wienerberger

Smart Solutions

Report on the First Three Quarters of 2017

Earnings Data		1-9/2016	1-9/2017	Chg. in %	Year-end 2016
Revenues	*in MEUR*	2,279.7	**2,361.0**	+4	2,973.8
EBITDA	*in MEUR*	302.6	**315.0**	+4	404.3
Operating EBIT	*in MEUR*	154.3	**174.2**	+13	197.7
Profit before tax	*in MEUR*	130.3	**143.3**	+10	158.5
Net result	*in MEUR*	68.7	**94.7**	+38	82.0
Earnings per share	*in EUR*	0.59	**0.81**	+37	0.70
Free cash flow [1)]	*in MEUR*	69.2	**-24.9**	<-100	246.5
Normal capex	*in MEUR*	80.4	**90.8**	+13	137.3
Growth capex	*in MEUR*	30.6	**10.5**	-66	43.8
Ø Employees	*in FTE*	15,991	**16,241**	+2	15,990

Balance Sheet Data		31/12/2016	30/9/2017	Chg. in %
Equity [2)]	*in MEUR*	1,849.0	**1,875.4**	+1
Net debt	*in MEUR*	631.6	**681.6**	+8
Capital employed	*in MEUR*	2,460.0	**2,539.8**	+3
Total assets	*in MEUR*	3,637.2	**3,682.8**	+1
Gearing	*in %*	34.2	**36.3**	-

Stock Exchange Data		1-12/2016	1-9/2017	Chg. in %
Share price high	*in EUR*	17.54	**22.45**	+28
Share price low	*in EUR*	11.94	**16.85**	+41
Share price at end of period	*in EUR*	16.50	**20.69**	+25
Shares outstanding (weighted) [3)]	*in 1,000*	116,956	**116,956**	0
Market capitalization at end of period	*in MEUR*	1,938.6	**2,431.6**	+25

Divisions 1-9/2017 *in MEUR and %* [4)]	Clay Building Materials Europe		Pipes & Pavers Europe		North America		Holding & Others		Reconciliation
External revenues	1,344.4	*(+5%)*	775.4	*(0%)*	234.0	*(+6%)*	6.4	*(-3%)*	
Inter-company revenues	1.1	*(-61%)*	0.1	*(-90%)*	0.3	*(-50%)*	10.3	*(+5%)*	-11.0
Revenues	1,345.5	*(+5%)*	775.5	*(0%)*	234.3	*(+6%)*	16.7	*(+2%)*	-11.0
EBITDA	242.2	*(+12%)*	66.2	*(-20%)*	21.4	*(+22%)*	-14.9	*(+1%)*	
Operating EBIT	156.2	*(+25%)*	31.5	*(-35%)*	3.6	*(>100%)*	-17.1	*(-2%)*	
Total investments	56.0	*(-4%)*	35.2	*(-14%)*	8.2	*(-11%)*	1.9	*(-20%)*	
Capital employed	1,581.6	*(-3%)*	639.4	*(+3%)*	316.8	*(-8%)*	1.9	*(>100%)*	
Ø Employees (in FTE)	10,513	*(+2%)*	4,224	*(+1%)*	1,295	*(+2%)*	209	*(+1%)*	

1) Cash flow from operating activities less cash flow from investing activities plus growth capex // 2) Equity including non-controlling interests and hybrid capital // 3) Adjusted for treasury stock // 4) Changes in % to the comparable prior year period are shown in brackets

Explanatory notes to the report: Operating EBIT are adjusted for impairment charges to goodwill and assets as well as the reversal of impairment charges to assets. // Rounding differences may arise from the automatic processing of data.

Letter from the CEO

Ladies and Gentlemen:

During the first nine months of the year we succeeded in increasing our revenues by 4% to € 2,361 million. EBITDA grew by 4% from € 303 million to € 315 million and our net profit rose significantly by 38% to € 95 million.

Since the beginning of the year, we have been pursuing our strategy with good results. Numerous projects are currently being implemented in the fields of innovation and digitalization, and our Operational Excellence programs have resulted in sustainable savings – over € 7 million to date.

Moreover, in recent weeks the ground has been prepared for further positive developments of the Wienerberger Group. Through the takeover of the Belgian Preflex Group we have positioned ourselves in the fast-growing and profitable market segment of prewired electro conduits. In the brick segment we took major steps to broaden our presence in a number of European markets and in North America. This growth program, which will amount to a total volume of approx. € 85 million this year, once again demonstrates the strength of the Wienerberger Group.

Looking at our markets, we observe a fundamentally sound development. In the medium and long term, we anticipate sustainable growth in new housing starts and in infrastructure spending. This trend is already clearly visible in Eastern Europe. It has resulted in a significant improvement of our activities in the region in the third quarter, not only in bricks but also in our infrastructure business. Nevertheless, business activity overall was subdued during the past three months. This was due, at least in some regions, to unfavorable weather conditions in September. Tropical rainstorms in the eastern and southern USA had an immediate negative impact in some of our core markets. Moreover, the recovery expected for the third quarter did not yet materialize in certain fields of business. The Belgian market continued to suffer from a persistent shortage of insulating materials. As a result, numerous construction projects were delayed, which in turn led to a drop in sales of facing bricks and roof tiles in this important market. In the plastic pipe segment, an improvement of international project business was not yet in sight, nor did the very challenging market environment in France change for the better.

For the remaining three months of the year, we expect to see a continuation of current market trends. In those countries where business activities do not meet our expectations, we will take proactive measures aimed at improving performance. This will have an impact on fourth-quarter results. Given the developments observed in the third quarter, we have slightly modified our full-year target, expecting to generate adjusted EBITDA at Group level of approx. € 405 million for 2017.

We look to the future with optimism: We are observing a sustainable increase in the number of new housing starts and in infrastructure spending in our markets. Based on our strategy, we are excellently positioned to benefit from this trend. Next year already, the recently closed growth projects will make positive contributions to our results, and the planned structural measures will lead to improvements in performance.

Yours

Interim Report Financial Review

Earnings

During the first nine months of 2017, Wienerberger succeeded in increasing its revenues at Group level by 4% to € 2,361.0 million (2016: € 2,279.7 million). Foreign exchange effects diminished revenues by € 17.9 million, with the most significant negative effects resulting from the British pound, the Turkish lira and the Swedish crown; these were partly offset by positive differences against the Russian ruble, the Polish zloty, the Czech crown and the Norwegian crown.

For the Clay Building Materials Europe Division, the first nine months of the year were marked by an increase in sales volumes at slightly improved prices, as well as by negative foreign exchange effects. Growth was recorded in the Division's Western and Eastern European business. Overall, external revenues increased by 5% to € 1,344.4 million in the first three quarters (2016: € 1,277.8 million), while EBITDA grew by 12% to € 242.2 million (2016: € 216.9 million).

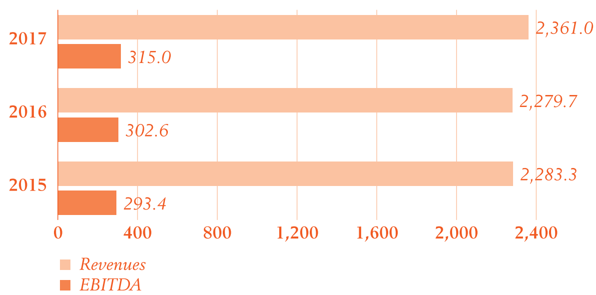
The Pipes & Pavers Europe Division recorded nearly stable external revenues of € 775.4 million in the reporting period (2016: € 772.8 million). Diverging developments were seen in the individual fields of business of the Division. The plastic pipe business generated nearly stable revenues, but EBITDA dropped significantly. This was primarily due to considerably reduced activity in the international project business, a persistently difficult market environment in France, and higher raw material prices, which depressed earnings especially in the first half of the year. In our ceramic pipe business, we succeeded in compensating substantially lower external revenues due to reduced sales volumes through higher average prices and improvements in the cost structure. As a result, EBITDA increased moderately. While sales volumes in our concrete paver business remained nearly stable at the previous year's level, the operating result improved due to slightly higher prices and cost savings. Altogether, these effects led to a drop in the Pipes & Pavers Europe Division's EBITDA to € 66.2 million (2016: € 83.2 million).

