional intelligence and team management as well as 360° feedback surveys in 2016. These workshops will continue in sequential modules and will be further rolled out.
- Ready4Excellence, our further training program for high potentials, successfully completed its fourth round. By the end of 2016, more than 100 participants attended specialized courses on topics such as project communication, performance indicators, process and conflict management, and intercultural competence.
- Through Group-wide employee surveys we actively promote a feedback culture and implement measures to increase employee satisfaction. All in all, more than 2,500 employees had participated in surveys on issues regarding health, satisfaction and performance-related factors in the work environment by the end of 2016.

Financial and non-financial indicators [1]		2015	2016	Chg. in %
Ø Employees	*in FTE*	15,813	**15,990**	+1
Personnel expenses	*in MEUR*	756.9	**751.8**	-1
Accident frequency	*Number of occupational accidents / Number of hours worked x 1,000,000*	8	**7**	-18
Accident severity	*Accident-related sick-leave days / Number of hours worked x 1,000,000*	209	**177**	-15
Fatal occupational accidents		0	**2**	>100
Ø Sick-leave days / employee	*in days*	9	**10**	+6
Employee turnover	*in %*	9	**9**	-
Percentage of women	*in %*	14	**14**	-
Ø Training hours / employee	*in hours*	16	**13**	-18

1) Notes to non-financial indicators are provided in the Glossary on page 190.

Engaging in Dialogue

Our Principles

As a responsible member of society, we take the concerns of our stakeholders into account in the definition of our Group strategy. We thus want to ensure that our entrepreneurial activity creates added value for all our stakeholder groups. These include our employees, customers and business partners, investors, analysts and banks, neighbors and communities in the vicinity of our plants, suppliers, political decision-makers, regulators, bodies representing organized interests, research institutions and universities, the media and NGOs. To improve mutual understanding of each other's interests, expectations and targets, we strongly promote open, continuous and target-group-oriented dialogue. In this context, we performed a materiality analysis that involved internal and external stakeholders. The results were translated into the binding targets of the Wienerberger Sustainability Roadmap 2020 and are an integral part of our corporate strategy. Furthermore, we are aware of our social responsibility and support various humanitarian and social projects through product donations and training programs.

Our Activities

- Through our accession to the UN Global Compact in 2003, we officially committed to the principles regarding human rights, labor standards, environmental protection and the fight against corruption. As we also demand compliance with our standards and principles along the supply chain, we have revised our guideline for suppliers; we will report on progress achieved in its implementation.
- Besides informal communication channels, the management proactively invites feedback from employees through surveys on issues regarding health, satisfaction and performance-related factors in the work environment. By the end of 2016, surveys of this kind had been successfully completed in Austria and Germany.
- Wienerberger's European Works Council, a social partnership organization, aims to facilitate networking among all bodies representing employee interests. Currently, 11 countries are represented by 36 delegates, with the Chairman of the European Works Council also serving as employee representative on the Wienerberger Supervisory Board.
- As a member of international and national associations representing the interests of the sector, such as Tiles and Bricks Europe (TBE), the umbrella organization of brick and roof tile producers, Construction Products Europe (CPE), and The European Plastic Pipes and Fitting Association (TEPPFA), Wienerberger actively contributes to the process of political opinion-shaping.
- Every year we organize a Capital Markets Day, which is targeted at investors, analysts and representatives of banks. We not only provide extensive information on the strategy of the Group and our operational business in the regions concerned, but also the opportunity to visit our production plants. For further information on Investor Relations, please refer to page 97.
- Within the framework of our partnership with Habitat for Humanity, an international non-profit organization, our donations have been used to build permanent homes for over 2,000 people in need.

Financial indicators [1]		2015	2016	Chg. in %
Payments to public bodies	*in MEUR*	48.9	**60.5**	+24
of which income taxes	*in MEUR*	23.0	**35.3**	+53
of which other taxes and charges	*in MEUR*	25.9	**25.2**	-3
Donations	*in MEUR*	0.7	**0.5**	-32

1) Notes to non-financial indicators are provided in the Glossary on page 190.

Assuming Responsibility

Our Principles

We are well aware that industrial production processes involve a certain degree of interference with the natural environment. We therefore aim to minimize the environmental impact of our entrepreneurial activity along the value chain. Operating our extraction sites and using raw materials and natural resources, such as energy and water, responsibly is a central concern for us. Reducing our CO_2 emissions and converting to low-emission sources of energy in order to improve our carbon footprint, as well as increasing the percentage of recycled materials in production, also rank high among our priorities. Our clear commitment to continuous improvement of our ecological performance translates into the binding targets laid down in the Wienerberger Sustainability Roadmap 2020. Based on these measurable targets, the effectiveness of the measures taken becomes transparent and verifiable.

Our Activities

- In our clay mining activities we undertake to implement comprehensive protective measures in the field of occupational health and safety and to keep noise and dust pollution for employees and neighbors as low as possible. To restore the natural balance, depleted extraction sites are recultivated, renaturalized or converted to other uses.
- While we own about two thirds of the clay reserves we need for production, we usually enter into long-term extraction contracts to cover the remaining requirements. The supply of raw materials for the production of plastic pipes and concrete pavers is safeguarded through a diversified supplier structure.
- To minimize the consumption of raw materials, we are experimenting with modified product properties in terms of weight and design; we are also taking measures to diminish the amount of waste, breakage and scrap.
- While residual materials from our production can usually be recycled into the production process, the use of secondary raw materials from external sources depends on the availability and quality of the material as well as the technological and economic feasibility of reuse.
- Energy consumption in ceramic production is a crucial factor that impacts on the environment. In order to reduce the volume of CO_2 emissions resulting from the consumption of primary sources of energy, our engineers work continuously to reduce the energy input for the drying and firing processes, avoid or recycle waste heat, and optimize our products and processes.
- Water is used, above all, in plastic pipe production as cooling medium and in the production of concrete pavers as an additive. We reduce the volume of water drawn from public networks through the installation of closed circuits and by using water from own sources, ponds or rivers.

Financial and non-financial indicators [1]		2015	2016	Chg. in %
Energy costs	*in MEUR*	292.6	**260.9**	-11
of which natural gas	*in %*	64	**62**	-
of which electricity	*in %*	30	**32**	-
of which other sources of energy	*in %*	6	**6**	-
Total energy consumption	*GWh*	7,628	**7,591**	0
Specific energy consumption	*Index in % based on kWh/ton (2013 = 100%)*	101	**100**	-1
CO_2 emissions from primary energy sources	*in kilotons*	1.339	**1.320**	-1
Specific CO_2 emissions	*Index in % based on kg CO_2 / ton (2013 = 100%)*	99	**96**	-3

1) Notes to non-financial indicators are provided in the Glossary on page 190.

CEO Interview

Our corporate culture has changed. Today, we focus on organic growth through customer proximity, a profound understanding of our local markets, and innovative strength.

Heimo Scheuch, Chief Executive Officer of Wienerberger AG

Reporting significant increases in net profit and free cash flow, Wienerberger outperformed its self-imposed target for financial discipline in 2016. Considering that this gives you financial headroom, what are your priorities in terms of capital allocation?

Our strategy has three priorities: organic growth, operational excellence and value-creating growth investments. Expenditures to achieve our organic growth targets and sustainable cost savings are part of our normal investments. Our plans for investments in growth projects mainly include bolt-on acquisitions in our core business, which are being efficiently integrated. Apart from that, our financial flexibility allows us to continually analyze further growth projects for their value-adding potential, as we intend to expand our presence in relevant markets and broaden the range of products we supply. Of course, we also want our shareholders to participate in our success and therefore, given our strong performance, we will propose to increase the dividend by 35%.

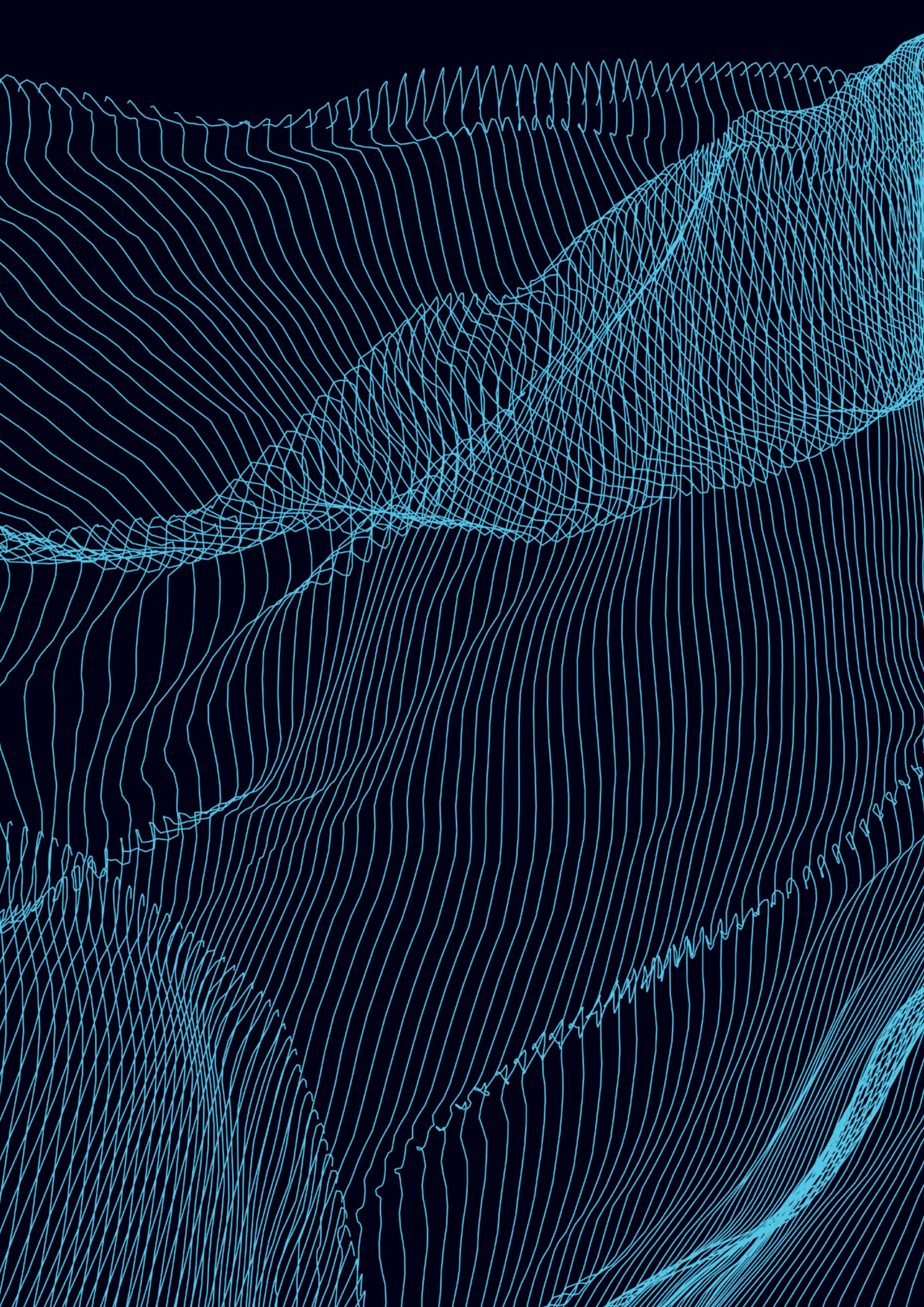
You have repeatedly emphasized how important innovation and customer proximity are for the achievement of organic growth. Are you satisfied with the development of the company in terms of these priorities?

Up to the economic crisis, Wienerberger was a company that focused primarily on capacity expansion and growth through acquisitions. Today, our priority is to achieve organic growth through customer proximity, a profound understanding of local markets and innovative strength. Our corporate culture has thus been profoundly transformed. Such in-depth renewal is highly challenging for an organization and I am proud of what we have achieved. We all had to change, bring new knowledge and talents into the company, and create enough flexibility within the organization to facilitate change. A clear vision for our company and shared values have been the central points of reference in this process. However, we have not yet reached the end of this development and I can see great potential for further improvements. Personally,

I am fully committed to further opening up the company and entering into even more intensive dialogue with our customers. To this end, we need not only innovative products and future-oriented solutions, but also a new approach in sales and marketing in order to meet the individual requirements of our stakeholders.

What will be the role of digitalization in the further opening of the Wienerberger Group?

I am convinced that the digital transformation is going to affect every single area of our company. We have therefore defined a Digital Agenda and are working intensively on its implementation. From product development to web shops, from manufacturing processes to supply chain management, from customer apps to integrated real-time 3D design: we are covering the full range of our value chain. It may sound trivial to say so, but basically this is all about networking between people and seamless communication. No matter whether it is communication between employees and stakeholders, employees among each other, or between stakeholders, when they use our platforms to exchange information on current projects or experiences gained with new processing technologies. Here, too, we are witnessing changes at all levels of our corporate culture. I can only encourage my colleagues to be even more determined, motivated and forward-looking: determined to put established processes into question and, if necessary, redefine them; motivated to address new challenges; and forward-looking enough to not only react to developments, but to shape them and open up new fields of business for us.



New possibilities through innovative technologies

A single mouse click is enough to create a workpiece: innovative technologies like 3D printing offer great opportunities to optimize industrial processes. Wienerberger is testing a whole range of new applications, from special nozzles for firing kilns to rapid prototyping.

Smart solutions are gaining ground in industrial manufacturing. Digitalization leads to future-oriented solutions and process technologies that help to save resources and energy. Our engineers are experimenting with new technologies and developing new processes. The objective is to strengthen and expand our company's leading market position through innovative products and systems. 3D printing has promising potential, especially in energy-intensive ceramic production.

Special nozzles improve product quality and reduce energy consumption

3D printing can be used to produce tailor-made products with complex geometries in small series. Wienerberger is currently testing process-engineering equipment for firing kilns that could only be produced at very high cost using conventional methods. These special nozzles ensure optimal temperature distribution in the firing kilns.

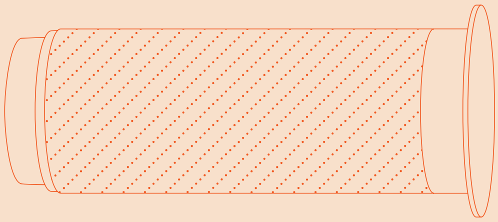
Our special nozzles, an in-house development, help to improve product quality and reduce energy consumption. Additionally, the homogenous temperature distribution inside the kiln ensures lower scrap rates.

Dirk Saldsieder, Head of R&D, Engineering and Technical Support, Wienerberger

3D printing is a computer-controlled process in which three-dimensional workpieces are created in successive layers, bonded by special technologies. Thanks to technological progress and the rising number of suppliers, this method is becoming an affordable alternative to traditional manufacturing. The range of materials suited for 3D printing is continuously increasing and includes, among others, high-temperature resistant materials such as silicium carbide, which allow test runs in the firing process.

Roof tiles stacked on H-cassettes on their way to the firing kiln.

Special products



New nozzles for firing kilns

3D printing offers unique advantages. It can be used to manufacture products in shapes that are very difficult to achieve by conventional means. By means of this method, Wienerberger has succeeded in designing innovative process-engineering equipment for firing kilns. These special nozzles ensure optimum temperature distribution inside the kiln. This not only reduces energy consumption, but also serves to significantly improve product quality.

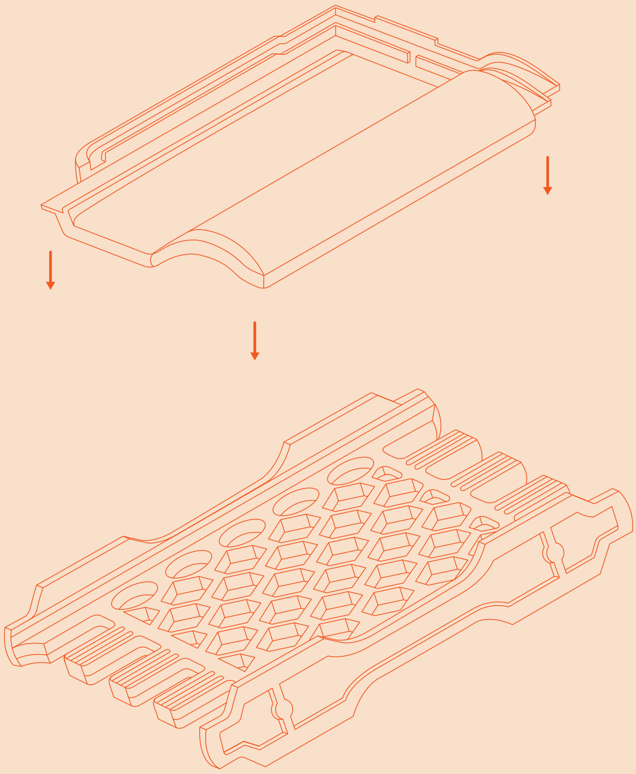
3D printing for prototyping

Rapid prototyping is another area in which Wienerberger uses 3D printing. Prototypes are printed and optimized until mass production by less expensive means is feasible. The great advantage of this method is the speed of production. Wienerberger successfully uses this technology for the design and optimization of H-cassettes, which are used to hold roof tiles during firing.

By means of 3D printing, a plastic prototype is produced as a scale model of the new design. In a second step, an H-cassette is printed from material that can withstand the firing process. If the test results are satisfactory, mass production by conventional methods can begin. The results achieved so far have been promising: Wienerberger has already succeeded in reducing the weight of the cassettes, which means that less energy is consumed in production. Further applications, such as the production of spare parts or the design of prototypes of new products, will be introduced soon.

With its smart solutions, Wienerberger has taken the lead in the use of novel production processes in the building materials industry. Innovative technologies, such as 3D printing, have great potential for simplifying processes and reducing the consumption of resources.

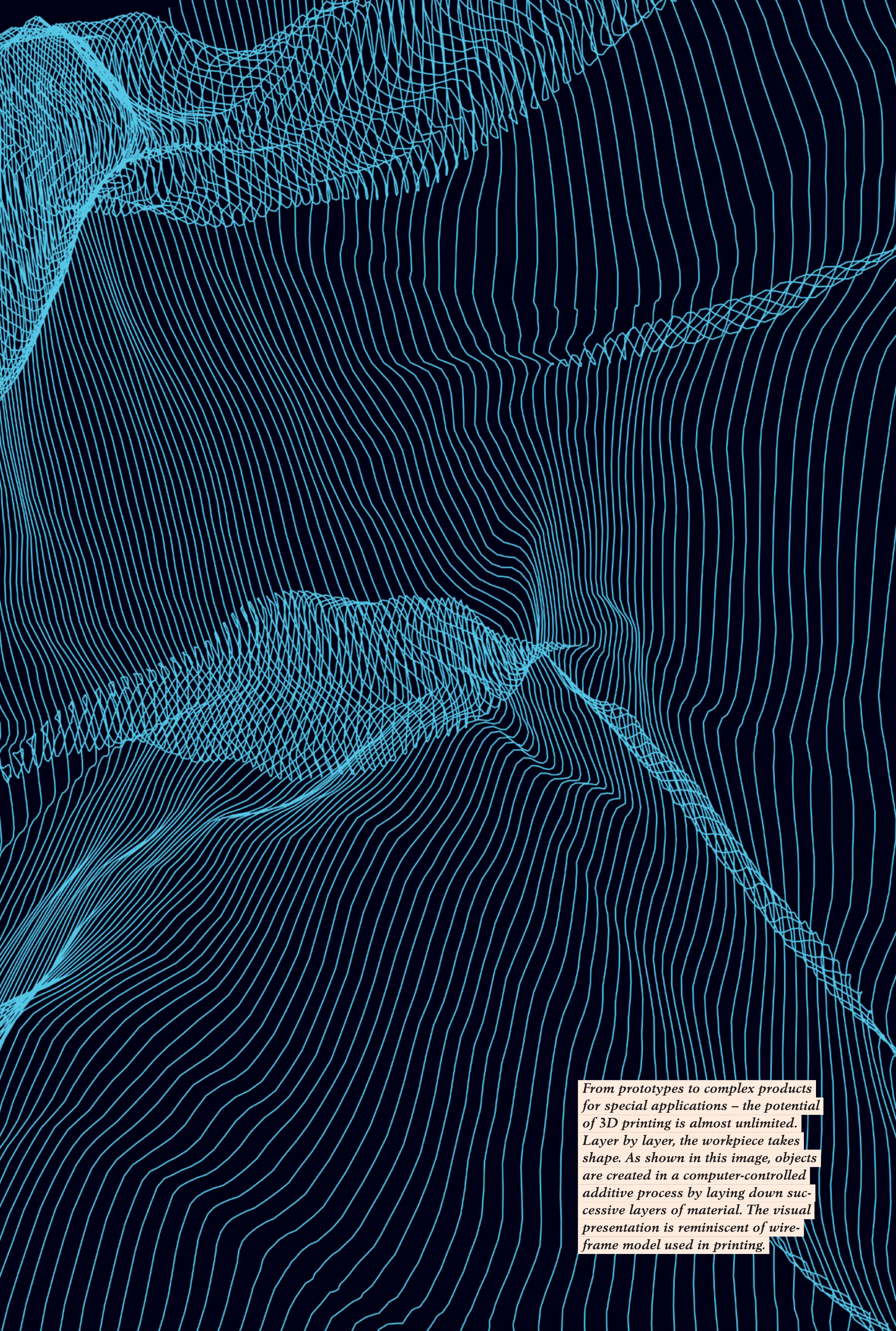
Rapid prototyping



Optimized H-cassettes

Homogeneous firing and no bending: H-cassettes, which hold the roof tiles on their journey through the firing kiln, are essential for product quality. Each roof tile is placed in a cassette for firing.

To make the process more efficient and less expensive, Wienerberger relies on 3D printing. Prototypes are produced by the rapid prototyping method and optimized until mass production by traditional means is feasible.

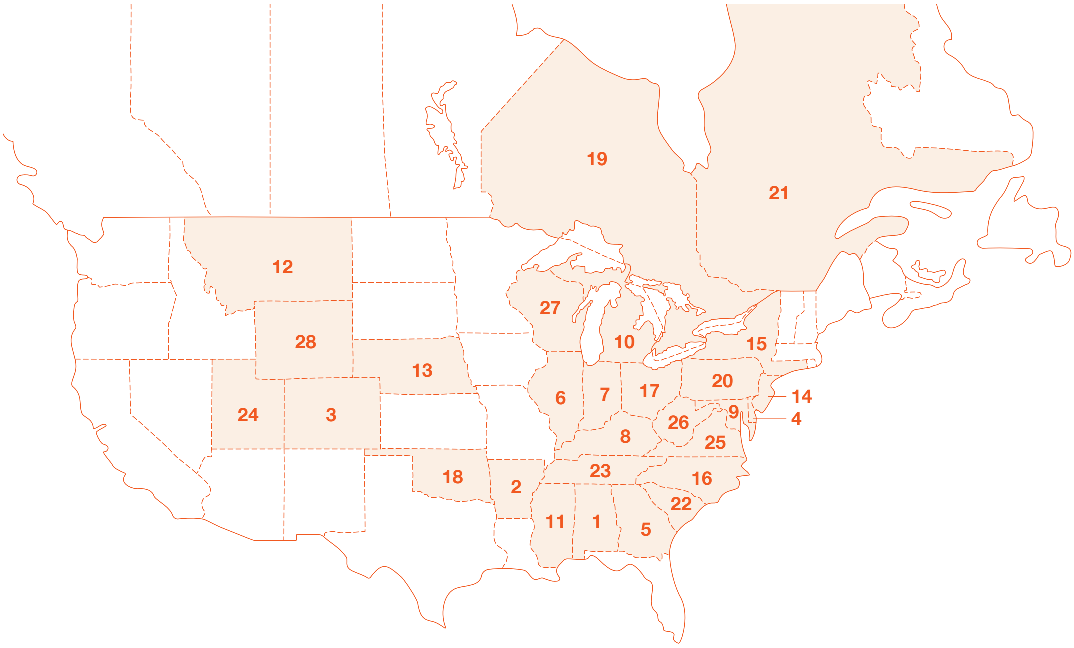


From prototypes to complex products for special applications – the potential of 3D printing is almost unlimited. Layer by layer, the workpiece takes shape. As shown in this image, objects are created in a computer-controlled additive process by laying down successive layers of material. The visual presentation is reminiscent of wireframe model used in printing.

Production Sites and Market Positions

Wienerberger is the only multinational producer of bricks, roof tiles, concrete pavers and pipe systems with a total of 198 production sites in 30 countries and activities in international export markets. We are the world's largest producer of bricks and number one on the clay roof tile market in Europe. Furthermore we hold leading positions in pipe systems in Europe and concrete pavers in Central-East Europe.

Wienerberger Markets in North America



Market positions

1 *Facing Bricks*

Number of sites

1 *Facing Bricks*
1 *Concrete Products*
1 *Distribution Outlets*
1 *Plastic Pipes*
1 *Calcium Silicate*

1	*Alabama*	4			1		
2	*Arkansas**	5				1	
3	*Colorado*	1	1		1		
4	*Delaware**	5					
5	*Georgia*	1	2				
6	*Illinois*	3			2		
7	*Indiana*	1	1		2		
8	*Kentucky*	1			2		
9	*Maryland**	2					
10	*Michigan*	2			2		
11	*Mississippi**	6					
12	*Montana*	1			1		
13	*Nebraska**	6					
14	*New Jersey**	3					
15	*New York**	3					
16	*North Carolina*	1	2	1	4		
17	*Ohio**	2					
18	*Oklahoma**	6					
19	*Ontario*						1
20	*Pennsylvania**	3					
21	*Quebec*						1
22	*South Carolina*	4			1		
23	*Tennessee*	1	1	1	6		
24	*Utah**	2					
25	*Virginia*	1	1		1		
26	*West Virginia**	1					
27	*Wisconsin**	5					
28	*Wyoming*	1			1		

** Markets are served through exports from neighboring states.*

Status December 2016

Wienerberger in India

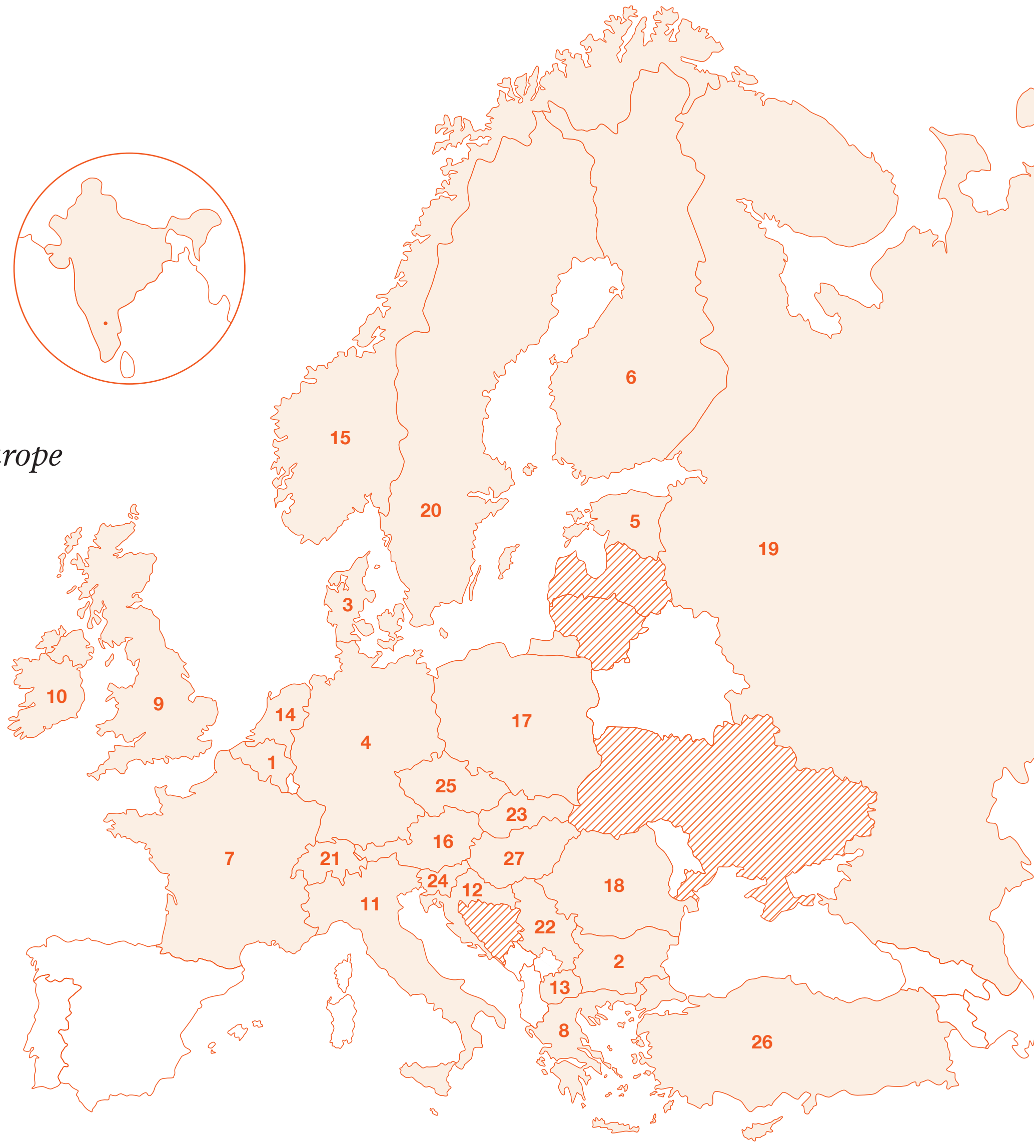
Number of sites

1 *Clay Blocks*

Wienerberger Markets in Europe

Markets with production sites

Export markets



Market positions

1 *Clay Blocks and/or Facing Bricks*

1 *Clay Roof Tiles*

Number of sites

1 *Clay Blocks*

1 *Facing Bricks*

1 *Roofing Systems*

1 *Pavers*

1 *Plastic Pipes*

1 *Ceramic Pipes*

1	*Belgium*	1	1	3	6	2		1	1
2	*Bulgaria*	1	2	1			1	1	
3	*Denmark**				2				
4	*Germany*	1	4	14	3	4	1	1	2
5	*Estonia*	1			1			1	
6	*Finland**				1			4	
7	*France*	2	4	5	1	3		1	
8	*Greece*							1	
9	*Great Britain*	2	1		9	4			
10	*Ireland*							1	
11	*Italy*	1		4					
12	*Croatia*	1	1	1		2	1		
13	*Macedonia*		1			1			
14	*Netherlands*	1	1	1	7	3	5	2	

15	*Norway**							2
16	*Austria*	1	1	7	1	2	4	1
17	*Poland*	1	2	7	1	1	5	2
18	*Romania*	1	1	4			2	
19	*Russia*	1		2				1
20	*Sweden**				2			2
21	*Switzerland*	3	1	2		2		
22	*Serbia*		1			1		
23	*Slovakia*	1	1	2			1	
24	*Slovenia*	1	1	1		1		
25	*Czech Republic*	1	1	7		4	1	2
26	*Turkey*							1
27	*Hungary*	1	1	6		2	2	1

** In the clay business the Nordic markets (Denmark, Finland, Norway and Sweden), in which we hold a Nr. 2 market position, are managed by a regional management.*

Status December 2016

Overview

Clay Building Materials Europe

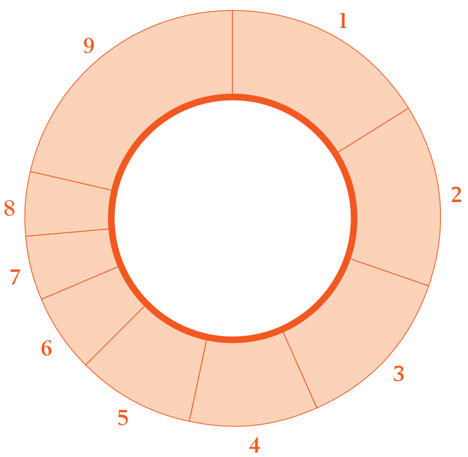
Highlights 2016

- Higher sales volumes and slightly improved average prices compensate significant negative FX-effect
- Operating performance supported by efficiency-enhancing and cost-optimizing measures as well as our focus on product innovation

Market- and business development

- Slight growth in new construction and investment restraint in renovation market in Western Europe
- Positive market environment in Eastern Europe
- Sound development of demand after EU-referendum in UK
- Slowdown of market growth in the Netherlands and muted demand in Belgium
- Increase in housing starts in Germany and France
- Market declines in Russia, Italy and Switzerland

Third party revenues by country

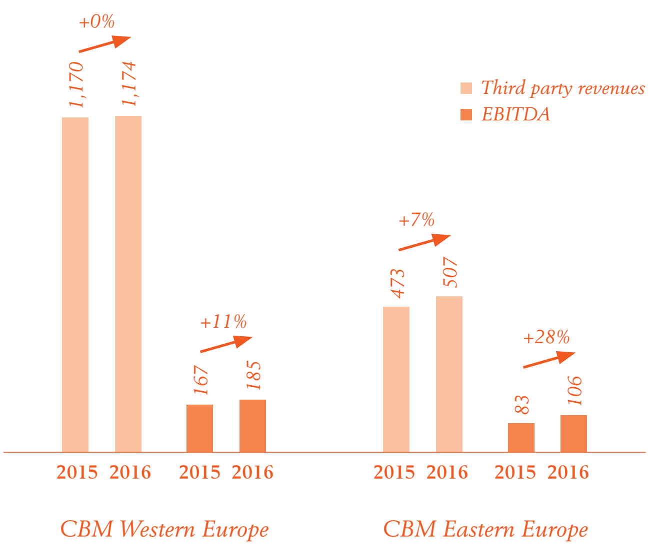


1 Great Britain 16%
2 Germany 14%
3 Belgium 13%
4 Netherlands 10%
5 France 9%
6 Poland 6%
7 Austria 5%
8 Czech Republic 5%
9 Other countries 21% [1]

1) BG, CH, HU, IT, RO, RU and other markets (each with < 5% of division revenues)

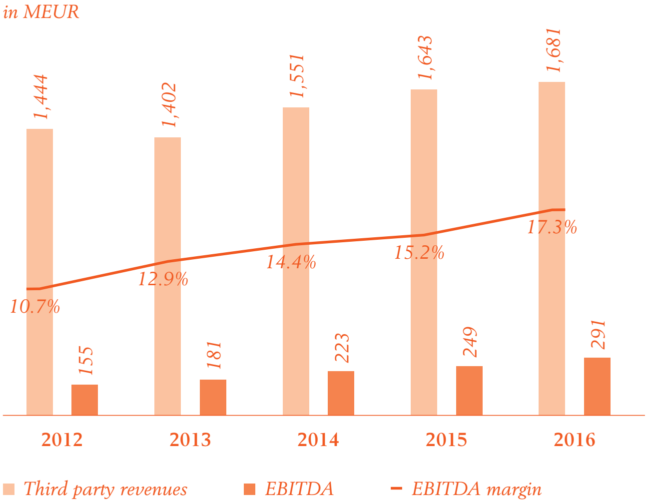
Segment results 2016

in MEUR

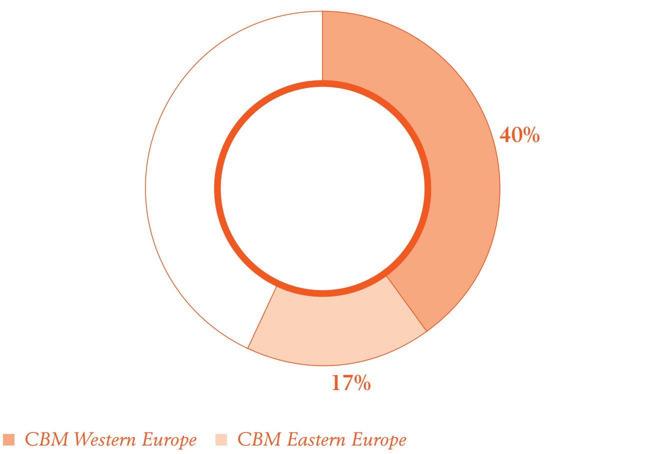


Revenue and EBITDA development

in MEUR



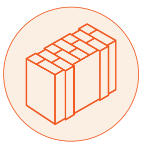
Share of Group third party revenues 2016



Division strategy

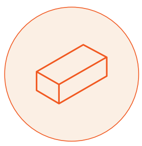
The Clay Building Materials Europe Division has a broad range of innovative products and system solutions, a modern industrial base with lean cost structures and an efficient plant network. However, construction activities in our core markets are still far below a normalized level and production capacities in our plants are therefore not fully utilized. This surplus capacity represents an organic growth potential once demand normalizes and will allow us to generate a sound increase in earnings. Since an increase in capacity utilization would only lead to a moderate rise in normal capex, we can also generate strong cash flows. In addition to organic growth, we evaluate new applications and selective acquisitions of companies and individual plants in order to improve our geographic market coverage and broaden our activities.

Our strategic medium-term planning for the realization of organic growth is focused on market orientation, product development and operational excellence. We want to design our customer relations as an ongoing dialogue in order to optimally adapt our building material solutions to the needs of our customers. Therefore, we focus on the individual needs of specific customer groups and provide comprehensive services, ranging from planning to the implementation of the construction project. In this context, we are increasingly focusing on the development of digital and mobile solutions to facilitate fast data and information exchange. Roof tiles, clay blocks and facing bricks are essential innovation drivers for energy efficient, sustainable and affordable building solutions. We have therefore set ourselves an internal target of reaching a share of innovative products in total revenues of 25% annually. Moreover, the continuous optimization of cost structures and measures for the improvement of processes and safety standards in our plants are focal points of our strategic activities.



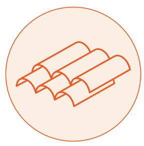
Clay blocks

- Market and innovation leadership in European core markets
- Higher volumes based on organic growth
- Increase of market share in multi-story residential construction
- Promotion of monolithic walls built from clay blocks



Facing bricks

- Focus on core markets: Belgium, the Netherlands and Great Britain
- Shift in mix to premium products
- Product innovation and continuous optimization measures to reduce energy consumption in production



Roof tiles

- Leading positions in Western European construction and renovation markets
- Strong basis for organic growth after completion of integration of our activities in Eastern Europe
- Increase revenue share of accessories
- Supra-regional strategy and production planning

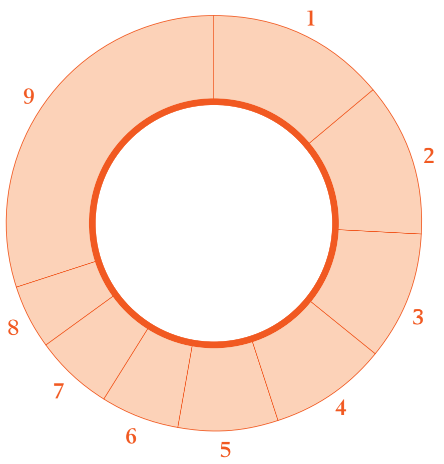
Overview

Pipes & Pavers Europe

Highlights 2016

- Solid development of demand in Nordic and Western European infrastructure markets
- International project business in our plastic pipe activities below previos year’s level
- Weak public investment activity negatively affects all business areas in Eastern Europe

Third party revenues by country

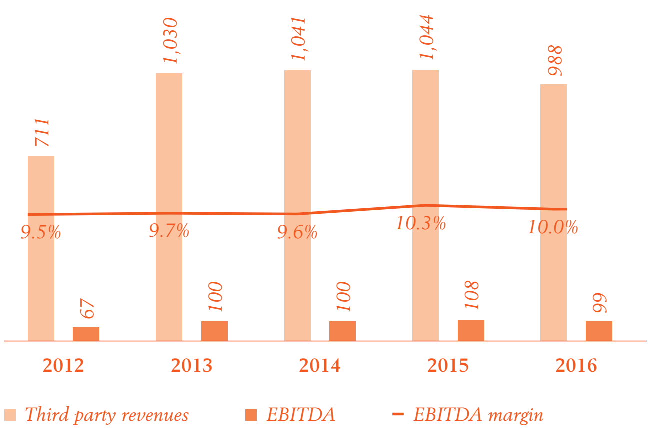


1 *Austria 14%*
2 *Norway 12%*
3 *Netherlands 10%*
4 *Sweden 9%*
5 *Poland 8%*
6 *Finland 6%*
7 *Belgium 6%*
8 *France 5%*
9 *Other countries 30%* [1]

1) CZ, GER, GR, HU, IRL, RU, TK und other markets (each with < 5% of division revenues)

Revenue and EBITDA development

in MEUR



Market- and business development

Plastic pipes

- Slight increase in EBITDA
- Earnings growth in core business in Nordic core markets, Austria and Turkey
- Satisfactory earnings contribution from the aquisition of a Finnish manufacturer
- Order volume in the international project business clearly below record level of 2015
- Significant earnings decline in Poland, Romania, Hungary, Bulgaria and Greece

Ceramic pipes

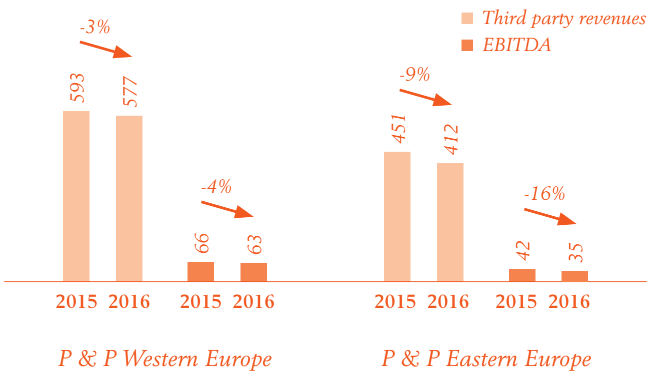
- Declining demand in German home market and in export volumes to Eastern Europe and the Middle East

Concrete pavers

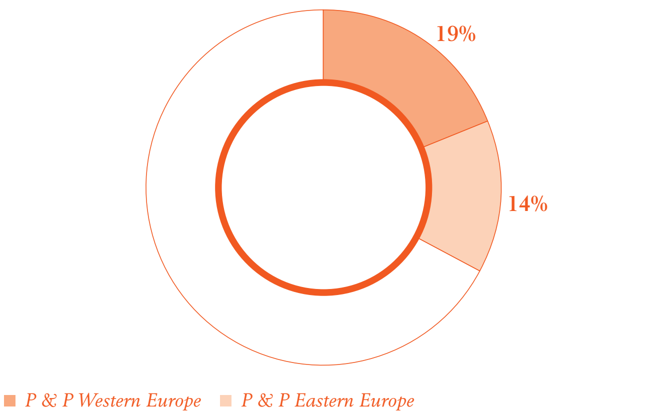
- Weak demand from the public-sector and persistent competitive pressure

Segment results 2016

in MEUR



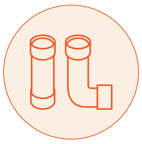
Share of Group third party revenues 2016



Division strategy

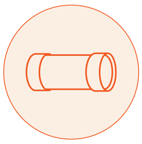
The Pipes & Pavers Europe Division includes our business activities with Pipelife plastic pipes, Steinzeug-Keramo ceramic pipes and Semmelrock concrete pavers. The division's product portfolio covers system solutions for building installations, fresh water supply, irrigation, wastewater and rainwater management, drainage, energy supply and data transfer as well as special products for industrial applications and pavers. Our focus for Pipes & Pavers lies, in particular, on the continuous development and innovation of the product portfolio. In addition to developments in our own Group research centers, we continuously evaluate value-creating acquisitions to expand our range of applications and improve our geographic market coverage.

Above-average growth is expected over the coming years, above all, in the areas of fresh water and wastewater management due to the renovation backlog in Western Europe and the planned increase in supply network coverage in Eastern Europe. The growing demand for electricity and the expansion of telecommunication networks will also lead to increased demand for cable and electrical installation pipes. In comparison with competing materials, the market shares of plastic pipes are growing steadily and outpacing the market.



