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GALILEO BRICK LIMITED

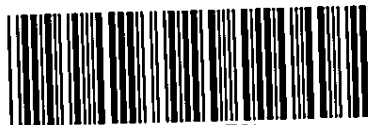
DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

THURSDAY



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COMPANIES HOUSE

GALILEO BRICK LIMITED

DIRECTORS

**H SCHEUCH
H A SCHWARZMAYR
B J KOEKOEK
P STEVENSON**

SECRETARY

K S FEW

REGISTERED NO 4358273

REGISTERED OFFICE

**WIENERBERGER HOUSE
BROOKS DRIVE
CHEADLE ROYAL BUSINESS PARK
CHEADLE
CHESHIRE
SK8 3SA**

AUDITORS

KPMG LLP

GALILEO BRICK LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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GALILEO BRICK LIMITED

DIRECTORS' REPORT

The directors present their Directors' report and the financial statements for the year ended 31 December 2007

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of an investment company

In December 2007 the Directors began the process of liquidating some of the companies within the group

As part of this process the company obtained 99.9% ownership of the shares of Chelwood Group Unlimited

RESULTS AND DIVIDENDS

The company's loss after taxation on ordinary activities for the year was £6,086,000 (2006 loss £1,923,000)

Dividends of £nil (2006 £nil) were paid in the year

DIRECTORS DURING THE YEAR

H Scheuch

B J Koekoek

H Schwarzmayer

P Stevenson *Appointed 1 August 2008*

W J M Van Riet *Resigned 17 October 2007*

J A Jackson *Resigned 17 October 2007*

P C Furr *Resigned 17 October 2007*

S W Redfern *Resigned 17 October 2007*

D A Simpson *Resigned 17 October 2007*

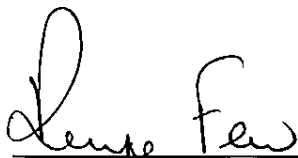
DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware there is no relevant audit information of which the company's auditors are unaware and each director has taken steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



K S FEW
SECRETARY

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTOR'S REPORT
AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material
- departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Galileo Brick Limited

We have audited the financial statements of Galileo Brick Limited for the year ended 31 December 2007 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members as a body in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

GALILEO BRICK LIMITED

Independent auditors' report to the members of Galileo Brick Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

24/10/08

KPMG LLP

Chartered Accountants

Registered Auditor

GALILEO BRICK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<i>NOTE</i>	Year Ended 31 December 2007 £000	Year Ended 31 December 2006 £000
Impairment of investments	7	(4,338)	(747)
Interest receivable	4	39	27
Interest payable and similar charges	5	(1,417)	(1,223)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2-5	(5,716)	(1,943)
Taxation	6	(370)	20
LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS		<u>(6,086)</u>	<u>(1,923)</u>

There are no other gains and losses other than those presented above and therefore no Statement of Total Recognised Gains and Losses has been presented

GALILEO BRICK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	NOTE	2007 £000	2006 £000
FIXED ASSETS			
Investments	7	37,570	23,400
CURRENT ASSETS			
Debtors due in less than one year	8	53	1,163
CREDITORS Amounts falling due within one year	9	<u>(434)</u>	<u>(437)</u>
NET CURRENT (LIABILITIES)/ ASSETS		(381)	726
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>37,189</u>	<u>24,126</u>
CREDITORS: Amounts falling due after more than one year	10	<u>(38,200)</u>	<u>(19,051)</u>
NET (LIABILITIES)/ ASSETS		<u><u>(1,011)</u></u>	<u><u>5,075</u></u>
CAPITAL AND RESERVES			
Called-up share capital	11	2,000	2,000
Profit and loss account	13	<u>(3,011)</u>	<u>3,075</u>
EQUITY SHAREHOLDERS' (DEFICIT)/ FUNDS	14	<u><u>(1,011)</u></u>	<u><u>5,075</u></u>

These financial statements were approved by the board on 26 October 2008 and were signed on its behalf by



(H A SCHWARZMAYR) DIRECTOR

GALILEO BRICK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements,

Basis of preparation

The financial statements are prepared on the historical cost basis of accounting in accordance with applicable accounting standards. The financial statements have been prepared on a going concern basis.

