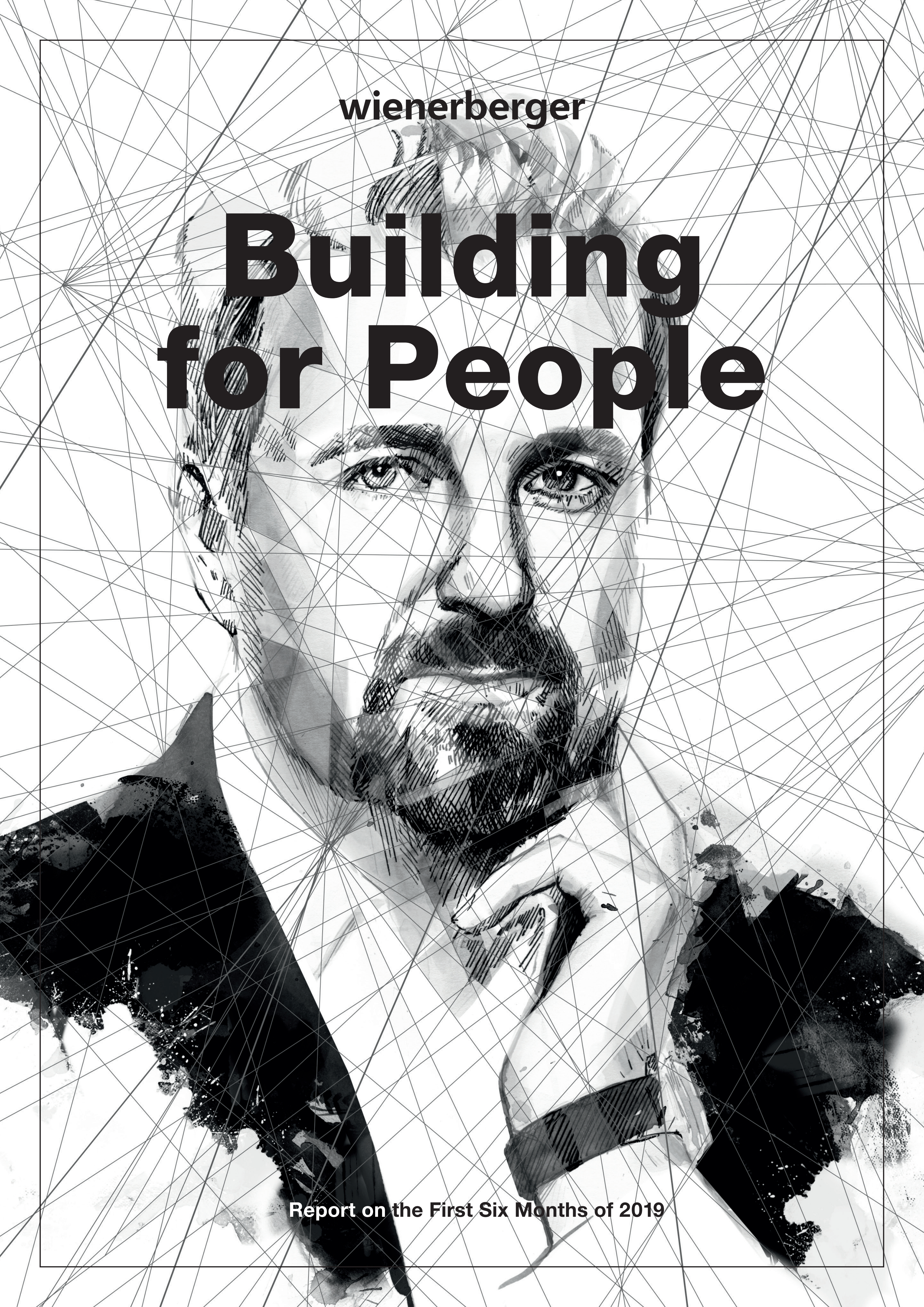
wienerberger

Building for People



Report on the First Six Months of 2019

Earnings Data		1-6/2019	1-6/2018	Chg. in %	Year-end 2018
Revenues	in MEUR	**1,736.4**	1,606.9	+8	3,305.1
EBITDA LFL [1]	in MEUR	**286.6**	214.9	+33	-
EBITDA	in MEUR	**295.7**	198.9	+49	442.6
EBIT	in MEUR	**181.5**	107.7	+69	239.8
Profit before tax	in MEUR	**166.7**	86.6	+93	195.3
Net result	in MEUR	**126.9**	53.2	>100	133.5
Earnings per share	in EUR	**1.11**	0.46	>100	1.15
Free cash flow [2]	in MEUR	**-80.7**	-47.4	-70	236.5
Normal capex	in MEUR	**68.5**	60.7	+13	166.3
Growth capex [3]	in MEUR	**47.2**	60.9	-22	158.9
Ø Employees	in FTE	**16,963**	16,652	+2	16,596

Balance Sheet Data		30/6/2019	31/12/2018	Chg. in %
Equity [4]	in MEUR	**1,980.4**	1,939.1	+2
Net debt	in MEUR	**982.3**	631.6	+56
Capital employed	in MEUR	**2,926.8**	2,536.7	+15
Total assets	in MEUR	**4,074.0**	3,742.9	+9
Gearing	in %	**49.6**	32.6	-

Stock Exchange Data		1-6/2019	1-12/2018	Chg. in %
Share price high	in EUR	**21.82**	24.06	-9
Share price low	in EUR	**18.10**	17.57	+3
Share price at end of period	in EUR	**21.70**	18.00	+21
Shares outstanding (weighted) [5]	in 1,000	**114,585**	116,154	-1
Market capitalization at end of period	in MEUR	**2,524.8**	2,115.5	+19

Business Units 1-6/2019 *in MEUR and %* [6]	Wienerberger Building Solutions		Wienerberger Piping Solutions		North America		Group eliminations	Wienerberger Group	
External revenues	1,074.1	(+10%)	497.0	(+4%)	164.9	(+10%)		1,736.0	(+8%)
Inter-company revenues	0.4	(-38%)	0.1	(+97%)	0.0	(-63%)	-0.1	0.3	(-49%)
Revenues	1,074.5	(+10%)	497.1	(+4%)	164.9	(+10%)	-0.1	1,736.4	(+8%)
EBITDA LFL [1]	219.1	(+37%)	51.7	(+47%)	15.8	(-18%)		286.6	(+33%)
EBITDA	221.7	(+41%)	51.1	(>100%)	22.8	(+7%)		295.7	(+49%)
EBIT	147.3	(+51%)	26.2	(>100%)	8.0	(-17%)		181.5	(+69%)
Capital employed	1,896.3	(+10%)	600.4	(+19%)	430.1	(+11%)		2,926.8	(+12%)
Total investments	89.0	(-10%)	20.1	(+11%)	6.7	(+38%)		115.8	(-5%)
Ø Employees (in FTE)	12,171	(+2%)	3,312	(0%)	1,480	(+6%)		16,963	(+2%)

1) Including the effect on earnings from the first-time adoption of IFRS 16 Leases; adjusted for effects from consolidation, FX, sale of non-strategic and non-operating assets as well as structural adjustments // 2) Cash flow from operating activities less cash flow from investing activities and cash outflows from the repayment of lease liabilities plus growth capex (excluding purchase of non-controlling interests) // 3) Including purchase of non-controlling interests // 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

Explanatory notes to the report: Rounding differences may arise from the automatic processing of data.

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Chief Executive's Review

Ladies and Gentlemen:

The first half of 2019 was the best in the 200-year history of our company. We achieved a significant 8% increase in revenues to over € 1.7 billion. Our focus on high-quality system solutions led to a significant enhancement of our product mix and, combined with our proactive pricing policy, resulted in revenue growth in all our operating segments. Our adjusted EBITDA grew by 33 % to € 287 million. Most significant of all, however, was the substantial increase in net profit, which we more than doubled to € 127 million.

These record results are attributable to an very strong operational performance and the consistent implementation of our growth strategy. During the past six months, our strategic projects advanced rapidly. Our Fast Forward program made excellent progress and generated a contribution to earnings in the amount of € 25 million. The integration of our acquisitions in Great Britain and Belgium progressed as planned, and the companies taken over delivered substantial contributions to earnings. These growth steps enabled us to strengthen our market position in strategic core markets.

The progressive transformation of our product mix was another important success factor. By developing smart and resource-efficient system solutions, Wienerberger is shaping the future of building construction, renovation and infrastructure. At the same time, we are contributing toward improving the ecological performance of the construction industry. We are pursuing this course consistently. Almost one third of our total revenues is already being generated by innovative solutions and services. These range from digitally designed, prefabricated wall elements to tailor-made electrical solutions for buildings to innovative building materials and smart solutions for meeting the challenges of climate change. Our Raineo system, an intelligent solution to cope with the increasing frequency of flooding in urban areas, is an excellent example. The close interaction between our products and services for the building envelope and our smart piping solutions is another essential factor in this development. We therefore intend to derive an even greater benefit from the resulting synergies in the future.

We are fully on track to meet our ambitious targets for the year as a whole. Despite current factors of uncertainty, we anticipate largely stable to slightly growing demand in our core markets. Regardless of increasing market volatility, we will continue to grow. Based on the outstandingly strong performance of the first half of the year, our outlook for the second half is optimistic and we can therefore update our forecast for EBITDA LFL of € 570 to 580 million (previously € 560 to 580 million) for 2019 as a whole.

