WIENERBERGER

Annual Report 1990

Financial Statement
and Annual Report 1990

Wienerberger Baustoffindustrie
Aktiengesellschaft, Vienna

Presented to the 122nd
Annual General Meeting
on May 22, 1991

Contents

WIENERBERGER

Supervisory Board

Guido SCHMIDT-CHIARI,
Chairman
Gerhard RANDA.
Deputy Chairman (till October 24, 1990)

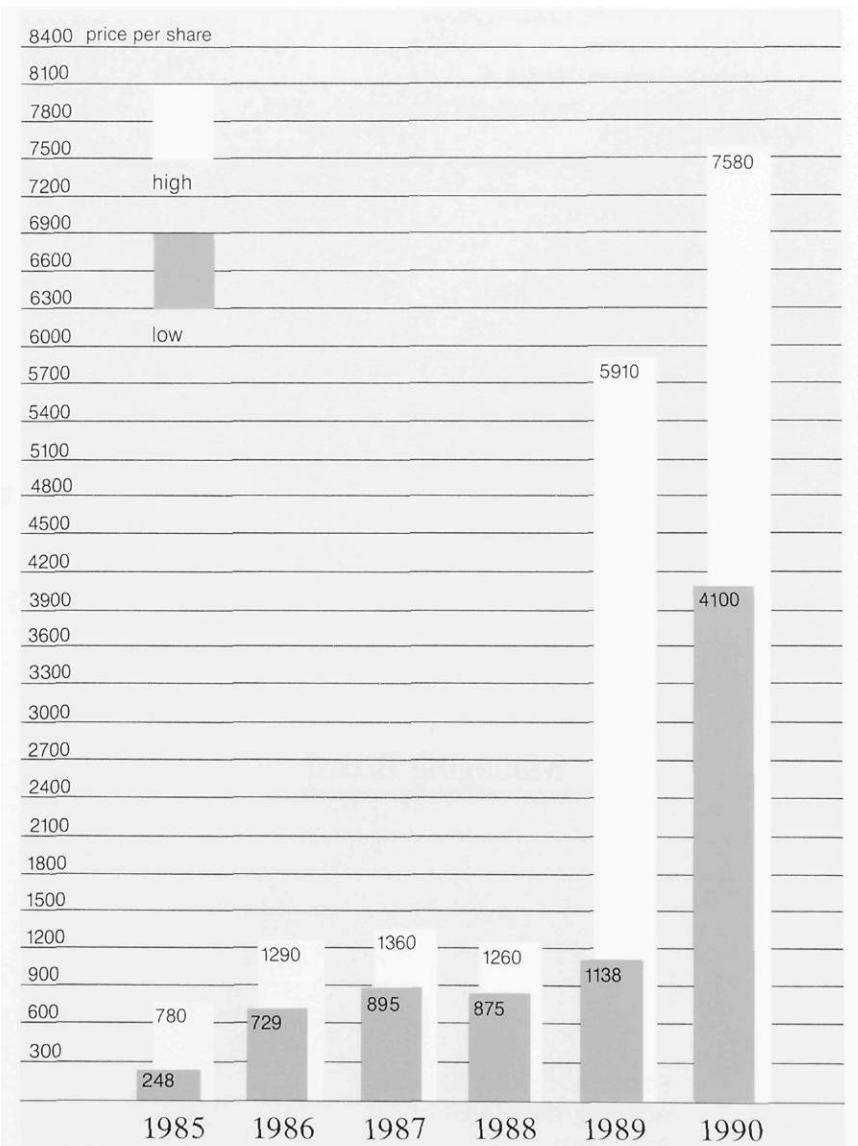
Herbert BECHYNA
Karl BERGMANN
Friedrich ECKER*)
Heinz GRUBER*)
SieglindeGRUBER")
HansIGLER
Franz LAUER
Eduard MAYER
Anton OSOND (till May 28. 1990)
Erich PIMMER
Fritz QUESTER
Friedrich RUHRL*)
Gerhard SOCHOR*)

*) delegated by the staff

Managing Board

Erhard SCHASCHL, Chairman
Wolfgang REITHOFER
Paul TANOS

Wienerberger Share Price Development



Source: Creditanstalt-Bankverein

Financial Highlights and Condensed Balance Sheet of the Wienerberger Group

Highlights

Figures in AS million		1987	1988	1989	1990
Net sales	total	2,037	2,607	4,685	9,257
	domestic	1,290	1,677	3,900	5,363
	abroad	747	930	785	3,894
Investments*)		948	855	1,554	3,153
Cash-flow		318	461	749	1,045
Personnel		1,402	1,738	2,224	4,346
Share price	high	1,360	1,260	5,910	7,580
	low	895	875	1,138	4,100
Dividend		18%	20%	26%	30%

WIENERBERGER

*) tangible assets ;ind financial assets

	1989		1990	
	AS mill.	%	AS mill.	%
ASSETS				
Fixed assets	2,594	41	4,105	41
Inventories	759	12	1,408	14
Other current assets	2,920	47	4,563	45
BALANCE SHEET TOTAL	6,273	100	10,076	100
LIABILITIES				
Own resources	3,698	59	5,060	50
Provisions and social capital	558	9	1,031	10
Liabilities	2,017	32	3,985	40

Introductory Statement by the Chairman of the Managing Board

Wienerberger's logo is a flame. Originally this flame had been a symbol for the fire burning in our brick kilns; meanwhile it also stands for special entrepreneurial dynamics. In 1990 we strode forward, quickly and in a well-planned manner. Wienerberger has thus come closer to the vision of a European corporate group.

The favourable development in western Europe, the opening of the borders in the east, and the development of an all-European self-consciousness were promising environmental conditions on our way. However, the initial euphoria soon had to give way to a general disillusionment. The economic, social and societal reconstruction in the erstwhile eastblock countries will proceed much more slowly than anticipated. Active participation remains an entrepreneurial challenge.

The staff and management of the Wienerberger group have accepted this challenge and have consistently pursued their path to eastern and western Europe. In this way, the number of our manufacturing sites increased by another 12, to 52. For the first time the majority of our plants are situated beyond Austria's borders — a distinct sign of our internationalisation process. In addition to this, we succeeded in purchasing several interesting participations and particularly in acquiring the majority shareholding in Treibacher Chemische Werke AG, which operates also outside Europe.

The results reflected not only in a remarkable asset growth but also in new peak sales and cash-flow figures. They have assured a solid base for the future and have made it possible to increase the dividend from 26% to 30%.

The year 1990 set the trends yet for other reasons as well: within the framework of a multi-stage decision process we found an organisation form which for us is ideal; our staff defined a future-oriented corporate identity and developed a new corporate design for the group — all these are prerequisites for coping with the tasks of this decade dynamically and successfully.

It will be a decade in which quantitative growth will be replaced by qualitative growth and in which our potential for success that we have so far set up selectively is to be exploited consistently and with reason.

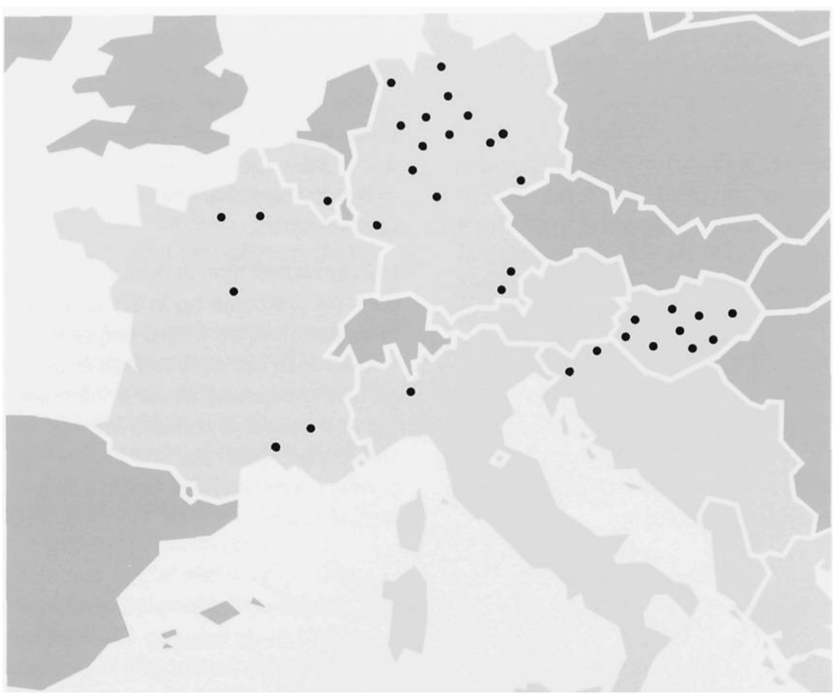
To achieve this, the independently operating divisions of our group will have to be interlaced still more effectively and combined into a harmonious complete whole: harmony within the enterprise and externally is in fact my personal goal for the years of the nineties.

I am confident that, in pursuing this goal, we will come up to the expectations placed in us. In this sense let me thank all our staff for their successful efforts, and all our shareholders and business partners for their confidence. May I ask you to continue putting your trust in us in the future — we will justify it.

E. Schaschl

WIENERBERGER

Production Sites in Europe



57 production sites in Europe

GERMANY

Bricks:

Jeddeloh
Hude
Rietberg
Sittensen
Schoningen
Volkmarsen
Buchhorst
Minden
Schlewecke
Lanhofen1
Lanhofen II
Wefensleben

Plastic pipes:

Ekern
Worms
Golzau

Clay pipes:

Zwickau

ITALY

Corundum:

Domodossola

BELGIUM

Clay pipes:

Hasselt

HUNGARY

Bricks/ceramics:

Solymar
Sopron
Koszeg
Orbottyan

Roofing tiles:

Veszprem
Budapest
Kecskemet

Plastic pipes:

Csepel
Debrezen

FRANCE

Plastic pipes:

Chateauroux
Gaillon
Vedene
Compiegne
St. Gilles

YUGOSLAVIA

Roofing tiles:

Dravograd
Skocjan

AUSTRIA

23 plants

Production Sites in Austria

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Bricks:
1 Hennersdorf
2 Gollersdorf
3 Laa/Thaya
4 Mauthausen
5 Neckenmarkt
6 Uttendorf
7 Barnbach
8 Gasselsdorf
9 Mitterdorf
10 Furstenfeld
11 Wels