Against the background of rising new housing starts in the single- and two-family home segment, our brick business in North America recorded moderate growth in sales volumes and obtained higher prices. In the field of plastic pipes, as well, higher sales volumes resulted in an increase in revenues and earnings. Overall, EBITDA rose to € 21.4 million (2016: € 17.5 million).

At Group level, Wienerberger's EBITDA increased by 4% from € 302.6 million to € 315.0 million in the first three quarters of the year. This was primarily due to the positive development of the brick business in Europe and North America and the Eastern European activities of the Pipes & Pavers Eastern Europe Segment. In contrast, the plastic pipe business of the Pipes & Pavers Western Europe Segment showed a downward trend in earnings. Foreign exchange effects depressed the Group's EBITDA by € 4.3 million as compared to the previous year, while real estate sales contributed € 8.3 million to the operating result (2016: € 4.5 million).

Wienerberger's operating result before interest and taxes (operating EBIT) improved significantly during the first three quarters to € 174.2 million (2016: € 154.3 million). After the reversal of impairment losses of assets and goodwill impairment in a total amount of € 6.0 million, earnings before interest and tax (EBIT) for the first nine months of the year came to € 168.2 million (2016: € 154.3 million).

Q1-3 Revenues and EBITDA
in MEUR



The financial result of € -24.9 million (2016: € -24.0 million), primarily comprising net interest expenses of € -26.8 million (2016: € -25.1 million), was below the previous year's level due to the refinancing of the hybrid bond. Income from investments in associates and joint ventures amounted to € 3.2 million (2016: € 5.2 million). The other financial result of € -1.3 million (2016:

€ -4.1 million) mainly comprises bank charges and valuation effects.

Profit before tax rose to € 143.3 million in the first nine months of the year (2016: € 130.3 million). Wienerberger reported a substantial increase in its net profit to € 94.7 million (2016: € 68.7 million), which also led to a significant improvement of earnings per share to € 0.81 (2016: € 0.59). The increase was due not only to substantially higher earnings, but also to the lower pro-rata hybrid coupon accrued.

Cash flow

In the first three quarters, gross cash flow decreased from € 258.4 million in the previous period to € 227.5 million, the main reasons being higher taxes and interest paid. Moreover, a higher build-up of working capital led to a significant drop in cash flow from operating activities from € 138.9 million in 2016 to € 44.1 million in the reporting period.

During the first nine months of the year, a total amount of € 91.2 million (2016: € 98.0 million) was spent on maintenance and technological improvements of production processes as well as on plant extensions. Moreover, Wienerberger invested € 10.1 million in an acquisition made by the Pipes & Pavers Europe Division. Cash inflows from the sale of real estate and the realization of other assets came to € 18.9 million (2016: € 11.9 million).

Cash flow from financing activities amounted to € -49.4 million in the reporting period and was primarily due to the dividend paid out in the amount of € 31.6 million and the hybrid coupon of € 29.9 million. The 2007 hybrid bond and other amounts falling due were refinanced from the available free cash flow and through the conclusion of new long-term financial liabilities in the amount of € 210.9 million. These funds were also used for the partial repayment of a revolving credit line.

Assets and financial position

As at 30/9/2017, the Group's equity was € 26.4 million above the 2016 year-end value. This was due to the significantly improved total comprehensive income after tax, which was partly offset by the distribution of the dividend and the payout of the hybrid coupon. For seasonal reasons, the Group's net debt increased by € 50.0 million over the 2016 year-end value to € 681.6 million. Nevertheless, as compared to 30/6/2017, it decreased by € 108.1 million.

Financing and Treasury

Despite the refinancing of the hybrid bond, the Group's gearing increased only slightly to 36% as at 30/9/2017 (34% as at 31/12/2016). The treasury ratios, calculated on a 12-month basis, of 1.6 years for the debt repayment period and 11.6 years for the interest coverage ratio were comfortably within the limits set by the bank covenants. The debt repayment period was slightly above the previous year's level, whereas the interest coverage ratio continued to improve, as compared to the previous period. The expected cash flow of the last quarter will be used to redeem short-term loans taken out for seasonal reasons and to finance the growth investments already announced.

Treasury ratios [1]	30/9/2016	31/12/2016	30/9/2017	Covenant
Net debt / EBITDA	1.5	1.6	**1.6**	<3.50
EBITDA / interest result	10.8	11.8	**11.6**	>3.75

1) Calculated on the basis of a 12-month EBITDA and a 12-month interest result

Third Quarter of 2017

In the third quarter of 2017, the Wienerberger Group's revenues increased by 3% to € 832.2 million (2016: € 809.7 million) and EBITDA remained stable at € 124.8 million (2016: € 124.3 million). Whereas earnings grew in Eastern Europe and in the North America Division, a decline in EBITDA was recorded in our Western European fields of activity.

Clay Building Materials Europe

In the Clay Building Materials Europe Division, revenues increased by 4% to € 475.7 million in the third quarter. EBITDA continued to grow in Eastern Europe, while we had to accept a drop in earnings in Western Europe. Overall, EBITDA improved slightly year on year to € 94.1 million (2016: € 92.1 million).

Strongly diverging trends were seen in the regions of Western Europe. In Great Britain and France, we were able to take advantage of the positive environment in new residential construction and increased our sales volumes. Contrary to our expectations, the Belgian market continued to suffer from a shortage of PUR/PIR insulating materials. The growing demand for alternative insulating materials even resulted in bottlenecks in the delivery of mineral-based insulating materials, which in turn drove prices up. Consequently, notable delays in building completion led to a drop in demand and a decline in earnings. In the Netherlands, the positive trend in new housing construction continued, whereas in Germany demand in the single- and two-family home segment trended downward due to the fact that fewer building permits have been granted since the second quarter. Overall, we recorded a drop in earnings in the Clay Building Materials Western Europe Segment.

In Eastern Europe, we generated a significant increase in EBITDA over the previous year's level. The improvement of residential construction continued throughout the region and stimulated our business, especially in clay blocks.

Pipes & Pavers Europe

Revenues in the Pipes & Pavers Europe Division increased by 2% to € 275.3 million, while EBITDA declined by 6% to € 28.4 million. We observed a recovery of tendering activities for EU-funded infrastructure projects in Eastern Europe, which had an increasingly positive impact on demand for pipes and concrete pavers. This led to an improvement of EBITDA in the Pipes & Pavers Eastern Europe Segment year on year.

In the Pipes & Pavers Western Europe Segment, we had to accept a further decline in earnings, despite a healthy market environment in our Nordic core markets and in the Netherlands. The order intake in our international project business, which we manage from Norway and the Netherlands, was significantly weaker than in the previous year. Moreover, in the challenging French infrastructure market, surplus capacities and high competitive pressure led to a further drop in earnings during the past three months. However, we succeeded in offsetting rising raw material costs by gradual price increases in the course of the third quarter. After the unexpected cost inflation and its negative impact on our operating result in the first half of the year, we were thus able to reduce the pressure on margins in the third quarter.

North America

In the North America Division, revenues remained stable at € 79.3 million (2016: € 78.9 million) and EBITDA improved significantly by 23% to € 8.2 million. Despite a generally positive development of the residential construction market, our brick business in the USA suffered from the effects of tropical storms and wet weather conditions in many States. This was also reflected in the statistics on housing starts, which showed a temporary return to the winter level in our core region in the south of the country. In contrast, business in Canada was highly satisfactory in the past three months. After the weather-related slow-down of construction activities in the second quarter, we benefited from a catch-up effect in the completion of delayed building projects. In our pipe business, the dynamic development seen in the first half of the year continued and led to substantial growth in revenues and earnings.