Yours

Interim Management Report Financial Review

Earnings

In a market environment characterized by growing volatility, we succeeded in generating a significant 8% increase in revenues at Group level to € 1,736.4 million during the first half of the year (2018: 1,606.9 million). Besides the early start into the construction season due to favorable weather conditions, our intensified focus on premium product solutions and our proactive pricing policy were the main factors contributing to this strong development. While consolidation effects increased revenues by € 30.2 million, foreign-exchange effects burdened revenues slightly by € 2.1 million. Negative effects were primarily due to the Turkish lira, the Polish zloty and the Swedish crown, which were, however, largely offset by the appreciation of the US dollar and the British pound.

In the first six months of 2019, the Wienerberger Group's EBITDA LFL increased significantly by 33% to € 286.6 million (2018: € 214.9 million). Against the background of a challenging market environment, this substantial increase was achieved through improvements of the product mix and higher average prices that offset the impact of rising cost inflation. Moreover, the consistent implementation of our Fast Forward program delivered a contribution to earnings of roughly € 25 million in the reporting period.

EBITDA LFL includes the impact of first-time adoption of IFRS 16 Leases, which increased EBITDA by € 21.3 million. Not included are consolidation effects in the amount of € 8.0 million, negative foreign-exchange effects in the amount of € 1.4 million, income from the sale of real estate of € 3.2 million, and € 0.7 million in costs for structural adjustments.

Taking all of the aforementioned effects into account, EBITDA reported by the Wienerberger Group increased by 49% from € 198.9 million to € 295.7 million. Earnings before interest and tax (EBIT) also improved by 69% to € 181.5 million (2018: € 107.7 million), which was attributable to strong operational performance and the absence of one-off expenses.

The financial result of € -14.8 million (2018: € -21.1 million) included net interest expenses of € -19.1 million (2018: € -18.9 million), of which interest expenses of € -1.7 million for lease contracts resulted from the first-time adoption of IFRS 16 Leases in the reporting period. Income from investments in associates and joint ventures came to € 0.7 million (2018: € 0.5 million); the other financial result amounted to € 3.6 million (2018: € -2.7 million), primarily attributable to valuation effects and bank charges.

Profit before tax rose steeply by 93% to € 166.7 million (2018: € 86.6 million). On account of the significant growth in earnings, the tax expense came to € 32.9 million, as compared to the previous year's € 27.1 million. Due to the utilization of tax losses carried forward and the regional split of earnings, the tax ratio was lower than in the previous year. The Group's net profit also rose significantly from € 53.2 million in the first half of 2018 to € 126.9 million as at the end of June 2019, which in turn resulted in improved earnings per share of € 1.11 (2018: € 0.46).

Cash Flow

Gross cash flow improved to € 215.4 million (2018: € 132.6 million) in the first half of the year, primarily due to substantially higher earnings before tax. Cash flow from operating activities also improved from € -60.9 million in the previous year to € 5.2 million in the reporting period, as cash-out for working capital only increased slightly despite the significant increase in revenues.

During the first half of 2019, a total amount of € 82.3 million (2018: € 69.5 million) was paid out for maintenance and technological improvements of production processes as well as plant extensions. In addition, Wienerberger invested € 33.5 million in acquisitions (2018: € 22.0 million). Proceeds from real estate sales and the realization of other non-current assets amounted to € 5.6 million (2018: € 29.8 million). In a comparison with the previous year's period, the absence of cash inflow from the sale of the Austrian paver business in the first half of 2018 has to be taken into account. In total, cash flow from investing activities amounted to € -113.5 million (2018: € -17.3 million).

Cash flow from financing activities amounted to € 44.2 million in the reporting period (2018: € 217.6 million). Net cash inflow from short-term financial liabilities amounted to € 144.3 million, whereas long-term financial liabilities changed only slightly. Due to the first-time adoption of IFRS 16 Leases, the repayment portion of lease payments has been recognized in cash flow from financing activities since 1/1/2019, which results in an improvement in cash flow from operating activities. In the first half of the year, this represented a cash outflow of € 19.6 million. In order to ensure the comparability of the free cash flow with values from prior periods after first-time adoption of IFRS 16 Leases, free cash flow will in future be adjusted for the repayment portion of lease payments. The dividend of € 57.3 million (2018: € 34.8 million) was paid out in the second quarter. The cash outflows for the hybrid coupon and a partial buyback of the hybrid bond amounted to a total of € 20.6 million (2018: hybrid coupon of € 13.6 million). For the share buyback program, which was initiated in 2018 and completed in January 2019, € 2.9 million were invested in the reporting period (2018: € 22.4 million). In total, the Group's cash and cash equivalents declined by € 64.1 million from their 2018 year-end value to € 99.1 million.

Assets and Financial Position

The Group's equity as at 30/6/2019 was € 41.3 million above the 2018 year-end value. Total comprehensive income after tax increased equity by a total of € 127.5 million. At the same time, distribution of the dividend of € 57.3 million, payout of the hybrid coupon in the am-ount of € 13.6 million, and the buyback of own shares and parts of the hybrid bond for a total amount of € 9.8 million resulted in a reduction in the Group's equity. 1,175,268 own shares bought back were cancelled as at 18/2/2019. This resulted in a reclassification within equity from treasury stock to issued capital and share premium.

The Group's net debt, amounting to € 982.3 million, was significantly above the value reported as at 31/12/2018. Apart from the usual seasonal build-up of working capital, this development was due to the first-time adoption of IFRS 16 Leases, which required the recognition of lease liabilities of € 160.6 million as part of financial liabilities as at the reporting date. From today's perspective, the effect of IFRS 16 Leases on net debt will increase to roughly € 200 million in the course of the year. This is due to the conclusion of new lease contracts and the renewal of existing ones. A shift within financial liabilities from long-term to short-term liabilities occurred. On the one hand, lease liabilities formerly recognized as part of the long-term component were allocated to the short-term component, as their residual maturity was less than 12 months. On the other hand, lease liabilities and the seasonal working capital related increase in financial liabilities also led to an increase in short-term financial liabilities.

Second Quarter of 2019

In the second quarter of 2019, Wienerberger generated revenue growth and significantly increased its EBITDA LFL:

- Revenues grew by 3% to € 959.5 million (2018: € 931.5 million)
- EBITDA LFL increased significantly by 13% to € 177.6 million (2018: € 157.2 million)

Wienerberger Building Solutions

In the Wienerberger Building Solutions Business Unit, second-quarter revenues increased by 4% to € 597.5 million (2018: € 575.0 million). After the early start of the construction season due to favorable weather conditions at the beginning of the year, demand normalized in the second quarter, as expected. In individual regions, we observed a higher degree of volatility, which resulted in temporarily muted demand in June. In this environment, we achieved growth in earnings through our proactive pricing policy aimed at covering cost inflation and through optimization measures taken within the framework of our Fast Forward program. Overall, EBITDA LFL increased significantly by 13% to € 133.5 million (2018: € 118.0 million).

Benefiting from a satisfactory level of demand for building material solutions, we achieved significant earnings growth in Eastern Europe. Our Western European core markets continued to show diverging developments. Our earnings grew in Great Britain, where demand remained high despite growing political and economic uncertainty. In the Benelux countries, we also succeeded in improving our earnings in a healthy market environment. In France, changes in the legal framework for residential building subsidies led to a continued slow-down in construction activity in the second quarter, which weighed on our earnings. In the stable German market for single- and two-family homes, successful structural adjustments implemented in the previous year translated into a significant increase in profitability.

Wienerberger Piping Solutions

The strongest growth momentum of the second quarter was seen in the Wienerberger Piping Solutions Business Unit. While revenues remained stable at € 273.1 million, (2018: € 272.4 million), EBITDA LFL improved significantly by 27% to € 33.9 million (2018: € 26.8 million). Building solutions and water management, our strategic growth areas, recorded significant increases. Moreover, we successfully boosted the share of premium products and solutions in total revenues, thus consistently pursuing our strategy of upgrading our product range. The continuing implementation of Fast Forward projects, aimed at optimizing business processes and enhancing our earning power, delivered the expected positive contributions to earnings. At the same time, we continued to capitalize on structural adjustments completed in the previous year, which have resulted in a sustainable increase in profitability. Rising cost inflation was offset by our proactive pricing policy.

North America

The North America Business Unit reported a 6% increase in revenues to € 89.0 million and a significant 30% rise in EBITDA to € 16.0 million. However, adjusted for foreign-exchange and consolidation effects, EBITDA LFL declined by 18% to € 10.2 million.

In the second quarter of 2019, demand in the core regions of our US brick business remained at the previous year's level. Growth in earnings was generated by optimization measures taken within the framework of the Fast Forward program and through the strong contribution to earnings delivered by the facing brick producer in Pennsylvania taken over in 2018. As expected, earnings in Canada declined as residential construction continued to slow down under the impact of government regulation. In our plastic pipe business, earnings in the second quarter fell short of the previous year's record result due to wet weather conditions and the resultant delays in project implementation.

External revenues *in MEUR*	4-6/2019	4-6/2018	Chg. in %
Wienerberger Building Solutions	**597.5**	575.0	+4
Wienerberger Piping Solutions	**273.1**	272.4	0
North America	**89.0**	84.1	+6
Wienerberger Group	**959.5**	**931.5**	**+3**

EBITDA *in MEUR*	4-6/2019	4-6/2018	Chg. in %
Wienerberger Building Solutions	**136.1**	115.8	+18
Wienerberger Piping Solutions	**33.7**	26.7	+26
North America	**16.0**	12.3	+30
Wienerberger Group	**185.8**	**154.8**	**+20**

Operating Segments

Wienerberger Building Solutions

The Wienerberger Building Solutions Business Unit delivered a very strong performance in the first half of the year:

- Growth in almost all markets
- Significant 10% increase in revenues to € 1,074.1 million (2018: € 978.4 million)
- EBITDA LFL improved to € 219.1 million (2018: € 160.5 million)
- Positive EBITDA effect of € 13.1 million through first-time adoption of IFRS 16

As of 2019, we report on our business in ceramic solutions for the building envelope and our concrete paver business in the Wienerberger Building Solutions Business Unit.