Clinkers:
12 Rotenturm

Ceilings:
13 Leopoldsdorf

Clay pipes:
14 Vienna

Stove tiles:
15 Walbersdorf

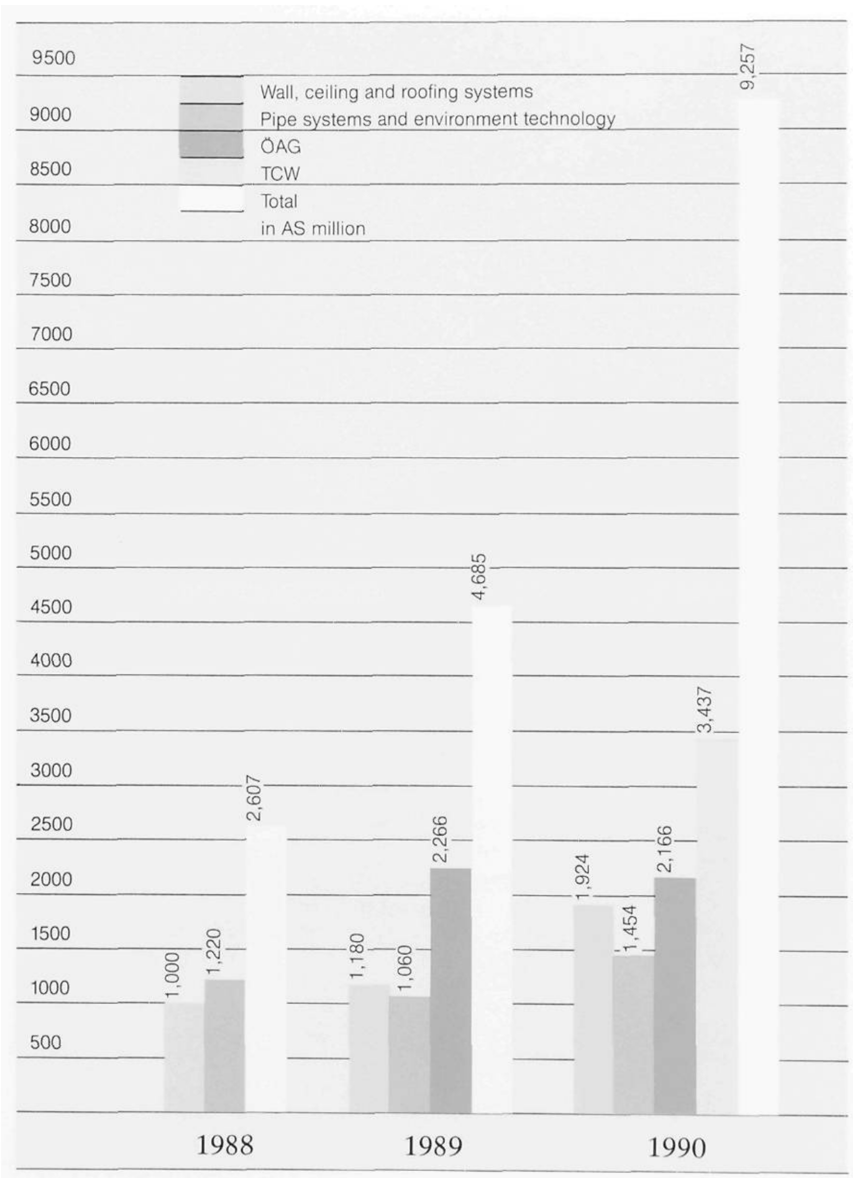
Plastic pipes:
16 Krems
17 Wr. Neudorf

Roofing tiles:
18 Pochlarn
19 Gaspoltshofen
20 Gleisdorf

Metallurgy - corundum:
21 Treibach
22 Seebach

Glass moulds:
23 Koflach

Net Sales of the Wienerberger Business Group



Report of the Managing Board

Report on the Current Situation

The Economic Environment

1990 a year of contrasts

In Europe the economic development was characterised by extraordinary occurrences. While Germany's reunification triggered a positive impulse, the outbreak of the Gulf crisis in the second half of the year entailed a large amount of insecurity and tangibly reduced demand and production in many countries.

Considerable progress was made in the European integration process in 1990. On the other hand, as far as the political change in eastern Europe is concerned, the initially great hopes for a fast improvement of the economic situation were thwarted. Despite the brisk international business boom, all the reforming countries had to accept a decline in their economic efficiency and a drop in their standard of living. In most of these countries the basic preconditions for a functioning market economy must be created first, with the lacking capitalisation and inadequate management capacities constituting the most serious obstacles. What is needed to continue the reform process successfully is a stronger financial commitment and a massive transfer of knowhow on the part of the western industrialised countries.

Austria's economy grew 4.6% in 1990, marking another record; the lead against the western European growth rate has once again widened. Both the vigorous domestic demand and the brisk export activity accounted for the favourable economic development. Private consumption went up by more than 4%. investment in industry even by more than 10%.

The Austrian economy has turned more international: just as in the year before, direct investments by Austrian enterprises abroad were once again distinctly higher than foreign investments in Austria.

Thanks to a well balanced wage policy the inflation rate, 3.3%, continued to remain far below the average figure for Europe. The labour market was characterised by the lack of qualified personnel in individual business sectors, on the one hand, and by a slight increase in unemployment to 5.4%. Substantially higher tax receipts brought the first positive results of the budget consolidation efforts.

Wienerberger's New Organisation

The road to tempo management and market proximity

One of the megatrends of the last decade of this century will be tempo management. While cost management has so far been the primary goal, tempo and temporal lead will henceforth become the decisive criteria for success. An indispensable prerequisite for achieving this management tempo is a well functioning organisation.

In 1990 we managed to complete the restructuring of our organisation, which had been started two years before. With the objective in mind to create flexible and adaptable structures, the Wienerberger business group, so far operating within four strategic business areas, was now broken down into seven divisions:

- Wall and ceiling systems
- Roofing systems
- Pipe and environment technology
- Pipelife
- Osterreichische Armaturen
- Treibacher Chemische Werke
- Real estate

Each of these divisions consists of several legally and economically independent enterprises with a solely responsible management. Wienerberger Baustoffindustrie AG exercises the function of an operative superordinate company. It concentrates on the strategic management of its subsidiaries and on supporting them in the domain of acquisition as well as on the realisation of superordinate strategies and on the active administration of its real estate and other property.

Apart from the closeness to the market, the essential advantages of this organisation are its high degree of flexibility, the short decision-making process, enhanced staff identification and the consistent materialisation of target-group-oriented strategies.

These seven divisions of our group of companies, which are now efficiently organised throughout, have been set up on the portfolio principle. They complement each other, and each of them individually constitutes a growth potential.

Wienerbergei

100%	50%	100%	50%
Wienerberger Ziegelindustrie Ges.m.b.H.	**Bramac Dachsteinwerk Ges.m.b.H.**	**Wienerberger Rohr- und Umwelttechnik Ges.m.b.H.**	**Pipelife International Holding Ges.m.b.H.**
Steirische Ziegelwerke Ges.m.b.H. 74 % A	Bramac International Anlagenbau und Beteiligungsges.m.b.H. A	Bohr- und Rohrtechnik Ges.m.b.H. A	Pipelife Rohrsysteme Ges.m.b.H. A
Wienerberger Ziegelindustrie Deutschland GmbH D	Bramac Dachsteinproduktion und Baustoffindustrie D.O.O. 50,7 % YU	Wienerberger Umwelttechnik Produktionsgesellschaft m.b.H. A	Tekum Vertriebsgesellschaft m.b.H A
Wienerberger Ziegelindustrie GmbH & Co D	Bramac Betoncserépgyártó és Epitöanyagipari Kft. 48,8 % H	Kontinentale Handelsgesellschaft m.b.H. 50 % A	Salen Vertriebsgesellschaft m.b.H A
Schlagmann Baustoffwerke GmbH & Co KG 50 % D	Quarzsandwerk Ges.m.b.H. A	Freunschlag & Co Ges.m.b.H. 75 % A	Oltmanns Kunststoffwerke GmbH D
Hungária – Wienerberger Téglaipari Kft. 50 % H		Wienerberger-Fuchs Umweltmeßtechnik Ges.m.b.H. 60 % A	Pipelife Rohrsysteme Gölzau GmbH D
		Keramo Wienerberger Holding NV 50 % B	Oltmanns S.A. F
		Wienerberger Steinzeug Ges.m.b.H. A	Meditérranéenne de Plastiques Agricoles S.A. F
		Zwickauer Steinzeug GmbH D	France Tube S.A. 45 % F
			Pannonpipe Müanyagipari Kft. 50 % H
Wall, ceiling and roofing systems		**Pipe systems and environment technology**	

Baustoffindustrie AG

WIENERBERC

50,1%	50,2%	100%	100%
Österreichische Armaturen Ges.m.b.H.	**Treibacher Chemische Werke AG**		
Österreichische Armaturen-Konti Gesellschaft m.b.H. (A)	Eurocorundum S.p.A. 50 % (I)	Wipark Garagen Gesellschaft m.b.H. (A)	Wienerberger Beteiligungsverwaltungs-gesellschaft m.b.H. (A)
Kontinentale Handelsgesellschaft m.b.H. 50 % (A)	Treibacher Corp. (USA)	Wipark Leasing Gesellschaft m.b.H. (A)	Wienerberger S.A. (L)
Unisan Handels- und Marketingservice Ges.m.b.H. (A)	Treibacher Ltd. (GB)	Garage am Beethovenplatz Ges.m.b.H. & Co KG 40 % (A)	Wienerberger Immobilien AG (A)
Technotrans Logistikservice Ges.m.b.H. (A)	Prometheus Metallwerke GmbH (D)		Mineralstoff-verwertungs Ges.m.b.H. (A)
Mart Kft. 90 % (H)	Grondmet Handelsges. m.b.H. 90 % (A)		„ALWA" Güter- und Vermögensverwaltungs-AG 25 % (A)
	Handelsbeteiligungs-gesellschaft m.b.H. 50 % (A)		Forstbetrieb Scheiberhof Ges.m.b.H. (A)
	Grondmet Metall- und Rohstoffvertriebs GmbH (D)		Forstbetrieb Schöpfl Ges.m.b.H. (A)
	Societá Italiana dei Prodotti Elettrochimici di Treibach Sas 50 % (I)		Wienerberger Ofenkachel Ges.m.b.H. (A)

Commercial and industrial participations	Real estate/property

A New Corporate Design

The central identification symbol for Wienerberger

The "Drasche" coat of arms

The "flame symbol"

WIENERBERGER

The Wienerberger brick industry boasts
a tradition of more than 170 years –
a tradition which has been manifested
also by its symbols.

Corporate Identity

An expression of corporate culture

The outward image of the Wienerberger business group had not kept pace with its success in the market. While the flame had been the traditional symbol for producing bricks, the enterprise has developed additional activities for which the old Wienerberger logo was no longer seasonable.

This is why, as an external signal, a newly drafted word-and-symbol logo is to be employed by all the companies of the Wienerberger business group alike.

This new logo shows the modern transformation of a flame in a strongly abstract manner. It signals renewal and dynamics, open to the outside and red-white-red, to denote that, on our way to Europe, we want to remain an Austrian enterprise.

What is likewise needed, apart from clearcut structure and organisation, are equally clearly defined corporate goals, embedded in a corporate identity pointing to the future.

The corporate identity of the Wienerberger business group was defined in cooperation with our staff within the framework of a multi-stage decision process, based on the three questions, "What are we?", "What do we want to be?", and "What do we want to achieve?". This is to create a better understanding for our corporate philosophy for our entire staff, who are to impart it to our markets. The aim is strengthening our self-perception and being still better understood by our partners.

For us, corporate identity is the philosophy of our enterprise and as such constitutes an important element of corporate culture that type of corporate culture which — lived by everyone of us — contributes to harmony within the enterprise. In this manner each staff member is to identify himself or herself with Wienerberger even more strongly and be aware of the fact that he or she is part of a common and integral whole.

WIENERBERGER

Focal Measures in 1990

Taken in line with the motto "Concentration and Consistency"

Apart from our efforts to optimise our current business activities, a number of focal measures, taken following our motto "Concentration and Consistency", have contributed to topping up our assets and improving our results:

1. Acquisition of a 50% interest in Schlagmann Baustoffwerke GmbH & Co KG in Bavaria.
2. Acquisition of the Schlewecke brickworks in northern Germany.
3. Initial operation of a third BRAMAC plant in Austria.
4. Initial operation of a third BRAMAC plant in Hungary.
5. Acquisition of a 50% interest in Kontinentaie Handelsgesellschaft m.b.H.
6. Purchase of the Bohr- und Rohrtechnik Gesellschaft m.b.H.
7. Construction start of the Production Centre for Environment Technology at Leopoldsdorf bei Wien.
8. Purchase of the Zwickau clay pipe plant in Saxonia.
9. Acquisition of a 45% interest in the plastic pipe manufacturing enterprise France Tube S.A.
10. Establishment of the Pannonpipe Muanyagipari Kft. with two production sites for plastic pipes in Hungary.
11. Increase in the interest in Treibacher Chemische Werke AG to more than 50%.
12. Acquisition of a 25% interest in "ALWA" Guter- und Vermb'gensverwaltungs-AG.
13. Establishment of Wienerberger Immobilien AG.
14. Development of the "Business Park Vienna" real estate project up to the point where it is ready for building.
15. Opening of a new parking garage at Vienna's western rail terminal.
16. Establishment of Wienerberger Versicherungs-Service Gesellschaft m.b.H.
17. Successful placement of a capital increase.

