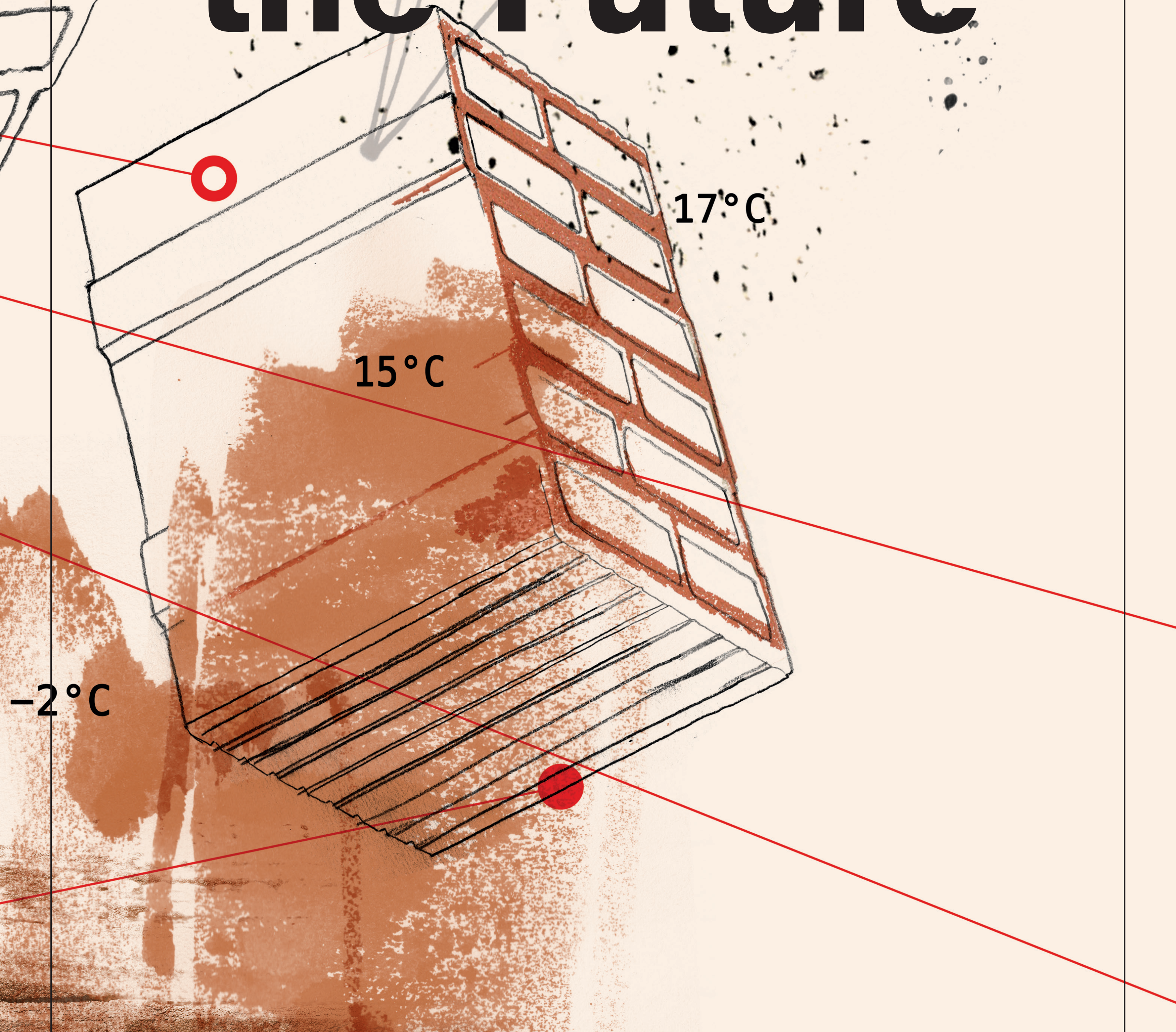
wienerberger

Building the Future



Report on the First Three Quarters of 2018

Earnings Data		1-9/2017	1-9/2018	Chg. in %	Year-end 2017
Revenues	*in MEUR*	2,361.0	**2,495.2**	+6	3,119.7
EBITDA LFL [1]	*in MEUR*	307.4	**356.4**	+16	-
EBITDA	*in MEUR*	315.0	**343.2**	+9	415.0
Operating EBIT	*in MEUR*	174.2	**203.3**	+17	194.2
Profit before tax	*in MEUR*	143.3	**176.2**	+23	144.9
Net result	*in MEUR*	94.7	**125.7**	+33	123.2
Earnings per share	*in EUR*	0.81	**1.08**	+33	1.05
Free cash flow [2]	*in MEUR*	-24.9	**71.2**	>100	152.5
Normal capex	*in MEUR*	90.8	**95.6**	+5	147.5
Growth capex	*in MEUR*	10.5	**91.6**	>100	58.8
Ø Employees	*in FTE*	16,241	**16,623**	+2	16,297

Balance Sheet Data		31/12/2017	30/9/2018	Chg. in %
Equity [3]	*in MEUR*	1,911.2	**1,934.2**	+1
Net debt	*in MEUR*	566.4	**686.0**	+21
Capital employed	*in MEUR*	2,459.2	**2,584.6**	+5
Total assets	*in MEUR*	3,659.9	**3,814.1**	+4
Gearing	*in %*	29.6	**35.5**	-

Stock Exchange Data		1-12/2017	1-9/2018	Chg. in %
Share price high	*in EUR*	22.45	**24.06**	+7
Share price low	*in EUR*	16.85	**19.19**	+14
Share price at end of period	*in EUR*	20.17	**21.54**	+7
Shares outstanding (weighted) [4]	*in 1,000*	116,956	**116,350**	-1
Market capitalization at end of period	*in MEUR*	2,370.5	**2,531.5**	+7

Divisions 1-9/2018 *in MEUR and %* [5]	Clay Building Materials Europe	Pipes & Pavers Europe	North America	Holding & Others	Reconciliation
External revenues	1,433.8 *(+7%)*	819.4 *(+6%)*	235.0 *(0%)*	6.1 *(-5%)*	
Inter-company revenues	1.3 *(+22%)*	0.1 *(-24%)*	0.0 *(-97%)*	11.9 *(+15%)*	-12.3
Revenues	1,435.1 *(+7%)*	819.5 *(+6%)*	235.0 *(0%)*	17.9 *(+7%)*	-12.3
EBITDA	268.4 *(+11%)*	59.1 *(-11%)*	34.4 *(+61%)*	-18.7 *(-26%)*	
Operating EBIT	186.0 *(+19%)*	22.1 *(-30%)*	15.9 *(>100%)*	-20.7 *(-21%)*	
Total investments	120.9 *(>100%)*	46.4 *(+32%)*	8.4 *(+3%)*	11.5 *(>100%)*	
Capital employed	1,586.6 *(0%)*	607.4 *(-5%)*	385.4 *(+22%)*	5.2 *(>100%)*	
Ø Employees (in FTE)	10,808 *(+3%)*	4,205 *(0%)*	1,386 *(+7%)*	224 *(+7%)*	

1) Adjusted for effects from consolidation, FX, sale of non-operating assets and operating assets as well as structural adjustments // 2) Cash flow from operating activities less cash flow from investing activities plus growth capex excluding changes in non-controlling interests // 3) Equity including non-controlling interests and hybrid capital // 4) Adjusted for treasury stock // 5) 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.

Chief Executive's Review

Ladies and Gentlemen:

With a 6% rise in revenues to € 2.5 billion, we continued on our successful course during the first nine months of the business year. The 9% increase in EBITDA to € 343 million underlines this positive development. EBITDA adjusted for non-recurring expenses and income was particularly satisfactory, having increased significantly by about 16% and, once again, confirming the high profitability of the Wienerberger Group. Our net profit grew by 33% to € 126 million.

The Wienerberger Group's extremely strong performance is due not only to a favorable market environment, but, above all, to the consistent implementation of our corporate strategy. We are concentrating fully on its three main pillars: operational excellence, organic growth, and the optimization of our business portfolio & growth projects. Our progress in all three areas has been excellent, and our strong performance confirms the positive impact of our strategic implementation.

Notable improvements in earnings as a result of efficiency-enhancing measures show that we are taking the right steps in the right direction. However, our aim is to realize a significantly higher potential and we have therefore combined all our current initiatives into one comprehensive program. With additional resources and an even greater target focus, we intend to generate additional earnings growth in the amount of € 120 million between 2018 and 2020. This is to be achieved through improvements in production processes at all our sites, enhanced energy efficiency, enhanced procurement, a restructured sales organization, the optimization of supply chain management and internal services, as well as targeted restructuring measures.

The expansion of our activities in high-growth markets is one of our clear targets. Therefore, in the first nine months of the year we again took advantage of a number of opportunities and acquired a brick producer in the Netherlands, a pipe specialist in Norway and a paver plant in Romania. Our focus on companies with high-margin products that can be quickly integrated into our existing portfolio has proven to be the right approach. For instance, Isoterm, our recently acquired specialist in pre-insulated pipes, has already made a positive contribution to earnings in our pipe business and will serve as a platform for further growth in our Nordic markets.

At the same time, we are divesting non-strategic and non-profitable parts of our business. A first important step towards portfolio optimization has already been taken through the sale of our Austrian concrete paver activities. In this area, we are now concentrating fully on our highly profitable business in the Eastern European growth markets, which is performing very well.

Against this background, our expectations regarding the full-year results are very optimistic. We have therefore refined our EBITDA forecast to within a range of € 460 million to € 470 million and are confident to reach the targets we set ourselves for 2018.

Yours

Interim Management Report
Financial Review

Earnings

During the first three quarters of 2018, Wienerberger succeeded in increasing its revenues at Group level by 6% to € 2,495.2 million (2017: € 2,361.0 million), reporting a significant improvement of average prices and stable sales. Foreign-exchange effects burdened revenues with € 45.3 million, with the most substantial negative effects resulting from the US dollar, the Turkish lira and the Swedish crown, which were only partly offset by the appreciation of the Czech crown.

