

Rába Nyrt. Flash Report for the 1st 6 months of 2006

Unaudited, consolidated flash report in consideration of the assessment principles of the International Accounting Standards (IFRS)

Company:	Rába Járműipari Holding Nyilvánosan Működő Részvénytársaság
Company address:	H-9027 Győr, Martin út 1.
Sector:	Machine industry
Period:	1st 6 months of 2006
Telephone	36-96-624-470
Telefax:	36-96-624-006
E-mail:	adam.steszli@raba.hu
Investors' contact:	Ádám Steszli

Short summary

During the 1st 6 months of 2006 the Rába Group continued to increase the sale of products, generating a consolidated sales revenue of HUF 25.1 billion, an increase of 9.4% over the same figure of 2005.

The positive operating profit of the group achieved in Q1 of 2006 further improved and thus the operating profit during the 1st 6 months of 2006 was a profit of HUF 305 million.

The quarterly operating profit has shown an improving trend: in Q1 of 2005: HUF –983 million, Q2: HUF –535 million, Q3: HUF –369 million, Q4: HUF –89 million, to be followed by HUF +22 million of profit during Q1 of 2006 and HUF +283 million in Q2.

The cash flow positions of the group have continued to improve, on the level of EBITDA the result of the Rába group amounted to HUF 661 million during Q1 and to HUF 943 million in Q2.

The mandatory revaluation upon closing has resulted in an instantaneous but considerable negative effect on the net result of the company. Of this the effect of the revaluation of loans, accounts payable and accounts receivable was HUF -928 million, the rewrite of the open forward deals of the previous year amounted to HUF +1,357 million and the effect of the open forward transaction was HUF -2,031 million.

As a result, the financial profit is HUF -1,187 million, which contains a HUF +749 million profit realised on simple forward transactions.

The substantial sales revenue was achieved by RÁBA with a declining (by 244 people compared to the base period) headcount within the Rába Group, which at the end of the period was 2,951.

Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Futómű Kft. during the 1st 6 months of 2006 amounted to HUF 16.3 billion after HUF 15 billion achieved during 1-6 of 2005. This amounts to an increase of 8.6%.

Of the markets of strategic importance, the growth trend continued on the European (growth of 2 per cent) and the CIS (growth: 131 per cent) markets in line with the strategy adopted, while the sales on the US market (decline of 22 per cent) were fundamentally influenced by the decline in the size of the market and the market loss of one of our significant customers.

During Q2 of 2006, Rába Axle Ltd. signed two additional substantial supply agreements with its Russian partners and increased the annual revenue expectations regarding the CIS markets to EUR 20 million.

As a result of the efficiency improvement measures implemented last year and this year, the profitability of the Axle Business has improved substantially.

The result from operations amounted to a profit of HUF 1,715 million during the quarter, of which, however, an extraordinary revenue of HUF 1,800 is a loan written of by the parent company, which was necessary to satisfy the statutory requirements of capital adequacy. Thus the operating result declined to HUF -85 million.

On the level of EBITDA, the result of the Axle Business during 1-6 of 2006 is HUF +672 million.

Rába Járműipari Alkatrészgyártó Kft (Component Ltd.)

The sales revenue of the Component Business of Rába amounted to HUF 5.9 billion during the 1st 6 months of 2006. The comparable sales revenue from the ordinary business shows a slight increase. As has been reported earlier, in accordance with the medium-term strategy of the company, the Győr plant was integrated into the Vehicle Business during the second half of 2005.

The result from operations during the 1st 6 months of 2006 amounted to a profit of HUF 342 million, of which, however, an extraordinary revenue of HUF 200 million is a loan written of by the parent company, which was necessary to satisfy the statutory requirements of capital adequacy. Thus the operating result was HUF +142 million, following HUF -147 million during 1-6 of 2005.

On the level of EBITDA, the result of the company during 1-6 of 2006 is HUF +356 million.

Rába Jármű Kft. (Vehicle Ltd.)

In line with the agreement signed earlier, during the 1st 6 months of 2006 Rába Jármű Kft. delivered military vehicles including the related special fixtures to the Military Technology Supply Centre of the Ministry of Defence.