The 1990 Results

"Great assets that grow — secure income that rises!'

Net sales

Our business group continued to boost its sales at home and abroad also in 1990. The consolidated net proceeds, amounting to AS 9,257 million, almost doubled as compared with 1989. The four strategic business areas contributed to this sales increase with the following growth rates:

Wall, ceiling and roofing systems	16%
Pipe systems and environment technology	9%
Industrial and commercial participations	73%
Real estate/property	2%

On the whole, we succeeded in tripling the group's sales in the past two years — an impressive manifestation of our development work.

Investments

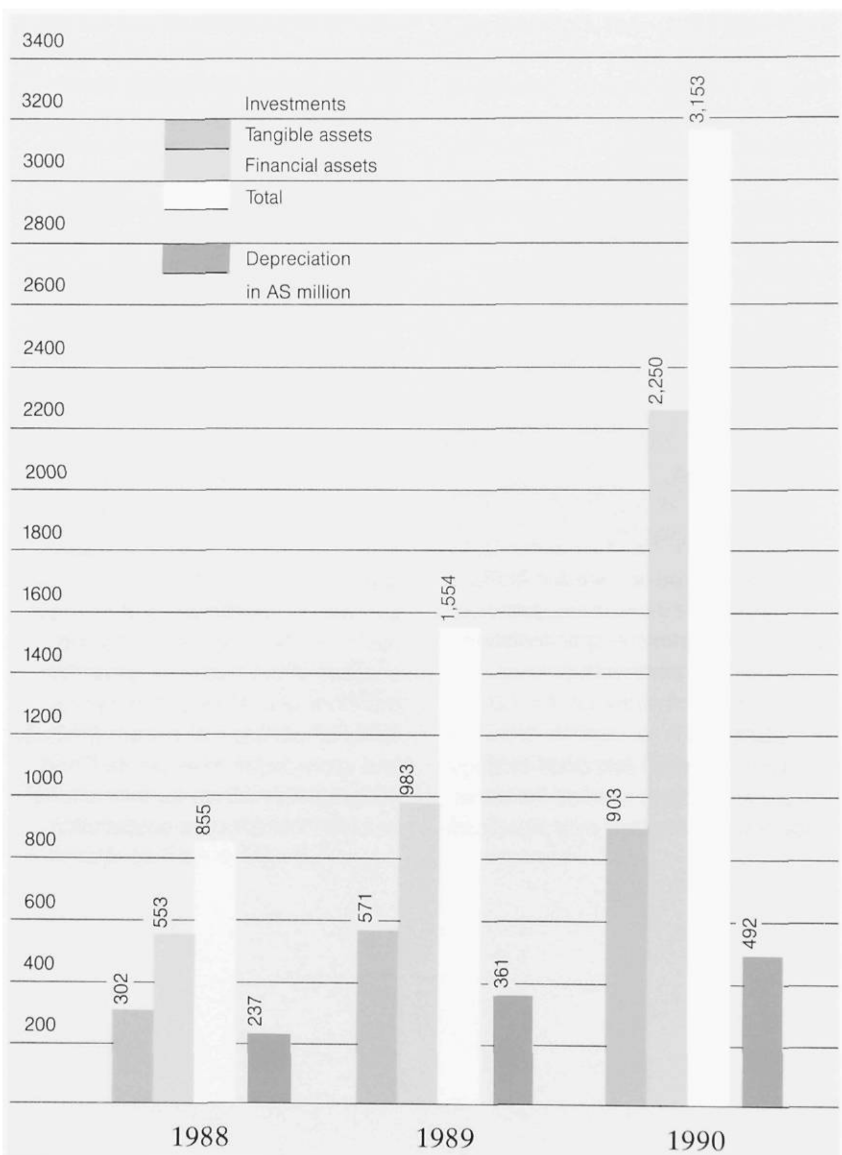
Our asset-oriented corporate strategy and our aspirations towards industrial renewal were reflected by a significant afflux of fixed assets. These additions totalled AS 3,153 million, of which AS 903 million are tangible assets and AS 2,250 million financial assets. The number of our manufacturing sites rose by 12 to 52 in the year under review.

Staff

As at balance-sheet date the Wienerberger business group employed 4,346 persons, proportionately corresponding to its holdings in the various enterprises. The increase of 2,122 workers and salaried employees was due exclusively to the acquisitions of plants and equity investments.

The performance of each individual staff member and his or her identification with Wienerberger and its goals has been the precondition for the success of our business group. We therefore wish to seize this opportunity to express our sincere gratitude and appreciation to all our staff and their representatives for their efforts and their constructive cooperation.

Investments and Depreciation



Earnings position

Always with the idea in mind, "Great assets that grow — secure income that rises", priority in our business group was given to building up assets. At the same time, the earnings trend, which had been continually positive for many years in the past, was again favourable in the year under review, with the substantial expenditures for the expansion projects having to be taken into account. In addition to this, earnings from these expansion schemes as well as the dividend income from the acquired holdings will accrue only in subsequent accounting periods.

In compiling our balance sheet, we endeavoured to take advantage of the investment incentives under the tax law and to take care of all the risks through reasonable provisions. The profit accumulated by setting aside the investment allowance and the allocation to the tax-free reserve pursuant to Section 12 Income Tax Act reached AS 249 million.

Following a dividend of 26% paid in 1989, we propose the payment of a dividend of 30% on the meanwhile increased share capital; the profit amount thus distributed rises to AS 87.7 million from AS 72.9 million.

Research and Development

Solving tomorrow's problems now

As a result of the above-average expansion in the past years, a certain backlog has cropped up in the field of research and development. This is why this decade was started with a "Focus on Technology".

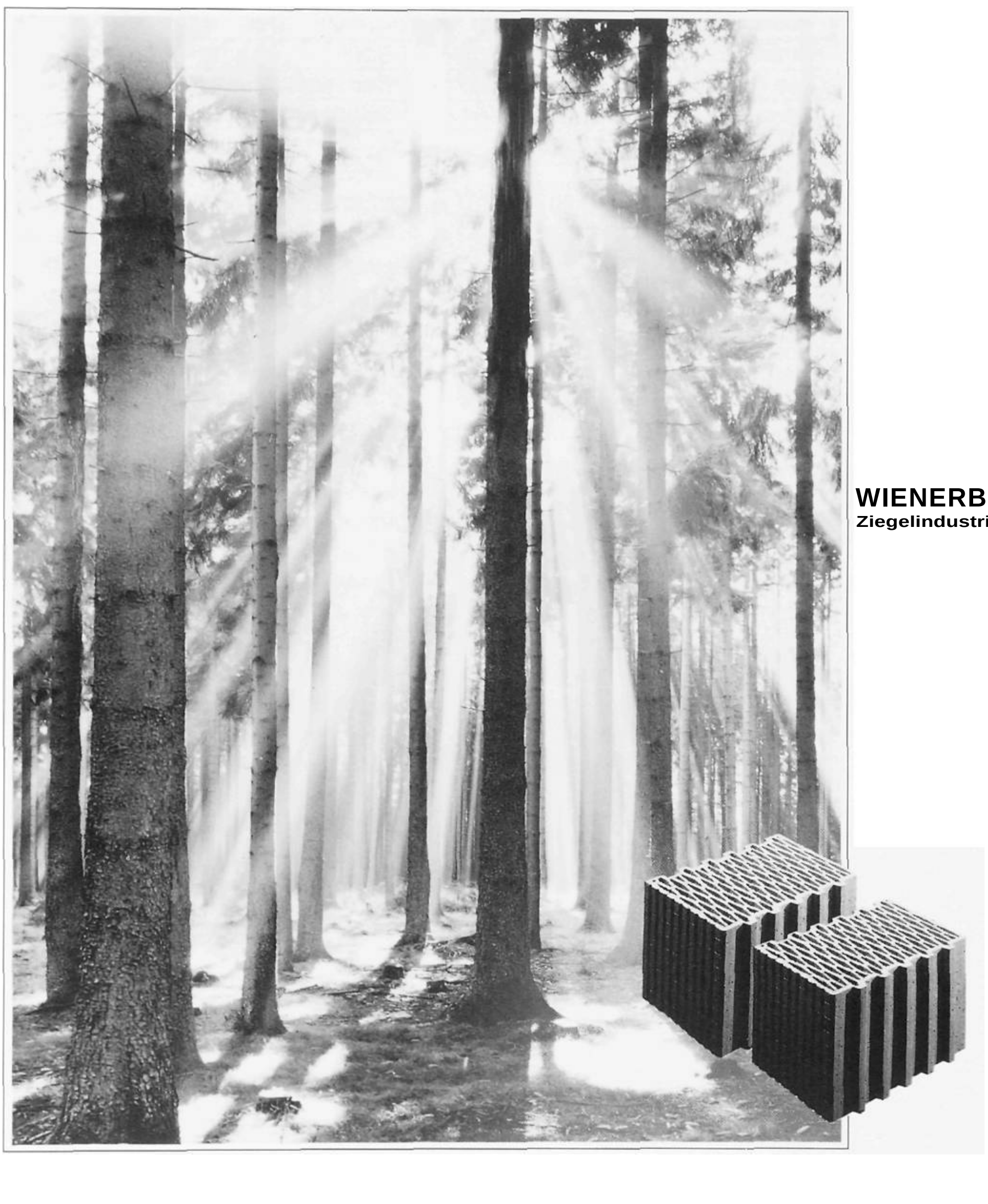
In addition to basic research, application technology was pushed in all the sectors. The objective is not only to develop new products, but also and especially to improve the economic viability of well-tested problem solutions.

In the business area of wall, ceiling and roofing systems, emphasis was placed on optimising the construction-related physical properties as well as on user-friendly product design. The best example is the newly developed groove-and-tongue system for Wienerberger's Porotherm brick range. This system excels by substantial labour and material savings and has therefore already been widely accepted in the market.

Product improvement was the centre of attention also for pipes and environment technology. In this area our aim is to find optimum problem solutions in the water supply and water disposal systems.

Research and development have traditionally been ranking particularly high with Treibacher Chemische Werke AG. The result is a multitude of domestic and foreign patents as well as a valuable process knowhow.

The Wall and Ceiling Systems Division



WIENERBERGER
Ziegelindustrie Ges.m.b.H.

in AS million

Net sales	1,557
Cash flow	325
Investments*)	586

Staff	906
Cash flow/sales	20.9%
Sales/staff	**17**

*) Additions to tangible assets and financial assets

The wall and ceiling systems constitute Wienerberger's traditional nucleus. Wienerberger Ziegelindustrie Ges.m.b.H., which is responsible for this business area, and its subsidiaries in Germany and Hungary have concentrated their business activities on brick wall and ceiling systems for carcass structures. As at the turn of the year the production capacity comprised 30 plants; their number increased by five in 1990.

In Austria we continued to strengthen our dominant market position according to plan. Mainly contributing to this development was the new groove-and-tongue product line where a specially large amount of labour and mortar were saved. By the trademark of Porotherm it has been weli accepted by the customers. Gratifying sales results were achieved also with DX ceilings and with the special paving clinker product. Moreover, a prefabricated cellar system was developed up to a point where it can be marketed.