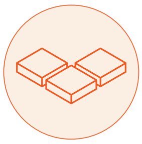
Plastic pipes

- International product and system supplier with leading positions in Europe
- Focus on evaluation of value-creating transactions to complement the product portfolio and strengthen the market presence
- Operational excellence and continous product innovation



Ceramic pipes

- Market leader in European niche market for ceramic pipe solutions in wastewater management
- Innovation leadership: climate-neutral clay pipes, Cradle to Cradle® sustainability certificate, jacking pipes for trenchless installation
- Selective reorientation of sales activities



Concrete pavers

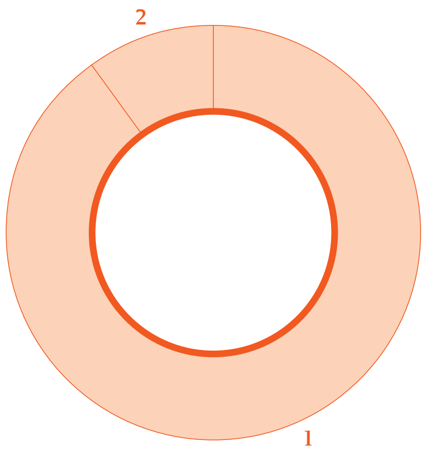
- Market leadership for concrete pavers in Central-Eastern Europe
- Further development of product portfolio in order to strengthen position as premium supplier
- Focus on measures to enhance efficiency and optimize our cost structures in production as well as to strenghten our sales organisation

Overview
North America

Highlights 2016
- Significant organic revenue and earnings growth in North American brick business
- Plastic pipe business negatively affected by increased competitive pressure

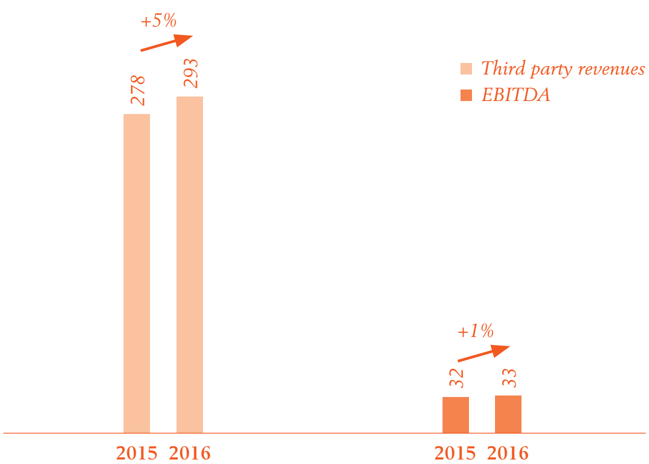
Market- and business development
Brick business
- Growth in new construction of single- and two-familiy homes in the USA
- Increase in facing brick sales and market share gains in certain regions
- Higher prices and sales volumes due to improved market demand in Canada

Plastic pipes
- Growing pressure from competitors has a negative impact on pricing and earnings

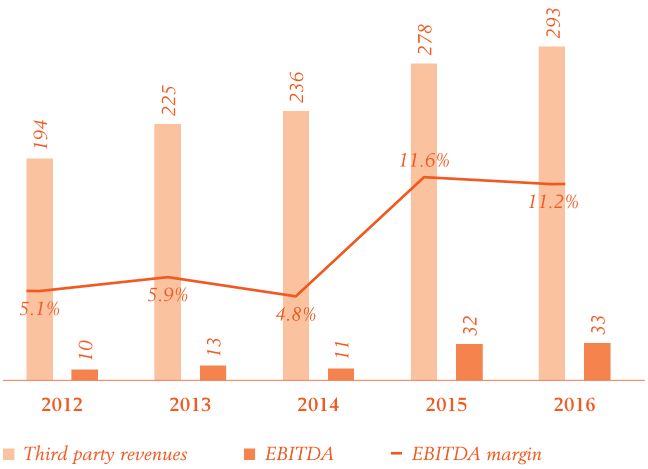
Third party revenues by country


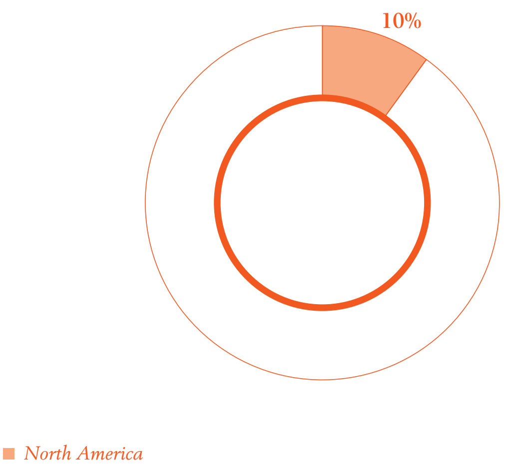
1 *USA 90%*
2 *Canada 10%*

Segment results 2016
in MEUR



Revenue and EBITDA development
in MEUR

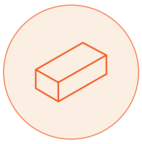


Share of Group third party revenues 2016


Division strategy

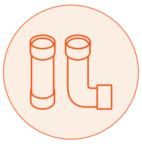
In its North American brick business, Wienerberger has a modern, highly efficient plant network and operates its own sales centers. Housing starts in the USA have already doubled from the previous crisis low, but US residential construction is still roughly 25% below a normalized level, which we estimate at approx. 1.5 million housing starts. Our production capacity is sufficient to meet demand in a normalized market environment, which gives us the potential to benefit significantly from the progressive market recovery. Furthermore, we are examining value-creating transactions to complement our product portfolio, enter new regional markets in the USA and expand our market positions.

In our pipe business, which we operate from a base in Arkansas, we are focusing on products and solutions for water management and high-pressure applications for the oil and gas industry, where we are actively driving the substitution trend and promoting the use of plastic pipes.



Facing bricks

- Leading market positions
- Monitoring and evaluation of value-creating transactions to complement the product portfolio and access new regional markets
- Strengthening and reorientation of our distribution and sales activities



Plastic pipes

- Strong market position in Arkansas and the neighboring states
- Organic growth potential through expansion of capacity and product portfolio
- Increase in sales activities and product lines for fiber-reinforced pipes

Networking in Building Design in the Digital Age

A single mouse click changes the floor plan of the 3D model. The parameters are adjusted automatically and are instantly visible to all project partners. Wienerberger is playing a pioneering role in the building design of the future – with Building Information Modeling.

Efficient processes, smart applications, connecting with the world: digitalization is transforming all walks of life, including the way the economy functions. Like any other sector, the construction industry needs smart solutions, with building design being an area of great potential. As a technology and innovation leader, Wienerberger is working on a large number of networking projects within the framework of its Digital Agenda. The best example is Building Information Modeling (BIM), an innovative development in which Wienerberger UK is playing an important role.

Digitalization and BIM will result in more projects being completed on time and within budget. We are proud of having positioned ourselves as a new partner for our customers in the digital planning and design of construction projects.

Paul Surin, Head of Built Environment, Wienerberger UK

Developing ideas together

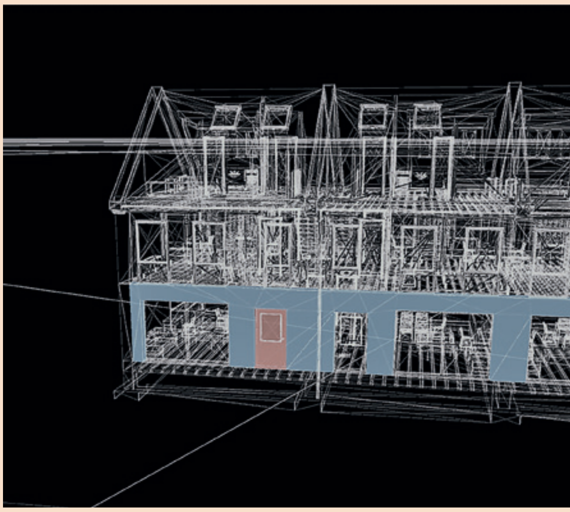
BIM is an integrated process with the potential to create added value over the entire life cycle of a building. It centers on 3D models that are generated, aggregated and exchanged online. All stakeholders – from architects to principals – have access to the same database. They can define, share and analyze the desired specifications via digital channels. The impact of planning decisions on the project can be assessed by means of simulations.

As a design system, BIM offers quantifiable advantages: it facilitates coordination, ensures precisely defined work flows and seamless documentation, and permits more accurate cost estimates and faster project completion. Paul Surin, Head of Built Environment at Wienerberger UK, is convinced that "digitalization and BIM processes will make it possible for more projects to be completed on time and without overrunning their budget".

Digital design in practice

The Brookwood Project in Surrey, UK, is an excellent example. Thameswey are building a carbon-neutral development of 80 single- and two-family houses as well as four four-story residential buildings. The developer has adopted Wienerberger's e4 brick house concept, an innovative approach that combines sustainable building design with smart solutions in terms of ecology and affordability. Wienerberger applied BIM standards throughout the entire design process, relying entirely on in-house know-how – from the design of load-bearing structures and architectural advice to digital design and documentation to submission to the building authorities.

"Thanks to BIM, the team and its external advisers communicated efficiently and were always up to date. This has enabled us to accelerate the planning, design



The Brookwood Project – a success story

Site
Surrey (UK)

Client
Thameswey Ltd.

Project
Sustainable housing development in line with ecological criteria

Concept
Wienerberger e4 brick houses

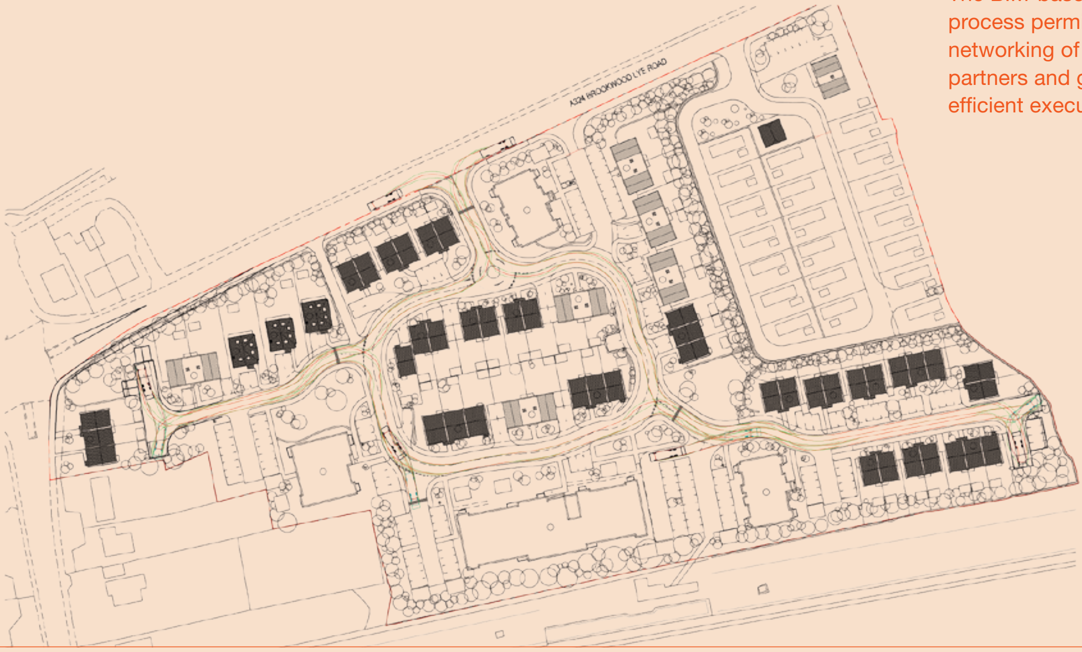
Number of buildings
80 single- and two-family homes, four four-story residential buildings

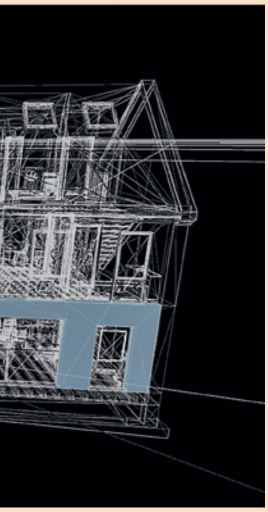
Start of planning
September 2016

End of planning
(expected) April 2017

Start of construction
(expected) October 2017

Smart solution
The BIM-based planning process permitted the digital networking of all project partners and guaranteed efficient execution.

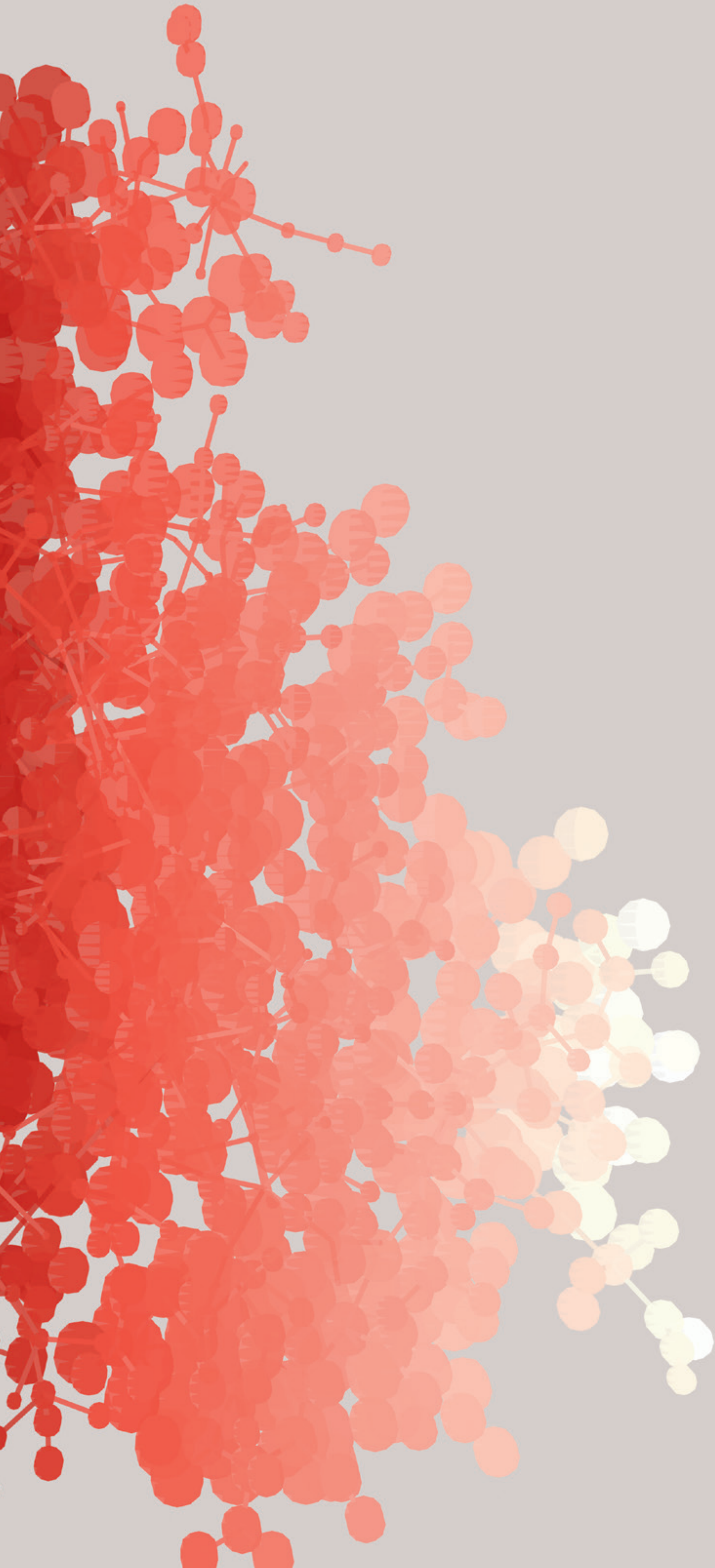




Modeling, sharing, evolving: collaboration on 3D models simplifies planning processes, as exemplified by the Brookwood Project in Surrey, UK.

and development process”, explains Mark Rolt, Chief Operating Officer of Thameswey. “The e4 concept, combined with Wienerberger’s high-quality products, is an attractive proposition”. Another important success factor: the digital design process allows the simulation of design conflicts, weather scenarios and environmental influences, so the Wienerberger team was able to provide more reliable estimates of construction time and project costs, at the same time significantly reducing planning costs.

As the Brookwood example shows, BIM helps to make building design more efficient and less expensive. Wienerberger will continue to seize the opportunities of digitalization and promote smart solutions.



Networking at all levels and optimized construction processes – that's Building Information Modeling. This visual illustrates the collaborative process. A generative algorithm creates a network of all the entities involved in the project. Their roles in the system are aesthetically visualized in terms of size and the degree of interconnection between the nodes.

CFO Interview

For 2017 we anticipate organic growth of EBITDA by 9%, based exclusively on higher sales volumes and increased prices as well as cost savings.

Willy Van Riet, Chief Financial Officer of Wienerberger AG

Through the buyback of the 2007 hybrid bond on February 9, 2017, almost half of the hybrid capital was redeemed. What are the effects of the buyback and what are your plans regarding the future structure of capital and financing?

This transaction was yet another step in the gradual reorientation of Wienerberger's financing structure. To refinance the 2007 hybrid bond with a market value of approx. € 223 million we used our strong cash flow from the reporting year and took advantage of the current favorable interest environment to negotiate a new credit line with a maturity of eight years and a volume of € 150 million. Given the attractive terms and conditions of the new credit line and the simultaneous reduction of the coupon payable on the 2014 hybrid bond from 6.5% to 5.0%, we have reduced our annual interest and coupon payments by a total of € 17 million. We will proceed along similar lines in the future to further reduce our financing costs. In view of the capital structure, we still regard a debt repayment period at year-end of 2.0 years, measured as the ratio of net debt to EBITDA, as prudent. However, we do not exclude the possibility of exceeding this parameter in the short term, although never beyond 2.5 years, for the implementation of value-creating growth projects.

The completion of the program of non-core asset sales was communicated in 2016. Does this mean that all non-core assets have now been sold, or are further asset disposals to be expected in the future?

I am pleased to note that liquidity in the amount of approx. € 93 million was generated through the sale of non-core assets between 2012 and 2016. Most of the assets sold consisted of real estate in North America and Western Europe. Given that we are continuously adjusting our capacities to market conditions, and that we allocate capital exclusively to our core business, the sale of non-core assets has always been and will continue to be part of our business activity. In our balance sheet as at December 31, 2016, a total of almost € 92 million is reported under financial investments and/or assets held for sale. These assets will be sold step by step in the course of structured sales processes in the coming years.

Wienerberger has set its target for organic EBITDA in 2017 at € 415 million. What are the underlying assumptions and the components of this new guidance?

In our brick business, we expect a progressive recovery of residential construction in Europe and North America, whereas we are observing continued investment restraint in the renovation market. As regards our pipe business, we are cautiously optimistic that we will see a revival of activity in Eastern Europe and stable development in Northern and Western Europe. As implied in the question, we have adopted a different logic in the definition of our target. Altogether, we are aiming at organic consolidated EBITDA of € 415 million in 2017, which corresponds to a 9% increase over the comparable value of the previous year. This figure is based exclusively on higher sales volumes, improved average prices across the Group, and savings of approx. € 10 million from our Operational Excellence Program. It does not include contributions from the sale of non-core assets or from growth projects, nor does it consider potential effects of exchange-rate fluctuations and portfolio optimization measures. Within the framework of our external reporting system, we will, however, transparently communicate any effect on earnings from such factors, as we have done in the past.

Corporate Governance at Wienerberger

Committment to the Corporate Governance Code

A responsible, long-term approach to the management of the Wienerberger Group is an essential prerequisite for the achievement of corporate targets and a sustainable increase of the enterprise value on the basis of ecological, social and economic considerations. As an exchange-listed company with international operations, Wienerberger is committed to strict principles of good corporate governance and transparency as well as to the further development of an efficient system of corporate control. This understanding of our role as a company is based on Austrian law, the Austrian Corporate Governance Code, our Articles of Association, the rules of procedure of the bodies of the company and our internal guidelines.

Since 2002, Wienerberger has committed itself to observe the rules of the Austrian Corporate Governance Code in their entirety (see www.corporate-governance.at). Accordingly, in 2016 Wienerberger complied with all the rules and recommendations of the Code, as amended in January 2015. The Code provides a framework for the management and control of a company. Its guiding principles, such as the equal treatment of all shareholders, the highest possible level of transparency, the independence of the supervisory board, open communication between the supervisory board and the managing board, the avoidance of conflicts of interest between the bodies of the company, and efficient monitoring by the supervisory board and the external auditor, are intended to strengthen the confidence of investors in the company and in Austria as a financial marketplace. The rules of the Code go beyond the requirements of the law and take effect upon the company's voluntary self-commitment. Once committed to the Code, the company has to explain any non-compliance with C rules of the Code ("comply or explain").

The implementation of the Code and the correctness of our public statements are evaluated by the external auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Wien, within the framework of its review of the corporate governance report; the auditor's report on review is published on our website (www.wienerberger.com). The most recent evaluation of the corporate governance report for 2016 did not result in any negative findings regarding our public statements on compliance with the Code. Compliance with the provisions of the Code relating to the external auditor was verified by the Audit Committee. In its report to the Supervisory Board, the Audit Committee stated that no deviations from the rules of the Code were identified in 2016.

Compliance

In order to prevent insider trading and the unlawful disclosure of inside information, the company has adopted a compliance guideline that implements the provisions of European and Austrian stock exchange law. A compliance officer and his/her deputy are in charge of monitoring compliance. The principles governing lobbying activities have been laid down in a code of conduct based on the provisions of the Austrian Lobbying and Transparency Act, which applies to all bodies and employees of Austrian companies in which Wienerberger AG holds a majority interest. This code of conduct can be downloaded from the Wienerberger website.

Internal audit and risk management

In order to further improve Wienerberger's system of risk management, an internal audit function was created as a staff unit reporting to the Managing Board. Based on an audit plan approved by the Managing Board and agreed upon with the Audit Committee, as well as a Group-wide system of risk assessment covering all the company's activities, the Managing Board and the internal audit unit regularly analyze operational processes for potential risks and possible improvements in efficiency; they also monitor compliance with legal provisions, internal guidelines and processes. In recent years, the internal control system (ICS) has been further developed to permit the early identification and management of risks, and various measures have been implemented and reviewed (beginning on page 98). The internal audit unit regularly reports to the Managing Board and the Audit Committee on the audit findings and the audit plan for the following year. A management letter and a report on the efficiency of risk management in the Group were prepared by the external auditor, submitted to the chairwoman of the Supervisory Board and discussed in detail by the Supervisory Board.

Disclosures required pursuant to § 243a of the Austrian Company Code

The disclosures required pursuant to § 243a of the Austrian Company Code can be found in the following chapters: information on the composition of Wienerberger's equity capital, types of shares, restrictions and rights, as well as the authorization of the members of the Managing Board to issue or buy back shares is contained in the Management Report in the chapter "Wienerberger Share and Shareholders" beginning on page 94 and in the Notes to the Consolidated Financial Statements under Note 26 ("Group Equity") beginning on page 141 . Furthermore, the chapter "Wienerberger Share and Shareholders" contains information on direct and indirect investments in Wienerberger equity capital. The "Remuneration Report" (pages 62 to 67) explains the principles of the company's remuneration policy and provides information on the long-term incentive (LTI) program, the remuneration of the individual members of the Managing Board and Supervisory Board, and the number of Wienerberger shares held by these persons. Updates on the purchase and sale of Wienerberger shares by members of the Managing and Supervisory Boards are disclosed on the Wienerberger website under "Directors' Dealings". Change of control clauses are included in the contracts concluded with the members of the Managing Board, the terms of corporate bonds, the hybrid bond, and the syndicated loans and other loans.

Related-party transactions

No loans were granted to members of the Supervisory Board or the Managing Board. Business transactions with companies in which members of the Managing Board or the Supervisory Board of Wienerberger AG are active are carried out at arm's length. Information on related party transactions is provided in the Notes to the Consolidated Financial Statements on page 177.

Statutory audit

The 147th Annual General Meeting appointed KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Wien, to audit the consolidated and separate financial statements of Wienerberger AG. In addition to its auditing function, KPMG also provides certain tax and financial consulting services for the Group through its global network of partner offices. Consultancy fees for non-audit services charged by KPMG, excluding fees for auditing the financial statements, amounted to € 0.5 million in 2016 (2015: € 0.5 million). The fee for the audit of the financial statements of the Wienerberger Group and related services amounted to € 1.8 million (2015: € 1.8 million).

Measures for the advancement of women

As a company of the building materials industry, Wienerberger traditionally has a high percentage of male employees, given the fact that most of the company's workers employed in production are men. Within the framework of our Group-wide human resources policy, which guarantees the same rights and opportunities for all employees, we make every effort to promote the career development of women and to provide initial and further training for them. In particular, our objective is to increase the percentage of women in middle and senior management positions. By nominating an above-average number of women for international internal training and development programs for future executives, we ensure that high-potential women candidates are guided toward senior management positions. We also offer attractive part-time models and home office options, for which we have created the necessary infrastructure. We are continuously developing further measures to make working hours more flexible and to introduce working-time models that suit the needs of both women and men employed at Wienerberger.

In 2016, the share of women in executive positions within the Wienerberger Group amounted to 12 %. Currently, female capital representatives on the Supervisory Board account for 38 % of its membership. As no new appointments to the Managing Board are being planned at present, an increase in the percentage of women is not foreseeable.

Shareholders

Wienerberger AG has issued 117,526,764 common shares. There are no preferred shares or restrictions on common shares. The "one share – one vote" principle therefore applies in full. In accordance with the Austrian Corporate Takeover Act, each shareholder will receive the same price for his/her Wienerberger shares in the event of a takeover bid (mandatory offer). Wienerberger AG has no core shareholder. The company's shareholder structure is shown on page 96 and 97.

Report of the Supervisory Board

Dear Shareholders,

2016 was a year in which our company found itself in a challenging environment with widely diverging trends in our product groups and regional markets and marked by a high level of political uncertainty, which in turn was reflected in substantial volatility in the foreign exchange markets. Nevertheless, the Wienerberger Group recorded a highly satisfactory development of earnings and took major steps in the successful implementation of its long-term strategy aimed at value-accretive growth.

Despite strong headwind from foreign exchange effects, Wienerberger maintained its revenues at the previous year's record level and met its targets in terms of earnings growth. Supported by ongoing measures aimed at optimizing the Group's funding structure, we generated a net profit of € 82 million, which is more than double the amount reported for the previous year. I think it is important to underline that this growth in earnings is also reflected in an increase of the free cash flow by 82 % to € 247 million. Given this highly satisfactory development of business and the optimistic outlook for 2017, the Supervisory Board and the Managing Board will propose to the Annual General Meeting that the dividend be increased by 35 % to € 0.27 per share.

Priority areas of work in 2016

In the course of eight meetings during the reporting year, the Supervisory Board and the Managing Board intensively discussed the company's economic situation as well as important events, investments and other measures. In addition to its advisory and steering functions, the Supervisory Board focused, in particular, on monitoring the legality, efficiency and regularity of the company's management. The Managing Board provided the Supervisory Board with timely and comprehensive information at all meetings and between meetings through regular written and oral reports on the economic and financial position of the Group and its subsidiaries as well as its personnel situation and its acquisition and investment projects. In addition, the committee chairpersons and I met regularly with the Managing Board to discuss the strategy, the business development and the risk management of the Wienerberger Group. Certain subjects were dealt with in greater detail by the committees and reported to the full Supervisory Board. Since all relevant Supervisory Board decisions were taken either in plenary sessions or by circular resolution, there was no need for the Presidium to meet during the reporting year. No member of the Supervisory Board was absent from more than half of the meetings.

In the course of its discussions, the Supervisory Board focused, in particular, on the following issues:

- The strategic positioning of the Group and its most important operational units as well as the assessment of projects intended to generate sustainable growth for the Wienerberger Group.
- Human resources management, with a special emphasis on occupational health and safety, succession planning, career development for executives, and diversity.
- Sustainability management and the targets set within the framework of the Sustainability Roadmap 2020.
- Optimization of the Group's financing structure and the impact of the redemption of the 2007 hybrid bond and its funding on the balance sheet structure and on funding costs.
- The examination, discussion and approval of the budget for 2017 and, on that basis, the determination of the targets for the variable remuneration components of the Managing Board.

The Supervisory Board meeting on June 24, 2016 was held within the framework of a two-day Supervisory Board trip in Austria, which provided an occasion for the Supervisory Board to engage in intensive discussions with the Management of the Clay Building Materials Europe Division on operational and strategic issues. In particular, the Supervisory Board discussed the measures already implemented and the forward-looking targets for the integration of the Eastern European roof tile business with the local management. The members of the Supervisory Board also visited the clay roof tile and clay block production sites in Gleinstätten.

The Supervisory Board of Wienerberger AG (left to right): Myriam Meyer, Peter Johnson, Regina Prehofer, Wilhelm Rasinger, Caroline Grégoire Sainte Marie, Harald Nograsek, Christian Jourquin and Franz Josef Haslberger

Prior to the first Supervisory Board meeting in February 2016, the members of the Supervisory Board reiterated their statements of independence in accordance with the Austrian Corporate Governance Code. The independence criteria defined by the Supervisory Board are outlined on page 58 and disclosed in detail on the Wienerberger website.

At the Supervisory Board meeting held immediately after the 147^{th} Annual General Meeting on May 12, 2016, I was reconfirmed in my position as Chairwoman of the Supervisory Board. Peter Johnson and Harald Nograsek were reappointed to act as my deputies. In the interest of continuity, the Supervisory Board unanimously decided to keep the membership of the committees unchanged. During the same meeting, the Supervisory Board mandated KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Wien, elected by the Annual General Meeting, to audit the accounts for the business year 2016 pursuant to § 270 (1) of the Austrian Company Code.

Report of the Audit Committee

The Audit Committee met five times in the course of 2016. The first two meetings of the year under review were devoted to the 2015 annual financial statements. At its meetings on February 18 and March 23, 2016, the Audit Committee met with representatives of the external auditor to discuss and thoroughly examine the consolidated financial statements for 2015, the separate financial statements of Wienerberger AG, the management report, the Group management report, the corporate governance report and the Managing Board's proposal for profit distribution. In the interest of timely communication with the capital market, the results for the financial year 2015 were published in the form of a short report on February 24, 2016. The full annual report was published on March 25, 2016. During its meeting on March 23, 2016, the Audit Committee discussed a report by the external auditor on Wienerberger's risk management. The report described the implementation of the Group's active risk management system, which permits the effective identification, assessment and monitoring of risk factors as well as fast reactions to risks. Moreover, the external auditor submitted a statement on its legal relations with the Wienerberger Group and the members of the Group's boards for the financial year 2016.

Other focal points in the work of the Audit Committee in 2016 included:

- The recommendation issued to the Supervisory Board to propose KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Wien, for election as external auditor for the business year 2016, which was unanimously accepted by the Supervisory Board.
- The verification and confirmation of compliance with Rules 77-83 of the Austrian Corporate Governance Code.
- The analysis of the reports on the audits performed in accordance with the internal audit plan and the discussion of measures to be taken.
- The organization of the tendering process for the appointment of a new external auditor. Within the framework of this process, discussions were held with renowned international audit firms. Having examined and assessed the professional and economic aspects of the bids submitted, the Audit Committee recommended that Deloitte Audit Wirtschaftsprüfungs GmbH, Wien, be proposed to the forthcoming Annual General Meeting for election as auditor for the separate and consolidated financial statements for the business year 2017. The Supervisory Board unanimously endorsed this recommendation.

Harald Nograsek, Chairman of the Audit Committee

Report of the Strategy Committee

The Strategy Committee met twice in 2016 and held several telephone conferences. Moreover, through its regular contacts with the Managing Board, it exercised both controlling and advisory functions and was actively involved in strategic decisions to be taken by the company. The priorities of the Committee's work in 2016 included:

- The analysis and discussion of value-creating growth projects and portfolio optimization measures, as well as the preparation of decisions to be taken by the Supervisory Board. In 2016, the company invested a total amount of € 44 million in selective acquisitions in Finland, Poland and Romania, the construction of a new concrete paver plant in Austria, and the extension of plastic pipe production sites in Norway, the Netherlands and the USA. Moreover, two production sites for concrete products in the Mountain States of the USA were sold at a profit in December 2016.
- The analysis, discussion and further development of the medium- and long-term strategies for the most important operating segments and product groups. This process was supported by comparative analyses of our peers.

Peter Johnson, Chairman of the Strategy Committee

Report of the Personnel and Nomination Committee

The Personnel and Nomination Committee, which also exercises the function of a remuneration committee, met five times in 2016 and dealt with the following priority issues:

- The elaboration of proposals regarding candidates for election to the Supervisory Board to be submitted to the Annual General Meeting. Based on the requirements profile for Supervisory Board members of Wienerberger AG developed in cooperation with an external consultant, the Committee assessed the qualifications of candidates and, following intensive discussions, issued a recommendation to the Supervisory Board.
- Within the framework of the Supervisory Board's discussion on succession management, the Committee recommended that the provision in the rules of procedure regarding the voluntary resignation of members having reached the age of 70 should be maintained. However, it was suggested that, following a recommendation by the Personnel and Nomination Committee, it should be possible to invite members, on account of their special experience and expertise, to remain in office beyond the age of 70 until the end of their current mandate. This amendment to the rules of procedure was unanimously adopted by the Supervisory Board.

- The variable components of remuneration for Managing Board members for 2015 were established on the basis of the degree of target achievement in 2015; the correctness of the entitlements thus calculated was verified within the framework of the external audit. Furthermore, an in-depth examination showed that the correction of an error in the 2014 consolidated financial statements and the 2014 and 2015 interim financial statements had no impact on the remuneration entitlements earned by the Managing Board for that period of time.
- In 2016, the well-established process of self-evaluation and the elaboration of proposals on how to improve the work of the Supervisory Board were supplemented by personal conversations which I conducted with my colleagues in my capacity as Chairwoman of the Supervisory Board. These conversations focused on suggestions for future priorities as well as the efficiency of our work and cooperation between the full Supervisory Board and its committees.
- As announced during the 147th Annual General Meeting, the conditions for an employee participation model were elaborated in close cooperation with the Managing Board; various alternatives and potential partners were evaluated.

Regina Prehofer, Chairwoman of the Personnel and Nomination Committee

The annual financial statements and the management report of Wienerberger AG as well as the 2016 consolidated financial statements prepared in accordance with IFRS rules were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Wien, and granted an unqualified audit opinion. The notes to the financial statements, the Managing Board's proposal for profit distribution and the audit reports of the external auditors were discussed in detail with the external auditor in the Audit Committee and submitted to the Supervisory Board. The Supervisory Board examined the documents pursuant to § 96 of the Austrian Stock Corporation Act and endorsed the result of the audit. Moreover, the Supervisory Board approved the annual financial statements, which are thus deemed adopted pursuant to § 96 (4) of the Stock Corporation Act. Having analyzed the financial position of the company, the Supervisory Board agreed with the Managing Board's profit distribution proposal.

On behalf of the Supervisory Board, I would like to thank the Managing Board, the management and all the employees of the company for their outstanding dedication during the past business year. In our fast changing markets, a proactive and success-oriented approach taken by the management and the employees is the decisive factor for value-creating growth and the continuous further development of the Wienerberger Group. Thanks to the consistent pursuit of our Group strategy, our company today has a comprehensive portfolio of innovative products and system solutions to meet the future demands of the construction industry, a strong industrial base, a sound capital structure, and leading market positions. I therefore look to the future of the Wienerberger Group with optimism and thank you, our shareholders, for accompanying us on this path.

Vienna, March 27, 2017

Regina Prehofer, Chairwoman of the Supervisory Board

Members and Committees of the Supervisory Board

8 shareholder representatives

Regina Prehofer

Chairwoman
independent, born 1956, appointed to 150th AGM (2019), first elected: May 13, 2011

Position and board membership
Second Vice-Chairwoman of the Supervisory Board of AT&S Austria Technologie & Systemtechnik AG, member of the Supervisory Boards of SPAR Holding AG and SPAR Österreichische Warenhandels-AG, bx Anteilsverwaltungs AG in Abwicklung and 6B47 Real Estate Investors AG, Chairwoman of the Supervisory Board of Wiener Sozialdienste Förderung & Begleitung GmbH, member of the Advisory Board of Sappi Papier Holding GmbH, member of the Share- holders' Committee of Vamed Engineering GmbH, member of the Board of the Foundation Karlheinz und Agnes Essl Privatstiftung, Martin und Gerda Essl Privatstiftung and Quester Privatstiftung

Career
1974-1980 Studies in business and law in Vienna, 1981-2010 Career in the Austrian banking industry; among other positions, member of the Managing Board of Bank Austria Creditanstalt AG from 2003-2008 and member of the Managing Board of BAWAG P.S.K. from 2008-2010, 2011-2015 Vice-Rector for Financial Affairs and Infrastructure at the Vienna University of Economics and Business

Peter Johnson

Vice-Chairman
independent, born 1947, appointed to 148th AGM (2017), first elected: May 12, 2005

Position and board membership
Chairman of the Board of Directors of Electrocomponents PLC

Career
1965-1970 Studies in Economics at Oxford University, 1970-1973 Unilever PLC, 1973-1996 various senior positions at Redland PLC; among others, Director responsible for the brick and roof tile business from 1988-1996, 1996-2000 CEO of Rugby Group plc, 2000-2006 CEO of George Wimpey plc, 2007-2012 Chairman of the Board of Directors of DS Smith Plc

Harald Nograsek

Vice-Chairman
independent, born 1958, appointed to 148th AGM (2017), first elected: May 8, 2002

Position and board membership
Chief Executive Officer of Österreichisches Verkehrsbüro AG, Chairman of the Supervisory Board of DDSG – Blue Danube Schifffahrt GmbH, member of the Supervisory Board of Motel One Austria GmbH and of Volksbank Wien AG

Career
1979-1984 Studies in International Management in Vienna,1984-1985 Assistant to the Managing Board at PAN-Records, 1985-1986 Credit auditing at BAWAG, 1986-1987 Freelance journalist for "Informationsdienst für Entwicklungspolitik" in South America, 1987-2004 various positions in the Austrian banking industry

Caroline Grégoire Sainte Marie

independent, born 1957, appointed to 150th AGM (2019), first elected: May 22, 2015

Position and board membership
Chairwoman of the Nomination and Remuneration Committee and member of the Audit Committee of Groupama, Director and member of the Technology Committee and Audit Committee of FLSmidth, Investor and Board Director of Calyos, Founding member and President of DefInnov SAS

Career
1979 Institut d'Etudes Politiques de Paris, 1980 graduation in Commercial Law in Paris, 1981-1984 Junior Financial Controller at Rank Xerox, 1984-1994 Financial responsibilities and deputy to the Southern and Eastern Europe Regional Manager at Roussel Uclaf S.A., 1994-1996 CFO and member of the Executive Committee at Albert Roussel Pharma GmbH, 1996-1997 Finance and IT Manager, CFO and member of the Management Committee at Volkswagen France, 1997-1999 CFO and member of the division's Management Committee at Lafarge Speciality Products, 2000-2004 Senior Vice-President of Lafarge Cement Division, member of the Cement Staff and International Operational Committee, member of the Boards of Materis S.A. and Lafarge India, 2004-2006 CEO at Lafarge Germany and Lafarge Czech Republic, member of the Board of the German Cement Association, 2007-2009 President and CEO at Tarmac France and Belgium, 2009-2011 President and CEO at FRANS BONHOMME

Franz Josef Haslberger

independent, born 1954, appointed to 149th AGM (2018), first elected: May 16, 2014

Position and board membership
Member of the Board of Directors of FIXIT Trockenmörtel Holding AG, member of the Supervisory Board of RÖFIX AG and Bank für Tirol und Vorarlberg Aktiengesellschaft, President of the Board of Directors of Valair AG

Career
1972-1978 Apprenticeship as logistics manager at Kühne & Nagel in Munich and training at the Academy for Foreign Trade and Business in Bremen, 1975 Entry into the family business, management of HASIT Trockenmörtel GmbH, development of the FIXIT Group

Christian Jourquin

independent, born 1948, appointed to 149th AGM (2018), first elected: May 16, 2014

Position and board membership
Honorary Chairman of the Executive Committee of SOLVAY S.A., Chairman of the Board of KNDS, member of the Supervisory Board of Louis Delhaize and ING Belgium, Chairman of the Board of several non-profit organizations

Career
1966-1971 Studies in Commercial Engineering in Brussels, 1992 International Senior Management Program at Harvard Business School,1971-2012 Various senior positions at SOLVAY S.A.; among others, CEO and Chairman of the Executive Committee from 2006-2012

Myriam Meyer

independent, born 1962, appointed to the 150th AGM (2019), first elected: May 22, 2015

Position and board membership
Member of the Board of Directors of Swiss Post Ltd. and Bedag Informatik AG, Vice-President of the Board of the Commission for Technology and Innovation (CTI), member of the Board of Trustees of the Swisscontact Foundation, member of the Industry Advisory Board of ETH Zurich/ Department of Mechanical Engineering

Career
1987 Master of Science in Mechanical Engineering in Zurich, 1994 Ph. D. in Technical Sciences in Zurich, 1994-2001 Vice-President Swiss Air Flight Operations and member of the Executive Committee, General Manager of SR Technics, 2002-2005 Vice-President Global Human Resources & Organization Development of F. Hofmann La Roche and member of the Executive Committee of Roche Consumer Health, 2005-2008 CEO and member of the Executive Committee of RUAG Group, 2009-2010 Group CEO of WIFAG-Polytype Holding, since 2011 Founder and Managing Partner of mmtec

Wilhelm Rasinger

independent, born 1948, appointed to 150th AGM (2019), first elected: April 27, 2006

Position and board membership
Chairman of IVA – Interessenverband für Anleger, member of the Supervisory Boards of Erste Group Bank AG, S IMMO AG, Haberkorn Holding AG and Gebrüder Ulmer Holding GmbH, Chairman of the Supervisory Board of Friedrichshof Wohnungsgenossenschaft reg. Gen.m.b.H., Chairman of the Foundation HATEC Privatstiftung Dornbirn

Career
1972-1976 Graduate degree and doctorate in Business Economics in Vienna, 1972-1977 Project manager at Hernstein Institut für Management und Leadership, 1977-1983 Consultant, 1982-2015 University lecturer at Vienna University of Technology (honorary professor), Lecturer at the Technical College in Krems and Vienna, 1983-1993 Managerial position in the insurance industry (internal audit, asset management), 1993-2014 Consultant

3 employee representatives

Gerhard Seban

delegated for the first time: February 3, 2006
Chairman of the Employees' Council at the Hennersdorf plant in Austria, Chairman of the Central Employees' Council of the Wienerberger Ziegelindustrie GmbH, of the Group Employees' Council and the European Employees' Council of Wienerberger AG

Claudia Schiroky

delegated for the first time: July 2, 2002
Chairwoman of the Employees' Council and the Central Employees' Council of Wienerberger AG, Vice-Chairwoman of the Group Employees' Council

Gernot Weber

delegated for the first time: May 16, 2014
Electrician and Chairman of the Employees' Council at the Göllersdorf plant in Austria, Vice-Chairman of the Central Employees' Council of Wienerberger Ziegelindustrie GmbH, member of the Employees' Council of Wienerberger AG

4 committees

Presidium
Regina Prehofer *(Chairwoman)*, Peter Johnson, Harald Nograsek

Strategy Committee
Peter Johnson *(Chairman)*, Regina Prehofer, Franz Josef Haslberger, Christian Jourquin, Gerhard Seban

Audit Committee
Harald Nograsek *(Chairman)*,Wilhelm Rasinger, Caroline Grégoire Sainte Marie, Christian Jourquin, Gerhard Seban

Personnel- and Nomination Committee/ Remuneration Committee
Regina Prehofer (Chairwoman), Peter Johnson, Myriam Meyer, Gerhard Seban

Working Mode of the Supervisory Board and the Managing Board

Working Mode of the Supervisory Board

Within the framework of their intensive cooperation, the Managing Board and the Supervisory Board, in particular through their chairpersons, regularly engage in discussions on the development and strategic orientation of the company over and above the deliberations conducted during the scheduled Supervisory Board meetings. The Supervisory Board decides on issues of fundamental importance and on the strategic orientation of the company. The duties of the Supervisory Board include, in particular, the appointment and recall of members of the Managing Board, the preparation of lists of candidates for the Supervisory Board to be voted on at the Annual General Meeting, the formal adoption of the annual financial statements of Wienerberger AG, and the report to the Annual General Meeting on the annual financial statements. Furthermore, the Supervisory Board approves acquisitions or sales of real estate and participations as well as capital expenditure projects in a value of over € 30 million. It also authorizes the commencement or discontinuation of lines of business or significant changes in the company's program of products and services. Depending on the importance and nature of the issue under consideration, the Supervisory Board also exercises its advisory and monitoring function through the following four committees: the Presidium, the Strategy Committee, the Audit Committee and the Personnel and Nomination Committee / Remuneration Committee. The rules of procedure of the Supervisory Board are published on the Wienerberger website.

Employee representatives

The representation of the company's employees on the Supervisory Board and its committees is regulated by law as an integral part of the Austrian corporate governance system. In accordance with the Austrian Labor Relations Act, the body representing employee interests is entitled to delegate to the supervisory board of a joint stock corporation and its committees one member from among its ranks for every two members elected by the Annual General Meeting (capital representatives).

Presidium

The Presidium represents the company in all legal transactions with members of the Managing Board. It decides on all issues regarding the relationship between the company and the members of the Managing Board, unless the matter is within the remit of the full Supervisory Board or the Personnel and Nomination Committee. As stated in the rules of procedure of the Supervisory Board, the Presidium consists of the Chairwoman of the Supervisory Board and her deputies.

Strategy Committee

The Strategy Committee discusses the company's strategy and future development and prepares strategic issues for decision-making by the Supervisory Board. It is authorized to approve transactions that do not require the approval of the full Supervisory Board, in particular capital expenditure projects, acquisitions and the sale of real estate in a value of between € 7.5 and 30 million, and to take decisions in urgent cases. The Strategy Committee is chaired by Peter Johnson, who has many years of experience in the building materials sector.

Audit Committee

The Audit Committee prepares all matters relating to the annual financial statements for consideration by the Supervisory Board and monitors the company's system of accounting. Furthermore, it monitors the effectiveness of the company's systems of internal control, internal audit and risk management. It verifies the independence of the external auditor and its qualification as established by peer reviews, and it monitors the audit process. Harald Nograsek, a financial expert, serves as chairman of the Audit Committee.

Personnel and Nomination Committee

The Personnel and Nomination Committee is responsible for preparing all appointments to the Managing Board and the Supervisory Board. It submits candidacies for the positions of capital representatives to the Supervisory Board, which are then voted on at the Annual General Meeting. Prior to the appointment of members of the Managing Board and the Supervisory Board, the Personnel and Nomination Committee draws up qualification profiles and prepares the decisions to be taken by the Supervisory Board on the basis of a defined procedure of selection and succession planning. In its function as a remuneration committee, the Personnel and Nomination Committee deals with the remuneration of the Managing Board members and the content of their employment contracts. Regina Prehofer, who has many years of experience in managing board functions in the banking industry, chairs the Personnel and Nomination Committee / Remuneration Committee.

Independence

The Austrian Corporate Governance Code requires the majority of capital representatives on a supervisory board to be independent. A supervisory board member is deemed to be independent if he or she has no relationship, either business or personal, with the company or its managing board that constitutes a material conflict of interest and consequently may influence his or her behavior. In accordance with this guideline and modelled on Appendix 1 of the Austrian Corporate Governance Code, as amended in January 2015, 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 if he or she:

- has not served as a member of the Managing Board or in an executive position of Wienerberger AG or a company of the Wienerberger Group during the past five years;
- does not maintain, or has not maintained in the past year, business relations with Wienerberger AG or a company of the Wienerberger Group to an extent of significance for the member of the Supervisory Board concerned (this also applies to business relations with companies in which the Supervisory Board member has a material economic interest);
- has not acted as an external auditor of Wienerberger AG or been a partner or an employee of the public accounting firm mandated to perform the audit during the past three years;
- is not a member of the management board of another company in which a member of the Managing Board of Wienerberger AG serves on the supervisory board;
- has not been a member of the Supervisory Board for longer than 15 years;
- is not closely related to a member of the Managing Board of Wienerberger AG or to persons holding one of the aforementioned positions.

The criteria for independence are published in full on our website. As at 31/12/2016, the Supervisory Board of Wienerberger AG consisted of eight capital representatives, who reconfirmed their independence in accordance with the above criteria at the beginning of 2017. None of the capital representatives holds an investment of more than 10 % or represents the interests of such a shareholder.

