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Wienerberger AG: Wienerberger with revenue and earnings growth in third quarter

Vienna (pta007/12.11.2014/07:30) - - Increase in revenues and earnings during Q3 despite challenging market environment

- Q3/2014: revenues +3% to Euro 798.9 million; operating EBITDA +8% to Euro 113.0 million

- 1-9/2014: revenues +6% to Euro 2,148.4 million; operating EBITDA +18% to Euro 248.1 million

- Annual targets confirmed: operating EBITDA at Euro 315 million and return to the profit zone

Wienerberger AG today announced results for the third quarter of 2014. Group revenues rose by 3% to Euro 798.9 million for the period from July to September, compared with Euro 773.4 million in 2013. Operating EBITDA increased 8% to Euro 113.0 million, compared with Euro 104.2 million in the previous year. Heimo Scheuch, Chief Executive Officer of Wienerberger AG, explained: "This performance is very satisfactory considering the more challenging market conditions in the third quarter. There were no signs of recovery in Europe from July to September, above all in new residential construction. A number of markets, including France and the countries in Southern Europe, continued to weaken, and the German market cooled significantly. In contrast, new residential construction in Great Britain remained on a sound course. We reacted quickly to benefit from this situation and began to restart mothballed plants during the third quarter. Central-East Europe recorded generally favorable development for the reporting period in line with our expectations. On a positive note, the Ukraine crisis has not had any major negative direct effects on our business up to now. The third quarter earnings growth was supported, above all, by the scheduled cost savings, our efficiency improvement program and the earnings contribution from the Tondach Group."

Clay Building Materials Europe: revenue and earnings growth in Q3

The Clay Building Materials Europe Division recorded an increase of 8% in revenues to Euro 446.8 million and 15% in operating EBITDA to Euro 77.8 million in the third quarter. The negative market developments, above all in Western Europe, were offset by the initial consolidation of Tondach Gleinstätten as well as Euro 6 million of savings from the cost reduction program and further optimization measures.

Pipes & Pavers Europe: 4% revenue decline and stable operating EBITDA

Revenues in the Pipes & Pavers Europe Division were 4% lower than the comparable prior year period at Euro 283.5 million in the third quarter of 2014. Operating EBITDA remained constant during this period and totaled Euro 34.7 million (Q3 2013: Euro 34.5 million). Volumes were stable in Eastern Europe, but slightly lower in Western Europe. These developments and a weaker international project business had a negative effect on earnings at Pipelife, our specialist for plastic pipe systems. Steinzeug-Keramo, the experts for ceramic wastewater systems, recorded a decline in revenues and earnings due to the weaker business climate in Germany, cutbacks in public sector infrastructure spending in France and Belgium and lower exports to the Middle East. Semmelrock, the concrete paver supplier, held volumes stable despite a challenging environment on the East European market. Operating earnings improved slightly during this period, despite strong competitive pressure, above all due to a further increase in the share of premium products.

North America: continued recovery in US new residential construction

Revenues in the North America Division rose by 8% to Euro 67.3 million. The continuing recovery in US new residential construction led to higher revenues and earnings in the brick business, even though the price situation was less than satisfactory. Wienerberger also expanded its positions in the relevant markets. In contrast, the market environment in Canada remained challenging. Full capacity utilization in the plastic pipe business allowed for only limited reactions to recent negative shifts in the product mix. This was reflected in an earnings decline in the North America Division, where operating EBITDA fell by 6% to Euro

4.9 million.

Conclusion of the Tondach Gleinstätten acquisition

An important strategic milestone in the third quarter was the takeover of Tondach Gleinstätten, the leading producer of clay roof tiles in Central-East Europe. Tondach operates 14 plants in eight countries and is the market leader in this region. Heimo Scheuch is pleased with the positive conclusion of the takeover: "This major growth step will strengthen our profitable clay roof tile business in Europe and create further opportunities to expand our position on the renovation market. Tondach made a positive contribution to the Wienerberger Group in the third quarter, and I expect a contribution of roughly Euro 90 million to Group revenues and Euro 15 million to operating EBITDA in 2014."

Exchange of the 2007 hybrid bond

In September 2014, Wienerberger AG finalized the exchange of Euro 272 million from the 2007 hybrid bond into a new 2014 hybrid bond. The first call option for the new hybrid bond can be exercised in 2021. Heimo Scheuch expressed his satisfaction with the substantial interest of investors and summarized: "The exchange of the hybrid bond provides the Wienerberger Group with an even more balanced financing profile, and the high demand for the offer again confirms the strong confidence of investors in our company."

Business development from January to September 2014

The Wienerberger Group grew by 6% during the first nine months of 2014 and generated revenues of Euro 2,148.4 million. The initial consolidation of the Tondach Gleinstätten Group contributed Euro 47.3 million to Group revenues, which means 5% of the revenue increase was based on organic growth. Operating EBITDA rose by a significant 18% to Euro 248.1 million due to the positive development of key markets like Great Britain, Poland and Belgium, efficiency improvement measures and higher capacity utilization in the plants. Tondach Gleinstätten contributed Euro 10.0 million to operating earnings. The program to sell non-operating assets generated income of Euro 2.6 million (2013: Euro 6.4 million). Third party revenues in the Clay Building Materials Europe Division rose by 9% to Euro 1,166.4 million and operating EBITDA by 33% to Euro 174.9 million in the first nine months. The Pipes & Pavers Europe Division recorded stable third party revenues of Euro 801.6 million, compared with Euro 792.6 million in the previous year. EBITDA remained constant at Euro 80.5 million. The North America Division recorded a 3% increase in third party revenues to Euro 175.7 million. EBITDA fell from Euro 9.6 million in the previous year to Euro 7.2 million.

