

Rába Nyrt. Flash Report for Q1 of 2007

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:	Q1 of 2007
Telephone	36-96-624-460
Telefax:	36-96-624-006
E-mail:	adam.steszli@raba.hu
Investors' contact:	Ádám Steszli

Short summary

External environment

- Slightly increasing raw material prices
- Energy prices further increasing by nearly 24%
- Considerably lower USD exchange rate (10.0%), and slightly (1.7%) lower EUR exchange rate during Q1 of 2007, compared to the same period of last year
- Declining freight vehicle market in the US due to the environmental norms introduced. The European heavy vehicle industry continues to be strong.

Key events and achievements

Rába Axle Ltd and Marmon-Herrington based in the US have signed a supplementary agreement to the general contract for 2007. Pursuant to the agreement, Rába will increase its capacity and axle and axle component supplies to at least USD 45 million annually between October 2007 and 2010. The parties have also agreed upon strategic measures aimed at improving competitiveness and serving future growth.

Rába Axle Ltd. and Scania of Sweden have signed a general supplier framework agreement and in Q2 of 2007 Rába began to supply forged front axles. The sales is expected to amount to EUR 2.5 million annually already in 2007.

Rába Vehicle Component Ltd. was awarded the right to manufacture components for Magyar Toyo Seat Kft. for EUR 4.6 million annually. Within this contract, during the coming four years Rába will supply Magyar Suzuki Zrt with rear seat frames to be installed in their new vehicle type.

On 27 February of 2007, the first package of the Management Share Option Incentive Programme announced earlier was opened. In order to further increase share value, those participating in the programme have voluntarily agreed not to exercise the draw down option until the second tranche is opened but until the general meeting concluding year 2007 at least.

The increasing cost level is due to the fact that the raw materials purchased upon high foreign exchange rates were sold by Rába as finished products upon low foreign exchange rates. The negative impact on the margins of the raw material purchases at high exchange rates will gradually vanish by the coming periods.

Lower indirect costs as a result of more stringent cost control, and owing to the positive impact of the space consolidation and of the relocations, as well as to the lower communal energy costs.

A streamlining of the product portfolio was brought about in Sárvár, within which products that do not fit into the profile of the operation will be gradually eliminated and some of the production equipment has been sold. This will have a moderate impact only the revenues in the future.

Only minor real estate sales, amounting to approximately HUF 100 million, were carried out during the period. Headcount efficiency improved by nearly 13% compared to last year, the closing headcount of the group has declined to 2874 people.

Sales and position of strategic markets

On the **American market**, the sales revenue during Q1 was USD 18.0 million, against USD 16.8 million during Q1 of 2006. This means an increase of 7.1%, resulting from two opposite effects: the period was characterised on the one hand by the substantial, temporary decline of the heavy vehicle market, which was offset by the expansion of the cooperation with our strategic partner in the field of special axles.

On the **EU market** Rába's sales figures in HUF terms increased by 9%, amounting to HUF 7.9 billion, compared to HUF 7.2 billion of last year. **European exports** amounted to EUR 12.0 million during Q1 of 2007 compared to EUR 10.9 million during the same period of last year. This corresponds to an increase of 10%, to which the Axle business contributed EUR 7.0 million, the Component business contributed EUR 4.4 million and the Vehicle business EUR 0.6 million. In the case of the Axle business, European exports declined by 4% on the whole, since Rába's products sold earlier to the European subsidiaries of Dana are now increasingly sold to the Győr plant of the partner. Sales to other European customers have increased. The exports of the Component business increased by nearly 40% in this relation.

Domestic sales amounted to HUF 4.8 billion during Q1 of 2007, which is an increase of 13% compared to HUF 4.3 billion of Q1 of 2006. The sales generated by the Axle business increased by 17%, that of the Component business by 46%, as a result of the increase in the sales revenue generated by the Suzuki and the Axle business sales. Domestic results were deteriorated by the drastically fluctuating during the year, 30% lower sales revenue of the Vehicle business.

On the **CIS and East-European markets** export sales revenues achieved by Rába increased substantially by 76% from EUR 3.4 million during the base period to EUR 6.0 million during Q1 of 2007. The increase continues to be attributable to the increase in the demand on the Russian market and the expansion of Rába's strategic relations.