External revenues *in MEUR*	7-9/2016	7-9/2017	Chg. in %
Clay Building Materials Europe	459.6	475.7	+4
Clay Building Materials Eastern Europe	154.7	165.3	+7
Clay Building Materials Western Europe	305.0	310.4	+2
Pipes & Pavers Europe	268.9	275.3	+2
Pipes & Pavers Eastern Europe	117.7	125.2	+6
Pipes & Pavers Western Europe	151.2	150.1	-1
North America	78.9	79.3	+1
Holding & Others	2.2	1.8	-21
Wienerberger Group	**809.7**	**832.2**	**+3**

EBITDA *in MEUR*	7-9/2016	7-9/2017	Chg. in %
Clay Building Materials Europe	92.1	94.1	+2
Clay Building Materials Eastern Europe	37.6	46.3	+23
Clay Building Materials Western Europe	54.4	47.8	-12
Pipes & Pavers Europe	30.3	28.4	-6
Pipes & Pavers Eastern Europe	13.2	14.4	+9
Pipes & Pavers Western Europe	17.1	14.1	-18
North America	6.7	8.2	+23
Holding & Others	-4.8	-5.9	-24
Wienerberger Group	**124.3**	**124.8**	**0**

Operating Segments

Clay Building Materials Europe

Residential construction activity in Europe showed a slight upward trend in the first nine months of the year, which allowed us to increase our sales volumes and obtain slightly improved average prices. Overall, revenes generated by the Clay Building Materials Europe Division increased by 5% to € 1,344.4 million. EBITDA rose significantly by 12% to € 242.2 million during the same period.

Outlook

For the remaining three months of the business year, we expect to see a continuation of slight market growth in our core markets, provided weather conditions remain favorable. In Eastern Europe, we anticipate revenue growth in almost all markets of the region and, consequently, a further improvement in earnings. At the same time, however, we are observing diverging market trends in Western Europe. In Great Britain, the Netherlands and France we expect residential construction activity to remain slightly above the previous year's level. The Belgian residential construction market will continue to suffer from delivery bottlenecks and steep price increases of PUR/PIR insulating materials. The resulting delays in building construction are having a clearly negative impact on sales, and given the capacity shortages of the construction industry, it will take some time before the situation returns to normal. In Germany, demand is lower than in the previous year, as the number of building permits granted for single- and two-family homes has gone down. Overall, however, we foresee significantly higher revenues and organic EBITDA in the Clay Building Materials Europe Division for the full year.

Clay Building Materials Europe		1-9/2016	1-9/2017	Chg. in %
External revenues	*in MEUR*	1,277.8	**1,344.4**	+5
EBITDA	*in MEUR*	216.9	**242.2**	+12
Operating EBIT	*in MEUR*	125.2	**156.2**	+25
Total investments	*in MEUR*	58.6	**56.0**	-4
Capital employed	*in MEUR*	1,623.1	**1,581.6**	-3
Ø Employees	*in FTE*	10,324	**10,513**	+2

Clay Building Materials Western Europe

In Western Europe, we observed strongly diverging developments in our core markets. While construction activities increased in France, Great Britain and the Netherlands, we encountered challenging conditions in Belgium and Germany. Overall, during the first nine months of the year, we succeeded in increasing revenues by 4% to € 923.8 million and EBITDA by 4% to € 144.4 million.

Great Britain

Great Britain saw a positive development of demand in the first three quarters. We benefited from slight market growth and the return to normal inventory levels along the supply chain, which enabled us to significantly increase our facing brick sales. We also succeeded in consolidating our position in the roof tile market. Despite unfavorable foreign exchange effects, these positive developments led to an increase in revenues and earnings in the reporting currency.

Belgium

Residential construction activities in Belgium fell short of our expectations. A supply shortage and steeply rising prices of PUR/PIR insulating materials, which are used primarily for the insulation of walls and roofs, led to long delays in building completion and depressed our sales. Additionally, capacity constraints and a shortage of skilled workers limit the ability of the construction industry to catch up on the order backlog.

Netherlands

In the Netherlands, we benefited from a slight increase in demand and generated growth both in facing bricks and in clay blocks. As a result, we recorded an increase in revenues during the first nine months of the year.

France

The fast-growing number of new housing starts in the French residential construction market was reflected in higher clay block sales. In contrast, the renovation market, an important driver of our roofing business, remained weak. Overall, we generated significant growth in revenues and earnings.

Germany

Since the second quarter, we have been observing a downward trend of demand for the construction of new single- and two-family homes in Germany. Moreover, there have been no signs of a recovery of the renovation segment. These developments resulted in a drop in earnings in Germany. The takeover of the Reetz clay block plant, which has been fully consolidated since September and greatly strengthens our market position in the eastern part of Germany and the western regions of Poland, has not yet had a major impact on our earnings.

Clay Building Materials Western Europe		1-9/2016	1-9/2017	Chg. in %
External revenues	*in MEUR*	890.6	**923.8**	+4
EBITDA	*in MEUR*	139.4	**144.4**	+4
Operating EBIT	*in MEUR*	83.5	**92.2**	+10
Total investments	*in MEUR*	35.7	**32.3**	-10
Capital employed	*in MEUR*	1,142.3	**1,103.1**	-3
Ø Employees	*in FTE*	5,988	**6,075**	+1
Sales volumes clay blocks	*in mill. NF*	1,573	**1,543**	-2
Sales volumes facing bricks	*in mill. WF*	963	**1,110**	+15
Sales volumes roof tiles	*in mill. m²*	17.29	**17.05**	-1

Clay Building Materials Eastern Europe

Revenues generated in the Clay Building Materials Eastern Europe Segment rose by 9% to € 420.7 million in the first three quarters. During the same period, the operating result improved significantly to € 97.8 million, up by 26% from the previous year's level. This extremely positive development is due to market growth in the majority of our markets, based on a healthy macroeconomic development in the region and the availability of government subsidies in a number of countries. Taking advantage of this environment, we generated growth in revenues and EBITDA, especially in the Czech Republic, Poland, Hungary, Bulgaria, Slovakia and Croatia. In our Austrian home market, residential construction activities were stable at a satisfactory level. In Russia we recorded a continuation of the downward trend in earnings due to the challenging market situation. The takeover of a brick plant in southern Austria announced at the end of September has not yet contributed to the results of the operating segment, as the conditions for closure of the transaction were not yet met in their entirety.

Clay Building Materials Eastern Europe		1-9/2016	1-9/2017	Chg. in %
External revenues	in MEUR	387.3	420.7	+9
EBITDA	in MEUR	77.5	97.8	+26
Operating EBIT	in MEUR	41.7	64.0	+54
Total investments	in MEUR	22.9	23.8	+4
Capital employed	in MEUR	480.8	478.5	0
Ø Employees	in FTE	4,336	4,438	+2
Sales volumes clay blocks	in mill. NF	2,619	2,787	+6
Sales volumes roof tiles	in mill. m²	13.65	13.61	0

Pipes & Pavers Europe

Revenues in the Pipes & Pavers Europe Division remained stable in the first nine months of the year, as compared to the same period of 2016, coming to a total of € 775.4 million (2016: € 772.8 million). EBITDA dropped by 20% to € 66.2 million during the same period. This decline was primarily due to the Division's plastic pipe business in Western Europe, where the low order intake in the international project business and the difficult market environment in France depressed the development of earnings. At the same time, we generated growth in revenues and earnings in Eastern Europe.

Pipes & Pavers Europe		1-9/2016	1-9/2017	Chg. in %
External revenues	in MEUR	772.8	775.4	0
EBITDA	in MEUR	83.2	66.2	-20
Operating EBIT	in MEUR	48.7	31.5	-35
Total investments	in MEUR	40.7	35.2	-14
Capital employed	in MEUR	619.8	639.4	+3
Ø Employees	in FTE	4,197	4,224	+1

Outlook

For the fourth quarter we expect the operating result of the Pipes & Pavers Europe Division to remain stable at the previous year's level. As expected, public-sector infrastructure spending in Eastern Europe is increasing, which is having a positive impact on the development of our business in plastic pipes and concrete pavers. At the same time, we anticipate a further drop in earnings in Western Europe. The low order intake in our international project business and the challenging market environment in France will continue to burden the operating result of the region. Neither the healthy environment in our Nordic core markets and in the Netherlands, nor the contribution of the recently acquired Preflex Goup will suffice to compensate for this negative development. Given the development of earnings in the first nine months of the year, we expect the Pipes & Pavers Europe Division's EBITDA to decrease substantially year on year.