Q1–3 Revenues and EBITDA
in MEUR

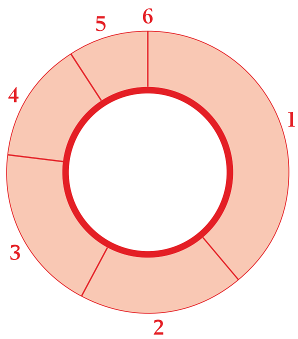
Given a positive market environment, the Clay Building Materials Europe Division succeeded in generating higher earnings thanks to growing sales volumes and improved average prices. In its Eastern European business, the Division reported significantly higher external revenues and earnings, despite expenses incurred for structural adjustments. In Western Europe, external revenues as well as the operating result were slightly above the prior period's value, although the latter was burdened by structural adjustment costs. Moreover, successful acquisitions made positive contributions to the Division's revenues and EBITDA. Overall, external revenues increased by 7% to € 1,433.8 million in the first three quarters of the year (2017: € 1,344.4 million), while EBITDA grew by 11% to € 268.4 million (2017: € 242.2 million).

The Pipes & Pavers Europe Division generated external revenues of € 819.4 million in the reporting period, up by 6% from the previous year (2017: € 775.4 million), with diverging developments seen in the individual segments of the Division. The plastics pipe business delivered slight growth in revenues and a significant increase in earnings. This positive development was due, above all, to significantly improved earnings of the restructured French pipe business and the contribution to earnings of the newly acquired activities in prewired electro conduits and pre-insulated pipes. Moreover, a substantially higher number of incoming orders led to an increase of the result of our international project business.

In our business with ceramic sewage pipe systems we had to accept a significant drop in EBITDA due to the costs incurred for the closure of a production site. However, the successfully completed structural adjustments have already had a positive impact on profitability, resulting in a year-on-year increase in EBITDA after adjustment for non-recurring expenses. In the field of concrete pavers, strong growth in sales volumes, improved prices and gains realized through the divestment of the segment's Austrian activities led to a significantly improved operating result. All things considered, these effects resulted in a drop in EBITDA of the Pipes & Pavers Europe Division to € 59.1 million (2017: € 66.2 million), which was primarily due to the costs of structural adjustments in the amount of € 16.1 million.

Despite persistently wet weather conditions, the North American brick business reported stable sales volumes and slightly improved prices in the first nine months of the year. Together with consolidation effects and gains from the sale of two distribution outlets, this led to a substantial increase in EBITDA. In the plastic pipe business, higher average prices and lower raw material costs resulted in a significant increase in earnings. Altogether, the segment's revenues remained stable at € 235.0 million (2017: € 234.0 million) as a result of significant negative foreign-exchange effects in the reporting currency, where-as EBITDA improved substantially to € 34.4 million (2017: € 21.4 million).

Q1–3 External Revenues by Segment

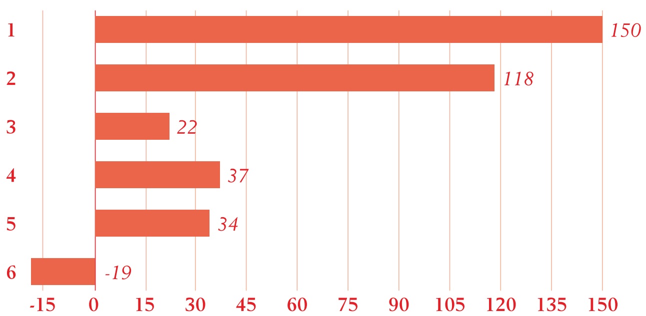


1 *Clay Building Materials Western Europe 38%*
2 *Clay Building Materials Eastern Europe 19%*
3 *Pipes & Pavers Western Europe 18%*
4 *Pipes & Pavers Eastern Europe 14%*
5 *North America 9%*
6 *Holding & Others 0%*

At Group level, Wienerberger's adjusted EBITDA increased by 16% to € 356.4 million in the first three quarters of the year. This amount does not include the costs of structural adjustments in a total amount of € 27.6 million, which predominantely occurred in the ceramic pipe business and the European brick business, as well as negative foreign-exchange effects of € 6.5 million. Gains from the sale of real estate and two distribution outlets in the USA as well as the divestment of the Austrian paver business came to a total of € 11.0 million. In addition, consolidation effects had a positive impact of € 10.0 million. With these effects taken into account, the Wienerberger Group reported a 9% increase in EBITDA to € 343.2 million as compared to € 315.0 million in the previous reporting period.

Q1–3 EBITDA by Segment

in MEUR



1 *Clay Building Materials Western Europe*
2 *Clay Building Materials Eastern Europe*
3 *Pipes & Pavers Western Europe*
4 *Pipes & Pavers Eastern Europe*
5 *North America*
6 *Holding & Others*

The operating earnings before interest and tax (operating EBIT) improved substantially to € 203.3 million (2017: € 174.2 million). Taking into account the reversal of asset impairments of € 3.6 million, earnings before interest and tax (EBIT) amounted to € 206.9 million (2017: € 168.2 million).

The financial result of € -30.7 million (2017: € -24.9 million), comprising net interest expenses of € -28.6 million (2017: € -26.8 million), remained below the previous period's level due to higher costs of foreign-currency financing. Income from investments in associates and joint ventures come to € 1.6 million (2017: € 3.2 million); the other financial result amounted to € -3.7 million (2017: € -1.3 million) and primarily included valuation effects and bank charges.

Profit before tax increased significantly to € 176.2 million (2017: € 143.3 million). On account of the positive development of earnings, the tax expense increased to € 40.6 million, as compared to € 36.0 million in the prior period. Despite the costs of structural adjustments, Wienerberger recorded a substantial increase of its net profit by 33% to € 125.7 million (2017: € 94.7 million), which in turn led to notably increased earnings per share of € 1.08 (2017: € 0.81).

Cash Flow

Gross cash flow increased from € 227.5 million in the prior period to € 251.4 million in the first nine months of 2018, which was primarily due to higher earnings before tax. Cash flow from operating activities improved from € 44.1 million in the prior period to € 106.2 million in the reporting period, which was due to a lower build-up of inventories and changes in other net current assets.

During the first nine months of the year, a total amount of € 112.0 million (2017: € 91.2 million) was spent on maintenance and technological improvements of production processes as well as plant extensions. At the same time, Wienerberger invested € 39.1 million in acquisitions (2017: € 10.1 million). Proceeds from real estate sales and the realization of other non-current assets came to € 32.4 million (2017: € 18.9 million). Additionally, the divestment of the Group's Austrian paver activities with an enterprise value of approx. € 30 million generated a cash inflow of € 20.9 million after the deduction of liabilities. In total, cash flow from investing activities amounted to € -96.5 million (2017: € -79.6 million).

Cash flow from financing activities came to € -8.0 million in the reporting period (2017: € -49.4 million), resulting primarily from the inflow of cash from a bond issue and other long-term financial liabilities of € 247.6 million, as well as the repayment of short-term financial liabilities in the amount of € 374.2 million. These inflows of cash stood against cash outflows of € 34.8 million in dividends and € 13.6 million for the hybrid coupon. Moreover, € 30.1 million were spent on the acquisition of the non-controlling interests in our Eastern Euro-pean roof tile business and € 25.9 million for the share buyback program, which was concluded at the beginning of September.

Assets and Financial Position

As at 30/9/2018, the Group's equity was € 23.0 million above the 2017 year-end value. Comprehensive income after tax, less changes in reserves, led to an increase in equity by a total of € 125.4 million. At the same time, payment of the dividend and the hybrid coupon in a total of € 48.5 million, the buy-out of non-controlling interests of € 30.1 million and the buyback of own shares worth € 25.9 million reduced the Group's equity. For seasonal reasons, the Group's net debt, amounting to € 686.0 million, was above the year-end value as at 31/12/2017, but € 92.7 million below the value reported as at 30/6/2018.

Financing and Treasury

As at 30/9/2018, the Group's gearing increased slightly to 35% (30% as at 31/12/2017), which was due to seasonal reasons as well as growth investments and the buyback of own shares. With a debt repayment period of 1.5 years and interest coverage (EBITDA / interest result) of 11.7 years, the treasury ratios, calculated on a 12-month basis, were well below the limits set by our bank covenants. The Group uses its net cash to fund maturities and to finance the seasonal buildup of working capital.

Treasury ratios [1]	30/9/2017	31/12/2017	30/9/2018	Covenant
Net debt / EBITDA	1.6	1.4	**1.5**	<3.50
EBITDA / interest result	11.6	11.5	**11.7**	>3.75

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

Third Quarter of 2018

Wienerberger delivered a strong performance in the third quarter of 2018.

- Significant increase in revenues by 7% to € 888.1 million (2017: € 832,2 million)
- Substantial growth of EBITDA by 16% to € 144.3 million (2017: € 124.8 million)

Clay Building Materials Europe

In the Clay Building Materials Europe Division, third-quarter revenues increased substantially by 8% to € 515.0 million. EBITDA came to € 109.7 million, which corresponded to a significant 17% increase over the prior period.

In Eastern Europe, a region marked by fast growth, demand for building materials continued to rise; taking advantage of this favorable environment, we were able to generate significant growth in revenues and earnings.

Diverging trends were observed in our Western European core markets. In Great Britain, the market environment remained positive, enabling us to deliver growth in revenues and earnings. In the Benelux countries as well, we succeeded in further improving our earnings, not least thanks to particularly strong demand for building materials in the Netherlands. In France, changes in the legal framework for residential construction programs had a dampening effect on the market and a negative impact on our earnings. At the same time, however, ongoing measures aimed at improving our cost structures led to increased profitability in the stable German market for single- and two-family homes. Overall, the Clay Building Materials Western Europe segment achieved significant EBITDA growth.