On the **other markets** the sales revenue achieved during Q1 of 2007 amounted to USD 0.7 million, against USD 1.4 million of last year. This sales revenue is generated almost entirely on the Japanese market.

Rába Group

The consolidated sales revenue of the Rába group in Q1 of 2007 amounted to HUF 13.0 billion, which is an increase of 8.7% over the figure for Q1 of 2006.

The operating profit of the group during Q1 of 2007 amounted to HUF 10 million, compared to the profit of HUF 22 million during Q1 of 2006.

The financial profit contains an activated hedge profit of HUF 291 million, as well as net interests of HUF 159 million in addition to the HUF 125 million of revalued creditor-debtor loans and HUF 239 million in losses due to open hedge positions (the rewrite of open forward transactions from last year is HUF 682 million and the effect of open hedge transactions is HUF 443 million). As a result of these, the financial result is HUF -1.4 million.

As a result of the above, the Rába group generated a profit of HUF 51 million in Q1 of 2007, compared to the loss of HUF 181 million in the same period of last year.

The cash flow positions of the group showed further improvement; on the level of EBITDA, the group registered profits of HUF 822 million during Q1, which is a 24% increase over last year's figure.

Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Futómű Kft. during Q1 of 2007 amounted to HUF 8.1 billion after HUF 7.8 billion achieved during Q1 of 2006. This amounts to an increase of 4.0%.

The operating result of the company during Q1 of this year declined to a loss of HUF 351 million, compared to the loss of -412 million of the same period of last year.

On the level of EBITDA, the result of the Axle Business during Q1 of 2007 is HUF 274 million, compared to HUF 167 million of last year.

Rába Járműipari Alkatrészgyártó Kft (Component Ltd.)

The sales revenue of the Component Ltd. Grew by 43.5% during Q1 of 2007 to over HUF 4.0 billion, from HUF 2.8 billion in Q1 of 2006.

Accordingly, the company generated HUF 198 million in profits at operating level during Q1 of 2007 compared to HUF 29 million during the same period of last year.

On the level of EBITDA, the profit of the Component Ltd. Increased 2.4 times to HUF 313 million during the period, from HUF 130 million of last year.

Rába Jármű Kft. (Vehicle Ltd.)

The sales revenue of Rába Jármű Kft. showed significant volatility during the year. During Q1 of 2007, it amounted to HUF 1.3 billion, compared to HUF 1.8 billion during Q1 of 2006.

The operating profit was HUF 101 million during Q1 of this year, compared to HUF 120 million during the same period of last year.

On the level of EBITDA, during Q1 of 2007 the Company registered a profit of HUF 136 million compared to HUF 163 million of last year.

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

Sales revenue by business divisions

Sales revenue (million HUF)	Axle	Components	Vehicle	Rába group consolidated
Q1 2006	7.823	2.820	1.762	11.941
Q2 2006	8.500	3.063	1.944	13.135
Q3 2006	7.669	2.804	1.489	11.523
Q4 2006	8.308	3.819	2.346	13.712
Q1 2007	8.137	4.048	1.314	12.981

Breakdown of sales revenue during Q1 of 2007.

Million HUF	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	3,466	3,021	1,760	1,261	1,517	133	8,137
Component	0	4,048	1,106	2,942	0	0	4,048
Vehicle	0	1,310	150	1,160	4	0	1,314
Consolidated	3,466	7,861	3,016	4,845	1,521	133	12,981

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

	Operating profit					
	2006.					2007.
	Q1	Q2	Q3	Q4	Year	Q1
Axle	-412	1.715	-95	-34	1.174	-351
Axle*		-85			-626	
Component	29	313	29	22	393	198
Component *		113			193	
Vehicle	120	141	119	174	554	101
Other	285	-1.886	74	-50	-1.577	62
Other*		114			423	
Total	22	283	127	112	544	10

*Without write-off of shareholders' loans

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 Ipartechnika 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 thousand HUF