Pipes & Pavers Western Europe

The Pipes & Pavers Western Europe Segment reported a 3% decline in revenues to € 435.3 million in the first three quarters (2016: € 449.0 million). EBITDA dropped by 35% to € 34.4 million during the same period.

In our Western European plastic pipe business we recorded a substantial reduction in earnings after the first nine months, although demand in our Nordic core markets and in the Netherlands remained high and the market environment allowed us to generate revenue growth. As expected, the Preflex Group, a specialist in prewired electro conduits that was taken over by Wienerberger in August, made a positive contribution to EBITDA. In the course of the third quarter, we also succeeded in offsetting the impact of cost increases for plastic granulates by gradually increasing our prices, which helped reduce the pressure on margins. However, order intake in the international project business, which we manage from production sites in the Netherlands and Norway, remained weak, and the contribution to earnings from this field was significantly below the previous year's level. In addition, the difficult environment in France, a market characterized by overcapacities and high competitive pressure, led to a further drop in sales volumes and earnings.

In our ceramic pipe business, we were able to substantially increase the average level of our prices and implement cost savings. Consequently, the operating result improved despite a marked reduction in sales. The latter was primarily due to the discontinuation of our exports to the Middle East, where the oil price level has led to major cuts in infrastructure spending. In our German home market, which continues to be marked by public-sector investment restraint, demand was also below the previous year's level. Sales volumes in the other European core markets remained stable. In our exports to Eastern Europe, in particular, we saw the first positive effects of intensified public-sector tendering activities.

Pipes & Pavers Western Europe		1-9/2016	1-9/2017	Chg. in %
External revenues	*in MEUR*	449.0	**435.4**	-3
EBITDA	*in MEUR*	53.0	**34.3**	-35
Operating EBIT	*in MEUR*	34.1	**16.3**	-52
Total investments	*in MEUR*	19.8	**21.1**	+7
Capital employed	*in MEUR*	335.4	**342.0**	+2
Ø Employees	*in FTE*	1,855	**1,884**	+2

Pipes & Pavers Eastern Europe

Revenues in the Pipes & Pavers Eastern Europe Segment increased by 5% to € 340.0 million in the first three quarters; EBITDA grew by 6% to € 31.9 million during the same period. In the course of the first half of the year, we observed a notable improvement of public-sector tendering activities for EU-funded infrastructure projects in some markets of the region. This trend continued in the third quarter and had an increasingly positive impact on revenues and earnings.

For our Eastern European plastic pipe activities, the rise in demand led to higher sales volumes and improvements in revenues and earnings. In Poland and Hungary, in particular, we observed a considerable increase in capital expenditure on EU-funded infrastructure projects. In Austria, the biggest single market of the region, earnings were stable at a satisfactory level. Our activities in Turkey continued to grow and a sustainable recovery in Russia is in sight.

In our concrete paver business, we generated earnings growth in markets such as Croatia, the Czech Republic, Slovakia and Poland. On the one hand, this was due to higher sales volumes in the wake of a recovery of public-sector tendering activities. On the other hand, we took targeted measures to improve the average price level and to increase the share of mid-range and premium products in total revenues. At the same time, we have continued to work on the selective restructuring of our sales organization and the optimization of production processes. By taking these measures, we are establishing even closer relations with our customers and strengthening our profitability through more efficient production processes.

Pipes & Pavers Eastern Europe		1-9/2016	1-9/2017	Chg. in %
External revenues	in MEUR	323.8	**340.0**	+5
EBITDA	in MEUR	30.2	**31.9**	+6
Operating EBIT	in MEUR	14.6	**15.1**	+4
Total investments	in MEUR	21.0	**14.1**	-33
Capital employed	in MEUR	284.4	**297.5**	+5
Ø Employees	in FTE	2,342	**2,340**	0

North America

Residential construction activity in the USA showed positive development in the first nine months of the year. In particular, we benefited from rising numbers of new housing starts in the single- and two-family home segment. However, some of our core markets in the southern and eastern parts of the country were severely hit by tropical storms and wet weather conditions in the third quarter. In many cases, this resulted in massive delays in housing starts and building completion, which slowed down the growth of facing brick sales. Nevertheless, average prices remained slightly above the previous year's level. In our Canadian business, we recorded an increase in sales volumes and an improved price level after the first nine months of the year. While the Canadian government has been increasingly restricting the availability of building land as well as access to real estate finance, residential construction activity in Canada continues at a high level, as projects already approved are now being implemented. Driven by significantly increased sales volumes, our pipe business in the USA experienced significant growth in revenues and earnings. Overall, the North America Division generated a 6% increase in revenues to € 234.0 million during the first nine months of the year; EBITDA improved by 22% to € 21.4 million during the same period.

Outlook

For the business year 2017, we maintain our expectation that the number of new housing starts in the single- and two-family home segment will rise above the previous year's level in our relevant markets. We therefore foresee an increase in facing brick sales and a continuation of the slightly positive price development. As regards our plastic pipe business, we anticipate a significant improvement in earnings. Overall, we expect the North America Division to generate substantial organic growth in revenues and earnings. Additionally, the recent, successfully closed acquisition of a facing brick plant will contribute to earnings as of November.

North America		1-9/2016	1-9/2017	Chg. in %
External revenues	in MEUR	220.3	**234.0**	+6
EBITDA	in MEUR	17.5	**21.4**	+22
Operating EBIT	in MEUR	-2.8	**3.6**	>100
Total investments	in MEUR	9.2	**8.2**	-11
Capital employed	in MEUR	343.1	**316.8**	-8
Ø Employees	in FTE	1,264	**1,295**	+2
Sales volumes facing bricks	in mill. WF	320	**330**	+3

Holding & Others

Besides the holding company of the Group, the Holding & Others Division includes our brick business in India, which we operate from a production site for clay blocks in the Bangalore region. During the first nine months of the year, the Division's revenues declined slightly to € 6.4 million (2016: € 6.6 million). At the same time, the improved result of the holding company offset a market-related drop in earnings in India. EBITDA therefore remained stable.

Holding & Others		1-9/2016	1-9/2017	Chg. in %
External revenues	*in MEUR*	6.6	**6.4**	-3
EBITDA	*in MEUR*	-15.0	**-14.9**	+1
Operating EBIT	*in MEUR*	-16.8	**-17.1**	-2
Total investments	*in MEUR*	2.4	**1.9**	-20
Capital employed	*in MEUR*	-7.0	**1.9**	>100
Ø Employees	*in FTE*	206	**209**	+1

Condensed Interim Financial Statements (IFRS) Wienerberger Group

Consolidated Income Statement

in TEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016
Revenues	832,314	810,787	2,360,989	2,279,685
Cost of goods sold	-548,430	-539,909	-1,583,286	-1,535,935
Gross profit	**283,884**	**270,878**	**777,703**	**743,750**
Selling expenses	-150,992	-148,865	-447,939	-435,278
Administrative expenses	-50,253	-46,996	-148,556	-142,407
Other operating income:				
Reversal of impairment charges to assets	1,339	0	327	0
Other	7,669	11,589	28,100	30,888
Other operating expenses:				
Impairment charges to goodwill	0	0	-6,339	0
Other	-12,392	-11,325	-35,133	-42,689
Operating profit/loss (EBIT)	**79,255**	**75,281**	**168,163**	**154,264**
Income from investments in associates and joint ventures	2,043	1,559	3,227	5,230
Interest and similar income	1,442	1,245	4,340	3,751
Interest and similar expenses	-10,549	-9,401	-31,092	-28,881
Other financial result	-1,008	-2,993	-1,345	-4,092
Financial result	**-8,072**	**-9,590**	**-24,870**	**-23,992**
Profit/loss before tax	**71,183**	**65,691**	**143,293**	**130,272**
Income taxes	-13,191	-14,437	-35,957	-36,255
Profit/loss after tax	**57,992**	**51,254**	**107,336**	**94,017**
Thereof attributable to non-controlling interests	1,489	1,514	1,983	1,197
Thereof attributable to hybrid capital holders	3,431	8,072	10,627	24,101
Thereof attributable to equity holders of the parent company	**53,072**	**41,668**	**94,726**	**68,719**
Earnings per share (in EUR)	**0.45**	**0.36**	**0.81**	**0.59**
Diluted earnings per share (in EUR)	**0.45**	**0.36**	**0.81**	**0.59**