Pipes & Pavers Europe

In the Pipes & Pavers Europe Division, revenues increased by 4% to € 285.3 million and EBITDA improved substantially by 8% to € 30.7 million.

The Pipes & Pavers Eastern Europe segment generated a significant increase in EBITDA. Our concrete paver business performed particularly well. Strong demand throughout the region, continuous efforts to upgrade the product portfolio, and a strong focus on marketing activities after the divestment of the Austrian part of the business resulted in substantial earnings growth. The plastic pipe business benefited from the growing volume of EU-funded investments in Poland and Hungary. In contrast, we did not observe a similar upward trend in co-financed projects in the other markets of the region. Our Turkish business continued to perform very well. Nevertheless, its contribution to earnings declined as a result of the massive devaluation of the local currency.

In the Pipes & Pavers Western Europe segment, our plastic pipe business benefited from the contribution to earnings by our growth projects and from the improved cost structures of our operations in France. A further rise in raw material costs was offset by price increases. The structural adjustments in the ceramic pipe business were completed successfully. The decline in sales was predominantly due to the streamlining of the product mix and was compensated by higher prices and optimized cost structures, the overall result being a significant increase in earnings.

North America

The North America Division reported an 8% increase in revenues to € 85.6 million and a significant rise in EBITDA by 32% to € 10.8 million.

In our US brick business, demand for building materials was depressed by a shortage of skilled labor experienced by building contractors, insufficient transport capacities and wet weather conditions. Regardless of this unfavorable environment, we increased our profitability. Moreover, the brick producer in Mississippi taken over last year continued to perform very well and delivered a positive contribution to earnings. In Canada, the backlog of approved construction projects was progressively falling. Subsequently, the stricter regulation of the real estate market had the expected dampening effect on demand for building materials. In the plastic pipe business, the market environment remained positive. Together with profitability-enhancing measures in production, procurement, distribution and administration, this resulted in significant earnings growth.

External revenues *in MEUR*	7-9/2017	7-9/2018	Chg. in %
Clay Building Materials Europe	475.7	**515.0**	+8
Clay Building Materials Eastern Europe	165.3	**186.9**	+13
Clay Building Materials Western Europe	310.4	**328.1**	+6
Pipes & Pavers Europe	275.3	**285.3**	+4
Pipes & Pavers Eastern Europe	125.2	**130.6**	+4
Pipes & Pavers Western Europe	150.1	**154.7**	+3
North America	79.3	**85.6**	+8
Holding & Others	1.8	**2.0**	+16
Wienerberger Group	**832.2**	**888.1**	**+7**

EBITDA *in MEUR*	7-9/2017	7-9/2018	Chg. in %
Clay Building Materials Europe	94.1	**109.7**	+17
Clay Building Materials Eastern Europe	46.3	**53.0**	+15
Clay Building Materials Western Europe	47.8	**56.7**	+19
Pipes & Pavers Europe	28.4	**30.7**	+8
Pipes & Pavers Eastern Europe	14.4	**15.8**	+10
Pipes & Pavers Western Europe	14.1	**14.9**	+6
North America	8.2	**10.8**	+32
Holding & Others	-5.9	**-6.9**	-17
Wienerberger Group	**124.8**	**144.3**	**+16**

Operating Segments

Clay Building Materials Europe

The Clay Building Materials Europe Division continued to deliver a strong performance throughout the first three quarters of the year:

- Significant revenue growth by 7% to € 1,433.8 million (2017: € 1,344.4 million)
- Substantial rise in EBITDA by 11% to € 268.4 million (2017: € 242.2 million)

Outlook

We expect the market trends observed during the first three quarters to continue for the rest of the year. Assuming that demand will remain high in almost all countries of the Eastern European region, we are confident to achieve a further increase in earnings. In Great Britain, we foresee residential construction activity to exceed the prior period's level in our relevant regions, which we expect to translate into higher sales volumes. In Belgium and the Netherlands, we benefit from a rising number of new housing starts in the single- and two-family home segment, whereas demand is stable in Germany, Italy and Switzerland. In France, cuts in government-subsidized housing programs will continue to have a negative impact on residential construction activity in the fourth quarter and, consequently, will lead to lower sales volumes. The renovation market, an important driver of our roof tile business in Western Europe, remains at a low level. Despite the restructuring costs incurred, we expect to see a significant overall increase in revenues and earnings in the Clay Building Materials Europe Division in 2018.

Clay Building Materials Europe		1-9/2017	1-9/2018	Chg. in %
External revenues	*in MEUR*	1,344.4	**1,433.8**	+7
EBITDA	*in MEUR*	242.2	**268.4**	+11
Operating EBIT	*in MEUR*	156.2	**186.0**	+19
Total investments	*in MEUR*	56.0	**120.9**	>100
Capital employed	*in MEUR*	1,581.6	**1,586.6**	0
Ø Employees	*in FTE*	10,513	**10,808**	+3

Clay Building Materials Western Europe

Despite unfavorable weather conditions at the beginning of the year and restructuring costs in our German organization, we achieved an increase in revenues by 3% to € 947.7 million and in EBITDA by 4% to € 150.3 million in the Western European region.

With residential construction in Great Britain remaining at a satisfactory level, we recorded strong demand in our core regions. Benefiting from this dynamic market environment, we were able to sell higher volumes at improved prices. In Belgium and the Netherlands, we took advantage of the positive market environment and our strong market position to generate significant growth in earnings. An essential contribution to earnings was due to the successful integration of the Dutch facing brick producer acquired earlier in the year, whose innovative products enabled us to further strengthen our position in the Dutch growth market. In Germany, we are optimizing our marketing efforts and streamlining our distribution structures. Moreover, the restructuring measures in production and administration produced the desired results in the form of improved processes, a higher degree of capacity utilization and optimized transport costs. On this basis, we succeeded in improving our profitability in the stable German market for single-family homes. In France, cuts in government-subsidized housing programs resulted in lower earnings. The Western European renovation market continues to be marked by muted demand.

Clay Building Materials Western Europe		1-9/2017	1-9/2018	Chg. in %
External revenues	in MEUR	923.8	947.7	+3
EBITDA	in MEUR	144.4	150.3	+4
Operating EBIT	in MEUR	92.2	101.4	+10
Total investments	in MEUR	32.3	64.9	>100
Capital employed	in MEUR	1,103.1	1,119.6	+2
Ø Employees	in FTE	6,075	6,271	+3
Sales volumes clay blocks	in mill. NF	1,543	1,556	+1
Sales volumes facing bricks	in mill. WF	1,110	1,165	+5
Sales volumes roof tiles	in mill. m²	17.05	16.19	-5

Clay Building Materials Eastern Europe

As in previous quarters, construction activity in Eastern Europe is being stimulated by strong economic growth, rising incomes and a high level of investment. Taking advantage of this very positive market environment, we were able to significantly increase both sales and average prices. Overall, we achieved an increase in revenues by 16% to € 486.0 million and a substantial EBITDA improvement by 21% to € 118.1 million.

Clay Building Materials Eastern Europe		1-9/2017	1-9/2018	Chg. in %
External revenues	in MEUR	420.7	486.0	+16
EBITDA	in MEUR	97.8	118.1	+21
Operating EBIT	in MEUR	64.0	84.6	+32
Total investments	in MEUR	23.8	56.0	>100
Capital employed	in MEUR	478.5	467.0	-2
Ø Employees	in FTE	4,438	4,537	+2
Sales volumes clay blocks	in mill. NF	2,787	3,059	+10
Sales volumes roof tiles	in mill. m²	13.61	13.89	+2

Pipes & Pavers Europe

In the Pipes & Pavers Europe Division, we took advantage of sound market dynamics to generate a significant increase in revenues and adjusted EBITDA in the first nine months of the year:

- Revenues up by 6% to € 819.4 million (2017: € 775.4 million)
- EBITDA down to € 59.1 million (2017: € 66.2 million) due to restructuring costs of € 16.1 million in ceramic pipe business
- Significant organic growth in earnings by 8% year-on-year

Pipes & Pavers Europe		1-9/2017	1-9/2018	Chg. in %
External revenues	*in MEUR*	775.4	**819.4**	+6
EBITDA	*in MEUR*	66.2	**59.1**	-11
Operating EBIT	*in MEUR*	31.5	**22.1**	-30
Total investments	*in MEUR*	35.2	**46.4**	+32
Capital employed	*in MEUR*	639.4	**607.4**	-5
Ø Employees	*in FTE*	4,224	**4,205**	-0

Outlook

The Pipes & Pavers Europe Division will continue to grow throughout the fourth quarter of 2018 and deliver a significant increase in organic earnings year-on-year.

In the Pipes & Pavers Western Europe segment, demand continues to be stable to slightly positive. The anticipated improvement of earnings is due, above all, to the successful restructuring of our ceramic pipe business and our plastic pipe activities in France, which have led to a significant improvement of our earnings power. Moreover, business in prewired electro conduits, which have been part of our platform of innovative solutions for building construction since August 2017, is strong. Having taken over an innovative Norwegian producer of pre-insulated pipes, we are now entering into another area of growth in the Nordic markets. In our international project business, we benefit from a growing number of new orders.

In Eastern Europe, we observe rising demand for plastic pipes as well as pavers. In particular, our concrete paver activities benefit from the portfolio clean-up in this field of business, which acts as a stimulus for dynamic growth. In our plastic pipe business, we observe a positive impact of the growing number of public infrastructure investment projects co-financed by the EU, especially in Poland and Hungary. In contrast, we do not expect other markets in the region with access to the same sources of funding to increase their take-up rates to a noteworthy extent in the last quarter of the year. For our Turkish pipe activities, 2018 may well turn out to be a record year in operational terms, but the contribution to earnings in the reporting currency is declining as a result of the massive devaluation of the Turkish lira.

Altogether, we expect to see increases in revenues and organic EBITDA in both segments.