Item	Q1 2007.	Q1 2006.	Index
Domestic sales revenues	4.844.735	4.280.017	113,2%
Export sales revenues	8.136.605	7.660.890	106,2%
Sales revenues	12.981.340	11.940.907	108,7%
Direct cost of sales	10.522.361	9.258.302	113,7%
Gross margin	2.458.979	2.682.605	91,7%
Cost of sales	168.856	195.234	86,5%
General and administration expenses	2.534.930	2.840.918	89,2%
Other revenues	254.944	376.022	67,8%
Other items related to business activities	-2.448.842	-2.660.130	98,8%
Result of operation before interest payment and taxation	10.137	22.475	54,9%
Net financial revenues/expenses	-1.418	-122.868	98,8%
PROFIT BEFORE TAXATION	8.719	-100.393	108,7%
Corporate profit tax	-42.079	81.057	151,9%
PROFIT AFTER TAXATION	50.798	-181.450	128,0%
Profit share of minority shareholders			
NET PROFIT	50.798	-181.450	128,0%

1. EARNED REVENUES

During Q1 of 2007, Rába achieved HUF 12,981 million in sales revenue, compared to HUF 11,941 million during the same period of last year. 63.1 per cent of the revenues came from export, the rest came from domestic sales.

2. EXPENSES AND OTHER REVENUES**2.1. Direct costs**

During Q1 of 2007 the direct cost level of Rába was at 81.1 per cent, versus the 77.5 % cost level characteristic for Q1 of 2006.

2.2. Gross Profit

The gross profit changed from HUF 2,683 million to HUF 2,459 million, which is due to the increase in the sales revenue (+ HUF 1,040 million) and to significant increase in direct costs (+ HUF 1,264 million). Compared to the favourable development of the exchange rates in Q1 of 2006, Q1 of 2007 saw a significant deterioration (USD: 213.5 in Q1 of 2006, 192.2 in Q1 of 2007, EUR: 256.5 in Q1 of 2006, 251.9 in Q1 of 2007).

2.3. Cost of sales

The cost of sales declined by 13.5 per cent and amounted to HUF 169 million in Q1 of 2007, compared to HUF 195 million during Q1 of 2006.

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 (Q1 of 2007: HUF 72,297 million, Q1 of 2006: 2,588 million), and various expenditures outside the ordinary business operation (Q1 of 2007: HUF 235 million, Q1 of 2006: HUF 249 million) and the accounting of technical development as capitalised expenditure (HUF 2 million). 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 255 million in Q1 of 2007. This amount was HUF 121 million (32 per cent) higher than that of the previous period. The change is due to the following factors: decline in the sale of tangible assets (HUF -164 million), increase in the release of provisions (HUF +48 million) set aside for lay-offs and repairs under guarantee.

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

The profit of Rába before interest payment and taxation in Q1 of 2007 was HUF +10 million (Q1 of 2006: HUF22 million). The decline in the gross profit is HUF -224 million, which was improved by the decline in the cost of sales and administrative costs (HUF 332 million) and deteriorated by the decline in other revenues as outlined in section 2.5 (HUF -121 million). Profitability changed from 0.2% during the base period to +0.1%. The profitability of operating profit + depreciation increased from +5.5 per cent to +6.3 per cent.

4. FINANCIAL REVENUES AND EXPENSES

4.1. Net financial result

In Q1 of 2007, the net gain on hedging transactions amounted to HUF 291 million, the gain during Q1 of 2006 was HUF 111 million.

Within net financial revenues, a part of other items stem from exchange rate gains/losses of FX items, which due to the exchange rate fluctuations at the end of the period is not actual gain (31 March 2007: HUF -59 million, 31 March 2006: HUF -161 million).

The components of this are as follows:

The unrealised gain on the revaluation of forward transactions as at 31 March 2007 was HUF -443 million, against the loss of HUF -1,011 million during the base period. The unrealized gain of the forward transactions of December 31st 2006 was released during Q1 of 2007, the financial impact of which was HUF -682 million (the same value during Q1 of 2006 was +1,357 million). Net financial results also include the effect of the revaluation of debts, accounts payable and accounts receivable, which in Q1 of 2007 was HUF +180 million, and HUF -506 million in Q1 of 2006. Based on the above, the net financial result was HUF -1.4 million during Q1 of 2007 (Q1 of 2006: HUF -122.9 million). The net financial revenues consisted of the following principal items:

	31 March 2007 million HUF	31 March 2006 million HUF
Net interest	-159	-125
Sale of shareh., capital gain	4	
Net other items	154	2
Net financial revenues	-1	-123

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 profit of HUF 8.7 million in Q1 of 2007, which as a result of the factors outlined in sections 2.1-4.2 is HUF 109 million higher than the level of Q1 of 2006. The profitability index represents a 0.1 per cent return on sales on the basis of profit before taxation, compared to -0.8 per cent during the base period.