In addition to the family of military vehicles, the Company delivered bus and commercial vehicle chassis of different categories to its domestic and foreign partners.

The sales revenue of Rába Jármű Kft. during the 1st 6 months of 2006 amounted to HUF 3.7 billion. The operating profit was HUF +261 million, which was largely due to the efficiency improvement resulting from the synergies of the integration of the earlier Győr plant of the Rába Component Ltd. During 1-6 of 2006 the sales revenue increased by 29% from HUF 2.9 billion during the base period as a result of the increase in civilian sales, while the operating profit increased from HUF 123 million to HUF 261 million.

On the level of EBITDA, during 1-6 of 2006 the Company registered a profit of HUF 347.

The Rába Group – other data and events pertaining to the business activity

Sales revenue by business divisions

Sales revenue (HUF million)	Axle	Component	Vehicle	Rába group consolidated
Q12005	7.227	2.797	964	10.572
Q22005	7.799	3.450	1.902	12.359
Q32005	7.126	2.427	1.246	10.353
Q42005	7.940	2.609	3.977	14.048
Q12006	7.823	2.820	1.762	11.941
Q2 2006	8.500	3.063	1.944	13.135

Breakdown of operating profit of group subsidiaries within the Rába flash report

	Operating profit						
	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Year 2005	Q1 2006	Q2 2006
Axle	-830	-589	-599	-486	-2.504	-412	1.715
Axle*							-85
Components	-172	25	-60	-19	-226	29	313
Components *							113
Vehicle	9	114	61	318	502	120	141
Other	10	-85	229	98	252	285	-1.886
Total	-983	-535	-369	-89	-1.976	22	283

PK2. Companies involved in the consolidation

Company	Capital in HUF thousand	Participatio n (%)	Voting ratio ¹	Classification ²
RÁBA Futómű Kft.	9,762,800	100.00	100.00	S
RÁBA Járműipari Alkatrészgyártó Kft.	300,000	100.00	100.00	S
Rába Jármű Kft.	835,100	100.00	100.00	S
RÁBA Ipartecnika Szolgáltató Kft.	266,860	100.00	100.00	S
RÁBA Vagyonkezelő Kft.	11,000	100.00	100.00	S

¹ Voting right related to participation in the decision-making at the general meeting of the company subject to consolidation.

² Subsidiary (S); Jointly controlled (J); Affiliated (A)

PK. 4. CONSOLIDATED PROFIT AND LOSS ACCOUNT ACCORDING TO IFRS

data in HUF thousand

Item	1-6 2006	1-6 2005	Index	4-6 2006	4-6 2005	Index
Domestic sales revenues	9.103.441	8.038.046	113,3%	4.823.424	4.725.932	102,1%
Export sales revenues	15.972.606	14.893.322	107,2%	8.311.716	7.633.535	108,9%
Sales revenues	25.076.047	22.931.368	109,4%	13.135.140	12.359.467	106,3%
Direct cost of sales	19.209.128	18.627.877	103,1%	9.950.826	9.863.543	100,9%
Gross margin	5.866.919	4.303.491	136,3%	3.184.314	2.495.924	127,6%
Cost of sales	402.444	472.041	85,3%	207.210	262.036	79,1%
General and administration expenses	5.777.557	6.052.737	95,5%	2.900.144	3.126.391	92,8%
Other revenues	618.502	703.607	87,9%	205.986	357.609	57,6%
Other items related to business activities	-5.561.499	-5.821.171	195,5%	-2.901.368	-3.030.818	104,3%
Result of operation before interest payment and taxation	305.420	-1.517.680	220,1%	282.946	-534.894	252,9%
Net financial revenues/expenses	-1.187.111	-1.341.860	188,5%	-1.064.243	-710.538	50,2%
PROFIT BEFORE TAXATION	-881.691	-2.859.540	130,8%	-781.297	-1.245.432	137,3%
Corporate profit tax	-55.884	-182.498	130,6%	-136.941	-91.913	51,0%
PROFIT AFTER TAXATION	-825.807	-2.677.042	130,8%	-644.356	-1.153.519	155,9%
Profit share of minority shareholders						
NET PROFIT	-825.807	-2.677.042	130,8%	-644.356	-1.153.519	155,9%

1. SALES AND MARKET POSITIONS**1.1 Earned revenues**

During the 1st 6 months of 2006, Rába achieved HUF 25,076 million in sales revenue. 63.7 per cent of the revenues came from export (1st half of 2005: 65 per cent), the rest came from domestic sales.

