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GALILEO BRICK LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2004



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28/10/2005

GALILEO BRICK LIMITED

DIRECTORS

W J M VAN RIET
H SCHEUCH
J A JACKSON
H SCHWARZMAYR
P FURR
S W REDFERN
DA SIMPSON
W RICHARDS
H S J LINTON

SECRETARY

W. RICHARDS

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 PERIOD ENDED 31 DECEMBER 2004**

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GALILEO BRICK LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the group financial statements for the nine months ended 31 December 2004.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of an investment company. The principal activity of the subsidiary companies is the production, sale and transportation of facings and common bricks for the home market.

RESULTS AND DIVIDENDS

On the 24th September 2004 the shares of the ultimate parent company Galileo Brick Limited were purchased by Wienerberger NV, a subsidiary of Wienerberger AG. Subsequently, on the 1st January 2005 the shares in Galileo Brick Limited were transferred to Wienerberger Limited, a fellow subsidiary of Wienerberger NV. At 31 December 2004, the director considers Wienerberger NV be the parent company and Wienerberger AG to be the ultimate parent company. Consequently the company is no longer producing Group accounts as permitted by section 228 of the Companies Act 1985.

The company's profit after taxation on ordinary activities for the period was £7,255,000 (*year ending 31 March 2004: loss of £944,000*)

The retained profit for the period of £6,163,000 (*year ending 31 March 2004: loss of £944,000*) has been taken to reserves.

DIRECTORS DURING THE YEAR

	<i>Appointed</i>	<i>Resigned</i>
W J M Van Riet	24-Sep-04	
H Scheuch	24-Sep-04	
J A Jackson	22-Apr-05	
H Schwarzmayr	01-Jun-05	
N S J Linton	29-Nov-04	
P J Margrave		25-Apr-05
J G G Clarke		24-Sep-04
P Heberling		24-Sep-04
G M Hannides		22-Apr-05
F E M Lee		24-Sep-04
I McGillivray		24-Sep-04
P C Furr		
S W Redfern		
D A Simpson		
W Richards		

Directors' interests in the shares of the company at the period end were as follow:-

	31 December 2004	31 March 2004
	No of 10p Ordinary Shares	No of 10p Ordinary Shares
P J Margrave	-	500,000
G Hannides	-	250,000
P C Furr	-	200,000
D A Simpson	-	200,000
W Richards	-	150,000
S W Redfern	-	100,000
M B Dearden	-	100,000

GALILEO BRICK LIMITED

REPORT OF THE DIRECTORS - Continued
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to :

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * 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 which disclose, with reasonable accuracy at any time, the financial position of the company, and enable them to ensure that the 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.

AUDITORS

During the year PricewaterhouseCoopers LLP resigned as auditors and KPMG LLP were appointed by the directors. A resolution concerning the appointment of KPMG LLP as auditors to the company will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD


W. RICHARDS
SECRETARY

26/10/05



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

Report of the independent auditors to the members of Galileo Brick Ltd

We have audited the financial statements on pages 4 to 11.

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 are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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, if 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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP

Chartered Accountants
Registered Auditor

27 October 2005

GALILEO BRICK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED 31 DECEMBER 2004**

	NOTE	9 Months Ended 31 December 2004 £000	12 Months Ended 31 March 2004 £000
Administrative expenses		(67)	(158)
OPERATING LOSS	3	(67)	(158)
Interest receivable	4	2,034	2,453
Interest payable and similar charges	4	(4,058)	(3,735)
Dividends receivable		10,169	204
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,078	(1,236)
Taxation	7	(823)	292
PROFIT / (LOSS) ATTRIBUTABLE TO EQUITY SHAREHOLDERS	13	7,255	(944)
Dividends paid	5	(1,092)	-
RETAINED PROFIT / (LOSS)	14	6,163	(944)

All turnover and profit on ordinary activities relate to continuing operations.

There is no difference between the profit for the period as reported above and that calculated on an unmodified historical cost basis.