At group level the tax liability amounts to HUF -42 million, which is the tax liability due on the basis of the unrealized profit of forward transactions.

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 employees of the company on a monthly basis.

PK. 3. CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS

Data in HUF thousand

Item	31 March 2007	31 March 2006	Index
Properties, machines, equipment	16,042,830	17,664,759	90.8%
Intangible assets	67,513	152,474	44.3%
Long-term participations	0	0	
Other participations	2,975	3,952	75.3%
Other investments	20,834	6,262	332.7%
Long-term receivables	449,560	376,668	119.4%
Deferred tax	781,691	1,885,451	41.5%
Total invested assets	17,365,403	20,089,566	86.4%
Securities	80,000	80,000	100.0%
Stocks	9,712,870	8,965,995	108.3%
Assets kept for sale	1,750,621		
Receivables related to tax	987,579	972,184	101.6%
Receivables	10,756,223	7,856,908	136.9%
Liquid assets, bank account	318,611	1,007,070	31.6%
Total current assets	23,605,904	18,882,157	125.0%
Total ASSETS	40,971,307	38,971,723	105.1%
Share capital	12,842,699	12,799,232	100.3%
Capital reserve	6,816,945	6,820,567	99.9%
Retained earnings	-3,454,406	-7,216,742	152.1%
Total capital and reserves	16,205,238	12,403,057	130.7%
Long-term liabilities	7,468,029	8,136,390	91.8%
Total long-term liabilities	7,468,029	8,136,390	91.8%
Short-term credits and loans	5,389,267	6,411,804	84.1%

Short-term liabilities	11,908,773	12,020,472	99.1%
Short-term liabilities total	17,298,040	18,432,276	93.8%
Total LIABILITIES (equity and liabilities)	40,971,307	38,971,723	105.1%

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 17,665 million of the previous year to HUF 16,043 million. The principal reason for the change is due to the fact that the book value of HUF 1,751 million of the Railway vehicle site to be sold to the Engel Group was reclassified by the Company in December of 2006 as assets for sale within current assets, since according to our current position, these assets do not serve the activity of the enterprise in the long run. The revenues expected from the business are going to significantly exceed the book value of the property.

1.2. Intangible assets

The net value of intangible assets was HUF 68 million, HUF 85 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 31 March 2007, 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 31 March 2007 was HUF 3 million, which is HUF 1 million less than during the base period, due to the sale of the stake in MI Technik Alkatrésztesztelő Kft.

1.5. Other investments

The closing value of other investments was HUF 21 million, which was HUF 15 million above 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
2006 opening	412,950	36,282	376,668
Q1 2006 closing	412,950	36,282	376,668
Generated	158,500	24,968	133,532
Released	-75,887	-15,247	-60,640
2006 closing	495,563	46,003	449,560
Q1 2007 closing	495,563	46,003	449,560

1.7. Deferred tax

On 31 March 2007, the deferred tax amounted to HUF 782 million, HUF 1.104 billion less than

the value as at 31 March 2006. The change is due to the change in tax liabilities as detailed under section 5 and to the release at the end of 2006 of HUF 832 million of the deferred tax claim set aside for the loss of the previous years, since the enforceability of this tax claim is uncertain because of the expected changes in taxation policy and the profits expected within the foreseeable future.

2. CURRENT ASSETS

2.1. Stocks

On 31 March 2007, the closing value of stocks was HUF 9,713 million (31 March 2006: HUF 8,966 million). The change is +8%, due to the increase in materials and goods (of HUF +642 million) and the decline in finished goods (by HUF -107 million) and the increase by HUF 213 million in the value of work in progress.

2.2. Assets for sale

The increase of assets by HUF 1,751 million is due to the reclassification of the book value of the Railway Vehicle Site as detailed under section 1.1.

2.3. Tax receivables

Tax receivables (HUF 968 million) originate largely from the reclaimed VAT in relation to export activities (31 March 2006: HUF 972 million).