During the first six months of the year, the Business Unit delivered an excellent performance. After an early start into the construction season due to favorable weather conditions, demand normalized in the second quarter, as expected, and we observed increasing volatility in our end markets in certain regions. In this environment, we succeeded in increasing the percentage of premium products in total revenues and covering cost inflation through higher average prices. Moreover, the implementation of our Fast Forward program made a strong contribution to the Business Unit's performance. We are making continuous efforts to improve our production processes, our pricing policy and the range of products offered, while at the same time reducing energy consumption and the scrap rate. Other priorities include invest-ments in automation and the centralization of procurement.

In Great Britain, residential construction in our core regions continued at a high level despite increasing economic and political uncertainty. Capitalizing on strong demand, we generated growth in revenues and earnings. Additionally, we have made good progress in integrating the roofing accessories specialist consolidated in the second quarter. This acquisition enables us to strengthen our position as a full-range supplier and to increase our share in the value chain.

In Belgium and the Netherlands we saw a satisfactory development of demand and recorded significant growth in earnings in both markets. The producers of clay pavers and facing bricks, which we acquired in the Netherlands last year, delivered strong contributions to earnings.

In Germany, Austria and Switzerland residential construction remained stable at a satisfactory level. The optimization measures taken in Germany last year to enhance marketing efficiency and create leaner cost structures continued to generate significant growth in earnings. In France, demand declined in the first half of the year under the impact of cuts in government support for housing construction and resulted in lower earnings.

In Poland and the Czech Republic, the continuing strong momentum in new residential construction resulted in growing demand for solutions for the building envelope and paving for outdoor surfaces. Benefiting from this positive environment, we recorded significant growth in revenues and earnings. In our other Eastern European core markets, the favorable macroeconomic development also had a positive impact on the construction of new single- and two-family homes, which we utilized for earnings growth.

Overall, in the first half of the year we succeeded in increasing our revenues by 10% to € 1,074.1 million (2018: € 978.4 million) and our EBITDA by 41% to € 221.7 million (2018: € 156.8 million). Included in these figures are a positive effect of € 13.1 million from first-time adoption of IFRS 16 and the absence of structural adjustment costs of € 9.0 million incurred in the same period of the previous year. EBITDA LFL improved significantly by 37% to € 219.1 million (2018: € 160.5 million) in the first six months of 2019.

Wienerberger Building Solutions		1-6/2019	1-6/2018	Chg. in %
External revenues	in MEUR	**1,074.1**	978.4	+10
EBITDA LFL [1)]	in MEUR	**219.1**	160.5	+37
EBITDA	in MEUR	**221.7**	156.8	+41
EBIT	in MEUR	**147.3**	97.8	+51
Capital Employed	in MEUR	**1,896.3**	1,719.2	+10
Total investments	in MEUR	**89.0**	98.6	-10
Ø Employees	in FTE	**12,171**	11,944	+2

1) Includes a positive effect on earnings in the amount of € 13.1 million due to first-time adoption of IFRS 16.

Outlook for 2019: Significant earnings growth

Despite rising volatility in our end markets, we foresee a continuation of slight growth in European residential construction and a further positive development of public and private demand for paving of outdoor surfaces in the course of the year. The regional trends of the first six months are likely to continue to a large extent throughout the second half of the year.

In this environment, we are continuing to work on the enhancement of our product range, intending to further increase the revenue share of premium solutions. Rising cost inflation is being offset by higher average prices. Moreover, our Fast Forward program is driving continuous optimization of our processes and cost structure. Thanks to a large number of individual projects in manufacturing and commercial excellence, procurement and logistics as well as administration, we are well on track to achieve our ambitious targets for this business year. The acquisitions made in 2018 and 2019 will also deliver substantial contributions to earnings.

Overall, we expect the Wienerberger Building Solutions Business Unit to generate significant earnings growth for the year as a whole.

Wienerberger Piping Solutions

During the first six months of the year, the Wienerberger Piping Solutions Business Unit recorded significant growth in revenues and earnings:

- Revenues grew by 4% to € 497.0 million (2018: € 478.5 million)
- EBITDA LFL increased substantially by 47% to € 51.7 million (2018: € 35.2 million)
- Improved product mix and optimized cost position led to significant earnings growth
- First-time adoption of IFRS 16 resulted in a € 6.7 million increase in EBITDA

As of 2019, the Wienerberger Piping Solutions Business Unit comprises our European plastic pipe business and our ceramic pipe operations.

In the first half of the year, we generated significant growth in earnings in our plastic pipe business. After a strong start of the year due to favorable weather conditions, demand normalized in the course of the second quarter in line with our expectations. At the same time, we observed rising volatility in certain regions. In this environment, we successfully upgraded our product mix by increasing the percentage of premium product solutions and compensated cost inflation by means of a proactive pricing policy. Optimization projects implemented within the framework of our Fast Forward program delivered the anticipated contributions to earnings.

In our electro business, we generated significant growth year on year. Moreover, the integration of the Belgian producer of accessories for electrical installations is making good progress. In the field of water management, we saw growing demand, especially in Eastern Europe, and achieved a substantial increase in earnings. The growing volume of projects in the energy sector translated into significant earnings growth in our international project business with special pipes.

In terms of regional developments, we continued to see a healthy market environment on a high level in our Nordic core markets, where we succeeded in further increasing our revenues and earnings. Moreover, the Norwegian specialist in pre-insulated pipes acquired in mid-2018 delivered the expected contribution to earnings. Earnings remained stable in the important markets of the Netherlands and Austria; in the Netherlands, the slowdown of business in the gas sector triggered by regulatory changes was offset by excellent performance in other fields of business. In the competitive French market, our earnings improved as a result of the continuing positive impact of sustainable structural adjustments implemented in the previous year. In the Turkish growth market, we recorded further strong operational growth, which was, however, offset by the devaluation of the Turkish lira against the reporting currency. In Eastern Europe, the main contributors to growth were Hungary, the Czech Republic and Poland. As in the previous quarter, the increased take-up of EU funding anticipated by us only materialized in a few selected markets throughout the region.

The strong increase in earnings in our ceramic pipe business was primarily attributable to structural adjustments that were successfully concluded in the second half of 2018. While the closure of a production site and the streamlining of the product portfolio resulted in a drop in sales below the previous year's level, the improved cost structure and higher capacity utilization had a sustainably positive impact on profitability. In combination with highly favorable price developments, this led to significant organic earnings growth in the first six months of the year.

Overall, the Business Unit's revenues increased by 4% to € 497.0 million in the first half of the year; EBITDA grew from € 20.7 million to € 51.1 million. Included in these figures are a positive € 6.7 million effect from the first-time adoption of IFRS 16 and the absence of structural adjustment costs incurred in the first quarter of 2018 in the amount of € 16.1 million. During the first six months of 2019, EBITDA LFL increased substantially by 47% to € 51.7 million.

Wienerberger Piping Solutions		1-6/2019	1-6/2018	Chg. in %
External revenues	in MEUR	**497.0**	478.5	+4
EBITDA LFL [1]	in MEUR	**51.7**	35.2	+47
EBITDA	in MEUR	**51.1**	20.7	>100
EBIT	in MEUR	**26.2**	0.4	>100
Capital employed	in MEUR	**600.4**	505.3	+19
Total investments	in MEUR	**20.1**	18.1	+11
Ø Employees	in FTE	**3,312**	3,306	0

1) Includes a positive effect on earnings in the amount of € 6.7 million due to first-time adoption of IFRS 16.

Outlook for 2019: Significant EBITDA growth

In the second quarter, some regions saw rising volatility in the core markets of the Wienerberger Piping Solutions Business Unit. Nevertheless, we expect a continuing healthy development of demand with a slight upward trend throughout 2019.

In this environment, we will increase our average prices to cover cost inflation and upgrade our product range through a higher percentage of premium solutions. We are positioning ourselves as a full-range supplier in the electro business and successfully gaining market shares with our high-quality system solutions. The integration of the Reddy Group, a specialist in electrical accessories taken over in the second quarter, confirms the progress made in implementing our strategy of continuous improvement of our product mix.

Moreover, the structural adjustments that were successfully implemented in 2018, as well as the ongoing optimization measures taken within the framework of the Fast Forward program, will continue to boost our earning power in the pipe business. We therefore anticipate a notable improvement of the Business Unit's performance in the course of the year.

North America

Although business in North America was characterized by diverging trends in the individual fields of activity, the Business Unit's performance was satisfactory overall:

- Revenues grew by 10% to € 164.9 million (2018: € 149.3 million)
- EBITDA improved by 7% to € 22.8 million (2018: € 21.4 million)
- Strong contribution to earnings from Watsontown Brick, the facing brick producer taken over at the end of 2018
- Unfavorable weather conditions delayed project implementation in the pipe business
- Slowdown of building activity in Canada due to regulatory changes
- EBITDA LFL declined to € 15.8 million (2018: € 19.3 million)
- Positive EBITDA effect of € 1.5 million due to first-time adoption of IFRS 16

Despite unfavorable weather conditions at the beginning of the year, we recorded solid demand in the US brick business in the first half of 2019. Significant growth in earnings was generated through optimization measures within the framework of our Group-wide Fast Forward program. Moreover, the facing brick producer taken over in Pennsylvania delivered a strong contribution to earnings. This acquisition extended our geographic footprint to important brick markets in the north-eastern United States and in Canada.