In Germany the acquisition of the Schlewecke brickworks near Hanover with a capacity of 30 million standard bricks was another important expansion step. Construction of a new brickworks was begun at Rietberg/ North Rhine-Westphalia; it will start production as early as this year with an output of 80 million standard bricks. The facing brick plant at Buchhorst and the plant for cut and ground bricks at Sittensen also succeeded in expanding their production. The entry into the Bavarian market was assured by the purchase of a 50% interest in Baustoffwerke Schlagmann GmbH & Co KG. This company boasts two brick plants and two ceiling plants and is among the leading manufacturers in the region of southern Germany.

The Hungaria-Wienerberger Teglaipari Kft., newly established in 1989 and with sites at Koszeg, Orbottyan, Solymar and Sopron, has surpassed the expectations placed in it with an initial output of 180 million standard bricks, despite the high inflation rate and falling purchasing power prevailing in Hungary. Focal measures taken were setting up the corporate organisation, strengthening the plants technically and their adaptation to the Wienerberger Porotherm line, as well as the preparatory work for two new plant structures.

For Czechoslovakia and Yugoslavia, several preliminary cooperation agreements were concluded to be realised this year.

It was thus possible to surpass the sales and earnings projections in all the regional markets of the wall and ceilings division.

The 1991 business year started favourably as well. The acquisition of the Wefensleben brickworks in Saxony-Anhalt with an output of 40 million standard bricks, the realisation of the new Rietberg plant in North Rhine-Westphalia, which is at present under construction and will produce 80 million standard bricks, the start of the construction of a new brickwork near Budapest with 80 million standard bricks and of a new girder and lintel plant in western Hungary, will contribute to reaching the goals set for the future.

WIENERBERGER
Ziegelindustrie Ges.m.b.H.

The Roofing Systems Division

n AS million

Net sales	734
Cash flow	78
Investments*)	178

Staff	442
Cash flow/sales	10.6%
Sales/staff	1.7

') Additions to tangible assets and financial assets

Bramac Dachsteinwerk **Ges.m.b.H.,** which is |omtly held by us and the German Braas Group, likewise profited from the brisk building boom last year. Gratifying results were scored both in Austria and Hungary, and further steps were taken to widen our leading position in the steep-pitched-roof market.

In Austria a third plant for concrete roofing tiles opened at Gleisdorf in Styria. boosting the total domestic output capacity to 60 million units.

In Hungary, too, a third plant for concrete roofing tiles, which started operating at Kecskemet, raised the overal annual output to 50 million units. In addition to this, we managed to amalgamate the three **joint-venture** enterprises VAEV Bramac **Kft,** DUNA Bramac Kft. and DUTEP Bramac Kft. into one company called Bramac Betoncserepgyarto es Epitoanyagipari. The concentration is expected to assure complete market coverage and generate remarkable synergic effects. Bramac International Aniagenbau und Beteiligungsges.m.b.H. has prepared several acguisitions for the markets still to be explored in the Danube states. Of these, participation in two roofing tile works in Yugoslavia and the conclusion of a joint venture for the reconstruction of a first roofing tile plant in the CSFR were already realised this year. In Austria meanwhile, we managed to acguire a qualifying minority participation in Ziegelwerk Gleinstatten Ges.m.b.H.. with which we jointly established the company Tondach Gleinstatten International Ges.m.b.H. for international activities. This means that Bramac now also acts as a producer in the expanding market for clay roofing tiles and was thus provided with a solid starting base for this purpose.

·BRAMAC·

Division of Pipes and Environment Technology

n AS million

Net sales	679
Cash flow	23
Investments*)	115

Stafi	454
Cash flow/sales	3.4%
Sales/staff	1.5

') Additions to tangible assets and financial assets

Investment in environment protection rose fourfold in the eighties, while investment in industry went up by a mere 60%. This trend is expected to continue so that this area will in future grow more strongly and less dependency on economic development. At the same time, the complexity of the water supply and water disposal is steadily on the increase. The market demands integral solutions to this problem.

These preconditions were used by Wienerberger as a basis to decide on the establishment of a separate division and with it the entry into a new business area. Leading company is the newly founded Wienerberger Rohr- und Umwelttechnik Ges.m.b.H.. which aims at building up a market-relevant position for the sectors of water technology, sewer technology, purification technology, refuse technology and pipeline construction ranging from egineermg via assembling up to servicing.

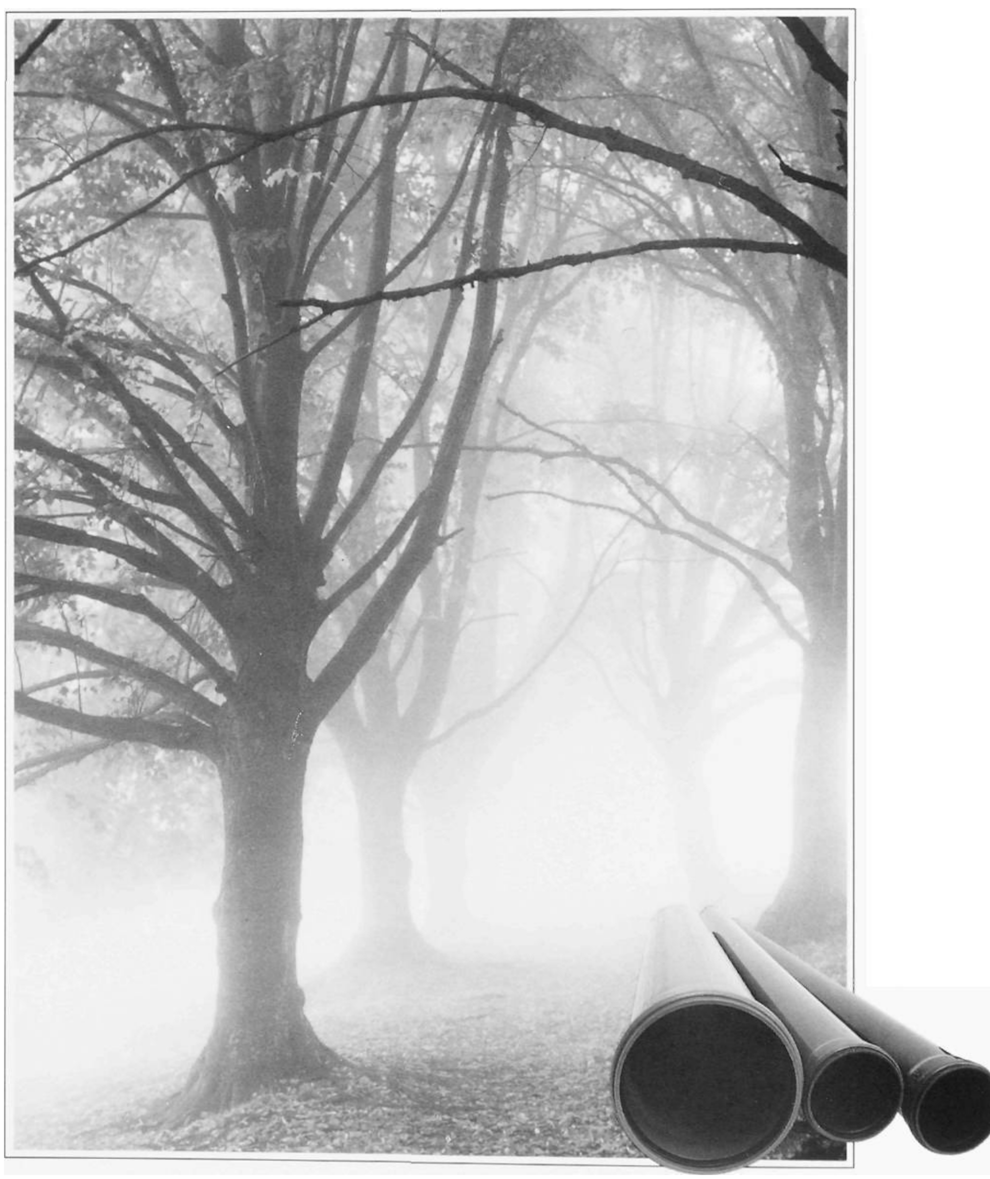
In Austria, the company Bohr- und Rohrtechnik Ges.m.b.H. and a 50% holding in Kontinentale Handelsgesellschaft m.b.H. were acguired in the past year for this purpose. Additionally, a 75% interest was secured in Freunschlag & Co Ges.m.b.H.. and construction of a manufacturing centre for the materials concrete. Duroton and Sulkret was begun at Leopoldsdorf bei Wien.

The Zwickauer Steinzeug GmbH in Saxony as well as the Vertriebs-GmbH. Kanalisationssteinzeug at Bad Schmiedeberg were purchased in the new German laender.

Despite the usual initial problems, the pipe and environment technology group succeeded in fulfilling the plan already in the first business year. This year, the takeover of a 50% interest in the leading Belgian clay pipe producer. Keramo N.V., made possible the amalgamation of the clay pipe activities of this enterprise with those of Wienerberger in Germany and Austria. This created a new European group also in this domain with an annual output capacity of 160,000 tons, which is about to take its first step across the borders of Europe with a joint venture in Malaysia. Moreover, we succeeded in acquiring a maiority interest in Fuchs UmweltmeBtechnik Ges.m.b.H. in Austria.

WIENERBERGER
Rohr- und Umwelttechnik
Ges.m.b.H.

The Pipelife Division



in AS million

Net sales	1.550
Cash flow	186
Investments*)	162

Staff	614
Cash flow/sales	12.0%
Sales/staff	**2.5**

') Additions to tangible assets and financial assets

The conclusion of the joint-venture agreement with Soivay & Cie. Brussels, **in** 1989 constituted the basis for a new European group in the plastic pipe sector: the Pipelife Group.

The 1990 business year was marked by falling raw material prices in the first half of the year, and soaring raw material prices in the wake of the Gulf crisis in the second half. Notwithstanding this, sales and earnings reached the planned targets to a great extent. The number of production sites was raised from five to nine last year due to acquisitions in France and Hungary.

The emphasis of the business policy in Austria was on improving the organisational flow. The utilisation of the synergy potentials and the specialisation of the Krems and Wiener Neudorf production sites were given priority. Especially important in this connection was the concentration and rationalisation of the sales and administration organisation of Salen and Tekum.