Working Mode of the Managing Board

The Managing Board of Wienerberger AG consists of two members. Heimo Scheuch, serving as CEO, is primarily responsible for the strategic and operational development of the Wienerberger Group, while CFO Willy Van Riet is in charge of financial matters. The work of the Managing Board is premised on shared responsibility for strategic and operational issues and a continuous exchange of information. The formal framework for such exchange is provided by the Managing Board meetings, which are normally held once a week, as well as continuous informal communication. Transactions requiring the approval of the Supervisory Board are first discussed and agreed upon at the Managing Board meetings and then submitted to the Supervisory Board. Decisions taken by the Managing Board require unanimity. The four-eyes principle applies when contracts are to be signed by the Managing Board. Monthly meetings are held with the management of the business units to discuss current business developments and, in particular, trends in demand, prices and costs, as well as capacity utilization. Strategic issues are also discussed at these meetings, with a special focus being placed on the development of markets, products and technologies. The measures agreed upon are implemented by the management of the business unit concerned.

The management of the company is based on a comprehensive reporting system. Monthly reporting is of special importance and covers data aggregated at Group level as well as all essential facts and figures, in particular income statements by operating unit, and information on the development of volumes, prices and costs, working capital and capital expenditure. Moreover, the Managing Board receives standardized monthly reports on energy consumption and the financial situation of the Group as well as on product and technology projects in the process of implementation. The individual countries also submit regular reports on the market situation and macroeconomic developments, as well as SHE data (data on safety, health & education) and other indicators gathered within the framework of the Sustainability Roadmap.

Managing Board

Heimo Scheuch

Chief Executive Officer, *appointed for a term of office up to April 1, 2018; born 1966, married*

After the completion of legal studies at the Universities of Vienna and Paris and studies at the Vienna University of Economics and Business and the Ecole Supérieure de Commerce de Paris, Heimo Scheuch began his professional career in corporate finance with Shook, Hardy & Bacon, a law firm with offices in Milan and London. In 1996, he joined Wienerberger AG as an assistant to the Managing Board; in 1997, he transferred to the senior management of Terca Bricks in Belgium, where he assumed the position of CEO in 1999. Heimo Scheuch was appointed to the Managing Board of Wienerberger AG on May 21, 2001 and assumed the position of CEO on August 1, 2009.

Management and supervisory board function in material subsidiaries: Managing Director of Wienerberger West European Holding GmbH, Chairman of the Supervisory Board of TONDACH Gleinstätten AG

Other functions: Chairman of the Supervisory Board of Wiener Börse AG and CEESEG AG, President of Construction Products Europe and Vice-President of Cerame-Unie

Willy Van Riet

Chief Financial Officer, *appointed for a term of office up to April 1, 2018; born 1957 married, one daughter, one son*

Having obtained his Master's Degree in Business Economics at the University of Ghent,Willy Van Riet began his professional career as an auditor and subsequently was employed as a senior manager with Pricewaterhouse-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 as Chief Financial Officer of Koramic Building Products. In 2004, he took over the management of Wienerberger Limited in Great Britain. Since April 1, 2007 Willy Van Riet has been Chief Financial Officer of Wienerberger AG.

Management and supervisory board function in material subsidiaries: Managing Director of Tondach Holding GmbH, WIBRA Tondachziegel Beteiligungs-GmbH, Wienerberger Anteilsverwaltung GmbH, Wienerberger Dach Beteiligungs GmbH, Wienerberger Finanz Service GmbH, Wienerberger Gamma Asset Management GmbH, Wienerberger Industriebeteiligungsverwaltung GmbH, Wienerberger West European Holding GmbH and Wienerberger Finance Service B.V. (Netherlands), Member of the Supervisory Board of TONDACH Gleinstätten AG and Wienerberger BV (Netherlands), Vice-President of Wienerberger NV (Belgium), Director of General Shale Brick Inc. (USA)

Organization

Heimo Scheuch

CEO

Heimo Scheuch is responsible for the strategic and operating development of the Wienerberger Group. The management of the respective operating unit reports to the Wienerberger Managing Board. The following Corporate Services report directly to him:

Corporate Communications
Corporate Development
Corporate Human Resources

North America

Facing Bricks

Plastic Pipes

Concrete Products
Calcium Silicate

Canada
USA

Clay Building Materials Europe

Clay Blocks

Facing Bricks

Roof Tiles

Segments

Clay Building Materials Western Europe

Belgium
Denmark
Germany
Estonia
Finland
France
Great Britain
Italy
Netherlands
Norway
Sweden
Switzerland

Clay Building Materials Eastern Europe

Bosnia and Herzegovina
Bulgaria
Croatia
Macedonia
Austria
Poland
Romania
Russia
Serbia
Slovakia
Slovenia
Czech Republic
Ukraine
Hungary

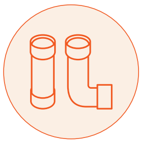
Willy Van Riet

CFO

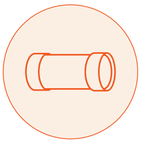
Willy Van Riet is responsible primarily for financial matters. The management of the respective operating unit reports to the Wienerberger Managing Board. The following Corporate Services report directly to him:

Corporate Reporting & Treasury
Corporate IT Architecture & Organisation
Corporate SAP Business Applications
Corporate Investor Relations
Corporate Legal Services
Corporate Internal Audit

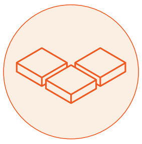
Pipes & Pavers Europe



Plastic Pipes



Ceramic Pipes



Concrete Pavers

Segments

Pipes & Pavers Western Europe

Belgium
Germany
Estonia
Finland
France
Great Britain
Ireland
Netherlands
Norway
Sweden

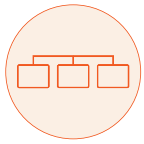
Pipes & Pavers Eastern Europe

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

Holding & Others

Clay Blocks

India



Corporate Services

Remuneration Report 2016

The remuneration report summarizes the principles that are used to determine the remuneration for the Managing and Supervisory Boards of Wienerberger AG, provides details of the amount and structures of the payments to these persons and includes data on the number of shares held by members of the Managing and Supervisory Boards.

Managing Board Remuneration

The Personnel and Nomination Committee, in close cooperation with the Presidium of the Supervisory Board, is responsible for the structure of the Managing Board's remuneration system. The goal of the remuneration system is to provide the members of the Managing Board with compensation that reflects their functions and scopes of responsibility as well as the development of the company and is appropriate by national and international standards as well as in comparison with competitors in the building materials sector. Another important goal is to create an adequate incentive scheme for Managing Board members in the form of variable remuneration. In order to ensure the greatest possible goal congruency between shareholders' interests and Managing Board remuneration, targets for the short-term variable remuneration component are determined at the end of the prior year by the Personnel and Nomination Committee / Remuneration Committee on the basis of all information available at that time. The medium-term and long-term remuneration components are primarily linked to strategic objectives and the sustainable improvement of shareholder value.

Fixed remuneration

The fixed component of remuneration reflects the scope of responsibility of the Managing Board member and, following common practice in Austria, is divided into fourteen installments paid at the end of each month. This results in different base salaries that correspond to the individual board members' specific duties as well as the related strategic and operating responsibilities. In 2016, the fixed remuneration of CEO Heimo Scheuch was € 725,409 (2015: € 716,100) and that of CFO Willy Van Riet was € 538,876 (2015: € 531,960). This 1.3 % increase in comparison with 2015 is solely attributable to the contractual value adjustment based on the consumer price index for 2010 issued by Statistics Austria. In total, this fixed remuneration equaled 27 % of the Managing Board's total remuneration, taking into account the variable remuneration components.

Fixed remuneration *in EUR*	2015	2016
Heimo Scheuch	716,100	725,409
Willy Van Riet	531,960	538,876
Total	**1,248,060**	**1,264,285**

Variable remuneration

Variable remuneration is linked to the aim of sustainably increasing shareholder value and consists of three components: short-term, medium-term and long-term components. The remuneration model developed by the Supervisory Board ensures a high degree of transparency by linking the goals to clearly defined indicators of earnings and profitability. In addition, the incentive structure built into the Managing Board remuneration system is reviewed each year with regard to its effectiveness in promoting the sustainable improvement of shareholder value, and adjustments are made if necessary.

Short-term variable remuneration

The short-term variable remuneration component is conditional on the attainment of short-term corporate financial goals. The achievement of these goals is measured on the basis of an EBITDA target and a target for profit after tax (50 % for each indicator), both of which are defined by the Personnel and Nomination Committee / Remuneration Committee at the end of the prior year on the basis of all information available at that time and submitted to the full Supervisory Board for approval. The target achievement is determined on a linear basis within the designated range, and the over-fulfillment of one target is offset against the partial fulfillment of the second target, if applicable. The maximum entitlement is limited to 100 % of annual fixed remuneration and is paid out in the following period. No short-term variable remuneration is paid if the minimum limit is not reached. In 2016, the entitlements to the short-term variable remuneration component, which will be paid out in 2017, came to € 725,409 for Heimo Scheuch (2015: € 716,100) and € 538,876 for Willy Van Riet (2015: € 531,960).

Short-term variable remuneration
in EUR

		EBITDA				Profit after tax				Total	
	Year	Relevance	Min	Target	Max	Relevance	Min	Target	Max	Entitlement	Payout [1]
Heimo Scheuch	2016	50%	→	→		50%	→	→		725,409	1,077,912
	2015	50%	→	→	→	50%	→	→	→	716,100	575,313
Willy Van Riet	2016	50%	→	→		50%	→	→		538,876	800,735
	2015	50%	→	→	→	50%	→	→	→	531,960	427,375

1) The entitlement is paid out at the beginning of the following year. // Notes: A change in the payment scheme for short-term variable remuneration applicable up to and including 2014, under which 50 % of the earned entitlements were paid out with a 12-month delay, caused the payments made in 2016 to be higher than the entitlements from 2015, as on this one occasion both the entitlements earned in 2015 and 50 % of the entitlements earned in 2014 were paid out. //
The arrows in the table show the degree of target achievement on the basis of five categories: (1) lower limit not achieved, (2) achievement between lower limit and target value, (3) target value achieved, (4) achievement between target value and upper limit, (5) upper limit exceeded.

Medium-term variable remuneration component

The medium-term target consists of two strategic goals, the achievement of which is measured on the basis of financial indicators. The earned entitlement to this remuneration component, the maximum amount of which is limited to 150 % of the annual fixed remuneration for 2017, will be determined at the end of the term of office and paid out in 2018. The target achievement will be determined on a linear basis within the designated corridor, and the over-fulfillment of one target will be offset against the partial fulfillment of the second target if applicable. In 2016, the Managing Board earned entitlements in the amount of € 824,124 (2015: € 411,827), € 472,858 thereof were attributable to Heimo Scheuch (2015: € 236,280) and € 351,266 to Willy Van Riet (2015: € 175,547).

Long-term variable remuneration component

The long-term variable remuneration component is designed as a long-term incentive (LTI) program. The LTI program covers the Managing Board and selected Group managers. Its goal is to focus the actions of top executives more intensively on shareholder value enhancement and to strengthen their identification with corporate planning and goals. With this LTI program, Wienerberger fully meets the requirements of the Austrian Corporate Governance Code stipulating that remuneration systems for managing boards and management be geared towards the sustainable development of the company.

The LTI program is renewed each year and involves the allocation of virtual shares, so-called performance share units (PSUs). A total of 77,600 PSUs were allocated to the Managing Board of Wienerberger AG in 2016 (Heimo Scheuch: 44,500 PSUs, Willy Van Riet: 33,100 PSUs). Special conditions for participation apply to the Managing Board: the CEO must hold at least 80,000 Wienerberger shares and a Managing Board member at least 20,000 shares. The individual shareholdings must not fall below the defined levels during the program's term. The target CFROI is defined at the end of the prior year by the Personnel and Nomination Committee / Remuneration Committee on the basis of all information available at that time and submitted to the full Supervisory Board for approval. Upper and lower limits are also defined. The monetary value of the PSUs is determined at year-end by multiplying the number of PSUs by the target achievement in percent and the average price of the Wienerberger share during the last 20 ATX trading days in that year. The target achievement is calculated as the difference between the CFROI calculated on the basis of the annual results for the respective year and the defined target, and is determined on a linear basis within the target corridor. There is no payout if the CFROI falls below the target corridor. If the upper limit is exceeded, the payment for the Managing Board is capped at 100 % of fixed remuneration. Payouts resulting from the target achievement are not made at once, but in three equal installments over a period of two years. The installment payout will be canceled if the CFROI in the respective financial year falls below the actual CFROI in the year the PSUs were granted. Under the assumption that the targets for delayed payment will be met, the entitlements to the long-term variable remuneration component in 2016 equaled € 725,409 for Heimo Scheuch (2015: € 716,100) and € 538,876 for Willy Van Riet (2015: € 531,960).

Long-term variable remuneration component
in EUR

	Year	Allocated PSUs	Target achievement based on CFROI Min	Target	Max	Entitlement [1]	Payout in 2016 [2]	Payout in 2017 [2]
Heimo Scheuch	2016	44,500				725,409		241,803
	2015	57,500				716,100	238,700	238,700
	2014	80,000				700,000	233,333	233,333
	2013	110,000				700,000	233,333	
Willy Van Riet	2016	33,100				538,876		179,625
	2015	42,500				531,960	177,320	177,320
	2014	60,000				520,000	173,333	173,333
	2013	80,000				520,000	173,333	

1) In all four years the payment of the entitlement was capped at 100 % of the annual fixed remuneration. // 2) As the CFROI achieved in the year of payment exceeded the comparative figures from the two prior years, the condition precedent for the payment of installments was met in each case. // Note: The arrows in the table show the degree of target achievement on the basis of five categories: (1) lower limit not achieved, (2) achievement between lower limit and target value, (3) target value achieved, (4) achievement between target value and upper limit, (5) upper limit exceeded.

Earned entitlements and payments in 2016

In 2016, the Managing Board remuneration amounted to a total of € 4,372,285 (2015: € 3,064,082), € 2,508,688 thereof for Heimo Scheuch (2015: € 1,758,080) and € 1,863,597 for Willy Van Riet (2015: € 1,306,002). In addition to the fixed remuneration, the installments of the entitlements from previous years under the long-term variable remuneration component as well as the entitlement under the short-term variable remuneration were paid out. The change in the payment scheme for short-term variable remuneration applicable up to and including 2014, under which 50 % of the earned entitlements were paid out with a 12-month delay, caused the payments made in 2016 to be higher than the entitlements from 2015, as on this one occasion both the entitlements earned in 2015 and 50 % of the entitlements earned in 2014 were paid out. There will be a one-off payment of the entitlements earned under the medium-term variable remuneration component in 2018.

Payout *in EUR*	Fixed remuneration		Short-term component		Medium-term component		Long-term component		Total	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Heimo Scheuch	716,100	725,409	575,313	1,077,912	0	0	466,667	705,367	**1,758,080**	**2,508,688**
Willy Van Riet	531,960	538,876	427,375	800,735	0	0	346,667	523,987	**1,306,002**	**1,863,597**
Total	**1,248,060**	**1,264,285**	**1,002,688**	**1,878,647**	**0**	**0**	**813,334**	**1,229,354**	**3,064,082**	**4,372,285**

In 2016, the Managing Board earned entitlements for the short-term, medium-term and long-term variable remuneration components totaling € 3,352,694 (2015: € 2,907,947); € 1,923,676 for Heimo Scheuch (2015: € 1,668,480) and € 1,429,018 for Willy Van Riet (2015: € 1,239,467).

Entitlements [1] *in EUR*	Short-term component		Medium-term component		Long-term component		Total	
	2015	2016	2015	2016	2015	2016	2015	2016
Heimo Scheuch	716,100	725,409	236,280	472,858	716,100	725,409	**1,668,480**	**1,923,676**
Willy Van Riet	531,960	538,876	175,547	351,266	531,960	538,876	**1,239,467**	**1,429,018**
Total	**1,248,060**	**1,264,285**	**411,827**	**824,124**	**1,248,060**	**1,264,285**	**2,907,947**	**3,352,694**

1) The above amounts are based on the earned entitlements under the assumption that the targets for delayed payment will be met.

Other remuneration components and agreements

Defined-contribution pension agreements

The members of the Managing Board are covered by defined-contribution pension agreements that require the company to make contributions each year. Contributions to pension funds (defined-contribution commitments) on behalf of the Managing Board amounted to € 522,671 in 2016 (2015: € 519,171). Of this total, € 245,751 was attributable to Heimo Scheuch (2015: € 244,105) and € 276,920 to Willy Van Riet (2015: € 275,066). Payments of € 837,977 were made to former members of the Managing Board and their surviving dependents during the reporting year (2015: € 853,264).

Severance compensation

The members of the Managing Board are entitled to severance compensation upon termination of employment in accordance with the legal regulations in Austria, which is based on total compensation and the length of service with the company. In 2016, an amount of € 81,384 (2015: € 75,079) was provisioned for service cost.

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Change of control clauses

The employment contracts with the members of the Managing Board include change of control clauses, which regulate payment obligations in the event that a board member's appointment is terminated prematurely following a change in the control of the company. The articles of association of Wienerberger AG define a change of control as an increase in a shareholding to over 20%, which triggers a mandatory takeover offer to all other shareholders. Under these change of control clauses, the payment obligations agreed upon in the employment contracts with the members of the Managing Board are to be met by the end of the contract period as originally specified. There are no further entitlements.

Directors' and officers' liability insurance

Wienerberger has concluded directors' and officers' liability insurance with coverage of € 100 million for the members of the Supervisory Board, Managing Board, operational bodies and key employees. This insurance also covers any loss to the company arising from the failure of these parties to act conscientiously (without any intentional or conscious violation of their responsibilities).

There is no deductible for the insured corporate bodies and employees of the Wienerberger Group.

Incidental benefits

Incidental benefits provided to members of the Managing Board include, without limitation, a secretariat, a company car as well as mobile and other communication devices. No loans were granted to members of the Managing Board.

Outside activities

The members of the Managing Board require the prior approval of the Supervisory Board in order to enter into any activities outside the scope of their work with Wienerberger. This guarantees that neither the time required nor the related compensation could lead to a conflict with their duties for the company. All outside activities that involve seats on supervisory boards or comparable positions for publicly traded companies are listed on page 59 and also disclosed on the Wienerberger website. No compensation is provided for positions in Group companies.

Remuneration of the senior management

The remuneration of the senior management within the Wienerberger Group is designed along the lines of the incentive scheme for Managing Board members. Apart from fixed remuneration reflecting the scope of responsibility, a short-term remuneration component and, for selected executives, participation in the LTI program are regarded as adequate incentives. Depending on the scope of responsibility of each executive, the targets for the short-term remuneration component are determined on the basis of the Group budget or the budget of their respective areas of responsibility and supplemented by individually agreed financial or non-financial targets. The actual target achievement can be measured for each goal and is determined on a linear basis within a corridor. The entitlement earned is paid out in the following period. Both the short-term and the long-term variable remuneration components are capped at agreed limits.

Supervisory Board Remuneration

The following remuneration system for the Supervisory Board was approved in 2011 by the 142nd Annual General Meeting: Each elected member of the Supervisory Board receives a fixed annual remuneration of € 15,000. The fixed remuneration for the vice-chairmen and the chairwoman equals € 22,500 and € 30,000, respectively. For work on a committee, the annual fixed remuneration is € 7,500 for an ordinary member, € 11,250 for the vice-chairpersons and € 15,000 for the chairperson. The fixed remuneration is limited to one committee membership per person and is paid only once, even if a Supervisory Board member is active on several committees. Each elected member of the Supervisory Board also receives an attendance fee of € 5,000 per meeting day, or € 2,500 for a committee meeting that is not held on the same day as a Supervisory Board meeting. This fee is only paid for meetings actually attended. The fixed remuneration is adjusted on the basis of the Statistics Austria consumer price index for 2005 or a subsequent index if applicable. Increases and decreases up to and including 5 % will not be compensated, but an adjustment will be made for the full change if this corridor is exceeded. An index adjustment of 5.5 % was made in 2014. No adjustment has been made since then. The Supervisory Board remuneration for 2016 (payment in 2017) totaled € 602,669 (2015: € 527,981).

No compensation is paid for services outside the aforementioned Supervisory Board duties, in particular for consulting or agency services. The salaries received by the employee representatives as part of their employment contracts represent exceptions to this rule. No pension commitments were made to the members of the Supervisory Board of Wienerberger AG. No loans were granted to members of the Supervisory Board. Business transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are carried out at arm's length. Information on related party transactions is provided in the Notes to the Consolidated Financial Statements on page 177.

Supervisory Board remuneration *in EUR*				2015				2016
	Fixed remuneration	Work on a committee	Attendance fees	Total remuneration	Fixed remuneration	Work on a committee	Attendance fees	Total remuneration
Regina Prehofer 1)	31,650	15,825	36,925	84,400	31,650	15,825	42,200	89,675
Peter Johnson 2)	23,738	15,825	36,925	76,488	23,738	15,825	47,475	87,038
Harald Nograsek 2)	20,681	15,825	42,200	78,706	23,738	15,825	44,838	84,400
Caroline Grégoire Sainte Marie 3)	9,712	4,856	26,375	40,943	15,825	7,913	52,750	76,488
Franz Josef Haslberger	15,825	7,913	21,100	44,838	15,825	7,913	26,375	50,113
Christian Jourquin	15,825	7,913	42,200	65,938	15,825	7,913	47,475	71,213
Myriam Meyer 3)	9,712	4,856	26,375	40,943	15,825	7,913	44,838	68,575
Wilhelm Rasinger	15,825	11,869	42,200	69,894	15,825	11,869	47,475	75,169
Karl Fink 2), 4)	9,170	6,113	10,550	25,833				
Total	**152,137**	**90,994**	**284,850**	**527,981**	**158,250**	**90,994**	**353,425**	**602,669**

1) Chairwoman // 2) Vice-Chairman // 3) Member of the Supervisory Board since May 22, 2015 // 4) Member of the Supervisory Board up to May 22, 2015

Managers' Transactions

In accordance with Article 19 of Regulation (EU) No 596/2014, the purchase or sale of financial instruments of the company by the members of the Supervisory Board and Management Board is reported to the company as well as the Austrian Financial Market Authority. Moreover, the transactions are also disclosed on the Wienerberger website (see "Managers' Transactions"). In 2016 members of the Supervisory Board and the Managing Board purchased a total of 32,008 Wienerberger shares; no sales of Wienerberger shares were reported. The members of the Managing and Supervisory Boards have voluntarily agreed to disclose their shareholdings in Wienerberger AG. The number of Wienerberger shares held by the members of the Managing and Supervisory Boards totaled 328,430 at the end of 2016.

Number of shares held		1/1/2016	Purchase	Sale	31/12/2016
Managing Board	Heimo Scheuch	121,252	10,000	0	131,252
	Willy Van Riet	32,142	7,858	0	40,000
Supervisory Board	Regina Prehofer	0	0	0	0
	Peter Johnson	0	0	0	0
	Harald Nograsek	1,400	0	0	1,400
	Caroline Grégoire Sainte Marie	150	150	0	300
	Franz Josef Haslberger	97,154	10,000	0	107,154
	Christian Jourquin	0	0	0	0
	Myriam Meyer	1,000	0	0	1,000
	Wilhelm Rasinger	43,324	4,000	0	47,324
Total		**296,422**	**32,008**	**0**	**328,430**

Economic Environment and Capital Markets

Economic environment in 2016

According to estimates by the International Monetary Fund (IMF), in 2016 the world economy continued to develop at a similar pace as in 2015, growing at a rate of 3.1 %. Europe and North America, the core regions of the Wienerberger Group, did not experience any significant upturn in economic activity and continued to be marked by investment restraint on the part of consumers, businesses and the public sector. In the United States of America, growth slowed down to 1.6 % from 2.1 % in 2015, despite favorable development in the second half of the year. Nevertheless, the labor market situation in the USA continued to improve, with the rate of unemployment down to 4.7 % at the end of the year, thus further approaching full employment. For the euro area, where important markets, such as Germany and Italy, saw a slight acceleration of economic growth year on year, the IMF projects a growth rate of 1.7 %, which is 0.3 percentage points below the previous year's level. In Great Britain, economic growth declined to 2.0 % (from 2.2 % in 2015), not least as a result of the vote to leave the European Union. As regards the economies of Eastern Europe, the IMF foresaw a notable slowdown in the rate of growth from 3.7 % in 2015 to 2.9 % in 2016. It is important to note, however, that the IMF counts Turkey as part of Eastern Europe in the regional breakdown of its forecasts, which significantly influences its assessment of the region, given the economic cooling off caused by the attempted coup in that country, the devaluation of its currency and the negative impact of terrorist attacks on tourism.

Geopolitical developments had an increasing impact on the world economy in 2016, making forecasts more and more uncertain. Terrorist attacks in European cities, such as Brussels, Paris, Nice and Istanbul, as well as the continuing military conflict in Syria and the resulting refugee flows, painfully reminded us not only of ideological conflicts, but also of issues relating to fair distribution, multilateral cooperation as well as nationalism and security policy. Great Britain's decision to leave the European Union not only put the future of the Union into question, but also resulted in a steep devaluation of the British pound, a stimulating monetary-policy move by the Bank of England, and a change of government. In Brussels, the political debate was dominated by questions regarding the future orientation and functioning of the EU institutions, the rising trend toward protectionism, and the declining willingness of certain groups to give up elements of national sovereignty. Consequently, no real progress was achieved in the struggle for sustainable solutions to urgent political questions. The latter include the structural reform of the Union, the refugee crisis and the common security policy, as well as measures to stimulate the sluggish economy, which are still being left primarily to the ECB and its monetary-policy moves. The United States of America, with Donald Trump as President and the Republican Party having a majority in both Houses of the US Congress, is about to embark on a new course in its fiscal, security, economic, domestic and foreign policies, the full impact of which is impossible to assess in the short period after the President's inauguration.

In terms of monetary policy, the decision by the US Federal Reserve System shortly before the end of 2016 to increase interest rates for the second time since the beginning of the financial crisis marked a further step away from its de facto zero-interest-rate policy. In contrast, the European Central Bank not only maintained its expansionary course, but reduced its key lending rate to 0.00 % in March 2016 and topped up its bond buying program. Together with the stimulus coming from the Bank of England, this widened the monetary-policy divergence between Europe and the United States.

Forecasts for 2017

For 2017, the IMF projects a slight acceleration of global economic growth to 3.4 %. While the rate of growth in the USA is expected to increase by 0.7 percentage points to 2.3 %, the forecast assumes that in the euro zone economic growth will stagnate at 1.6 % and that in Great Britain it will slow down by another 0.5 percentage points to 1.5 %. For the economies of Eastern Europe, the IMF reckons with a slight improvement of the growth rate to 3.1 %.

Impact on the stock markets

Like the majority of lead indexes in Europe and Asia, the financial markets in the USA started the year 2016 with a significant drop in share prices. This was due to the worsened outlook for worldwide economic growth caused, above all, by the cooling off of the Chinese economy. From mid-February onward, the propensity to invest increased noticeably and the indexes showed an upward trend, despite short phases of weakening, such as in the wake of the BREXIT vote. This trend gained renewed momentum in the weeks after the US presidential elections. The Dow Jones Industrial Average closed the year with a gain of 13.4 %, followed by the S&P 500 with a gain of 9.5 % and the NASDAQ index for technology stocks with an increase by 7.5 %. New record highs were recorded by these indexes in the first trading weeks of the current year.

In Europe, the performance of the EURO STOXX 50, a stock index covering 50 large publicly traded companies in the euro zone, improved only slightly by 0.7 %. The German DAX closed the year with a gain of 6.9 %. Despite growing uncertainty due to the forthcoming negotiations on Britain's exit from the European Union, the British FTSE 100 outperformed all other European lead indexes, gaining 14.4 % and reaching a new all-time high at the beginning of 2017. The French CAC40 closed the year with a gain of 4.9 %. As in 2015, the Austrian ATX was one of the best performing indexes in Europe, reporting an increase of 9.2 %.

The European residential construction market

Three important indicators for the analysis and projection of residential construction activities in a region are the numbers of building permits, new housing starts and housing completions. In 2016, these indicators showed an encouraging picture for Europe. According to the 19-country Euroconstruct report, the countries in which Wienerberger operates saw a 10 % increase in the number of building permits issued, which can be taken as an indicator of future developments. To enhance the validity of the Euroconstruct forecasts, we base our analysis on weighted growth rates. To this end, Euroconstruct's growth projections for the individual countries were weighted by the shares in revenues in our brick business. In the single- and two-family-home segment, where Wienerberger's market position is particularly strong, weighted building permits increased by 8 %. However, the forecasting power of building permits has decreased notably in recent years and the number of building permits granted no longer translates to the same degree into a similar development in the number of housing starts and housing completions. In 2016, weighted housing starts in the single- and two-family-home segment increased by no more than 3.5 %, and despite the steep increase in the number of building permits, Euroconstruct expects only a similar growth rate in our relevant markets in 2017. The retrospective indicator of housing completions shows a weighted rate of growth in the single- and two-family-home segment of 3.2 % for 2016. Taken together, these indicators confirm the moderately paced recovery of housing construction in Europe.

Renovation activities in the residential segment are covered mainly by statistics on renovation expenditure. According to Euroconstruct, this broad-based indicator showed a weighted increase of 1.8 % in 2016. For our roof tile business, the renovation of pitched roofs, often combined with an improvement of thermal insulation, is the most important sub-segment of the renovation market, where we observed a slight downward trend in 2016.

The European infrastructure market

Capital expenditure for infrastructure projects in Europe was marked by major regional differences in 2016. While infrastructure spending in the relevant Western European markets increased by 3.5 % according to weighted Euroconstruct estimates, mainly as a result of growth in the Nordic markets, investments in Eastern Europe declined sharply. For the analysis of infrastructure expenditure, the revenue shares of the markets of the Pipes & Pavers Europe Division are applied as weighting factors to the country growth rates. In the four markets observed in the region (Poland, Czech Republic, Hungary and Slovakia), Euroconstruct quantifies the weighted decline at -10 %. This estimate is a valid indicator of the extent of the downturn also seen in most of the other Eastern European markets; given our strong position and our presence in all of these markets, we were profoundly affected by these developments. Massive delays have occurred in the award of contracts for public-sector investment projects, as local decision-makers are finding it extremely difficult to comply with the revised provisions for eligible tendering procedures applicable in the new programming period of the EU Cohesion Fund. Overall, a slight weighted growth of 0.7 % was recorded in European infrastructure spending in the markets relevant to Wienerberger.

In the sub-segment of water management, which accounts for about 12 % of total expenditure on infrastructure and includes water-supply and waste-water-disposal systems, an important market for our pipe business, investments declined by 0.3 % according to the weighted projection. In this segment as well, the market is weakest in Eastern Europe (-9 %). The telecommunications segment registered an increase in construction output (+4.4 %), while capital expenditure in the energy segment grew by 2.2 %. Diverging developments were seen in road construction. While Western Europe recorded 2.2 % weighted growth, activities in Eastern Europe declined by 9.3 %.

The US housing market

According to the U.S. Census Bureau, housing starts in the USA rose by 5.6 % to 1.174 million housing units in 2016. Housing completions grew by 9.5 % to 1.061 million units. Building permits were issued for 1.190 million housing units, corresponding to an increase of only 0.6 % year on year. For the first time since the beginning of the financial crisis, growth rates in the single-family-home segment were higher than in the multi-family-home segment. The change was reflected, above all, in the number of building permits as a prospective indicator, which increased by 7.1 % for single-family homes and dropped by 9.7 % for multi-family residential buildings. The National Association of Home Builders (NAHB) foresees a 5.5 % increase in housing starts to 1.239 million housing units in 2017, mainly as a result of 10 % growth in the single-family-home segment. This estimate is confirmed by McGraw Hill Construction – Dodge, which expects the total market to grow to 1,235 million housing units.

The NAHB/Wells Fargo Housing Market Index reflects current estimates of house sales by building contractors and developers as well as their expectations for the next six months. In December 2016, the index stood at 69 points, up by 9 points from the revised value of the closing month of the previous year. Thus, the index clearly exceeded the 50-point mark, indicating that the majority of market participants saw the outlook as positive. According to the S&P/Case-Shiller 20-City Composite Home Price Index, selling prices rose by 5.58 % over the 12 months up to and including December 2016.

The benchmark for fixed-interest rates on 30-year mortgage loans increased by 24 basis points to 4.2 % over the 2015 year-end value, thus remaining at a very low level in a long-term comparison. Nevertheless, compared with the year's record low of 3.4 % in August 2016, this value represents an increase by 0.8 percentage points and reflects the market's expectation of further key lending rate increases by the Fed. Overall, the large number of positive indicators for the US housing market points to a continuation of growth in 2017.

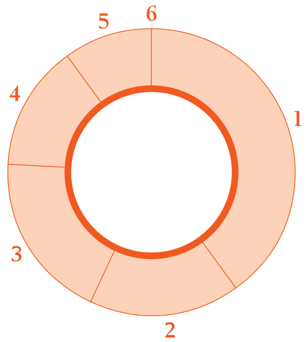
Sources: IMF (World Economic Outlook, January 2017), U.S. Census Bureau, Euroconstruct, ThomsonOne, Freddie Mac Primary Mortgage Market Survey, McGraw Hill Construction - Dodge, NAHB, NAHB/Wells Fargo Housing Market Index, S&P/Case-Shiller 20-City Composite Home Price Index

Financial Review

Earnings

In 2016, the Wienerberger Group generated a significantly increased EBITDA, while its total revenues remained stable at € 2,973.8 million. We succeeded in slightly increasing our average prices and our sales volumes across the Group. Additionally, we benefited from the contributions resulting from smaller acquisitions in the reporting period. Contrasting with this satisfactory development, negative foreign exchange effects in a total amount of € 60.9 million resulted, above all, from the devaluation of the British pound, the Polish zloty, the Norwegian crown and the Turkish lira.

Third Party Revenues by Segment



Wienerberger's Clay Building Materials Europe Division generated external revenues of € 1,681.2 million, up by 2 % from the previous year (2015: € 1,643.0 million). The Division's EBITDA increased by 17 % to € 290.7 million (2015: € 249.3 million). This development is primarily due to higher volumes sold at slightly increased average prices and was partly offset by notably negative foreign exchange effects. Besides a strong operational development, achieved through continuous efficiency-enhancing measures, cost optimization and strengthened sales activities, the Division benefited from lower energy costs. The improved performance of the Clay Building Materials Western Europe segment was based on organic growth and the expected positive effects of structural measures initiated in 2015. The Clay Building Materials Eastern Europe segment benefited from livelier construction activities in the region. The only market to report a significant downturn in revenues and earnings was Russia, which was severely affected by the economic slowdown.

The external revenues of the Pipes & Pavers Europe Division amounted to € 988.2 million, down by 5 % from the previous year's level (2015: € 1,043.6 million); the Division's EBITDA declined by 9 % to € 98.5 million (2015: € 107.9 million). This development was due to declining revenues in each of the three business units of the Division. Compared with the record year of 2015, our plastic pipe activities reported lower demand in international project business and slightly reduced sales volumes. Nevertheless, despite the negative impact of foreign currency developments on revenues and earnings, our plastic pipe operations closed the year with a slight increase in EBITDA, benefiting from the absence of costs for structural adjustments which had depressed the result in 2015. In our ceramic sewage pipe business, the steep decline in exports to the Middle East, as well as delays in the award of public-sector projects co-funded by the European Union in Eastern Europe, led to a noticeable downturn in revenues and earnings. This also applied to our activities in the field of concrete pavers, where both revenues and earnings fell short of the previous year's level.

In the North America Division, our brick business benefited from growth in residential construction in the USA and Canada, which led to significantly higher sales volumes. Although the Division reported slightly higher sales of plastic pipes, earnings in this segment declined as a result of lower average prices. External revenues grew by 5 % to € 292.7 million in the year under review (2015: € 277.5 million), while EBITDA remained stable at € 32.7 million (2015: 32.2 million). However, owing to differences in the contributions to earnings from the sale of non-core real estate, the results of the two years are not fully comparable. Moreover, we sold two production sites for concrete products in the States of Colorado and Wyoming at the end of 2016. Adjusted for these effects, as well as shutdown costs for one plant and foreign exchange effects, the Division recorded an increase in earnings.

The Group's EBITDA, amounting to € 404.3 million, exceeded the previous year's level by 9 %, with € 1.0 million due to earnings contributed by acquisitions. In contrast, € 12.8 million resulted from negative foreign exchange differences, mainly against the British pound, the Polish Zloty, the Norwegian crown and the Turkish lira. The above total also includes profits from the sale of non-core real estate in the amount of € 17.9 million and in the USA a € 2.9 million contribution from portfolio optimization.

EBITDA *in MEUR*	2015	2016	Chg. in %
Clay Building Materials Europe	249.3	290.7	+17
Pipes & Pavers Europe	107.9	98.5	-9
North America	32.2	32.7	+1
Holding & Others	-19.7	-17.6	+11
Wienerberger Group	**369.7**	**404.3**	**+9**

The EBITDA margin improved from 12.4 % in 2015 to 13.6 % in 2016, mainly as a result of higher earnings in the Clay Building Materials Europe Division.

Scheduled depreciation and amortization totaled € 191.3 million in the reporting year (2015: € 201.2 million). The depreciation ratio declined slightly from the previous year's value of 6.8 % to 6.4 % in 2016. This relatively high value reflects the high level of capital expenditure in the past and is an indicator of the capital-intensive nature and the technological potential of the Wienerberger Group.

Operating earnings before interest and tax (operating EBIT) increased significantly to € 197.7 million in 2016 (2015: € 167.6 million). After the deduction of impairment charges and reversal of impairment charges to assets totaling € -0.2 million and goodwill impairment of € 6.9 million, earnings before interest and tax (EBIT) amounted to € 190.6 million in the year under review (2015: € 163.1 million).

Profitability Ratios *in %*	2015	2016
Gross profit to revenues	31.8	32.4
Administrative expenses to revenues	6.1	6.3
Selling expenses to revenues	19.4	19.3
EBITDA margin	12.4	13.6
Operating EBIT margin	5.6	6.6

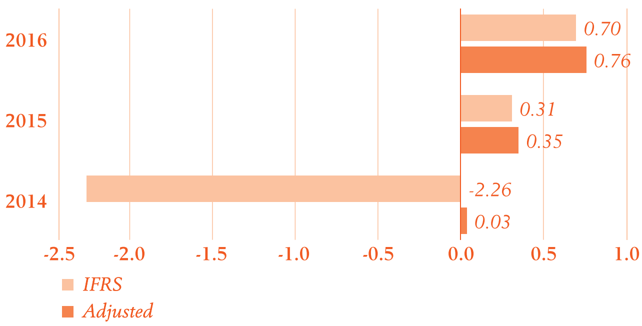
Financial result and taxes

The 2016 interest result of € -34.4 million, compared with € -42.3 million in 2015, reflects significantly lower financing costs following the redemption of bank liabilities and the increased utilization of revolving credit lines. Income from investments in associates grew from € 4.0 million in the previous year to € 6.7 million in 2016. The other financial result, which was negative at € -4.3 million, included valuation effects in the amount of € -2.9 million and, above all, bank charges of € -2.5 million and dividend income of € 1.1 million. The profit before tax rose from € 107.0 million in 2015 to € 158.5 million in 2016, which was mainly due to improvements in operational business and the financial result.

Income Statement *in MEUR*	2015	2016	Chg. in %
Revenues	2,972.4	2,973.8	0
Cost of goods sold	-2,027.8	-2,011.2	+1
Selling and administrative expenses [1]	-759.9	-760.5	0
Other operating expenses	-64.5	-69.1	-7
Other operating income	47.3	64.8	+37
Operating EBIT	**167.6**	**197.7**	**+18**
Impairment charges to assets	-13.1	-4.5	+66
Impairment charges to goodwill	0.0	-6.9	-100
Reversal of impairment charges to assets	8.7	4.3	-50
EBIT	**163.1**	**190.6**	**+17**
Financial result [2]	-56.1	-32.1	+43
Profit/loss before tax	**107.0**	**158.5**	**+48**
Income taxes	-37.2	-43.2	-16
Profit/loss after tax	**69.8**	**115.3**	**+65**

1) Including freight costs // 2) Including income from investments in associates

Earnings per Share
in EUR



On account of the significantly improved pre-tax operating result, income tax expense increased to € 43.2 million in the reporting year (2015: € 37.2 million), including current taxes of € 40.5 million and deferred tax effects of € 2.7 million.

Reflecting the strong operating performance in the year under review, the after-tax result improved from € 69.8 million in 2015 to € 115.3 million in 2016. Earnings per share, after deduction of income attributable to non-controlling interests and the annual hybrid coupon of € 31.5 million, increased to € 0.70 (2015: € 0.31), based on a weighted average of 117.0 million shares (2015: 117.0 million).

Assets and financial position

In 2016, the total assets of the Group declined by 1 % to € 3,637.2 million, which was mainly due to scheduled depreciation and amortization as well as impairment charges to property, plant and equipment and intangible assets. Wienerberger's balance-sheet structure is characterized by a high non-current-asset component and long-term financing, which is typical of the building materials industry.

Non-current assets remained stable at the previous year's level and accounted for 65 % of the Group's total assets in 2016 (2015: 66 %), with property, plant and equipment accounting for 64 % (2015: 63 %) of capital employed. Inventories declined over the past year, as stocks were reduced in the ceramics business in Western Europe and North America and in the Pipes & Pavers Europe Division from € 753.3 million in 2015 to € 718.4 million in 2016. Wienerberger's working capital (inventories + net trade receivables - trade payables), which was reduced by € 87.8 million to € 519.7 million (2015: € 607.5 million) through stock reduction and higher trade payables, stood at 17 % of revenues, which is clearly below the Group's target of 20 % at year-end (2015: 20 %). In 2016, cash and cash equivalents as well as the portfolio of securities and other financial assets increased to € 249.8 million (2015: € 213.3 million) through effective working capital management. These funds are part of the high liquidity reserve available to finance seasonal working capital requirements and to partially refinance liabilities in the first quarter of 2017.

In 2016, the Group's equity decreased by 10 % to 1,849.0 million (2015: 2,054.2 million). This change was mainly due to the reclassification of a hybrid bond with a market value of € 222.7 million from equity to debt as at 15/12/2016, as Wienerberger exercised its buyback option. Exercise of the call option means that the bond is due for redemption in February 2017 and therefore no longer qualifies as equity according to IFRS. Apart from this effect, the positive after-tax result of € 115.3 million led to an increase in equity. In contrast, the deduction of the € 32.5 million hybrid coupon, the recognition of the accrued coupon of € 12.2 million payable for the hybrid bond falling due in 2017, its partial buyback in the amount of € 6.0 million in 2016, and the dividend of € 23.4 million resulted in a decrease in equity. Furthermore, changes in currency translation and hedging reserves as well as market value changes in available-for-sale financial instruments totaling € -10.7 million, actuarial losses after tax in connection with defined-benefit pension plans and provisions for severance pay in the amount of € 13.0 million were recognized in other comprehensive income.

Deferred tax liabilities decreased to € 80.8 million year on year (2015: € 84.3 million). Owing to the low interest environment and foreign exchange effects, provisions for personnel increased to € 171.5 million in 2016, as compared with € 160.6 million in 2015. Since Wienerberger has not assumed any new defined-benefit pension plans and is converting existing commitments into defined-contribution pension commitments, wherever possible. Therefore, pension provisions carried on the balance sheet should show a decreasing trend, except for the effects of changes in legislation or changes in pension parameters. Other non-current provisions, including provisions for warranties and the recultivation of depleted clay pits, remained almost unchanged at € 71.2 million (2015: € 71.8 million). In the absence of provisions for structural adjustments and provisions for product liability, current provisions decreased from € 57.9 million in 2015 to € 35.3 million in 2016. Thus, total provisions accounted for 8 % (2015: 8 %) of total assets.

Interest-bearing debt (financial liabilities), which increased by € 133.9 million to € 881.4 million, comprises liabilities to banks, bond holders and other third parties in the amount of € 869.4 million and derivatives with negative market values of € 12.0 million. The increase in financial liabilities results from the reclassification of a hybrid bond with a market value of € 222.7 million, plus the accrued coupon, from equity to debt on account of Wienerberger's exercise of the buyback option on 14/12/2016. Without this effect, interest-bearing liabilities would have declined by roughly € 100 million. These liabilities stood against liquid funds and securities of € 249.8 million and committed credit lines of € 550.0 million, € 470.0 million of which were undrawn by the balance sheet date. Of the Group's total interest-bearing debt in the amount of € 869.4 million, 55 % (2015: 68 %) is of a long-term and 45 % (2015: 32 %) of a short-term nature.

Calculation of Net Debt [1)]
in MEUR

	2015	2016	Chg. in %
Long-term interest-bearing financial liabilities	507.5	481.4	-5
Short-term interest-bearing financial liabilities	239.6	399.9	+67
Financial leases	0.0	0.1	>100
- Intercompany receivables and payables from financing	-18.4	-18.3	-1
- Securities and other financial assets	-39.8	-34.4	-14
- Cash and cash at bank	-154.9	-197.0	-27
Net debt	**534.1**	**631.6**	**+18**

1) Excluding the 2014 hybrid bond, which is recognized in equity according to IFRS

As at 31/12/2016, the Group's net debt amounted to € 631.6 million, up by 18 % from the previous year. Cash flow from operating activities increased to € 333.8 million in the year under review. Proceeds from the disposal of assets, primarily non-core assets, amounted to € 42.1 million. This inflow of funds was booked against higher cash outflows for total investments of € 181.1 million, payment of the € 23.4 million dividend, and the € 32.5 million hybrid coupon. The reclassification of the hybrid bond and the deferred coupon in a total amount of € 234.9 million from equity to debt accounts for the increase in the Group's level of net debt, despite a positive net cash flow of € 140.8 million.

At the end of 2016, the level of net debt corresponded to a gearing of 34.2 % (2015: 26.0 %). Long-term funds, such as equity, non-current provisions and liabilities, covered 113 % (2015: 119 %) of non-current assets. On December 31, 2016, the repayment period was 1.6 years (2015: 1.4 years); the EBITDA interest cover ratio was 11.8 (2015: 8.7).

Development of Net Debt
in MEUR

1) Including the accrued coupon of € 12.2 million payable for the hybrid bond for the period 9/2/2016-14/12/2016.

Balance Sheet Ratios		2015	2016
Capital employed	in MEUR	2,569.9	**2,460.0**
Net debt	in MEUR	534.1	**631.6**
Equity ratio	in %	55.6	**50.8**
Gearing	in %	26.0	**34.2**
Asset coverage	in %	84.7	**78.3**
Working capital to revenues	in %	20.4	**17.5**

Treasury

As already announced last year, Wienerberger used the high cash flow generated in the year under review to redeem some of its financial liabilities and to further reduce the Group's net interest burden. To meet the seasonal financing requirements of working capital, the revolving credit line of € 400 million was drawn on during the year, but the degree of utilization was brought back to € 80 million by the end of the year.

