

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

London, 7 May 2018

Dear Ms Prehofer

We herewith confirm receipt of your letter dated 7 May 2018 in response to our letter to you dated 19 April 2018. We equally confirm various discussions with the CEO and certain members of the supervisory board we held during the past six months.

Unfortunately, those discussions did not address our concern that Wienerberger does not perform to its fullest potential. Management has spent significant time explaining to us why better-run peers cannot be benchmarked against Wienerberger. The CEO explained that the Pipes business was not comparable to competitors such as Georg Fischer, Tessengerlo and Aliaxis due to its more commoditised product portfolio. We cannot help but read it as an admission of guilt given that he has been serving on the management board since 2001 and therefore had plenty of time to shift Wienerberger's portfolio towards value-added products.

In respect of personnel decisions your letter confirms what we have criticized: You have prolonged the contracts of Messrs Scheuch and van Riet without considering other candidates. As experienced international investors we view this as problematic, especially in light of the long-standing management board membership of both gentlemen. We are not aware of any comparable precedent. And it is hard to believe that a leadership team with such long tenure can evaluate and execute meaningful self-renewing measures without the help of unbiased and external support.

Furthermore, we would ask you to explain why for the purpose of nominating candidates for the June 2018 elections to the supervisory board you have now worked out a 'detailed qualifications profile for long-term appointments at Managing Board and Supervisory Board level with support of professional consultants'? This is particularly surprising given that in December 2017 and without considering any other candidates you committed the company to Messrs Scheuch and van Riet until 2023 and 2022, respectively!

We therefore repeat our demands to you, the Chairwoman:

- (1) **Completion of an analysis of improvement potential with the help of independent external consultants:**
We estimate substantial profit improvement potential of tens of millions of Euros. The management board has worked in their roles for a very long time and will not be able to see the potential themselves. Hence an externally led analysis appears imperative.
- (2) **Nomination of Messrs De Leener and Buck-Emden as candidates for the supervisory board in June 2018:**
We are convinced that the profile of the proposed independent candidates will suit Wienerberger's growth and improvement path. We therefore expect that you propose them yourself. Furthermore, we shall look closely at when and how you might start and complete any potential selection process. In particular, we reserve the right to seek damages from the supervisory board should such process be kick-started only after receipt of our letter and / or should you not have received the backing from other large shareholders for such process.

Yours sincerely,



Klaus Umek
Managing Partner



Till Hufnagel
Partner

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