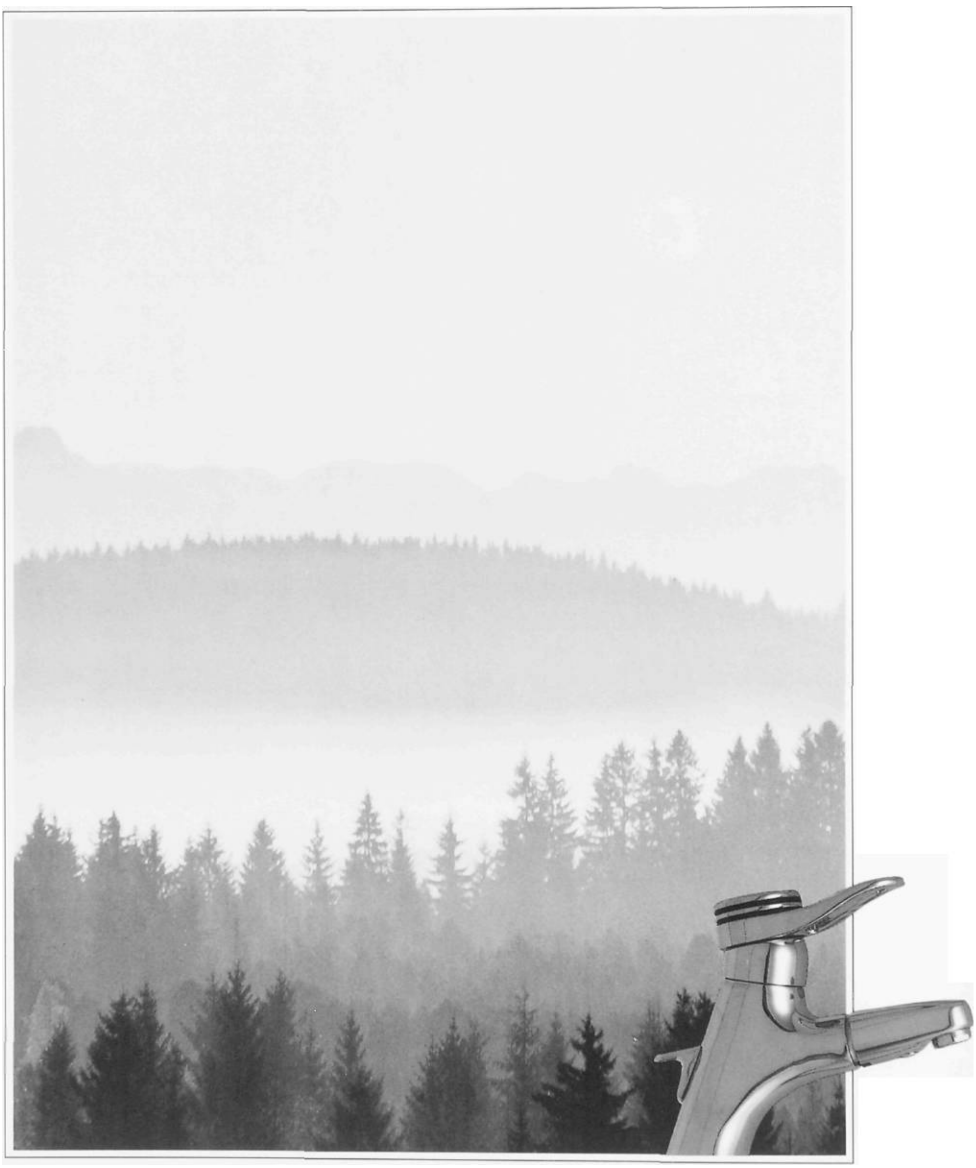
In Germany we proceeded to set up a distribution network for the new federal provinces, covering the entire territory.

Our market position in France was enhanced through the acquisition of a 45% interest in the two companies France Tube and Tubes de la Seine, with plants in Gaillon and Avignon.

The penetration of the Hungarian market took place within the framework of a joint venture with Pannonplast. the largest Hungarian plastic processing firm. The **joint** company. Pannonpipe Muanyagipan **Kft.**. boasts two plant sites at Budapest and Debrecen.

The expansion was successfully carried on also in the first quarter of this year. Our presence in the French market was decisively cemented by the acquisition of the polyethylene pipe producer MPA with its two manufacturing sites in northern and southern France. In Germany we established our presence in the new German laender by acquiring the polyethylene pipe sector from the Saxonian plastic pipe producer Orbitaplast.

The Division of Osterreichische Armaturen



n AS million

Net sales	2,166
Cash flow	85
Investments*)	62

Staff	668
Cash flow/sales	3.9%
Sales/staff	**3.2**

') Additions to tangible assets and financial assets

With its three distributor companies. OAG-Konti. Kontinentale and Unisan, the OAG Group in 1990 reconfirmed its leading position as an important technical commercial enterprise for trade, industry and local authorities in the domain of sanitary and heating technology as well as plant construction. It operated five business centres and 28 cash-and-carry markets, spread over the entire Austrian territory.

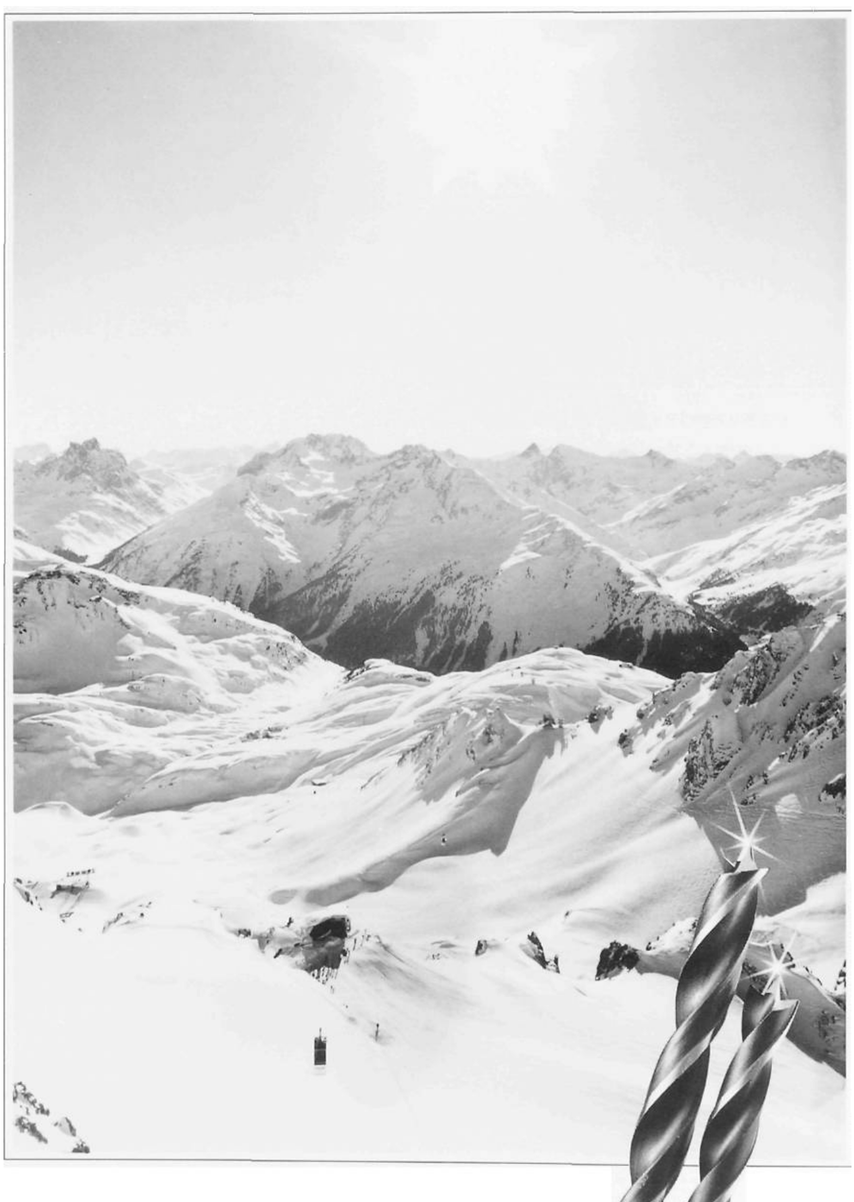
The year under review was characterised chiefly by the consolidation and expansion of the domestic business. Priority was given to measures to boost earnings, to which increased sales and an improvement of the profit margin for the main sales items have contributed.

Another point of emphasis was the extension of the distribution channels of the IZ cash-and-carry markets: plumbing centres were opened in Vienna's 10" district and at Ried im Innkreis. and an exhibition room in Graz was redesigned.

An event worth mentioning is the establishment of the first distribution centre in Budapest in October 1990. With the Mart **Kft.,** in which OAG holds a 90% interest, a first step abroad was made also in this field of our activities. It is planned to realise further **projects** on this base in order to develop the OAG Group into a major central European trading enterprise for sanitary products. The first preparatory steps to this end have already been undertaken in several ways.

ÖAG

The Division of Treibacher Chemische Werke



in AS million

Net sales	3,437
Cash flow	117
Investments*)	155

Staff	1,559
Cash flow/sales	3.4%
Sales/staff	2.2

*) Additions to tangible assets and financial assets

The 1990 business year was adversely affected by the trend of the US dollar exchange rate, which was 14% lower on the annual average. Moreover, crude steel production dropped by 2%, with eastern Europe witnessing dramatic setbacks while the developing countries continued to report growth rates. In the sector of ferro alloys, the principal business line, the ferro-vanadium and ferro-nickel prices fell by almost 40%, back to the previous year's high, a fact which, in conjunction with the price slump experienced for the other main alloys, entailed a sizable sales drop. Business with abrasives as well as with refractory carbides was hit by the recession which started in the U.S.A. especially in the automobile industry. On the other hand, the market position in the sectors of flints, rare earths and peroxides was strengthened due to persistent demand.

Despite the overwhelmingly unfavourable environment, it was possible to raise total sales quantitatively by 3% by selective regional shifts. The plants atTreibach, Villach and Domodossola were therefore working well to capacity. The export share of 85% marks another record, which impressively confirms the company's international competitive ability.

TREIBACHER

Investment activities shifted even more strongly to the environment scene where great progress was made to render the manufacturing process ecologically more beneficial.

In the current year the main emphasis will be internally on cost cutting and structural improvements. On the outside, several concrete expansion measures are to contribute to further strengthening the company's international market position.

The Real Estate/Property Division

n AS million

Net sales	276
Cash flow[1])	363
Investments')	2.063

') of which AS 249 million from real estate sales

Staff	231
Cash flow/sales	97.5%
Sales/staff	1.2

) Additions to tangible assets and financial assets

In 1990 this Division consistently continued strengthening its assets. The area of domestic real estate was increased through additional purchases to 12.260.000 m: from 11.820.000 or.

The Division's activity was dominated by the preparatory work for our **Wienerberg** real-estate project. Designated BUSINESS PARK VIENNA, a multi-functional centre is to be set up with an office space of 68.000 m:. a shopping zone, a hotel as well as leisure and communication facilities. The Business Park Vienna will be realised by a separate specialist company. Wienerberger Immobilien AG. **in** which, at year-end. Wienerberger Baustoffindustrie had a 60% interest, while 40% were held by ORAG Osterreichische Realitaten-AG. The total investment volume amounts to AS 2.500 million, most of which will be financed from own resources, it is also planned to have the shares listed on the Vienna Stock Exchange. Apart from the land reclassification required for the realisation of the **project,** we succeeded in 1990 in letting almost 60% of the first construction stage on a long-term basis. The building permit procedure was successfully concluded this year, and construction is due to start in the first half of this year.

In the refuse-dump sector, the existing rubble dumps and the special-waste dump at Leopoldsdorf were operated successfully. Other refuse-dump projects are in the planning stage.

After the brisk expansion phase in the preceding year. WIPARK Garagen Ges.m.b.H. in 1990 focused on optimising its current operations. A parking building at Vienna's western rail terminal opened last year accommodates 612 spaces, bringing the total number of spaces available in our 15 parking garages in Vienna up to 5.903. The marketing strategy aims at firmly establishing WIPARK as a top quality parking-garage group in the Vienna market. Cooperation with the Austrian motoring club OAMTC. which was initiated in spring, and a 'Park & Rail" partnership with the Austrian Federal Railways are further steps in this direction.

WIENERBERGER
Bereich Immobilien

Forecast for 1991

Further on along the road to Europe

Unstable energy and raw material prices, turbulences on the share markets, and the consequences of the Gulf crisis have accelerated the economic recession in the first quarter of this year, after it had already become apparent in 1990. On the other hand, the economic development in central Europe stabilised as a result of the preparations for the single European market and Germany's reunification; The German and Austrian economies were to profit most from this trend.

In addition to this favourable economic environment. Austria has another decisive advantage: its proximity to the former east-block countries. This spatial as well as economic and historical link is an advantage in the "handicap for the east European markets".