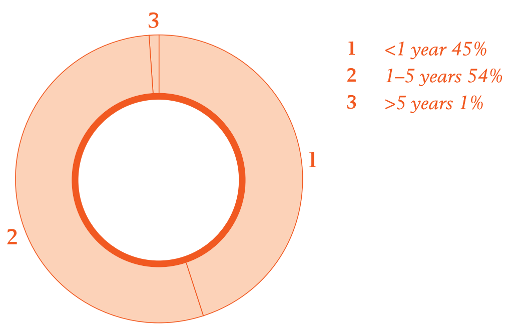
On 14/12/2016, Wienerberger announced its intention to exercise the option to call the hybrid bond issued in 2007 with an outstanding nominal value of € 221.8 million. Wienerberger redeemed the bond, including the outstanding coupon, on 9/2/2017. Funding for the bond comes from two sources: On the one hand, the company uses its own liquidity reserve; on the other hand, benefiting from the favorable capital market environment, Wienerberger concluded a new syndicated credit line with a maturity of eight years and a volume of € 150 million. This credit line was not drawn by the end of the year, but used to redeem the hybrid bond in February 2017. Moreover, the coupon on the remaining hybrid bond with a nominal value of € 272.2 million was reduced from 6.5 % to 5.0 % as of 9/2/2017. Given the attractive terms and conditions of the new credit line, the annual interest and coupon payments will be reduced by € 16.7 million, as compared with the previous financing structure.

Owing to the substantial reduction of working capital in the fourth quarter of 2016, Wienerberger's liquid funds at the end of the year were higher than the year before. It will be used to finance the short-term seasonal build-up of stocks in the first quarter and, in part, to redeem the hybrid bond. This eliminates the need for longer-term external investment and minimizes the problem of the current interest environment with partly negative interest rates.

At the end of the year, Wienerberger had access not only to its own liquid funds, but also to committed credit lines amounting to another € 470 million as a source of liquidity for the coming twelve months, comprising the non-utilized part of the revolving credit line and the newly concluded refinancing line of € 150 million.

The increased utilization of revolving credit lines with interest rates substantially below those of long-term loans and bonds, as well as the redemption of external financial liabilities, led to the improvement of the Group's net interest result. Therefore, the most important financial parameters, which are the basis for the company's bank covenants and its rating, continued to improve in comparison with 2015.

Term Structure of Interest-bearing Financial Liabilities



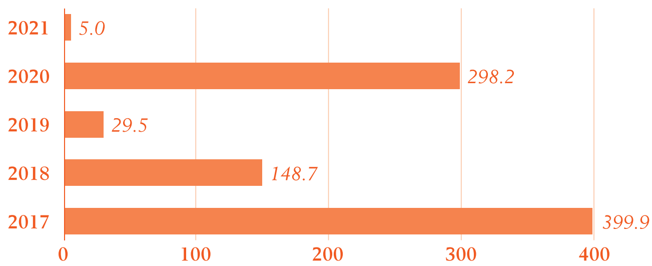
As at the balance sheet date, the interest coverage ratio (EBITDA / net interest expense) stood at an improved value of 11.8. The repayment period (net debt / EBITDA) was 1.6 years, which is only slightly above the previous year's value of 1.4 years, despite the reclassification of the 2007 hybrid bond from equity to debt. Thus, we outperformed our self-imposed internal target of less than 2.0 years at year-end and now have sufficient headroom to remain below the external limits set by our bank covenants. We also outperformed the targets set by our rating agency for the Ba2 rating of the Wienerberger Group.

Treasury ratios	31/12/2015	31/12/2016	Covenant
Net debt / EBITDA	1.4	**1.6**	<3.50
EBITDA / interest result	8.7	**11.8**	>3.75

As at the reporting date, 57 % of the Group's financial liabilities were fixed-interest-bearing. The remaining 43 % of variable-interest debt is partly offset by floating-rate investments, which reduces the interest rate risk of the Group.

2016 was a year marked by phases of strong foreign exchange fluctuations which at Wienerberger are primarily reflected as translation risks and, to a lesser extent, as transaction risks. Transaction risks are usually hedged by means of forwards. While the majority of financing instruments are euro-denominated, Wienerberger monitors the currency risk on its balance sheet regarding the net risk positions held in the most important currencies (CAD, CHF, CZK, GBP, PLN and USD) and hedges part of the risk through cross currency swaps on the basis of monthly sensitivity tests. Subject to economic restrictions, receivables in foreign currencies due from subsidiaries of the Group are also hedged by means of cross currency swaps. As at the balance sheet date, the Group held cross currency swaps denominated in Canadian dollars, Czech crowns, British pounds, Polish zlotys, US dollars and Swiss francs.

Term Structure of Interest-bearing Financial Liabilities
in MEUR



Cash flow

Cash flow from operating activities rose by 28 % year on year to € 333.8 million (2015: € 260.3 million), which was due to higher gross cash flow and a significant improvement of working capital.

Cash outflows for investments amounted to a total of € 181.1 million (2015: € 147.8 million), up by 23 % from the previous year. Cash flow from investing activities included proceeds from asset sales, above all from the program for the disposal of non-core real estate and the sale of two production sites for concrete products in the USA, in the amount of € 42.1 million, significantly above the previous year's value of € 23.9 million. Moreover, an amount of € 3.6 million was freed up from securities and other assets. Cash flow from investing activities in 2016 also comprised dividends received from associates and joint ventures in the amount of € 4.3 million (2015: € 1.6 million).

In 2016, Wienerberger generated a total free cash flow (cash inflow from operating activities less cash outflow from investing activities plus growth capex) of € 246.5 million, which was substantially above the previous year's level of € 135.1 million. It was used to finance growth investments of € 43.8 million, the partial buyback of the hybrid bond in the amount of € 6.0 million, the payout of the hybrid coupon of € 32.5 million, and a dividend of € 23.4 million. The remaining cash flow reduced the Group's net financial liabilities.

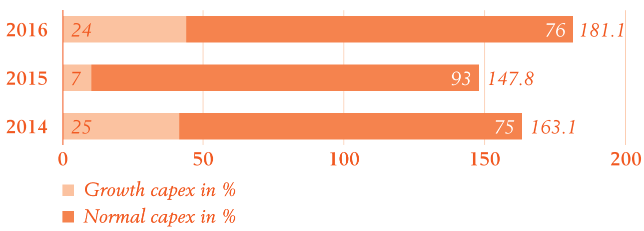
Cash Flow Statement
in MEUR

	2015	2016	Chg. in %
Gross cash flow	**294.5**	**317.9**	**+8**
Change in working capital and other	-34.2	15.9	>100
Cash flow from operating activities	**260.3**	**333.8**	**+28**
Normal capex (maintenance, rationalization, environment)	-137.7	-137.3	0
Growth capex	-10.1	-43.8	<-100
Divestments and other	12.5	50.0	>100
Cash flow from investing activities	**-135.3**	**-131.1**	**+3**
Growth capex	10.1	43.8	>100
Free cash flow	**135.1**	**246.5**	**+82**

Investments

Investments in the reporting year totaled € 181.1 million (2015: € 147.8 million). In addition to capital expenditure for plant extensions and acquisitions, the amount mainly includes normal capex. The distinction between growth capex and normal capex is based on whether or not an investment serves to explore new markets or product segments or to increase production capacities. Capital expenditure for maintenance, technological innovations or production facilities for premium products is recognized under normal capex. In 2016, growth capex included bolt-on acquisitions in the amount of € 17.5 million (2015: € 0) and extensions of plant capacities in the amount of € 26.3 million (2015: € 10.1 million). Normal capex amounted to € 137.3 million (2015: € 137.7 million), corresponding to 66 % of depreciation (2015: 68 %). A breakdown of total capital expenditure in the reporting year shows that the Clay Building Materials Europe Division accounted for 54 %, Pipes & Pavers Europe for 37 %, North America for 7 % and Holding & Others for 2 % of the total.

Total Investments
in MEUR



Development of Non-current Assets *in MEUR*	Intangible	Tangible	Financial	Total
31/12/2015	**701.4**	**1,706.5**	**18.4**	**2,426.3**
Capital expenditure	8.7	154.9	0.0	**163.6**
Changes in the consolidation range	9.5	10.2	0.0	**19.7**
Depreciation, amortization and impairment charges	-24.3	-193.7	0.0	**-218.0**
Reversal of impairment	4.3	0.0	0.0	**4.3**
Disposals	0.0	-16.1	0.0	**-16.1**
Currency translation and other	-9.2	-11.4	2.2	**-18.4**
31/12/2016	**690.4**	**1,650.4**	**20.6**	**2,361.4**

Total Investments [1] *in MEUR*	2015	2016	Chg. in %
Clay Building Materials Europe	84.9	**97.5**	+15
Pipes & Pavers Europe	48.3	**66.3**	+37
North America	12.2	**12.7**	+4
Holding & Others	2.4	**4.6**	+96
Wienerberger Group	**147.8**	**181.1**	**+23**

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

Wienerberger Value Management

For the purposes of the strategic management of the company at Group level, cash-based, pre-tax profitability indicators are calculated at all corporate levels; they show the added value created by the individual business units and by the Group as a whole. The key parameters are the cash flow return on investment (CFROI = EBITDA / average historical capital employed at cost) and the cash value added (CVA). The CFROI model permits a comparison of the business units of the Group, regardless of the age structure of the production sites. The minimum sustainable profitability target for all business units is a CFROI of 11.5 % (= hurdle rate). For the calculation of CVA, the CFROI of the business unit concerned is compared with this hurdle rate and multiplied by the average historical capital employed (CE). The CVA represents the absolute, operating cash value added of the individual business units.

At Division level, operational parameters, such as EBITDA, working capital and strategic targets, are considered. Moreover, industrial gross cash flow (IGCF) is measured to determine the contribution of the Division concerned to the cash flow of the Group. IGCF is calculated as the sum total of EBITDA, the change in inventories, and normal capex.

Calculation of Group CFROI		2015	2016
EBITDA	*in MEUR*	**369.7**	**404.3**
Average capital employed	*in MEUR*	2,580.9	**2,514.9**
Average accumulated depreciation	*in MEUR*	2,941.3	**3,084.8**
Average historical capital employed	*in MEUR*	**5,522.2**	**5,599.8**
CFROI	*in %*	**6.7**	**7.2**

CFROI 2016 by Divisions *in MEUR*	EBITDA	Average historical CE	CFROI *in %*	CVA
Clay Building Materials Europe	290.7	3,877.8	**7.5**	-155.3
Pipes & Pavers Europe	98.5	815.9	**12.1**	4.7
North America	32.7	840.7	**3.9**	-64.0
Holding & Others	-17.6	65.4	**-27.0**	-25.2
Wienerberger Group	**404.3**	**5,599.8**	**7.2**	**-239.7**

In 2016, CFROI improved to 7.2 % (2015: 6.7 %), but was still significantly below the Group's target of 11.5 %.

In addition to CFROI, the return on capital employed (ROCE) is calculated at Group level. We calculate the indicator by comparing the net operating profit after tax (NOPAT) with the average interest-bearing capital employed (CE) of the entire Group. This ratio indicates the extent to which Wienerberger is able to generate the return investors demand. The average cost of capital of the Group after tax is derived from the minimum yield expected by investors on capital provided in the form of equity and debt. The weighted average cost of capital (WACC) is determined by adding up the cost of debt after tax and a risk premium on the risk-free interest rate for investments in shares, which is equal to the beta factor multiplied by the market risk premium. Based on the capital structure of the peer group, Wienerberger determines the weighting of equity and debt components and calculates the WACC after tax. In the year under review, the WACC after tax for the Wienerberger Group was calculated to be 6.69 % (2015: 7.24 %).

In 2016, Wienerberger's NOPAT amounted to € 144.8 million (2015: € 115.3 million); the capital employed was calculated to be € 2,460.0 million (2015: € 2,569.9 million) at year-end. ROCE rose to 5.8 % (2015: 4.5 %), which resulted in an EVA® of € -23.5 million for the reporting year (2015: € -71.6 million).

Calculation of Group ROCE		2015	2016
Operating EBIT	*in MEUR*	167.6	**197.7**
Income taxes	*in MEUR*	-37.2	**-43.2**
Adjusted income taxes	*in MEUR*	-15.0	**-9.7**
NOPAT	*in MEUR*	**115.3**	**144.8**
Equity and non-controlling interests	*in MEUR*	2,054.2	**1,849.0**
Financial liabilities and financial leases	*in MEUR*	747.1	**881.3**
Intercompany receivables and payables from financing	*in MEUR*	-18.4	**-18.3**
Cash and financial assets	*in MEUR*	-213.1	**-252.0**
Capital employed	*in MEUR*	**2,569.9**	**2,460.0**
Average capital employed	*in MEUR*	**2,580.9**	**2,514.9**
ROCE	*in %*	**4.5**	**5.8**

Value Ratios		2015	2016
ROCE	*in %*	4.5	**5.8**
EVA ® 1)	*in MEUR*	-71.6	**-23.5**
CFROI	*in %*	6.7	**7.2**
CVA	*in MEUR*	-265.4	**-239.7**

1) EVA is a registered trademark of Stern Stewart & Co.

Fourth quarter of 2016

In the fourth quarter of 2016, the Wienerberger Group generated revenues of € 693.2 million, which reflects a stable development year on year. At the same time, the Group's EBITDA increased substantially to € 101.7 million, up by 33 % from the previous year. Adjusted for exchange rate effects as well as contributions to earnings from the sale of two production sites for concrete products in the USA and non-core assets, the Group's EBITDA increased by 7 %. This comparative calculation also considers the absence of costs incurred for structural adjustments, which came to € 11.8 million in the fourth quarter of 2015.

Clay Building Materials Europe

In the fourth quarter, the Clay Building Materials Europe Division increased its revenues by 3 % to € 403.4 million and earnings by 22 % to € 73.7 million.

Business performance continued to be strong in Eastern Europe, where we benefited from a healthy recovery of residential construction in the majority of our markets. In clay blocks, a product group which is heavily dependent on developments in new residential construction, we recorded increases in prices and volumes. As a consequence, revenues in the Clay Building Materials Eastern Europe segment increased by 6 % to € 119.6 million, and EBITDA grew by 31 % to € 28.2 million.

In our Western European brick business, demand in the new construction segment was sound in France and the Netherlands, which helped us achieve higher sales. In Great Britain, despite increasing macro-economic uncertainty following the country's decision to leave the European Union, construction activity was at a satisfactory level, resulting in significant volume growth. The year-on-year decline of the contribution to earnings can therefore be primarily attributed to higher idle costs as a result of our proactive measures to optimize inventories and to the devaluation of the British pound against the reporting currency. In Belgium, the modest increase in revenues and earnings confirmed the expected stabilization in the fourth quarter, and in Germany we benefited from the absence of the one-off costs for structural adjustments incurred in the previous year. Overall, revenues recorded in the Clay Building Materials Western Europe segment rose slightly by 1 % to € 283.8 million, and the segment's EBITDA went up by 17 % to € 45.6 million.

Pipes & Pavers Europe

In the Pipes & Pavers Europe Division, fourth-quarter revenues declined by 5 % to € 215.4 million, and EBITDA dropped by 3 % to € 15.4 million.

In the Pipes & Pavers Western Europe segment, the trends observed during the first nine months continued. In the plastic pipe business, we recorded a notable increase in EBITDA. The anticipated decline in earnings in international project business was compensated by the ongoing satisfactory demand in the Nordic core markets and the Netherlands. Moreover, we benefited from the absence of structural adjustment expenses incurred in France in 2015 and from the contribution to earnings made by the Finnish specialist in plastic waste water containers – a company acquired at the beginning of 2016. Our ceramic pipe activities continued to struggle with weak demand for waste water infrastructure in Germany and the Eastern European export markets as well as the termination of cooperation with our trading partner in the Middle East. The drop in sales resulted in a significant decline in revenues and operating earnings. All in all, the segment's revenues decreased by 3 % to € 127.7 million, while EBITDA improved by 17 % to € 10.1 million.

In the Pipes & Pavers Eastern Europe segment, public sector tenders were still not satisfactory, resulting in a marked decline in demand for pavers and pipe infrastructure in numerous markets. As in the first nine months, this trend could not be compensated by private investments or strong growth in individual markets. In our Turkish plastic pipe business, for example, we continued to benefit from large-scale orders for gas projects and strong demand for irrigation applications; and in Croatia growing investment propensity as a result of the improved economic environment translated into higher volumes of concrete pavers sold. Overall, the segment's revenues declined by 8 % to € 87.7 million; EBITDA was down by 27 % to € 5.3 million on a year-on-year basis.

North America

In the North America Division, revenues grew by 8 % to € 72.4 million, and EBITDA rose steeply from € 5.5 million in the fourth quarter of 2015 to € 15.2 million in the fourth quarter of 2016. While our US plastic pipe operations were still under fierce competitive pressure, with a negative impact on price development, the increase in earnings in the North American brick business was primarily attributable to the sale of assets. In Canada we sold a non-core property, and in the USA the sale of two production sites for concrete products was successfully completed. Adjusted for this income, earnings in the fourth quarter were below the previous year's level as a result of slight pressure on prices in individual markets.

Third party revenues
in MEUR

	10-12/2015	10-12/2016	Chg. in %
Clay Building Materials Europe	392.6	403.4	+3
Clay Building Materials Eastern Europe	112.8	119.6	+6
Clay Building Materials Western Europe	279.8	283.8	+1
Pipes & Pavers Europe	227.1	215.4	-5
Pipes & Pavers Eastern Europe	95.1	87.7	-8
Pipes & Pavers Western Europe	131.9	127.7	-3
North America	67.3	72.4	+8
Holding & Others	1.9	2.0	+8
Wienerberger Group	**688.9**	**693.2**	**+1**

EBITDA
in MEUR

	10-12/2015	10-12/2016	Chg. in %
Clay Building Materials Europe	60.4	73.7	+22
Clay Building Materials Eastern Europe	21.5	28.2	+31
Clay Building Materials Western Europe	38.9	45.6	+17
Pipes & Pavers Europe	15.9	15.4	-3
Pipes & Pavers Eastern Europe	7.3	5.3	-27
Pipes & Pavers Western Europe	8.7	10.1	+17
North America	5.5	15.2	>100
Holding & Others	-5.6	-2.6	+53
Wienerberger Group	**76.2**	**101.7**	**+33**

Operating Segments

Clay Building Materials Europe

Residential construction in Europe was characterized by diverging regional developments and a slightly positive overall trend in 2016. In this market environment we were able to increase our sales volumes at slightly improved average prices. Altogether, the Clay Building Materials Europe Division generated revenues of € 1,681.2 million, up by 2 % from the year before. The operating result increased significantly by 17 % to € 290.7 million. This was due not only to the satisfactory development of business, but also to the favorable impact of lower energy prices on production costs and our strong focus on the development and marketing of innovative products and system solutions. In the year under review, the share of innovative products in total revenues exceeded our internal target of 25 % and we succeeded in positioning monolithic walls built from clay blocks as an attractive solution, as compared with other building materials.

Outlook for 2017

For 2017, we foresee slight growth in European residential construction. While we expect to see a positive market environment in almost all countries of Eastern Europe, Western Europe will still be marked by diverging market trends. In Great Britain, current projects are being implemented as planned and we assume that the positive development of demand seen after the referendum on EU membership will continue in the first half of the year. Given the general atmosphere of uncertainty, a reliable projection of longer-term developments in new residential construction is impossible. While we expect new housing starts to increase in Germany and France, we anticipate a slowdown of market growth in the Netherlands. In Belgium, Italy and Switzerland we expect stable developments. In the renovation market, an essential driver of our roof tile business, demand is projected to remain muted in Western Europe. The main reason for this is the absence of support programs for private renovation measures in most of our Western European core markets and the fact that home owners tend to put off investments as long as energy prices are low.

Overall, we expect higher sales volumes in all product groups of the Clay Building Materials Europe Division and a significant increase in earnings.

Clay Building Materials Europe		2015	2016	Chg. in %
Third party revenues	*in MEUR*	1,643.0	**1,681.2**	+2
EBITDA	*in MEUR*	249.3	**290.7**	+17
Operating EBIT	*in MEUR*	121.5	**163.6**	+35
Total investments	*in MEUR*	84.9	**97.5**	+15
Capital employed	*in MEUR*	1,667.7	**1,575.6**	-6
Ø Employees	*in FTE*	10,219	**10,333**	+1

Clay Building Materials Western Europe

In the Western European region we recorded higher sales volumes in all product groups and generated an organic increase in EBITDA compared to the previous year's level. Overall, the Clay Building Materials Western Europe segment reported stable revenues and a notable increase in EBITDA by 11 % to € 185.0 million. Alongside continuous efficiency-enhancing measures and efforts to further optimize costs, our main focus in this region remains on the introduction of innovative products and system solutions and the reorientation of our distribution and sales activities.

Great Britain

No major impact on the housing market was seen in the wake of the referendum on EU membership, and projects already underway were implemented as planned. Moreover, the high level of inventories along the supply chain was brought back to normal over the summer months. Demand was therefore higher than expected in the second half of the year, which was reflected in higher facing brick sales year on year. We also succeeded in increasing sales and strengthening our market position in roof tiles. Given the growing uncertainty regarding future developments in new residential construction, we adjusted our production in order to optimize inventories in the second half of the year. The resulting higher idle costs and the sharp devaluation of the British pound against the reporting currency led to a notable drop in earnings in 2016.

Netherlands

In the Netherlands, we continued to benefit from a positive market environment throughout the fourth quarter, with sales increasing in all product groups. Overall, we were able to generate significantly higher revenues and earnings in the reporting year.

Belgium

The situation in Belgium in 2016 was characterized by muted activity in both new residential construction and renovation, which resulted in a slight slowdown of demand. The resulting shortfall in volumes sold was only partially offset by higher average prices obtained on the basis of an improved product mix. Additionally, reduced deliveries to Great Britain had a negative influence on capacity utilization, which resulted in a decline in earnings in the reporting period.

Germany and France

Against the background of growing numbers of new housing starts in the single- and two-family home segment as well as in multi-family residential construction in Germany and France, we were able to increase our clay block sales and gain market shares. In contrast, the renovation market, which is particularly important for our roof tile business, remained below the previous year's level. Altogether, we recorded an increase in revenues and a significant improvement in earnings in both markets, with Germany benefiting from structural adjustments successfully implemented in the previous year.

Italy and Switzerland

In 2016, Italy and Switzerland registered fewer new housing starts of single- and two-family homes than in 2015, which was reflected in lower sales volumes in both markets. To counteract this trend, we are focusing on increasing the share of premium products in our revenues in Switzerland, while maintaining strict cost discipline in Italy.

Clay Building Materials Western Europe		2015	2016	Chg. in %
Third party revenues	*in MEUR*	1,170.2	**1,174.4**	0
EBITDA	*in MEUR*	166.7	**185.0**	+11
Operating EBIT	*in MEUR*	88.7	**105.8**	+19
CFROI	*in %*	6.0	**6.7**	-
Total investments	*in MEUR*	63.7	**60.5**	-5
Capital employed	*in MEUR*	1,176.4	**1,105.9**	-6
Ø Employees	*in FTE*	6,035	**5,983**	-1
Sales volumes clay blocks	*in mill. NF*	1,984	**2,053**	+3
Sales volumes facing bricks	*in mill. WF*	1,231	**1,280**	+4
Sales volumes roof tiles	*in mill. m²*	22.53	**23.29**	+3

Clay Building Materials Eastern Europe

The positive market development seen throughout the Eastern European region was supported by government funding programs for new housing construction and renovation in some of our core markets. In this environment we were able to increase our clay block and roof tile sales and improve our market position in the region. Overall, the Clay Building Materials Eastern Europe segment reported a 7 % increase in revenues to € 506.8 million, while its operating result rose significantly by 28 % to € 105.7 million.

Austria

A slight upward trend was seen in the Austrian residential construction market in 2016. In particular, we benefited from the trend toward monolithic infill brick walls in the single- and two-family home segment. Altogether, we increased our sales volumes at stable average prices and generated revenue and earnings growth.

Poland

Given the positive developments in the Polish new housing construction and renovation markets, we increased our clay block and roof tile sales and generated a significant increase in earnings.

Czech Republic and Slovakia

The Czech Republic and Slovakia experienced slight growth in the construction of single- and two-family homes. In both countries we were able to significantly increase our clay block sales, which resulted in higher revenues and earnings.

Bulgaria, Romania and Hungary

In Hungary and Bulgaria, the positive momentum in the single- and two-family home market continued throughout the fourth quarter, which led to a notable increase in clay block sales and, as a result, higher revenues and earnings. In Romania too, the year closed with a year-on-year increase in revenues and EBITDA after a slight slowdown of market growth over the summer months.

Russia

Owing to conditions of persistent recession, the Russian residential construction market continued to shrink in the fourth quarter. In this challenging environment, we saw our sales volumes decline and had to accept a drop in revenues and earnings.

Clay Building Materials Eastern Europe		2015	2016	Chg. in %
Third party revenues	*in MEUR*	472.8	**506.8**	+7
EBITDA	*in MEUR*	82.6	**105.7**	+28
Operating EBIT	*in MEUR*	32.8	**57.8**	+76
CFROI	*in %*	7.5	**9.5**	-
Total investments	*in MEUR*	21.2	**37.0**	+74
Capital employed	*in MEUR*	491.3	**469.8**	-4
Ø Employees	*in FTE*	4,184	**4,350**	+4
Sales volumes clay blocks	*in mill. NF*	3,110	**3,390**	+9
Sales volumes roof tiles	*in mill. m²*	16.82	**17.25**	+3

Pipes & Pavers Europe

In 2016, revenues recorded by the Pipes & Pavers Europe Division decreased by 5 % to € 988.2 million, and EBITDA went down by 9 % to € 98.5 million. This development was primarily caused by two effects: Since the beginning of the year, order volumes in the international project business of our plastic pipe operations were significantly lower than the record levels achieved in 2015, which led to a marked decline in sales and contribution to earnings. In Eastern Europe, public investments in infrastructure projects were extremely weak, as major delays in tendering procedures throughout 2016 brought the take-up of EU funding to a halt. The delay in public contracts was a substantial burden on the operations of all three business areas of the Division, and we only managed to compensate these detrimental developments to some extent through the growth achieved, notably in our Western and Northern European plastic pipe markets.

Outlook

For 2017 we expect a moderate increase in revenues and EBITDA for the Pipes & Pavers Europe Division. We plan to achieve this improvement next to slight growth in our Western European markets, primarily through higher earnings in the Eastern European region, where we foresee a market recovery from a low level in the second half of the year.

In our Western European plastic pipe business we anticipate a continuation of the healthy market environment in our Nordic core markets as well as growth in the Netherlands and in Ireland. In the French market, too, which is characterized by weak demand and high competitive pressure, we plan to further increase earnings through additional optimization measures. From today's point of view, we expect a stable development of the international project business year on year. Even though we have been bidding intensively in numerous tenders in this business area, order volumes have not increased substantially to date. In our ceramic pipe business, we foresee a higher EBITDA despite the expected drop in sales. In comparison with the previous year, the first six months of 2017 will be marked by the absence of exports to the Middle East; however, we anticipate moderate gains in volumes in the European markets as well as continuous improvements in average prices. Moreover, we have implemented cost optimization measures which have allowed us to adjust our structures to the market environment and boost our earning power.

Following an extremely difficult market environment in 2016, we expect demand in the Pipes & Pavers Eastern Europe segment to recover from a weak level and operating earnings to rise significantly. While we do not anticipate sales for infrastructure projects to pick up substantially in the first half of the year, the slow acceleration of activity on the part of public sector customers has prompted us to be cautiously optimistic that a recovery may set in from the summer months onward. In our plastic pipe business we expect to see substantial pent-up demand following the massive delays, particularly in Poland, Hungary, the Czech Republic, Romania and Bulgaria. Moreover, we assume that the favorable market environment will allow us to grow further in Austria, and that we will continue to benefit from positive demand in our core applications in Turkey. However, we expect the significant devaluation of the Turkish lira to depress our results in the reporting currency. In our concrete paver business, the expected slow recovery of public demand as well as higher sales from our newly built plant in Austria will have a positive impact on earnings. Besides our strict cost regime, we will implement additional measures to strengthen our earning power. While the selective reorganisation of sales will create even closer proximity to our end customers and reinforce our position as a premium supplier, we will also optimize our manufacturing costs through enhanced efficiency.

Pipes & Pavers Europe		2015	2016	Chg. in %
Third party revenues	*in MEUR*	1,043.6	**988.2**	-5
EBITDA	*in MEUR*	107.9	**98.5**	-9
Operating EBIT	*in MEUR*	61.4	**48.2**	-21
Total investments	*in MEUR*	48.3	**66.3**	+37
Capital employed	*in MEUR*	543.7	**532.5**	-2
Ø Employees	*in FTE*	4,125	**4,163**	+1

Pipes & Pavers Western Europe

The Pipes & Pavers Western Europe segment recorded a 3 % decrease in revenues to € 576.7 million in 2016. At € 63.1 million, the segment's EBITDA was 4 % lower than in the previous year.

In the Western European plastic pipe business we achieved a slight increase in revenues and an improvement of EBITDA in 2016. In particular, satisfactory demand had a positive effect on earnings in our Nordic core markets, where we managed to raise EBITDA despite negative exchange rate effects from the Norwegian and Swedish crown. Moreover, the contribution to earnings made by a specialist in plastic waste water containers located in Finland – a company acquired at the beginning of 2016 – exceeded our expectations, and thanks to the improved market penetration we derived even more benefit from the healthy market environment. In France, we were largely able to realize the planned cost savings resulting from structural adjustments initiated in the previous year and consequently increase our earning power in that market, which continues to be marked by great competitive pressure. Furthermore, we benefited from the fact that the costs of € 6.9 million for structural adjustments incurred in the second half of 2015 did not impact our results this year. As expected, our international project business with both fiber-reinforced and long length large diameter pipes had a dampening effect on earnings. From the beginning of 2016, the order volumes achieved in this business, which is operated from sites in Norway and the Netherlands, were significantly below the levels of the record year 2015. As the level of incoming orders did not pick up markedly in the course of the year, the results recorded in this business decreased significantly.

In 2016, revenues and earnings in our ceramic pipe business dropped sharply. In this business, which is operated from sites in Germany and Belgium, the high level of fixed costs in ceramic production prevented us from compensating the effects of the unexpected heavy decline in volumes on our earning power in a timely manner. Demand went down both in our German domestic market, where public investments in waste water infrastructure were significantly lower than in the previous year, and in our Eastern European export markets. In this region, delays in the award of contracts for public sector projects co-funded by the EU were the prime reason for the drop in sales. Moreover, our trading partner in the Middle East informed us in mid-2016 of its plans to cease imports due to declining infrastructure spending in the region. As a result, we had to mothball one production line and adjust our cost structures to the changed market environment. All in all, we were not able to fully compensate these detrimental developments through higher average prices and nearly stable volumes in the remaining Western European markets.

Pipes & Pavers Western Europe		2015	2016	Chg. in %
Third party revenues	in MEUR	592.7	576.7	-3
EBITDA	in MEUR	65.6	63.1	-4
Operating EBIT	in MEUR	40.2	35.0	-13
CFROI	in %	16.9	15.3	-
Total investments	in MEUR	24.5	38.0	+55
Capital employed	in MEUR	295.7	280.9	-5
Ø Employees	in FTE	1,757	1,841	+5

Pipes & Pavers Eastern Europe

The development of the Pipes & Pavers Eastern Europe segment fell short of our expectations in 2016. Due to the low number of public sector tenders, demand in the area of infrastructure projects was extremely weak and was not compensated by private capital expenditure. In the second year after the start of the new EU programming period for the co-funding of public projects in the region, it was once again impossible to draw on EU funds that had been committed. This is due to the fact that the revised provisions of the EU Cohesion Fund for eligible tendering procedures are extremely difficult to comply with for local decision-makers. In addition, changes in the political landscape of some countries caused some projects to be stopped and national infrastructure programs to be re-evaluated. As a consequence, we recorded a 9 % drop in revenues to € 411.5 million and a 16 % decline in EBITDA to € 35.4 million in 2016.

In the Eastern European plastic pipe business the absence of public contracts primarily affected Poland, Romania, Hungary, Bulgaria and Greece and consequently major declines in earnings were recorded. In Austria, on the other hand, the largest single market in the region, we benefited from sound demand and were able to increase our earnings. In the Russian market, which was characterized by declining business and negative exchange rate effects, we managed to improve our results year on year due to the optimization measures taken. The most notable growth was achieved in Turkey, where we benefited not only from satisfactory demand in our core business with irrigation applications but also from contracts for gas projects, thus significantly improving our earnings despite the marked devaluation of the Turkish lira. All in all, we recorded a year-on-year decline in operating earnings in our Eastern European plastic pipe business.

In our business with concrete pavers, the market environment was also affected by a lack of demand from public sector customers, which further increased competitive pressure and drove down operating earnings in comparison with the previous year. In some Central European countries we continued our efforts to step up our cooperation with sales partners following the structural changes in the DIY market segment. Higher earnings were recorded, above all, in Romania and Croatia, where the steep growth in the tourism industry pushed up investments in coastal regions. In this challenging market environment our greatest priorities were a strict cost regime and the selective restructuring of sales, so as to achieve even greater proximity to our end customers and win clients over with our advisory and support expertise. Another focus was placed on production, where we are striving to optimize production processes, production planning and product quality through our “Production Excellence Program”.

Pipes & Pavers Eastern Europe		2015	2016	Chg. in %
Third party revenues	in MEUR	450.8	**411.5**	-9
EBITDA	in MEUR	42.3	**35.4**	-16
Operating EBIT	in MEUR	21.3	**13.2**	-38
CFROI	in %	11.1	**8.8**	-
Total investments	in MEUR	23.8	**28.3**	+19
Capital employed	in MEUR	248.0	**251.6**	+1
Ø Employees	in FTE	2,368	**2,322**	-2

North America

2016 saw a sound development of residential construction in North America. In particular, we benefited from the growing number of new housing starts in the single- and two-family home segment. We therefore saw a notable increase in facing brick sales and were able to gain market shares in certain regions. Growing demand in our relevant markets in Canada allowed us to increase our sales volumes and obtain higher prices. Overall, we were able to generate significant organic revenue and earnings growth in both markets. Our North American plastic pipe business was exposed to intensifying competition in the year under review, which affected our pricing policy and depressed earnings. Altogether, the North America Division generated revenues of € 292.7 million in 2016, up by 5 % from the previous year, and reported a stable development of EBITDA. However, the development of earnings in the two years is not fully comparable due to profits from asset sales. Within the framework of our periodic review of our operating segments, we sold two production sites for concrete products in the states of Colorado and Wyoming in the reporting year. Following these transactions, our primary focus in the region will be on our core business in facing bricks. Moreover, significant effects to earnings resulted from the sale of non-core real estate and the shut down of a mothballed facing brick plant in the first half of the year. Adjusted for these effects as well as foreign exchange losses, the North America Division closed the year with a 5 % organic increase in earnings.

Outlook for 2017

For the business year 2017, we expect a continuation of the positive trend in new residential construction in the single- and two-family home segment in North America, which should result in a significant increase in facing brick sales. However, price competition will remain tough, given the persistently high level of excess capacity and the structural changes in the American brick market. In Canada, we expect a stable development of our relevant markets throughout the year, and higher earnings in our plastic pipe business. Overall, we anticipate a significant increase in revenues and organic EBITDA in the North America Division in 2017.

North America		2015	2016	Chg. in %
Third party revenues	in MEUR	277.5	**292.7**	+5
EBITDA	in MEUR	32.2	**32.7**	+1
Operating EBIT	in MEUR	7.7	**5.9**	-24
CFROI	in %	4.0	**3.9**	-
Total investments	in MEUR	12.2	**12.7**	+4
Capital employed	in MEUR	364.8	**352.8**	-3
Ø Employees	in FTE	1,272	**1,289**	+1
Sales volumes facing bricks	in mill. WF	371	**421**	+14

Holding & Others

The Holding & Others Division comprises the holding company of the Group as well as our brick activities in India. Wienerberger is the only supplier of industrially produced bricks in India, operating a production site in the Bangalore region. Higher clay block sales at increased average prices resulted in a 14 % rise in segment revenues over the previous year to € 8.6 million. Thanks to the satisfactory development of business in India and lower costs for the holding company, the Division's EBITDA improved from € -19.7 million to € -17.6 million in the reporting period. For 2017, we expect a positive market development in India and a further increase in revenues.

Holding & Others		2015	2016	Chg. in %
Third party revenues	*in MEUR*	7.6	**8.6**	+14
EBITDA	*in MEUR*	-19.7	**-17.6**	+11
Operating EBIT	*in MEUR*	-23.1	**-20.1**	+13
Total investments	*in MEUR*	2.4	**4.6**	+96
Capital employed	*in MEUR*	-6.3	**-1.0**	+85
Ø Employees	*in FTE*	197	**205**	+4

Outlook and Targets

For 2017, we have set ourselves the target of increasing the Group's EBITDA for the seventh consecutive year. Our projection is based on the assumption that the Clay Building Materials Europe Division will benefit from the moderately paced recovery in new residential construction, while business in the renovation segment will remain subdued. For our Pipes & Pavers Europe Division we expect demand to remain at its current satisfactory level in our Western and Northern European markets. We are cautiously optimistic that a slight recovery of public sector investment activities may occur in the second half of the year. In the North America Division we see strong indications of continued growth in the residential construction market, which we expect to translate into higher sales volumes for us.

All in all, we expect to be able to increase the Group's EBITDA to € 415 million in 2017. This target is based on the organic development of the Group, assuming an increase in sales, higher average prices across the Group, and savings from our Operational Excellence Program in the amount of approx. € 10 million. The relevant comparative figure for Group EBITDA in 2016 amounted to approx. € 382 million, which translates into an organic increase in earnings by almost 9 % year on year. The target figure does not include contributions from the sale of non-core assets and from growth projects, nor does it take into account the possible impact of exchange rate fluctuations and the effect of portfolio optimization measures. Our net interest expense will remain more or less stable at approx. € 35 million. As in previous years, we intend to place a cap on working capital at a maximum of 20 % of Group revenues at year-end.

Cash outflows for normal capex are projected to amount to approx. € 145 million. Besides the replacement of plant and equipment, this amount also covers expenditure for technological improvements, the development of innovative products and more efficient production processes, as well as for measures to enhance occupational health and safety. From today's point of view, our growth investments will amount to approx. € 25 million and will primarily cover selective acquisitions that should enable us to extend our geographic footprint and our market penetration in selected regional markets and product applications. To this end, we are examining potential takeover candidates for their earnings, cash flow and synergy potentials as well as possible strategic developments in all Divisions of the Wienerberger Group on the basis of strict criteria.

This report contains information and forecasts that relate to the future development of the Wienerberger Group and its companies. These forecasts are estimates based on all the information available to us at this point in time. If the assumptions underlying these forecasts do not materialize or if risks – such as those referred to in the Risk Report – materialize, the actual results may differ from the results currently expected. This Annual Report does not, in any way whatsoever, constitute a recommendation to buy or sell Wienerberger AG securities.

Additional Information on the Company

Research and Development

Research and development (R&D) are among Wienerberger's strategic priorities and play a central role in the company. The most important tasks of R&D include the optimization of production processes and the continuous further development and improvement of products and system solutions in all our fields of business – from sustainable and energy-efficient buildings to eco-friendly pavers to plastic and ceramic pipes for water supply and sewage systems. Our goal is to secure and further expand our market positions by taking the lead in terms of costs and technology and by promoting product innovation.

Our R&D activities are managed centrally, but generally implemented at the local level. Wienerberger operates several research centers in Europe that specialize in different product groups. Our product management specialists cooperate closely with the marketing and sales departments of the various business units to ensure that new developments meet the requirements of our customers. The market launch of new products across several countries is managed centrally, but the products are adapted to the requirements of the respective markets by our local specialists. Thus, successful developments can be rolled out fast and efficiently throughout the Group.

Wienerberger works continuously on the improvement of its production processes. In the energy-intensive field of ceramic production (bricks and ceramic pipes), our engineers focus, above all, on the reduction of energy consumption in the drying and firing processes and on optimizing the structural properties of our products in terms of fire protection, acoustic and thermal insulation and structural strength in order to meet the steadily increasing requirements in residential and commercial construction. Other research priorities include resource conservation in production and a responsible way of handling and processing raw materials.

Besides the optimization of production processes, our research activities in plastic pipe production focus, above all, on reducing the weight of our products and on increasing the percentages of recycling materials used in order to save raw materials. Newly developed products not only fulfil these criteria, but also meet the ever-increasing technical requirements for plastic pipes and fittings. We develop solutions that allow efficient, fast and easy installation of the products at the construction site.

In concrete paver production, we strive to improve the raw material mix and to optimize our production and surface finishing processes. Another priority is the development of new surface designs and innovative product solutions for high-quality open spaces.

Sustainability Management

Responsible entrepreneurial action is one of the central values of our corporate culture. Our binding sustainability program is an integral component of the Group strategy and covers all stages of the company's value chain. To ensure a uniform approach and the efficient implementation of the measures and targets adopted, we have established firm structures for sustainability management and defined the respective responsibilities throughout the Group.

A Sustainability Steering Committee (SSC), which comprises the extended management of the Wienerberger Group (CEO and CFO of the Wienerberger Group, CEOs of the business units) and acts as the top decision-making body, is responsible for Wienerberger's sustainability strategy and for the definition of the targets, deadlines and measures of the sustainability program. The Sustainability Management unit, a staff unit headed by the Corporate Sustainability Officer (CSO), serves as the international coordination hub. The CSO is in charge of coordinating sustainability management at Group level and reports directly to the CEO of Wienerberger AG. The CEOs of the business units are responsible for the implementation of the sustainability targets set for their respective business units. They are supported by sustainability officers, who regularly exchange ideas and experience with the CSO. This structure is designed to broaden the scope of responsibility of the individual business units and to strengthen their influence on the integration of our sustainability strategy.

Group-wide data management is centralized within our Sustainability Group Reporting (SGR), which is responsible for the consolidation of all sustainability indicators as the basis for strategic decisions by the business units and at Group level.

The Sustainability Report of the Wienerberger Group transforms our commitment to sustainable development into an obligation. All Wienerberger sustainability reports meet the standard of the Global Reporting Initiative (GRI). The reports focus on the ecological and social aspects of our activities and outline future measures to be taken with regard to employees, production, products and social responsibility. Together with the sustainability program, the sustainability report is an important tool for Wienerberger to achieve its long-term targets.

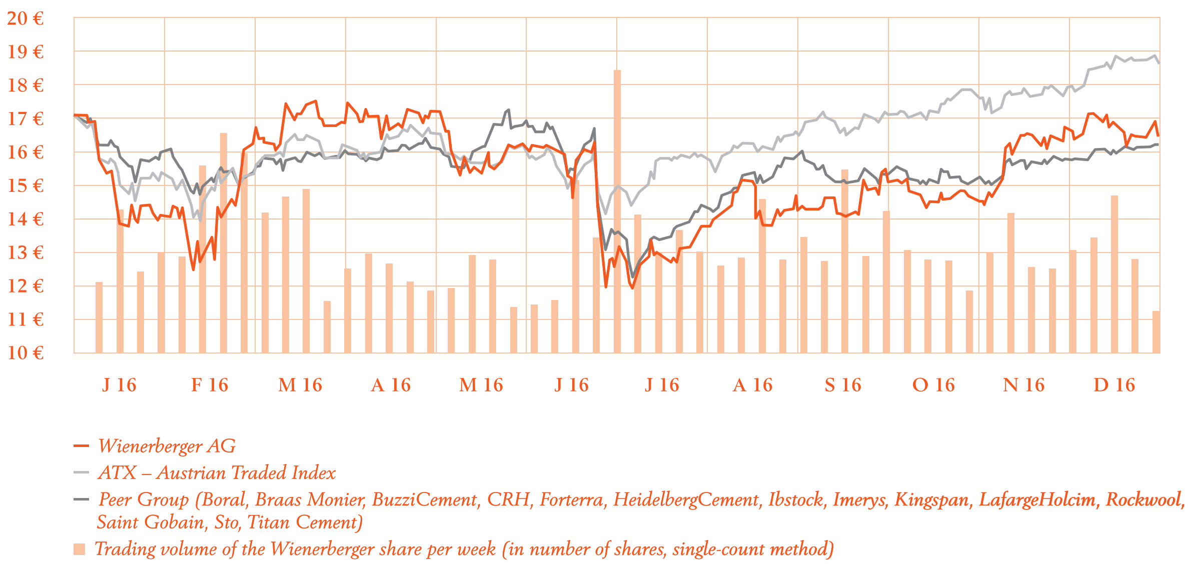
The current guidelines according to GRI G4 Core require that the reporting companies focus, in particular, on issues of material importance for them and their stakeholders. In this context, a comprehensive internal and external stakeholder survey was performed in 2014 in cooperation with independent experts. A materiality analysis based on the results of the survey examined possible ecological, social and ethical impacts of our entrepreneurial activities and their relevance along the value chain. The materiality analysis provides the basis for our sustainability program – the Wienerberger Sustainability Roadmap 2020.

The Wienerberger Sustainability Roadmap 2020 describes the sustainability targets that the Group intends to reach by 2020. These are Group-wide targets as well as targets for the individual business units. It also contains specific and binding measures derived from the results of the materiality analysis. The Roadmap represents a conscious self-commitment to the continuous enhancement of Wienerberger's ecological, social and societal performance. More detailed information can be found in Wienerberger's 2016 Sustainability Report, which will be published in July 2017.

Wienerberger Share and Shareholders

After a steep increase of the share price by almost 50 % in 2015, the Wienerberger share experienced a muted start to the new year, at times losing a quarter of its value at the beginning of 2016. Owing to the favorable development of business and a more optimistic outlook for construction activities in our markets, the share recovered quickly and reached its yearly high of € 17.54 already on March 21. In the wake of Great Britain's decision to leave the European Union and the resulting uncertainty over the future development of the UK market and the impact on other European core markets, the share price dropped to its yearly low of € 11.94 at the beginning of the third quarter. However, in the course of the year the share increased almost continuously and closed the year at € 16.50, having lost 3.5 % in value in 2016. Thus, Wienerberger slightly outperformed its industrial peers (-5.0 %), but clearly fell short of the positive development of the ATX, the Austrian Traded Index (+9.2 %).