Pipes & Pavers Western Europe

In the Pipes & Pavers Western Europe segment, revenues grew by 5% to € 458.4 million in the first nine months of the year (2017: € 435.4 million). Earnings were negatively impacted by restructuring costs in the ceramic pipe business in the amount of € 16.1 million, which were already booked in the first quarter. As a result, EBITDA dropped to € 22.1 million (2017: € 34.3 million). Adjusted for non-operational one-off effects, the segment's EBITDA improved moderately over the prior period's level.

In our Western European plastic pipe business, we closed the first nine months of the year with a significant increase in earnings. In stable to moderately growing end markets, we were able to pass on rising raw material costs to the market. Growth in earnings is due, above all, to the improved profitability of our French business, where we closed one production site, as previously announced, and successfully streamlined our structures. Moreover, our acquired activities in prewired electro conduits and pre-insulated pipes delivered highly satisfactory results and contributed substantially to earnings growth. In the international project business, we recorded a significant increase in the volume of incoming orders, which translated into a contribution to earnings well above the prior period's level.

In the field of ceramic pipes, we successfully completed the adjustment of our cost structures initiated in the first quarter and increased our organic earnings year-on-year. In a stable market environment, we benefited from higher average prices and an improved earnings power. The slight decline in sales was primarily due to the closure of a production site and the related streamlining of our product range. While we cannot fully offset the impact of € 16.1 million in restructuring costs in the reporting year, we expect to achieve a sustainable increase in earnings and profitability for our ceramic pipe activities in the medium term.

Pipes & Pavers Western Europe		1-9/2017	1-9/2018	Chg. in %
External revenues	*in MEUR*	435.4	**458.4**	+5
EBITDA	*in MEUR*	34.3	**22.1**	-36
Operating EBIT	*in MEUR*	16.3	**-0.2**	<-100
Total investments	*in MEUR*	21.1	**23.3**	+11
Capital employed	*in MEUR*	342.0	**337.3**	-1
Ø Employees	*in FTE*	1,884	**1,907**	+1

Pipes & Pavers Eastern Europe

In the Pipes & Pavers Eastern Europe segment, demand continued to increase. As a result, revenues went up by 6% to € 361.0 million and EBITDA rose by 16% to € 37.0 million.

In our Eastern European plastic pipe business, especially in Poland and Hungary, we benefited from the expected recovery of public investments in infrastructure projects co-funded by the EU. In the other markets, for which EU funding is also available, we observed an increase in public sector tendering activities, which, however, did not yet translate into a noteworthy increase in demand for building material solutions. The Austrian home market remained stable at a high level. Our business in Turkey was growing fast and we expect to close the year with a record operating result. However, the drastic devaluation of the Turkish lira led to a drop in earnings in the reporting currency.

Our business with concrete pavers generated excellent results in the first nine months of the year, benefiting from strong demand from the public sector and, above all, from private investors. The successful sale of the loss-making Austrian activities proved to be an additional stimulus for dynamic growth. In line with our focus on the core markets in Eastern Europe, the funds freed up through the divestment were reinvested in organic growth projects and the purchase of an additional production site with a view to optimizing the geographic market coverage. Through these investments, we are strengthening our position as a supplier of high-quality products and creating additional production capacities. Moreover, the production site acquired in Romania strengthens our presence in this growth market and in the border regions of Hungary and Serbia.

Pipes & Pavers Eastern Europe		1-9/2017	1-9/2018	Chg. in %
External revenues	*in MEUR*	340.0	**361.0**	+6
EBITDA	*in MEUR*	31.9	**37.0**	+16
Operating EBIT	*in MEUR*	15.1	**22.2**	+47
Total investments	*in MEUR*	14.1	**23.1**	+64
Capital employed	*in MEUR*	297.5	**270.1**	-9
Ø Employees	*in FTE*	2,340	**2,298**	-2

North America

The North America Division delivered an excellent performance in the first three quarters of 2018:

- Substantial increase in earnings
- Strong growth of North American pipe business
- Significant contribution to earnings from acquired facing brick producer
- EBITDA up by 61% to € 34.4 million (2017: € 21.4 million)

Despite persistently wet weather conditions, the US brick business delivered satisfactory earnings growth in the first three quarters of the year. We succeeded in improving our average prices, and our sales volumes went up substantially owing to the contribution made by the facing brick producer in Mississippi acquired by us in 2017. Our business in Canada was marked by strong demand in the first half of the year. Starting in the third quarter, the stricter regulation of the real estate market by the government produced the expected dampening effect on demand. Our North American plastic pipe business closed the first three quarters with a significant increase in earnings over the prior period's level, which was primarily due to a reorientation of our sales organization, improved average prices and optimized cost of sales.

Overall, the North America Division reported a 61% increase of its EBITDA to € 34.4 million (2017: € 21.4 million).

Outlook

In our relevant US brick markets, we expect to see a continuation of the trend in the construction of single- and two-family homes and a stable development of earnings in the last quarter of 2018. Given the high demand for infrastructure and as a result of the optimization measures taken by us, we anticipate a further increase in earnings in our plastic pipe business. In view of the fact that the measures taken in Canada to regulate the real estate market already led to a downturn of demand in the third quarter, we foresee a continuation of this trend. In the North America Division as a whole, we expect to see a substantial increase in earnings in 2018.

North America		1-9/2017	1-9/2018	Chg. in %
External revenues	*in MEUR*	234.0	**235.0**	0
EBITDA	*in MEUR*	21.4	**34.4**	+61
Operating EBIT	*in MEUR*	3.6	**15.9**	>100
Total investments	*in MEUR*	8.2	**8.4**	+3
Capital employed	*in MEUR*	316.8	**385.4**	+22
Ø Employees	*in FTE*	1,295	**1,386**	+7
Sales volumes facing bricks	*in mill. WF*	330	**406**	+23

Holding & Others

Besides the holding company of the Group, the Holding & Others Division includes our brick business in India, which we manage from a clay block production site in the Bangalore region. In the reporting period, the muted development of business in India and the increasing costs incurred through the initiation of optimization measures stood against income from the sale of non-core assets by the holding company.

Holding & Others		1-9/2017	1-9/2018	Chg. in %
External revenues	*in MEUR*	6.4	**6.1**	-5
EBITDA	*in MEUR*	-14.9	**-18.7**	-26
Operating EBIT	*in MEUR*	-17.1	**-20.7**	-21
Total investments	*in MEUR*	1.9	**11.5**	>100
Capital employed	*in MEUR*	1.9	**5.2**	>100
Ø Employees	*in FTE*	209	**224**	+7

Condensed Interim Financial Statements (IFRS) Wienerberger Group

Consolidated Income Statement

in TEUR	7-9/2018	7-9/2017	1-9/2018	1-9/2017
Revenues	888,321	832,314	2,495,195	2,360,989
Cost of goods sold	-568,047	-548,430	-1,624,083	-1,583,286
Gross profit	**320,274**	**283,884**	**871,112**	**777,703**
Selling expenses	-162,572	-150,992	-476,223	-447,939
Administrative expenses	-52,173	-50,253	-157,905	-148,556
Other operating income:				
Reversal of impairment charges to assets	57	1,339	3,557	327
Other	5,976	7,669	27,653	28,100
Other operating expenses:				
Impairment charges to goodwill	0	0	0	-6,339
Other	-12,409	-12,392	-61,331	-35,133
Operating profit/loss (EBIT)	**99,153**	**79,255**	**206,863**	**168,163**
Income from investments in associates and joint ventures	1,141	2,043	1,611	3,227
Interest and similar income	816	1,442	3,526	4,340
Interest and similar expenses	-10,519	-10,549	-32,090	-31,092
Other financial result	-1,007	-1,008	-3,726	-1,345
Financial result	**-9,569**	**-8,072**	**-30,679**	**-24,870**
Profit/loss before tax	**89,584**	**71,183**	**176,184**	**143,293**
Income taxes	-13,523	-13,191	-40,626	-35,957
Profit/loss after tax	**76,061**	**57,992**	**135,558**	**107,336**
Thereof attributable to non-controlling interests	124	1,489	-297	1,983
Thereof attributable to hybrid capital holders	3,430	3,431	10,179	10,627
Thereof attributable to equity holders of the parent company	**72,507**	**53,072**	**125,676**	**94,726**
Earnings per share (in EUR)	**0.62**	**0.45**	**1.08**	**0.81**
Diluted earnings per share (in EUR)	**0.62**	**0.45**	**1.08**	**0.81**

Consolidated Statement of Comprehensive Income

in TEUR	7-9/2018	7-9/2017	1-9/2018	1-9/2017
Profit/loss after tax	**76,061**	**57,992**	**135,558**	**107,336**
Foreign exchange adjustments	11,374	-16,109	-2,182	-42,615
Foreign exchange adjustments to investments in associates and joint ventures	15	41	-8	41
Changes in the fair value of available-for-sale financial instruments 1)	0	169	0	37
Changes in hedging reserves	-5,584	875	-8,012	10,976
Other comprehensive income 2)	**5,805**	**-15,024**	**-10,202**	**-31,561**
Total comprehensive income after tax	**81,866**	**42,968**	**125,356**	**75,775**
Thereof comprehensive income attributable to non-controlling interests	128	1,560	-223	2,340
Thereof attributable to hybrid capital holders	3,430	3,431	10,179	10,627
Thereof comprehensive income attributable to equity holders of the parent company	**78,308**	**37,977**	**115,400**	**62,808**

1) "Available-for-sale financial instruments" refers to the classification of financial instruments according to IAS 39, which no longer applies in the reporting year due to the initial application of IFRS 9. // 2) The components of other comprehensive income are reported net of tax and will be recycled in future periods.

