Wienerberger six-month revenues weaker than expected

– Strong first three months followed by lower revenues in second quarter of 2008
– Decline of approx. 10% in operating EBITDA expected for first half-year
– Optimization of plant network capacity to reflect market developments

Despite modest 3% increase in revenues, earnings decline expected for first half of 2008

Vienna, July 10, 2008 – The continuing downturn in the global economy and the resulting uncertainty among consumers and investors has affected the entire building materials industry, and Wienerberger has been unable to detach from this development. After a strong first three months with a plus of 13%, revenues recorded by the Wienerberger Group remained below expectations in the second quarter with a decline of 4% versus the comparable period of 2007. The growth in revenues totaled 3% for the first half of this year. However, it should also be noted that the exceptionally high second quarter results in 2007 were driven by a boom in Poland. Final results for the first half of 2008 are not yet available, and will be announced on August 19. Preliminary revenue figures indicate that a decline of roughly 10% in operating EBITDA for the first six months and a year-on-year decline in earnings for the full 12 months of 2008 are to be expected.

Collapse of residential construction in UK; USA significantly weaker than expected

The spread of the financial crisis to Great Britain triggered a slump in new residential construction beginning in April. Moreover, the contraction on the US market was stronger than expected with a 40% drop in housing starts since the beginning of this year. In Germany, where building permits reached a historical low in 2007, there is still no recovery in sight. Developments in Central-East Europe remained positive, but with weaker momentum on individual markets. The main growth drivers in this region are Bulgaria, Romania and Russia, while the demand for bricks in Poland continued at a high level. In the Czech Republic and Slovakia, the margin driven price strategy of Wienerberger and rising import activity by German brick producers was reflected in lower sales volumes. The Hungarian market for single- and two-family houses declined significantly in recent months as forecasted, after a surprisingly good first quarter.

Optimization measures scheduled for plant network

Against the backdrop of higher inflation, rising interest rates and a growing credit shortage, further weakness can be expected on markets across Europe. In addition to the optimization activities implemented during the previous year, which focused above all on extensive plant shutdowns in the USA, the Wienerberger Managing Board has introduced a further package of measures that is designed to counter these developments quickly through active capacity management. Optimization steps that were scheduled for the plant network over the mid-term will now be moved forward to adjust capacity and thereby better reflect current market conditions. Smaller and unprofitable plants will be shut down and their production will be shifted to larger facilities. These measures will result in approximately € 25 million of cash expenses and extraordinary write-downs of approx.

€ 25 million. These plant shutdowns are expected to reduce costs by roughly € 30 million (not adjusted for inflation) beginning in 2009.

Increased focus on growth projects in CEE and emerging markets

In spite of the deteriorating economic conditions, Wienerberger will continue its long-term expansion program to strengthen its geographic portfolio. Activities are designed to focus above all on growth in Central-East Europe and the emerging markets. These investments will total roughly € 500 million in 2008. Selected growth projects are also planned for 2009, whereby the volume will be less than investments made during the accelerated growth program in 2007 and 2008.

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