In our Canadian facade business, the measures taken by the government aimed at stricter regulation of the real estate market, as expected, resulted in lower demand. Consequently, we had to record a decline in earnings.

In the North American plastic pipe business, the first half of the year was affected by poor weather conditions and the resultant delays in project implementation. Therefore, despite higher sales of special pipes, we were not able to match the record result of the previous year.

Overall, the North America Business Unit reported a 10% increase in revenues to € 164.9 million (2018: € 149.3 million) and 7% growth in earnings to € 22.8 million (2018: 21.4 million). EBITDA LFL, adjusted for consolidation contributions, foreign-exchange effects and real estate sales, came to € 15.8 million (2018: € 19.3 million) and includes a positive effect of € 1.5 million from the first time adoption of IFRS 16.

North America		1-6/2019	1-6/2018	Chg. in %
External revenues	*in MEUR*	**164.9**	149.3	+10
EBITDA LFL [1)]	*in MEUR*	**15.8**	19.3	-18
EBITDA	*in MEUR*	**22.8**	21.4	+7
EBIT	*in MEUR*	**8.0**	9.6	-17
Capital employed	*in MEUR*	**430.1**	387.6	+11
Total investments	*in MEUR*	**6.7**	4.8	+38
Ø Employees	*in FTE*	**1,480**	1,402	+6

1) Includes a positive effect on earnings in the amount of € 1.5 million due to first-time adoption of IFRS 16.

Outlook for 2019: Stable EBITDA development

For the second half of the year, we expect to see largely stable development in the construction of new single- and two-family homes in the relevant markets of our US brick business. Moreover, we anticipate strong contributions to earnings to be generated by the measures taken within the framework of our Fast Forward program and by the facing brick producer taken over at the end of the previous year. In Canada, we expect the government to maintain its regime of stricter regulation of the real estate market and therefore foresee a decline in earnings for the year as a whole. In the US plastic pipe business, we intend to take further measures to optimize production and distribution and are confident of seeing satisfactory operational performance. However, we will not be able to match the previous year's record result on account of the weather-related project delays at the beginning of the year.

For the North America Business Unit as a whole, we anticipate a stable development of earnings, including the contributions from recent acquisitions.

Condensed Interim Financial Statements (IFRS) Wienerberger Group

Consolidated Income Statement

in TEUR	4-6/2019	4-6/2018	1-6/2019	1-6/2018
Revenues	959,629	931,815	1,736,379	1,606,874
Cost of goods sold	-605,914	-594,578	-1,111,824	-1,056,036
Gross profit	**353,715**	**337,237**	**624,555**	**550,838**
Selling expenses	-172,921	-169,908	-326,259	-313,651
Administrative expenses	-54,097	-53,033	-112,036	-105,732
Other operating income:				
Reversal of impairment charges to assets	0	286	0	3,500
Other	13,149	11,396	16,936	21,677
Other operating expenses	-11,372	-19,610	-21,670	-48,922
Operating profit/loss (EBIT)	**128,474**	**106,368**	**181,526**	**107,710**
Income from investments in associates and joint ventures	1,629	1,323	691	470
Interest and similar income	775	1,370	1,488	2,710
Interest and similar expenses	-10,482	-11,308	-20,558	-21,571
Other financial result	3,250	-1,824	3,571	-2,719
Financial result	**-4,828**	**-10,439**	**-14,808**	**-21,110**
Profit/loss before tax	**123,646**	**95,929**	**166,718**	**86,600**
Income taxes	-19,964	-19,724	-32,921	-27,103
Profit/loss after tax	**103,682**	**76,205**	**133,797**	**59,497**
Thereof attributable to non-controlling interests	181	56	200	-421
Thereof attributable to hybrid capital holders	3,323	3,393	6,657	6,749
Thereof attributable to equity holders of the parent company	**100,178**	**72,756**	**126,940**	**53,169**
Earnings per share (in EUR)	**0.87**	**0.63**	**1.11**	**0.46**
Diluted earnings per share (in EUR)	**0.87**	**0.63**	**1.11**	**0.46**

Consolidated Statement of Comprehensive Income

in TEUR	4-6/2019	4-6/2018	1-6/2019	1-6/2018
Profit/loss after tax	**103,682**	**76,205**	**133,797**	**59,497**
Foreign exchange adjustments	-12,345	-129	7,523	-13,556
Foreign exchange adjustments to investments in associates and joint ventures	15	-28	12	-23
Changes in hedging reserves	6,681	-4,276	-425	-2,428
Items to be reclassified to profit or loss	**-5,649**	**-4,433**	**7,110**	**-16,007**
Actuarial gains/losses	-13,409	0	-13,409	0
Items not to be reclassified to profit or loss	**-13,409**	**0**	**-13,409**	**0**
Other comprehensive income [1)]	**-19,058**	**-4,433**	**-6,299**	**-16,007**
Total comprehensive income after tax	**84,624**	**71,772**	**127,498**	**43,490**
Thereof comprehensive income attributable to non-controlling interests	187	46	205	-351
Thereof attributable to hybrid capital holders	3,323	3,393	6,657	6,749
Thereof comprehensive income attributable to equity holders of the parent company	**81,114**	**68,333**	**120,636**	**37,092**

1) The components of other comprehensive income are reported net of tax.

Consolidated Balance Sheet

in TEUR	30/6/2019	31/12/2018
Assets		
Intangible assets and goodwill	729,823	712,719
Property, plant and equipment	1,747,505	1,575,709
Investment property	66,627	66,569
Investments in associates and joint ventures	22,788	22,100
Other financial investments and non-current receivables	31,208	30,420
Deferred tax assets	51,885	54,076
Non-current assets	**2,649,836**	**2,461,593**
Inventories	820,594	761,659
Trade receivables	366,577	215,838
Receivables from current taxes	13,650	4,144
Other current receivables	80,451	92,436
Securities and other financial assets	43,748	42,812
Cash and cash equivalents	99,104	163,080
Current assets	**1,424,124**	**1,279,969**
Non-current assets held for sale	**0**	**1,348**
Total assets	**4,073,960**	**3,742,910**
Equity and liabilities		
Issued capital	116,352	117,527
Share premium	1,058,946	1,075,422
Hybrid capital	259,576	265,969
Retained earnings	817,364	760,389
Other reserves	-237,259	-230,955
Treasury stock	-35,125	-49,858
Controlling interests	**1,979,854**	**1,938,494**
Non-controlling interests	572	586
Equity	**1,980,426**	**1,939,080**
Deferred taxes	80,349	75,021
Employee-related provisions	150,550	136,432
Other non-current provisions	81,899	83,622
Long-term financial liabilities	510,519	710,590
Other non-current liabilities	2,760	2,793
Non-current provisions and liabilities	**826,077**	**1,008,458**
Current provisions	38,130	51,924
Payables for current taxes	17,128	22,531
Short-term financial liabilities	614,657	126,907
Trade payables	294,958	326,890
Other current liabilities	302,584	267,120
Current provisions and liabilities	**1,267,457**	**795,372**
Total equity and liabilities	**4,073,960**	**3,742,910**

Consolidated Statement of Cash Flows

in TEUR	1-6/2019	1-6/2018
Profit/loss before tax	166,718	86,600
Depreciation and amortization	113,282	90,699
Impairment charges to assets and other valuation effects	-2,178	12,251
Reversal of impairment charges to assets	0	-3,500
Increase/decrease in non-current provisions	-4,932	-5,656
Income from investments in associates and joint ventures	-691	-470
Gains/losses from the disposal of fixed and financial assets	-3,891	-11,416
Interest result	19,070	18,861
Interest paid	-26,540	-22,276
Interest received	408	452
Income taxes paid	-45,828	-32,928
Gross cash flow	**215,418**	**132,617**
Increase/decrease in inventories	-55,925	-49,819
Increase/decrease in trade receivables	-145,306	-153,987
Increase/decrease in trade payables	-35,163	-40,587
Increase/decrease in other net current assets	26,140	50,854
Cash flow from operating activities	**5,164**	**-60,922**
Proceeds from the sale of assets (including financial assets)	5,620	29,785
Payments made for property, plant and equipment and intangible assets	-82,316	-69,490
Dividend payments from associates and joint ventures	0	3,039
Increase/decrease in securities and other financial assets	-3,336	20,469
Net payments made for the acquisition of companies	-33,458	-21,995
Net proceeds from the sale of companies	0	20,929
Cash flow from investing activities	**-113,490**	**-17,263**
Cash inflows from the increase in short-term financial liabilities	330,516	215,533
Cash outflows from the repayment of short-term financial liabilities	-186,194	-144,232
Cash inflows from the increase in long-term financial liabilities	658	247,451
Cash outflows from the repayment of long-term financial liabilities	-205	-122
Cash outflows from the repayment of lease liabilities	-19,601	0
Dividends paid by Wienerberger AG	-57,291	-34,812
Hybrid coupon paid	-13,645	-13,609
Buyback hybrid capital	-6,907	0
Dividends paid to non-controlling interests	-219	-120
Purchase of non-controlling interests	0	-30,100
Purchase of treasury stock	-2,918	-22,350
Cash flow from financing activities	**44,194**	**217,639**
Change in cash and cash equivalents	**-64,132**	**139,454**
Effects of exchange rate fluctuations on cash held	156	-158
Cash and cash equivalents at the beginning of the year	163,080	169,259
Cash and cash equivalents at the end of the period	**99,104**	**308,555**