We will therefore carry on with our efforts to strengthen our market positions in eastern Europe in order to be in a position to take advantage of the substantial growth opportunities in this region. An accurate analysis of the situation prevailing from time to time, the rational evaluation of the chances and risks, as well as the selective and consistent materialisation of all the measures constitute the steps necessary on this road.

At the same time we will further develop our presence in western Europe: despite all the promising signs of the eastern market for the future. Europe must be seen as one entity, as a homogeneous economic region. This is why we will continue to devote special attention to the establishment and extension of business bases within the European single market.

By developing our strategic business units we will, with "concentration and consistency", further pursue our goal to turn Wienerberger into a market-relevant European business group. Because of the multitude and the scope of the measures to be taken to achieve it, the financial requirements will exceed the cash flow obtained. To be able to maintain the speed of our expansion we are planning to tap the capital market this year. On the basis of the results recorded in the first quarter, new peak sales and earnings figures can be expected for 1991.

The Wienerberger business group excels not only by its assets and earning power, but also and especially by its success potential which it has built up in the past years. This success potential makes us confident — independently of the development of the economic environment — that the favourable Wienerberger trend can be upheld also over a long term.

WIENERBERGER

Wienerberger Baustoffindustrie Aktiengesellschaft

Financial Statement 1990

Balance Sheet as at December 31, 1990

Balance Sheet as at December 31, 1990

Assets

	AS	AS	Status as at Dec. 31, 1990 AS	Status as at Jan. 1, 1990 AS
A. Fixed assets				
1. Intangible assets				
1. Franchises, rights, patents and lincenses		32 979.319		944,847
II. Tangible assets				
1. Built-up land and buildings on land not owned by the company	39,997,674			55.969,068
2. Land not built up	120.831,843			107.600,860
3. Machines and machine plants	43,067,962			9.925,855
4. Tools, fixtures, furniture and office equipment	62,211,751			67,762,322
		266,109.230		241,258,105
III. Financial assets				
1. Participations	3,124.265,430			2,253,445,642
2. Other investments in fixed rate securities	105,723,460			105.758.691
3. Downpayments made	173,615,750			—
		3,403,604.640		2,359,204.333
			3,702,693,189	2,601,407.285
B. Current assets				
I. Claims and other assets				
1. Accounts receivable from the sale of goods and services	8.203,156			3,041,782
2. Claims against consolidated group affiliates	476,249.705			370.629,004
3. Claims against non-consolidated participations	585,438			2,911,613
4. Other claims and assets	95,667,941			245,674,647
		580,706,240		622,257,046
II. Securities and shares				
1. Other securities and shares		750,487,500		100,170,000
III. Cash in hand, cheques, balances with banks		112,725,828		1,072,858,681
			1,443,919,568	1,795,285,727
C. Deferred items			1,045,412	1,575,124
			5,147,658,169	4,398,268,136

Liabilities

	AS	AS	Status as at Dec. 31,1990 AS	Status as at Jan. 1,1990 AS
A. Own resources				
1. Share capital		292,531,000		280,343,000
II. Earmarked capital reserves				
1. Legal reserves	2,877,344,566			2,270,270,400
2. Reserves pursuant to Sec. I StruktVG	430,481,106			430,481,106
		3,307.825.672		2,700,751,506
III. Profit reserves				
1. Other reserves		95.300,621		95,245,408
IV. Accounting profit				
1. Profit brought forward	224.780			100,361
2. Profit for the year	87,852,001			73,013,599
		88,076,781		73,113,960
			3,783,734,074	3,149,453,874
B. Untaxed reserves				
1. Valuation reserve due to special depreciation		444,909,290		435,191,164
2. Reserves pursuant to Sec. 10 Income Tax Act 1 988				
1986	-			38,693
1987	629,351			1,535.013
1988	308,684			331.034
1989	15.111,204			15,111,204
1990	17,988,119			—
		34,037,358		17,015,944
3. Reserves pursuant to Sec. 12 Income Tax Act 1988		228,272.866		23,418,834
			707,219,514	475,625,942
C. Provisions				
1. Provisions for severance payments		6,737,125		7.292.876
2. Provisions for pensions		42,720.069		34.835.868
3. Provisions for taxes		42,474,306		21.206,676
4. Other provisions		76,626,604		79,418,083
			168,558,104	142,753,503
D. Liabilities				
1. Due to banks		348,899,411		420.580.000
2. Accounts payable from the purchase of goods and services		6,779.766		91,726.949
3. Due to consolidated group affiliates		108.891.867		87.879.817
4. Due to non-consolidated participations		3,022,985		2,609,583
5. Other liabilities		20,552,448		27,102,029
			488,146,477	629,898,378
E Deferred items			-	536,439
			5,147,658,169	4,398,268,136

Development of the Fixed Assets in the 1990 Business Year

	Acquisition value as at Jan. 1,1990 AS	Additions AS
A. Fixed assets		
1. Intangible assets		
Franchises, rights, patents, licences	3,652,622	33,600,000
II. Tangible assets		
1. Built-up land and buildings on land not owned by the company		
a) land value of factory buildings	6,053,814	-
b) building value of factory buildings	159,776,149	827,442
c) land value of residential buildings	1,631,417	-
d) building value of residential buildings	6,303,842	165,147
e) buildings on leased land	1,219,578	
	174,984,800	992,589
2. Land not built up	111,573,752	25.845,968
3. Machines and machine plants	52,939,545	47,097.564
4. Tools, fixtures, furniture and office equipment	86,142,399	11,431,599
	425,640,496	85,367,720
III. Financial assets		
1. Participations	2,253,445,642	1.134,841,734
2. Other investments in fixed-rate securities	106,770,178	1,613,399
3. Downpayments made	—	173,615,750
	2,360,215,820	1,310,070,883
	2,789,508,938	1,429,038,603

Disposals AS	Accumulated depreciation AS	Status as at Dec. 31,1990 AS	Status as at Jan. 1,1990 AS	Depreciation 1990 AS
	4,273,303	32,979,319	944,847	1,565,528
1,652,143		4,401,671	6,039,611	3,730,011
60,246,092	68,291,208	32,066,291	47,180,753	
4,754		1,626,663	1,631,417	
985,666	3,580,279	1,903,044	1,858,487	95.137
	1,219,573	5	5	
62,888,655	73,091,060	39,997,674	56,710,273	3,825,148
14,170,033	2,417,844	120,831,843	106,859,655	
49,349,978	7,619,169	43,067,962	9,925.855	4,053,199
1,063,808	34,298,439	62,211,751	67,762,322	16,645,934
127,472,474	117,426,512	266,109,230	241,258,105	24,524,281
264,021,946		3,124,265,430	2,253,445,642	–
1.648.630	1,011,487	105,723,460	105,758,691	–
		173,615,750		–
265,670,576	1,011,487	3,403,604,640	2,359,204,333	—
393,143,050	122,711,302	3,702,693,189	2,601,407,285	26,089,809

Development of the Valuation Reserve in the 1990 Business Year

a) Valuation reserve pursuant to Section 8 Income Tax Act 1972

	Status as at Jan. 1,1990 AS	Disposals AS	Use AS	Status as at Dec. 31,1990 AS
A. Fixed assets				
1. Intangible assets				
Franchises, rights, patents, licences	492,000	—	246,000	246,000
II. Tangible assets				
1. Built-up land and buildings on land not owned by the company				
a) land value of factory buildings	-	-	—	—
b) building value of factory buildings	13,634,118	871,445	491,403	12,271,270
c) land value of residential buildings	-	-	-	-
	13,634,118	871,445	491,403	12,271,270
2. Land not built up	-	-	—	—
3. Machines and machine plants	9,902,223	9,902,223	-	-
4. Tools, fixtures, furniture and office equipment	384,582	—	270.708	113,874
	23,920,923	10,773,668	762,111	12,385,144
III. Financial assets				
1. Participations	-	—	—	—
	24,412,923	10,773,668	1,008,111	12,631,144

Valuation reserve pursuant to Section 12 Income Tax Act 1988

	Status as at Jan. 1,1990 AS	Allocation AS	Release AS	Status as at Dec. 31,1990 AS
Fixed assets				
1. Intangible assets				
Franchises, rights, patents, licences				
II. Tangible assets				
1. Built-up land and buildings on land not owned by the company				
a) land value of factory buildings	1,214.531	-	144,223	1,070,308
b) building value of factory buildings				
c) land value of residential buildings	14,824			14,824
	1,229,355		144,223	1,085,132
2. Land not built up	51,051,085	25,845.968	3,951,840	72,945,213
3. Machines and machine plants				
4. Tools, fixtures, furniture and office equipment				
	52,280,440	25,845,968	4,096,063	74,030,345
III. Financial assets				
1. Participations	358,497,801		250,000	358,247,801
	410,778.241	25,845,968	4,346,063	432,278,146

Profit and Loss Account for the Business Year 1990

Profit and Loss Account for the Business Year 1990

	AS	AS	AS
1. Proceeds from sales		+ 56.019.604	
2. Other operational income			
a) Income from the disposal of fixed assets	246,411,592		
b) Income from the release of provisions	464,973		
c) Others	10,640,957		
		+ 257,517,522	
3. Expenditures for materials and relevant services		- 1,025,311	
4. Staff expenses			
a) Wages	1,441.572		
b) Salaries	31,659,819		
c) Severance compensation and pension payments	13,083,700		
d) Payments of legal social levies as well as levies and compulsory contributions depending on the remuneration	5,214,175		
e) Other social expenses	2,454,225		
		53,853,491	
5. Depreciation of intangible and tangible assets		26,089,809	
6. Other operational expenses			
a) Taxes	24,862,762		
b) Others	43,658,552		
		- 68,521,314	
7. Subtotal of 1. to 6.			164,047,201

Vienna, March 1991

The Managing Board

Wolfgang Reithofer

Erhard Schaschl
Chairman

Paul Tanos

			AS		AS
	Carried cover				164,047,201
8.	Income from participations	+	72.021,133		
9.	interest income, income from securities and similar income	+	133,943,142		
10.	Income from the disposal of financial assets	+	3,201,331		
11.	Expenses from the disposal of financial assets	-	13,166,750		
12.	Expenses from participations		4.603,199		
13.	Depreciation of other investments in fixed-rate securities	-	1,158.000		
14.	interest and similar expenses	-	34,800,592		
15.	Subtotal of 8. to 14.				155,437,065
16.	Result of the current business activities				319,484,266
17.	Surplus of the year				319,484,266
18.	Release of untaxed reserves			+	17,055,854
19.	Allocation to untaxed reserves			-	248,688,119
20.	Profit brought forward			+	224,780
21.	Accounting profit				88,076,781

According to the results of our statutory examination, the accounting and the Financial Statement are in accordance with the legal requirements. By adhering to the principles of proper accounting, the Financial Statement reflects as truly as possible the company's assets as well as its financial and earnings situation. The Report on the Current Situation agrees with the Financial Statement 1990.

Vienna, April 5. 1991

KPMG Austria
Wirtschaftsprufungs-Gesellschaft m.b.H.

(signed) Hruschka
Certified Public
Accountant and Tax
Consultant

(signed) Zejmon
Tax Consultant

Annex to the Financial Statement 1990

Introductory remarks

On the grounds of the resolution adopted at the 121si Annual General Meeting, and in agreement with the Structural Improvements Act (StruktVG), the industrial sectors were retroactively detached and assigned to the newly founded subsidiaries

— Wienerberger Ziegelindustrie Ges.m.b.H.
— Wienerberger Steinzeug Ges.m.b.H.
— Wienerberger Ofenkachel Ges.m.b.H., and
— GMA Glasformen Ges.m.b.H.

