PETRUSADVISERS

Regina Prehofer, Chairwoman, Wienerberger AG
Wienerbergerstrasse 11, A-1100 Wien
cc: David Davies (Deputy Chairman), Dr. Heimo Scheuch (CEO)

London, 19 April 2018

Dear Ms Prehofer,

We have been discussing Wienerberger's substantial improvement potential since November 2017. We value the strong market position enjoyed by many of its businesses and the refocussing the business underwent in 2009. Equally, we appreciate the opportunities the company has in terms of growth, cost discipline and innovation that, if captured, will allow Wienerberger to further develop its position as a leading independent European supplier of construction materials.

However, we believe three things are lacking: a more dynamic strategy, disciplined execution and, most of all, more demanding management targets. Despite the company's enormous potential, shareholders who bought stock in the 2007 equity issuance at €45 per share stand little chance of recouping their investment.

We see the greatest improvement potential in the Wall and Pipes businesses. The EBITDA margin in Wall in 2016 was nearly 700bp lower than at key peer Xella[1]. Growth and cash conversion were equally lagging. In Pipes, the EBITDA margin was historically 200-400bp lower than peers (Aliaxis, Uponor, Georg Fischer and Tessenderlo) and had comparatively weaker growth and cash conversion. Your Management team explains this as a combination of geographic footprint, a high share of commodity products and the missed opportunity to develop a substantial accessories business. As your CFO and CEO have been in their roles for 11 and 8.5 years, respectively, and have served on the Management/Supervisory Board since 2001, these excuses are unconvincing. The reality is that competitors have in recent years focused more ambitiously on cost and grown their operations more effectively.

In December 2017, the contracts of Messrs Scheuch and van Riet were extended by 5 and 4 years, respectively. This was done without a selection process, as would be standard practice. At the same time, management have routinely achieved 100% of their bonus targets suggesting these targets are set too low. Against this background we demand the existing improvement potential be analysed and quantified in a transparent fashion with external support and the full involvement of the Supervisory Board.

To support Wienerberger on its improvement path, we propose the following independent candidates for the 14 June 2018 Supervisory Board elections. As both enjoy the support of some of your largest shareholders, we expect you too shall support them:

Pierre-Marie De Leener: as the former CEO of SigmaKalon as well as former Chairman of Braas Monier, a leading European producer of roof tiles, Mr De Leener has a wealth of highly relevant industry expertise including the planning and execution of operational improvement programmes.

Jan Buck-Emden: as former CEO of Xella and current CEO of hagebau, one of Europe's largest construction material dealer, Mr Buck-Emden will add expertise in product development, marketing and distribution critical to Wienerberger's development.

A company so drastically lagging peers does not have a viable future. Closing the performance gap requires the right people and targets driven by the best efforts of the supervisory and management boards. We believe the candidates we support will help Wienerberger achieve these goals and take its rightful place as the leading company in the market.

Yours sincerely

Klaus Umek
Managing Partner

Till Hufnagel
Partner

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[1] *Gap to Q3 LTM adj. EBITDA margin of Xella's building materials division. Figures for Xella adjusted for non-recurring items (mainly restructuring costs). Revenue base excludes discontinued operations. Q3 16 LTM figures used for 2016 as no FY 2016 and/or FY 2017 data publicly available.*