Development of the Share Price

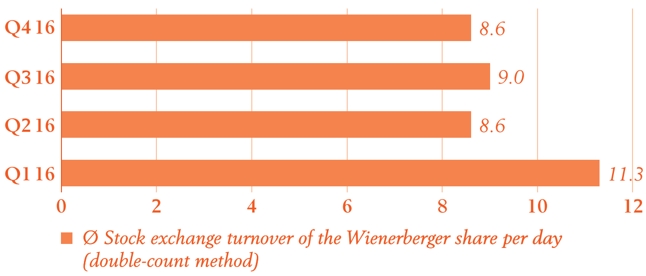


In the broader ATX Prime segment, the share turnover and the trading volume (purchases and sales according to double-count method) decreased by 4 % and 6 %, respectively, from the previous year's level. Despite lower liquidity in stock exchange trade, the ATX Prime increased by 8.1 % in the course of 2016, mainly as a result of significant price gains of high-weighted index stocks from the energy and steel sectors.

The Wienerberger share experienced a development to the contrary in the reporting year, with the share turnover and the number of shares traded up by 24 % each. With a total of 154.8 million shares traded (double count), the turnover factor of Wienerberger's outstanding share capital at the Vienna Stock Exchange was 0.7. Over-the-counter sales on the Vienna market amounted to € 146.4 million (single count), down by 7 % from the previous year's value.

Liquidity

in MEUR



Considering the current forecast of the development of business, the Managing Board will submit a proposal to the 148th Annual General Meeting on May 19, 2017 that a dividend of € 0.27 per share be paid out, which corresponds to an increase of 35 % over the previous year. Amounting to a total of € 31.6 million, the profit distributed corresponds to 15 % of the free cash flow after the coupon payment on hybrid capital.

Key Data per Share		2015	2016	Chg. in %
Earnings	in EUR	0.31	**0.70**	>100
Adjusted earnings	in EUR	0.35	**0.76**	>100
Dividend	in EUR	0.20	**0.27**	+35
Free cash flow [1)]	in EUR	1.16	**2.11**	+82
Equity [2)]	in EUR	13.37	**13.53**	+1
Share price high	in EUR	17.83	**17.54**	-2
Share price low	in EUR	11.45	**11.94**	+4
Share price at year-end	in EUR	17.09	**16.50**	-3
P/E ratio high		57.5	**25.2**	-
P/E ratio low		36.9	**17.2**	-
P/E ratio at year-end		55.1	**23.7**	-
Shares outstanding (weighted) [3)]	in 1,000	116,956	**116,956**	0
Market capitalization at year-end	in MEUR	2,008.5	**1,939**	-3
Ø Stock exchange turnover/day [4)]	in MEUR	7.5	**9.4**	+24

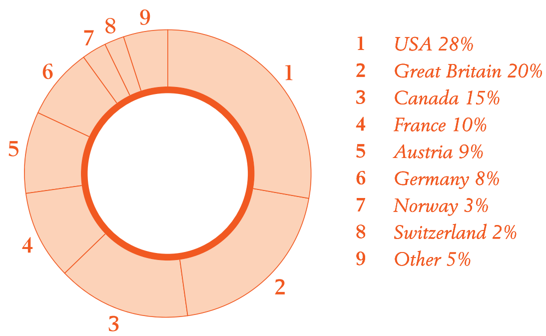
1) Cash flow from operating activities less cash flow from investing activities plus growth capex // 2) Equity including non-controlling interests, excluding hybrid capital // 3) Adjusted for treasury shares // 4) Double-count method

Shareholder structure

Wienerberger AG is listed in the Prime Market of the Vienna Stock Exchange with 117.5 million no-par-value common shares (bearer shares).There are no preferred or registered shares and no restrictions on common shares. The “one share – one vote” principle applies in full. In the USA, Wienerberger AG trades on the OTC market through an ADR Level 1 Program of the Bank of New York. With a market capitalization of € 1,938.6 million and a weighting of 5 % in the ATX at the end of 2016, Wienerberger is one of the largest exchange-listed companies in Austria.

Wienerberger is a pure free float company and has no core shareholder. All of its shares are held by Austrian and international investors. Pursuant to § 91 of the Austrian Stock Exchange Act, which provides for mandatory reporting of significant holdings, we have received the following notifications: More than 5 % of Wienerberger shares have been held by Black Creek Investment Management Inc., based in Canada, since September 19, 2012, and by TIAA, based in the USA, since November 4, 2016. Investments of more than 4 % of Wienerberger shares have been held by Marathon Asset Management LLP, based in the United Kingdom, since April 9, 2014, and by FMR LLC (Fidelity), based in the USA, since June 28, 2016. No other notifications of investments in excess of 4 % have been received. The company holds 570,289 treasury shares, representing 0.5 % of the total shares issued.

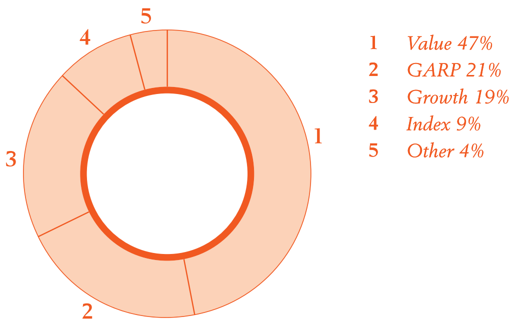
Shareholder Structure by Country (Institutional Investors)



Wienerberger has a widely diversified shareholder structure, which is typical for a publicly traded company with international operations. The most recent survey of the shareholder structure performed in January 2017 showed that approximately 13 % of Wienerberger shares are held by private investors, while the majority is held by institutional investors, more than half of them based in the Anglo-Saxon region, i.e. North America (44 %) and Great Britain (20 %). The remaining shares are held mainly by Continental European investors.

An analysis of the strategies pursued by institutional investors shows that value-oriented investors dominate at a rate of almost 47 %, followed by GARP investors (21 %) and growth-oriented investors (19 %).

Shareholder Structure by Investor Type (Institutional Investors)



Investor Relations

Extensive investor relations activities allow us to establish long-term relations and engage in continuous exchanges with investors, analysts and banks. The crucial issue in investor relations is to ensure the highest possible degree of transparency through ongoing, open and active communication. To this end, Wienerberger again organized numerous roadshows and investor events in the course of 2016. We also participated in investor conferences in Europe and the USA. In the year under review, the Managing Board and the Investor Relations team informed more than 700 investors and analysts from all over the world, personally or through conference calls, about the company's key financials and its operational and strategic development. The fact that Wienerberger is on the watch list of a number of renowned Austrian and international investment banks ensures the visibility of the Wienerberger share among the financial community. As of March 2017, Wienerberger is being covered by 11 analysts.

Disclosures on capital, shares, voting rights and rights of control

The 145th Annual General Meeting held on May 16, 2014 approved new authorized capital in the amount of € 17,629,014 million (15 % of share capital) through the issue of up to 17.6 million new shares for a period of five years. Under certain conditions, the statutory subscription rights of shareholders can be excluded. However, the number of shares issued subject to the exclusion of subscription rights must not exceed 5,876,338 (5 % of share capital).

The 147th Annual General Meeting held on May 12, 2016 authorized the Managing Board to buy back own shares, up to the limit defined by law, during a period of 30 months and to either withdraw or re-sell the shares bought back and to sell own shares by means other than on the stock exchange or through a public offering without further resolution by the Annual General Meeting. Since Wienerberger has already bought back 0.5 % of the shares issued, the buyback authorization remains valid for 9.5 % of the shares under current legal provisions.

Change of control clauses are included in the employment contracts with the members of the Managing Board, the terms of corporate and hybrid bonds, and the terms and conditions of syndicated loans. Further disclosures on the composition of Wienerberger equity capital, types of shares, rights and restrictions as well as the powers of the Managing Board to issue or buy back shares are contained in the Notes to the Consolidated Financial Statements under Note 26 ("Group equity") starting on page 141.

Risk Management

Our international operations not only offer great opportunities, but are also associated with risks. To manage these risks, we aim at identifying risks as early as possible and counteracting them through appropriate measures in order to minimize deviations from our corporate goals. This requires the identification, analysis, assessment, management and monitoring of risks by the respective risk owners. To this end, surveys are conducted regularly with the members of the Managing Board, the management of the business units and the heads of corporate services, in order to update existing risks and identify new ones.

Subsequently, the risks identified are broken down into strategic and operational risks along the entire value chain, from procurement to production to marketing and sales, and allocated to the risk owners. Risks are assessed on the basis of their probability of occurrence and the potential impact on the free cash flow for a medium-term horizon of five years and a long-term horizon of six to ten years. Besides strategic risks, the major risks for the Wienerberger Group are procurement, production, market and price risks as well as financial and legal risks. For detailed information on all risks, please refer to the Risk Report starting on page 169.

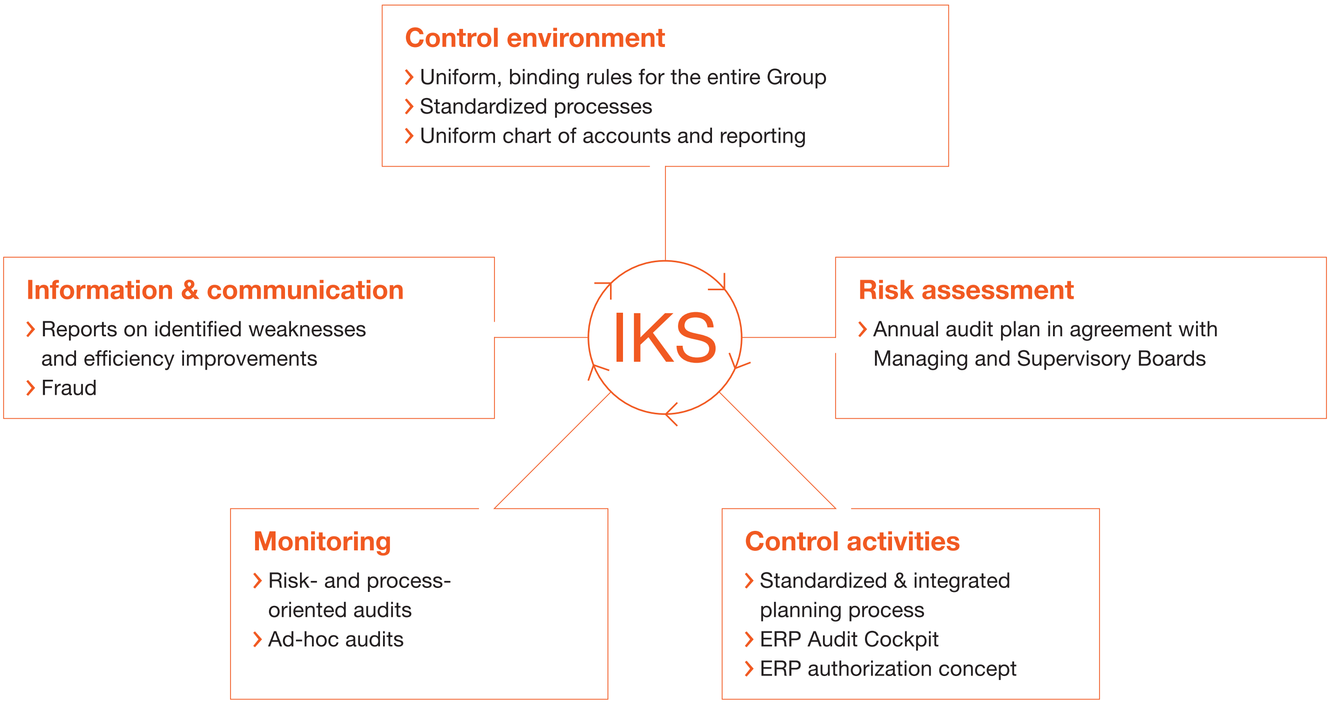
The most important instruments for risk monitoring and risk management are planning and controlling processes, Group guidelines, regular reporting of financial and non-financial parameters, and the internal control system. The distinction between operational and strategic risks and the decentralized organizational structure of the Group are key factors to be considered in the analysis of risks and the development of measures to avoid and manage risks. Most of the risks identified are addressed and monitored within the framework of established internal management processes. In particular, local companies only take on risks arising from their operational business, which are analyzed by the respective risk owners within the business unit and weighed against the potential gains. Taking risks beyond the scope of operational business is not permitted. Additionally, risks arising within the framework of Group financing, in IT or in the area of compliance are not only addressed by the business unit concerned, but to some extent also managed, monitored and mitigated centrally by the holding company. Another risk class includes material risks with a low probability of occurrence, which are continually monitored and assessed and which are to be addressed through predefined defensive measures on a timely basis, whenever need arises.

The external auditor performs an annual evaluation of Wienerberger's risk management system and reports the outcome to the Supervisory Board and the Managing Board. The functionality of the risk management system was reviewed by the external auditor in 2016. Additionally, the control systems of the individual business units are covered within the framework of audit of the annual financial statements.

Internal control system

The internal control system (ICS) of Wienerberger AG plays an important role in risk management. Based on the internationally recognized standards for internal control systems (issued by COSO), the ICS provides the management with a comprehensive tool for the analysis and/or prevention of uncertainties and risks arising from the company's business activities. In accordance with the decentralized structure of Wienerberger, responsibility for implementing the ICS lies with the local management concerned. The Internal Audit unit, which is organized as a staff function reporting to the Managing Board, is responsible for communication and monitoring.

The ICS comprises a system of measures and processes covering the following areas:



The control environment of the ICS forms the basis for standardization and harmonization processes throughout the Group. As regards accounting, the Managing Board issues a Group-wide guideline with uniform and binding rules to be followed in the preparation of annual and interim financial statements. Business transactions are recorded by means of standardized processes based on a uniform Group chart of accounts. Wienerberger's consolidated financial statements and interim financial statements are prepared in accordance with IFRS in a fast-close process. The financial statements of all subsidiaries are reviewed in a two-stage process by the finance and controlling departments of the respective business units and by the Corporate Reporting department, consolidated, and subsequently released by the Managing Board of Wienerberger AG for submission to the Supervisory Board.

The controlling activities include an annual planning process that is based on an integrated bottom-up planning approach. The process includes the profit and loss budget, the balance sheet and the cash flows of the following business year as well as medium-term planning for a horizon of four years. The monthly comparison of actual results with the forecasts for the respective period is an essential element of the internal control and risk management system. In addition, all subsidiaries prepare updated forecasts of the expected annual results three times a year. The ERP Audit Cockpit was introduced as yet another control instrument. This is a software tool integrated throughout the Group to support the local management in the implementation, documentation and monitoring of the measures taken to resolve segregation of duty conflicts identified in the ERP system. The system works on the basis of the ERP authorization regime, which serves to avoid authorization conflicts through a clear definition of tasks and responsibilities.

For the purposes of risk assessment and in preparation for the annual internal audit activities, a risk-based audit plan is drawn up annually in coordination with the Managing Board and the Supervisory Board. Following the schedule laid down in the audit plan, Internal Audit audits all Group companies at regular intervals of at least three years for compliance with the ICS. Moreover, operational processes are reviewed for their risk potential and possible improvements of efficiency. Acting as the central monitoring body for the internal control system, Internal Audit also verifies compliance with legal provisions and internal guidelines. Furthermore, Internal Audit performs ad-hoc audits when so requested by the management.

The results of the audits and the related recommendations and measures are summarized in an audit report and transmitted to the local management, the business unit management, the Managing Board of the Group and the external auditor. Within the framework of the other information and communication requirements of the ICS, Internal Audit and Corporate Reporting regularly report to the Audit Committee on material accounting and valuation procedures, the impact of newly adopted IFRS rules on the consolidated financial statements, major changes in the accounting process, and findings from risk management. Moreover, the Audit Committee is regularly informed of audit findings, relevant implementation activities and measures to eliminate weaknesses identified in the ICS.

Financial Statements

Consolidated Income Statement

Notes	*in TEUR*	2016	2015
(8)	Revenues	2,973,829	2,972,357
(9-11, 13-15)	Cost of goods sold	-2,011,241	-2,027,802
	Gross profit	**962,588**	**944,555**
(9-11, 13-15)	Selling expenses	-574,347	-577,196
(9-11, 13-15)	Administrative expenses	-186,184	-182,655
(10, 14, 15)	Other operating income:		
(10)	Reversal of impairment charges to assets	4,303	8,681
	Other	64,769	47,339
(10, 13, 15)	Other operating expenses:		
(10)	Impairment charges to assets	-4,511	-13,133
(10)	Impairment charges to goodwill	-6,892	0
	Other	-69,110	-64,469
	Operating profit/loss (EBIT)	**190,616**	**163,122**
(2)	Income from investments in associates and joint ventures	6,666	4,019
(16)	Interest and similar income	5,494	6,802
(16)	Interest and similar expenses	-39,898	-49,089
(16)	Other financial result	-4,329	-17,834
	Financial result	**-32,067**	**-56,102**
	Profit/loss before tax	**158,549**	**107,020**
(17)	Income taxes	-43,222	-37,205
	Profit/loss after tax	**115,327**	**69,815**
	Thereof attributable to non-controlling interests	1,823	775
	Thereof attributable to hybrid capital holders	31,540	32,500
	Thereof attributable to equity holders of the parent company	**81,964**	**36,540**
(18)	**Earnings per share (in EUR)**	**0.70**	**0.31**
(18)	**Diluted earnings per share (in EUR)**	**0.70**	**0.31**

Consolidated Statement of Comprehensive Income

Notes	*in TEUR*	2016	2015
	Profit/loss after tax	**115,327**	**69,815**
(35)	Foreign exchange adjustments	**-17,259**	46,824
(35)	Foreign exchange adjustments to investments in associates and joint ventures	**1**	26
(23)	Changes in the fair value of available-for-sale financial instruments	**-462**	-1,677
	Changes in hedging reserves	**6,995**	-1,822
	Items to be reclassified to profit or loss	**-10,725**	**43,351**
(28)	Actuarial gains/losses	**-12,818**	-6,953
	Actuarial gains/losses from investments in associates and joint ventures	**-231**	-20
	Items not to be reclassified to profit or loss	**-13,049**	**-6,973**
	Other comprehensive income	**-23,774**	**36,378**
	Total comprehensive income after tax	**91,553**	**106,193**
	Thereof comprehensive income attributable to non-controlling interests	**1,728**	848
	Thereof attributable to hybrid capital holders	**31,540**	32,500
	Thereof comprehensive income attributable to equity holders of the parent company	**58,285**	**72,845**

Consolidated Statement of Cash Flows

Notes	in TEUR	2016	2015
	Profit/loss before tax	158,549	107,020
(10)	Depreciation and amortization	191,312	201,214
(10)	Impairment charges to goodwill	6,892	0
(10)	Impairment charges to assets and other valuation effects	35,135	39,519
(10)	Reversal of impairment charges to assets	-4,303	-8,681
(27, 28)	Increase/decrease in non-current provisions	-7,292	17
(2)	Income from investments in associates and joint ventures	-6,666	-4,019
	Gains/losses from the disposal of fixed and financial assets	-26,028	-19,125
(16)	Interest result	34,404	42,287
	Interest paid	-33,595	-45,806
	Interest received	4,796	5,071
	Income taxes paid	-35,287	-23,002
	Gross cash flow	**317,917**	**294,495**
	Increase/decrease in inventories	20,884	-57,316
	Increase/decrease in trade receivables	-5,672	20,165
	Increase/decrease in trade payables	30,460	-14,857
	Increase/decrease in other net current assets	-29,818	17,836
	Cash flow from operating activities	**333,771**	**260,323**
	Proceeds from the sale of assets (including financial assets)	42,145	23,949
	Payments made for property, plant and equipment and intangible assets	-163,575	-147,789
	Payments made for investments in financial assets	-16	-14
	Dividend payments from associates and joint ventures	4,265	1,580
	Increase/decrease in securities and other financial assets	3,579	-14,230
	Net payments made for the acquisition of companies	-17,504	0
	Net proceeds from the sale of companies	0	1,198
(19)	**Cash flow from investing activities**	**-131,106**	**-135,306**
	Cash inflows from the increase in short-term financial liabilities	116,423	92,485
	Cash outflows from the repayment of short-term financial liabilities	-206,945	-351,162
	Cash inflows from the increase in long-term financial liabilities	5,000	60,731
	Cash outflows from the repayment of long-term financial liabilities	-11,725	-9,641
(26)	Dividends paid by Wienerberger AG	-23,391	-17,543
(26)	Hybrid coupon paid	-32,520	-20,916
(26)	Other changes in non-controlling interests	-9	0
(26)	Buyback hybrid capital	-5,968	0
	Cash flow from financing activities	**-159,135**	**-246,046**
	Change in cash and cash equivalents	**43,530**	**-121,029**
	Effects of exchange rate fluctuations on cash held	-1,392	712
	Cash and cash equivalents at the beginning of the year	154,878	275,195
	Cash and cash equivalents at the end of the year	**197,016**	**154,878**

Consolidated Balance Sheet

Notes	in TEUR	31/12/2016	31/12/2015
	Assets		
(20)	Intangible assets and goodwill	690,440	701,425
(20)	Property, plant and equipment	1,564,727	1,614,874
(20)	Investment property	85,733	91,613
(21)	Investments in associates and joint ventures	13,542	11,371
(21, 24)	Other financial investments and non-current receivables	13,918	11,779
(29)	Deferred tax assets	17,367	18,492
	Non-current assets	2,385,727	2,449,554
(22)	Inventories	718,359	753,271
(23)	Trade receivables	201,809	202,767
(24)	Receivables from current taxes	9,868	12,195
(24)	Other current receivables	66,278	60,551
(23, 33, 34)	Securities and other financial assets	52,740	58,426
	Cash and cash equivalents	197,016	154,878
(25)	Non-current assets held for sale	5,380	0
	Current assets	1,251,450	1,242,088
	Total assets	3,637,177	3,691,642
	Equity and liabilities		
	Issued capital	117,527	117,527
	Share premium	1,086,017	1,086,026
	Hybrid capital	265,985	490,560
	Retained earnings	586,961	546,754
	Other reserves	-222,503	-199,889
	Treasury stock	-4,862	-4,862
	Controlling interests	1,829,125	2,036,116
	Non-controlling interests	19,831	18,103
(26)	**Equity**	1,848,956	2,054,219
(29)	Deferred taxes	80,759	84,336
(28)	Employee-related provisions	171,488	160,575
(27)	Other non-current provisions	71,197	71,783
(30, 32, 34)	Long-term financial liabilities	481,434	507,530
(30)	Other non-current liabilities	3,991	4,343
	Non-current provisions and liabilities	808,869	828,567
(27)	Current provisions	35,287	57,916
(30)	Payables for current taxes	15,912	11,698
(30, 32-34)	Short-term financial liabilities	399,924	239,890
(30)	Trade payables	302,718	276,316
(30)	Other current liabilities	225,511	223,036
	Current provisions and liabilities	979,352	808,856
	Total equity and liabilities	3,637,177	3,691,642

Consolidated Statement of Changes in Equity

Notes	*in TEUR*	Issued capital	Share premium	Hybrid capital	Retained earnings
	Balance on 31/12/2014 restated	**117,527**	**1,086,025**	**490,560**	**516,173**
	Profit/loss after tax				69,040
(35)	Foreign exchange adjustments				
	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				
	Total comprehensive income				**69,040**
(26)	Dividend payment/hybrid coupon				-38,459
(26)	Increase/decrease in non-controlling interests		1		
	Balance on 31/12/2015	**117,527**	**1,086,026**	**490,560**	**546,754**
	Profit/loss after tax				113,504
(35)	Foreign exchange adjustments				
	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				-1,065
	Total comprehensive income				**112,439**
(26)	Dividend payment/hybrid coupon				-68,117
(26)	Change in hybrid capital			-224,575	-4,115
(26)	Increase/decrease in non-controlling interests		-9		
	Balance on 31/12/2016	**117,527**	**1,086,017**	**265,985**	**586,961**

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

Other reserves							
Actuarial gains/losses	AfS reserve [1]	Hedging reserve	Translation reserve	Treasury stock	Controlling interests	Non-controlling interests	Total
-65,498	**1,905**	**43,000**	**-215,601**	**-4,862**	**1,969,229**	**17,256**	**1,986,485**
					69,040	775	69,815
			46,606		46,606	218	46,824
			26		26		26
		-1,822			-1,822		-1,822
-6,828	-1,677				-8,505	-145	-8,650
-6,828	**-1,677**	**-1,822**	**46,632**		**105,345**	**848**	**106,193**
					-38,459		-38,459
					1	-1	0
-72,326	**228**	**41,178**	**-168,969**	**-4,862**	**2,036,116**	**18,103**	**2,054,219**
					113,504	1,823	115,327
			-17,165		-17,165	-94	-17,259
			1		1		1
		6,995			6,995		6,995
-11,983	-462				-13,510	-1	-13,511
-11,983	**-462**	**6,995**	**-17,164**		**89,825**	**1,728**	**91,553**
					-68,117		-68,117
					-228,690		-228,690
					-9		-9
-84,309	**-234**	**48,173**	**-186,133**	**-4,862**	**1,829,125**	**19,831**	**1,848,956**

Notes to the Consolidated Financial Statements

General Information

1. Basis for the preparation of the consolidated financial statements

Wienerberger AG, which is headquartered in Vienna, Austria, is the parent company of an international building materials group whose business activities are classified into six segments according to management responsibilities: Clay Building Materials Eastern Europe, Clay Building Materials Western Europe, Pipes & Pavers Eastern Europe, Pipes & Pavers Western Europe, North America and Holding & Others. The address of Wienerberger AG is Wienerbergstrasse 11, 1100 Vienna, Austria.

The consolidated financial statements were prepared pursuant to § 245a of the Austrian Commercial Code and in accordance with the International Financial Reporting Standards (IFRS) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) applicable as of the balance sheet date and adopted by the European Union (EU). Wienerberger applied all International Financial Reporting Standards published by the International Accounting Standard Board (IASB) for mandatory application in 2016. Independent auditors have examined the annual financial statements of all major Austrian and foreign companies to confirm their compliance with International Financial Reporting Standards.

In principle, the annual financial statements are based on amortized acquisition and production costs and were prepared as of the balance sheet date. An exception to this policy is the accounting treatment applied to financial instruments held for trading (derivatives) and available-for-sale financial instruments, which are recognized at fair value. Deferred taxes are determined on the basis of temporary differences and re-evaluated at every balance sheet date. In addition, defined benefit pension and severance compensation plans are recognized and measured according to the projected unit credit method. The income statement is prepared in accordance with the cost of sales method; the reconciliation to the total cost method is provided in the Notes.

The consolidated financial statements are presented in thousand euros. The results of the sensitivity analysis required by IAS 36 and individual disclosures in the risk report are presented in million euros.

2. Consolidated companies

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

Consolidated companies	Full consolidation	Equity consolidation
Balance on 31/12/2015	**146**	**3**
Included during reporting year for the first time	2	0
Merged/liquidated during reporting year	-2	0
Balance on 31/12/2016	**146**	**3**
Thereof foreign companies	124	3
Thereof domestic companies	22	0

Subsidiaries

In addition to Wienerberger AG, the 2016 consolidated financial statements include 22 (2015: 23) Austrian and 124 (2015: 123) foreign subsidiaries over which Wienerberger AG exercises control. Subsidiaries are fully consolidated as of the date control is obtained and deconsolidated when control ceases to exist. In accordance with IFRS 10, control is considered to exist when Wienerberger has power over the subsidiary and can use this power to influence the company's financial and operating policies. Eight subsidiaries were not consolidated in 2016 (2015: 10) because their influence on the Group's assets, liabilities, financial position and profit or loss is immaterial for a true and fair view.

Investments in associates and joint ventures

The 2016 consolidated financial statements of Wienerberger AG include two investments in joint ventures (2015: 2) and one investment (2015: 1) in an associate that are accounted for at equity. In accordance with the criteria of IFRS 11, Schlagmann Poroton GmbH & Co KG and Silike keramika, spol. s.r.o. are to be classified as joint ventures, because these companies are managed jointly with a partner of equal rights. Wienerberger holds 50% in these joint ventures. The following table shows the values (100%) resulting from the aggregation of the joint ventures:

in TEUR	2016	2015
Revenues	84,621	75,986
EBITDA	17,199	15,971
Operating EBIT	13,448	11,863
Profit/loss after tax	13,332	8,038
Total comprehensive income after tax	12,871	7,999

Assets			Equity and liabilities		
in TEUR	31/12/2016	31/12/2015	*in TEUR*	31/12/2016	31/12/2015
Non-current assets	40,470	36,831	Equity	27,083	22,743
Current assets	38,059	36,405	Non-current provisions and liabilities	7,092	6,996
			Current provisions and liabilities	44,354	43,497
	78,529	73,236		78,529	73,236

A detailed breakdown of the contributions to earnings and the total assets of the associate Fornaci Giuliane S.r.l. is not provided, as these amounts are immaterial for the Wienerberger Group.

3. Acquisitions and disposals

In the first half of 2016, Wienerberger acquired two clay block plants in Poland and Romania and the Finnish producer of plastic tanks Talokaivo Oy. The net amount paid for these transactions in cash was TEUR 17,504. The purchase price allocation for these transactions led to an adjustment of goodwill of TEUR 6,956 and to a badwill of TEUR 243. Since the date of first consolidation, the acquired companies generated revenues of TEUR 19,107 and EBITDA of TEUR 1,012. Transaction costs for the acquisitions, recognized under administrative expenses, amounted to a total of TEUR 502.

The reconciliation of the carrying amounts to Group amounts (100% fully consolidated) is shown in the following table. The goodwill arising from the transactions reflects the potential synergies of the transaction in Finland.

in TEUR	Carrying amounts	Adjustments	Total
Intangible assets	1,576	933	**2,509**
Property, plant and equipment and financial assets	9,649	532	**10,181**
Non-current assets	**11,225**	**1,465**	**12,690**
Inventories	2,286	-157	**2,129**
Trade receivables	1,507	-90	**1,417**
Other current receivables	668	620	**1,288**
Current assets	**4,461**	**373**	**4,834**
Deferred taxes	0	626	**626**
Non-current provisions	450	3	**453**
Long-term financial liabilities	2,353	6	**2,359**
Non-current provisions and liabilities	**2,803**	**635**	**3,438**
Short-term financial liabilities	588	0	**588**
Trade payables	763	0	**763**
Other current liabilities	846	438	**1,284**
Current liabilities	**2,197**	**438**	**2,635**
Net assets	**10,686**	**765**	**11,451**
Goodwill			**6,956**
Badwill			**-243**
Cash and cash equivalents			**-660**
Net payments made for the acquisitions			**17,504**

In the second quarter of 2016, the remaining 60% of the shares in the non-consolidated company Handel Ceramika Budowlana Sp. z o.o. were acquired by Wienerberger Ceramika Budowlana Sp. z o.o..

4. Methods of consolidation

The acquisition method of accounting is applied to all fully consolidated companies. According to this method, the compensation transferred in exchange for the investment is compared with the revalued net assets (shareholders' equity) of the acquired company 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 pro-rata equity is recognized in local currency as goodwill in the relevant segment. Negative differences are recognized in the income statement under other operating income. Goodwill and intangible assets with an indefinite useful life are tested for impairment at least once each year together with the cash-generating unit to which they are allocated and reduced to the lower applicable recoverable amount in the event of impairment. Impairment tests are also performed more frequently if there are indications of a lasting decline in the value of a cash-generating unit during the financial year (see Note 5. Accounting and valuation principles and Note 20. Non-current assets).

Revenues, income and expenses as well as receivables and liabilities arising between consolidated companies are eliminated. Intercompany gains and losses from the sale of goods or services between Group companies that affect current or non-current assets are eliminated, unless they are immaterial.

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

5. Accounting and valuation principles

The accounting policies that form the basis for these consolidated financial statements remain unchanged in comparison with the previous year and were extended to include the new IFRSs to be applied on a mandatory basis as of the financial year (see Note 7. Effects of new and revised standards). A detailed description of the accounting principles can be found beginning on page 162.

6. Estimates and judgements

In preparing the consolidated financial statements, management must make estimates and judgements that influence the recognition and measurement of assets, liabilities and contingent 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 may differ from management 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 of medical care. Detailed information on the parameters used is provided in Note 28. Employee benefits. This Note also includes a sensitivity analysis of the defined benefit obligations.

The useful life of property, plant and equipment is also determined on the basis of estimates which, in this case, are derived from experience with the operation of comparable equipment. A table showing the ordinary useful lives of these assets can be found on page 163.

Provisions for site restorations are based on the best possible estimate of the expected costs of recultivating depleted clay pits as well as long-term discount rates, considering the respective national inflation rates.

The measurement of deferred tax assets requires assumptions regarding the future taxable income and the time of realization of the deferred tax assets. However, given the fact that the future development of business cannot be predicted with certainty and is not entirely within Wienerberger's control, the valuation of deferred taxes is uncertain.

The Wienerberger Group issues various types of product warranties, depending on the respective product segment and on market conditions. In principle, the recognition and measurement of provisions for warranties/guarantees relate to estimates of the frequency and amount of losses. These estimates are based on historical records of the occurrence and scope of guarantee cases as well as the best possible management estimates of payments to be made in guarantee cases. The provisions are adjusted regularly to reflect new information.

In particular, impairment testing of goodwill and other assets involves estimates and forward-looking assumptions by management concerning the expected cash surpluses and the cost of capital for the Wienerberger Group and its cash-generating units during the planning period. The estimates made during the preparation of these consolidated financial statements reflect the best knowledge and belief of management on a going-concern basis. They draw on past experience and take account of the remaining degree of uncertainty. A sensitivity analysis was performed to show the influence of changes in macroeconomic parameters on forecasts for the income statement. This analysis is explained in detail in Note 20. Non-current assets.

7. Effects of new and revised standards

The following table provides an overview of the new standards and interpretations published by the IASB as of the balance sheet date:

Standards/Interpretations		Published by IASB	Mandatory first-time adoption
IAS 19	Employee Benefit: Amendments	November 2013	1/2/2015 [1]
	Annual Improvements to IFRSs 2010 - 2012 Cycle	December 2013	1/2/2015 [1]
IFRS 14	Regulatory Deferral Accounts	January 2014	1/1/2016
IAS 16	Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and Amortization	May 2014	1/1/2016 [1]
IAS 38	Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortization	May 2014	1/1/2016 [1]
IFRS 11	Joint Arrangements: Accounting for Acquisition of Interests in Joint Operations	May 2014	1/1/2016 [1]
IAS 16	Property, Plant and Equipment: Bearer Plants – Amendments	June 2014	1/1/2016 [1]
IAS 41	Agriculture: Bearer Plants – Amendments	June 2014	1/1/2016 [1]
IAS 27	Separate Financial Statements: Equity Method in Separate Financial Statements – Amendments	August 2014	1/1/2016 [1]
	Annual Improvements to IFRSs 2012 - 2014 Cycle	September 2014	1/1/2016 [1]
IAS 1	Presentation of Financial Statements: Disclosure Initiative	December 2014	1/1/2016 [1]
IFRS 10, IFRS 12 and IAS 28	Consolidation of Investment Entities	December 2014	1/1/2016 [1]
IAS 12	Income Taxes: Recognition of Deferred Tax Assets for Unrealized Losses – Amendments	January 2016	1/1/2017
IAS 7	Statement of Cash Flows: Disclosure Initiative	January 2016	1/1/2017
	Annual Improvements to IFRSs 2014 - 2016 Cycle	December 2016	1/1/2017 / 1/1/2018
IFRS 9	Financial Instruments: Hedge Accounting – Amendments to IFRS 9, IFRS 7 and IAS 39	November 2013	1/1/2018 [1]
IFRS 9	Financial Instruments	July 2014	1/1/2018 [1]
IFRS 15	Revenue from Contracts with Customers	May 2014/ September 2015	1/1/2018 [1]
IFRS 15	Revenue from Contracts with Customers – Clarification	April 2016	1/1/2018
IFRS 2	Share-based Payments – Amendments	June 2016	1/1/2018
IFRS 4	Insurance Contracts – Amendments	September 2016	1/1/2018
IAS 40	Investment Property: Amendments	December 2016	1/1/2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	December 2016	1/1/2018
IFRS 16	Leases	January 2016	1/1/2019
IFRS 10, IAS 28	Sale of Assets between an Investor and its Associate or Joint Venture – Amendments	September 2014/ December 2015	-

1) Mandatory effective date according to European Union directive.

New and amended standards and interpretations published that were adopted by the EU

The amendments to IAS 19 Employee Benefits clarify the conditions under which employee contributions can be treated as a reduction of service cost. The additional clarification has no effect on Wienerberger's consolidated financial statements.

The IFRS 2010 - 2012 improvements cycle comprises additional clarifications on IFRS 8 Operating Segments: clarification on disclosures relating to the aggregation of operating segments, IAS 16 Property, Plant and Equipment, and IAS 38 Intangible Assets: clarification on the proportionate restatement of accumulated depreciation and amortization according to the revaluation method, and IAS 24 Related Party Disclosures: clarification of the definition of a "related party" with regard to services in the management of the entity. The following standards amend existing requirements: IFRS 2 Share-based Payment: additional explanation on the definitions of "performance conditions" and "service conditions", and IFRS 3 Business Combinations: recognition of contingent consideration at fair value at each reporting date. None of these amendments are of relevance to Wienerberger's consolidated financial statements.

The clarification on IAS 16 and IAS 38 regarding acceptable methods of depreciation and amortization includes the prohibition of revenue-based depreciation of tangible assets and the refutable assumption that such method of amortization is appropriate for intangible assets. Given the fact that Wienerberger applies a straight-line depreciation/amortization method or a method based on the specific usage of the asset, this clarification is not relevant.

The clarifications on IFRS 11 Joint Arrangements, entitled Accounting for Acquisition of Interests in Joint Operations, state that all principles governing the accounting treatment of business combinations according to IFRS 3 apply to the acquisition of joint operations representing a business according to IFRS 3, as long as they are not in conflict with the guidelines of IFRS 11. These amendments have no effect on the consolidated financial statements of the Wienerberger Group.

Amendments to IAS 16 and IAS 41 on Bearer Plants are of no relevance for the Wienerberger Group.

The amendments to IAS 27 regarding the equity method in separate financial statements are of no relevance for the Wienerberger Group.

The IFRS 2012 - 2014 improvements cycle contains clarifications on IFRS 5 regarding the classification of non-current assets held for sale and additional guidelines on disclosures relating to the netting of financial assets and financial liabilities in accordance with IFRS 7 in conjunction with IAS 34. IAS 19 clarifies that the discount rate used is to be derived from first-rate corporate or government bonds denominated in the currency in which the payments are to be made. IAS 34 Interim Financial Reporting clarifies that the disclosures required by IAS 34 can be made anywhere in the interim report. These clarifications have no material effects on Wienerberger's consolidated financial statements.

The amendments within the framework of the Disclosure Initiative regarding disclosures according to IAS 1 Presentation of Financial Statements are aimed at addressing the issue of materiality in respect of the extent and the degree of detail of the disclosures required. This amendment has no material effect on Wienerberger's consolidated financial statements.

The amendments to IFRS 10, IFRS 12 and IAS 28 under the title of Investment Entities clarify certain issues relating to the consolidation of investment entities. The amendments clarify that the consolidation exception applies also when the investment entity itself is a subsidiary. Moreover, the method of measurement of participations in investment entities depends on whether the parent itself is an investment entity or not. The amendments, which entered into force on January 1, 2016, are of no relevance for the Wienerberger Group.

In November 2009, the project of replacing IAS 39 Financial Instruments by IFRS 9 Financial Instruments resulted in a first publication dealing with the recognition and measurement of financial instruments. Further IFRS 9 rules followed in 2010 and 2013, and the final version was published in July 2014. Major changes concern the classification and subsequent measurement of financial assets. According to the new criteria, the characteristics of the financial instrument are of primary relevance, determining the method of measurement of debt instruments, equity instruments as well as derivatives. Another criterion is the business model under which the financial instruments are administered. In this regard one must define whether a financial instrument is to be held for trading or to maturity. Depending on the characteristics of the financial instruments, the following methods are applied to the recognition and subsequent measurement: at fair value through profit or loss, at fair value through other comprehensive income and at amortized cost. Financial assets measured at amortized cost or at fair value through other comprehensive income are now subject to more extensive provisions regarding impairment under IFRS 9, according to which current and forward-looking information on expected credit losses must be incorporated into the recognition and measurement of the assets. Another significant change relates to the revised rules on hedge accounting. Proof of effectiveness is no longer subject to the range of 80% - 125%, specified by the standard-setter, but can be reasoned by the entity in qualitative terms.

The new IFRS will be effective for financial years beginning on or after January 1, 2018. After reclassification, certain financial assets in the consolidated balance sheet of the Wienerberger Group will no longer be recognized through other comprehensive income but through profit or loss. Previously, however, the fluctuations in the value of the financial instruments concerned were not material. Furthermore, the other financial result in the income statement will show minor fluctuations as a result of the new hedge accounting regulations. Wienerberger is currently investigating the quantitative effects on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers was published in May 2014 and will replace IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The standard defines the timing and the amount of revenue realized, regardless of the type of contract and service. The standard provides for a five-step framework for the determination of revenue, according to which the contract and the performance obligations of the contract are to be identified first. After the determination of the transaction price and its allocation to the individual performance obligations, the time of performance to realize the revenue must be identified. The new standard is mandatory for financial years starting after January 1, 2018. Wienerberger is currently investigating the effects on its consolidated financial statements.

New and amended standards and interpretations published, but not yet adopted by the EU

IFRS 14 Regulatory Deferral Accounts governing the accounting treatment of price-regulated business transactions only applies to first-time adopters of IFRS and has not yet adopted by the European Union for the time being; therefore, the standard has no effect on the consolidated financial statements of the Wienerberger Group.

The amendments to IAS 12 clarify the accounting treatment of deferred tax assets for unrealized losses on acquired debt instruments. Write-downs to the lower market value of debt instruments measured at fair value, resulting from a change in the prevailing market interest rate, result in deductible temporary differences. These amendments have no effect on consolidated financial statements.

The amendments to IAS 7 Statements of Cash Flows are intended to improve the disclosures regarding the company's level of debt. Additional information is to be provided on changes in the company's financial liabilities, cash receipts and cash payments from financing activities, as well as the related financial assets. These disclosures can be presented in the form of reconciliation and should comprise changes in cash positions, changes from the acquisition or sale of companies, changes resulting from foreign currency translation, changes in fair values, and other changes.

The 2014 - 2016 improvements cycle comprises clarifications in connection with investments in other entities and in associates according to IFRS 12 and IAS 28. In addition, certain exemptions under IFRS 1 for first-time adopters, which are not relevant for Wienerberger, were deleted. Subject to acceptance by the EU, the amendments to IFRS 12 are effective for annual periods beginning on or after January 1, 2017; amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018.

The final amendments to IFRS 15 were published in April 2016. The clarifications concern the identification of the separate performance obligations of a contract, the assessment as to whether an entity is the principal or the agent of a transaction, and whether revenue from licenses granted is to be recognized over time or at a certain point in time. Further simplifications are provided for in connection with the transitional rules. The new standard as well as its amendments, subject to adoption by the European Union, are mandatory for financial years starting after January 1, 2018. Wienerberger is currently investigating the effects on its consolidated financial statements.

The amendments to IFRS 2 Share-based Payment concern the consideration of settlement conditions within the framework of the measurement of share-based payments with cash settlement. Share-based payments providing for net settlement of taxes to be withheld are classified as equity-settled share-based payments. Moreover, the amendments clarify the recognition of a change in conditions, if it changes the classification from cash-settled payment to equity-settled payment.

The amendments to IFRS 4 Insurance Contracts, addressing issues arising from the implementation of IFRS 9 Financial Instruments in insurance contracts, were published in September 2016. These amendments are of no relevance to Wienerberger.

In December 2016, amendments to IAS 40 were published, which clarify the requirements on transfers to, or from, investment property so that now an investment property under construction may also fall under the rules of IAS 40. Subject to acceptance by the EU, these amendments are effective for periods beginning on or after January 1, 2018.

Moreover, IFRIC 22 Foreign Currency Transactions and Advance Consideration was issued in December 2016. This Interpretation clarifies that the date of transaction, for the purpose of determining the exchange rate of a non-monetary asset, is the date of initial recognition. Subject to acceptance by the EU, this Interpretation is effective for annual reporting periods beginning on or after January 1, 2018.

IFRS 16 Leases was published in January 2016 and will replace IAS 17 Leases, IFRIC 4 Determining whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard is to ensure that all leasing transactions and the related contractual rights and obligations are recognized on the balance sheet of the lessee. Thus, the classification of leases as either operating leases or finance leases will be eliminated. The lessee will recognize the liability arising under the lease and, at the same time, capitalize the right to use the underlying asset, which corresponds to the present value of the future lease payments plus directly allocated costs. For the lessor, the rules are similar to those of IAS 17. Wienerberger is currently investigating the impact on the consolidated financial statements, assuming that the new accounting rule will result in an extension of the balance sheet.

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates, entitled Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, provide for the effect on the result to depend on whether or not a business operation is transferred. In the event of loss of control of a business operation, the result is to be recognized in its entirety. The date of first adoption has been deferred indefinitely by the IASB.

8. Operating segments

The definition of operating segments and the presentation of segment results are based on the management approach required by IFRS 8 and follow internal reports to the Managing Board of Wienerberger AG as the chief operating decision maker, i.e. the body that decides on the allocation of resources to the individual segments.

The business activities of the Wienerberger Group are managed on a regional basis; at the same time, their 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 encompasses the activities of the plastic pipe producer Pipelife, the ceramic pipe producer Steinzeug-Keramo and the concrete paver producer Semmelrock; it is divided into the Pipes & Pavers Eastern Europe and Pipes & Pavers Western Europe segments. All activities in North America are grouped in the North America segment. The Holding & Others segment consists primarily of Wienerberger's brick business in India and activities at the corporate headquarters.

Reports to the responsible chief operating decision maker include EBITDA as the key indicator for the management of the operating segments as well as revenues, EBIT, operating EBIT, interest result and profit/loss after tax. Accordingly, these indicators are also presented in the segment report. The allocation of revenues, EBITDA, operating EBIT, EBIT, interest result, income taxes, profit/loss 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 requires 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 its revenues with any single external customer.

