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Wienerberger AG: Wienerberger announces full takeover of Pipelife

Vienna (pta027/15.02.2012/18:20) - **Increase in Pipelife equity holding from 50% to 100%**

- **Milestone in the strategic expansion of core business**
- **Value creation for shareholders: for a purchase price of 162 million Euro, Wienerberger will increase revenues by approx. 800 million Euro and EBITDA by approx. 70 million Euro per year**
- **Net debt / operating EBITDA to stay clearly below the target ratio of 2.5 after the transaction**
- **Financial discipline and strong balance sheet structure are still top priority**

Wienerberger AG, the world's largest producer of bricks and number one on the clay roof tile market in Europe, is acquiring the remaining 50% stake in Pipelife, one of the leading producers of plastic pipe systems in Europe, from the joint venture partner Solvay for 162 million Euro and thereby raising its investment in the company to 100%. This transaction is subject to the approval of the cartel authorities, and Wienerberger will fully consolidate Pipelife (previously at-equity consolidation) as soon as this approval is received.

Transaction increases Wienerberger's revenues by approx. 800 million Euro and EBITDA by approx. 70 million Euro per year

This transaction opens new dimensions for Wienerberger, with respect to both size and strategic focus. The full consolidation will increase Wienerberger's revenues by approx. 800 million Euro, or roughly one-third, and EBITDA by more than 20%, or approx. 70 million Euro, per year. The full takeover of Pipelife also sets a strategic milestone. As planned, the transaction will reduce Wienerberger's dependency on cyclical new residential construction from nearly 70% to 60% of revenues and also open sustainable opportunities for growth in new areas of business and markets. "This takeover not only demonstrates our sustainable growth strategy, but also represents a direct value-creating investment", indicated Heimo Scheuch, Chief Executive Officer of Wienerberger.

Pipelife is a leading producer of plastic pipe systems in Europe

Pipelife, is one of the leading European producers of plastic pipe systems and fittings with 27 production plants and a presence in 27 countries with 2,650 employees throughout Europe and the USA. The company's most important markets are the Nordic countries, Benelux, France and Austria, which generate more than half of total revenues. The Pipelife product portfolio covers system solutions for building installations, drinking water supply, irrigation, sewage and rainwater management systems, energy supply and drainage as well as special products for industrial applications. Similar to Wienerberger, Pipelife also places a strong focus on the improvement and innovation of its product portfolio. In 2011, 20% of the company's sales volumes represented products that were developed and launched during the previous five years. As one of the most sustainable companies in the sector, Pipelife also works continuously to increase the use of recycled plastic products. Pipelife expects above-average growth over the coming years, above all, from rainwater management systems and from fresh water supply systems through the need for renovation in Western Europe and pent-up demand in Eastern Europe and from pipes for cable and electro installations due to the rising demand for power supplies and broadband. In 2011, Pipelife generated revenues of 805 million Euro and EBITDA of 69 million Euro.

Heimo Scheuch sees sustainable growth potential through bundling of the two companies' innovative strength and market structures

Heimo Scheuch expressed his satisfaction regarding this important development for Wienerberger: "The full takeover of Pipelife represents a milestone in our strategy to expand parts of our core business. With this transaction, we - together with our subsidiary

Steinzeug-Keramo, which holds leading positions in ceramic pipes - will become one of the most important European players in pipe systems. For Wienerberger, this not only means lower dependency on cyclical new residential construction, but also additional and sustainable growth potential. Plastic pipes continue to gain market shares over competing metal and concrete products, and this segment is therefore growing faster than the market. The integration of Pipelife will also allow us to expand our business, especially in the areas of building and electro installations. We intend to use the combined innovative power and strong market structures of Pipelife and Wienerberger to generate growth and further strengthen our market presence."

Immediate value creation for shareholders

For Wienerberger, the past years were characterized, above all, by a difficult market environment and a focus on cash preservation. Only minor acquisitions were therefore realized during that time. Heimo Scheuch explained the decision to now take on a larger transaction as follows: "Through our position as a 50% owner, we successfully developed Pipelife activities as a core business over more than 20 years together with our partner Solvay. Solvay has now decided to sell its investment, which gives us an excellent opportunity to fully integrate a company with low net debt that was also able to produce attractive CFROIs during the crisis. This transaction is immediately value-creating for our shareholders, since it will increase earnings per share and significantly strengthen Wienerberger's earnings from day one. On behalf of the Wienerberger Managing Board, I would like to thank Solvay's management for the many years of professional cooperation in the development of Pipelife and for their constructive support during the preparation of this transaction." Niels Rune Solgaard-Nielsen, Managing Director of Pipelife, also sees the transaction as an important step for the company's long-term development: "Integration in the Wienerberger Group will allow us to increase the development of local markets. Due to these many years of close cooperation, Wienerberger and Pipelife are very similar in their strategic positioning and business culture with a focus on innovative, high-quality products and system solutions, and I look forward to working together with Wienerberger."

Strong capital structure remains intact: net debt / operating EBITDA expected clearly below 2.5x at year-end 2012

Wienerberger will pay 162 million Euro for this 50% stake. Since Pipelife had very low net debt of approx. 70 million Euro at the end of 2011, Wienerberger does not expect any significant deterioration in its balance sheet or financial indicators. Willy Van Riet, Chief Financial Officer of Wienerberger, explained the effects of this transaction on the company's capital structure: "Financial discipline and a strong balance sheet structure remain the top priority for Wienerberger. Due to our solid financial base, cash reserves and low net debt, this transaction will not have any negative impact on our strategic flexibility or our covenants. After the financing of the purchase price and the consolidation of Pipelife's net debt, we will still meet our target to maintain a ratio of 2.5x net debt / operating EBITDA by the end of 2012. However, it should be noted that these indicators could fluctuate during the year due to the seasonality of our business."

Wienerberger has leading positions in bricks, clay roof tiles, concrete blocks and pipe systems

Wienerberger is the world's largest brick producer (Porotherm, Poroton, Terca) as well as the market leader for clay roof tiles (Koramic, Tondach) in Europe and for concrete pavers (Semmelrock) in Central-East Europe. In pipe systems (Steinzeug-Keramo ceramic pipes and Pipelife plastic pipes), the company is one of the leading suppliers in Europe. With a network of 232 plants, Wienerberger generated revenues of 1,555 million Euro and operating EBITDA of 214 million Euro in the first nine months of 2011.

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