EXPORT:

The sales revenue achieved on the **US market** during the 1st 6 months of 2006 amounted to USD 30.1 million (1st 6 months of 2005: USD 38.4 million). The decline of 22% is the result of the decline in the size of the market and the market loss of one of Rába's significant customers.

On the European markets, Rába's sales went up by 17.2 per cent compared to the previous year which represents sales of EUR 31.4 million.

The revenues of the Axle business amounted to EUR 24 million, and those of Components represented EUR 6.4 million of total sales.

On the *West and South European markets* revenues basically remained on the same level as that of the base period, declining from EUR 21.7 million during the base period to EUR 21 million. 71 per cent of the sales involved products of the Axle business and 25 per cent were related to the products of the Component business.

On the *CIS and Central East European markets*, during the 1st 6 months of 2006 Rába generated export sales in excess of EUR 10 million which compared to the base period

represents an increase of 100%. 88% of this sales figure is made up from axle deliveries.

During the 1st 6 months of 2006, **Asian** exports amounted to USD 2.8 million.

The domestic sales revenues of the group amounted to HUF 9.1 billion, an increase of 13.3% over 1-6 of 2005.

2. EXPENSES AND OTHER REVENUES

2.1. Direct costs

During the 1st 6 months of 2006 the direct cost level of Rába was at 76.6 per cent, versus the 81.2 % cost level characteristic for the first half of 2005.

2.2. Gross Profit

The gross profit changed from HUF 4,303 million to HUF 5,867 million, which is due to the increase in the sales revenue (+ HUF 2,145 million) and to the lesser increase in direct costs (+ HUF 581 million)

2.3. Cost of sales

The cost of sales declined by 14.7 per cent and amounted to HUF 402 million in the 1st 6 months of 2006, compared to HUF 472 million during the 1st 6 months of 2005.

2.4. General overhead and administrative expenses

Rába accounts its costs incurred in relation to the management of the company, as well as other general expenses (1st 6 months of 2006: HUF 5,220 million, 1st 6 months of 2005: HUF 5,349 million), and various expenditures outside the ordinary business operation (1st 6 months of 2006: HUF 552 million, 1st 6 months of 2005: HUF 682 million) in the P&L line of general and administrative expenditure. General overhead and administrative costs declined by 2.4%. General overhead and administrative expenses include redundancy costs, costs not directly related to production, as well as the necessary provisioning.

2.5. Other revenues

Other revenues amounted to HUF 619 million in the 1st 6 months of 2006. This amount was HUF 85 million (12 per cent) lower than that of the previous period. The change is due to the increase in the sale of tangible assets (HUF +386 million), to the decline in the release of provisions (HUF -228 million) set aside for lay-offs and repairs under guarantee and to the decline in the rewrite of receivables (HUF -267 million).

3. (“OPERATING”) PROFIT BEFORE INTEREST PAYMENT AND TAXATION

The profit of Rába before interest payment and taxation in the 1st 6 months of 2006 was HUF +305 million (1st 6 months of 2005: HUF -1,518 million). The increase in the gross profit is HUF +1,536 million, which was further improved by the decline in sales and administrative costs (HUF -345 million) and deteriorated by the decline in other revenues as outlined in section 2.5 (HUF -85 million). Profitability changed from -6.6% during the base period to +1.2%. The profitability of operating profit + depreciation increased from -1.0 per cent to +6.4 per cent.

4. FINANCIAL REVENUES AND EXPENSES

4.1. Net financial result

In the 1st 6 months of 2006, the net gain on hedging transactions amounted to HUF 749 million, the gain during 1-6 of 2005 was HUF 648 million.