Consolidated Statement of Comprehensive Income

in TEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016
Profit/loss after tax	**57,992**	**51,254**	**107,336**	**94,017**
Foreign exchange adjustments	-16,109	-3,075	-42,615	-43,075
Foreign exchange adjustments to investments in associates and joint ventures	41	4	41	0
Changes in the fair value of available-for-sale financial instruments	169	-230	37	72
Changes in hedging reserves	875	1,905	10,976	15,888
Items to be reclassified to profit or loss	**-15,024**	**-1,396**	**-31,561**	**-27,115**
Actuarial gains/losses	0	126	0	-10,854
Items not to be reclassified to profit or loss	**0**	**126**	**0**	**-10,854**
Other comprehensive income [1)]	**-15,024**	**-1,270**	**-31,561**	**-37,969**
Total comprehensive income after tax	**42,968**	**49,984**	**75,775**	**56,048**
Thereof comprehensive income attributable to non-controlling interests	1,560	1,495	2,340	1,051
Thereof attributable to hybrid capital holders	3,431	8,072	10,627	24,101
Thereof comprehensive income attributable to equity holders of the parent company	**37,977**	**40,417**	**62,808**	**30,896**

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

Consolidated Balance Sheet

in TEUR	30/9/2017	31/12/2016
Assets		
Intangible assets and goodwill	676,913	690,440
Property, plant and equipment	1,512,666	1,564,727
Investment property	70,003	85,733
Investments in associates and joint ventures	10,214	13,542
Other financial investments and non-current receivables	14,491	13,918
Deferred tax assets	17,140	17,367
Non-current assets	**2,301,427**	**2,385,727**
Inventories	752,370	718,359
Trade receivables	340,709	201,809
Receivables from current taxes	4,976	9,868
Other current receivables	79,745	66,278
Securities and other financial assets	79,909	52,740
Cash and cash equivalents	111,191	197,016
Non-current assets held for sale	12,485	5,380
Current assets	**1,381,385**	**1,251,450**
Total assets	**3,682,812**	**3,637,177**
Equity and liabilities		
Issued capital	117,527	117,527
Share premium	1,086,017	1,086,017
Hybrid capital	265,985	265,985
Retained earnings	643,044	586,961
Other reserves	-254,421	-222,503
Treasury stock	-4,862	-4,862
Controlling interests	**1,853,290**	**1,829,125**
Non-controlling interests	22,092	19,831
Equity	**1,875,382**	**1,848,956**
Deferred taxes	81,483	80,759
Employee-related provisions	166,025	171,488
Other non-current provisions	72,050	71,197
Long-term financial liabilities	518,746	481,434
Other non-current liabilities	6,674	3,991
Non-current provisions and liabilities	**844,978**	**808,869**
Current provisions	30,721	35,287
Payables for current taxes	10,493	15,912
Short-term financial liabilities	353,984	399,924
Trade payables	268,424	302,718
Other current liabilities	298,830	225,511
Current provisions and liabilities	**962,452**	**979,352**
Total equity and liabilities	**3,682,812**	**3,637,177**

Consolidated Statement of Cash Flows

in TEUR	1-9/2017	1-9/2016
Profit/loss before tax	143,293	130,272
Depreciation and amortization	138,370	142,825
Impairment charges to goodwill	6,339	0
Impairment charges to assets and other valuation effects	-1,551	18,240
Increase/decrease in non-current provisions	-2,222	-2,520
Income from investments in associates and joint ventures	-3,227	-5,230
Gains/losses from the disposal of fixed and financial assets	-9,780	-5,859
Interest result	26,752	25,130
Interest paid	-33,410	-29,632
Interest received	3,355	3,236
Income taxes paid	-40,371	-18,044
Gross cash flow	**227,548**	**258,418**
Increase/decrease in inventories	-43,478	4,789
Increase/decrease in trade receivables	-143,155	-140,074
Increase/decrease in trade payables	-37,617	-27,881
Increase/decrease in other net current assets	40,837	43,666
Cash flow from operating activities	**44,135**	**138,918**
Proceeds from the sale of assets (including financial assets)	18,924	11,898
Payments made for property, plant and equipment and intangible assets	-91,218	-98,048
Payments made for investments in financial assets	0	-16
Dividend payments from associates and joint ventures	6,596	4,265
Increase/decrease in securities and other financial assets	-3,821	-5,500
Net payments made for the acquisition of companies	-10,057	-12,861
Cash flow from investing activities	**-79,576**	**-100,262**
Cash inflows from the increase in short-term financial liabilities	637,052	214,634
Cash outflows from the repayment of short-term financial liabilities	-835,677	-214,739
Cash inflows from the increase in long-term financial liabilities	210,899	602
Cash outflows from the repayment of long-term financial liabilities	-84	-10,114
Dividends paid by Wienerberger AG	-31,578	-23,391
Hybrid coupon paid	-29,898	-32,520
Dividends paid to and other changes in non-controlling interests	-79	-9
Buyback hybrid capital	0	-5,968
Cash flow from financing activities	**-49,365**	**-71,505**
Change in cash and cash equivalents	**-84,806**	**-32,849**
Effects of exchange rate fluctuations on cash held	-1,019	-1,739
Cash and cash equivalents at the beginning of the year	197,016	154,878
Cash and cash equivalents at the end of the period	**111,191**	**120,290**

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 1/1/2017	**117,527**	**1,081,155**	**265,985**	**586,961**	**-222,503**	**1,829,125**	**19,831**	**1,848,956**
Total comprehensive income				105,353	-31,918	**73,435**	2,340	**75,775**
Dividend payment/ hybrid coupon				-49,270		**-49,270**	-79	**-49,349**
Balance on 30/9/2017	**117,527**	**1,081,155**	**265,985**	**643,044**	**-254,421**	**1,853,290**	**22,092**	**1,875,382**

in TEUR	Issued capital	Share premium/ treasury stock	Hybrid capital	Retained earnings	Other reserves	Controlling interests	Non-controlling interests	Total
Balance on 1/1/2016	**117,527**	**1,081,164**	**490,560**	**546,754**	**-199,889**	**2,036,116**	**18,103**	**2,054,219**
Total comprehensive income				92,820	-37,823	**54,997**	1,051	**56,048**
Dividend payment/ hybrid coupon				-55,911		**-55,911**		**-55,911**
Change in hybrid capital			-5,968			**-5,968**		**-5,968**
Increase/decrease in non-controlling interests		-9				**-9**		**-9**
Balance on 30/9/2016	**117,527**	**1,081,155**	**484,592**	**583,663**	**-237,712**	**2,029,225**	**19,154**	**2,048,379**

Operating Segments

1-9/2017 *in TEUR*	Clay Building Materials Eastern Europe	Clay Building Materials Western Europe	Pipes & Pavers Eastern Europe	Pipes & Pavers Western Europe	North America	Holding & Others [1]	Reconciliation [2]	Wienerberger Group
External revenues	420,663	923,779	339,990	435,407	233,964	6,376		**2,360,179**
Inter-company revenues	5,717	7,959	9,090	5,756	319	10,331	-38,362	**810**
Total revenues	426,380	931,738	349,080	441,163	234,283	16,707	-38,362	**2,360,989**
EBITDA	97,830	144,362	31,922	34,320	21,413	-14,877		**314,970**
Operating EBIT	64,021	92,202	15,127	16,329	3,576	-17,080		**174,175**
Impairment charges/ Reversal of impairment charges	0	0	0	-6,339	0	327		**-6,012**
EBIT	64,021	92,202	15,127	9,990	3,576	-16,753		**168,163**
Profit/loss after tax	47,260	56,322	5,316	8,172	-3,964	31,441	-37,211	**107,336**
Total investments	23,769	32,257	14,108	21,071	8,150	1,920		**101,275**
Capital employed	478,527	1,103,052	297,477	341,959	316,802	1,942		**2,539,759**
Ø Employees	4,438	6,075	2,340	1,884	1,295	209		**16,241**