Earnings, Asset and Financial Position

The Wienerberger Group recorded a significant improvement in operating EBIT to Euro 89.2 million in the first nine months of 2014 (2013: Euro 54.8 million). After the deduction of financial results totaling Euro -19.5 million, profit before tax for the period from January to September 2014 was substantially higher at Euro 69.7 million (2013: Euro 6.4 million). Wienerberger recorded net profit of Euro 55.7 million (2013: Euro -5.6 million) after the deduction of taxes. Earnings per share equaled Euro 0.27, compared with Euro -0.25 in the first nine months of 2013. The calculation of earnings per share includes an adjustment for the accrued hybrid coupon.

Euro 35.5 million increase in gross cash flow

Gross cash flow improved by Euro 35.5 million due to the substantial increase in operating earnings and totaled Euro 185.9 million for the reporting period. Expenditures for maintenance, technical upgrades for production processes and smaller growth projects amounted to Euro 77.5 million for the first nine months, compared with Euro 63.6 million in the previous year. Growth investments amounted to Euro 35.9 million (2013: Euro 0.5 million) and included the purchase price for the shares in Tondach Gleinstätten that were purchased at the beginning of July, less liquid funds recognized during the initial consolidation.

Net debt/operating EBITDA equals 2.3 years on Sept. 30, 2014

Net debt rose by Euro 202.8 million to Euro 741.7 million in the first nine months due to the seasonal increase in working capital and the acquisition of Tondach Gleinstätten. Gearing equaled 32%.

Outlook and Strategy

The current market trends in Europe and the USA are projected to continue during the remainder of this year. In the Clay Building Materials Europe Division, Wienerberger expects a stable environment in the European core markets with positive developments in Great Britain, Belgium and Poland as well as declines in France, Italy, the Czech Republic and Hungary. Germany will be stable to

slightly weaker from the current point of view. The consolidation of Tondach Gleinstätten will make a positive contribution to Group results. The pipe business should see continued healthy development in the Nordic markets and Eastern Europe as well as weaker markets in the Netherlands and France. An improvement in the international project business is expected during the fourth quarter. The concrete paver segment should record an improvement in earnings for the full year. Forecasts for the US market call for a further increase in new residential construction.

Managing Board confirms annual targets

"Our targets for the full year remain intact. The Wienerberger Group has emerged from an intensive and far-reaching reorientation period. Our portfolio is well-balanced, and we have reduced the dependence on new residential construction. Our strategy to pursue organic growth through innovative, energy-efficient and ecologically friendly products is confirmed by our customers, who increasingly choose to rely on our system solutions. Wienerberger has returned to the growth path, and we are increasingly outpacing our markets. I am therefore confident that we will meet our targets to generate operating EBITDA of Euro 315 million and complete our return to the profit zone in 2014", explained Heimo Scheuch in conclusion.

Wienerberger Group

Wienerberger with leading market positions in bricks, roof tiles, pipe systems and concrete pavers

Wienerberger is the world's largest producer of bricks (Porotherm, Terca) as well as number one on the clay roof tile market (Koramic, Tondach) in Europe and on the concrete paver market (Semmelrock) in Central-East Europe. In pipe systems (Steinzeug-Keramo ceramic pipes and Pipelife plastic pipes), the company is one of the market leaders in Europe. With 209 plants, Wienerberger generated revenues of Euro 2,663 million and operating EBITDA of Euro 267 million in 2013.

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Earnings Data		01-09/2013	01-09/2014	Chg. in %	Year-end 2013
Revenues	in Euro mill.	2,034.0	2,148.4	+6	2,662.9
Operating EBITDA	in Euro mill.	210.5	248.1	+18	266.5
Operating EBIT	in Euro mill.	54.8	89.2	+63	55.3
Profit before tax	in Euro mill.	6.4	69.7	>100	-3.1
Profit after tax 1)	in Euro mill.	-5.6	55.7	>100	-7.8
Earnings per share	in Euro	-0.25	0.27	>100	-0.34
Free cash flow 2)	in Euro mill.	-15.0	-29.8	-99	92.9
Normal capex	in Euro mill.	63.6	77.5	+22	106
Growth capex	in Euro mill.	0.5	35.9	>100	0.7

0.7 Balance Sheet Data		31.12.2013	30.09.2014	Chg. in %
Equity 3)	in Euro mill.	2,254.2	2,327.9	+3
Net debt	in Euro mill.	538.9	741.7	+38

Gearing	in %	23.9	31.9	-
Ø Employees		13,787	14,582	+6

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- 1) Before non-controlling interests and accrued hybrid coupon
- 2) Cash flow from operating activities less cash flow from investing activities plus growth capex
- 3) Equity including non-controlling interests and hybrid capital

Explanatory notes:

- Operating EBITDA and operating EBIT are adjusted for non-recurring income and expenses.
- Rounding differences may arise from the automatic processing of data.

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Wienerberger AG is a pure free float company, whereby the majority of shares are held by Austrian and international institutional investors. Additional information on the shareholder structure is provided under <http://www.wienerberger.com/investor-relations/the-wienerberger-share/the-wienerberger-share/shareholder-structure>.<http://www.wienerberger.com/investor-relations/the-wienerberger-share/the-wienerberger-share/shareholder-structure>.

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