Within net financial revenues, the majority of other items stem from exchange rate gains/losses of FX items, which shows a significant, albeit unrealised loss due to the exchange rate fluctuations at the end of the period.

The components of this are as follows:

The unrealised gain on the revaluation of forward transactions as at 30 June 2006 was HUF - 2,031, against the loss of HUF 7.7 million during the base period. The unrealized gain of the forward transactions of December 31st Q1 of 2005 was released during the 1st 6 months of 2006, which had a positive effect of HUF 1,357 million on the financial result (the same value resulted in a loss of HUF 1,402 million during Q1 of 2005).

The net financial result was a loss of HUF -1,187 million during the 1st 6 months of 2006. (1-6 of 2005: HUF -1,342 million). The net financial revenues consisted of the following principal items:

	30 June 2006 million HUF	30 June 2005 million HUF
Net interest	-305	-283
Net other items	-882	-1,059
Net financial revenues	-1,187	-1,342

4.2. Profit from external companies

The IFRS-based consolidated profit and loss statement of Rába contains no profit from external companies.

5. PROFIT BEFORE TAXATION AND NET PROFIT

The result before taxation was a loss of HUF 882 million in the 1st 6 months of 2006, which as a result of the factors outlined in sections 2.1-4.2 is HUF 1,978 million higher than the level of 1-6 of 2005. The profitability index represents a -3.5 per cent return on sales on the basis of profit before taxation, compared to -12.5 per cent during the base period.

At group level the negative tax liability amounts to HUF -81 million, which is the tax liability due exclusively on the basis of the unrealized profit of the forward transactions, thus the consolidated after-tax profit amounts to a loss of HUF 826 million.

6. IFRS-HAS DIFFERENCES

In the case of Rába, the differences between the profit and loss accounts prepared according to the Hungarian Accounting Standards (HAS) and the International Accounting Standards (IFRS) are predominantly due to the following factors:

- revaluation of forward transactions and reversal of the revaluation of the previous year,
- accounting under IFRS as costs of technical development, foundation and reorganisation expenses capitalised according to HAS
- treatment as financial leasing of production equipment purchased as operating leasing within the group
- accounting of the treasury shares purchased by the managers of the company on a monthly basis.

PK. 3. CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS

Data in HUF thousand

Item	30 June 2006	30 June 2005	Index
Properties, machines, equipment	18.003.415	17.581.898	102,4%
Intangible assets	129.708	220.793	58,7%
Long-term participations	0	0	
Other participations	3.952	83.952	4,7%
Other investments	6.362	15.432	41,2%
Long-term receivables	376.668	0	
Deferred tax	2.022.391	1.800.852	112,3%
Total invested assets	20.542.496	19.702.927	104,3%
Securities	80.000	350.000	22,9%
Stocks	8.454.588	9.503.188	89,0%
Receivables related to tax	891.410	947.453	94,1%
Receivables	8.681.269	8.688.655	99,9%
Liquid assets, bank account	112.313	319.670	35,1%
Total current assets	18.219.580	19.808.966	92,0%
Total ASSETS	38.762.076	39.511.893	98,1%
Share capital	12.816.667	12.687.766	101,0%
Capital reserve	6.808.252	6.854.765	99,3%
Retained earnings	-7.861.099	-5.173.798	48,1%
Total capital and reserves	11.763.820	14.368.733	81,9%
Long-term liabilities	7.835.616	6.024.261	130,1%
Total long-term liabilities	7.835.616	6.024.261	130,1%
Short-term credits and loans	6.449.945	6.741.978	95,7%
Short-term liabilities	12.712.695	12.376.921	102,7%
Short-term liabilities total	19.162.640	19.118.899	100,2%
Total LIABILITIES (equity and liabilities)	38.762.076	39.511.893	98,1%

I. Analysis of principal balance sheet items and their changes

1. INVESTED ASSETS

1.1. Properties, machines and equipment

The consolidated net value of properties, machines and equipment changed from the closing value of HUF 17,582 million of the previous year to HUF 18,003 million, which represents a minor change of +2.4%.