2.4. Receivables

The closing figure of receivables as at the end of Q1 of 2007 was HUF 10,756 million, an increase of 2.9 per cent over the base period (closing figure for Q1 of 2006: HUF 7,857 million). The increase is due to the following factors:

- Increase in accounts receivable (HUF 1,127 million)
- Accruals of proceeds from forward transactions of the end of 2006, closed but still uncollected (HUF 1,010 million)
- Accounting of unearned gains of the revaluation on 31 March 2007 of forward transactions (HUF 442 million)
- Increase in other receivables (HUF 360 million).

2.5. Liquid assets

The closing figure of liquid assets on 31 March 2007 was HUF 319 million (31 March 2006: HUF 1,007 million). The reason for the decline is that during the base period, one of our customers paid off a significant debt towards the end of the period, which was used by Rába for the repayment of a loan during the following quarter. 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 31 March 2007, the share capital of the company was HUF 12,841 million, which is HUF 43 million higher than the figure prevailing on 31 March 2006. The change is due to the Rába incentive share programme launched 3rd February 2006, 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. The programme is open to any employee of the company and has resulted in the sale of 43,467 treasury shares between the two periods.

To foster common interests between the shareholders of RÁba Nyrt and the management of the Rába Group, as well as to increase ownership spirit within the management, the general meeting of Rába Nyrt. Has decided to launch a five-year medium-term management share

option programme, entitled the Management Share Option Incentive Programme and authorised the Board of Directors to execute the programme. Share option agreements were signed on 28 July, 2006, for Rába Nyrt. Shares. Based on the performance in 2006 of the Rába shares, the first opportunity for the draw down was opened on 27 February 2007. In order to further increase share value, the participants of the scheme have volunteered not to exercise their option until the second draw down opportunity is opened.

3.2. Capital reserve

On 31 March 2007, the capital reserve was HUF 6,816 million, HUF 4 million less than that on 31 March 2006. The difference between the actual value and the nominal value of the treasury shares as described under section 3.1 is accounted for under this item.

3.3. Retained earnings

The retained earnings (HUF -3,454 million) changed compared to the previous year (HUF -7,217 million) in line with the result realized between the two periods.

	Share capital	Capital reserve	Profit reserve	Total
Balance as at 1 January 2006	12.781	6.832	-7.035	12.578
Net profit			-181	-181
Sale of treasury shares	18	-12		6
Balance as at 31 March 2006	12.799	6.820	-7.216	12.403
Balance as at 1 April 2006	12.799	6.820	-7.216	12.403
Net profit			3.712	3.712
Sale of treasury shares	40	-4		36
Balance as at 31 December 2006	12.839	6.816	-3.504	16.151
Balance as at 1st January 2007	12.839	6.816	-3.504	16.151
Net profit			51	51
Sale of treasury shares	3			3
Balance as at 31 March 2007	12.842	6.816	-3.453	16.205

4. LONG-TERM LIABILITIES

The closing value of long-term liabilities as at 31 March 2007 amounted to HUF 7,468 million (on 31 March 2006, the closing figure was HUF 8,137 million), which no longer included the repayment liabilities of medium-term loans due within one year. The change is -8.2%.

5. SHORT-TERM LIABILITIES

5.1. Short-term credits and loans

The amount (HUF 5,389 million) of short-term credits and loans declined by 5.9% compared to the previous period (HUF 6,412 million).

5.2. Short-term liabilities

The amount of short-term liabilities (closing figure on 31 March 2007: HUF 11,909 million) declined by 0.9% compared to the base period (of HUF 12,020 million).

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR Q1 OF 2007

Figures in HUF thousand

Q1 of 2007

Cash-flow of ordinary operation:

Profit before taxation net of profit shares from associate companies		50,797
Revenues and expenses not affecting the cash flow of ordinary operation		720,776
Changes in assets and liabilities related to ordinary activities		1,264,929
Of which: customers		242,021
Suppliers		-107,097
Taxes paid during current year		0
		2,036,502
<u>Changes in financial assets due to financial transactions</u>	=	
Sale of treasury shares		3,516
Purchase of treasury shares		0
Net reduction / increase of securities		0
Net increase / decrease of credits and loans		-1,853,541
Dividend paid		0
		-1,850,025
<u>Changes in cash-flow of investment activity</u>	=	
Revenues from the sale of invested assets		0
Sale of tangible assets		149,274
Purchase of invested assets		-594,487
		-445,213
Changes in liquid assets		-258,736
<u>Revenues and expenses not affecting the cash flow of ordinary activities</u>		
Depreciation		811,623
Revaluation		59,335
- of which: unrealized exchange rate gains/loss of forward transactions		239,263
- of which: revaluation of customer, supplier loans		-179,928
Loss (gain) on the sale of tangible assets		-150,182
Result of the sale of participation		0
		720,776
<u>Changes in assets and liabilities related to ordinary activities</u>		
Reduction / increase of stocks		-1,151,506
Changes in receivables / liabilities		2,416,435
		1,264,929

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 USD 12 million and EUR 1.8 million in exchange for HUF.