In comparison with the previous year, consolidated revenues remained stable at TEUR 2,973,829, including negative effects from currency translation in the amount of TEUR 60,921 and positive effects from the change in the scope of consolidation in the amount of TEUR 19,107. Adjusted for these effects, revenues increased organically by TEUR 43,286. Group revenues include revenues in the amount of TEUR 31,275 (2015: TEUR 28,948) from construction contracts. Detailed information on revenues by region is provided in the presentation of operating segments on pages 118 and 119.

Operating Segments *in TEUR*	Clay Building Materials Eastern Europe 2016	2015	Clay Building Materials Western Europe 2016	2015	Pipes & Pavers Eastern Europe 2016	2015
Third party revenues	506,840	472,814	1,174,400	1,170,183	411,457	450,835
Inter-company revenues [1]	8,115	7,797	10,404	8,936	9,695	11,194
Total revenues	514,955	480,611	1,184,804	1,179,119	421,152	462,029
EBITDA	105,686	82,639	184,972	166,652	35,435	42,280
Depreciation and amortization	-47,872	-49,802	-79,150	-77,986	-22,219	-21,003
Operating EBIT [2]	57,814	32,837	105,822	88,666	13,216	21,277
Impairment charges/ Reversal of impairment charges	-4,511	-338	0	0	0	-1,035
Impairment charges to goodwill	0	0	0	0	0	0
EBIT	53,303	32,499	105,822	88,666	13,216	20,242
Income from investments in associates and joint ventures	146	94	6,520	3,925	0	0
Investments in associates and joint ventures	1,075	1,002	12,467	10,369	0	0
Interest result	-11,336	-11,651	-28,688	-34,268	-9,368	-9,487
Income taxes	-6,561	1,846	-21,747	-33,664	-804	302
Profit/loss after tax	34,850	22,679	55,809	23,579	2,584	10,498
Liabilities	340,677	347,742	979,608	1,014,391	205,794	202,811
Capital employed	469,782	491,323	1,105,859	1,176,376	251,578	247,951
Assets	772,522	767,107	1,656,702	1,717,761	365,022	375,450
Non-current assets held for sale	95	0	2,056	0	0	0
Normal capex	26,821	21,219	57,767	63,707	15,748	18,334
Growth capex [3]	10,157	14	2,712	0	12,518	5,468
Ø Employees	4,350	4,184	5,983	6,035	2,322	2,368

Revenues *in TEUR*	Clay Building Materials Eastern Europe 2016	2015	Clay Building Materials Western Europe 2016	2015	Pipes & Pavers Eastern Europe 2016	2015
Austria	88,077	84,481			136,529	137,266
Czech Republic	86,835	75,352			26,101	28,672
Poland	104,329	99,734			76,422	93,221
Romania	46,779	44,769			18,670	19,974
Hungary	44,008	33,023			35,851	44,783
Germany			236,616	233,127		
Great Britain			273,153	287,852		
Belgium			210,734	211,562		
Netherlands			173,818	158,632		
France			154,859	147,214		
Finland			8,052	8,379		
Sweden			8,189	7,104		
Norway			9,639	8,865		
USA						
Other	138,126	135,770	100,890	107,627	117,884	126,919
Wienerberger Group	**508,154**	**473,129**	**1,175,950**	**1,170,362**	**411,457**	**450,835**

1) Inter-company revenues represent the revenues between fully consolidated, at-equity consolidated and unconsolidated Group companies. // 2) Adjusted for impairment charges to assets and goodwill and reversal of impairment charges

Pipes & Pavers Western Europe		North America		Holding & Others		Reconciliation [4]		Wienerberger Group	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
576,743	592,718	292,677	277,523	8,595	7,555	0	0	2,970,712	2,971,628
7,925	7,665	648	3,713	14,454	13,197	-48,124	-51,773	3,117	729
584,668	600,383	293,325	281,236	23,049	20,752	-48,124	-51,773	2,973,829	2,972,357
63,114	65,593	32,702	32,220	-17,643	-19,725	0	0	404,266	369,659
-28,087	-25,428	-26,813	-24,500	-2,409	-3,366	0	0	-206,550	-202,085
35,027	40,165	5,889	7,720	-20,052	-23,091	0	0	197,716	167,574
0	-3,127	0	48	4,303	0	0	0	-208	-4,452
-6,751	0	0	0	-141	0	0	0	-6,892	0
28,276	37,038	5,889	7,768	-15,890	-23,091	0	0	190,616	163,122
0	0	0	0	0	0	0	0	6,666	4,019
0	0	0	0	0	0	0	0	13,542	11,371
-8,769	-8,899	-8,690	-7,629	32,447	29,647	0	0	-34,404	-42,287
-12,296	-11,468	1,292	-1,937	-3,106	7,716	0	0	-43,222	-37,205
21,313	29,176	-2,707	-2,983	91,842	78,627	-88,364	-91,761	115,327	69,815
388,045	405,798	158,061	182,653	1,103,561	954,283	-1,387,525	-1,470,255	1,788,221	1,637,423
280,917	295,706	352,803	364,845	-957	-6,303	0	0	2,459,982	2,569,898
722,094	727,998	437,819	451,355	4,230,619	4,282,327	-4,547,601	-4,630,356	3,637,177	3,691,642
3,229	0	0	0	0	0	0	0	5,380	0
23,076	21,328	9,247	10,726	4,609	2,356	0	0	137,268	137,670
14,942	3,165	3,498	1,486	0	0	0	0	43,827	10,133
1,841	1,757	1,289	1,272	205	197	0	0	15,990	15,813

Pipes & Pavers Western Europe		North America		Holding & Others		Wienerberger Group	
2016	2015	2016	2015	2016	2015	2016	2015
				413	371	225,019	222,118
						112,936	104,024
						180,751	192,955
						65,449	64,743
						79,859	77,806
44,504	44,259					281,120	277,386
11,915	12,684					285,068	300,536
63,161	81,819					273,895	293,381
95,623	108,300					269,441	266,932
54,090	65,294					208,949	212,508
61,875	43,382					69,927	51,761
85,762	83,948					93,951	91,052
118,258	109,701					127,897	118,566
		263,154	250,578			263,154	250,578
41,555	43,331	29,523	26,945	8,435	7,419	436,413	448,011
576,743	**592,718**	292,677	**277,523**	8,848	**7,790**	2,973,829	**2,972,357**

3) Including investments in other financial assets // 4) The 'reconciliation' column includes eliminations between Group companies.

Products	Revenues		EBITDA		Total investments	
in TEUR	2016	2015	2016	2015	2016	2015
Wall	670,703	621,511	92,789	69,424	43,473	32,372
Facade	695,051	678,706	112,046	106,033	35,739	37,006
Roof	554,103	557,336	119,417	101,946	27,342	25,197
Pavers	116,335	130,470	10,591	15,341	17,242	12,244
Pipes	937,226	984,212	88,980	98,005	53,544	39,172
Other	411	122	-19,557	-21,090	3,755	1,812
Wienerberger Group	**2,973,829**	**2,972,357**	**404,266**	**369,659**	**181,095**	**147,803**

Notes to the Consolidated Income Statement

9. Material expenses

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

in TEUR	2016	2015
Cost of materials	525,032	541,810
Maintenance expenses	125,665	125,445
Cost of merchandise	349,351	334,576
Cost of energy	260,886	292,624
Total	**1,260,934**	**1,294,455**

The reported expenses were increased by a change of TEUR 62,461 (2015: TEUR 20,761) in inventories of semi-finished and finished goods. Income of TEUR 2,784 (2015: TEUR 1,269) resulted from the capitalization of own work and a proportional share of borrowing costs related to the construction of qualified plant and equipment.

The cost of materials consists mainly of expenses for clay, sand, plastics, sawdust and other additives, as well as expenses for pallets and other packaging materials. Maintenance expenses comprise the use of maintenance materials and other low-value spare parts as well as third party services.

10. Depreciation, amortization, impairment charges and reversal of impairment charges

The cost of goods sold, selling and administrative expenses and other operating expenses for the reporting year include TEUR 191,313 (2015: TEUR 201,214) of scheduled depreciation and amortization as well as special write-downs of TEUR 15,237 (2015: TEUR 871) from the mothballing of plants and/or lines. The impairment tests carried out in December 2016 (see Note 20. Non-current assets) led to the recognition of impairment charges in the total amount of TEUR 11,403 (2015: TEUR 13,133) to property, plant and equipment and intangible assets (including goodwill). The reversal of impairment charges in the amount of TEUR 4,303 resulted from the valuation of emission certificates.

Depreciation, amortization, impairments and reversal of impairment charges to intangible assets and property, plant and equipment are as follows:

in TEUR	2016	2015
Depreciation	**191,313**	**201,214**
Special write-downs	15,237	871
Depreciation and special write-downs	**206,550**	**202,085**
Impairment charges to property, plant and equipment and intangible assets	4,511	13,133
Impairment charges to goodwill	6,892	0
Impairment charges	**11,403**	**13,133**
Reversal of impairment charges	**-4,303**	**-8,681**
Depreciation, amortization, impairment charges and reversal of impairment charges	**213,650**	**206,537**

11. Personnel expenses

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

in TEUR	2016	2015
Wages	309,344	305,936
Salaries	259,093	263,345
Leased personnel (permanent)	16,813	16,652
Expenses for long-term incentive programs	4,147	3,061
Expenses for severance payments (inclusive voluntary severance payments)	5,640	16,237
Expenses for pensions	18,563	15,321
Expenses for statutory social security and payroll-related taxes and contributions	122,673	121,183
Other employee benefits	15,478	15,133
Personnel expenses	**751,751**	**756,868**

The fixed remuneration components paid out to the members of the Managing Board totaled TEUR 1,264 in 2016 (2015: TEUR 1,248). Moreover, the Managing Board acquired entitlements in the amount of TEUR 3,353 (2015: TEUR 2,908) from variable components. The latter amount includes expenses of TEUR 1,264 (2015: TEUR 1,248) for a long-term remuneration component to be paid out in three equal instalments over two years if the defined targets are met. Moreover, the reporting year includes expenses of TEUR 824 (2015: TEUR 412) for an additional variable remuneration component to be paid out in 2018, provided the financial targets are met. Expenses for the short-term variable remuneration component, which is conditional on the attainment of short-term financial corporate goals, amounted to TEUR 1,264 (2015: TEUR 1,248).

For the active members of the Managing Board, pension expenses in the form of contributions to pension funds (defined contribution plans) totaled TEUR 523 (2015: TEUR 519). Moreover, provisions were set up for service cost regarding additional entitlements to severance compensation earned in the reporting year in the amount of TEUR 81 (2015: TEUR 75). Payments of TEUR 838 (2015: TEUR 853) were made to former members of the Managing Board and their surviving dependents.

The members of the Supervisory Board received remuneration in the amount of TEUR 528 for their activities during the 2015 financial year (previous year: TEUR 447). Entitlements for the reporting year totaled TEUR 603.

The company has not provided any guarantees for loans, nor have any companies of the Wienerberger Group granted loans to members of the Managing Board or the Supervisory Board.

12. Employees

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

	2016	2015
Production	10,778	10,696
Administration	1,462	1,404
Sales	3,750	3,713
Total	**15,990**	**15,813**
Thereof apprentices	116	94

13. Other operating expenses

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

in TEUR	2016	2015
Transportation costs for deliveries	190,736	189,945
Expenses for services	118,567	116,015
Internal transport expenses	52,576	47,421
Rental and leasing charges	52,105	39,025
Non-income based taxes	25,191	25,877
Expenses for environmental protection measures	5,664	6,330
Uncollectible receivables	1,745	1,599
Losses on the disposal of fixed assets, excluding financial assets	1,312	1,824
Miscellaneous	123,047	162,645
Other operating expenses	**570,943**	**590,681**

The reconciliation of expenses under the total cost method to expenses under the cost of sales method is shown on pages 123 and 124.

Expenses for services include, above all, expenses for business trips and travel, legal advisory and miscellaneous consulting services, advertising, insurance and telecommunications. Expenses for the external auditor and members of the auditor's network totaled TEUR 1,822 (2015: TEUR 1,819) for the audit of the consolidated financial statements in the year under review, TEUR 158 (2015: TEUR 136) for assurance services, TEUR 70 (2015: TEUR 72) for tax consulting services and TEUR 280 (2015: TEUR 242) for other services.

Miscellaneous other expenses consist mainly of expenses for commissions, patent and trademark rights, business entertainment, customer complaints and research and development. In 2016, research and development expenses amounted to TEUR 14,878 (2015: TEUR 17,238).

14. Other operating income

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

in TEUR	2016	2015
Income from the disposal of tangible assets, excluding financial assets	27,340	20,949
Income from rental and leasing contracts	4,997	4,588
Income from insurance claims	2,823	400
Subsidies	1,664	1,708
Miscellaneous	36,918	31,153
Other operating income	**73,742**	**58,798**

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

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

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

2016 in TEUR	Cost of freight	Cost of materials	Cost of merchandise	Appreciation/ depreciation	Cost of energy	Personnel expenses	Other income	Other expenses	Total
Cost of goods sold	0	694,114	348,564	153,855	254,696	431,352	-1,272	129,932	2,011,241
Selling expenses	190,736	16,260	787	7,805	3,643	201,634	-3,550	157,032	574,347
Administrative expenses	0	0	0	10,237	920	118,765	-4,410	60,672	186,184
Other operating expenses	0	0	0	46,056	1,886	0	0	32,571	80,513
Other operating income	0	0	0	-4,303	-259	0	-64,510	0	-69,072
	190,736	**710,374**	**349,351**	**213,650**	**260,886**	**751,751**	**-73,742**	**380,207**	**2,783,213**

2015 *in TEUR*	Cost of freight	Cost of materials	Cost of merchandise	Appreciation/ depreciation	Cost of energy	Personnel expenses	Other income	Other expenses	Total
Cost of goods sold	0	667,829	334,476	161,686	285,051	448,444	-3,725	134,041	2,027,802
Selling expenses	189,945	18,918	100	7,683	4,013	193,169	-2,230	165,598	577,196
Administrative expenses	0	0	0	9,704	949	115,255	-5,504	62,251	182,655
Other operating expenses	0	0	0	36,145	2,611	0	0	38,846	77,602
Other operating income	0	0	0	-8,681	0	0	-47,339	0	-56,020
	189,945	**686,747**	**334,576**	**206,537**	**292,624**	**756,868**	**-58,798**	**400,736**	**2,809,235**

16. Interest and other financial result

In accordance with the categories defined by IAS 39, the following items are included in the interest and other financial result:

2016 *in TEUR*	Total	Loans and receivables	FLAC [1]	AfS [2]	Derivatives
Interest and similar income	5,494	3,986	0	639	869
Interest and similar expenses	-35,936	0	-32,484	0	-3,452
Net interest result from defined benefit pension and severance obligations	-3,962				
Interest result	**-34,404**	**3,986**	**-32,484**	**639**	**-2,583**
Income from third parties (dividends)	1,050	0	0	1,050	0
Income from investments	**1,050**	**0**	**0**	**1,050**	**0**
Result from the disposal of financial instruments	13	0	0	13	0
Valuation of derivative instruments	-3,334				-3,334
Impairment of financial instruments	-67	-32	0	-35	0
Foreign exchange differences	466				
Net result	**-2,922**	**-32**	**0**	**-22**	**-3,334**
Bank charges	-2,457				
Other financial result	**-4,329**	**-32**	**0**	**1,028**	**-3,334**
Total	**-38,733**	**3,954**	**-32,484**	**1,667**	**-5,917**

1) financial liabilities at amortized cost // 2) available for sale

2015 *in TEUR*	Total	Loans and receivables	FLAC [1]	AfS [2]	Derivatives
Interest and similar income	6,802	6,012	0	775	15
Interest and similar expenses	-45,095	0	-42,977	0	-2,118
Net interest result from defined benefit pension and severance obligations	-3,994				
Interest result	-42,287	**6,012**	**-42,977**	**775**	**-2,103**
Income from third parties (dividends)	367	0	0	367	0
Income from subsidiaries	-655	0	0	-655	0
Income from investments	-288	**0**	**0**	**-288**	**0**
Result from the disposal of financial instruments	910	0	0	910	0
Valuation of derivative instruments	-7,809				-7,809
Impairment of financial instruments	-817	-763	0	-54	0
Foreign exchange differences	-7,283				
Net result	-14,999	**-763**	**0**	**856**	**-7,809**
Bank charges	-2,547				
Other financial result	-17,834	**-763**	**0**	**568**	**-7,809**
Total	-60,121	**5,249**	**-42,977**	**1,343**	**-9,912**

1) financial liabilities at amortized cost // 2) available for sale

The sale of available-for-sale financial instruments during the reporting year generated a result of TEUR 13 (2015: TEUR 910). In the loans and receivables category, impairment charges of TEUR 32 (2015: TEUR 763) were booked to receivables from subsidiaries. In the available-for-sale category of financial instruments, impairment charges of TEUR 35 (2015: TEUR 54) were recognized in profit or loss, as the financial assets concerned are likely to be permanently impaired. As was the case in the previous year, the market valuation of derivatives resulted in a negative contribution of TEUR 3,334 (2015: TEUR 7,809) to the result for the period.

17. Income taxes

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

in TEUR	2016	2015
Current tax expense	40,481	33,860
Deferred tax expense/ income	2,741	3,345
Income taxes	43,222	**37,205**

The difference between the Austrian corporate tax rate of 25% applicable in 2016 (2015: 25%) and the Group tax rate shown in these statements is due to the following factors:

in TEUR	2016	2015
Profit/loss before tax	**158,549**	**107,020**
Tax expense at tax rate of 25%	-39,637	-26,755
Other foreign tax rates	7,569	9,685
Tax income and expense from prior periods	-2,547	-692
Effect of tax free income from investments in associates and joint ventures	1,006	1,195
Change in valuation allowance for deferred tax assets	-30,352	-11,835
Non-temporary differences	20,600	-8,545
Changes in tax rates	139	-258
Effective tax expense	**-43,222**	**-37,205**
Effective tax rate in %	27.3%	34.8%

Deferred taxes are calculated on the basis of the tax rates applied or announced to be applied in the individual countries. In Austria, the calculation is based on the corporate tax rate of 25%. For foreign companies, deferred taxes are calculated on the basis of the respective country-specific tax rates. These tax rates ranged from 0% to 39% in 2016. Changes in tax rates led to a deferred tax income of TEUR 139 in 2016 (2015: deferred tax expense of TEUR 258).

18. Earnings per share, proposal for profit distribution

The number of shares issued totaled 117,526,764 as of December 31, 2016. As of that date, Wienerberger held 570,289 shares as treasury stock (2015: 570,289), which were deducted for the calculation of earnings per share. This resulted in a weighted average number of 116,956,475 shares outstanding as a basis for the calculation of earnings per share for 2016.

Number of shares	2016	2015
Outstanding	117,526,764	117,526,764
Treasury stock	570,289	570,289
Weighted average	116,956,475	116,956,475

Earnings per share of EUR 0.70 were calculated by dividing the profit/loss after tax attributable to equity holders of the parent company by the weighted average number of shares outstanding. The diluted earnings per share of EUR 0.70 represent the basic earnings per share for 2016.

In accordance with the provisions of the Austrian Stock Corporation Act, the separate financial statements of Wienerberger AG as of December 31, 2016, prepared on the basis of Austrian accounting rules, form the basis for dividend payment.

These financial statements show a net profit of EUR 32,345,528.13. The Managing Board will propose to the Annual General Meeting that a dividend of EUR 0.27 per share be paid out on the issued capital of EUR 117,526,764.00 from the net profit of EUR 32,345,528.13, i.e. EUR 31,732,226.28 less a proportional amount of EUR 153,978.03 for treasury stock, i.e. EUR 31,578,248.25, and that the balance of EUR 767,279.88 be carried forward to new account.

Notes to the Consolidated Statement of Comprehensive Income

The statement of comprehensive income provides a reconciliation of profit/loss after tax to total comprehensive income as defined in IAS 1. Total comprehensive income comprises, in particular, currency translation differences, actuarial gains and losses from the measurement of defined benefit pension plans and similar post-employment benefits, the change in the hedging reserve and the result from the valuation of available-for-sale securities. The components of comprehensive income are shown after tax.

In the year under review, pre-tax currency translation differences of TEUR -20,694 (2015: TEUR 53,284) resulted primarily from the British pound and the Polish zloty. Differences of TEUR 2,660 (2015: TEUR 122) previously included in the translation reserve were reclassified to the income statement.

In the year under review, pre-tax losses of TEUR -174 (2015: TEUR -1,677) on the sale of available-for-sale financial instruments were recognized in other comprehensive income. The market valuation of hedges increased the hedging reserve by TEUR 9,077 (2015: TEUR -2,256). Of this total, TEUR 9,976 (2015: TEUR -8,006) was accounted for by hedges of investments in foreign operations, and TEUR -899 (2015: TEUR 5,750) by hedges for future transactions (cash flow hedges). Market value changes of TEUR -1,661 in net investment hedges were reclassified from other comprehensive income to the income statement in the reporting year. Ineffective components in the amount of TEUR -614 (2015: TEUR 495) were recognized in the income statement in 2016.

Deferred taxes in the total amount of TEUR 4,942 (2015: TEUR -4,962) were recognized in other comprehensive income. The following table shows the allocation of deferred taxes to the components of other comprehensive income:

in TEUR	2016	2015
Foreign exchange translation	3,436	-6,434
Changes in the fair value of available-for-sale financial instruments	-288	0
Changes in hedging reserves	-2,082	434
Actuarial gains/losses	3,876	1,038
Deferred taxes in other comprehensive income	**4,942**	**-4,962**

In the reporting period, total comprehensive income after tax increased equity by TEUR 91,553 (2015: TEUR 106,193).

Notes to the Consolidated Statement of Cash Flows

The consolidated statement of cash flows of 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 balances with banks. Securities and current liabilities to banks do not count as cash and cash equivalents. The effects of company acquisitions are eliminated and shown separately under net payments made for the acquisition of companies. The amounts reported by 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.

19. Cash flow from investing activities

The acquisition of property, plant and equipment and intangible assets resulted in an outflow of funds totaling TEUR 163,575 (2015: TEUR 147,789). This amount includes TEUR 137,268 (2015: TEUR 137,670) of normal capex, i.e. maintenance and investments in technological upgrades. A total of TEUR 43,811 (2015: TEUR 10,119) was spent on acquisitions and plant extensions (growth investments). Investments of TEUR 16 (2015: TEUR 14) were made in financial assets.

Additions to non-current assets in the amount of TEUR 4,543 (2015: TEUR 1,982) were not recognized as cash items, as they result from the capitalization of obligations to recultivate depleted clay pits.

Cash inflows from the disposal of non-current assets amounted to TEUR 42,145 (2015: TEUR 23,949) and include the disposal of property, plant and equipment and intangible assets as well as the sale of financial assets. These disposals generated net gains of TEUR 26,028 (2015: TEUR 19,125), a large portion of which is attributable to the sale of non-core assets in the amount of TEUR 17,946.

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

in TEUR	2016	2015
Payments made for investments in tangible and intangible assets	163,575	147,789
Net payments made for the acquisition of companies	17,504	0
Payments made for investments in financial assets	16	14
Total investments including financial assets	**181,095**	**147,803**
Maintenance and investments in technological upgrades	137,268	137,670
Normal capex	**137,268**	**137,670**
Payments made for plant extensions	26,307	10,119
Net payments made for the acquisition of companies	17,504	0
Growth capex	**43,811**	**10,119**
Payments made for investments in financial assets	16	14
Growth capex including financial assets	**43,827**	**10,133**

Notes to the Consolidated Balance Sheet

20. Non-current assets

The development of non-current assets is shown on pages 136 and 137. The figures shown for foreign exchange rate increases and decreases represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year and at year-end.

Wienerberger defines its cash-generating units (CGUs) as plants, which are then aggregated into groups of CGUs by division and region. Intangible assets with an indefinite useful life, such as goodwill and trademarks that are not amortized on a scheduled basis, are tested at least once each year for indications of impairment in accordance with IAS 36. The intangible assets are allocated to CGUs and/or groups of CGUs for the purpose of impairment testing. The book values are as follows:

	Goodwill		Trademarks	
in TEUR	2016	2015	2016	2015
Clay Building Materials Eastern Europe	50,877	51,246	11,622	11,622
Clay Building Materials Western Europe	287,710	300,973	3,782	4,412
Pipes & Pavers Eastern Europe	16,979	17,039	13,891	13,891
Pipes & Pavers Western Europe	44,046	43,771	28,123	28,123
North America	97,865	94,425	2,536	2,536
Holding & Others	0	141	0	0
Wienerberger Group	**497,477**	**507,595**	**59,954**	**60,584**

Other intangible assets consist primarily of an acquired customer base totaling TEUR 87,005 (2015: TEUR 92,741), acquired trademarks with an indefinite useful life in the amount of TEUR 59,954 (2015: TEUR 60,584), and patents and concessions. Internally generated intangible assets of TEUR 2,563 (2015: TEUR 602) were capitalized during the reporting year.

Wienerberger monitors its goodwill on the basis of 12 CGU groups.

In the Clay Building Materials Western Europe segment, Wienerberger's brick business in Western Europe is characterized by plants now serving entire regions instead of individual countries. In particular, the production and the product portfolio of roof tiles and facing bricks are optimized for an entire region. This also applies to the optimization of the network of clay block plants, although for reasons of efficiency deliveries of these products are generally made over shorter distances than in the roof tile and facing brick businesses. In any event, plants close to the German and French borders can also cover most of the Benelux region. Due to the interrelations in the Western European region, goodwill is managed in the CGU group of Bricks and Roof Western Europe West. The exceptions in this segment are Italy (in the CGU group of Bricks Italy), which has not yet been integrated in the optimization process, as well as Finland and the Baltic States (in the CGU group of Bricks and Roof Western Europe Finland and Baltics), which produce for export markets in Eastern Europe and Russia, but are part of the Western Europe organization. The entire goodwill of the Clay Building Materials Western Europe segment is allocated to the CGU group of Bricks and Roof Western Europe West.

The Clay Building Materials Eastern Europe segment comprises two CGU groups, Bricks and Roof Eastern Europe, and Bricks Russia. The CGU group of Bricks and Roof Eastern Europe is characterized by cross-border business in the region and by an increasing integration of the brick and roof businesses under a single management. The CGU group of Bricks Russia, however, is an independent unit with only limited delivery relationships with the other CGU groups in Central and Eastern Europe.

Pipes & Pavers Europe comprises the CGU groups of Pipes Pipelife West, Pipes Pipelife East, Pipes Steinzeug and Pavers Semmelrock. The European plastic pipe business is characterized by a high share of deliveries between the country organizations, above all for fittings, which are produced in the Netherlands for the West European market and in Poland for the East European market. Although the possibility of delivering concrete pavers over longer distances is limited, the molds used by Semmelrock in production are exchanged between the individual production sites as part of a supra-regional product development strategy.

In the North America segment, the CGU groups are distinguished by product group: Bricks North America comprises the North American brick business, to which the entire goodwill of the operating reporting segment is allocated, and Pipes Pipelife USA comprises the entire American plastic pipe business.

The carrying amounts of the goodwill and operating assets allocated to the CGU groups are compared with the recoverable amounts and, if necessary, written down to the lower value in use or the fair value less cost of disposal. The value in use of a CGU group is generally determined on the basis of an income approach by discounting the related cash flows at the weighted average cost of capital after tax (WACC) to develop the present value.

For the determination of the value in use, the after-tax weighted average cost of capital is derived from external sources on the basis of recognized financial methods. The conversion of the values in use is performed at the exchange rate on the day of the impairment test. An after-tax WACC of 6.69% (2015: 7.24%) was used for impairment testing in the Wienerberger Group, with different specific cost of capital rates applied to all markets outside the euro zone, except for Bosnia-Herzegovina. For the euro zone, a WACC after tax of 6.53% (2015: 7.28%) was calculated. In accordance with IAS 36 rules, all cost of capital rates were reconciled to WACC before tax.

For the purpose of impairment testing, the following pre-tax cost of capital rates and growth rates were used:

	Pre-tax WACC		Growth rate	
in %	2016	2015	2016	2015
Bricks and Roof Eastern Europe	8.83	9.96	2.45	2.65
Bricks Russia	13.87	15.57	1.34	1.36
Clay Building Materials Eastern Europe				
Bricks and Roof Western Europe West	8.65	9.26	1.55	1.84
Bricks and Roof Western Europe Finland and Baltics	6.69	8.13	2.50	2.04
Bricks Italy	8.36	9.49	0.92	1.11
Clay Building Materials Western Europe				
Pavers Semmelrock	8.84	9.90	2.62	2.69
Pipes Pipelife East	9.44	10.31	2.01	2.38
Pipes & Pavers Eastern Europe				
Pipes Steinzeug	8.67	9.92	1.20	1.50
Pipes Pipelife West	8.09	8.71	1.97	2.23
Pipes & Pavers Western Europe				
Bricks North America	10.26	10.05	1.91	2.41
Pipes Pipelife North America	11.02	10.23	1.90	2.47
North America				
Bricks India	12.74	12.60	7.83	7.62
Holding & Others				
Wienerberger Group	**8.88**	**9.55**	**1.93**	**2.16**

The expected future cash surpluses are based on the latest internal plans prepared by the top management and approved by the Managing Board and the Supervisory Board for the period from 2017 - 2020. These forecasts do not include the earnings potential of future strategic growth investments, such as possible acquisitions. Planned expansion investments that concern individual production lines and the related contributions to income are eliminated for the determination of the value in use.

The quality of these forecasts is reviewed on a regular basis through a variance analysis comparing the projected data with actual results, which are then incorporated into the subsequent planning process in the form of corrections. The calculation is based on four detailed planning periods (2017 - 2020); based on the going-concern assumption, the surplus cash inflows in the following planning period are assumed to be sustainable over the long term and used as the basis for determining the present value of the perpetual yield. These perpetual cash flows are based on the assumption of country-specific growth rates derived from an external source (IMF, October 2016, World Economic Outlook Database). If these growth rates are higher than the country-specific inflation rates, those gains will be in part retained so as to facilitate adequate growth. Wienerberger tests its assets for impairment at least once each year in connection with the corporate planning process. If interim forecasts or analyses indicate a possible negative variance from the original plan, the cash-generating unit concerned is again tested for impairment. In such cases, the impairment tests are recalculated on the basis of updated planning data and extended to include stress tests. Similarly, impairment tests are updated in the event that any external factors change significantly.

Assumptions regarding the future development of local markets, sales and prices constitute the decisive factors for determining the value in use. Therefore, the value in use is determined on the basis of forecasts published by statistical agencies and international organizations as well as management's experience. The estimates for cost structures are based primarily on the extrapolation of empirical values and incorporate macroeconomic forecasts for the most important production factors, such as energy prices, plastic granulate prices, wage and salary trends, etc..

The impairment tests carried out in December on the basis of the latest approved medium-term planning for 2017 - 2020 led to the recognition of impairment charges to intangible and tangible assets of TEUR 11,403. TEUR 6,892 of which was attributable to the goodwill of the Pipes Steinzeug CGU as well as Holding and Others and TEUR 4,511 to plants of the Bricks Russia CGU.

The relevant markets of the CGU group of Pipes Steinzeug were marked by decreasing revenues and earnings, which resulted from a lack in demand in the German domestic market and the European export market, on the one hand, and the termination of supplies to the Middle East, on the other hand. Hence the value in use came to MEUR 75. As the value in use dropped below the carrying amount of the CGU group, goodwill was impaired in the amount of TEUR 6,751 and recorded in other operating expenses. The impairment charges of the CGU group of Pipes Steinzeug are allocated to the Pipes and Pavers Western Europe segment.

As a result of the continuing decline in demand in the Russian residential construction market, reflected by the medium-term planning of the CGU group of Bricks Russia, the determined value in use was also lower than the carrying amount of the CGU group, which required an impairment of TEUR 4,511. The value in use of the CGU group of Bricks Russia amounted to MEUR 41.

The impairment tests were supplemented by stress tests in which the major parameters, i.e. WACC and growth rate, were varied individually and together within the framework of a sensitivity analysis. These stress tests were performed for those groups of cash-generating units which either account for a material share in the goodwill of the Group or whose value in use is close to the book value.

The following table summarizes the results of the stress tests and shows a risk of impairment of goodwill and other assets based on the assumption of an increased after-tax WACC and lower growth rates:

Impairment risk	WACC + 50 BP		Growth rate cut to half		WACC + 50 BP growth rate cut to half		WACC + 50 BP zero growth rate	
in MEUR	2016	2015	2016	2015	2016	2015	2016	2015
Bricks Russia	2	0	1	0	3	0	4	2
Bricks Italy	1	2	0	1	2	4	3	5
Pipes Steinzeug	7	0	5	0	11	0	14	0
Bricks North America	0	9	0	25	22	52	48	83
Bricks India	0	0	0	0	0	0	1	1

The impairment test calculations of the Bricks North America CGU group, which were based on a WACC after tax of 7.41% and a growth rate of 1.91%, resulted in a value in use that exceeded the carrying amount of the tested assets by MEUR 49. An additional sensitivity analysis of the Bricks North America CGU group shows when the value in use would correspond to the carrying amounts of the tested assets, if individual elements are modified while all other parameters are kept constant. To this end, in addition to the WACC after tax and the growth rate, the contribution margins were also modified, as they constitute a central component of the payment flows relevant to the value in use. The sensitivity analysis of the contribution margin covers the main factors of influence, such as price and volume changes, with price changes having a significantly stronger influence on the development of the value in use of the CGU group than changes in the planned sales volume. The result of this analysis showed that the Bricks North America CGU group would have reacted sensitively if the WACC after tax had increased above 8.13% and the rate of growth had dropped below 0.98%. The absolute annual contribution margins, which range around MEUR 118 over the planning horizon, would have to be reduced by 3.99% for the value in use to correspond to the carrying amount.

Sensitivity Bricks North America

in %	2016
WACC after tax	8.13
Growth rate	0.98
Contribution margin	-3.99

Non-current assets include land with a value of TEUR 390,646 (2015: TEUR 404,148). For the construction of new plants, borrowing costs and foreign exchange differences for the period up to completion amounted to TEUR 225 (2015: TEUR 1). As at the balance sheet date, commitments for the purchase of property, plant and equipment amounted to TEUR 24,583 (2015: TEUR 13,561).

Besides operating leases, the Wienerberger Group also uses finance leases, but only to a limited extent. All major *finance leases* have expired or been terminated through the exercise of the related purchase options. The remaining carrying amounts totaled TEUR 99 as of December 31, 2016 (2015: TEUR 53) and are reported under fixtures, fittings, tools and equipment.

in TEUR	2016	2015
Acquisition costs	314	264
Depreciation (accumulated)	215	211
Carrying amount	99	53

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 the following liabilities:

in TEUR	2016	2015
For the following year	**35,134**	33,264
For the following to five years	**76,985**	70,836
Over five years	**24,572**	24,611

Payments arising from operating leases, license and rental agreements totaled TEUR 52,105 (2015: TEUR 39,025).

The balance sheet item *investment property* includes real estate and buildings with a carrying amount of TEUR 85,733 (2015: TEUR 91,613), which are not used in current business operations. These assets are scheduled for sale over the medium to long term and are therefore classified as investment property. The fair values of these assets derived from comparable transactions are allocated to level 2 in the valuation hierarchy according to IFRS 13 and estimated at TEUR 132,958 (2015: TEUR 151,766). In 2016, these properties generated rental and other income of TEUR 2,194 (2015: TEUR 3,745). Expenses for investment property that generated rental income in the year under review amounted to TEUR 609 (2015: TEUR 291); expenses in the amount of TEUR 1,199 (2015: TEUR 67) were incurred for investment property that did not generate rental income. Investment property with a carrying amount of TEUR 10,059 (2015: TEUR 3,616) was sold during the reporting year.

Asset table

in TEUR	Acquisition or production costs Balance on 1/1/2016	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31/12/2016
Goodwill	864,433	6,956	-10,652	0	16,094	0	844,643
Other intangible assets	307,763	2,508	-2,007	8,725	261	1,500	318,228
Intangible assets and goodwill	**1,172,196**	**9,464**	**-12,659**	**8,725**	**16,355**	**1,500**	**1,162,871**
Land and buildings	1,316,024	5,376	-5,909	22,467	11,492	-22,701	1,303,765
Machinery and equipment	2,606,583	4,465	-4,442	62,045	60,587	44,005	2,652,069
Fixtures, fittings, tools and equipment	111,232	233	683	10,246	6,554	685	116,525
Assets under construction	64,326	108	-273	64,634	4	-54,613	74,178
Property, plant and equipment	**4,098,165**	**10,182**	**-9,941**	**159,392**	**78,637**	**-32,624**	**4,146,537**
Investment property	**169,579**	**0**	**126**	**1**	**26,346**	**9,719**	**153,079**
Intangible assets and property, plant and equipment	**5,439,940**	**19,646**	**-22,474**	**168,118**	**121,338**	**-21,405**	**5,462,487**

Asset table

in TEUR	Acquisition or production costs Balance on 1/1/2015	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31/12/2015
Goodwill	828,263	2,822	33,348	0	0	0	864,433
Other intangible assets	303,204	0	35	8,436	4,227	315	307,763
Intangible assets and goodwill	**1,131,467**	**2,822**	**33,383**	**8,436**	**4,227**	**315**	**1,172,196**
Land and buildings	1,312,121	-3,290	24,955	13,437	9,203	-21,996	1,316,024
Machinery and equipment	2,513,428	3,977	46,983	61,299	53,460	34,356	2,606,583
Fixtures, fittings, tools and equipment	106,287	35	1,175	10,052	6,885	568	111,232
Assets under construction	52,783	0	1,177	56,354	-755	-46,743	64,326
Property, plant and equipment	**3,984,619**	**722**	**74,290**	**141,142**	**68,793**	**-33,815**	**4,098,165**
Investment property	**152,168**	**-2,451**	**3,257**	**193**	**17,088**	**33,500**	**169,579**
Intangible assets and property, plant and equipment	**5,268,254**	**1,093**	**110,930**	**149,771**	**90,108**	**0**	**5,439,940**

Depreciation and amortization

Balance on 1/1/2016	Change in consolidation range	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments	Reversal of impairments	Disposals	Transfers	Balance on 31/12/2016	Carrying amount 31/12/2016
356,838	0	-470	0	6,892	0	16,094	0	347,166	497,477
113,933	0	-1,956	17,441	0	4,303	268	418	125,265	192,963
470,771	**0**	**-2,426**	**17,441**	**6,892**	**4,303**	**16,362**	**418**	**472,431**	**690,440**
547,354	0	-910	35,508	4,766	0	6,320	-17,853	562,545	741,220
1,857,763	0	-35	124,576	14,100	0	60,112	1,072	1,937,364	714,705
77,969	0	378	11,370	56	0	6,153	-1,815	81,805	34,720
205	0	1	0	0	0	0	-110	96	74,082
2,483,291	**0**	**-566**	**171,454**	**18,922**	**0**	**72,585**	**-18,706**	**2,581,810**	**1,564,727**
77,966	**0**	**159**	**2,418**	**826**	**0**	**16,287**	**2,264**	**67,346**	**85,733**
3,032,028	**0**	**-2,833**	**191,313**	**26,640**	**4,303**	**105,234**	**-16,024**	**3,121,587**	**2,340,900**

Depreciation and amortization

Balance on 1/1/2015	Change in consolidation range	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments	Reversal of impairments	Disposals	Transfers	Balance on 31/12/2015	Carrying amount 31/12/2015
336,661	0	20,177	0	0	0	0	0	356,838	507,595
99,994	0	649	17,407	201	0	4,225	-93	113,933	193,830
436,655	**0**	**20,826**	**17,407**	**201**	**0**	**4,225**	**-93**	**470,771**	**701,425**
516,908	0	6,664	39,031	761	0	7,774	-8,236	547,354	768,670
1,748,055	-3	31,679	129,971	12,426	8,681	52,806	-2,878	1,857,763	748,820
73,246	0	903	11,039	505	0	6,358	-1,366	77,969	33,263
135	0	-8	80	110	0	-893	-1,005	205	64,121
2,338,344	**-3**	**39,238**	**180,121**	**13,802**	**8,681**	**66,045**	**-13,485**	**2,483,291**	**1,614,874**
75,485	**-2,451**	**1,139**	**3,686**	**1**	**0**	**13,472**	**13,578**	**77,966**	**91,613**
2,850,484	**-2,454**	**61,203**	**201,214**	**14,004**	**8,681**	**83,742**	**0**	**3,121,587**	**2,407,912**

21. Investments

Investments in associates and joint ventures as well as other investments are as follows:

in TEUR	2016	2015
Investments in associates and joint ventures	**13,542**	**11,371**
Investments in subsidiaries	60	51
Other investments	6,975	7,016
Other investments	**7,035**	**7,067**
Investments	**20,577**	**18,438**

22. Inventories

in TEUR	2016	2015
Raw materials and consumables	127,437	131,298
Semi-finished goods	94,262	92,923
Finished goods and merchandise	495,194	528,018
Prepayments	1,466	1,032
Inventories	**718,359**	**753,271**

Pallets are included under raw materials and consumables. Clay purchased from third parties is shown together with clay extracted from the Group's own pits under semi-finished goods. Impairment charges of TEUR 10,241 (2015: TEUR 15,290) were booked for products with a net realizable value (selling price less selling and administrative expenses) lower than acquisition or production costs. As at December 31, 2016, the carrying amounts of inventories written down to their net realizable value totaled TEUR 53,122 (2015: TEUR 49,439).

23. Receivables, securities and other financial assets

Loans and receivables

in TEUR	2016			2015		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Trade receivables from third party	200,635	200,635	0	202,538	202,538	0
Trade receivables from subsidiaries	1,174	1,174	0	229	229	0
Trade receivables	**201,809**	**201,809**	**0**	**202,767**	**202,767**	**0**
Financial receivables from subsidiaries	18,313	18,313	0	18,685	18,685	0
Receivables arising from loans	4,662	4,662	0	9,792	9,030	762
Loans granted	**22,975**	**22,975**	**0**	**28,477**	**27,715**	**762**
Loans and receivables	**224,784**	**224,784**	**0**	**231,244**	**230,482**	**762**

Loans and receivables are recognized at amortized cost and adjusted to reflect specific valuation allowances, if any. Specific valuation allowances are deducted directly from receivables and other assets. In 2016, specific valuation allowances in the amount of TEUR 1,745 (2015: TEUR 1,599) were reported, which represent 0.8% of trade receivables and loans granted, and less than 1% of the total receivables portfolio; therefore, they are not shown separately. In accordance with the IAS 39 rule, receivables sold (factoring) are derecognized. As at December 31, 2016, trade receivables in the amount of TEUR 109,124 (2015: TEUR 86,894) had been sold to third parties. Financial receivables from subsidiaries result from loans granted to companies consolidated at equity and other companies in which an investment is held. Trade receivables in a total amount of TEUR 1,782 (2015: TEUR 1,764) are secured by notes payable.

Available-for-sale financial instruments

in TEUR	2016				2015			
	Carrying amount	Market value	Market value changes recog. in equity	Ø Effective interest rate in %	Carrying amount	Market value	Market value changes recog. in equity	Ø Effective interest rate in %
Shares in funds	6,679	6,679	82	0.78	6,611	6,611	-206	0.78
Corporate bonds	9,195	9,195	-264	7.44	9,449	9,449	-1,448	7.46
Stock	18	18	0	-	12	12	0	-
Other	854	854	8	-	1,287	1,287	-23	-
Available-for-sale financial instruments	**16,746**	**16,746**	**-174**		**17,359**	**17,359**	**-1,677**	

In addition to the available-for-sale financial instruments, other investments in the amount of TEUR 7,035 (2015: TEUR 7,067), which are recognized at cost (see Note 21. Investments), are also assigned to this category. The resulting total of available-for-sale financial instruments therefore is TEUR 23,781 (2015: TEUR 24,426).

Financial instruments held for trading

in TEUR	2016		2015	
	Carrying amount	Market value	Carrying amount	Market value
Derivatives from cash flow hedges	358	358	1,263	1,263
Derivatives from net investment hedges	9,051	9,051	6,021	6,021
Other derivatives	3,610	3,610	5,306	5,306
Derivatives with positive market value	**13,019**	**13,019**	**12,590**	**12,590**

The balance sheet item of securities and other financial assets can be broken down as follows:

in TEUR	2016	2015
Loans granted	22,975	28,477
Available-for-sale financial instruments - short-term	16,746	17,359
Derivatives with positive market value	13,019	12,590
Securities and other financial assets	**52,740**	**58,426**

24. Other receivables

in TEUR	2016			2015		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Receivables from current taxes	**9,868**	**9,868**	**0**	**12,195**	**12,195**	**0**
Prepaid expenses and deferred charges	14,962	14,623	339	13,678	13,333	345
Miscellaneous receivables	58,199	51,655	6,544	51,585	47,218	4,367
Other receivables	**73,161**	**66,278**	**6,883**	**65,263**	**60,551**	**4,712**

Miscellaneous receivables with a remaining term < 1 year consist primarily of receivables due from tax authorities and social security institutions. Miscellaneous non-current receivables include a receivable from the sale of extraction rights of a sand pit, which is due and payable over the medium term.

25. Non-current assets held for sale

Assets with carrying amounts of TEUR 5,380 (2015: TEUR 0) are designated as held for sale. The majority of these items are land and buildings at plant locations that have been permanently closed and that are expected by the management to be sold within the next 12 months. In accordance with IFRS 13, the fair values of these assets that are derived from comparable transactions are allocated to level 2 in the fair-value hierarchy and reported at TEUR 12,895 (2015: TEUR 0).

26. Group equity

The development of Group equity in 2016 and 2015 is shown on pages 106 and 107.

The 147th Annual General Meeting of Wienerberger AG on May 12, 2016 authorized the Managing Board to buy back the company's own shares, up to the legally defined limit, during a period of 30 months beginning on the day the resolution was passed. The price for these share purchases must not exceed twice the stock market quotation on May 12, 2016 and must not be lower than EUR 1.00 per share. The Managing Board was also empowered, without obtaining further authorization from the Annual General Meeting, to redeem or resell the shares bought back and to sell treasury shares in a manner other than on the stock exchange or through a public offer. This authorization replaces the authorization for the buyback of treasury shares that was granted by the Annual General Meeting on May 16, 2014.