1.2. Intangible assets

The net value of intangible assets was HUF 130 million, HUF 91 million less than that of the base period. Rába Nyrt. has only licences among intangible assets. The decline corresponds to the depreciation between the two periods.

1.3. Long-term participations

This balance sheet line shows the proportion of an associate enterprise relating to the parent company. On 30 June 2006, it amounted to HUF 0, i.e. it was identical with the base period.

1.4. Other participations

Some of the other participations include subsidiaries not involved in the consolidation, and the rest are other participations, in the case of which Rába's stake is less than 25 per cent. Their closing figure as at 30 June 2006 was HUF 4 million. The participation in AUTOKUT Rt. shown in this line in 1-6 of 2005 (HUF 80 million), was reclassified to securities at the end of 2005.

1.5. Other investments

The closing value of other investments was HUF 6 million, which was HUF 9 million below the previous year's figure.

1.6. Long-term receivables

This balance sheet line shows long-term receivables on a discounted value among invested assets in the balance sheet. Long-term receivables include the following items:

Description	Original value	Effect of discounting	Discounted value
Engel+IPT manager	387.592	32.288	355.304
OOJUNITELS	25.358	3.994	21.364
Total	412.950	36.282	376.668

1.7. Deferred tax

On 30 June 2006, the deferred tax amounted to HUF 2,022 million, HUF 222 million more than the value as at 30 June 2005. The change is due to the change in tax liabilities as detailed under section 5.

2. CURRENT ASSETS

2.1. Stocks

On 30 June 2006, the closing value of stocks was HUF 8,455 million (30 June 2005: HUF 9,503 million). The decline in stocks of HUF 1,049 million is due to the decline in materials (of HUF -332 million) and the decline in finished goods (of HUF -895 million) and the increase by HUF 178 million of work in progress.

2.2. Tax receivables

Tax receivables (HUF 891 million) originate mainly from the reclaimed VAT in relation to export activities (30 June 2005: HUF 947 million).

2.3. Receivables

The closing figure of receivables as at the end of the 1st 6 months of 2006 was HUF 8,681 million (closing figure for 1-6 of 2005: HUF 8,688 million) which is practically equal to the base period.

2.4. Liquid assets

The closing figure of liquid assets on 30 June 2006 was HUF 112 million (30 June 2005: HUF 320 million). The company operates a cash pool system, which allows the optimization of the cash available for the company, as a result of which the difference between the deposit and credit interests related to the cash and loan portfolios of the companies involved in the system can be saved.

3. EQUITY AND RESERVES

3.1. Share capital

Rába Nyrt.'s share capital consists of common shares with a nominal value of HUF 1,000 each, entitling the shareholders to the dividend announced in a particular period, and providing one vote at the General Meeting of the Company. On 30 June 2006, the share capital of the company was HUF 12,817 million, which is HUF 129 million higher than the figure prevailing on 30 June 2005. The change is due to the incentive share programme provided by the Company to its executives, via 92,786 treasury shares on 31st August 2005. On 3rd February 2006, the Rába incentive share programme was launched, within which the management purchases Rába shares. The aim of the programme is to strengthen ownership spirit within the company and to thus increase the market value of the company. Every employee of the company may join the programme, which has resulted in the sale of an additional 36,115 treasury shares.

3.2. Capital reserve

On 30 June 2006, the capital reserve was HUF 6,808 million, HUF 47 million less than that on 30 June 2005. The difference between the actual value and the nominal value of the shares as described under section 3.1 is accounted for under this item.

3.3. Retained earnings

The retained earnings (HUF -7,861 million) changed compared to the previous year (HUF - 5,174 million) in line with the result realized between the two periods.