Consolidated Statement of Changes in Equity

in TEUR	Issued capital	Share premium/ treasury stock	Hybrid capital	Retained earnings	Other reserves	Controlling interests	Non-controlling interests	Total
Balance on 1/1/2019	**117,527**	**1,025,564**	**265,969**	**760,389**	**-230,955**	**1,938,494**	**586**	**1,939,080**
Adjustments [1)]				**-5,173**		**-5,173**		**-5,173**
Balance on 1/1/2019 adjusted	**117,527**	**1,025,564**	**265,969**	**755,216**	**-230,955**	**1,933,321**	**586**	**1,933,907**
Total comprehensive income				133,597	-6,304	**127,293**	205	**127,498**
Dividend payment/ hybrid coupon				-70,936		**-70,936**	-219	**-71,155**
Change in hybrid capital			-6,393	-513		**-6,906**		**-6,906**
Changes in treasury stock		14,733				**14,733**		**14,733**
Cancellation of own shares	-1,175	-16,476				**-17,651**		**-17,651**
Balance on 30/6/2019	**116,352**	**1,023,821**	**259,576**	**817,364**	**-237,259**	**1,979,854**	**572**	**1,980,426**

1) The balance on January 1 was adjusted for the initial application of IFRS 16.

in TEUR	Issued capital	Share premium/ treasury stock	Hybrid capital	Retained earnings	Other reserves	Controlling interests	Non-controlling interests	Total
Balance on 1/1/2018	**117,527**	**1,081,155**	**265,985**	**679,249**	**-250,868**	**1,893,048**	**23,491**	**1,916,539**
Total comprehensive income				59,918	-16,077	**43,841**	-351	**43,490**
Dividend payment/ hybrid coupon				-48,421		**-48,421**	-120	**-48,541**
Decrease in non-controlling interests		-10,595				**-10,595**	-22,622	**-33,217**
Changes in treasury stock		-22,350				**-22,350**		**-22,350**
Balance on 30/6/2018	**117,527**	**1,048,210**	**265,985**	**690,746**	**-266,945**	**1,855,523**	**398**	**1,855,921**

Operating Segments

1-6/2019 *in TEUR*	**Wienerberger Building Solutions**	**Wienerberger Piping Solutions**	**North America**	**Group eliminations**	**Wienerberger Group**
External revenues	1,074,081	497,033	164,934		**1,736,048**
Inter-company revenues	408	69	3	-149	**331**
Total revenues	1,074,489	497,102	164,937	-149	**1,736,379**
EBITDA	221,725	51,099	22,834		**295,658**
EBIT	147,339	26,218	7,969		**181,526**
Profit/loss after tax	112,698	16,417	4,481	201	**133,797**
Capital employed	1,896,258	600,426	430,133		**2,926,817**
Total investments	89,008	20,086	6,680		**115,774**
Ø Employees (in FTE)	12,171	3,312	1,480		**16,963**

1-6/2018 *in TEUR*	**Wienerberger Building Solutions**	**Wienerberger Piping Solutions**	**North America**	**Group eliminations**	**Wienerberger Group**
External revenues	978,425	478,462	149,342		**1,606,229**
Inter-company revenues	654	35	8	-52	**645**
Total revenues	979,079	478,497	149,350	-52	**1,606,874**
EBITDA	156,751	20,749	21,393		**198,893**
EBIT	97,787	364	9,559		**107,710**
Profit/loss after tax	63,009	-8,883	5,065	306	**59,497**
Capital employed	1,719,179	505,293	387,632		**2,612,104**
Total investments	98,639	18,109	4,837		**121,585**
Ø Employees (in FTE)	11,944	3,306	1,402		**16,652**

Revenues broken down by country are as follows:

Revenues *in TEUR*	**Wienerberger Building Solutions** **1-6/2019**	 **1-6/2018**
Great Britain	**183,601**	159,685
Netherlands	**118,134**	100,289
Belgium	**109,252**	103,900
Germany	**108,146**	111,341
Poland	**107,945**	89,475
France	**86,103**	86,103
Czech Republic	**70,097**	62,014
Austria	**47,387**	50,965
Other countries	**243,747**	215,298
Total	**1,074,412**	**979,070**

Revenues *in TEUR*	**Wienerberger Piping Solutions** **1-6/2019**	 **1-6/2018**
Netherlands	**65,516**	44,277
Austria	**62,974**	59,528
Norway	**58,118**	58,726
Belgium	**46,977**	50,564
Sweden	**45,393**	45,233
Poland	**31,058**	32,709
Finland	**31,603**	30,920
Hungary	**20,862**	17,018
Other countries	**134,532**	139,487
Total	**497,033**	**478,462**

Revenues *in TEUR*	**North America** **1-6/2019**	 **1-6/2018**
USA	**152,704**	134,734
Canada	**12,230**	14,608
Total	**164,934**	**149,342**

Condensed Notes to the Interim Financial Statements

Basis of preparation

The interim financial report as of June 30, 2019 was prepared in accordance with the principles set forth in the International Financial Reporting Standards, Interim Financial Reporting (IAS 34). The major judgements and estimates used to prepare the consolidated financial statements for 2018 as well as the accounting and valuation methods in effect on December 31, 2018 remain unchanged, with the exception of the IFRSs that require mandatory application as of January 1, 2019.

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
IFRS 16	Leases	January 2016	1/1/2019 [1)]
IFRS 9	Financial Instruments – Amendments	October 2017	1/1/2019 [1)]
IFRIC 23	Uncertainty over Income Tax Treatments	June 2017	1/1/2019 [1)]
IAS 28	Long-term Interests in Associates and Joint Ventures – Amendments	October 2017	1/1/2019 [1)]
	Annual Improvements to IFRSs 2015 - 2017 Cycle	December 2017	1/1/2019 [1)]
IAS 19	Employee Benefits – Amendments	February 2018	1/1/2019 [1)]
Framework	Framework – Amendments	March 2018	1/1/2020
IFRS 3	Business Combinations – Amendments	October 2018	1/1/2020
IAS 1, IAS 8	Definition of Materiality – Amendments	October 2018	1/1/2020
IFRS 17	Insurance Contracts	May 2017	1/1/2021

1) Mandatory effective date according to European Union directive.

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

First-time adoption of the new standard IFRS 16 Leases is mandatory for financial years starting on or after 1/1/2019. For details on the effects of the new standard, please refer to the chapter "First-time adoption of IFRS 16 Leases".

The amendments to IFRS 9 Financial Instruments were published in October 2017 and provide for adjustments to the assessment criteria for the classification of financial assets. Under certain conditions, financial assets with prepayment features with negative compensation may be accounted for at amortized cost or at fair value in other comprehensive income. Moreover, the amendment clarifies that the amortized cost of modified financial liabilities, which do not lead to derecognition, have to be adjusted directly in profit or loss. The amendments are to be applied retroactively as of January 1, 2019.

IFRIC 23 Uncertainty over Income Tax Treatments, containing additional provisions on IAS 12 Income Taxes, was published in June 2017. This interpretation clarifies uncertainties over the treatment of income taxes in financial statements prepared according to IFRS.

The amendments to IAS 28 clarify that IFRS 9 has to be applied to long-term investments in associates or joint ventures not accounted for at equity. These amendments also have to be applied as of January 1, 2019.

The 2015 - 2017 improvements cycle contains clarifications regarding business combinations according to IFRS 3 and joint arrangements according to IFRS 11. In detail, the clarifications relate to the remeasurement of previously held interests upon transfer of control or joint control of a business in which an interest was previously held within the framework of a joint operation. Moreover, the improvements cycle contains clarifications on IAS 12 Income Taxes regarding the fiscal consequences of dividend payments and on IAS 23 Borrowing Costs regarding the determination of borrowing rates. These amendments are effective as of January 1, 2019.

The amendments to IAS 19 Employee Benefits, published in February 2018, clarify that after plan amendments, curtailments or settlements the current service cost and the net interest for the rest of the period are to be recognized on the basis of updated assumptions. The amendments are to be applied as of January 1, 2019.

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

A revised Conceptual Framework for Financial Reporting was published in March 2018. It is intended to help preparers of financial statements to develop accounting methods for transactions not covered by IFRS standards and interpretations. Moreover, it is to assist the IASB in developing standards and interpretations that are based on consistent concepts.

The amendments to IFRS 3 Business Combinations, which were published in October 2018, are intended to clarify the standard through an adjusted definition of a business as well as additional requirements and examples. The amended definition is to be applied to business combinations, provided the time of acquisition is on or after January 1, 2020.

The amendments to IAS 1 and IAS 8 were also published in October 2018. These amendments specify and harmonize the definition of materiality of disclosures in the notes to financial statements. They enter into force as of January 1, 2020.

In May 2017 the IASB published IFRS 17 Insurance Contracts, a new standard which replaces IFRS 4 and clarifies the accounting treatment of insurance and reinsurance contracts. Given that Wienerberger holds neither insurance nor reinsurance contracts as an insurer, the new standard is of no relevance to the financial statements of the Group.

First-time adoption of IFRS 16 Leases

IFRS 16 Leases was published in January 2016 and replaces 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 in the Legal Form of a Lease. Wienerberger applied the new standard for the first time as of 1/1/2019, using the modified retrospective approach. The cumulative effect of first-time adoption of this standard was recognized in the opening balance of retained earnings. Therefore, the comparative period of 2018 was not restated. The objective of IFRS 16 is to ensure that almost all leases and the related contractual rights and obligations are recognized as right-of-use assets and lease liabilities, without distinguishing between operating leases and finance leases. Consequently, Wienerberger recognized depreciation of the right-of-use asset and interest expense on the lease liability for most of the expenses for operating leases previously reported in the Consolidated Income Statement. Wienerberger primarily leases vehicles, office space, storage facilities, production sites and sales outlets. Wienerberger's activities as a lessor are immaterial.