The Annual General Meeting on May 16, 2014 approved authorized capital of EUR 17,629,014. This approval covers an ordinary capital increase in exchange for contributions in cash or in kind within a period of five years, contingent upon the consent of the Supervisory Board. Share capital can be increased by a maximum of EUR 17,629,014 through the issue of up to 17,629,014 new bearer shares, with the possibility of excluding subscription rights for fractional amounts. The capital increase can be carried out in several tranches, if necessary. The Managing Board is authorized to determine the type of shares, the issue price and the issue conditions, contingent upon the approval of the Supervisory Board. In principle, the shareholders have statutory subscription rights. However, the Managing Board is authorized to exclude these subscription rights in two special cases with the approval of the Supervisory Board: first, for a capital increase in case of a contribution 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). This authorization is valid until June 25, 2019.

Group equity totaled TEUR 1,848,956 as of December 31, 2016, compared to TEUR 2,054,219 in the previous year. The reduction in equity resulted primarily from the announcement to repurchase hybrid capital on December 14, 2016 as well as from the payment of the hybrid coupon and the dividend. While profit after tax increased equity by TEUR 115,327 (2015: TEUR 69,815), the other components of other comprehensive income reduced equity by TEUR 23,774 (2015: increase of TEUR 36,378) after the deduction of deferred taxes. As at December 31, 2016, the share of equity in total assets amounted to 51% (2015: 56%), and net debt increased from TEUR 534,116 in 2015 to TEUR 631,602, which resulted from the reclassification of hybrid capital to financial liabilities.

At the end of the financial year, total non-controlling interests came to TEUR 19,831, of which TEUR 19,497 represented non-controlling interests in Tondach. The minority interest in the Tondach Group amounts to 17.81%. The change in non-controlling interests in the financial year primarily resulted from current earnings and foreign exchange effects.

The following table shows the balance sheet development of Tondach Group and the non-controlling interests:

Assets *in TEUR*	31/12/2016	31/12/2015	Equity and liabilities *in TEUR*	31/12/2016	31/12/2015
Non-current assets	154,621	163,169	Controlling interests	90,643	82,582
Current assets	74,340	71,116	Non-controlling interests	19,497	17,852
			Equity	110,140	**100,434**
			Non-current provisions and liabilities	97,945	112,027
			Current provisions and liabilities	20,876	21,824
	228,961	**234,285**		228,961	**234,285**

The share capital of Wienerberger AG totaled EUR 117,526,764 as of December 31, 2016 and is divided into 117,526,764 no-par value shares that all carry the same rights. All shares are fully paid in. A dividend of EUR 0.20 per share was paid out in 2016, i.e. TEUR 23,505 less TEUR 114 for treasury shares (pro rata), or TEUR 23,391 in total.

Effective February 9, 2016 Wienerberger AG paid the TEUR 32,500 coupon for the hybrid bond that was issued on February 9, 2007 and reported as hybrid capital in the balance sheet.

The hybrid bond from 2007 is subordinated to all other creditors and is a perpetual bond with a volume of TEUR 500,000 and a coupon of 6.5%, which can be suspended if no dividend is paid. After ten years Wienerberger AG may call the hybrid bond or extend the term at a variable interest rate (3-month EURIBOR +325 BP). In September 2014, Wienerberger submitted an offer to investors to exchange up to TEUR 300,000 of the existing hybrid bond for a new hybrid bond, which was accepted with a volume of TEUR 272,188 at the beginning of October 2014. The new hybrid bond has a fixed interest rate of 6.5% up to February 9, 2017, which then changes to a fixed rate of 5% up to 2021, when the issuer is entitled to call the bond for the first time.

In the first quarter of 2016, an amount of TEUR 6,000 of the nominal value of the 2007 hybrid capital was repurchased at an average price of 99.5% and TEUR 20 interest accrued therefore was paid.

On December 14, 2016, Wienerberger exercised its right of call and announced the repayment of the nominal value of the 2007 hybrid bond of TEUR 221,812 on February 9, 2017. At the same time the hybrid bond was reclassified to financial liabilities at fair value. The coupon accrued in the amount of TEUR 12,206 was shown as part of the appropriation of net income.

The 2014 hybrid bond meets the criteria defined by IAS 32 for classification as an equity instrument, which is why the coupons payable are shown as part of the appropriation of net income in the statement of changes in equity. In 2016 the coupon reduced earnings per share by EUR 0.27.

Retained earnings of TEUR 586,961 (2015: TEUR 546,754) include the retained earnings of Wienerberger AG and all retained earnings of subsidiaries not eliminated within the framework of capital consolidation. Group results for 2016, excluding the share of profit or loss due to non-controlling interests, are shown under retained earnings.

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

Change of control clauses are included in the employment contracts with the members of the Managing Board, in the terms of the 2011 and 2013 corporate bonds, and the 2007 and 2014 hybrid bonds, and in various syndicated term loans and other loans.

27. Provisions

in TEUR	1/1/2016	Foreign exchange incr./decr.	Change in scope of consolidation	Reversal	Use	Addition	31/12/2016
Provisions for warranties	26,674	-422	0	1,817	1,974	3,634	**26,095**
Provisions for site restoration	33,322	201	342	2,940	3,215	5,645	**33,355**
Miscellaneous non-current provisions	11,787	-57	0	1,619	4,140	5,776	**11,747**
Other non-current provisions	**71,783**	**-278**	**342**	**6,376**	**9,329**	**15,055**	**71,197**
Provisions for current taxes	4,228	21	0	2,534	0	439	**2,154**
Other current provisions	53,688	-66	0	9,756	31,647	20,914	**33,133**
Current provisions	**57,916**	**-45**	**0**	**12,290**	**31,647**	**21,353**	**35,287**
Other provisions	**129,699**	**-323**	**342**	**18,666**	**40,976**	**36,408**	**106,484**

Miscellaneous non-current provisions primarily include other non-current employee-related provisions. Other current provisions mostly include restructuring provisions as well as other current employee-related provisions.

28. Employee benefits

The obligations for employee benefits are as follows:

in TEUR	1/1/2016	Foreign exchange incr./decr.	Change in scope of consolidation	Reversal	Use	Addition	31/12/2016
Provisions for severance payments	32,951	-107	26	673	2,626	4,875	34,446
Provisions for pensions	119,256	-3,650	0	6,781	8,183	27,248	127,890
Provisions for jubilee bonuses	8,368	-47	85	208	635	1,589	9,152
Employee-related provisions	**160,575**	**-3,804**	**111**	**7,662**	**11,444**	**33,712**	**171,488**

The obligations for post-employment benefits total TEUR 162,336 (2015: TEUR 152,207) and comprise pension obligations of TEUR 127,890 (2015: TEUR 119,256) and severance compensation obligations of TEUR 34,446 (2015: TEUR 32,951). The relevant accounting and valuation principles are described on page 166.

The company is exposed to various risks in connection with the plans for post-employment benefits. In addition to general actuarial risks, such as an increase in the life expectancy for retirement benefits and interest rate risks, the company is also exposed to foreign exchange risks or investment risks on the capital markets.

Pension obligations

Wienerberger has made pension commitments to selected managers as well as to its employees in Austria, the Netherlands, Great Britain, Scandinavia, the USA, Canada, Germany, Belgium and Switzerland. *Defined contribution* plans represent the goal for future pension agreements. Since 2004, *defined benefit* pension agreements with active managers have been regularly converted to defined contribution pension models through the transfer of previously earned claims to pension funds. Wienerberger has also made a number of defined pension commitments, mainly to former managers, based on unfunded pension plans; the length of service forms the basis for retirement benefits under these plans. The employees of General Shale Brick Inc. (USA) have a funded defined benefit pension plan as well as an unfunded (retirement) health insurance scheme. ZZ Wancor AG (Switzerland) has a funded defined benefit pension scheme, which is outsourced to an external pension fund, with the company being de facto obligated to make additional contributions if the collective foundation were to become insolvent. Entitlements earned by Dutch employees are satisfied through a defined contribution pension plan, primarily through contributions to an industry-wide pension fund in the Netherlands. In Great Britain, a defined contribution pension plan covers all employees. The companies of thebrickbusiness, acquired in 2004, as well as Baggeridge, acquired in 2007, had defined benefit models; a provision was created to reflect these obligations.

There are also defined benefit pension plans for the employees of the Steinzeug-Keramo Group. The prior commitments made to the employees included in the Dutch pension plan of Steinzeug-Keramo were frozen in 2016 and a new insurance taken out. As the amounts of any additional contributions that may be required are insignificant, the pension provision was derecognized in line with IAS 19.49. In a first step, the plan assets were written up to the amount of the gross pension obligation and, in a second step, both the gross pension obligation and the plan assets derecognized as settlements. This resulted in income in the amount of TEUR 641, which was reported as a deviation of return on plan assets in other comprehensive income.

The Pipelife Group has defined benefit pension plans for individual members of the management in the Netherlands, Belgium, Norway, Austria and Germany. In the 2016 financial year, a reinsurance policy was taken out for Pipelife International GmbH (Austria), covering all claims under the pension plan. Therefore this provision was derecognized, as was the case in Steinzeug Netherlands. The resulting effect in other comprehensive income of TEUR 396 is also reported as a deviation of return on plan assets.

Due to a change in legislation in Belgium, defined contribution plans now have to be shown as defined benefit plans, which results from the obligation on the part of the employer to guarantee a minimum interest rate. The effects of this first-time integration of these plans into the reconciliation of the defined benefit pension obligations were shown as reclassifications in the reconciliation of gross pension obligations and plan assets. At the balance sheet date, the net pension obligations from these defined contribution plans amounted to TEUR 276.

The calculations are based on the following weighted average parameters:

Parameters	2016	2015
Discount rate	2.3%	2.9%
Expected salary increases	1.0%	1.0%
Expected pension increases	1.3%	1.2%
Average employee turnover	0.1%	0.1%
Mortality tables		
Austria	AVÖ 2008-P	AVÖ 2008-P
Germany	Heubeck 2005 G	Heubeck 2005 G
Switzerland	BVG 2015 GT	BVG 2010 GT
USA	RP-2014 with scale MP-2015	RP-2000 Generational BB
Great Britain	105% of SAPS Normal Tables with allowance (CMI 2014)	105% of SAPS Normal Tables with allowance (CMI 2011)
Belgium	MR-3/FR-3	MR-3/FR-3
Norway	K2013 BE Mortality Table	K2013 BE Mortality Table
Canada	CIA Private Sector Mortality Table	CIA Private Sector Mortality Table
Netherlands	AG Prognosetafel 2016	AG Prognosetafel 2014

The country-specific discount rate is based on the average return on first-rate, fixed-interest industrial bonds with a term to maturity that reflects the average maturity of the obligations to employees.

Total pension expenses for 2016 cover both defined contribution and defined benefit pension plans. The current and past service cost and the effects of plan settlements are reported under operating results and the net interest effect under interest result.

in TEUR	2016	2015
Defined contribution plans	**15,349**	**14,255**
Defined benefit plans		
Service cost for defined benefit plans	3,232	3,803
Past service cost	0	-86
Effects of settlements and curtailments	-18	-2,651
Net interest cost	3,464	3,424
Expenses for defined benefit plans	**6,678**	**4,490**
Total expenses for pensions	**22,027**	**18,745**

The gross pension obligations can be reconciled to net obligations as shown on the balance sheet by deducting the fair value of plan assets. Of the total net obligations, TEUR 11,472 (2015: TEUR 12,436) is related to the US (retirement) health insurance program. A change in the cost trend for medical services would not have any major impact on the interest cost or the defined benefit pension obligation.

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

	Defined benefit pension obligations		Fair value of plan assets	
in TEUR	2016	2015	2016	2015
Value as of 1/1	**412,533**	**397,507**	**293,277**	**285,088**
Reclassifications	12,633	113	12,839	1,193
Foreign exchange increase/decrease	-16,275	23,327	-12,625	17,906
Service cost for defined benefit pension plans	3,232	3,803	0	0
Interest cost	10,705	12,018	0	0
Expected income from plan assets	0	0	7,241	8,594
Effects of plan curtailments	-46	-3,286	0	0
Actuarial gains/losses	35,098	-3,527	21,098	-10,187
Past service cost	0	-86	0	0
Payments to retirees	-17,059	-19,753	-16,308	-18,496
Payments received from employees	1,250	1,782	1,250	1,782
Settlements	-18,559	635	-18,587	0
Payments received from employers	-462	0	6,975	7,397
Value as of 31/12	**423,050**	**412,533**	**295,160**	**293,277**
Fair value of plan assets	-295,160	-293,277		
Net pension obligations	**127,890**	**119,256**		
Actuarial gains/losses resulting from pension plans				
Actuarial gains/losses from changes in demographic assumptions	-6,585	-3,183		
Actuarial gains/losses from changes in financial assumptions	56,888	-1,769		
Actuarial gains/losses from experience adjustments	-15,205	1,425		
Deviation of return on plan assets	-21,098	10,187		
Actuarial gains (-)/losses (+) in other comprehensive income	**14,000**	**6,660**		

Pension plan assets consist mainly of the assets of funded defined benefit pension plans in the USA, Great Britain, Switzerland and Pipelife's plan in the Netherlands. The plan assets are invested in shares (36%; 2015: 38%), bonds (53%; 2015: 49%) and other assets (11%; 2015: 13%).

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

Sensitivity of the gross pension obligation	Change of parameter in basis points (bp)/years	Increase of parameter in TEUR	Decrease of parameter in TEUR
Discount rate	+/-25 bp	-18,235	19,088
Salary increase	+/-100 bp	2,452	-1,831
Employee turnover	+/-100 bp	-1,131	977
Life expectancy	+/-1 year	12,142	-12,138

The contributions to defined benefit pension plans are expected to total TEUR 9,762 in 2017. As of December 31, 2016, the weighted average duration of the pension obligations was 15 years (2015: 14 years).

Severance compensation obligations

Legal regulations grant Austrian employees who joined the company before January 1, 2003, the right to a lump-sum payment at retirement or termination by the employer, the amount of the payment being dependent on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations in France, Italy, Poland and Turkey.

The acquisition of the clay block plant in Poland in early 2016 added a further defined benefit plan through changes in the scope of consolidation.

The country-specific discount rate used to calculate the severance compensation obligations under the projected unit credit method was based on the same yield curve used to calculate the pension obligations. The calculations are based on the following weighted average parameters:

Parameters	2016	2015
Discount rate	1.1%	1.5%
Expected salary increases	1.6%	1.7%
Average employee turnover	1.3%	2.0%

The current and past service cost and the effects of settlement payments from defined benefit severance compensation plans are reported under operating results, while the net interest effect is included under interest result.

in TEUR	2016	2015
Defined contribution plans	**1,743**	**1,753**
Defined benefit plans		
Service cost for defined benefit plans	**1,385**	1,655
Past service cost	**37**	0
Effects of settlements	**1**	-673
Net interest cost	**498**	570
Expenses for defined benefit plans	**1,921**	**1,552**
Expenses for severance payments	**3,664**	**3,305**

The severance compensation obligations in France are covered by plan assets, which are held in shares (10%; 2015: 1%), bonds (81%; 2015: 9%) and other assets (9%; 2015: 90%).

The following table shows the composition of the severance compensation obligations and their coverage through plan assets:

	Defined benefit severance obligations		Fair value of plan assets	
in TEUR	2016	2015	2016	2015
Value as of 1/1	**35,044**	**33,745**	**2,093**	**2,033**
Change in scope of consolidation	**26**	0	**0**	0
Reclassifications	**-121**	1,040	**0**	0
Foreign exchange increase/decrease	**-107**	-61	**0**	0
Service cost for defined benefit severance obligations	**1,385**	1,655	**0**	0
Interest cost	**598**	630	**0**	0
Expected income from plan assets	**0**	0	**100**	60
Effects of settlements	**1**	-673	**0**	0
Actuarial gains/losses	**2,370**	1,322	**0**	0
Past service cost	**37**	0	**0**	0
Payments	**-2,594**	-2,614	**0**	0
Value as of 31/12	**36,639**	**35,044**	**2,193**	**2,093**
Fair value of plan assets	**-2,193**	-2,093		
Net severance compensation obligations	**34,446**	**32,951**		
Actuarial gains/losses resulting from severance payment plans				
Actuarial gains/losses from changes in demographic assumptions	**324**	-207		
Actuarial gains/losses from changes in financial assumptions	**929**	567		
Actuarial gains/losses from experience adjustments	**1,117**	962		
Actuarial gains (-)/losses (+) in other comprehensive income	**2,370**	**1,322**		

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

Sensitivity of the gross severance obligation	Change of parameter *in basis points (bp)*	Increase of parameter *in TEUR*	Decrease of parameter *in TEUR*
Discount rate	+/-25 bp	-943	1,465
Salary increase	+/-100 bp	4,392	-2,956
Employee turnover	+/-100 bp	-2,977	2,474

The contributions to defined benefit severance compensation plans are expected to total TEUR 1,204 in 2017. As of December 31, 2016, the weighted average duration of the severance compensation obligations was 12 years (2015: 11 years).

29. Deferred taxes

The following deferred tax assets and deferred tax liabilities as of December 31, 2016 and December 31, 2015 are the result of temporary valuation and accounting differences between carrying amounts in the consolidated financial statements and the respective tax assessment bases:

in TEUR	2016		2015	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	3,749	-37,289	6,466	-38,721
Property, plant and equipment	18,722	-121,873	15,498	-135,994
Inventories	2,878	-5,931	2,704	-5,117
Receivables	6,724	-9,244	7,739	-9,153
Miscellaneous receivables	95,766	-57	91,197	-46
	127,839	**-174,394**	**123,604**	**-189,031**
Provisions	34,599	-2,917	33,642	-3,408
Liabilities	7,559	-3,242	7,919	-4,218
Prepayments received	564	-1,228	334	-235
	42,722	**-7,387**	**41,895**	**-7,861**
Tax losses carried forward	434,612		421,981	
Deferred tax assets/liabilities	**605,173**	**-181,781**	**587,480**	**-196,892**
Unrecognized deferred tax assets	-486,784		-456,432	
Offset within legal tax units and jurisdictions	-101,022	101,022	-112,556	112,556
Recognized tax assets/liabilities	**17,367**	**-80,759**	**18,492**	**-84,336**

In the consolidated financial statements, deferred tax assets were not recognized for deductible temporary differences and tax losses carried forward (including pro-rata depreciation and amortization) of TEUR 1,682,927 (2015: TEUR 1,569,777), because medium-term planning did not reliably demonstrate their utilization as tax relief. This represents deferred tax assets totaling TEUR 486,784 (2015: TEUR 456,432).

The following table shows when unused tax losses expire:

in TEUR	2016	2015
Expiry date of unused tax losses < 5 years	46,445	53,479
Expiry date of unused tax losses 6 - 10 years	74,552	53,329
Expiry date of unused tax losses > 10 years	288,121	0
Expiry date of unused tax losses unlimited	1,011,322	1,207,465
Total of unused tax losses	**1,420,440**	**1,314,273**

Temporary pro-rata depreciation and amortization, which is tax-deductible under Austrian law, amounted to TEUR 236,988 (2015: TEUR 300,108) for Wienerberger AG. Deferred tax assets were not recognized for this amount in 2016 or 2015.

As at 31/12/2016, tax-deductible temporary differences associated with investments in subsidiaries amounted to TEUR 52,080, for which no deferred tax assets were recognized in accordance with IAS 12.44 (outside basis differences). As at 31/12/2015, however, taxable temporary differences amounted to TEUR 198,435, for which no deferred tax liabilities were recognized in accordance with IAS 12.39.

30. Liabilities

Liabilities are generally measured at amortized cost, except for derivatives with negative market values, which are measured at fair value.

The remaining terms of the various categories of liabilities are shown in the following tables:

2016 in TEUR	Total	Remaining term < 1 year	Remaining term 1-5 years	Remaining term > 5 years	Thereof secured by collateral
Interest-bearing loans	881,292	399,909	481,383	0	71
Finance leases	51	0	51	0	0
Financial liabilities owed to subsidiaries	15	15	0	0	0
Financial liabilities	**881,358**	**399,924**	**481,434**	**0**	**71**
Trade payables owed to third parties	301,815	301,815	0	0	0
Trade payables owed to subsidiaries	903	903	0	0	0
Trade payables	**302,718**	**302,718**	**0**	**0**	**0**
Payables for current taxes	**15,912**	**15,912**	**0**	**0**	**0**
Prepayments received on orders	4,611	4,586	14	11	0
Amounts owed to tax authorities and social security institutions	53,085	53,065	0	20	0
Prepayments received	10,444	6,788	1,083	2,573	0
Miscellaneous liabilities	161,362	161,072	283	7	0
Other liabilities	**229,502**	**225,511**	**1,380**	**2,611**	**0**
Total liabilities	**1,429,490**	**944,065**	**482,814**	**2,611**	**71**

2015 *in TEUR*	Total	Remaining term < 1 year	Remaining term 1-5 years	Remaining term > 5 years	Thereof secured by collateral
Interest-bearing loans	747,138	239,608	507,530	0	2,974
Financial liabilities owed to subsidiaries	282	282	0	0	0
Financial liabilities	**747,420**	**239,890**	**507,530**	**0**	**2,974**
Trade payables owed to third parties	275,339	275,339	0	0	0
Trade payables owed to subsidiaries	977	977	0	0	0
Trade payables	**276,316**	**276,316**	**0**	**0**	**0**
Payables for current taxes	**11,698**	**11,698**	**0**	**0**	**0**
Prepayments received on orders	4,703	3,774	929	0	0
Amounts owed to tax authorities and social security institutions	49,553	49,533	20	0	0
Prepayments received	10,273	7,028	789	2,456	0
Miscellaneous liabilities	162,850	162,701	106	43	0
Other liabilities	**227,379**	**223,036**	**1,844**	**2,499**	**0**
Total liabilities	**1,262,813**	**750,940**	**509,374**	**2,499**	**2,974**

Miscellaneous liabilities include TEUR 54,743 (2015: TEUR 51,617) due to employees and TEUR 92,895 (2015: TEUR 68,260) from accruals for bonuses and other sales deductions due to customers. Prepayments received include TEUR 4,604 (2015: TEUR 5,021) of subsidies and investment grants from third parties, which are reversed to income over the useful life of the related items of property, plant and equipment. In addition to liabilities from current taxes, amounts owed to tax authorities and social security institutions also include tax liabilities of TEUR 28,791 (2015: TEUR 26,388).

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

Financial instruments held for trading

in TEUR	2016	2015
Derivatives from cash flow hedges	589	594
Derivatives from net investment hedges	4,241	13,467
Other derivatives	7,166	5,545
Derivatives with negative market value	**11,996**	**19,606**

Total liabilities include TEUR 1,417,494 (2015: TEUR 1,243,207) of financial liabilities at amortized cost, TEUR 4,830 (2015: TEUR 14,061) of derivatives in hedges and TEUR 7,166 (2015: TEUR 5,545) of other derivatives.

Financial liabilities are expected to result in the following cash flows:

Analysis of contractual cash flows

2016 *in TEUR*	Carrying amount as at 31/12/2016	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	644,471	-700,730	-254,230	-5,250	-117,250	-324,000	0
Commercial paper	34,416	-34,500	-32,500	-2,000	0	0	0
Liabilities to banks	190,320	-207,977	-102,156	-17,552	-50,641	-37,628	0
Liabilities to non-banks	155	-289	0	0	-243	-46	0
Primary financial instruments	**869,362**	**-943,496**	**-388,886**	**-24,802**	**-168,134**	**-361,674**	**0**
Interest rate derivatives	6,595	-7,472	-1,456	-6	-1,462	-4,548	0
Forward exchange contracts and swaps	5,401	-10,737	-2,629	-915	-1,461	-5,732	0
Derivative financial instruments	**11,996**	**-18,209**	**-4,085**	**-921**	**-2,923**	**-10,280**	**0**
Carrying amounts/Contractual cash flows	**881,358**	**-961,705**	**-392,971**	**-25,723**	**-171,057**	**-371,954**	**0**

2015 *in TEUR*	Carrying amount as at 31/12/2015	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	408,152	-475,750	-12,000	-5,250	-17,250	-441,250	0
Commercial paper	1,000	-1,000	-1,000	0	0	0	0
Liabilities to banks	317,217	-328,525	-147,819	-77,956	-22,300	-80,450	0
Liabilities to non-banks	1,445	-1,163	-135	-73	-681	-246	-28
Primary financial instruments	**727,814**	**-806,438**	**-160,954**	**-83,279**	**-40,231**	**-521,946**	**-28**
Interest rate derivatives	5,149	3,100	-1,929	2,065	1,482	1,482	0
Forward exchange contracts and swaps	14,457	34,628	-5,317	-784	-5,265	22,815	23,179
Derivative financial instruments	**19,606**	**37,728**	**-7,246**	**1,281**	**-3,783**	**24,297**	**23,179**
Carrying amounts/Contractual cash flows	**747,420**	**-768,710**	**-168,200**	**-81,998**	**-44,014**	**-497,649**	**23,151**

31. Contingent liabilities and guarantees

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

in TEUR	31/12/2016	31/12/2015
Guarantees	23,835	27,392
Other contractual obligations	2,525	2,281
Contingent liabilities	**26,360**	**29,673**

All events reported under contingent liabilities reflect possible future obligations that are contingent upon the occurrence of a future event that is completely uncertain as of the balance sheet date.

32. Financial instruments

Interest-bearing financial liabilities comprise the following items:

2016	Currency	Nominal value	Market value	Carrying amount as at 31/12/2016	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Long-term loans	*EUR*	53,400	55,052	53,400	1.38
Roll-over	*TRY*	750	205	202	7.59
Short-term loans	*EUR*	13,419	13,509	13,419	2.23
Fixed interest liabilities due to financial institutions			**68,766**	**67,021**	

2015	Currency	Nominal value	Market value	Carrying amount as at 31/12/2015	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Long-term loans	*EUR*	46,970	49,202	47,405	2.55
Roll-over	*TRY*	2,000	632	630	7.64
Short-term loans	*EUR*	21,573	21,721	21,789	2.94
	TRY	13,392	4,216	4,215	-
Fixed interest liabilities due to financial institutions			**75,771**	**74,039**	

2016	Currency	Nominal value	Market value	Carrying amount as at 31/12/2016	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Long-term loans	*EUR*	30,071	**30,889**	**30,071**	1.58
Roll-over	*EUR*	80,000	79,239	**80,000**	1.20
	TRY	5,135	1,373	**1,386**	10.51
			80,612	**81,386**	
Short-term loans	*EUR*	6,825	6,751	**6,825**	
	TRY	12,832	3,461	**3,461**	-
	USD	1,435	1,361	**1,361**	-
	CAD	267	188	**188**	-
	RSD	435	4	**4**	-
	BGN	5	3	**3**	-
			11,768	**11,842**	
Derivatives	*other in EUR*	375,148	**11,996**	**11,996**	-
Variable interest liabilities due to financial institutions			**135,265**	**135,295**	

2015	Currency	Nominal value	Market value	Carrying amount as at 31/12/2015	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Long-term loans	*EUR*	62,857	**64,777**	**62,873**	0.87
Roll-over	*EUR*	88,000	87,382	**88,259**	1.26
	TRY	5,704	1,753	**1,796**	13.00
			89,135	**90,055**	
Short-term loans	*EUR*	88,815	88,649	**88,996**	1.38
	CAD	368	244	**244**	-
	DKK	19	3	**3**	-
	HRK	59	8	**8**	-
	RSD	900	7	**7**	-
	USD	1,081	993	**992**	-
			89,904	**90,250**	
Derivatives	*other in EUR*	399,348	**19,606**	**19,606**	-
Variable interest liabilities due to financial institutions			**263,422**	**262,784**	

2016	Currency	Nominal value	Market value	Carrying amount as at 31/12/2016	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Bonds – fixed interest (long-term)	*EUR*	400,000	428,265	**397,822**	4.31
Bonds – fixed interest (short-term)	*EUR*	221,812	220,355	**222,740**	3.61
Bonds – fixed interest (accrued interest)	*EUR*	23,909	23,909	**23,909**	-
Long-term loans – fixed interest	*EUR*	19	21	**19**	3.80
	USD	74	68	**70**	-
Commercial paper – fixed interest	*EUR*	34,416	34,103	**34,416**	0.31
Finance leases	*EUR*	51	51	**51**	-
Financial liabilities owed to subsidiaries	*EUR*	15	15	**15**	-
Financial liabilities owed to non-banks			**706,787**	**679,042**	

2015	Currency	Nominal value	Market value	Carrying amount as at 31/12/2015	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Bonds – fixed interest (long-term)	*EUR*	400,000	419,614	**397,089**	4.31
Bonds – fixed interest (accrued interest)	*EUR*	11,063	11,063	**11,063**	-
Long-term loans – fixed interest	*EUR*	28	31	**28**	3.80
	USD	148	131	**136**	-
Short-term loans – fixed interest	*EUR*	1,000	1,018	**999**	0.15
Commercial paper – fixed interest	*EUR*	994	987	**1,000**	0.61
Financial liabilities owed to subsidiaries	*EUR*	282	282	**282**	-
Financial liabilities owed to non-banks			**433,126**	**410,597**	

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 174.

33. Derivative financial instruments and hedge accounting

The market value of derivative financial instruments represents the value the company would receive or be required to pay on settlement as of the balance sheet date. Current market conditions – above all current interest rates, foreign exchange rates and the credit standing of the counterparty – are taken into account. These valuation parameters can be monitored on the market and are available to all relevant market participants. The resulting fair value of the respective derivative instrument reflects the market valuation by the bank with which Wienerberger contracted the derivative and is extended to include IFRS 13 factors (credit value and debit value adjustments – CVA/DVA).

As of December 31, 2016, Wienerberger held forward exchange contracts that were concluded to hedge transaction risks for a period of up to 12 months. The risk positions covered by these hedges are documented in the Group's foreign- currency-based liquidity planning. These derivatives are classified as cash flow hedges of future transactions, and changes in their market value during the term are recognized in the hedging reserve. The effectiveness of the individual hedges is measured quarterly based on the hypothetical derivative method. The ineffective portion of the change in market value is recognized through profit or loss and consists primarily of the CVA/DVA as defined in IFRS 13. At the maturity date of the derivative, the cumulative market value differences are reclassified from other comprehensive income to profit or loss.

The Wienerberger Group also holds currency swaps that are used to hedge cash pool balances in foreign currencies. The foreign currency differences on the bank account balances that are hedged with these instruments are recognized through profit or loss and, consequently, the market value differences of the hedges are also recognized through profit or loss. As these are natural hedges, hedge accounting is not required.

As of December 31, 2016, two interest rate swaps were in effect which were used to optimize the interest expense and are measured through profit or loss without the application of hedge accounting.

The cross currency swaps used by Wienerberger represent derivatives that hedge the Group's net investments in various currencies (Swiss francs, US dollars, British pounds, Canadian dollars, Czech korunas and Polish zlotys) and are therefore classified as hedges of a net investment in a foreign operation. The effectiveness of these instruments is measured quarterly by comparing the cumulative market value changes with the cumulative currency differences of the hedged position. The effective portion of the hedge is recognized in the hedging reserve, and the ineffective portion is recognized through profit or loss.

	31/12/2016			31/12/2015		
	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*
Forward exchange contracts	EUR	97,508	-434	EUR	96,026	509
	CZK	70,429	-10	CZK	118,453	6
	GBP	21,005	153	GBP	37,755	-79
	HUF	1,754,443	-27	HUF	2,205,713	43
	NOK	231,743	-416	NOK	78,636	740
	PLN	22,357	-4	PLN	16,916	3
	RUB	30,000	-48	RUB	85,000	92
	SEK	80,005	133	SEK	149,708	-186
Interest rate swaps	EUR	150,000	-3,430	EUR	150,000	-697
Cross currency swaps	CAD/EUR	10,500	-338	CAD/EUR	33,500	3,003
	CHF/EUR	8,000	-119	CHF/EUR	28,000	-4,469
	CZK/EUR	1,198,824	-1,079	CZK/EUR	1,383,824	-442
	GBP/EUR	73,000	6,960	GBP/EUR	73,000	-7,210
	PLN/EUR	80,000	1,558	PLN/EUR	130,000	1,589
	USD/EUR	125,000	-2,172	USD/EUR	100,000	82
Currency option	GBP/EUR	14,382	296	GBP/EUR	0	0
			1,023			**-7,016**

34. Disclosures on financial instruments

Financial instruments are classified in three levels that reflect the degree of valuation certainty. Wienerberger uses the following hierarchy to classify financial instruments measured at fair value according to the valuation method used:

- Level 1: Valuation based on the market price for a specific financial instrument
- Level 2: Valuation based on the market prices for similar instruments or on valuation models that only use parameters that can be monitored on the market
- Level 3: Valuation based on models with significant parameters that cannot be monitored on the market

The financial instruments regularly carried at fair value by the Wienerberger Group are generally classified under level 1 (shares in funds, corporate bonds and stock; see Note 23. Receivables, securities and other financial assets) or level 2 (other available-for-sale financial instruments and derivative financial instruments; see Note 33. Derivative financial instruments and hedge accounting). No items were reclassified between hierarchy levels during the reporting year.

Other securities recognized at fair value as available-for-sale financial instruments are classified mainly in level 3 of the valuation hierarchy. They serve as reinsurance for pension obligations and netting against the provision is not permitted.

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

Financial assets and financial liabilities carried at fair value

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2016
Assets				
Shares in funds	6,679			6,679
Corporate bonds	9,195			9,195
Stock	18			18
Other		42	812	854
Available-for-sale financial instruments	**15,892**	**42**	**812**	**16,746**
Derivatives from cash flow hedges		358		358
Derivatives from net investment hedges		9,051		9,051
Other derivatives		3,610		3,610
Derivatives with positive market value		**13,019**		**13,019**
Liabilities				
Derivatives from cash flow hedges		589		589
Derivatives from net investment hedges		4,241		4,241
Other derivatives		7,166		7,166
Derivatives with negative market value		**11,996**		**11,996**

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2015
Assets				
Shares in funds	6,611			6,611
Corporate bonds	9,449			9,449
Stock	12			12
Other		43	1,244	1,287
Available-for-sale financial instruments	**16,072**	**43**	**1,244**	**17,359**
Derivatives from cash flow hedges		1,263		1,263
Derivatives from net investment hedges		6,021		6,021
Other derivatives		5,306		5,306
Derivatives with positive market value		**12,590**		**12,590**
Liabilities				
Derivatives from cash flow hedges		594		594
Derivatives from net investment hedges		13,467		13,467
Other derivatives		5,545		5,545
Derivatives with negative market value		**19,606**		**19,606**

The valuation of financial instruments classified under level 3 is shown in the following table:

	Other securities		Financial liabilities	
in TEUR	2016	2015	2016	2015
Balance on 1/1	**1,244**	**1,496**	**0**	**3,315**
Result from valuation	**-36**	-9	**0**	258
Disposals	**-396**	-243	**0**	-3,632
Reclassifications	**0**	0	**0**	59
Balance on 31/12	**812**	**1,244**	**0**	**0**

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

Trade receivables and trade payables, loans granted and other receivables and liabilities mostly have a term of less than one year. The respective carrying amounts generally correspond to fair values and are therefore not reported separately.

Financial assets and financial liabilities at amortized cost

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2016
Assets				
Other non-current receivables		**6,883**		**6,883**
Liabilities				
Long-term loans		85,941		**83,471**
Roll-over		80,817		**81,588**
Short-term loans		25,277		**25,261**
Financial liabilities owed to financial institutions		**192,035**		**190,320**
Bonds	672,529			**644,471**
Long-term loans		89		**89**
Commercial paper		34,103		**34,416**
Finance leases		51		**51**
Financial liabilities owed to subsidiaries		15		**15**
Financial liabilities owed to non-banks	**672,529**	**34,258**		**679,042**

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2015
Assets				
Other non-current receivables		**4,712**		**4,712**
Liabilities				
Long-term loans		113,979		**110,278**
Roll-over		89,767		**90,685**
Short-term loans		115,841		**116,254**
Financial liabilities owed to financial institutions		**319,587**		**317,217**
Bonds	430,677			**408,152**
Long-term loans		162		**164**
Commercial paper		987		**1,000**
Short-term loans		1,018		**999**
Financial liabilities owed to subsidiaries		282		**282**
Financial liabilities owed to non-banks	**430,677**	**2,449**		**410,597**

Accounting and Valuation Principles

Revenues: Revenue arising from the provision of goods or services is realized when all major risks and opportunities arising from the delivered objects have been transferred to the buyer. In addition, a reliable measurement of the amount of the revenues and the costs related to the sale must be possible. Revenues are presented net of rebates, discounts and bonuses.

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

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

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

Earnings per share: The calculation of earnings per share is based on Group profit after tax less non-controlling interests and the planned component of earnings attributable to hybrid bondholders, divided by the weighted number of shares outstanding (less treasury shares).

Intangible assets: Identifiable intangible assets purchased by the Group are reported at acquisition cost less straight-line amortization and any necessary impairment charges. Capitalized brands which on the date of purchase have been established for a long time and continue in use, are counted as intangible assets with an indefinite period of use to be subjected to annual impairment tests.

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

Property, plant and equipment: Items of property, plant and equipment are recognized at acquisition cost less straight-line depreciation or usage-based depletion (clay pits). The recognition of internally generated plant or equipment includes an appropriate component of material and production overheads, but excludes general administrative and selling expenses. In accordance with IAS 23, borrowing costs incurred during the production of qualified assets are capitalized as part of acquisition cost and depreciated over the applicable useful life. Research and development expenses at Wienerberger also include the costs for product development, process technology, the improvement of environmental standards and laboratory activities. The development costs for successful research programs are generally capitalized under the related asset category.

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

Production plants (incl. warehouses)	25 - 40 years	Other machinery	4 - 30 years
Administrative and residential buildings	40 years	Fittings, furniture and office equipment	4 - 12 years
Building infrastructure	4 - 40 years	Customer bases	5 - 15 years
Kilns and dryers	5 - 30 years	Other intangible assets	4 - 10 years

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

When plant or equipment is sold or retired, the gain or loss arising from the difference between the net proceeds on sale and the remaining carrying amount or impairment charge is reported under other operating income or expenses.

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

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

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

Reversals are booked if the reasons for impairment cease to exist or a possible use is found for the item. In accordance with IAS 36, previously recognized impairment losses to goodwill are not reversed.

Investment property is carried at depreciated cost and, with the exception of land, is depreciated on a straight-line basis.

Investments in associates, joint ventures and other companies: Investments in associates over which Wienerberger exercises a significant influence (as a rule, between 20%

and 50% of the shares) and joint ventures are carried at equity. Other investments include companies that are not consolidated for materiality reasons and investments in which Wienerberger does not have a significant influence. These investments are recognized at cost and only written down to fair value in the event of lasting impairment. Impairment losses and revaluations are included under financial result.

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 report the emission certificates allocated free of charge based on EU Emission Trading Directives 2003/87/EC and 2009/29/EC. If actual emissions exceed the free certificates, the additional certificates required are recognized at their market price on the balance sheet date. Purchased certificates are recognized at cost or the lower market price on the balance sheet date.

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

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

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

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

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

Wienerberger has not elected to use the option provided by IAS 39, which permits the initial recognition of financial assets at fair value through profit or loss. Therefore, the primary financial instruments held by the Group that are not classified as liquid funds and cash equivalents or loans and receivables are recognized as *available-for-sale financial instruments*. Included here, above all, are short-term investments in the form of shares in funds, debt issued by corporations and shares that are measured at fair value, and any gains and losses resulting from changes in fair value are recognized under other comprehensive income without recognition in profit or loss up to the date of derecognition. Impairment losses that are recognized to reflect significant and lasting impairment constitute an exception; these losses are recognized in profit or loss and reported in the financial result. The fair value of listed securities is based on the relevant market prices, with non-quoted financial assets being carried at cost less any changes in market value. When a financial instrument is derecognized, all gains and losses accumulated in other comprehensive income are immediately recognized in profit or loss. Some available-for-sale financial instruments are measured at cost if the fair value cannot be determined for lack of an active market.

Derivative financial instruments: Derivative financial instruments are concluded only to hedge the risks arising from business operations. Foreign exchange futures are used to hedge transaction risks, and interest rate swaps to optimize the fixed and/or variable interest rate component of financial liabilities. Cross currency swaps are used to hedge the net investments in foreign subsidiaries whose accounts are kept in a currency other than the euro. All derivative financial instruments are recognized at fair value upon conclusion of the contract and on the balance sheet date in accordance with IFRS 13, with the counterparty default risk being taken into account. The fair value of quoted financial instruments is based on the actual market price. The fair value of non-quoted interest instruments is based on the discounted value of future payments and is calculated using a current market interest rate. Derivative financial instruments that are not included in a hedge are classified as held for trading in keeping with IAS 39.

Hedge accounting: Wienerberger applies the IAS 39 rules for hedges to transactions that serve as hedges for translation risk as well as the transaction risk associated with future cash flows. A cash flow hedge is defined as an instrument that provides protection against fluctuations in the future cash flows attributable to recognized assets or liabilities. Changes in the market value of an effective hedge are recognized directly in other comprehensive income (hedging reserve), while the non-effective components are recognized in profit or loss and shown under financial result. 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. The hedged risk, i.e. the gain or loss on the foreign currency translation of the hedged instrument, is recognized under equity through other comprehensive income.

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

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

Provisions for pensions: The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation for the employer after the payment of premiums. The employer's contributions to these pension plans are reported under expenses for pensions. If any additional contributions have to be made by Wienerberger, the provision will be recognized like the defined benefit commitments. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the company up to the point of payment. The provisions for defined benefit pension plans are calculated according to the projected unit credit method. The valuation of pension commitments includes future increases in wages/salaries and pensions. The provisions for pensions are calculated by independent actuaries.

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

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

Provisions for severance compensation: Legal regulations grant Austrian employees the right to a lump-sum payment at retirement or termination by the employer, with the amount of the payment being dependent on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations, among others, in France, Italy, Poland and Turkey. The provisions for severance compensation are calculated according to actuarial principles based on the projected unit credit method. For Austrian employees whose employment started after December 31, 2002, the employer contributes 1.53% of the gross wage or salary each month to an employee severance compensation fund. This fund represents a defined contribution plan in accordance with IAS 19, and the related employer contributions are reported under severance expense.

Provisions for jubilee bonuses: A number of employees in the Wienerberger Group are entitled to long-service bonuses when they reach a specified number of years of employment with the company. Provisions are recognized for these obligations based on the projected unit credit method. Any actuarial gains or losses are recognized immediately to profit or loss.

Provisions for site restoration: In accordance with IAS 37, a provision for site restoration is created when a clay pit is purchased and is reported as an addition to non-current assets according to IAS 16. The underlying assumptions for these obligations are generally based on the regulations applicable in the respective countries. The provisions for site restoration on clay pits purchased before 2005 are based on depletion and reflect the transition rule to IAS 16. Non-current provisions that are expected to be used after 12 months are discounted and reported at their present value.

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

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

Deferred taxes: In accordance with IAS 12, the calculation of deferred taxes includes all temporary valuation and accounting differences arising between the financial statements prepared for tax purposes and the IFRS financial statements. Deferred tax assets also include tax credit entitlements which arise from the expected use of existing losses carried forward in future years and whose realization is probable. These entitlements are calculated on the basis of planned operating results and the earnings effects from the reversal of taxable temporary differences. Deferred taxes are calculated using the tax rate expected to be in effect when these differences reverse in the future, and are based on the local tax rate applicable to the individual Group company. Future changes in tax rates are included if the relevant legal amendment has been enacted as of the balance sheet date.

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

Transfer prices: There are several regional supply and delivery relationships between the individual operating segments. Prices for the sale of goods between Group companies are established at arm’s length based on the resale price method. Prices for the provision of services between Group companies are established at arm’s length based on the cost-plus method.

35. Foreign exchange translation

The accounts of foreign companies are translated to euros based on the functional currency method. The relevant local currency is the functional currency in all cases, as these companies operate independently in financial, economic, and organizational terms. All balance sheet items, with the exception of equity, are translated at the closing rate at the end of the reporting year (i.e. December 31, 2016). Goodwill is recognized as an asset in local currency and is also translated at the closing rate on the balance sheet date for the consolidated financial statements. Expense and income 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 in profit or loss. Currency translation differences arising from the use of the closing rate for the balance sheet and the average exchange rate for the income statement are also reported under other comprehensive income.

Cross currency swaps are used to limit the translation risk arising from the Group's business activities in the USA, Canada, Switzerland, Great Britain and certain countries in Eastern Europe. These transactions involve the conclusion of a cross currency swap equal to the value of the foreign currency assets to be hedged.

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

	Closing rate on		Average rate for the year	
	31/12/2016	31/12/2015	2016	2015
British pound	0.85618	0.73395	0.81948	0.72584
Bulgarian lev	1.95580	1.95580	1.95580	1.95580
Danish krone	7.43440	7.46260	7.44519	7.45870
Canadian dollar	1.41880	1.51160	1.46588	1.41856
Croatian kuna	7.55970	7.63800	7.53329	7.61370
Norwegian krone	9.08630	9.60300	9.29060	8.94963
Polish zloty	4.41030	4.26390	4.36321	4.18412
Romanian lei	4.53900	4.52400	4.49043	4.44541
Russian ruble	64.30000	80.67360	74.14457	68.07203
Swedish krone	9.55250	9.18950	9.46890	9.35346
Swiss franc	1.07390	1.08350	1.09016	1.06786
Czech koruna	27.02100	27.02300	27.03429	27.27918
Turkish lira	3.70720	3.17650	3.34325	3.02546
Hungarian forint	309.83000	315.98000	311.43790	309.99563
US dollar	1.05410	1.08870	1.10690	1.10951

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 that 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 industry and belongs to the group of late cyclical companies that usually follow general economic cycles with a delay. These companies are dependent on developments in the economies that form the backdrop for their activities, in particular macroeconomic developments, construction activity in both the residential and public (infrastructure) sectors and renovation. The development of business is also influenced by consumer confidence, the unemployment rate, long-term interest rates, the availability of financing, tax policies, building regulations and subsidies for housing construction as well as other factors outside the Group's control. The economic cycles in the construction industry that influence Wienerberger's business are considerably longer than in other areas, with timing delays that also differ by market.

The unfavorable development of any or all of these factors can have a negative influence on the demand for Wienerberger products, both in terms of the volumes sold and the price levels. Cyclical fluctuations in demand lead to a risk of excess capacity, which may result in increased pressure on prices as well as a decline in margins and/or revenues that 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 measures that include temporary or permanent plant closings as well as the relocation of production to more efficient facilities.

Wienerberger views the markets in Central and Eastern Europe as long-term growth markets due to the high pent-up demand for new residential construction and infrastructure. Weaker demand and increased pressure on prices in these growth markets can lead to increased risk for the Wienerberger Group.