	Share capital	Capital reserve	Profit reserve	Total
Balance as at 31 December 2004	12,688	6,855	-2,497	17,046
Adjustment	0	0	219	219
Adjusted balance as at 1 January 2005	12,688	6,855	-2,278	17,265
Net profit	-	-	-2,677	-2,677
Sale of treasury shares	93	-22	0	71
Balance as at 30 June 2005	12,781	6,833	-4,955	14,659
Balance as at 1 July 2005.	12,781	6,833	-4,955	14,659
Net profit	-	-	-2,080	-2,080
Balance as at 31 December 2005	12,781	6,833	-7,035	12,579
Balance as at 1st January 2006	12,781	6,833	-7,035	12,579
Net profit	-	-	-826	-826
Sale of treasury shares	36	-25	-	11
Balance as at 30 June 2006	12,817	6,808	-7,861	11,764

4. LONG-TERM LIABILITIES

The closing value of long-term liabilities as at 30 June 2006 amounted to HUF 7,836 million (on 30 June 2005, the closing figure was HUF 6,024 million), which no longer included the repayment liabilities of medium-term loans due within one year. The increase is HUF 1,811 million, resulting from the increase in long-term and investment loans at the subsidiaries. On 1st March 2005 a HUF 6 billion investment and development loan agreement was signed for current asset financing with Magyar Fejlesztési Bank, aimed at the development of the forging and finishing facility for axle products. Of this loan HUF 3,612 million was disbursed until 30 June 2006.

5. SHORT-TERM LIABILITIES

5.1. Short-term credits and loans

The amount (HUF 6,450 million) of short-term credits and loans declined by 4.3% compared to the previous period (HUF 6,742 million).

5.2. Short-term liabilities

The amount of short-term liabilities (closing figure on 30 June 2006: HUF 12,713 million) increased by 2.7% compared to the base period (of HUF 12,377 million). The change is due to the unrealised profit resulting from the 30 June 2006 revaluation of forward transaction accounted for under other short-term liabilities and to the significant decline in accounts payable (-15.3%).

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR 1ST 6 MONTHS OF 2006**Figures in HUF thousand**1st 6 months of
2006Cash-flow of ordinary operation:

Profit before taxation net of profit shares from associate companies	-825,808
Revenues and expenses not affecting the cash flow of ordinary operation	2.516.020
Changes in assets and liabilities related to ordinary activities	-1.609.946
Of which: customers	-1.224.851
Suppliers	-771.543
Taxes paid during current year	0
	80.267
<u>Changes in financial assets due to financial transactions</u>	
Sale of treasury shares	11.964
Purchase of treasury shares	0
Net reduction / increase of securities	0
Net increase / decrease of credits and loans	-98.054
Dividend paid	0
	-86.090
<u>Changes in cash-flow of investment activity</u>	
Revenues from the sale of invested assets	0
Sale of tangible assets	439.042
Purchase of invested assets	-1.209.124
	-770.081
Changes in liquid assets	-775.905
<u>Revenues and expenses not affecting the cash flow of ordinary activities</u>	
Depreciation	1.298.725
Revaluation	1.602.244
- of which: unrealized exchange rate gains/loss of forward transactions	674.175
- of which: revaluation of customer, supplier loans	928.069
Loss (gain) on the sale of tangible assets	-384.949
Result of the sale of participation	0
Write-off of invested assets	0
	2.516.020
<u>Changes in assets and liabilities related to ordinary activities</u>	
Reduction / increase of stocks	173.634
Changes in receivables / liabilities	-1.783.580
	-1.609.946

PK6. Major off-balance sheet items

Description	Value (HUF)
According to a separate list*	

Forward FX deals serving as collateral for the exchange rate risk of export sales revenues: sale of EUR 84.5 million in exchange for HUF, sale of USD 93 million in exchange for HUF, as well as purchase of EUR 15 million for USD.

The bank loans of the Rába Group amount to HUF 13,934 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 13,042 million. The amount of bank guarantees issued on behalf of the Rába Group is HUF 907 million.