1-9/2016 *in TEUR*	Clay Building Materials Eastern Europe	Clay Building Materials Western Europe	Pipes & Pavers Eastern Europe	Pipes & Pavers Western Europe	North America	Holding & Others [1]	Reconciliation [2]	Wienerberger Group
External revenues	387,253	890,569	323,755	449,008	220,302	6,587		**2,277,474**
Inter-company revenues	5,939	7,890	7,660	6,373	642	9,871	-36,164	**2,211**
Total revenues	393,192	898,459	331,415	455,381	220,944	16,458	-36,164	**2,279,685**
EBITDA	77,515	139,404	30,153	53,012	17,536	-15,031		**302,589**
Operating EBIT	41,664	83,507	14,569	34,107	-2,796	-16,787		**154,264**
EBIT	41,664	83,507	14,569	34,107	-2,796	-16,787		**154,264**
Profit/loss after tax	26,928	48,349	7,079	33,635	-10,647	29,345	-40,672	**94,017**
Total investments	22,892	35,735	20,990	19,754	9,157	2,397		**110,925**
Capital employed	480,791	1,142,338	284,412	335,353	343,075	-7,010		**2,578,959**
Ø Employees	4,336	5,988	2,342	1,855	1,264	206		**15,991**

1) The Holding & Others segment includes the costs of the corporate headquarters and business activities in India. // 2) The reconciliation column includes eliminations between Group companies.

Condensed Notes to the Interim Financial Statements

Basis of preparation

The interim financial report as of September 30, 2017 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 2016 as well as the accounting and valuation methods in effect on December 31, 2016 remain unchanged, with the exception of the IFRSs that require mandatory application as of January 1, 2017.

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 14	Regulatory Deferral Accounts	January 2014	1/1/2016
IAS 12	Income Taxes: Recognition of Deferred Tax Assets for Unrealized Losses – Amendments	January 2016	1/1/2017
IAS 7	Statement of Cash Flows: Disclosure Initiative	January 2016	1/1/2017
	Annual Improvements to IFRSs 2014 - 2016 Cycle	December 2016	1/1/2017 / 1/1/2018
IFRS 9	Financial Instruments: Hedge Accounting – Amendments to IFRS 9, IFRS 7 and IAS 39	November 2013	1/1/2018 [1)]
IFRS 9	Financial Instruments	July 2014	1/1/2018 [1)]
IFRS 15	Revenue from Contracts with Customers	May 2014/ September 2015	1/1/2018 [1)]
IFRS 15	Revenue from Contracts with Customers – Clarification	April 2016	1/1/2018
IFRS 2	Share-based Payments – Amendments	June 2016	1/1/2018
IFRS 4	Insurance Contracts – Amendments	September 2016	1/1/2018
IAS 40	Investment Property: Amendments	December 2016	1/1/2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	December 2016	1/1/2018
IFRS 16	Leases	January 2016	1/1/2019
IFRIC 23	Uncertainty over Income Tax Treatments	June 2017	1/1/2019
IFRS 17	Insurance Contracts	May 2017	1/1/2021
IFRS 10, IAS 28	Sale of Assets between an Investor and its Associate or Joint Venture – Amendments	September 2014/ December 2015	-

1) Mandatory effective date according to European Union directive.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

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, the new standard is of no relevance to the financial statements of the Group.

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

Consolidated companies

The consolidated financial statements include all major Austrian and foreign companies in which Wienerberger AG directly or indirectly holds the majority of shares. In accordance with IFRS 11, Schlagmann Group and Silike keramika, spol. s.r.o. are classified as joint ventures, because they are managed jointly with an equal partner. Consequently, these two companies are accounted for at equity (50%).

In the third quarter of 2017, Wienerberger acquired the Preflex Group, one of the leading suppliers of prewired electro conduits, and a clay block plant in Germany. The total cash outflow for these transactions amounted to TEUR 10,057. Another TEUR 10,253 were recognized under other liabilities on the balance sheet date. In the course of a preliminary purchase price allocation, goodwill of TEUR 15,546 was identified and recognized in the operating reporting segment Pipes & Pavers Western Europe. Since the date of first consolidation, the companies acquired generated external revenues of TEUR 7,456 and EBITDA of TEUR 513. Incidental acquisition costs incurred through the transactions, reported under general administrative expenses, amounted to TEUR 485.

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.

As part of an exchange offer, the 2014 hybrid bond replaced the 2007 bond to the extent of TEUR 272,188; it is a perpetual bond subordinated to all other creditors with a coupon of 6.5% until 9/2/2017 and 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.

For the first nine months of 2017, accrued pro-rata coupon payments of TEUR 10,627 were taken into account in the calculation of earnings per share. As a result, earnings per share declined by EUR 0.09.

After Wienerberger exercised its right to redeem the 2007 hybrid bond on 14/12/2016, the bond was reported at fair value to financial liabilities as at 31/12/2016. The nominal amount of TEUR 221,812 was redeemed in the first quarter of the reporting year. Interest payable on this amount is accounted for under interest expenses.

Notes to the Consolidated Income Statement

Group revenues amounted to TEUR 2,360,989 for the first nine months of 2017 (2016: TEUR 2,279,685), which is 4% higher than the comparable period of the previous year. EBITDA amounted to TEUR 314,970, which is higher than the comparable prior year value of TEUR 302,589. EBIT amounted to TEUR 168,163 for the reporting period, compared with TEUR 154,264 in 2016.

The mid-year analysis of triggering events pointing to a potential impairment showed an increase in the weighted average cost of capital (WACC) after tax, which is used to discount cash flows for the determination of the value in use of the groups of cash-generating units (CGUs). The WACC before tax determined for the Pipes Steinzeug group of CGUs in the Pipes & Pavers Western Europe reporting segment increased to 9.60% in June of the reporting year, as compared to 8.67% at the time of the last periodic impairment test in November 2016. The rate of growth was 1.5% (2016: 1.2%). Due to the increase of the weighted average cost of capital, the value in use fell below the book value of the assets tested, which resulted in goodwill impairment in the amount of TEUR 6,339 recognized in other operating expenses. The value in use of the Pipes Steinzeug group of CGUs amounted to MEUR 65.

As at September 30, 2017, Wienerberger held 570,289 treasury shares, which were deducted for the calculation of earnings per share. The weighted number of shares outstanding from January 1, 2017 to September 30, 2017 was 116,956,475. The number of shares issued remained unchanged at 117,526,764 as at September 30, 2017.

Notes to the Consolidated Statement of Comprehensive Income

Negative income from foreign exchange differences of TEUR -42,574 (2016: TEUR -43,075) resulted, above all, from the US dollar. The hedging reserve increased equity by TEUR 10,976 (2016: TEUR 15,888) after tax. Changes in the fair value of available-for-sale financial instruments totaled TEUR 37 (2016: TEUR 72). Deferred taxes, included in other comprehensive income, amount to a total of TEUR -882 (2016: TEUR -2,696).

Profit after tax reported for the first nine months of 2017 increased equity by TEUR 107,336 (2016: TEUR 94,017). Total comprehensive income after tax increased equity by TEUR 75,775 for the reporting period (2016: TEUR 56,048).

Notes to the Consolidated Statement of Cash Flows

Cash flow from operating activities of TEUR 44,135 was TEUR 94,783 lower than in the prior period (2016: TEUR 138,918), which was primarily due to the increase in taxes paid in the amount of TEUR -40,371 (2016: TEUR -18,044), interest paid in the amount of TEUR -33,410 (2016: TEUR -29,632) and a change in inventories of TEUR -43.478 (2016: TEUR 4,789). Of the impairments of assets and other valuation effects reported, an amount of TEUR -2,098 (2016: TEUR -5,500) was accounted for by property, plant and equipment and intangibles. Other measurement effects include the valuation of inventories in the amount of TEUR -2,435 (2016: TEUR -5,653), the impairment of trade receivables in the amount of TEUR -789 (2016: TEUR -1.201) and the valuation of financial assets in the amount of TEUR 6,873 (2016: TEUR 5,886). Interest paid includes the interest expense for the 2007 hybrid bond, which was reclassified to financial liabilities as of 15/12/2016 and redeemed on 9/2/2017.