The notes on pages 6 to 11 form part of these financial statements

GALILEO BRICK LIMITED


BALANCE SHEET AS AT 31 DECEMBER 2004

	NOTE	31 December 2004 £000	31 March 2004 £000
FIXED ASSETS			
Investments	6	24,147	50,747
CURRENT ASSETS			
Debtors due in less than one year	8	10,619	1,465
Debtors due in more than one year	8	71,020	-
CREDITORS: Amounts falling due within one year	9	(36,710)	(313)
NET CURRENT ASSETS		<u>44,929</u>	<u>1,152</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>69,076</u>	<u>51,899</u>
CREDITORS: Amounts falling due after more than one year	10	(63,237)	(52,253)
NET ASSETS/ (LIABILITIES)		<u><u>5,839</u></u>	<u><u>(354)</u></u>
CAPITAL AND RESERVES			
Called-up share capital	12	2,000	1,970
Profit and loss account	13	3,839	(2,324)
EQUITY SHAREHOLDERS' FUNDS	14	<u><u>5,839</u></u>	<u><u>(354)</u></u>

The notes on pages 6 to 11 form part of these financial statements

Theses financial statements were approved by the board on 20/10/05 and signed on its behalf by:


(W J M VAN REIT) DIRECTOR


(W RICHARDS) SECRETARY

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are prepared on a going concern basis.

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 period and takes in to 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

As the company is a wholly owned subsidiary of Wienerberger AG, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Wienerberger AG within which this company is included, can be obtained from the address given in note 15.

2 DIRECTORS' EMOLUMENTS AND EMPLOYEES

No amounts were paid for the services of directors during the period (*year ending 31 March 2004 £nil*). The company had no employees in the period (*year ending 31 March 2004 : none*)

GALILEO BRICK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

3	OPERATING PROFIT/ (LOSS)	9 Months Ended	12 Months Ended
		31 December	31 March
		2004	2004
	<i>Operating profit/ (loss) is stated after charging</i>	£000	£000
	Auditors' remuneration	5	10
	Other payments made to auditors for non audit services	62	283
4 INTEREST PAYABLE AND SIMILAR CHARGES		9 Months Ended	12 Months Ended
		31 December	31 March
		2004	2004
		£000	£000
	Interest payable to group undertakings	1,377	-
	Interest payable on bank loans and overdrafts	1,168	-
	Interest accrued on deep discount bond	1,194	3,369
	Amortisation of financing costs	296	152
	Write off of deferred financing costs	23	214
		4,058	3,735
INTEREST RECEIVABLE			
	Interest receivable from group undertakings	2,034	2,453
5	DIVIDENDS PAYABLE	9 Months Ended	12 Months Ended
		31 December	31 March
		2004	2004
		£000	£000
	Interim dividend paid	(1,092)	-
6	INVESTMENT IN SUBSIDIARY UNDERTAKINGS	31 December	31 March
		2004	2004
		£000	£000
	Shares in subsidiary undertakings	24,147	25,596
	Loans to subsidiary undertakings	-	25,151
		24,147	50,747

The company owns the entire share capital of the following subsidiaries

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

All subsidiary undertakings are registered in England and Wales and operate principally in Great Britain.

NOTES TO THE FINANCIAL STATEMENTS - Continued

7 TAXATION CHARGE/ (CREDIT)	9 Months Ended 31 December 2004 £000	12 Months Ended 31 March 2004 £000
<i>Current Tax</i>		
UK corporation tax at 30%	-	-
Adjustments in respect of prior periods	<u>70</u>	<u>-</u>
Total Current tax	70	-
<i>Deferred Tax</i>		
Origination and reversal of timing differences	<u>753</u>	<u>(292)</u>
Total Deferred Tax	753	(292)
Taxation charge/ (credit)	<u><u>823</u></u>	<u><u>(292)</u></u>

Factors affecting the tax charge/ (credit) for the current period

The current tax charge for the period is different to the standard rate of corporation tax in the UK. The difference is explained below:

Current tax reconciliation

Profit on ordinary activities before tax	<u>8,078</u>	<u>(1,236)</u>
Current tax at 30% (2004:30%)	2,423	(371)
<i>Effects of:</i>		
Income not taxable and expenses not deductible	(1,925)	-
Capital allowances for period in excess of depreciation	(660)	372
Losses	(70)	-
Group Relief claimed	232	(1)
Total current tax charge	<u><u>-</u></u>	<u><u>-</u></u>

8 DEBTORS	31 December 2004 £000	31 March 2004 £000
Amounts falling due within one year:		
Deferred tax asset (Note 14)	-	753
Other debtors	54	319
Dividends receivable	<u>10,565</u>	<u>393</u>
	<u><u>10,619</u></u>	<u><u>1,465</u></u>
Amounts falling due after one year		
Amounts owed by subsidiary undertakings	<u><u>71,020</u></u>	<u><u>-</u></u>

Amounts owed by the subsidiary company bear interest at base rate plus 1%. The interest rate is linked to LIBOR and is repayable on demand.

9 CREDITORS	31 December 2004 £000	31 March 2004 £000
Amounts falling due within one year:		
Other creditors	439	313
Amounts owed to subsidiary companies	<u>36,271</u>	<u>-</u>
	<u><u>36,710</u></u>	<u><u>313</u></u>

Amounts owed by the subsidiary company bear interest at base rate plus 1%. The interest rate is linked to LIBOR and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - Continued

10 CREDITORS	31 December 2004 £000	31 March 2004 £000
<i>Amounts falling due after more than one year:</i>		
Amounts owed to parent companies	63,237	-
Deep discount bond	-	25,025
Amounts owed to subsidiary companies	-	27,228
	<u>63,237</u>	<u>52,253</u>

During the year, and after taking advice, the company restructured the inter-group financing in order to manage the financing of the group more efficiently.

11 DEFERRED TAXATION	31 December 2004 £000	31 March 2004 £000
<i>The following deferred tax asset has been recognised.</i>		
At the beginning of period	(753)	(461)
Movement in period	753	(292)
	<u>-</u>	<u>(753)</u>
<i>At end of the period</i>		
	<u>-</u>	<u>(753)</u>
<i>The deferred tax provision comprised:</i>		
Losses	-	(753)

12 CALLED-UP SHARE CAPITAL	31 December 2004 £000	31 March 2004 £000
<i>Authorised:</i>		
18,000,000 "A" Ordinary shares of 10p each	1,800	1,800
2,000,000 Ordinary shares of 10p each	200	200
	<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	1,800	1,800
10,000,000 Ordinary shares of 10p each	200	170
	<u>2,000</u>	<u>1,970</u>

On 24th September 2004 Galileo Brick Limited was sold to Wienerberger NV, a subsidiary of Wienerberger AG. As part of the sale and as per the Articles of Association certain classes of shares converted in to ordinary and deferred shares as above

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.

GALILEO BRICK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

"A" ORDINARY SHARES continued

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.

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.

13 RESERVES

	Profit and Loss £'000
At 31 March 2004	(2,324)
Profit for the financial period	6,163
Share Issue	-
At 31 December 2004	<u>3,839</u>

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

	9 Months Ended 31 December 2004 £000	12 Months Ended 31 March 2004 £000
Profit/ (loss) for the financial period	7,255	(944)
Dividends paid	(1,092)	-
	<u>6,163</u>	<u>(944)</u>
Shares issued	30	-
Net increase in shareholders' funds for the period	<u>6,193</u>	<u>(944)</u>
Opening shareholders' (deficit)/ funds	(354)	590
Closing shareholders' funds	<u>5,839</u>	<u>(354)</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

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.

16 CONTINGENT LIABILITIES

The company has no contingent liabilities in the current year. In the prior year the company under the terms of a cross guarantee was liable in respect of the bank borrowings of the group. The maximum liability was £55m.