III. DESCRIPTION OF MAJOR FACTORS AND CHANGES

RS1. Ownership structure, ratio of participation

Description of ownership	Total equity						Series listed ¹			
	Beginning of current year (1 January)			At the end of the period (31 st March)			Beginni ng of term		End of term	
	% ²	% ³	No. of pcs.	% ²	% ³	No. of pcs.	%	Pcs	%	Pcs
Domestic institutional/corporate	17,53	18,47	2.361.952	25,49	26,80	3.434.144				
Foreign institutional/corporate	24,41	25,72	3.288.279	19,72	20,73	2.656.593				
Foreign private individual	0,03	0,03	4.163	0,23	0,24	30.571				
Domestic private individual	33,62	35,43	4.530.272	30,26	31,81	4.077.234				
Employees, managing executives				0,25	0,27	34.059				
Treasury shares	5,11		688.674	4,88		657.660				
Shareholder forming part of general government	8,44	8,90	1.137.660	8,32	8,74	1.120.739				
International Development Institutions	10,85	11,44	1.462.446	10,85	11,41	1.462.446				
Other	0,00	0,00	0	0,00	0,00	0				
TOTAL	100,00	100,00	13.473.446	100,00	100,00	13.473.446				

¹ If the series listed equals the total equity, it need not be filled in if so indicated. If more than one series are listed on the Stock Exchange, the ownership structure should be specified for each series.

² Ownership ratio

³ Voting right ensuring participation in the decision making process at the issuing general meeting of shareholders. If the ownership ratio and the voting right are the same, only the column regarding the ownership ratio needs to be filled in/published while stating such fact!

⁴ E.g.: ÁPV Rt., Social Security, Local Government, 100% state-owned companies, etc.

⁵ E.g.: EBRD, EIB, etc.

RS3. Listing, introduction of shareholders with a stake exceeding 5% (as at 31st March 2006)

Name	Nationality ¹	Activity ²	Quantity (pcs)	Ownership stake (%) ³	Voting right (%) ^{3,4}	Comment ⁵
EBRD	F	IFI	1,462,446	10.85	11.41	
DRB Hicom Group	F	B	1,462,446	10.85	11.41	
Municipality of Győr County Town	D	G	968,850	7.19	7.56	

¹ Domestic (D), Foreign (F)

² Asset manager(A). General government (G). International Development Institution (IFI). Institutional(I). Business entity (B) Private (P). Employee. Managing executive (E)

³ Should be rounded to two decimal figures

⁴ Voting right ensuring participation in the decision making process at the issuing general meeting of shareholders.

⁵ E.g.: strategic investor, financial investor, etc.

RS2. Changes in the number of treasury shares during the current year (No. of pcs.)

	1 January	31 March	30 June	30 September	31 December
Company level	688.674	669.994	652.559		
Subsidiaries					
Total	688.674	669.994	652.559		

All of the shares repurchased are treasury shares directly owned by the parent company.

TSZ2. Headcount of full-time employees (No. of people)

	End of base period	Beginning of current year	End of current period
Company level	13	20	20
Group level	3,195	3,037	2,951

The consolidated closing headcount as at 30 June 2006 was 2,951 people, which represented a decline of 7.6% compared to the end of the base period.

TSZ3. Managing executives, strategic employees

Type ¹	Name	Position	Beginning of mandate	End/ termination of mandate	Shares held (pcs)
BD	Péter Jancsó	Chairman of the BD	1998.	2005	
BD	István Pintér	Chairman of the BD	2005		16,049
BD	Abbas Mehad	Board member	1998.		281
BD	Antal Apró	Board member	1998.	2006	
BD	Gordon Bajnai	Board member	2003.	2005	
BD	Péter Küllői	Board member	2003.	2005	
BD	Olivér Martin	Board member	2003.		281
BD	Róbert Hrabovszky	Board member	2005		281
SB	Dr. János Benedek	Chairman of the SB	2004		0
SB	Lajos Horváth	Supervisory Board member	2003.		0
SB	Péter Budaházy	Supervisory Board member	2004	2006	
SB	István Préda	Supervisory Board member	2004	2006	
SB	Zoltán Varga	Supervisory Board member	2006		0
SP	István Pintér	CEO	2003.	Definite	16,049
SP	Béla Balog	Deputy CEO	2004	Indefinite	3,531
SP	Ferenc Vissi	HR Director	2001.	Indefinite	5,507
SP	József Szabó	Purchasing and Asset Mgmt. Director	2001.	Indefinite	5,507
SP	István Simon	Managing Director	2003.	2005	
SP	László Urbányi	Managing Director	2005	Indefinite	2,232
SP	Csaba Kovács	Managing Director	2002.	2005	
SP	János Torma	Managing Director	2005	Indefinite	850
TOTAL No. of shares held (pcs):					34,519