For the majority of asset classes Wienerberger applies the practical expedient to account for lease and non-lease components as one lease. In the case of lease contracts for land and buildings, however, non-lease components are accounted for separately from lease components and are therefore excluded from the measurement of the lease liability and the right-of-use asset.

As provided for by the practical expedient, payments for short-term leases with terms of not more than twelve months and lease contracts for low-value assets continue to be recognized on a straight-line basis as rental and leasing expenses over the term of the corresponding lease contract.

At the time of first adoption, the lease liability was recognized at the present value of the residual lease payments, applying the incremental borrowing rate. The book values of contracts previously classified as finance lease contracts according to IAS 17 were carried forward. When applying the modified retrospective approach, the lessee can elect to make use of practical expedients in the transitional period. When Wienerberger, as a lessee, applied IFRS 16 for the first time, the company chose to apply the following elective rights and/or practical expedients:

- In the majority of cases, the right-of-use asset was measured in the amount of the lease liability and corrected for accrued or prepaid lease payments. However, individual lease contracts were accounted for at the book value that would have resulted if IFRS 16 had been applied since the beginning of the lease contract.
- Exclusion of the initial direct costs in the measurement of the right-of-use asset.
- Use of hindsight to determine the lease term for contracts containing options to extend or terminate the lease.
- Waiver of an impairment test of right-of-use assets recognized for the first time at the date of initial application of IFRS 16. Instead, immediately before the time of first adoption, Wienerberger evaluated if lease contracts were onerous contracts based on IAS 37 Provisions, Contingent Liabilities and Contingent Receivables.

The following table shows the effects of first-time adoption of IFRS 16 Leases on the opening balance sheet as at 1/1/2019, with right-of-use assets recognized under property, plant and equipment and lease liabilities under financial liabilities in the Consolidated Balance Sheet:

in TEUR	31/12/2018	Adjustments IFRS 16	1/1/2019
Assets			
Land and buildings	732,657	95,181	**827,838**
Machinery and equipment	687,789	6,399	**694,188**
Fixtures, fittings, tools and equipment	40,078	52,683	**92,761**
Assets under construction	115,185	0	**115,185**
Property, plant and equipment	1,575,709	154,263	**1,729,972**
Investments in associates and joint ventures	22,100	-15	**22,085**
Deferred tax assets	54,076	35	**54,111**
Other current receivables	92,436	-123	**92,313**
Liabilities			
Retained earnings	760,389	-5,173	**755,216**
Deferred taxes	75,021	-1,158	**73,863**
Long-term financial liabilities	710,590	123,691	**834,281**
Short-term financial liabilities	126,907	36,800	**163,707**

The following table shows the reconciliation of the obligation arising from non-cancellable operating leases as at 31/12/2018 to the lease liability recognized as at 1/1/2019. The weighted average incremental borrowing rate applied for the valuation of lease liabilities as at 1/1/2019 was 2.14%.

in TEUR	1/1/2019
Obligation from non-cancellable operating leases as at 31/12/2018 [1)]	**187,364**
Recognition exemption for low value assets	**-3,751**
Recognition exemption for short-term leases	**-1,151**
Adjustment due to different treatment of cancellation, extension and purchase options as well as leases concluded but not yet commenced	**4,256**
Lease liabilities before discounting	**186,718**
Lease liabilities discounted at the incremental borrowing rate at the date of initial application	**160,491**
Liabilities from finance leases as at 31/12/2018	**978**
Lease Liabilities as at 1/1/2019	**161,469**

1) Adjustment for obligations for lease contracts already concluded but not yet commenced.

Property, plant and equipment recognized in the Consolidated Balance Sheet as at 30/6/2019 include right-of-use assets according to IFRS 16 of TEUR 154,600; financial liabilities include lease liabilities of TEUR 160,646.

For the first six months of 2019, depreciation in the amount of TEUR 20,754 for right-of-use assets and TEUR 1,716 for interest expenses for lease liabilities were taken into account in the Consolidated Income Statement.

Leases concluded but not yet commenced at the balance sheet date of 30/6/2019 were not taken into account in the measurement of the lease liabilities. According to information currently available, such arrangements already concluded will increase the right-of-use assets and the lease liabilities by approx. MEUR 47 as of the end of 2019.

Consolidated companies

The consolidated financial statements include all major domestic and foreign companies in which Wienerberger AG directly or indirectly holds the majority of shares. In accordance with IFRS 11, Schlagmann Group, Silike keramika, spol. s.r.o. and TV Vanheede-Wienerberger are classified as joint ventures, because they are managed jointly with an equal partner. Consequently, these companies are accounted for at equity (50%). Moreover, Wienerberger holds a 30% stake in Interbran Baustoff GmbH, which is also classified as a joint venture on account of its joint management.

At the beginning of April 2019, Wienerberger acquired the BPD Group, a British specialist in roofing accessories. In the course of a preliminary purchase price allocation, goodwill in the amount of TEUR 8,899 was identified and recognized in the Wienerberger Building Solutions operating segment.

Reddy S.A., a Belgian specialist producer of electrical accessories, was also acquired in April 2019, with goodwill identified at TEUR 1,256. Goodwill is based on a preliminary purchase price allocation and recognized in the Wienerberger Piping Solutions segment.

Seasonality

Due to the impact of weather conditions on construction activity, the sales volumes reported by Wienerberger for the first and last months of the year are lower than at mid-year. These seasonal fluctuations are reflected in the figures reported for the first and fourth quarters of the year, which generally are lower than those reported for the second and third quarters.

Wienerberger Hybrid Capital

The hybrid capital is reported as a component of equity, while the coupon payment is shown as part of the use of earnings in the Statement of Changes in Equity.

The hybrid bond is a perpetual bond subordinated to all other creditors with a coupon of 5% until 9/2/2021, the year in which the issuer for the first time has the right to call the bond.

In the reporting year, part of the hybrid bond with a nominal value of TEUR 6,543 was redeemed and recognized as a reduction in hybrid capital.

For the first six months of 2019, accrued pro-rata coupon payments of TEUR 6,657 were taken into account in the calculation of earnings per share. As a result, earnings per share declined by EUR 0.06.

Notes to the Consolidated Income Statement

Group revenues amounted to TEUR 1,736,379 for the first six months of 2019 (2018: TEUR 1,606,874), which is 8% higher than the comparable period of the previous year. EBITDA amounted to TEUR 295,658 which is higher than the comparable prior year value of TEUR 198,893. EBIT amounted to TEUR 181,526 for the reporting period, compared to TEUR 107,710 in 2018.

External revenues, broken down by the most important product groups – after reconciliation to the reporting segments – are as follows:

1-6/2019 *in TEUR*	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Wienerberger Group
Wall	413,166	0	10,291	**423,457**
Facade	331,537	0	115,568	**447,105**
Roof	269,949	0	0	**269,949**
Pavers	59,322	0	244	**59,566**
Pipes	83	497,027	38,825	**535,935**
Other	24	6	6	**36**
Total	**1,074,081**	**497,033**	**164,934**	**1,736,048**

1-6/2018 *in TEUR*	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Wienerberger Group
Wall	383,006	0	8,477	**391,483**
Facade	290,496	0	103,403	**393,899**
Roof	250,083	0	0	**250,083**
Pavers	54,675	0	278	**54,953**
Pipes	128	478,452	37,176	**515,756**
Other	37	10	8	**55**
Total	**978,425**	**478,462**	**149,342**	**1,606,229**

As at June 30, 2019, Wienerberger held 1,770,289 treasury shares, which were deducted for the calculation of earnings per share. The weighted number of shares outstanding from January 1, 2019 to June 30, 2019 was 114,585,405. The number of shares issued amounted to 116,351.496 as at June 30, 2019.

In the reporting period, Wienerberger bought back 159,929 own shares for a price of TEUR 2,918 within the framework of the authorization granted by the Annual General Meeting. The 1,175,268 shares bought back between November 2018 and January 2019 were cancelled as at 18/2/2019, which resulted in a decrease of issued capital of TEUR 1,175 and a reduction in share premium of TEUR 16,476 as of the balance sheet date.

Notes to the Consolidated Statement of Comprehensive Income

Currency translation differences of TEUR 8,306 (2018: TEUR -14,208) resulted, above all, from the Russian ruble, the Polish zloty and the US dollar, which were partly offset by negative effects from the Swedish crown and the British pound. After consideration of deferred taxes of TEUR -771 (2018: TEUR 629), a net amount of TEUR 7,535 (2018: TEUR -13,579) is shown in other comprehensive income. The hedging reserve changed equity by TEUR -425 (2018: TEUR -2,428) after tax. This amount includes deferred taxes of TEUR 134 (2017: TEUR 809). The measurement of defined pension plans and similar post-employment benefits resulted in actuarial losses of TEUR 13,409 (2018: TEUR 0). Deferred taxes included in this amount came to TEUR 1,240 (2018: TEUR 0).

Profit after tax reported for the first six months of 2019 increased equity by TEUR 133,797 (2018: TEUR 59,497). Total comprehensive income after tax increased equity by TEUR 127,498 for the reporting period (2018: TEUR 43,490).