The directors have considered the requirement to prepare the accounts on a going concern basis and believe it is appropriate to do so on the basis that they have received formal confirmation from the Directors of Wienerberger Limited that they will not require any intercompany indebtedness to be repaid within a period of 12 months from the date of signing these financial statements.

Investments in subsidiary companies

Investments in subsidiary companies are stated at cost less provision for any impairment in value.

Deferred taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not yet reversed by the balance sheet date, except as otherwise required by FRS 17.

Cashflow

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Consolidation

As permitted by section 228 of the Companies Act 1985, no group financial statements have been prepared as the company is a wholly owned subsidiary undertaking of Wienerberger AG, which has drawn up group financial statements.

Related Party Transactions

The directors have taken advantage of the exemptions from the disclosures of related party transactions with the other group companies as permitted by paragraph 3 of Financial Reporting Standards 8 - "Related Party Disclosures".

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

GALILEO BRICK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

2 DIRECTORS' EMOLUMENTS AND EMPLOYEES

No amounts were paid for the services of directors during the year (2006 £nil) The company had no employees in the year (2006 none)

3 OPERATING LOSS

	Year ended 31 December 2007 £000	Year ended 31 December 2006 £000
<i>Operating loss is stated after charging</i>		

Auditors' remuneration	-	-
Other payments made to auditors for non audit services	-	-

Auditor remuneration has been paid by other group companies

4 INTEREST RECEIVABLE

	Year ended 31 December 2007 £000	Year ended 31 December 2006 £000
Interest receivable from group undertakings	39	27

5 INTEREST PAYABLE

	Year ended 31 December 2007 £000	Year ended 31 December 2006 £000
Interest payable to group undertakings	1,417	1,223

6 TAXATION CHARGE

	Year ended 31 December 2007 £000	Year ended 31 December 2006 £000
<i>Current tax</i>		
Current period tax charge	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	345	(20)
Change in tax rates or laws	25	-
Total deferred tax	370	(20)
Taxation charge	370	(20)

GALILEO BRICK LIMITED
NOTES TO THE FINANCIAL STATEMENTS - Continued

6 TAXATION CHARGE

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2006 lower) to the standard rate of corporation tax in the UK 30% (2006 30%)
The difference is explained below

Current tax reconciliation

Loss on ordinary activities before tax	(5,716)	(1,943)
Current tax at 30% (2006 30%)	(1,715)	(583)
<i>Effects of</i>		
Income not taxable and expenses not deductible	1,302	224
Capital allowances for period in excess of depreciation	-	20
Group relief claimed	413	339
Total current tax charge	-	-

7 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

**Investments in group
undertakings**

<i>Cost</i>	£000
At 31 December 2006	24,147
Transfer from Group Company	18,508
At 31 December 2007	42,655
<i>Impairment</i>	
At 31 December 2006	(747)
Impairment in the year	(4,338)
At 31 December 2007	(5,085)
<i>Net book value at</i>	
At 31 December 2006	23,400
At 31 December 2007	37,570

The company owns the entire share capital of the following subsidiaries

<i>Company</i>	<i>Business</i>	<i>Ordinary share capital owned by the company</i>
Galileo Block Limited	Non-trading	100 0%
Galileo Block 2 Limited	Non-trading	100 0%
Galileo Trustee Limited	Non-trading	100 0%

All subsidiary undertakings are registered in England and Wales

8 DEBTORS

31 December 2007 £000	31 December 2006 £000
<i>Amounts falling due within one year</i>	
Other debtors	53
Deferred tax (see note 12)	370
Amounts owed by subsidiary companies	740
53	1,163

Amounts owed by the subsidiary company bear interest at LIBOR plus 2% and is repayable on demand

GALILEO BRICK LIMITED
NOTES TO THE FINANCIAL STATEMENTS - Continued

9 CREDITORS - Amounts falling due within one year:	31 December 2007 £000	31 December 2006 £000
Other creditors	434	437
	<u>434</u>	<u>437</u>