The bank loans of the Rába Group amount to HUF 12,639 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 12,131 million. The amount of bank guarantees issued on behalf of the Rába Group is HUF 629 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 March)			Beginni ng of term		End of term	
	% ²	% ³	No. of pcs.	% ²	% ³	No. of pcs.	%	Pcs	%	Pcs
Domestic institutional/corporate	29.61	31.06	3,988,881	28.18	29.55	3,796,862				
Foreign institutional/corporate	21.56	22.62	2,905,506	23.06	24.18	3,106,956				
Foreign private individual	0.24	0.25	32,657	0.15	0.15	19,868				
Domestic private individual	25.40	26.64	3,421,906	25.45	26.69	3,428,389				
Employees, managing executives	0.364	0.381	48985	0.36	0.38	48,958				
Treasury shares	4.67		629,625	4.65		626,527				
Shareholder forming part of general government	7.30	7.66	983,440	7.30	7.66	983,440				
International Development Institutions	10.85	11.39	1,462,446	10.85	11.38	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 31 March 2007)

Name	Nationality ¹	Activity ²	Quantity (pcs)	Ownership stake (%) ³	Voting right (%) ^{3,4}	Comment ⁵
EBRD	F	IFI	1.462.446	10,85	11,38	
DRB Hicom Group	F	B	1.462.446	10,85	11,38	
Municipality of Győr	D	G	968.850	7,19	7,54	
Treasury Shares	D	B	626.527	4,65		

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	629,625	626,527			
Subsidiaries					
Total	629,625	626,527			

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	20	19	19
Group level	2,997	2,859	2,874

The consolidated closing headcount as at 31 March 2007 was 2,874 people, which represented a decline of 4.1% compared to the end of the base period.

TSZ3. Managing executives, strategic employees

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

Type ¹	Name	Position	Beginning of mandate	End/termination of mandate	Shares held (pcs)
BD	István Pintér	Chairman of the BD	2005		19,429
BD	Abbas Mehad	Board member	1998	2007	
BD	Antal Apró	Board member	1998	2006	
BD	Olivér Martin	Board member	2003		555
BD	Róbert Hrabovszky	Board member	2005		555
BD	Alan Spencer	Board member	2006		0
BD	Khalid Abdol Rahman	Board member	2007		0
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	Chairman-CEO	2003	Definite	19,429
SP	Béla Balog	Deputy CEO	2004	Indefinite	5,821
SP	Ferenc Vissi	HR Director	2001	Indefinite	7,797
SP	József Szabó	Purchasing and Asset	2001	Indefinite	8,211

		Mgmt. Director			
SP	László Urbányi	Managing Director	2005	Indefinite	4,412
SP	János Torma	Managing Director	2005	Indefinite	1,650
TOTAL No. of shares held (pcs):					48,430

Changes in employment

The General Meeting of Shareholders held on 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

On 19 April 2007 Trigon Active Alpha Fund acquired a stake exceeding 5% in RÁba Nyrt. The General Meeting of Shareholders held on 26 April 2007, elected Khalid Abdol Rahman to the Board of Directors, simultaneously the board membership of Abbas Mehad was terminated.

ST1. Extraordinary communications published during the current period

Date	Place of publication	Subject, brief summary
05-01-2007	No. 4. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
06-02-2007	No. 26. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
13-02-2007	No. 31. MATÖKE	Flash report of Rába NyRt for 2006
06-03-2007	No. 46. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
26-03-2007	No. 58. MATÖKE	Invitation to the general meeting of shareholders of RÁBA Járműipari Holding Nyrt.

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	<input type="checkbox"/>
Other:						

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 was 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 publication in full 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, 15 May 2007

István Pintér
Chairman-CEO

Béla Balog
Deputy CEO