Consolidated Balance Sheet

in TEUR	30/9/2018	31/12/2017
Assets		
Intangible assets and goodwill	700,144	690,897
Property, plant and equipment	1,515,937	1,521,572
Investment property	70,095	65,918
Investments in associates and joint ventures	21,934	11,371
Other financial investments and non-current receivables	23,209	16,708
Deferred tax assets	42,138	44,049
Non-current assets	**2,373,457**	**2,350,515**
Inventories	764,429	741,597
Trade receivables	351,508	214,277
Receivables from current taxes	10,471	2,297
Other current receivables	82,533	98,934
Securities and other financial assets	60,017	79,008
Cash and cash equivalents	170,667	169,259
Current assets	**1,439,625**	**1,305,372**
Non-current assets held for sale	**1,044**	**3,977**
Total assets	**3,814,126**	**3,659,864**
Equity and liabilities		
Issued capital	117,527	117,527
Share premium	1,075,422	1,086,017
Hybrid capital	265,985	265,985
Retained earnings	766,683	674,923
Other reserves	-261,144	-251,842
Treasury stock	-30,760	-4,862
Controlling interests	**1,933,713**	**1,887,748**
Non-controlling interests	526	23,491
Equity	**1,934,239**	**1,911,239**
Deferred taxes	73,135	71,630
Employee-related provisions	152,900	154,992
Other non-current provisions	79,279	76,453
Long-term financial liabilities	713,852	493,948
Other non-current liabilities	4,889	6,023
Non-current provisions and liabilities	**1,024,055**	**803,046**
Current provisions	41,871	39,114
Payables for current taxes	14,515	11,399
Short-term financial liabilities	202,831	320,724
Trade payables	265,958	321,533
Other current liabilities	330,657	252,809
Current provisions and liabilities	**855,832**	**945,579**
Total equity and liabilities	**3,814,126**	**3,659,864**

Consolidated Statement of Cash Flows

in TEUR	1-9/2018	1-9/2017
Profit/loss before tax	176,184	143,293
Depreciation and amortization	135,791	138,370
Impairment charges to goodwill	0	6,339
Impairment charges to assets and other valuation effects	9,642	-1,551
Reversal of impairment charges to assets	-3,557	0
Increase/decrease in non-current provisions	-6,380	-2,222
Income from investments in associates and joint ventures	-1,611	-3,227
Gains/losses from the disposal of fixed and financial assets	-13,198	-9,780
Interest result	28,564	26,752
Interest paid	-33,979	-33,410
Interest received	3,146	3,355
Income taxes paid	-43,184	-40,371
Gross cash flow	**251,418**	**227,548**
Increase/decrease in inventories	-26,935	-43,478
Increase/decrease in trade receivables	-138,693	-143,155
Increase/decrease in trade payables	-58,564	-37,617
Increase/decrease in other net current assets	78,992	40,837
Cash flow from operating activities	**106,218**	**44,135**
Proceeds from the sale of assets (including financial assets)	32,423	18,924
Payments made for property, plant and equipment and intangible assets	-112,023	-91,218
Payments made for investments in financial assets	-6,000	0
Dividend payments from associates and joint ventures	3,039	6,596
Increase/decrease in securities and other financial assets	4,251	-3,821
Net payments made for the acquisition of companies	-39,118	-10,057
Net proceeds from the sale of companies	20,882	0
Cash flow from investing activities	**-96,546**	**-79,576**
Cash inflows from the increase in short-term financial liabilities	223,389	637,052
Cash outflows from the repayment of short-term financial liabilities	-374,179	-835,677
Cash inflows from the increase in long-term financial liabilities	247,575	210,899
Cash outflows from the repayment of long-term financial liabilities	-232	-84
Dividends paid by Wienerberger AG	-34,812	-31,578
Hybrid coupon paid	-13,609	-29,898
Dividends paid to non-controlling interests	-120	-79
Purchase of non-controlling interests	-30,100	0
Purchase of treasury stock	-25,898	0
Cash flow from financing activities	**-7,986**	**-49,365**
Change in cash and cash equivalents	**1,686**	**-84,806**
Effects of exchange rate fluctuations on cash held	-278	-1,019
Cash and cash equivalents at the beginning of the year	169,259	197,016
Cash and cash equivalents at the end of the period	**170,667**	**111,191**

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 1/1/2018	**117,527**	**1,081,155**	**265,985**	**674,923**	**-251,842**	**1,887,748**	**23,491**	**1,911,239**
Adjustments [1)]				**4,326**	**974**	**5,300**		**5,300**
Balance on 1/1/2018 adjusted	**117,527**	**1,081,155**	**265,985**	**679,249**	**-250,868**	**1,893,048**	**23,491**	**1,916,539**
Total comprehensive income				135,855	-10,276	**125,579**	-223	**125,356**
Dividend payment/ hybrid coupon				-48,421		**-48,421**	-120	**-48,541**
Decrease in non-controlling interests		-10,595				**-10,595**	-22,622	**-33,217**
Changes in treasury stock		-25,898				**-25,898**		**-25,898**
Balance on 30/9/2018	**117,527**	**1,044,662**	**265,985**	**766,683**	**-261,144**	**1,933,713**	**526**	**1,934,239**

1) The balance on January 1 was restated due to the initial application of IFRS 9 and IFRS 15.

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**

Operating Segments

1-9/2018 *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	486,037	947,746	361,013	458,433	234,982	6,076		**2,494,287**
Inter-company revenues	7,188	18,902	10,041	2,953	8	11,852	-50,036	**908**
Total revenues	493,225	966,648	371,054	461,386	234,990	17,928	-50,036	**2,495,195**
EBITDA	118,102	150,288	37,040	22,075	34,413	-18,704		**343,214**
Operating EBIT	84,580	101,410	22,243	-173	15,942	-20,696		**203,306**
Impairment charges/ Reversal of impairment charges	0	0	0	0	0	3,557		**3,557**
EBIT	84,580	101,410	22,243	-173	15,942	-17,139		**206,863**
Profit/loss after tax	66,969	74,107	10,854	1,789	8,994	9,931	-37,086	**135,558**
Total investments	56,019	64,925	23,146	23,296	8,382	11,473		**187,241**
Capital employed	467,010	1,119,619	270,086	337,313	385,391	5,170		**2,584,589**
Ø Employees	4,537	6,271	2,298	1,907	1,386	224		**16,623**

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) The Holding & Others segment includes the business activities in India and the costs of the corporate headquarters. // 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, 2018 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 2017 as well as the accounting and valuation methods in effect on December 31, 2017 remain unchanged, with the exception of the IFRSs that require mandatory application as of January 1, 2018.

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	
	Annual Improvements to IFRSs 2014 - 2016 Cycle	December 2016	1/1/2017 / 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	1)
IFRS 2	Share-based Payments – Amendments	June 2016	1/1/2018	1)
IFRS 4	Insurance Contracts – Amendments	September 2016	1/1/2018	1)
IAS 40	Investment Property: Amendments	December 2016	1/1/2018	1)
IFRIC 22	Foreign Currency Transactions and Advance Consideration	December 2016	1/1/2018	1)
IFRS 16	Leases	January 2016	1/1/2019	1)
IFRS 9	Financial Instruments – Amendments	October 2017	1/1/2019	1)
IFRIC 23	Uncertainty over Income Tax Treatments	June 2017	1/1/2019	
IAS 28	Long-term Interests in Associates and Joint Ventures – Amendments	October 2017	1/1/2019	
	Annual Improvements to IFRSs 2015 - 2017 Cycle	December 2017	1/1/2019	
IAS 19	Employee Benefits – Amendments	February 2018	1/1/2019	
Framework	Framework – Amendments	March 2018	1/1/2020	
IFRS 17	Insurance Contracts	May 2017	1/1/2021	

1) Mandatory effective date according to European Union directive.

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

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. 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 new standards IFRS 15 Revenue from Contracts with Customers and the clarifications on IFRS 15 as well as IFRS 9 Financial Instruments have to be applied for the first time for reporting periods beginning on or after January 1, 2018. Details on the effects of these standards are contained in the chapters "First-time adoption of IFRS 15 Revenue from Contracts with Customers" and "First-time adoption of IFRS 9 Financial Instruments".

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. 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. 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. Wienerberger will adopt the new standard as of January 1, 2019 and elect to apply the modified retrospective approach as a transitional method. The cumulative impact of applying the new standard is recognized in retained earnings in the opening balance and a restatement of the comparative period 2018 is not required. The objective of the new standard is to ensure that all leases and the related contractual rights and obligations are recognized on the lessee's balance sheet, which will eliminate the need to distinguish between operating leases and financing leases in the future. A first assessment of the impact on the consolidated annual statements showed, as expected, an increase in non-current assets and financial liabilities due to existing operating leases. The main non-current asset item concerned by the change will be land and buildings on account of longer-term rental and lease contracts for office premises, warehouses and production sites. However, the actual extent of the impact at the time of transition will depend on various factors, such as rental and lease contracts in force at that time, the exercise of elective rights, the assessment of options and the prevailing interest landscape.

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

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

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

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

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

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

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

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

First-time adoption of IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers defines the timing and the amount of revenue recognition, regardless of different types of contracts and performance obligations. Revenue is determined on the basis of a five-step process, starting with the identification of the contract and the performance obligations contained therein. After the determination of the transaction price and its allocation to the separate performance obligations, the time of satisfaction of the performance obligation must be determined in order to recognize the revenue.

Wienerberger applied IFRS 15 Revenue from Contracts with Customers for the first time on the basis of the cumulative method. The cumulative effect of first-time adoption as of January 1, 2018 was recognized in retained earnings and concerned contracts not yet concluded at the balance sheet date of December 31, 2017. Therefore, the comparative period of 2017 was not restated. The equity-increasing effect recognized in retained earnings amounted to TEUR 315 after tax. It resulted entirely from earlier revenue recognition from products without alternative use according to IFRS 15.35 lit. c).