10 CREDITORS - Amounts falling due after more than one year

	31 December 2007 £000	31 December 2006 £000
<i>Amounts due > 5 years</i>		
Amounts owed to parent company	2,548	2,378
Amounts owed to subsidiary company	35,652	16,673
	<u>38,200</u>	<u>19,051</u>

Amounts owed to parent and subsidiary companies bear interest at Libor plus 2%

11 CALLED-UP SHARE CAPITAL

	31 December 2007 £000	31 December 2006 £000
<i>Authorised.</i>		
9,560,000 "A" Ordinary shares of 10p each	956	956
440,000 "B" Ordinary shares of 10p each	44	44
10,000,000 Deferred shares of 10p each	<u>1,000</u>	<u>1,000</u>
	<u>2,000</u>	<u>2,000</u>
<i>Allotted, called-up and fully paid</i>		
9,560,000 "A" Ordinary shares of 10p each	956	956
440,000 "B" Ordinary shares of 10p each	44	44
10,000,000 Deferred shares of 10p each	<u>1,000</u>	<u>1,000</u>
	<u>2,000</u>	<u>2,000</u>

The shares of the company have the following rights -

"A" ORDINARY SHARES

Dividends

"A" ordinary share holders are entitled to receive 91 4% of dividends declared from distributable profits

Voting

Each "A" ordinary shareholder is entitled to one vote for every share held

Conversion

Conversion on a one to one basis into ordinary shares is to take place in the event of -

- 1) Admission of the company to the London Stock Exchange, or
- 2) The whole of the issued ordinary shares and "A" ordinary shares are sold to a single purchaser, or
- 3) A members' voluntary winding up

Winding Up

In the event of a winding up the "A" ordinary shares rank alongside the ordinary shares in any distribution of company assets to the total value of subscription price

Further, in the event of surplus assets remaining after repayment of all subscription capital, dividend arrears and interest thereon "A" ordinary shares shall receive a proportion of such surplus pari passu with ordinary shares

GALILEO BRICK LIMITED
NOTES TO THE FINANCIAL STATEMENTS - Continued

CALLED-UP SHARE CAPITAL

"B"ORDINARY SHARES

Dividends

Ordinary shareholders are entitled to receive 8 6% of dividends declared from distributable profits

Voting

Each ordinary shareholder is entitled to one vote for every share held

Winding Up

In the event of a winding up the Ordinary shares rank alongside the "A" ordinary shares in any distribution of company assets to the total value of subscription price

Further, in the event of surplus assets remaining after repayment of all subscription capital, dividend arrears and interest thereon ordinary shares shall receive a proportion of such surplus pari passu with "A" ordinary shares

12 DEFERRED TAXATION	31 December 2007 £000	31 December 2006 £000
<i>The following deferred tax asset has been recognised</i>		
At the beginning of year	(370)	(350)
Movement in year	<u>370</u>	<u>(20)</u>
At end of the year	<u>-</u>	<u>(370)</u>
<i>The deferred tax asset comprised</i>		
Short term timing differences	<u>-</u>	<u>(370)</u>

13 RESERVES

	Profit and Loss account £000
At 31 December 2006	3,075
Loss for the financial year	(6,086)
At 31 December 2007	<u>(3,011)</u>

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' (DEFECIT) /FUNDS

	31 December 2007 £000	31 December 2006 £000
Loss for the financial year	<u>(6,086)</u>	<u>(1,923)</u>
Net decrease in shareholders' funds	(6,086)	(1,923)
Opening shareholders' funds	5,075	6,998
Closing shareholders' (deficit)/ funds	<u>(1,011)</u>	<u>5,075</u>

15 ULTIMATE PARENT UNDERTAKING

The directors' consider the ultimate parent company to be Wienerberger AG, which is the only undertaking that prepares group accounts including the financial statements of the company

The consolidated group accounts are available from, Wienerberger AG, Wienerbergerstrasse 11, A-1100 Wien, Wienerberg City, Austria