Cash outflows of TEUR 101,275 (2016: TEUR 110,925) for investments in non-current assets (incl. financial assets) and acquisitions included TEUR 90,772 (2016: TEUR 80,350) of normal capex for maintenance and investments in technical upgrades as well as TEUR 10,503 (2016: TEUR 30,575) of growth capex for acquisitions and plant expansion.

Proceeds from the disposal of non-current assets totaled TEUR 18,924 (2016: TEUR 11,898) and were generated primarily by the sale of investment property. On May 26, 2017, a dividend of EUR 0.27 per share was paid out on 116,956,475 shares outstanding, i.e. a total of EUR 31,578,248.25.

Notes to the Consolidated Balance Sheet

Normal and growth capex for the first nine months of 2017 (excl. acquisitions) increased non-current assets by TEUR 91,218 (2016: TEUR 98,048). Net debt rose by TEUR 50,028 over the level of December 31, 2016 to TEUR 681,630 due to the seasonal increase in working capital. Commitments for the purchase of property, plant and equipment totaled TEUR 26,093 as at the balance sheet date (31/12/2016: TEUR 24,583).

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.

in TEUR	Accounting method [1]	Level 1	Level 2	Level 3	Carrying amount as at 30/9/2017
Assets					
Shares in funds	FV	21,352			21,352
Corporate Bonds	FV	4,938			4,938
Stock	FV	18			18
Other	FV		13	756	769
Available-for-sale financial instruments		**26,308**	**13**	**756**	**27,077**
Other non-current receivables	**AC**		**7,452**		**7,452**
Derivatives from cash flow hedges	FV		1,506		1,506
Derivatives from net investment hedges	FV		15,739		15,739
Other derivatives	FV		1,662	3,798	5,460
Derivatives with positive market value			**18,907**	**3,798**	**22,705**
Liabilities					
Derivatives from cash flow hedges	FV		242		242
Derivatives from net investment hedges	FV		2,534		2,534
Other derivatives	FV		5,450		5,450
Derivatives with negative market value			**8,226**		**8,226**
Long-term loans	AC		224,847		219,486
Roll-over	AC		100,709		100,835
Short-term loans	AC		84,310		84,162
Financial liabilities owed to financial institutions			**409,866**		**404,483**
Bonds – long-term	AC	329,940			298,563
Bonds – short-term	AC	110,531			106,552
Long-term loans	AC		12		13
Commercial paper – short-term	AC		53,911		53,915
Short-term loans	AC		16		16
Finance leases – short-term	AC		684		684
Finance leases – long-term	AC		275		275
Financial liabilities owed to subsidiaries	AC		3		3
Financial liabilities owed to non-banks		**440,471**	**54,901**		**460,021**

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]	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2016
Assets					
Shares in funds	FV	6,679			6,679
Corporate Bonds	FV	9,195			9,195
Stock	FV	18			18
Other	FV		42	812	854
Available-for-sale financial instruments		**15,892**	**42**	**812**	**16,746**
Other non-current receivables	**AC**		**6,883**		**6,883**
Derivatives from cash flow hedges	FV		358		358
Derivatives from net investment hedges	FV		9,051		9,051
Other derivatives	FV		3,610		3,610
Derivatives with positive market value			**13,019**		**13,019**
Liabilities					
Derivatives from cash flow hedges	FV		589		589
Derivatives from net investment hedges	FV		4,241		4,241
Other derivatives	FV		7,166		7,166
Derivatives with negative market value			**11,996**		**11,996**
Long-term loans	AC		85,941		83,471
Roll-over	AC		80,817		81,588
Short-term loans	AC		25,277		25,261
Financial liabilities owed to financial institutions			**192,035**		**190,320**
Bonds – long-term	AC	428,265			397,822
Bonds – short-term	AC	244,264			246,649
Long-term loans	AC		89		89
Commercial paper – short-term	AC		34,103		34,416
Finance leases – long-term	AC		51		51
Financial liabilities owed to subsidiaries	AC		15		15
Financial liabilities owed to non-banks		**672,529**	**34,258**		**679,042**

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

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). Other derivatives with positive market values include a call option for non-controlling interests in the Tondach Group of TEUR 3,798. The call option was classified under level three in the hierarchy because of the nature of the input factors used in the valuation. The fair value of this call option was calculated on the basis of budgeted EBITDA and the agreed multiple, applying the Black-Scholes valuation model. The valuation gain of TEUR 3,798 was recognized in other financial result.

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 the financial liabilities reported in the above table 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 Service 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 also 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, associated companies, joint ventures and non-consolidated subsidiaries of Wienerberger AG as well as the ANC Private Foundation and its subsidiaries. Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are conducted on arm's length conditions.

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 31,102 as of September 30, 2017 (31/12/2016: TEUR 28,754) and consist primarily of land and buildings totaling TEUR 11,578 (31/12/2016: TEUR 11,826) and securities and liquid funds of TEUR 17,131 (31/12/2016: TEUR 14,727). The foundation had provisions of TEUR 7,901 (31/12/2016: TEUR 8,904) and no financial liabilities as of September 30, 2017.

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 14,007 as of September 30, 2017 (31/12/2016: TEUR 11,012), while the comparable amount for non-consolidated subsidiaries was TEUR 7,274 (31/12/2016: TEUR 7,268).

Significant events after the balance sheet date

On October 17, 2017, Wienerberger announced the planned takeover of 98.3% of the shares of Brikston Construction Solutions SA, a Romanian brick producer, subject to approval by the competition authority. On October 31, 2017, Wienerberger acquired Columbus Brick, a US facing brick producer headquartered in Mississippi. On the same day, the planned takeover of the Brenner brick plant in Carinthia was approved by the Austrian Competition Authority. In total, the purchase price amounts to approx. MEUR 62.

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 nine months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining three months of the financial year and of the major related party transactions to be disclosed.

Vienna, November 8, 2017

The Managing Board of Wienerberger AG

Heimo Scheuch
Chief Executive Officer

Willy Van Riet
Chief Financial Officer

Financial Calendar

October 23, 2017	*Start of the quiet period*
November 8, 2017	Results for the First Three Quarters of 2017
January 29, 2018	*Start of the quiet period*
February 28, 2018	Results of 2017: Press and Analysts Conference in Vienna
March 29, 2018	Publication of the 2017 Annual Report on the Wienerberger website
April 23, 2018	*Start of the quiet period*
May 9, 2018	Results for the First Quarter of 2018
June 4, 2018	Record date 149th Annual General Meeting
June 14, 2018	149th Annual General Meeting in the Austria Center Vienna
June 18, 2018	Deduction of dividends for 2017 (ex-day)
June 19, 2018	Record date for 2017 dividends
June 20, 2018	Payment day for 2017 dividends
June 2018	Publication of the Sustainability Report 2017
July 30, 2018	*Start of the quiet period*
August 16, 2018	Results for the First Half-Year of 2018: Press and Analysts Conference in Vienna
September 2018	Capital Markets Day 2018
October 22, 2018	*Start of the quiet period*
November 8, 2018	Results for the First Three Quarters of 2018