The assets attributable to the sectoral plants for bricks, clay pipes, stove tiles and glass moulds were transferred to the newly founded companies, and the resulting net assets recorded under the participations item. Wienerberger Baustoffindustrie AG concentrates on the strategic management of its subsidiaries and on supporting them in the area of acquisitions as well as on the active management of its real estate and property.

This Financial Statement was for the first time compiled pursuant to the provisions of the new Accounting Act (AA). The comparative figures indicated in the balance sheet relate to the reference date of January 1, 1990, and have thus already taken into account the above-mentioned detachments of individual sectoral plants. In accordance with Art. X, paragraph 7, Accounting Act the indication of previous years figures in the profit and loss account was dispensed with, all the more so as they cannot be compared to the 1990 figures as a result of the structural change.

Principles of accounting and valuation

According to the AA, the fixed assets are subdivided into intangible assets, tangible assets and financial assets. The development of the fixed assets and the valuation reserve evinces from two separate schedules annexed to the balance sheet.

The intangible assets were valued at their acquisition cost and are depreciated according to schedule by the straight-line method.

The tangible assets are evidenced at acquisition cost, less depreciation according to schedule. Depreciation is in principle effected by the straight-line method on the basis of the service life assessed for the assets under usual operating conditions. Pursuant to the Income Tax Act, small-value economic assets are fully evidenced as expenses in the first year of their acquisition. Any extraordinary, permanent decrease in value is accounted for by corresponding special depreciation.

WIENERBERGER

Participations are evidenced at acquisition cost, reduced, if applicable, by depreciation for decrease in value. In a similar way this applies to the other investments in fixed-rate securities with corresponding depreciation being made in the case of a permanent decrease in value.

The current assets include the claims and other assets with their nominal value. Individual identifiable risks are taken care of by a corresponding decrease in value. Over and above this, general risks are accounted for by an overall provision for possible losses. Securities are evidenced at acquisition cost or. if lower, their prices quoted as at balance-sheet date.

The following applies as regards the provisions:
Provisions for severance compensation are made pursuant to Section 14 Income Tax Act to the extent of 50% of the assumed severance payment entitlements. The allocation to the provision for pensions is made on the basis of commercial-law principles at an accounting interest rate of 6%. Tax was paid on the difference between this amount and the cover requirement computed in agreement with the transitional regulations. The other provisions take into account all identifiable risks and liabilities whose amount has not yet been determined.

Notes on the Financial Statement

Balance Sheet

As compared with the figure at the beginning of the year, fixed assets rose by AS 1,101 million. The great majority of the additions were participations and downpayments on financial assets. Additions to tangible assets comprised chiefly machines and equipment which had been acquired and leased within the framework of our movable-assets leasing sector, as well as land not built up. Furthermore, a tenancy right was acquired and evidenced in the intangible-assets item. The downpayments on financial assets were made in connection with the establishment of Keramo Wienerberger Holding N.V.. Belgium, at the beginning of 1991. According to the AA, the disposals of fixed assets were shown at their historical acquisition cost.

Disposals of tangible assets include sales of land built up as well as the sale of the real estate once operated by Leca. The major part of the participation disposals concerned the contribution of Wienerberger Immobilien Ges.m.b.H. & Co. OHG to Wienerberger Immobilien AG; this disposal was offset by a corresponding addition to participations. Other additions worth mentioning are the increase in our holding in Treibacher Chemische

Werke AG, the establishment of Wienerberger Rohr- und Umwelttechnik Ges.m.b.H., and the acquisition of "ALWA" Guter- und Vermbgensverwaltungs-AG and Pannonpipe Kunststoffindustrie Kft.

As at balance-sheet date we held an interest in the following domestic and foreign companies:

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Company	Share capital	Percentage share in **the** share capital		Net worth"	Result 1989
	in ,000 AS	in ,000 AS	%	in ,000 AS	in ,000 AS
In Austria :					
Wienerberger Ziegelindustrie Ges.m.b.H., Vienna	250.000	250,000	100.0	619,318[2]'	
Wienerberger Rohr- und Umwelttechnik Ges.m.b.H.	100,000	100,000	100.0	99,823[2]	+ 1,369
Wienerberger Steinzeug Ges.m.b.H., Vienna	25,000	25,000	100.0	35,950[2)]	—
PIPELIFE Rohrsysteme Ges.m.b.H., Wr. Neudorf	60,000	29,700	49.5	84,668	+25,016
PIPELIFE International Holding Ges.m.b.H.. Wr. Neudorf	4,000	2,000	50.0	7,619	- 381

Company	Share capital	Percentage share in the share capital		Net worth[1]	Result 1989
	in ,000 AS	in ,000 AS	%	in ,000 AS	in ,000 AS
Treibacher Chemische Werke AG, Treibach	300,000	150,671	50.2	709,941	+ 67,464
Osterreichische Armaturen Ges.m.b.H., Vienna	160.000	80,005	50.1	249,998	+ 41,376
Wienerberger Ofenkachel Ges.m.b.H., Vienna	5.000	5,000	100.0	11,940[2]	—
GMA Glasformen Ges.m.b.H., Koflach	500	500	100.0	2,473[5]	—
Wienerberger Beteiligungs-Verwalt. Ges.m.b.H., Vienna	275,000	275.000	100.0	417,616	+ 3,951
Wienerberger Immobilien AG, Vienna	320,000	190.125	59.4	427,280""	—
Wienerberger Gesellschaft fur Feuerungstechnik Ges.m.b.H., Vienna	25,000	25,000	100.0	33.697	+ 6.383
Mineralstoff-Verwertungs-Ges.m.b.H., Vienna	50,000	50,000	100.0	40,277	- 8.361
WIPARK Garagen Ges.m.b.H., Vienna	500	500	100.0	500	
Garage am Beethovenplatz Ges.m.b.H., Vienna	600	240	40.0	668	**+ 68**
Garage am Beethovenplatz Ges.m.b.H. & Co. KG, Vienna	4,291	1,705	40.0	7,323	- 1,720

Company	Share capital	Percentage share in the share capital		Net worth"	Result 1989
	in .000 AS	in ,000 AS	%	in ,000 AS	in ,000 AS
Luegerplatz Garage Ges.m.b.K, Vienna	1,500	500	33.3	1,323	- 148
Villacher Park-Garagen Ges.m.b.H. & Co. KG.	40,000	5,000	12.5	7,454	-2,817
Forstbetrieb Schopfl Ges.m.b.H., Vienna	5.000	4,950	99.0	4.595	+ 225
Forstbetrieb Scheiberhof Ges.m.b.H., Vienna	11,500	11.500	100.0	28,989	- 87
Wienerberger Versicherungs-Service Ges.m.b.H., Vienna	500	334	66.8	500[2]	-
,.ALWA"-Guter- und Vermogensverwaltungs-AG, Vienna	49,000	12,250	25.0	121,827	+ 6.371
Abroad:					
WZI-Finanz S.A., Luxembourg	in ,000 DM 12,500	in .000 DM 50	0.4	in ,000 DM 12.500[2]	
Pannonpipe Kunststoffindustrie Kft., Hungary	in ,000 HUF 1,224,000	in ,000 HUF 306,000	25.0	in ,000 HUF 1.224.000[2]	-
Wienerberger S.A., Luxembourg	in ,000 DM 30.000	in ,000 DM 30,000	100.0	in ,000 DM 47,172	in ,000 DM 17,705

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1) including untaxed reserves
2) including organisation and 1990 capital increases, respectively.

The current assets basically consisted of short-term investments and claims arising from the financing of affiliates.

Through the realisation of the authorised capital the share capital increased by AS 12.2 million to AS 292.5 million. The premium gained within the framework of this capital increase was transferred to the legal reserve in accordance with the provisions of the Articles of Association.

Another capital increase in the amount of AS 100 million was authorised at the 121st Annual General Meeting.

The untaxed reserves went up by AS 232 million to AS 707 million as a result of the full utilisation of the investment allowance of AS 18 million and the increase in the valuation reserve and the reserves pursuant to Section 12 Income Tax Act in connection with the real estate sales carried out in the year under review.

The increase in provisions by AS 26 million to AS 169 million was due to the higher provision for pensions based on the reduction of the accounting interest rate from 8% to 6% and to the strongly rising tax on net assets. The provision for old refuse dumps is included in the item of other provisions, after part of it has meanwhile been used with an amount of AS 72 million.

Liabilities receded by AS 142 million to AS 488 million. All the liabilities were short term, there was no collateral security.

Apart from the liabilities shown in the balance sheet, an amount of AS 106 million had to be evidenced as contingent liability in connection with the earlier acquisition of the Oltmanns Group in the Federal Republic of Germany. It was offset by a corresponding contingent claim.

Profit and loss account

The sales proceeds are composed of income from tenancies and leases, refuse dumps and clay deliveries. Of the amount shown, about AS 10 million related to sales to affiliates.

The other operational income emanated primarily from real estate sales effected within the framework of the real-estate sector's activities. Part of a real-estate holding was sold to the company working on the Business Park Vienna project; it will be used for construction sections A+B of this project, which is to be realised jointly with a partner firm within the framework of Wienerberger Immobilien AG. The profit from this sale, AS 182 million, was fully allocated to the reserve pursuant to Section 12 Income Tax Act.

Staff expenses totalled AS 54 million. Forty-four persons were employed on average during the year, 40 of whom were salaried employees and four were workers. The remuneration of the Managing Board amounted to AS 12,047,120. AS 2,269,423.- were paid for the pensions of former members of the Managing Board and pensions for their surviving dependants, respectively. Emoluments of the Supervisory Board totalled AS 865,000.-.

AS 29 million of the interest income, AS 26 million of the interest expenses and AS 69 million of the income from participations were accounted for by affiliates.

Untaxed reserves were released as follows: AS 12 million of the valuation reserve pursuant to Section 8 Income Tax Act 1972, AS 4 million of the valuation reserve pursuant to Section 12 Income Tax Act, and AS 1 million of the reserve pursuant to Section 10 Income Tax Act. At the same time the 1990 investment allowance as well as the profit from real-estate sales were allocated to the untaxed reserves.

Our company did not form part of any price or sales controlling association.

Profit distribution

We propose to the Annual General Meeting to pay out of the net profit of

	AS 88,076.781
a dividend of 30% on the share capital of AS 292,531,000	
	AS 87.759,300
and to carry forward the balance of	AS 317,481

Vienna, March 1991

THE MANAGING BOARD

WIENERBERGER

Report of the Supervisory Board

Report of the Supervisory Board

In its meetings the Supervisory Board performed all the tasks and duties provided by law and the Articles of Association.

The Managing Board reported regularly on the company's business trends and its situation.

The Annual Financial Statement and the Annual Report were audited by KPMG Austria Wirtschaftsprufungsgesellschaft mit beschrankter Haftung, an audit and tax consulting company of Vienna. The ultimate findings of this audit showed no cause for objection.

The Auditors have therefore attested that the Financial Statement and the Report of the Managing Board are in accordance with the legal requirements. The Supervisory Board endorses the findings of the audit.

The ultimate findings of the examination undertaken by the Supervisory Board of the Report of the Managing Board, of the Financial Statement including the proposed profit distribution, and of the conduct of business, as delivered by the Managing Board pursuant to Section 128 of the Companies Act, show no cause for objection.

The Supervisory Board has approved the Financial Statement, which is hereby considered adopted in accordance with Section 125, paragraph 3, of the Companies Act.