Furthermore, Wienerberger competes with other building materials such as concrete, wood, limestone, glass, steel or aluminum, which exposes the Group to a risk of substitution. Our strong position as a quality leader and investments in the development of premium products should allow us to minimize substitution risks. In particular, these developments involve improvements in the physical properties as well as the economy of our products.

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

In order to avoid earnings fluctuations wherever possible, Wienerberger pursues a strategy of geographical diversification with parallel concentration on the core business. This core business covers clay blocks, roof tiles and facing bricks as well as pavers and pipe systems, and positions Wienerberger as a supplier of building material solutions for residential construction and infrastructure projects. Our activities are subject to the usual risks inherent in local markets, where positions must be repeatedly defended against competitors and substitute products. The Group's most important customer group is the building materials sector, and further market adjustments in this sector are expected to increase pressure on prices in the future. Specific market situations can also have a negative impact on price levels, and Wienerberger therefore monitors its price strategy on a continuous basis.

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

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

Procurement, production, investment and acquisition risks

Wienerberger has a modern and efficient plant network. Therefore, the risk of operating breakdowns or a longer loss of production due to technical problems is low. Supplies of clay raw materials for the production of bricks and clay roof tiles are guaranteed on a lasting basis by sufficient deposits and long-term supply contracts.

The cost of energy for the firing of bricks represents a significant percentage of the Group's cost structure. In 2016 energy costs for the Wienerberger Group totaled TEUR 260,886 (2015: TEUR 292,624) or 8.8% (2015: 9.8%) of revenues. These expenses consist of 62% for natural gas, 32% for electricity and 6% for other materials. Energy prices are dependent on international and local market developments, and are subject to fluctuations.

Wienerberger works to minimize the risk connected with rising energy prices in liberalized markets (in total, roughly 90% of energy costs) by concluding futures contracts or fixed-price agreements with national and international suppliers. These prices are in part established for longer periods of time. In a limited number of East European countries (in total, roughly 10% of energy costs) the prices for natural gas are regulated by the federal government and contracts with local suppliers are negotiated each year.

Wienerberger was again granted carbon leakage status for its European brick activities in 2014 and expects the resulting allocation of CO_2 certificates will be sufficient to cover emissions. This status will be reviewed in 2019.

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

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

Financial risks

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

The refinancing sources open to Wienerberger are determined by numerous financial, macroeconomic and other factors beyond the control of management. These factors include covenants in the existing and future debt arrangements as well as the maintenance of the current rating. According to these covenants, the ratio of net debt to EBITDA may not exceed 3.5 years; this indicator equaled 1.6 years as of December 31, 2016. Moreover, EBITDA/net interest result equaled 11.8 for the reporting year and substantially exceeded the threshold of 3.75. Part of earnings is used for interest and is therefore not available for other purposes. If the Group's rating should deteriorate or covenants are not met, interest expense could rise due to an increase in the credit risk premium and lead to higher financing costs and lower cash flow. The failure to comply with covenants could also result in a loan becoming due immediately.

Exchange rate risks

A significant portion of the revenues and earnings of the Wienerberger Group is generated by subsidiaries whose headquarters are not located in the euro zone. Wienerberger recorded 50% of its revenues for the reporting year in currencies other than the euro, predominately East European currencies (21%), the British pound (10%) and the US dollar (9%). 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 primarily related to Group dividends or loans, the sale of goods and services. The foreign exchange risk on these intragroup cash flows is managed by the holding company.

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

The exposure of financial liabilities to foreign exchange risk is discussed in Note 32. Financial instruments.

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

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

Revenues	2016		2015	
	in MEUR	*Share in %*	*in MEUR*	*Share in %*
Euro	1,475.2	50	1,468.8	49
East European currencies	622.4	21	634.1	21
British pound	285.1	10	300.5	10
US dollar	263.2	9	250.6	8
Other	327.9	10	318.4	12
Group revenues	**2,973.8**	**100**	**2,972.4**	**100**

Capital employed	2016		2015	
	in MEUR	*Share in %*	*in MEUR*	*Share in %*
Euro	1,543.5	63	1,619.1	63
East European currencies	468.7	19	472.1	18
US dollar	195.4	8	233.4	8
British pound	94.8	4	109.1	5
Other	157.6	6	136.2	6
Capital employed after hedging effect	**2,460.0**	**100**	**2,569.9**	**100**

The effects of a hypothetical change in foreign exchange rates on the consolidated income statement and the consolidated statement of comprehensive income are shown through sensitivity analyses. For the purpose of this presentation, an annual volatility is assumed as of the balance sheet date. This volatility is calculated on the basis of the daily change in the relevant exchange rate against the euro. In accordance with IFRS 7, foreign exchange risks result from monetary financial instruments not denominated in the functional currency of the reporting entity. Consequently, receivables, liabilities, cash and cash equivalents as well as derivative foreign-currency financial instruments form the basis of the calculation of the sensitivity of the consolidated income statement. The sensitivity of the consolidated statement of comprehensive income reflects the differences of long-term loans to subsidiaries as well as valuation effects of cash flow hedges for currency risks reported in other comprehensive income. Translation differences arising from the translation of financial statements prepared in another currency than the euro were not included in the calculation.

A change in the annual volatility of the euro against the most relevant exchange rates as at the reporting date would affect the consolidated income statement and the consolidated statement of comprehensive income as follows:

Sensitivity of the consolidated income statement

in TEUR	2016		2015	
	if the euro depreciates	if the euro appreciates	if the euro depreciates	if the euro appreciates
EUR/GBP	1,258	-396	364	-364
EUR/RUB	-635	635	-183	183
EUR/USD	486	-486	-725	725
EUR/CAD	472	-472	164	-164
EUR/NOK	385	-385	346	-346
EUR/PLN	260	-260	869	-869

Sensitivity of the consolidated statement of comprehensive income

in TEUR	2016		2015	
	if the euro depreciates	if the euro appreciates	if the euro depreciates	if the euro appreciates
EUR/RUB	6,034	-6,034	7,988	-7,988
EUR/USD	3,938	-3,938	5,393	-5,393
EUR/HUF	2,111	-2,111	2,848	-2,848
EUR/NOK	-1,575	1,575	-919	919
EUR/RON	815	-815	1,074	-1,074
EUR/GBP	-544	544	-2,389	2,389

Interest rate risks

Interest rate risk is comprised of two components: the relevant value 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 increased profit after tax by MEUR 0.9 (2015: decrease of MEUR 0.4) and, through this change in the income statement, also changed equity by the same amount. A decrease of 100 basis points in interest rates would have decreased (2015: increased) profit after tax and equity by the same amount.

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

In order to analyze interest rate risk (fixed and variable interest rates), financial liabilities (see pages 154 to 156) 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.

in TEUR	2016		2015	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Interest-bearing loans	746,049	135,309	484,354	262,784
Reclassification of short-term fixed interest rate loans	-294,484	294,484	-38,069	38,069
Effects of derivative instruments (hedging)	50,000	-50,000	50,000	-50,000
Financial liabilities after hedging effects	**501,565**	**379,793**	**496,285**	**250,853**

Credit risks

Wienerberger has established strict requirements for the credit standing of its financial partners, which are defined in internal financial and treasury guidelines. The credit risk connected with the investment of liquid funds and securities is limited because Wienerberger works only with financing partners whose credit rating leads to expectations of a sound financial standing and sets counterparty limits based on this credit rating. However, financial partners with an excellent rating can also pose a credit risk and Wienerberger therefore continuously monitors developments on financial markets and adjusts credit limits accordingly. The following table shows the maximum exposure of trade receivables and miscellaneous receivables (including receivables from current taxes) to credit risks as of December 31, 2016, classified by region:

Credit risk	2016		2015	
	in MEUR	*Share in %*	*in MEUR*	*Share in %*
Western Europe	118.8	44	110.6	41
Central-Eastern Europe	81.0	30	91.1	34
North America	30.2	11	26.7	10
Other	39.9	15	38.2	15
Total trade receivables and miscellaneous receivables	**269.9**	**100**	**266.6**	**100**
thereof insured against default	156.3		158.8	

Trade receivables consist primarily of receivables due from building material retailers and large customers. Specific valuation allowances booked in 2016 equaled less than 1% of trade receivables, originated loans and other current receivables, and were not classified separately for this reason.

The following table shows the age structure of non-impaired trade receivables:

in MEUR	2016	2015
Not due	165.2	170.7
Up to 30 days overdue	23.0	21.8
31 to 60 days overdue	5.4	6.6
61 to 90 days overdue	2.5	2.8
More than 90 days overdue	9.4	9.7
Trade receivables	**205.5**	**211.6**

Liquidity risks

The protection of liquidity and the preservation of a healthy financial base represent the focal points of the Wienerberger strategy. The most important instruments in this respect are the maximization of free cash flow through cost reduction, active working capital management and a cutback in investments to the necessary minimum.

Liquidity risks arise, above all, when cash flows from revenues fall below expectations because of weaker demand and the measures to reduce working capital and cash outflows for fixed costs (active capacity management) are not sufficient or can only be implemented with a delay.

Liquidity is managed on a regular basis, among others, on the basis of rolling quarterly liquidity planning as well as a regular analysis of the cash conversion cycle, which is based on average accounts payable turnover, inventory turnover and receivables conversion. The receivables conversion period averaged 24 days (2015: 28 days), the inventory turnover period averaged 99 days (2015: 100 days) and the payable turnover period averaged 34 days (2015: 37 days). This resulted in a cash conversion cycle of 89 days in 2016 compared with 91 days in the previous year.

An analysis of the liquidity risks arising from liabilities is provided on page 153 (Analysis of contractual cash flows).

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.

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

Other risks

Wienerberger is subject to extensive and increasingly strict environmental, health and safety laws in many countries, which can lead to investments for compliance with these regulations. The failure to comply with these regulations could result in administrative fines, the assessment of damages or the suspension of operating permits.

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

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

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

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

Other disclosures

36. Related party transactions

The following companies and persons are considered to be related parties of Wienerberger: the members of the Supervisory and Managing Boards, associated companies, joint ventures and non-consolidated subsidiaries of Wienerberger AG as well as the ANC Private Foundation and its subsidiaries. Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are conducted on arm's length conditions. Business relationships between the company and related parties, in particular members of the Managing and Supervisory Boards of Wienerberger AG, are disclosed in Note 11. Personnel expenses if any payments to these persons are involved.

The ANC Private Foundation operates landfill activities in Austria that were transferred by Wienerberger AG in 2001 and owns a limited amount of assets (in particular real estate and securities). The managing board of the ANC Private Foundation consists of two members of Wienerberger top management, which allows Wienerberger to exercise control over the foundation. In accordance with IFRS 10, the ANC Private Foundation cannot be consolidated because the shareholders of Wienerberger AG, and not the company itself, are entitled to the variable cash flows from the foundation. The total assets of ANC Private Foundation amounted to TEUR 28,754 as of December 31, 2016 (2015: TEUR 26,782) and consist primarily of land and buildings totaling TEUR 11,826 (2015: TEUR 12,035) and securities and liquid funds of TEUR 14,727 (2015: TEUR 13,645). The foundation had provisions of TEUR 8,904 (2015: TEUR 12,371) and no financial liabilities as of December 31, 2016.

Wienerberger AG and its subsidiaries finance associates, joint ventures and non-consolidated subsidiaries through loans granted at ordinary market conditions. The outstanding loan receivables due from joint ventures amounted to TEUR 11,012 as of December 31, 2016 (2015: TEUR 11,124), while the comparable amount for non-consolidated subsidiaries was TEUR 7,268 (2015: TEUR 7,536). In addition, trade receivables due from joint ventures amounted to TEUR 452 (2015: EUR 26), while the comparable amount for non-consolidated subsidiaries was TEUR 721 (2015: TEUR 0) as of the balance sheet date. Revenues of TEUR 2,415 were recognized with joint ventures in 2016 (2015: TEUR 728) and TEUR 747 (2015: TEUR 0) with non-consolidated subsidiaries.

Other related party transactions relate to clay supplies in the amount of TEUR 577 as well as rental services of TEUR 260 provided to non-consolidated subsidiaries.

37. Significant events after the balance sheet date

Between the balance sheet date December 31, 2016 and the publication of the report on March 10, 2017 there were no events subject to disclosure.

The consolidated financial statements were released for publication by the Managing Board of Wienerberger AG on 10/3/2017.

Vienna, March 10, 2017

The Managing Board of Wienerberger AG

Heimo Scheuch
Chief Executive Officer

Willy Van Riet
Chief Financial Officer

Statement by the Managing Board

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

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

Vienna, March 10, 2017

The Managing Board of Wienerberger AG

Heimo Scheuch
Chief Executive Officer

Willy Van Riet
Chief Financial Officer

Group Companies

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger International N.V.	**Zaltbommel**	**50,001**	**EUR**	**100.00%**	**VK**	
Wienerberger Ziegelindustrie GmbH	Hennersdorf	5,000,000	EUR	100.00%	VK	
Salzburger Ziegelwerk GmbH & Co KG	Uttendorf	438,000	EUR	100.00%	VK	
Wienerberger zRt.	Budapest	2,140,000,000	HUF	100.00%	VK	
Wienerberger cihlarsky prumysl, a. s.	České Budějovice	50,000,000	CZK	100.00%	VK	
Cihelna Kinsky, spol. s r. o.	Kostelec nad Orlici	2,000,000	CZK	68.80%	VK	
Wienerberger eurostroj, spol. s r. o.	České Budějovice	32,100,000	CZK	100.00%	VK	
Silike keramika, spol. s.r.o.	České Budějovice	100,000	CZK	50.00%	EQ	
Wienerberger slovenské tehelne, spol. s r. o.	Zlate Moravce	3,319,392	EUR	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	374,324,808	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	100.00%	OK	1)
Wienerberger Ilovac d.o.o.	Karlovac	8,988,000	HRK	100.00%	VK	
Wienerberger Cetera d.d.	Karlovac	359,240	HRK	99.72%	VK	
IGM Ciglana d.o.o. Petrinja	Petrinja	12,756,900	HRK	100.00%	VK	
WIENERBERGER Industrija opeke d.o.o.	Sarajevo	2,000	BAM	100.00%	VK	
Wienerberger Opekarna Ormož d.o.o.	Ormož	951,986	EUR	100.00%	VK	
Opekarna Pragersko d.o.o.	Pragersko	1,022,743	EUR	100.00%	VK	
Wienerberger Backa d.o.o	Mali Idos	651,652	EUR	100.00%	VK	
WIENERBERGER Sisteme de Caramizi S.R.L.	Bucuresti	39,147,100	RON	100.00%	VK	
WZI FINANZ-S.à.r.l.	Luxembourg	73,963,917	USD	100.00%	VK	
Wienerberger TOV	Kyiv	3,000,000	UAH	100.00%	VK	
Semmelrock International GmbH	**Wien**	**3,000,000**	**EUR**	**100.00%**	**VK**	
Semmelrock Baustoffindustrie GmbH	Klagenfurt am Wörthersee	1,000,000	EUR	100.00%	VK	
Semmelrock Stein + Design GmbH	Klagenfurt am Wörthersee	35,000	EUR	100.00%	VK	
Semmelrock Stein + Design GmbH & CoKG	Klagenfurt am Wörthersee	100,000	EUR	100.00%	VK	
Semmelrock Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Semmelrock Stein & Design Kft.	Ócsa	983,100,000	HUF	100.00%	VK	
SEMMELROCK STEIN + DESIGN Dlazby s.r.o.	Sered	3,027,286	EUR	100.00%	VK	
Semmelrock Stein & Design d.o.o.	Ogulin	22,870,000	HRK	100.00%	VK	
Semmelrock Stein & Design Sp. z o.o.	Kolbiel	46,000,000	PLN	100.00%	VK	
Semmelrock Stein + Design S.R.L.	Bolintin-Vale	55,151,300	RON	100.00%	VK	
Semmelrock Tlakovci d.o.o.	Ormož	8,763	EUR	100.00%	OK	1)
Semmelrock Stein + Design Dlazby a.s.	Ledcice	2,000,000	CZK	100.00%	VK	
Semmelrock Stein und Design EOOD	Sofia	13,785,500	BGN	100.00%	VK	
Wienerberger GmbH	**Hannover**	**9,500,000**	**EUR**	**100.00%**	**VK**	
Schlagmann Beteiligungs GmbH	Zeilarn	26,000	EUR	50.00%	OK	1)
Schlagmann Poroton GmbH & Co KG	Zeilarn	10,300,000	EUR	50.00%	EQ	
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
RM 2964 Vermögensverwaltungs GmbH	Zeilarn	25,000	EUR	50.00%		4)
MR Erwerbs GmbH & Co. KG	Zeilarn	50,000	EUR	50.00%		4)
ZZ Wancor AG	**Regensdorf**	**1,000,000**	**CHF**	**100.00%**	**VK**	
Wienerberger S.p.A.	**Mordano**	**10,000,000**	**EUR**	**100.00%**	**VK**	
Fornaci Giuliane S.r.l.	Cormons	100,000	EUR	30.00%	EQ	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger NV	**Kortrijk**	**47,557,745**	**EUR**	**100.00%**	**VK**	
Wienerberger Asset Management NV	Zonnebeke	13,240,053	EUR	100.00%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
Wienerberger B.V.	**Zaltbommel**	**36,778,680**	**EUR**	**100.00%**	**VK**	
Van Hesteren & Janssens B.V.	Zaltbommel	363,024	EUR	100.00%	VK	
Desimpel AK1 B.V.	Zaltbommel	70,000	EUR	100.00%	VK	
BrickTrading Holland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
German Brick Trading B.V.	Zaltbommel	249,700	EUR	100.00%	VK	
Oostergrachstwal Holding B.V.	Zaltbommel	45,378	EUR	100.00%	VK	
Feikema B.V.	Zaltbommel	45,378	EUR	100.00%	VK	
Gelsing Oosterhout B.V.	Zaltbommel	18,200	EUR	100.00%	VK	
Wienerberger Steenvisie B.V.	Zaltbommel	18,151	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	
Aberson SmartBuild BV	Zwolle	1	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	
Straatbaksteen Nederland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
Wienerberger Limited	**Cheshire**	**81,120,552**	**GBP**	**100.00%**	**VK**	
Galileo Brick Limited	Cheshire	2,000,000	GBP	100.00%	VK	
Chelwood Group Unlimited	Cheshire	5,975,506	GBP	100.00%	VK	
The Brick Business Limited	Cheshire	900,002	GBP	100.00%	VK	
Building Trade Products Limited (in Liquidation)	Cheshire	1	GBP	100.00%	VK	
Galileo Trustee Limited (in Liquidation)	Cheshire	1	GBP	100.00%	VK	
Sandtoft Roof Tiles Limited	Cheshire	11,029	GBP	100.00%	VK	
Sandtoft Trading Limited (in Liquidation)	Cheshire	1,000	GBP	100.00%	VK	
Baggeridge Brick Limited (in Liquidation)	Cheshire	10,326,404	GBP	100.00%		
Rudgwick Brick Limited (in Liquidation)	Cheshire	2	GBP	100.00%		
WIENERBERGER PARTICIPATIONS SAS	**Achenheim**	**36,000,000**	**EUR**	**100.00%**	**VK**	
WIENERBERGER SAS	Achenheim	75,000,000	EUR	100.00%	VK	
Briqueterie de Rouffach SAS	Rouffach	336,120	EUR	100.00%	VK	
Wienerberger A/S	**Helsinge**	**10,000,000**	**DKK**	**100.00%**	**VK**	
Wienerberger AS	Oslo	43,546,575	NOK	100.00%	VK	
Wienerberger AB	Malmö	17,550,000	SEK	100.00%	VK	
General Shale Brick Inc.	**Johnson City**	**1,000**	**USD**	**100.00%**	**VK**	
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
Arriscraft Canada Inc.	**Halifax**	**28,500,000**	**CAD**	**100.00%**	**VK**	
Wienerberger EOOD	**Sofia**	**12,500,000**	**BGN**	**100.00%**	**VK**	
Uspeh AD	Sofia	2,141,220	BGN	99.66%	VK	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
OOO "Wienerberger Kirpitsch"	**Kiprevo**	**612,694,577**	**RUB**	**100.00%**	**VK**	
OOO "Wienerberger Kurkachi"	Kurkachi	650,036,080	RUB	100.00%	VK	
OOO "Wienerberger Investitions- und Projektmanagement" (in Liquidation)	Kiprevo	356,000	RUB	100.00%	VK	
Wienerberger OY AB	**Helsinki**	**1,000,000**	**EUR**	**100.00%**	**VK**	
Wienerberger AS	**Aseri**	**1,540,736**	**EUR**	**100.00%**	**VK**	
UAB Wienerberger Statybine Keramika Sp. Z o.o.	**Vilnius**	**10,100**	**LTL**	**100.00%**	**VK**	
Wienerberger India Private Limited	**Bangalore**	**990,000,000**	**INR**	**100.00%**	**VK**	
WBI Industries Private Limited	Chennai	1,000,000	INR	100.00%	VKE	
PIPELIFE International GmbH	**Wien**	**29,000,000**	**EUR**	**100.00%**	**VK**	**2)**
PIPELIFE Austria GmbH & Co KG	Wiener Neudorf	4,360,370	EUR	100.00%	VK	
PIPELIFE Austria GmbH	Wiener Neudorf	36,337	EUR	100.00%	VK	
Pipelife Belgium NV	Kalmthout	10,890,000	EUR	100.00%	VK	
Pipelife Bulgaria EOOD	Botevgrad	30,000	BGN	100.00%	VK	
Pipelife Czech s r.o.	Otrokovice	202,971,000	CZK	100.00%	VK	
PIPELIFE Deutschland Asset Management GmbH	Bad Zwischenahn	26,000	EUR	100.00%	VK	
PIPELIFE Deutschland GmbH & Co. KG Bad Zwischenahn	Bad Zwischenahn	5,000	EUR	100.00%	VK	
PIPELIFE Deutschland Verwaltungs-GmbH Bad Zwischenahn	Bad Zwischenahn	5,726,469	EUR	100.00%	VK	
Pipelife Eesti AS	Harjumaa Eesti Vabariik	25,024	EUR	100.00%	VK	
Pipelife Finland OY	Oulu	33,637	EUR	100.00%	VK	
Talokaivo Oy	Kerava	2,000,000	EUR	100.00%	VKE	
Pipelife France SNC	Aubevoye	21,606,000	EUR	100.00%	VK	
Pipelife Hellas S.A.	Thiva	24,089,735	EUR	100.00%	VK	
PIPELIFE-HRVATSKA cijevni sustavi d.o.o.	Sveta Nedelja	47,171,500	HRK	100.00%	VK	
Pipelife Hungaria Kft.	Debrecen	3,123,520,000	HUF	100.00%	VK	
QUALITY PLASTICS HOLDINGS LTD	Cork	635,000	EUR	100.00%	VK	
PIPELIFE IRELAND LTD	Cork	254	EUR	100.00%	VK	
Kenfern Investments Ltd (in Liquidation)	Cork	508	EUR	100.00%	OK	1)
Pipelife UK Ltd	Corby	244,001	GBP	100.00%	VK	
Pipelife Latvia SIA	Riga	426,600	EUR	100.00%	VK	
Pipelife Nederland B.V.	Enkhuizen	11,344,505	EUR	100.00%	VK	
Pipelife Finance B.V.	Enkhuizen	18,000	EUR	100.00%	VK	
Pipelife Norge AS	Surnadal	50,000,000	NOK	100.00%	VK	
Pipelife Polska S.A.	Krokowa	112,243,963	PLN	100.00%	VK	
Pipelife Romania S.R.L.	Bucuresti	7,323,115	RON	100.00%	VK	
Pipelife Serbia d.o.o.	Beograd	168,493,895	RSD	100.00%	VK	
Pipelife RUS LLC	Zhukov	104,458,072	RUB	100.00%	VK	
Pipelife Hafab AB	Haparanda	3,000,000	SEK	100.00%	VK	
Pipelife Nordic AB	Ölsremma	167,000,000	SEK	100.00%	VK	
Pipelife Sverige AB	Ljung	3,600,000	SEK	100.00%	VK	
Pipelife Slovenija d.o.o.	Trzin	843,258	EUR	100.00%	VK	
Pipelife Slovakia s r.o.	Piestany	6,700	EUR	100.00%	VK	
Arili Plastik Sanayii A.S.	Pendik/Istanbul	30,590,000	TRY	100.00%	VK	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Pipelife Jet Stream, Inc.	Siloam Springs	0	USD	100.00%	VK	
PJSC Pipelife Ukraine (in Liquidation)	Kyiv	30,000	USD	100.00%	OK	1)
Wienerberger Dach Beteiligungs GmbH	**Wien**	**500,000**	**ATS**	**100.00%**	**VK**	
WIBRA Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	100.00%	VK	
Tondach Beteiligungs GmbH	**Wien**	**200,000**	**EUR**	**100.00%**	**VK**	
TONDACH GLEINSTÄTTEN AG	Gleinstätten	500,000	EUR	82.19%	VK	3)
TONDACH SLOVENSKO, s.r.o.	Nitrianske Pravno	14,937,264	EUR	82.19%	VK	
TONDACH SLOVENIJA d.o.o.	Krizevci pri Ljutomeru	5,195,293	EUR	82.19%	VK	
POTISJE KANJIZA d.d.	Kanjiza	605,394,000	RSD	82.19%	VK	
TONDACH Makedonija AD	Vinica	349,460,010	MKD	82.19%	VK	
TONDACH BULGARIA EOOD	Sofia	798,400	BGN	82.19%	VK	
TONDACH Česká republika, s.r.o.	Hranice	250,100,000	CZK	82.19%	VK	
TONDACH MAYGARORSZÁG ZRT.	Csorna	5,342,543	HUF	82.19%	VK	
TONDACH ROMANIA SRL	Sibiu	36,137,155	RON	82.19%	VK	
TONDACH HRVATSKA d.d.	Bedekovcina	116,715,500	HRK	82.19%	VK	
TONDACH BOSNA I HERCEGOVINA d.o.o.	Sarajevo	200,000	BAM	65.75%	VK	
STAVMIX plus, s.r.o. (in Liquidation)	Stupava	33,194	EUR	82.19%	OK	
DACHMARKET TOV (in Liquidation)	Uzhgorod	1,058,943	UAH	82.19%	OK	
Wienerberger Anteilsverwaltung GmbH	**Wien**	**35,000**	**EUR**	**100.00%**	**VK**	
Tondach Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Finance Service B.V.	Zaltbommel	18,151	EUR	100.00%	VK	
Wienerberger Finanz Service GmbH	Wien	25,435,492	EUR	100.00%	VK	
Wienerberger West European Holding GmbH	Wien	35,000	EUR	100.00%	VK	
WK Services NV	Kortrijk	32,226,158	EUR	100.00%	VK	
Dryfix GmbH	Hennersdorf	35,000	EUR	100.00%	VK	
Wienerberger Gamma Asset Management GmbH	Wien	35,000	EUR	100.00%	VK	
Steinzeug-Keramo GmbH	**Frechen**	**18,408,000**	**EUR**	**100.00%**	**VK**	
Steinzeug - Keramo NV	Hasselt	9,400,000	EUR	100.00%	VK	
Keramo-Wienerberger Immo NV	Hasselt	14,068,558	EUR	100.00%	VK	
SOCIETA DEL GRES S.p.A.	Sorisole	2,000,000	EUR	100.00%	VK	
Steinzeug Keramo s.r.o.	České Budějovice	40,000,000	CZK	100.00%	VK	
Steinzeug - Keramo B.V.	Belfeld	2,722,680	EUR	100.00%	VK	
Steinzeug - Keramo SARL	Angervilliers	38,125	EUR	100.00%	VK	
Steinzeug-Keramo Sp. z.o.o.	Piekary Slaskie	2,000,000	PLN	100.00%	VK	
Steinzeug - Keramo SARL	Angervilliers	38,125	EUR	100.00%	VK	
Steinzeug-Keramo Sp. z.o.o.	Piekary Slaskie	2,000,000	PLN	100.00%	VK	

VK .... Full consolidation
VKE .... First time full consolidation
EQ .... At Equity consolidation
EQE .... First time at equity consolidation
OK............... No consolidation
OKE............. No consolidation (first time)

1) Immaterial
2) Holding company of the Pipelife Group
3) Holding company of the Tondach Group
4) Subsidiary of Schlagmann Poroton GmbH & Co KG

Auditor's report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

Wienerberger AG,
Vienna, Austria

and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2016, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2016, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISA). Our responsibilities pursuant to these rules and standards are described in the "Auditors' Responsibility" section of our report. We are independent of the audited entity within the meaning of Austrian commercial law and professional regulations, and have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. Our audit procedures relating to these matters were designed in the context of our audit of the consolidated financial statements as a whole. Our opinion on the consolidated financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

1. Assessment of the carrying value of goodwill

Risk for the Financial Statements

Goodwill represents a significant amount on the balance sheet (€ 497 million). Management describes the approach to assess the carrying value of goodwill in the Section "Accounting and Valuation Principles" under "Impairment of non-financial assets" as well as in the Section "General Information" in Note 6 "Estimates and judgements". The allocation of the goodwill to respective cash generating units ("CGUs") and the assumptions and valuation results are described in Note 20 "Non-current assets".

The carrying amount of assets of the respective CGUs are compared to their recoverable amount, which represents the higher of fair value less costs of disposal and the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount. The assessment of value in use involves significant estimates and forward-looking assumptions by management concerning the expected cash surpluses and the cost of capital. Small changes in the assumptions used in determining the value in use can result in materially different outcomes. This is particularly true of the goodwill allocated to the CGU Bricks North America. Because of the impairments incurred in recent years the value in use for this CGU is sensitive to any adverse change in assumptions.

The risk to the consolidated financial statements results from the fact that unfavorable changes in the assumptions might lead to an overstatement of the respective goodwill, as those are significantly dependent on the assumptions and estimates stated above.

Our Response

We assessed the methodology applied in the impairment review as well as the classification of CGUs for compliance with the requirements specified in IAS 36. In order to evaluate the appropriateness of the internal plans we gained an understanding of the planning process and reconciled the forecasts which are the basis for the determination of the value in use with the medium-term planning for 2017 – 2020 approved by the supervisory board. We tested the design and implementation of controls relating to the preparation and approval of the Group's budgeting process upon which the internal plans of top management for the period 2017 to 2020 are based.

We challenged the integrity of the underlying assumptions related to growth rates and operational results through discussion with management and the respective business unit Chief financial officers. We also analysed the historical budget accuracy.

Our valuation experts assisted us in evaluating the approach to derive the value in use and in testing the mathematical accuracy of the impairment test model. We performed our own sensitivity analysis in assessing the effect of a reasonably possible reduction in growth rates and expected cash surpluses.

Our valuation experts performed an independent assessment against external market data of key inputs used by management in calculating appropriate capital costs and tested the integrity of the group's weighted average cost of capital calculation.

We also assessed whether the Group's disclosures related to the impairment tests are adequate.

2. Assessment of the carrying value of property, plant and equipment

Risk for the Financial Statements

The carrying value of property, plant and equipment (PP&E) amounts to € 1,565 million, representing 43% of total assets on the balance sheet of Wienerberger AG. Management assesses on an annual basis, or whenever triggering events are identified, whether the carrying value of PP&E is impaired. For purposes of the impairment testing CGUs are defined as plants, which are aggregated by division and region. Management investigates on a regular basis whether a reversal of impairment charges incurred in prior periods needs to be considered. The approach to assess the carrying value of PP&E is described in the Section "Accounting and Valuation Principles" under "Impairment of non-financial assets" as well as in the Section "General Information" in Note 6 "Estimates and judgements". The assumptions and valuation results are described in Note 20 "Non-current assets".

The carrying amount of an asset is compared with its recoverable amount, which represents the higher of the value in use or fair value less costs of disposal. Similar to the testing of goodwill these tests involve complex calculations and the assumptions include a degree of uncertainty regarding the future development of growth rates and discount rates. A change in the assumptions can have a significant effect on the outcome of the impairment tests.

The risk to the consolidated financial statements results from the inherent uncertainties in the estimates, especially related to the assumptions used in the forecasts and the macroeconomic development.

Our Response

We performed similar procedures to those described above in relation to goodwill impairment testing in respect of the key assumptions used in the impairment models.

We selected impairment tests for CGUs with significant carrying values and low headroom and performed our own sensitivity analysis on these tests. As part of this analysis we evaluated the effect of a reasonably possible reduction in growth rates and in forecasted cash flows and verified whether the carrying values are still supported by the value in use.

If fair value less costs of disposal exceeded the value in use of assets subject to impairment, we agreed such fair values to external or management's appraisal documentation.

We critically reviewed the impairment tests which indicated that prior period impairment charges should be reversed and challenged management's conclusions with respect to these impairment reversals.

Management's Responsibility and Responsibility of the Audit Committee for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, and, where appropriate, to disclose matters that are relevant to the Group's ability to continue as a going concern and to apply the going concern assumption in its financial reporting, except in circumstances in which liquidation of the Group or closure of operations is planned or cases in which such measures appear unavoidable.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance represents a high degree of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing, which require the audit to be performed in accordance with ISA, will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are considered material if they could, individually or in the aggregate, reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, which require the audit to be performed in accordance with ISA, we exercise professional judgment and retain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we plan and perform procedures to address such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk that material misstatements due to fraud remain undetected is higher than that of material misstatements due to error, since fraud may include collusion, forgery, intentional omissions, misleading representation or override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates as well as related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. In case we conclude that there is a material uncertainty about the entity's ability to continue as a going concern, we are required to draw attention to the respective note in the financial statements in our audit report or, in case such disclosures are not appropriate, to modify our audit opinion. We conclude based on the audit evidence obtained until the date of our audit report. Future events or conditions however may result in the Company departing from the going concern assumption.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

› We communicate with the audit committee regarding, among other matters, the planned scope and timing of our audit as well as significant findings including any significant deficiencies in internal control that we identify in the course of our audit.

› We report to the audit committee that we have complied with the relevant professional requirements in respect of our independence and that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, related measures taken to ensure our independence.

› From the matters communicated with the audit committee we determine those matters that required significant auditor attention in performing the audit and which are therefore key audit matters. We describe these key audit matters in our audit report except in the circumstances where laws or other legal regulations forbid publication of such matter or in very rare cases, we determine that a matter should not be included in our audit report because the negative effects of such communication are reasonably expected to outweigh its benefits for the public interest.

Report on Other Legal Requirements

Group Management Report

In accordance with the Austrian Commercial Code the group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it has been prepared in accordance with legal requirements.

The legal representatives of the Company are responsible for the preparation of the group management report in accordance with the Austrian Commercial Code.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

Opinion

In our opinion, the group management report has been prepared in accordance with legal requirements and is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and the understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Other Information

The legal representatives of the Company are responsible for the other information. Other information comprises all information provided in the annual report, with the exception of the consolidated financial statements, the group management report, and the auditor's report thereon.

Our opinion on the consolidated financial statements does not cover other information, and we will not provide any assurance on it.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether it contains any material inconsistencies with the consolidated financial statements and our knowledge gained during our audit, or any apparent material misstatement of fact. If on the basis of our work performed, we conclude that there is a material misstatement of fact in the other information, we must report that fact. We have nothing to report with this regard.

Engagement Partner

The engagement partner is Mrs Lieve Van Utterbeeck.

Vienna, 10 March 2017

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Lieve Van Utterbeeck
Wirtschaftsprüferin
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid. The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the management report for the Group are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Glossary

Acquisition Expenditure for the purchase of a company or share in a company

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 the percentage to which land, buildings, machinery etc. are covered by equity

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

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

CAGR Compound Annual Growth Rate

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

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

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

Clay block Brick made of burned clay, used for load-bearing exterior monolithic or cavity walls as well as for interior walls

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

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

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

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

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

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

Deferred taxes The result of temporary differences in income recognition between tax law and the individual and consolidated financial statements prepared accounting to IFRS

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

EBIT, operating EBIT adjusted for impairment charges to goodwill and assets as well as the reversal of impairment charges to assets

EBITDA Earnings before interest, taxes, depreciation and amortization, or operating profit before depreciation and amortization = gross cash flow

EBITDA margin EBITDA divided by revenues

Equity method Valuation method used for the consolidation of investments of 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 the cost of capital; average capital employed x (ROCE – WACC)

Facing brick Brick made of burned clay, used for external, non-load-bearing walls of buildings

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 plus growth capex; the amount of cash earned in the current year that is available for growth 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; net debt divided by equity including non-controlling interests; an indicator of financial security

Goodwill Surplus of the price paid for a company over the net assets acquired

Hedging Measures used in the management of financial risk to limit or avoid negative market changes in the areas of interest rates, foreign currency, market values or raw materials

Hurdle rate Return that must be earned to cover the cost of capital and economic depreciation; WACC before tax + economic depreciation (see above)

Hybrid capital Subordinated perpetual corporate bond, which is ranked between equity and debt as mezzanine capital

IFRS International Financial Reporting Standards

Interest cover operating EBIT divided by interest result; indicates the number of times operating income covers the interest result

Interest rate swap Agreement to exchange cash flows with different terms over a specific period of time; these cash flows are based on fixed and variable interest rates; provides security against interest rate fluctuations

Investments Additions to plant, property and equipment and intangible assets

Joint venture Agreement by two or more companies to jointly operate a business enterprise

LLLD (Long Length Large Diameter Pipes) Pipes for industrial facilities with a diameter of up to 2.5 meters and a length of up to 600 meters

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

Net debt Net sum of financial liabilities – cash and cash at bank – securities and other financial assets – intercompany receivables and payables from financing

Net result Profit after tax attributable to equity holders of the parent company

NF Abbreviation for "Normalformat", the standard size of 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, used in the design of gardens and public spaces

PE Polyethylene, a synthetic material

PP Polypropylene, a synthetic material

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

PVC Polyvinyl chloride, a synthetic material

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

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

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

Return on equity Profit after tax 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

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 Company Code)

WACC Weighted average cost of capital, or the average price a company must pay on financial markets for equity and debt

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

Explanatory notes to non-financial indicators [1)]

Average number of sick-leave days / employee
Excluding North America (figures not fully comparable due to special local legislation)

Average training hours / employee
Internal and external initial and further training measures per employee.

CO_2 emissions from primary energy sources
CO_2 emissions refer to fuel emissions from ceramic production.

Employee turnover
Excluding North America (figures not fully comparable due to special local legislation). Ratio of persons leaving the Wienerberger Group (termination by employee or employer as well as termination by mutual consent) to average number of employees in permanent employment; excluding temporary and agency workers as well as workers under term contracts; persons retiring or on leave do not count as persons leaving the company.

Payments to public bodies
Excluding deferred taxes

Percentage of women
Calculation based on headcount. Agency and temporary workers and employees under term contracts are not included.

Specific CO_2 emissions
Specific CO_2 emissions refer to fuel emissions from ceramic production per production unit. Specific CO_2 emissions are expressed as an index in %. The index is based on the reference year 2013.

Specific energy consumption
Specific energy consumption refers to the energy consumption per production unit and is expressed as an index in %. The index is based on the reference year 2013.

Total energy consumption
Total energy consumption comprises energy consumed in production, excluding administration.

1) Due to further developments in data collection, certain indicators from the previous year were adjusted accordingly.

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Financial Calendar

January 30, 2017	*Start of the quiet period*
February 22, 2017	Results of 2016: Press and Analysts Conference in Vienna
March 29, 2017	Publication of the 2016 Annual Report on the Wienerberger website
April 24, 2017	*Start of the quiet period*
May 9, 2017	Record date 148th Annual General Meeting
May 10, 2017	Results for the First Quarter of 2017
May 19, 2017	148th Annual General Meeting in the Austria Center Vienna
May 23, 2017	Deduction of dividends for 2016 (ex-day)
May 24, 2017	Record date for 2016 dividends
May 26, 2017	Payment day for 2016 dividends
June 2017	Publication of the Sustainability Report 2016
July 31, 2017	*Start of the quiet period*
August 17, 2017	Results for the First Half-Year 2017: Press and Analysts Conference
September 2017	Capital Markets Day 2017
October 23, 2017	*Start of the quiet period*
November 8, 2017	Results for the First Three Quarters of 2017

Information on the Company and the Wienerberger Share

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Thomson Reuters	WBSV.VI; WIE-VI
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Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Wienerberger Online Annual Report 2016:
http://annualreport.wienerberger.com

Ten Year-Review

Corporate Data		2007	2008	2009	2010 [2]
Revenues	in MEUR	2,477.3	2,431.4	1,816.9	1,663.6
EBITDA	in MEUR	551.2	396.6	157.5	198.3
EBITDA margin	in %	22.3	16.3	8.7	11.9
EBIT	in MEUR	353.1	158.1	-258.1	4.6
Operating EBIT	in MEUR	353.1	239.8	19.0	4.6
Profit before tax	in MEUR	358.4	123.1	-295.6	-42.5
Profit after tax	in MEUR	295.8	103.3	-258.7	-35.4
Free cash flow	in MEUR	293.8	195.4	250.8	170.5
Total investments	in MEUR	645.6	505.6	134.2	143.5
Net debt	in MEUR	566.8	890.2	408.0	362.3
Capital employed	in MEUR	3,060.2	3,252.2	2,816.8	2,718.4
Gearing	in %	21.2	35.6	16.0	14.5
Interest cover [3] [5]		8.2	5.7	0.5	0.1
Return on equity [4]	in %	11.1	4.1	-10.2	-1.4
ROCE [5]	in %	10.1	6.2	0.2	0.0
EVA [5]	in MEUR	72.8	-27.8	-207.3	-183.8
CFROI [5]	in %	13.0	9.3	4.3	4.2
CVA [5]	in MEUR	42.8	-103.0	-353.8	-348.6
Ø Employees	in FTE	14,785	15,162	12,676	11,296

Stock Exchange Data		2007	2008	2009	2010 [2]
Earnings per share	in EUR	3.46	0.81	-3.17	-0.58
Adjusted earnings per share	in EUR	3.46	1.69	-0.34	-0.58
Dividend per share	in EUR	1.45	0.00	0.00	0.10
Dividend	in MEUR	120.5	0.0	0.0	11.7
Equity per share [6]	in EUR	28.9	24.2	22.5	17.3
Share price at year-end	in EUR	37.93	11.90	12.78	14.29
Shares outstanding (weighted) [7]	in Tsd.	75,491	82,895	91,297	116,528
Market capitalization at year-end	in MEUR	3,184.1	999.0	1,502.0	1,679.5

Condensed Balance Sheet		2007	2008	2009	2010 [2]
Non-current assets	in MEUR	2,915,8	3,011.0	2,726.0	2,708.1
Inventories	in MEUR	669.8	720.0	552.4	555.9
Other assets	in MEUR	744.3	652.9	809.0	737.3
Total assets	in MEUR	4,329.9	4,383.9	4,087.4	4,001.3
Equity [8]	in MEUR	2,672.7	2,497.2	2,547.0	2,503.3
Provisions	in MEUR	188.4	190.0	187.9	205.3
Liabilities	in MEUR	1,468.8	1,696.7	1,352.5	1,292.7

1) The figures for the year 2014 were restated in accordance with IAS 8 // 2) The data were adjusted to reflect a change in accounting policy // 3) Operating EBIT / Interest result // 4) Profit after tax / Equity // 5) 2014 and 2012 calculated on pro-forma 12-month basis // 6) Equity including non-controlling interests; excluding hybrid capital // 7) Adjusted for treasury stock // 8) Equity including non-controlling interest and hybrid capital

2011 [2]	2012	2013	2014 [1]	2015	2016	CAGR 2007-2016
1,915.4	2,355.5	2,662.9	2,834.5	2,972.4	**2,973.8**	2%
240.4	216.7	275.9	317.2	369.7	**404.3**	-3%
12.6	9.2	10.4	11.2	12.4	**13.6**	
37.5	-21.7	64.7	-165.1	163.1	**190.6**	-7%
40.0	31.0	55.3	100.2	167.6	**197.7**	-6%
47.4	-36.2	-3.1	-215.3	107.0	**158.5**	-9%
39.4	-40.5	-7.8	-229.7	69.8	**115.3**	-10%
135.0	163.6	92.9	134.0	135.1	**246.5**	-2%
151.7	268.7	106.7	163.1	147.8	**181.1**	-13%
358.8	602.0	538.9	621.5	534.1	**631.6**	1%
2,652.1	2,931.3	2,767.6	2,591.9	2.569.9	**2,460.0**	-2%
14.8	25.5	23.9	31.3	26.0	**34.2**	
1.1	0.6	1.0	1.9	4.0	**5.7**	
1.6	-1.7	-0.3	-11.6	3.4	**6.2**	
0.9	0.4	1.3	2.7	4.5	**5.8**	
-163.3	-192.2	-161.4	-125.0	-71.6	**-23.5**	
5.0	5.2	5.1	6.0	6.7	**7.2**	
-313.7	-331.8	-335.8	-296.7	-265.4	**-239.7**	
11,893	13,060	13,787	14,836	15.813	**15,990**	1%

2011 [2]	2012	2013	2014 [1]	2015	2016	CAGR 2007-2016
0.07	-0.61	-0.34	-2.26	0.31	**0.70**	-16%
0.09	-0.25	-0.40	0.03	0.35	**0.76**	-15%
0.12	0.12	0.12	0.15	0.20	**0.27**	-17%
13.8	13.8	13.8	17.5	23.4	**31.6**	-14%
16.6	16.3	15.3	12.9	13.4	**13.5**	-8%
6.97	6.93	11.53	11.45	17.09	**16.50**	-9%
116,762	115,063	115,063	116,017	116,956	**116,956**	5%
819.2	814.3	1,354.5	1,345.1	2,008.5	**1,938.6**	-5%

2011 [2]	2012	2013	2014 [1]	2015	2016	CAGR 2007-2016
2,611.4	2,800.8	2,610.0	2,433.8	2,426.3	**2,355.0**	-2%
576.6	700.9	666.0	701.4	753.3	**718.4**	1%
803.4	638.0	935.4	695.8	512.0	**563.8**	-3%
3,991.4	4,139.7	4,211.4	3,831.0	3,691.6	**3,637.2**	-2%
2,430.8	2,363.7	2,254.2	1,986.5	2,054.2	**1,849.0**	-4%
197.2	265.9	224.5	253.5	290.3	**278.0**	4%
1,363.4	1,510.1	1,732.7	1,591.0	1,347.1	**1,510.2**	0%

If you want to learn more about Wienerberger, and there is no order card attached, you can ask for our annual and quarterly reports or add your name to our mailing list by contacting us at T +43 1 601 92 10221 or investor@wienerberger.com

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