The following table shows the effects of first-time adoption of IFRS 15 Revenue from Contracts with Customers on the opening balance as at January 1, 2018.

in TEUR	31/12/2017	Adjustments IFRS 15	1/1/2018
Assets			
Inventories	741,597	-739	**740,858**
Trade receivables	214,277	1,161	**215,438**
Deferred tax assets	44,049	-39	**44,010**
Equity and liabilities			
Retained earnings	674,923	315	**675,238**
Deferred taxes	71,630	68	**71,698**

According to the new standard, revenue is recognized at the time of transfer of control of the goods or services to the customer. For production contracts according to IFRS 15.35 lit. c), the transfer of control occurs upon production, as the customer acquires control of the unfinished goods already during the production process. According to IFRS 15, revenue from such contracts is recognized over a period of time, as the products manufactured are customer-specific and have no alternative use, and Wienerberger has an enforceable right to payment against the customer. In brick and ceramic pipe business as well as in concrete paver business, the production period of such construction contracts usually extends over a few days to several weeks.

In plastic pipe operations, revenue and costs resulting from contracts for the production of LLLD (long-length-large-diameter) pipes were recognized according to IAS 11 up to December 31, 2017, depending on the percentage of completion. According to IFRS 15 as well, revenue from such production contracts is to be recognized over a period of time, which means that the adoption of the new standard has not entailed a change in accounting.

Apart from the sale of products, Wienerberger also provides services for customers. Within the framework of Building Information Modelling, for instance, 3D models for building design are generated. Wienerberger receives an all-in service fee for services provided within the framework of Building Information Modelling projects, such as noise measurement or landscape valuation. According to IFRS 15, revenue from Building Information Modelling projects is to be recognized over a period of time, as Wienerberger has no alternative use for the asset produced and has an enforceable right to payment for services already provided.

Up to December 31, 2017, a provision was set up at the end of the year for returnable pallets in the amount of the profit contribution of the expected returns through a revenue adjustment. According to IFRS 15, variable consideration, such as expected returns, is allowed to be recognized in revenue only to the extent to which it is highly probable that no significant reversal of such revenue will occur in the future. Returns therefore have to be estimated and revenue has to be reduced by a refund liability in the amount of the expected payments to the customer. At the same time, a return asset is recognized from expected returns at the former book value less expected costs to recover the goods and potential impairments. Compared to the accounting logic previously applied, this results in a higher reduction in revenue, which is, however, offset by an adjustment of the cost of goods sold. Recognition in gross amounts results in an increase in total assets. The refund liability is shown under other current liabilities, whereas the asset for the right to recover products from customers is reported under other current receivables.

In contracts with wholesalers, above all, contributions to advertising costs were identified which, according to IFRS 15, have to be recognized as revenue reductions, unless they concern distinct goods or services. This results in a shift between selling expenses and revenues and therefore in a change in presentation in the consolidated income statement, as compared to the previously applied rules.

The following tables show the effects of these changes on the interim financial statements as at September 30, 2018. The effects on the consolidated statement of cash flows as at September 30, 2018 are immaterial.

1-9/2018 *in TEUR*	**As reported**	**Adjustments IFRS 15**	**Without adoption of IFRS 15**
Revenues	2,495,195	6,088	**2,501,283**
Cost of goods sold	-1,624,083	-4,491	**-1,628,574**
Gross profit	871,112	1,597	**872,709**
Selling expenses	-476,223	-1,738	**-477,961**
Operating profit/loss (EBIT)	206,863	-141	**206,722**
Profit/loss before tax	176,184	-141	**176,043**
Profit/loss after tax	135,558	-141	**135,417**
Total comprehensive income after tax	125,356	-141	**125,215**

30/9/2018 *in TEUR*	**As reported**	**Adjustments IFRS 15**	**Without adoption of IFRS 15**
Deferred tax assets	42,138	39	**42,177**
Non-current assets	**2,373,457**	**39**	**2,373,496**
Inventories	764,429	1,326	**765,755**
Trade receivables	351,508	-1,890	**349,618**
Other current receivables	82,533	-9,021	**73,512**
Current assets	**1,439,625**	**-9,585**	**1,430,040**
Total assets	**3,814,126**	**-9,546**	**3,804,580**
Retained earnings	766,683	-456	**766,227**
Equity	**1,934,239**	**-456**	**1,933,783**
Deferred taxes	73,135	-69	**73,066**
Non-current provisions and liabilities	**1,024,055**	**-69**	**1,023,986**
Current provisions	41,871	2,599	**44,470**
Other current liabilities	330,657	-11,620	**319,037**
Current provisions and liabilities	**855,832**	**-9,021**	**846,811**
Total equity and liabilities	**3,814,126**	**-9,546**	**3,804,580**

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

1-9/2018 *in TEUR*	Clay Building Materials Eastern Europe	 Western Europe	Pipes & Pavers Eastern Europe	 Western Europe	North America	Holding & Others [1]	Wienerberger Group
Wall	336,883	251,319	1,414	0	13,743	5,519	**608,878**
Facade	14,666	430,378	380	0	163,360	179	**608,963**
Roof	134,319	266,049	0	0	0	327	**400,695**
Pavers	6	0	92,965	0	415	0	**93,386**
Pipes	163	0	266,254	458,433	57,464	0	**782,314**
Other	0	0	0	0	0	51	**51**
Total	**486,037**	**947,746**	**361,013**	**458,433**	**234,982**	**6,076**	**2,494,287**

1-9/2017 *in TEUR*	Clay Building Materials Eastern Europe	 Western Europe	Pipes & Pavers Eastern Europe	 Western Europe	North America	Holding & Others [1]	Wienerberger Group
Wall	277,011	247,676	2,386	0	14,185	5,482	**546,740**
Facade	16,651	395,944	470	0	160,205	532	**573,802**
Roof	126,866	280,159	0	0	0	240	**407,265**
Pavers	3	0	87,932	0	467	0	**88,402**
Pipes	132	0	249,202	435,407	59,107	0	**743,848**
Other	0	0	0	0	0	122	**122**
Total	**420,663**	**923,779**	**339,990**	**435,407**	**233,964**	**6,376**	**2,360,179**

1) The Holding & Others segment includes the business activities in India.

First-time adoption of IFRS 9 Financial Instruments

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. After the adoption of IFRS 9 by the EU at the end of 2016, the new standard is to be applied for the first time to reporting periods starting on or after January 1, 2018. Wienerberger applies the changes resulting from IFRS 9 prospectively, with changes in the value of financial assets recognized in retained earnings in the opening balance as at January 1, 2018.

The following table shows the effects of first-time adoption of IFRS 9 Financial Instruments on the opening balance as at January 1, 2018:

in TEUR	31/12/2017	Adjustments IFRS 9	1/1/2018
Assets			
Other financial investments and non-current receivables	16,708	6,687	**23,395**
Trade receivables	214,277	-1,724	**212,553**
Securities and other financial assets	79,008	-108	**78,900**
Equity and liabilities			
Retained earnings	674,923	4,011	**678,934**
Other reserves	-251,842	974	**-250,868**
Deferred taxes	71,630	-130	**71,500**

The most important changes concern the classification and subsequent measurement of financial assets. According to the new allocation criteria, the characteristics of the financial instrument are of primary importance, as they determine the method of measurement of debt and equity instruments as well as derivatives. Another criterion is the business model underlying the financial instrument: a distinction is to be made between financial instruments held for trading and those held to maturity. The following methods of classification and measurement are applied, depending on the characteristics of the financial instrument: measurement at fair value through profit or loss (FVTPL), measurement at fair value through other comprehensive income (FVTOCI), and measurement at amortized cost (AC).

The classification and measurement of financial instruments according to IAS 39 and IFRS 9 are presented in the table below:

Financial instrument	Classification and measurement according to IAS 39	Classification and measurement according to IFRS 9	Carrying amount IAS 39	Revaluation	Carrying amount IFRS 9
in TEUR			31/12/2017		1/1/2018
Investments in subsidiaries and other investments	Available-for-sale financial instruments at AC	FVTPL	7,026	6,688	**13,714**
Other non-current receivables	Loans and receivables at AC	AC	3,250	-1	**3,249**
Loans granted	Loans and receivables at AC	AC	25,328	-108	**25,220**
Trade receivables	Loans and receivables at AC	AC	214,277	-1,724	**212,553**
Shares in funds	Available-for-sale financial instruments at FVTOCI	FVTPL	28,370	0	**28,370**
Corporate bonds	Available-for-sale financial instruments at FVTOCI	FVTOCI - with recycling	42	0	**42**
Stock	Available-for-sale financial instruments at FVTOCI	FVTPL	13	0	**13**
Other	Available-for-sale financial instruments at FVTOCI	FVTPL	790	0	**790**

Non-current, non-consolidated investments as well as strategic investments are recognized in 'Investments in subsidiaries and other investments'. Under IAS 39, such financial instruments were allocated to the available-for-sale category and measured at amortized cost. According to IFRS 9, equity instruments must be measured at fair value through profit or loss, which resulted in an upward adjustment by TEUR 6,688. According to IFRS 9 an entity may make an election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. Wienerberger did not elect to make use of this option.

Securities and other financial assets recognized in current assets comprise shares in investment funds, corporate bonds, stocks and other financial instruments held for short-term investment of liquidity and to cover pension and severance obligations. Under IAS 39, such financial instruments were classified at fair value as available for sale; changes in value, except for permanent impairments, were recognized in other comprehensive income. Under IFRS 9, stocks, shares in funds and other financial instruments are measured at fair value through profit or loss and recognized in the financial result. Corporate bonds are usually measured in accordance with IFRS 9 at fair value through other comprehensive income, as under IAS 39. However, if a debt instrument is held for trading, the changes in the fair value are recognized through profit or loss and reported in the financial result. As at 31/12/2017, no financial instrument held for trading was identified at Wienerberger.

Trade receivables and loans granted are measured at amortized cost and are subject to the new and extended IFRS 9 impairment rules, according to which current as well as future-oriented information on expected credit loss is to be taken into account for recognition and measurement. The adjustment of trade receivables by expected credit loss over the entire term of these financial instruments was performed through application of an impairment matrix, in which the expected defaults, depending on payment arrears, were weighted with the probability of occurrence of economic scenarios. Overall, the extended calculation led to an adjustment of trade receivables by TEUR -1,724. As regards loans granted, the general impairment rules apply, according to which an expected default initially has to be calculated for the coming 12 months. If the debtor's credit risk increases significantly, an expected default has to be determined over the entire term of the financial instrument. For the portfolio of loans granted and other non-current receivables as at December 31, 2017, an additional impairment charge of TEUR -109 was recognized, which exclusively refers to the coming 12 months.