Notes to the Consolidated Statement of Cash Flows

Cash flow from operating activities of TEUR 5,164 was TEUR 66,086 higher than in the prior period (2018: TEUR -60,922), which was primarily due to the higher profit before tax. Other valuation effects include impairments of inventories of TEUR -1,561 (2018: TEUR -4,541) and the valuation of financial assets of TEUR 4,590 (2018: TEUR -3,725). In the previous year, the reversal of impairment charges to assets in the amount of TEUR 3,500 resulted from the valuation of the stock of purchased CO_2 certificates.

Cash outflows of TEUR 115,774 (2018: TEUR 91,485) for investments in non-current assets (incl. financial assets) and acquisitions included TEUR 68,534 (2018: TEUR 60,661) of normal capex for maintenance and investments in technical upgrades as well as TEUR 47,240 (2018: TEUR 30,824) of growth capex for acquisitions and plant expansions. In 2018, further growth capex of TEUR 30,100 was accounted for by the purchase of the remaining 17.81% of the interests in Tondach Gleinstätten AG. This cash outflow was reported under cash flow from financing activities.

Proceeds from the disposal of non-current assets totaled TEUR 5,620 (2018: TEUR 29,785) and included the sale of investment property. In the prior year, net proceeds from the sale of the Semmelrock Stein + Design GmbH & CoKG business amounted to TEUR 20.929.

On May 10, 2019, a dividend of EUR 0.50 per share was paid out on 114,581,207 shares in issue, i.e. a total of EUR 57,290,603.50.

Notes to the Consolidated Balance Sheet

Normal and growth capex for the first six months of 2019 (excl. acquisitions) increased non-current assets by TEUR 82,316 (2018: TEUR 69,490). Net debt rose by TEUR 350,719 over the level of December 31, 2018 to TEUR 982,324 due to first-time adoption of IFRS 16 and the seasonal increase in working capital.

Commitments for the purchase of property, plant and equipment totaled TEUR 39,093 as at the balance sheet date (31/12/2018: TEUR 23,546).

Disclosures on Financial Instruments

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

		Fair Value			
in TEUR	Accounting method [1]	Level 1	Level 2	Level 3	Carrying amount as at 30/6/2019
Assets					
Investments in subsidiaries and other investments	FV			13,145	**13,145**
Stock	FV	1			**1**
Shares in funds	FV	5,688			**5,688**
Other	FV		14	662	**676**
Financial instruments at fair value through profit or loss		**5,689**	**14**	**13,807**	**19,510**
Other receivables	**AC**		**13,501**		**13,501**
Derivatives from cash flow hedges	FV		399		**399**
Derivatives from net investment hedges	FV		10,953		**10,953**
Other derivatives	FV		823		**823**
Derivatives with positive market value			**12,175**		**12,175**
Liabilities					
Derivatives from cash flow hedges	FV		514		**514**
Derivatives from net investment hedges	FV		1,138		**1,138**
Other derivatives	FV		432		**432**
Derivatives with negative market value			**2,084**		**2,084**
Long-term loans	AC		139,194		**134,573**
Roll-over	AC		89,433		**89,570**
Short-term loans	AC		96,741		**96,032**
Financial liabilities owed to financial institutions			**325,368**		**320,175**
Bonds – long-term	AC	276,757			**247,607**
Bonds – short-term	AC	312,726			**302,787**
Long-term loans	AC		400		**388**
Commercial paper – short-term	AC		85,142		**85,179**
Short-term loans	AC		310		**310**
Finance leases – long-term	AC		121,951		**121,951**
Finance leases – short-term	AC		38,695		**38,695**
Other financial liabilities – long-term	FV			6,000	**6,000**
Financial liabilities owed to non-banks		**589,483**	**246,498**	**6,000**	**802,917**

1) FV (Fair Value): financial assets and financial liabilities carried at fair value
AC (Amortized Cost): financial assets and financial liabilities carried at amortized cost

in TEUR	Accounting method [1]	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Carrying amount as at 31/12/2018
Assets					
Investments in subsidiaries and other investments	FV			11,890	**11,890**
Stock	FV	1			**1**
Shares in funds	FV	5,432			**5,432**
Other	FV		14	701	**715**
Financial instruments at fair value through profit or loss		**5,433**	**14**	**12,591**	**18,038**
Other receivables	**AC**		**13,384**		**13,384**
Derivatives from cash flow hedges	FV		1,104		**1,104**
Derivatives from net investment hedges	FV		7,997		**7,997**
Other derivatives	FV		460		**460**
Derivatives with positive market value			**9,561**		**9,561**
Liabilities					
Derivatives from cash flow hedges	FV		569		**569**
Derivatives from net investment hedges	FV		2,106		**2,106**
Other derivatives	FV		4,888		**4,888**
Derivatives with negative market value			**7,563**		**7,563**
Long-term loans	AC		165,245		**161,250**
Roll-over	AC		65,649		**65,990**
Short-term loans	AC		36,666		**36,482**
Financial liabilities owed to financial institutions			**267,560**		**263,722**
Bonds – long-term	AC	587,207			**546,638**
Bonds – short-term	AC	11,811			**11,811**
Long-term loans	AC		454		**447**
Short-term loans	AC		337		**338**
Finance leases – long-term	AC		764		**755**
Finance leases – short-term	AC		223		**223**
Other financial liabilities – long-term	FV			1,500	**1,500**
Other financial liabilities – short-term	FV			4,500	**4,500**
Financial liabilities owed to non-banks		**599,018**	**1,778**	**6,000**	**566,212**

1) FV (Fair Value): financial assets and financial liabilities carried at fair value
AC (Amortized Cost): financial assets and financial liabilities carried at amortized cost

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

in TEUR	Investments 2019	Investments 2018	Other securities 2019	Other securities 2018	Other financial liabilities 2019	Other financial liabilities 2018
Balance on 1/1	**11,890**	**13,713**	**701**	**777**	**6,000**	**0**
Additions	**0**	0	**0**	0	**0**	6,000
Results from valuation in income statement	**1,255**	1	**-39**	-41	**0**	0
Balance on 30/6	**13,145**	**13,714**	**662**	**736**	**6,000**	**6,000**

Investments in subsidiaries and other investments constitute financial instruments to be held in the long term. According to IFRS 9, equity instruments are recognized at their fair value. As the measurement of these financial instruments is based on measurement parameters not observable in the market, they are allocated to level 3 of the fair value hierarchy. The fair values are determined by a procedure based on the income approach as the present values of the total of future cash inflows, with the weighted average cost of capital after tax derived from external sources in accordance with recognized mathematical procedures.

The fair value of shares in funds, corporate bonds, stocks and the bonds issued by Wienerberger was determined on the basis of market prices (level 1). Other securities include short-term investments of liquidity, which are measured on the basis of interest rates observable in the market and therefore classified as level 2 instruments. Reinsurance for pension obligations, which must not be netted against the pension provision, are allocated mainly to level 3 of the valuation hierarchy and reported under other securities.

Derivatives were valued with net present value methods based on input factors observable in the market, e.g. yield curves and foreign exchange parities (level 2).

The fair value of other non-current receivables and non-quoted financial liabilities carried at amortized cost was also determined with net present value methods based on current yield curves (level 2). Fair value adjustments to financial liabilities are made by modifying the counterparty risk.

Risk Report

Throughout the Group, Wienerberger focuses on the early identification and active management of risks in its operating environment. To this end, regular surveys are being performed among the Managing Board as well as the Business Unit managers and Corporate Function heads in charge in order to update the existing risk catalogue and to identify new risks. In this process, strategic and operational risks along the entire value chain are being identified and their impact on cash flow is differentiated based on a medium-term (up to five years) and a long-term (six to ten years) time horizon. The major risks identified include competition from substitution products, such as concrete, steel, wood, limestone, glass or aluminum, and the related pressure on prices. Management sees further relevant risks in higher input costs and volatile raw material prices for plastics.

Wienerberger regularly monitors the risks in its operating environment as part of its corporate risk management program and takes appropriate actions to counter these risks. The development of the construction industry and major indicators of the demand for building materials are watched closely to permit the timely adjustment of capacity in the plant network to reflect changing market conditions. The price levels on local markets are also monitored regularly, and pricing strategies are adjusted, if necessary. Wienerberger counters the risk of rising input costs by establishing fixed procurement prices at an early point in time and by concluding long-term supply contracts. The risks associated with rising energy costs are reduced through the Group's hedging strategy. The risks expected by Wienerberger during the remaining months of this year are linked to higher input costs, uncertainty over further developments in the construction industry and continued pressure on prices in individual markets.

The plastic pipe business is substantially influenced by the development of raw material prices. Synthetic polymers account for a major part of the production costs for plastic pipes. The volatility of raw material prices has increased considerably in recent years. Strong fluctuations within individual months require flexible pricing to limit the effects of these price changes and/or pass them on to the market. Fast price management is a decisive factor for the sustainable protection of earnings. In addition to the price risk, this business is exposed to a raw material supply risk. Any interruption in supplies would invariably disrupt production. Possible shortages on the raw materials market are countered by extensive measures in procurement, production and sales as well as price management.

Wienerberger is exposed to legal risks in connection with increasingly strict environmental, health and safety regulations, which could result in the Group being liable for penalties or claims to compensation for damages in the event of non-compliance.

Related party transactions

The following companies and persons are considered to be related parties of Wienerberger: the members of the Supervisory and Managing Boards as well as their close relatives, 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 generally conducted on arm's length conditions.

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 three members, two of whom are part of the Wienerberger top management. This 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 25,863 as of June 30, 2019 (31/12/2018: TEUR 24,759) and consist primarily of land and buildings totaling TEUR 8,691 (31/12/2018: TEUR 8,731) and securities and liquid funds of TEUR 14,801 (31/12/2018: TEUR 13,600). The foundation had provisions of TEUR 8,418 (31/12/2018: TEUR 8,348) and no financial liabilities as of June 30, 2019.