¹ Employee in strategic position (SP). Member of the Board of Directors (BD). Member of the Supervisory Board (SB)

Changes in employment

As from 1st May 2005, the managing director of Rába Jármű (Vehicle) Kft. is János Torma. His predecessor, Csaba Kovács left the company upon mutual consent upon the expiry of his mandate (on 30th April 2005).

The position of managing director of the Component Business is filled by László Urbányi as from 18th July 2005. His predecessor, István Simon is now the controlling director of Futómű Kft.

The composition of the new Board of Directors elected by the Extraordinary General Meeting of Shareholders held 20th October 2005 is as follows: István Pintér, chairman-CEO, Antal Apró, Róbert Hrabovszki, Olivér Martin, Abbas Mehad.

The General Meeting of Shareholders held 25th April 2006 elected Alan Spencer to the Board of Directors. Simultaneously the board membership of Antal Apró was terminated. Zoltán Varga was elected to the Supervisory Board, while the Supervisory Board membership of Péter Budaházy and István Préda was terminated.

Events following the closing day

No events occurred following the closing day.

ST1. Extraordinary communications published during the current period

Date	Place of publication	Subject, brief summary
03-01-2006	No. 2. MATÖKE	Extraordinary communication of Rába Nyrt. regarding the option granted to treasury shares
06-02-2006	No. 26. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding treasury share transactions
14-02-2006	No. 32. MATÖKE	Flash report of Rába NyRt
06-03-2006	No. 46. MATÖKE	Announcement of Rába Nyrt. regarding share purchase by the management
24-03-2006	No. 59. MATÖKE	Invitation to the general meeting of shareholders by RÁBA Járműipari Holding Nyrt.
06-04-2006	No. 68. MATÖKE	Rába Járműipari Holding Nyrt. sold treasury shares to its managing executives
10-04-2006	No. 70. MATÖKE	Supplementary information to the invitation to the AGM of Rába Nyrt.
26-04-2006	No. 81. MATÖKE	Resolutions adopted at the AGM of Rába Nyrt. held 25 April 2006.
28-04-2006	No. 83. MATÖKE	2005 Stock Exchange Report of Rába Nyrt.
05-05-2006	No. 87. MATÖKE	Purchase of treasury shares by managing executives of Rába Járműipari Holding Nyrt
10-05-2006	No. 90. MATÖKE	Information of Rába Nyrt. about the venue for the viewing of its flash report. Summary report of Rába Nyrt.: - Extraordinary information released during the current year - Report of insider managers of Rába Nyrt. and its subsidiaries regarding the treasury share transactions. - Other information released during the current period.
07-06-2006	No. 109. MATÖKE	Report of Rába Járműipari Holding Nyrt. about a treasury share transaction

PK1. General information pertaining to the financial data:

	Yes	No		
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Accounting principles	Hungarian	<input type="checkbox"/>	IFRS	<input checked="" type="checkbox"/>
Other:			Other	<input type="checkbox"/>

Declaration of liability

RÁBA NyRt hereby declares that the flash report contains data and statements that are true and valid and that no fact that is relevant to the assessment of the situation of the Company has been hidden.

In the context of the flash report, Rába Nyrt wishes to emphasize the following:

- The figures shown in the flash report are unaudited but have been compiled from the available data relying on the best efforts of the management.
- Rába has prepared its flash report in a form in compliance with the requirements of the Stock Exchange Regulations, in consideration of the International Financial Reporting Standards (balance sheet and profit and loss statement). This does not, however, mean the entire publication of the accounts as per the IFRS.

There have been no changes in the accounting policy of the group companies; the accounting policies of the companies involved in the consolidation are consistent with each other.

Győr, 10th August 2006.

István Pintér
Chairman-CEO

Béla Balog
Deputy CEO