Another major change resulting from IFRS 9 concerns the revised hedge accounting rules. Proof of effectiveness is no longer subject to the range of 80% to 125% as specified by the standard setter according to IAS 39, but can be justified by the entity in qualitative terms. Wienerberger initially applied the hedge accounting rules according to IFRS 9 together with the rules on classification and measurement as well as the impairment rules of IFRS 9. The change had no impact on the opening balance as at January 1, 2018.

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, Silike keramika, spol. s.r.o. and TV Vanheede-Wienerberger are classified as joint ventures, because they are managed jointly with an equal partner. Consequently, these companies are accounted for at equity (50%).

In January 2018, Wienerberger acquired the Austrian clay block plant Brenner. In the course of a preliminary purchase price allocation, goodwill of TEUR 1,853 was identified and recognized in the Clay Building Materials Eastern Europe reporting segment.

Effective as of February 15, 2018, the option for the acquisition of the non-controlling interests in Tondach Gleinstätten AG was exercised. The purchase price for the remaining 17.81% of the shares amounted to TEUR 30,100 and was recognized in equity as the disposal of non-controlling interests in the amount of TEUR 22,622. The derecognition of the positively valued derivative via the purchase option for the non-controlling interests totaling TEUR 10,595 was booked against the capital reserve.

In mid-June 2018, Wienerberger acquired Daas Baksteen, a producer of facing bricks in the Netherlands. The badwill of TEUR 1,679 established in the course of preliminary purchase price allocation was immediately recognized through profit or loss in the Clay Building Materials Western Europe segment.

The purchase contract for the operations of Semmelrock Stein + Design GmbH & CoKG, a company based in Austria, was concluded on May 2, 2018. The divestment of the company's assets and liabilities was recognized as of that date, resulting in a gain of TEUR 2,440.

In July 2018, the acquisition of Isoterm AS, a Norwegian producer of frost-resistant and pre-insulated plastic pipes, was signed. In the course of a preliminary purchase price allocation, goodwill of TEUR 4,977 was identified and recognized in the Pipes & Pavers Western Europe reporting segment.

A paver plant in Romania was taken over at the end of July 2018. At the end of September 2018, Deko Beheer BV, a Dutch producer of facing bricks, was acquired.

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 2018, accrued pro-rata coupon payments of TEUR 10,179 were taken into account in the calculation of earnings per share. As a result, earnings per share declined by EUR 0.09.

Notes to the Consolidated Income Statement

Group revenues amounted to TEUR 2,495,195 for the first nine months of 2018 (2017: TEUR 2,360,989), which is 6% higher than the comparable period of the previous year. EBITDA amounted to TEUR 343,214, which is higher than the comparable prior year value of TEUR 314,970. EBIT amounted to TEUR 206,863 for the reporting period, compared to TEUR 168,163 in 2017.

As at September 30, 2018, Wienerberger held 1,770,289 treasury shares, which were deducted for the calculation of earnings per share. The weighted number of shares outstanding from January 1, 2018 to September 30, 2018 was 116,350,013. The number of shares issued remained unchanged at 117,526,764 as at September 30, 2018. In the first nine months of 2018, 1,200,000 Wienerberger shares were bought back at a price of TEUR 25,898 within the framework of the authorization granted by the Annual General Meeting.

Notes to the Consolidated Statement of Comprehensive Income

Currency translation differences of TEUR 611 (2017: TEUR -45,362) resulted, above all, from the British pound and the US dollar, which were partially offset by the negative development of the Turkish lira, the Polish zloty and the Hungarian forint. After consideration of deferred taxes of TEUR -2,801 (2017: TEUR 2.788), a net amount of TEUR -2,190 (2017: TEUR -42,574) is shown in other comprehensive income. The hedging reserve changed equity by TEUR -8,012 (2017: TEUR 10,976) after tax. This amount includes deferred taxes of TEUR 2,671 (2017: TEUR -3,658).

Profit after tax reported for the first nine months of 2018 increased equity by TEUR 135,558 (2017: TEUR 107,336). Total comprehensive income after tax increased equity by TEUR 125,356 for the reporting period (2017: TEUR 75,775).

Notes to the Consolidated Statement of Cash Flows

Cash flow from operating activities of TEUR 106,218 was TEUR 62,083 higher than in the prior period (2017: TEUR 44,135), which was primarily due to the higher profit before tax and the lower increase in working capital. Other valuation effects include impairments of inventories of TEUR -4,261 (2017: TEUR -2,435) and the valuation of financial assets of TEUR -1,264 (2017: TEUR 6,084). Reversals of impairment charges to assets in the amount of TEUR 3,557 (2017: TEUR 327) resulted from the valuation of the portfolio of purchased CO_2 certificates.

Cash outflows of TEUR 157,141 (2017: TEUR 101,275) for investments in non-current assets (incl. financial assets) and acquisitions included TEUR 95,645 (2017: TEUR 90,772) of normal capex for maintenance and investments in technical upgrades as well as TEUR 61,496 (2017: TEUR 10,503) of growth capex for acquisitions and plant expansions. The amount also includes a cash outflow of TEUR 6,000 for the acquisition of 30% of the shares in Interbran Baustoffe GmbH. Another TEUR 30,100 was accounted for by the purchase of the remaining 17.81% of the interests in Tondach Gleinstätten AG. This cash outflow was reported under cash flow from financing activities.

Proceeds from the disposal of non-current assets totaled TEUR 32,423 (2017: TEUR 18,924) and included the sale of investment property. Net proceeds from the sale of the Semmelrock Stein + Design GmbH & CoKG business amounted to TEUR 20,882.

On June 20, 2018, a dividend of EUR 0.30 per share was paid out on 116,041,475 shares in issue, i.e. a total of EUR 34,812,442.50.

Notes to the Consolidated Balance Sheet

Normal and growth capex for the first nine months of 2018 (excl. acquisitions) increased non-current assets by TEUR 112,023 (2017: TEUR 91,218). Net debt rose by TEUR 119,594 over the level of December 31, 2017 to TEUR 685,999 due to the seasonal increase in working capital. On April 23, 2018, a bond with a volume of TEUR 250,000 and a coupon of 2% annually was issued. The bond has a six-year maturity.

Commitments for the purchase of property, plant and equipment totaled TEUR 36,058 as at the balance sheet date (31/12/2017: TEUR 19,505).

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]	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Carrying amount as at 30/9/2018
Assets					
Investments in subsidiaries and other investments	FV			13,714	**13,714**
Stock	FV	13			**13**
Shares in funds	FV	5,635			**5,635**
Other	FV		7,814	718	**8,532**
Financial instruments at fair value through profit or loss [2]		**5,648**	**7,814**	**14,432**	**27,894**
Other receivables	**AC**		**4,920**		**4,920**
Derivatives from cash flow hedges	FV		468		**468**
Derivatives from net investment hedges	FV		12,644		**12,644**
Other derivatives	FV		1,803		**1,803**
Derivatives with positive market value			**14,915**		**14,915**
Liabilities					
Derivatives from cash flow hedges	FV		761		**761**
Derivatives from net investment hedges	FV		2,024		**2,024**
Other derivatives	FV		5,328		**5,328**
Derivatives with negative market value			**8,113**		**8,113**
Long-term loans	AC		163,950		**160,535**
Roll-over	AC		82,681		**82,779**
Short-term loans	AC		64,459		**64,259**
Financial liabilities owed to financial institutions			**311,090**		**307,573**
Bonds – long-term	AC	588,841			**546,379**
Bonds – short-term	AC	7,526			**7,526**
Long-term loans and other financial liabilities	AC		6,083		**6,331**
Commercial paper – short-term	AC		39,933		**39,935**
Short-term loans	AC		4		**4**
Finance leases – long-term	AC		608		**608**
Finance leases – short-term	AC		214		**214**
Financial liabilities owed to non-banks		**596,367**	**46,842**		**600,997**
Other liabilities	**FV**		**1,000**		**1,000**

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
2) Due to the initial application of IFRS 9, the classification of financial instruments was restated.

in TEUR	Accounting method [1]	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Carrying amount as at 31/12/2017
Assets					
Shares in funds	FV	28,370			28,370
Corporate bonds	FV	42			42
Stock	FV	13			13
Other	FV		13	777	790
Available-for-sale financial instruments		**28,425**	**13**	**777**	**29,215**
Other receivables	**AC**		**4,948**		**4,948**
Derivatives from cash flow hedges	FV		2,000		2,000
Derivatives from net investment hedges	FV		18,354		18,354
Other derivatives	FV		1,022	3,089	4,111
Derivatives with positive market value			**21,376**	**3,089**	**24,465**
Liabilities					
Derivatives from cash flow hedges	FV		354		354
Derivatives from net investment hedges	FV		3,065		3,065
Other derivatives	FV		5,184		5,184
Derivatives with negative market value			**8,603**		**8,603**
Long-term loans	AC		199,520		194,486
Roll-over	AC		83,360		83,449
Short-term loans	AC		106,543		106,435
Financial liabilities owed to financial institutions			**389,423**		**384,370**
Bonds – long-term	AC	326,516			298,700
Bonds – short-term	AC	113,619			110,957
Long-term loans	AC		10		11
Commercial paper – short-term	AC		11,010		10,962
Finance leases – long-term	AC		751		751
Finance leases – short-term	AC		302		302
Financial liabilities owed to subsidiaries	AC		16		16
Financial liabilities owed to non-banks		**440,135**	**12,089**		**421,699**
Other liabilities	**FV**		**1,966**		**1,966**

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

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

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

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

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

Risk Report

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

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

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

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

Related party transactions

The following companies and persons are considered to be related parties of Wienerberger: the members of the Supervisory and Managing Boards as well as their close relatives, associated companies, joint ventures and non-consolidated subsidiaries of Wienerberger AG as well as the ANC Private Foundation and its subsidiaries. Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are generally conducted on arm's length conditions.