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 13,987 as of June 30, 2019 (31/12/2018: TEUR 15,179), while the comparable amount for non-consolidated subsidiaries was TEUR 6,642 (31/12/2018: TEUR 6,535). Revenues in the amount of TEUR 331 (2018: TEUR 645) were recognized with joint ventures during the first six months of the year.

Significant events after the balance sheet date

No events subject to disclosure occurred between the balance sheet date of 30/6/2019 and the publication of this report on 13/8/2019.

Waiver of Audit Review

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

Statement by the Managing Board

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

Vienna, August 13, 2019

The Managing Board of Wienerberger AG

Heimo Scheuch
Chief Executive Officer

Willy Van Riet
Chief Financial Officer

Solveig Menard-Galli
Chief Performance Officer

Financial Calendar

August 13, 2019	Results for the First Half-Year of 2019: Presentation of the Results in Vienna
October 21, 2019	*Start of the quiet period*
November 7, 2019	Results for the First Three Quarters of 2019
January 27, 2020	*Start of the quiet period*
February 26, 2020	Results of 2019: Presentation of the Results in Vienna
March 30, 2020	Publication of the 2019 Annual Report on the Wienerberger website
April 21, 2020	*Start of the quiet period*
April 25, 2020	Record date for participation in the 151st Annual General Meeting
May 5, 2020	151st Annual General Meeting
May 7, 2020	Deduction of dividends for 2019 (ex-day)
May 8, 2020	Record date for 2019 dividends
May 11 ,2020	Payment day for 2019 dividends
May 14, 2020	Results for the First Quarter of 2020
June 2020	Publication of the Sustainability Report 2019
July 20, 2020	*Start of the quiet period*
August 12, 2020	Results for the First Half-Year of 2020: Presentation of the Results in Vienna
October 19, 2020	*Start of the quiet period*
November 5, 2020	Results for the First Three Quarters of 2020

Information on the Company and the Wienerberger Share

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Vienna Stock Exchange	WIE
Thomson Reuters	WBSV.VI; WIE-VI
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

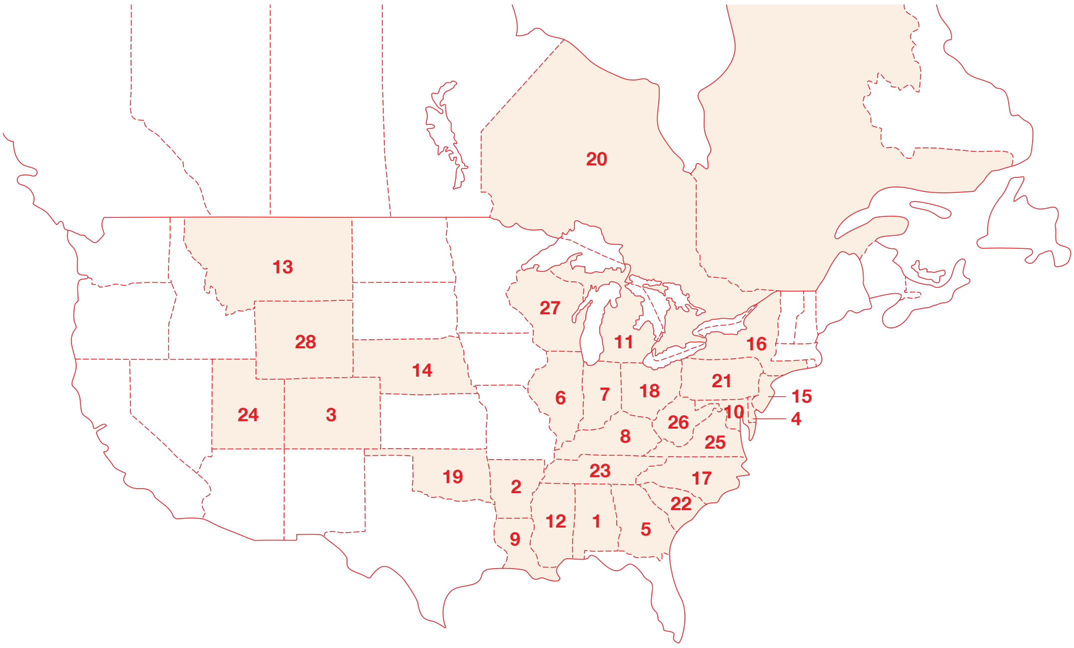
Wienerberger Online Annual Report 2018:

http://annualreport.wienerberger.com

Production Sites and Market Positions

Wienerberger is the only multinational producer of bricks, roof tiles, concrete pavers and pipe systems with a total of 195 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*	3			1		
2	*Arkansas**	4				1	
3	*Colorado*	1	1		1		
4	*Delaware**	5					
5	*Georgia*	1	1				1
6	*Illinois*	3			2		
7	*Indiana*	1	1		2		
8	*Kentucky**	1					
9	*Louisiana**	2					
10	*Maryland**	2					
11	*Michigan*	2			2		
12	*Mississippi*	1	1				
13	*Montana*	1			1		
14	*Nebraska**	6					
15	*New Jersey**	3					
16	*New York**	3					
17	*North Carolina*	1	2		4		
18	*Ohio**	2					
19	*Oklahoma**	6					
20	*Ontario*						1
21	*Pennsylvania**	3	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.*

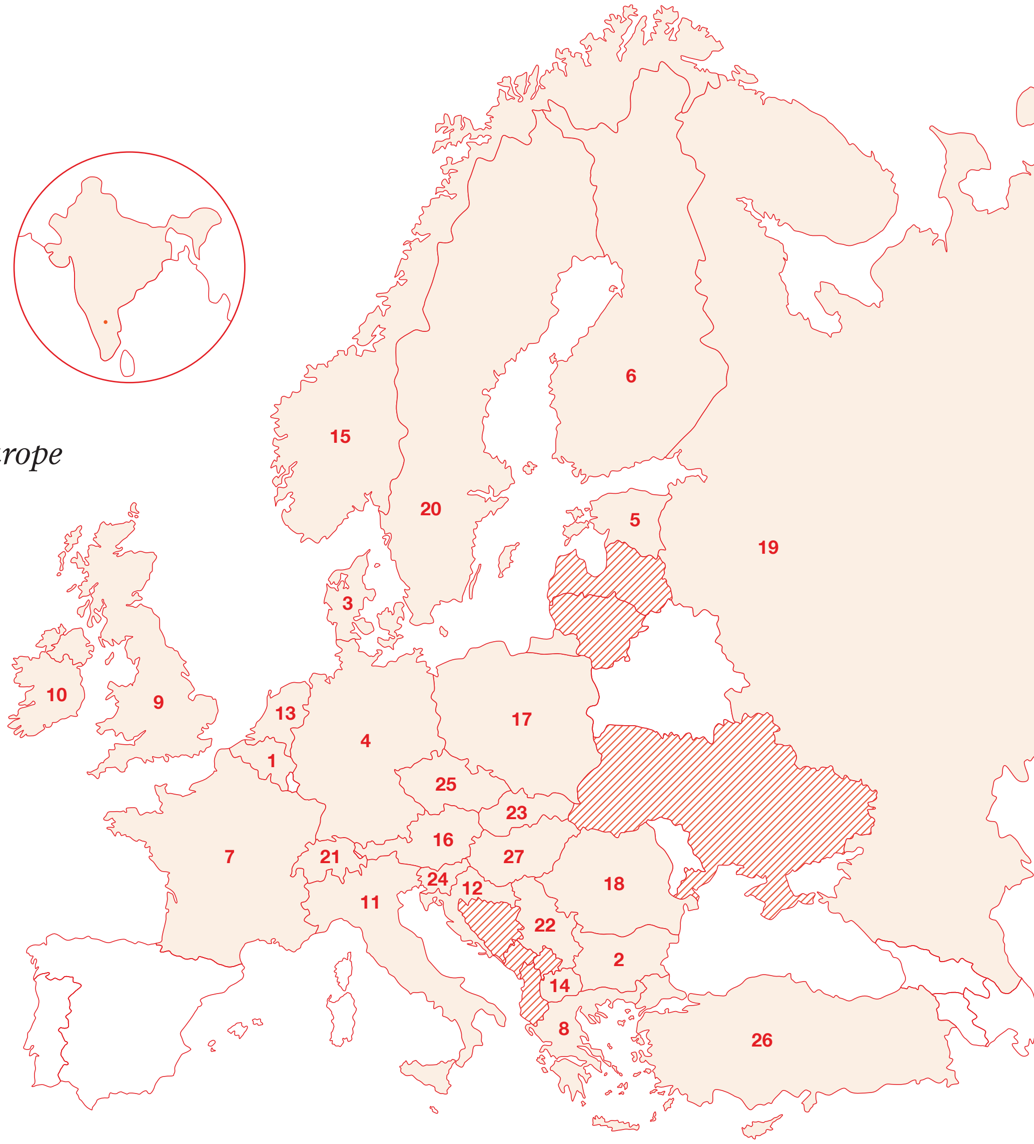
Status June 2019

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

15	Norway*							3
16	Austria	1	1	7		2		1
17	Poland	1	2	7	1	1	5	2
18	Romania	1	1	4			3	
19	Russia	1		2				1
20	Sweden*				2			2
21	Switzerland	3	1	1		2		
22	Serbia		1			1		
23	Slovakia	1	1	2			1	
24	Slovenia	1	1	1		1		
25	Czech Republic	1	1	7		3	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 No. 2 market position, are managed by a regional management.

Status June 2019

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Available in German and English.