Information on the Company and the Wienerberger Share

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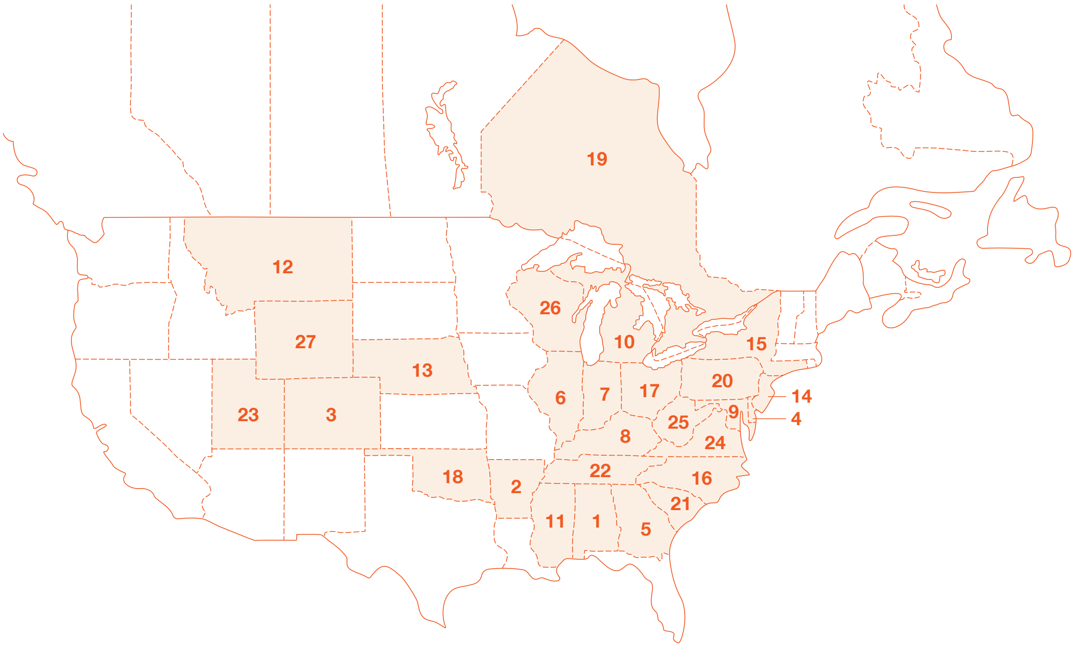
Thomson Reuters	WBSV.VI; WIE-VI
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Wienerberger Online Annual Report 2016:
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 200 production sites in 30 countries and activities in international export markets. We are the world's largest producer of bricks and number one on the clay roof tile market in Europe. Furthermore we hold leading positions in pipe systems in Europe and concrete pavers in Central-East Europe.

Wienerberger Markets in North America



Market positions

1 *Facing Bricks*

Number of sites

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

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

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

Status September 2017

Wienerberger in India

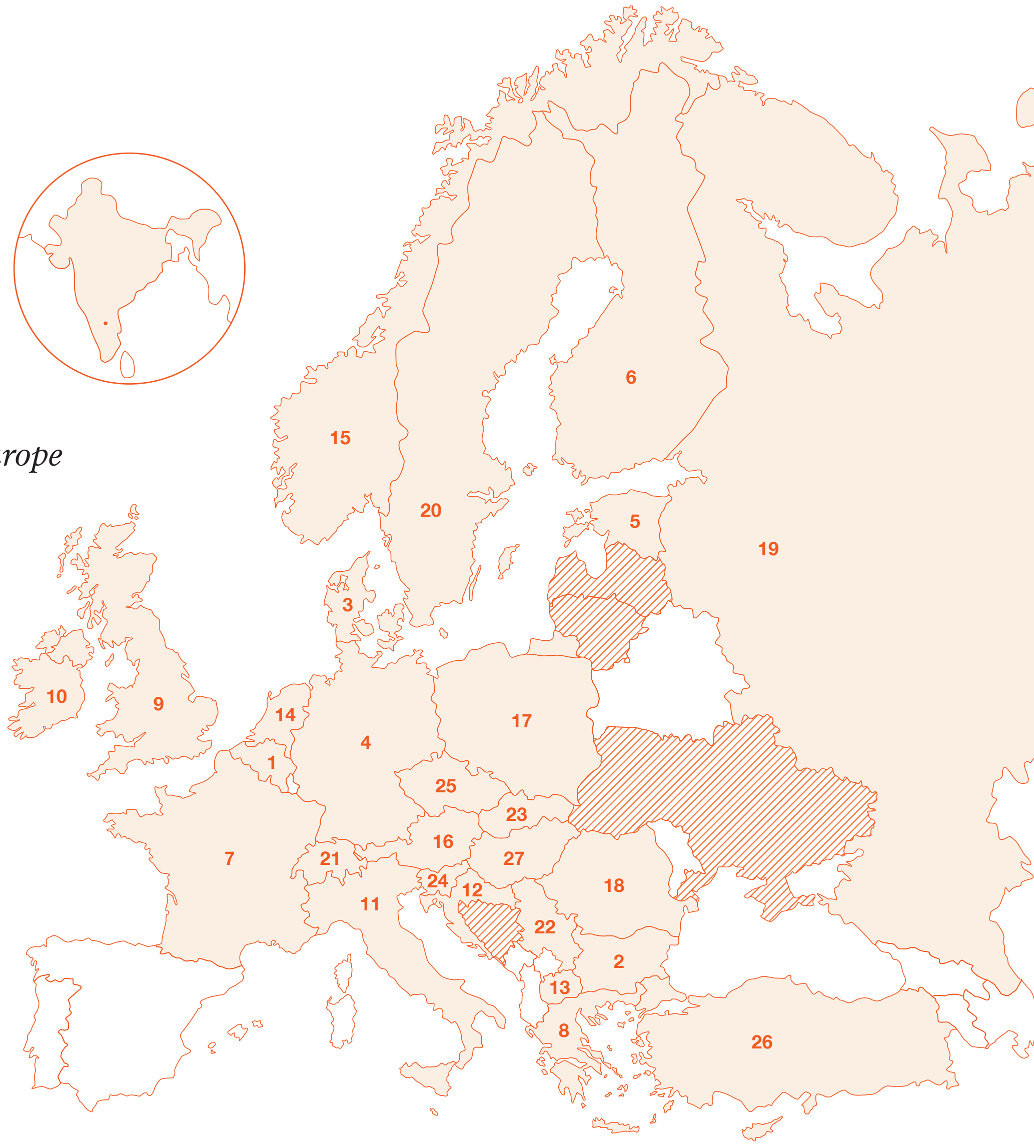
Number of sites

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		2	1
2	Bulgaria	1	2	1			1	1	
3	Denmark*				2				
4	Germany	1	4	15	3	4	1	1	2
5	Estonia	1			1			1	
6	Finland*				1			4	
7	France	2	4	5	1	3		2	
8	Greece							1	
9	Great Britain	2	1		9	4			
10	Ireland							1	
11	Italy	1		4					
12	Croatia	1	1	1		2	1		
13	Macedonia		1			1			
14	Netherlands	1	1	1	7	3	5	2	
15	Norway*							2	
16	Austria	1	1	7	1	2	4	1	
17	Poland	1	2	7	1	1	5	2	
18	Romania	1	1	4			2		
19	Russia	1		2				1	
20	Sweden*				2			2	
21	Switzerland	3	1	2		2			
22	Serbia		1			1			
23	Slovakia	1	1	2			1		
24	Slovenia	1	1	1		1			
25	Czech Republic	1	1	7		4	1	2	
26	Turkey							1	
27	Hungary	1	1	6		2	2	1	

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

Status September 2017

New possibilities through innovative technologies

Smart solutions are gaining ground in industrial manufacturing. Digitalization leads to future-oriented solutions and process technologies that help to save resources and energy. Wienerberger's engineers are experimenting with new technologies and developing new processes. 3D printing has promising potential, especially in energy-intensive ceramic production.

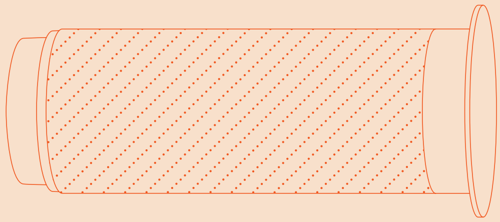
A special nozzle – 3D-printer-made

3D printing can be used to produce tailor-made products with complex geometries in small series. Wienerberger is currently testing equipment for firing kilns that would be extremely difficult to produce by conventional methods: special nozzles which ensure optimal temperature distribution in the firing kilns. This innovation results in lower energy consumption and improved product quality.

Rapid prototyping is another area in which Wienerberger uses 3D printing. Prototypes are printed and optimized until mass production by less expensive means is feasible. Wienerberger successfully uses this technology for the design and optimization of its H-cassettes, which are used to hold roof tiles during firing. Further applications, such as the production of spare parts or the design of prototypes of new products, will be introduced soon.

More Success Stories in the Annual Report 2016
and on annualreport.wienerberger.com

Special products



New nozzles for firing kilns

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

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The Report on the First Three Quarters of 2017, released on November 8, 2017 is also available for download under www.wienerberger.com.

Available in German and English.