The ANC Private Foundation operates landfill activities in Austria that were transferred by Wienerberger AG in 2001 and owns a limited amount of assets (in particular real estate and securities). The managing board of the ANC Private Foundation consists of three members, two of whom are part of the Wienerberger top management. This allows Wienerberger to exercise control over the foundation. In accordance with IFRS 10, the ANC Private Foundation cannot be consolidated because the shareholders of Wienerberger AG, and not the company itself, are entitled to the variable cash flows from the foundation. The total assets of ANC Private Foundation amounted to TEUR 24,930 as of September 30, 2018 (31/12/2017: TEUR 36,878) and consist primarily of land and buildings totaling TEUR 8,603 (31/12/2017: TEUR 8,346) and securities and liquid funds of TEUR 13,935 (31/12/2017: TEUR 25,955). The foundation had provisions of TEUR 9,212 (31/12/2017: TEUR 8,009) and no financial liabilities as of September 30, 2018. On June 20, 2018, the dividend resolved by the managing board of ANC Private Foundation of EUR 0.10 per share of Wienerberger AG, i.e. EUR 11,752,676.40, was paid out.

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 15,572 as of September 30, 2018 (31/12/2017: TEUR 13,236), while the comparable amount for non-consolidated subsidiaries was TEUR 6,804 (31/12/2017: TEUR 7,249). Moreover, trade receivables from joint ventures in the amount of TEUR 636 (31/12/2017: TEUR 638) were outstanding as of the balance sheet date. Revenues in the amount of TEUR 908 (2017: TEUR 813) were recognized with joint ventures during the first nine months of the year.

During the first nine months of 2018, products in the amount of TEUR 594 (2017: TEUR 409) were sold to a related party.

Significant events after the balance sheet date

No events subject to disclosure occurred between the balance sheet date of 30/9/2018 and the publication of this report on 8/11/2018.

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, 2018

The Managing Board of Wienerberger AG

Heimo Scheuch
Chief Executive Officer

Willy Van Riet
Chief Financial Officer

Financial Calendar

October 22, 2018	*Start of the quiet period*
November 8, 2018	Results for the First Three Quarters of 2018
January 28, 2019	*Start of the quiet period*
February 27, 2019	Results of 2018: Presentation of the Results in Vienna
March 28, 2019	Publication of the 2018 Annual Report on the Wienerberger website
April 23, 2019	Start of the quiet period
May 6, 2019	150th Annual General Meeting
May 8, 2019	Deduction of dividends for 2018 (ex-day)
May 9, 2019	Record date for 2018 dividends
May 10 ,2019	Payment day for 2018 dividends
May 16, 2019	Results for the First Quarter of 2019
June 2019	Publication of the Sustainability Report 2018
July 22, 2019	*Start of the quiet period*
August 13, 2019	Results for the First Half-Year of 2019: Presentation of the Results in Vienna
October 21, 2019	*Start of the quiet period*
November 7, 2019	Results for the First Three Quarters of 2019

Information on the Company and the Wienerberger Share

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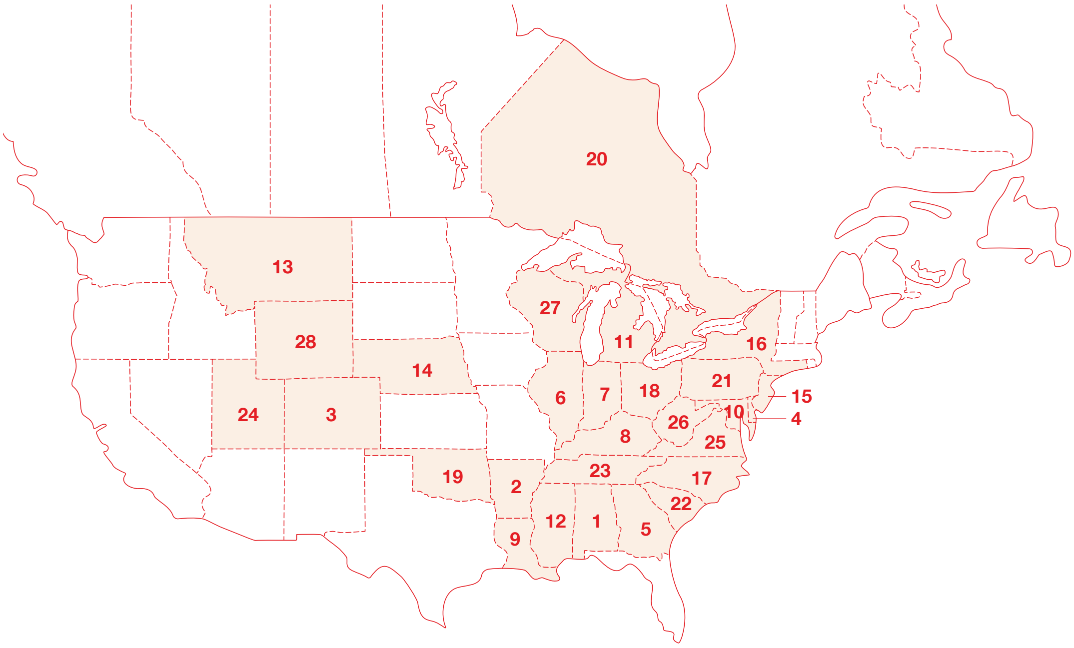
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Wienerberger Online Annual Report 2017:
http://annualreport.wienerberger.com

Production Sites and Market Positions

Wienerberger is the only multinational producer of bricks, roof tiles, concrete pavers and pipe systems with a total of 195 production sites in 30 countries and activities in international export markets. We are the world's largest producer of bricks and number one on the clay roof tile market in Europe. Furthermore we hold leading positions in pipe systems in Europe and concrete pavers in Central-East Europe.

Wienerberger Markets in North America



Market positions

1 – *Facing Bricks*

Number of sites

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

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

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

Status September 2018

Wienerberger in India

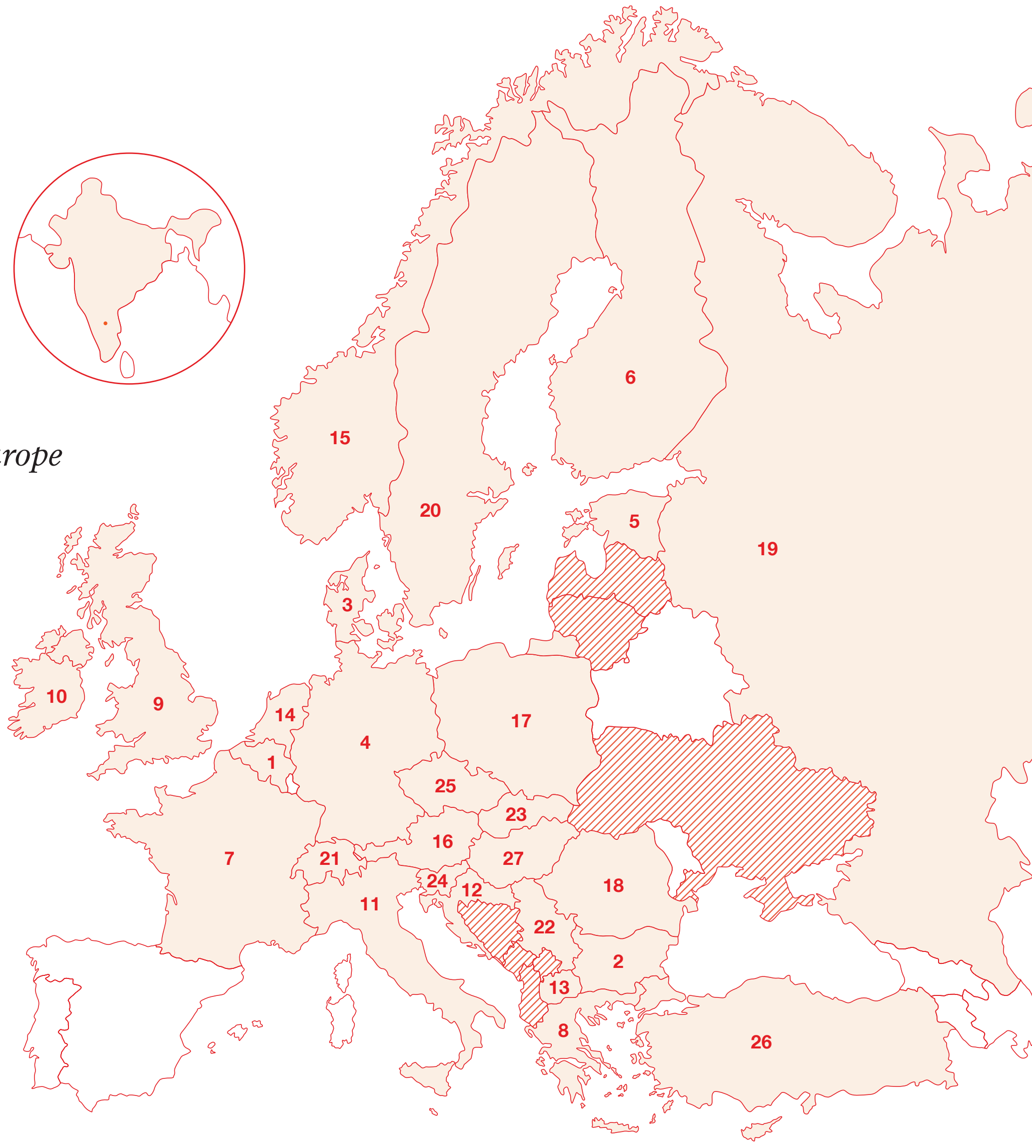
Number of sites

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

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

Status September 2018

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The Report on the First Three Quarters of 2018, released on November 8, 2018 is also available for download under www.wienerberger.com.

Available in German and English.