Guido Schmidt-Chiari
Chairman

Vienna, April 1991

Wienerberger Business Group

Consolidated Financial Statement 1990

Consolidated Balance Sheet as at December 31, 1990

Consolidated Balance Sheet as at December 31, 1990

Assets

in AS 1.000		1990		1989
Fixed Assets				
Intangible assets				
Prepaid rent	264,770		262,434	
Others	91,578	356,348	89,876	352,310
Tangible assets				
Land and buildings	1,790,793		1,144,831	
Machinery and equipment	1,209,190		670,717	
Advance payments and plants under construction	49,180	3,049,163	38,042	1,853,590
Financial assets				
Participations	276,457		239,463	
Securities and other financial assets	423,323	699,780	148,319	387,782
		4,105,291		2,593,682
Current Assets				
Inventories		1,408,332		759,397
Receivables and other assets				
Accounts receivable from the sale of goods and services	2,132,760		593,766	
Other assets	448,007	2,580,767	467,071	1.060,837
Investments and liquid funds		1,964,348		1,848,124
		5,953,447		3,668,358
Deferred items		17,238		10,790
BALANCE SHEET TOTAL		10,075,976		6,272,830

Liabilities

in AS 1.000		1990		1989
Own Resources				
Share capital		292,531		280,343
Reserves				
Capital reserves	3,307,826		2,700,752	
Profit reserves	1,512,795		928,066	
Consolidation equalisation items	-980,873	3,839,748	-636,791	2,992,027
Group profit				
Result brought forward	225		100	
Profit for the year	275,130	275,355	266,090	266.190
Adjustment item for minority shareholders		652,429		159,113
		5,060,063		3,697,673
Borrowed Funds				
Provisions and social capital		1,031,412		558,042
Amounts payable				
Due to banks	1,877.225		397,245	
Accounts payable from the purchase of goods	1,193.083		870,888	
Other liabilities	450,613	3,520,921	739,530	2,007,663
		4,552,333		2,565,705
Deferred items		463,580		9,452
BALANCE SHEET TOTAL		10,075,976		6,272,830

Consolidated Profit and Loss Account for the 1990 Business Year

Consolidated Profit and Loss Account for the 1990 Business Year

in AS 1,000		1990		1989
Net sales				
Domestic sales	5,362,716		3,899,943	
Foreign sales	3,893,950	9,256,666	785,281	4,685,224
Inventory changes and company-generated assets		47,868		78,682
Other operating income		445,498		584,371
Operating performance		9,750,032		5,348,277
Operating expenses:				
materials	-5,644,618		-2,380,641	
personnel	-1,874,140		- 895,679	
depreciation of fixed assets	- 491,583		- 361,155	
other operating expenses	-1,157,906	-9,168,247	-1,196,937	-4,834,412
Operating result		581,785		513,865
Financial result:				
result from participations	35.670		8,973	
interest result	43,838	79,508	19,159	28,132
Result from regular operations		661,293		541,997
Extraordinary result		-20,803		-69,904
Taxes on earnings		-52,370		-62,380
Surplus of the year		588,120		409,713
Result brought toward		225		100
Profit share of minority shareholders		-34,943		-21,799
Change in reserves:				
releases	237,833		70,110	
allocations	-515,880	-278,047	-191,934	-121,824
CONSOLIDATED PROFIT		275,355		266,190
CONSOLIDATED CASH-FLOW		1,044,760		749,169

According to the final result of our examination, the Consolidated Financial Statement adheres to the principles of proper accounting. The legal provisions of the Accounting Act have not yet been applied. However, due account being taken of the notes, the Consolidated Financial Statement adequately reflects the Group's assets as well as its financial and earnings situation.

Vienna, 15[1] April 1991

KPMG Austria
Wirtschaftsprufungs-Gesellschaft m.b.H.
Hruschka Hassler
Certified Public Accountants and Tax Consultants

Notes on the 1990 Consolidated Financial Statement

Introductory Statement

The 1990 Consolidated Financial Statement was drawn up on the same classification and valuation principles as the year before and is therefore unrestrictedly comparable to the 1989 Consolidated Financial Statement. As regards the consolidation regulations the Consolidated Balance Sheet is basically in line with the Accounting Act (AA), and in respect of the valuation regulations it adheres to the existing laws of the group affiliates included in the Consolidated Financial Statement. Valuation principles of the foreign companies, which deviate from the Austrian commercial law, were not considered; in all. however, the differences cannot be regarded as material.

It was still impossible to apply the new Accounting Act to the Consolidated Financial Statement in its full extent because of the differences existing between the individual annual financial statements. We therefore took advantage of the possibility, outlined in the explanatory notes on Art. X, paragraph 12, Accounting Act, to present the financial statement of the superordinate group member differently from the Consolidated Financial Statement.

Principles of consolidation

The consolidation was effected by both the simultaneous method and the successive method. The latter relates to the OAG and BRAMAC business divisions, for which separate consolidated balance sheets were made up.

The capital consolidation was made in accordance with the book-value method, stating the acquisition cost as at the purchase date. The difference between the reported net worth of the consolidated companies and the acquisition cost of the holdings (consolidation equalisation item) was offset against reserves. Intercompany sales, earnings and expenses as well as claims and liabilities were eliminated to the largest possible extent.

Exempt from the above is an income of AS 182 million, which arose from the sale of a real-estate holding used for the realisation of the Business Park Vienna project, which is executed through Wienerberger Immobilien AG jointly with a partner firm. This real property was sold on market-conforming terms which are based on an expert appraisal; the profit from the sale was fully allocated to a reserve set up pursuant to Section 12 Income Tax Act.

The balance sheet items of the foreign companies were converted at the respective mean rates of exchange quoted as at balance sheet date.

Principles of valuation and accounting

Intangible assets and tangible fixed assets were valued at the acquisition cost or cost of production, less straight-line depreciation according to schedule. Participations are evidenced at acquisition cost or the lower going-concern values - except for the associated companies which are accounted for by the equity method. Other financial assets were valued in agreement with the lower-of-cost-or-market principle. Raw and process materials as well as merchandise were valued at cost price. Semi-finished and finished goods were valued at production cost or at the lower going-concern values. The risks resulting from accounts receivable were adequately taken care of by individual or overall provisions for possible losses. The provisions for pensions were calculated on actuarial principles and are in line with the requirements of the commercial law. The provision for severance payments, as disclosed in the Austrian balance sheets, is in line with the tax rules. Other provisions were set up in adequate amounts. Liabilities were valued in accordance with the legal provisions.

The Consolidated Group

The consolidated group consists of the following domestic and foreign companies:

Company	Share capital in AS million	Percentage share
In Austria:		
Wienerberger Ziegelindustrie Ges.m.b.H.	250.0	100
Steirische Ziegelwerke Ges.m.b.H.	0.5	74
Weixelbaumer Ziegelwerk Ges.m.b.H.	0.5	100
BRAMAC Dachsteinwerk Ges.m.b.H.	40.0	50
BRAMAC International Anlagenbau und Beteiligungs-Ges.m.b.H.	60.0	50
Quarzsandwerk Ges.m.b.H.	8.5	50
BRAMAC-Domico Dach-, Wand- und Fassadensysteme Ges.m.b.H.	18.0	37.5
Wienerberger Dachziegel Ges.m.b.H.	0.5	50

WIENERBERGER

Company	Share capital in AS million	Percentage share
Wienerberger Rohr- und Umwelttechnik Ges.m.b.H.	100.0	100
Wienerberger Steinzeug Ges.m.b.H.	25.0	100
Bohr- und Rohrtechnik Ges.m.b.H.	25.0	100
PIPELIFE International Holding Ges.m.b.H.	4.0	50
PIPELIFE Rohrsysteme Ges.m.b.H.	60.0	50
Salen Vertriebsges.m.b.H.	0.5	50
Tekum Vertriebsges.m.b.H.	0.5	50
Treibacher Chemische Werke AG	300.0	50.2
Osterreichische Armaturen Ges.m.b.H.	160.0	50.1
Osterreichische Armaturen-Konti Ges.m.b.H.	67.0	50.1
Kontinentale Handelsges.m.b.H.	10.0	75
Technotrans Logistikservice Ges.m.b.H.	5.0	50.1
Unisan Handels- und Marketingservice Ges.m.b.H.	0.5	50.1
Wienerberger Ofenkachel Ges.m.b.H.	5.0	100
GMA Glasformen Ges.m.b.H.	0.5	100
Wienerberger Beteiligungsverwaltungs Ges.m.b.H.	275.0	100
Wienerberger Immobilien AG	320.0	60.9
GOMA Vermogensverwaltungsges.m.b.H.	0.5	60.9
Frank Ges.m.b.H.	0.5	60.9
WIPARK Leasing Ges.m.b.H.	100.0	100
WIPARK Garagen Ges.m.b.H.	0.5	100
Wienerberger Gesellschaft fur Feuerungstechnik Ges.m.b.H.	25.0	100
Mineralstoffverwertungs-Ges.m.b.H.	50.0	100
Forstbetrieb Scheiberhof Ges.m.b.H.	11.5	100
Forstbetrieb Schopfl Ges.m.b.H.	5.0	100

Company	Share capital in AS million	Percentage share
Abroad:		
Wienerberger Ziegelindustrie GmbH &Co.	7.5 DM	100
WZI-Finanz S.A.	12.5 DM	100
Wienerberger Ziegelindustrie Verwaltungs-GmbH	0.1 DM	100
Wienerberger Ziegelindustrie Deutschland GmbH	7.0 DM	100
Hungaria-Wienerberger Teglaipari Kft.	2,600.0 HUF	50
DUTEP-BRAMAC Kft.	511.1 HUF	27.8
VAEV-BRAMAC Kft.	339.5 HUF	25
Oltmanns Kunststoffwerk GmbH/Germany	8.2 DM	50
Oltmanns Kunststoffwerk Worms GmbH/Germany	0.5 DM	50
TIP-Rohr Ges.m.b.H.	0.1 DM	50
Oltmanns S.A./France	33.9 FF	50
Wienerberger Beteiligungs-verwaltungs-GmbH/Germany	5.0 DM	100
Wienerberger S.A./Luxembourg	30.0 DM	100

The following domestic and foreign companies were accounted for by the equity method:

Company	Share capital in AS million	Percentage share
In Austria:		
Garage am Beethovenplatz Ges.m.b.H. & Co. KG	4.3 AS	40
„ALWA" Guter- und Vermdgensverwaltungs-AG	49.0 AS	25
Abroad:		
DUNA-BRAMAC Kft.	202.0 HUF	15
France Tube S.A.	2.3 FF	22.5
Pannonpipe Kunststoffindustrie Kft.	1,224.0 HUF	25

Structure of the balance sheet

The increase in the balance sheet total by AS 3.803 million to AS 10,076 million was due mainly to the extension of the consolidation group by Treibacher Chemische Werke AG. On the assets side the balance sheet structure remained virtually unchanged as compared with the previous year: fixed assets accounted for 41 % and current assets for 59%. The disproportionately inflated accounts receivable from the sales of goods and services contains one consignment item which will be duly settled by the customer according to contract. This claim was financed by a bank loan with the same maturity.

The share of the net worth, AS 5,060 million, amounted to 50% of the total capital, as against 59% in the year before. It should be noted that the untaxed profit reserves contain no dormant tax burdens. The difference between the book values of the holdings in the consolidated and associated companies and the book value of their proportionate net worth was deducted from the capital reserves. This consolidation equalisation item went up to AS 981 million from AS 637 million.

Earnings

The development of the earnings was affected by the first-time inclusion of Treibacher Chemische Werke AG, which recorded a perceptible sales decline and a corresponding drop in earnings in the year under review. However, owing to the excellent results achieved in the traditional areas it was possible to show another improvement of the overall result.

The consolidated cash flow, comprising the consolidated profit, the allocations to reserves and the depreciation of fixed assets, rose to AS 1,045 million from AS 749 million. In this connection it must be noted that income from plants under construction and acquired holdings will accrue only with a time lag in subsequent accounting periods.

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