

# Report on the Results of Rába Nyrt. during Q1-Q4 of 2011

Unaudited, consolidated quarterly report  
in consideration of the International Financial Reporting Standards (IFRS)

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## SUMMARY

- In Q4 of 2011, the Company at group level registered the highest sales revenue, resulting in a 25.7% growth over 2010. This is true for all subsidiaries as well, a similarly high sales revenue was last achieved in Q4 of 2008. In 2011 the company at group level registered sales in the amount of HUF 39.3 billion, with a growth of 9.9 per cent, against HUF 35.8 billion in 2010. Such increase is a tribute to the nearly 15% increase of the Axle business and to the 11 per cent increase in the Component business and to the decline by 11% in the performance of the Vehicle business.
- The gross margin declined by 1.3 percentage points during 2011 compared to 2010. The decline is due to the lower utilisation of the Vehicle business and the usual delay in passing on the effect of the raw material price increase of the first quarter to the customers, together with the one-off costs of newly acquired businesses. The gross margin of the last quarter reached outstanding levels, compared both to 2010 (an improvement of 3.7percentage points) and to the annual average (an increase of 7 percentage points). This is due to the favourable foreign exchange rates prevalent during the quarter, to the high utilisation of all subsidiaries and to the elimination of the aggravating factors manifest during the earlier periods of the year.
- As the aggregate effect of the increase in sales revenue in HUF terms and of the deterioration of the margin, during 2011 the gross profit was 3.4 per cent higher than the level during 2010. Owing to the continued stringent management within the fields of administration and sales, indirect costs increased to a minor extent, 1.1 % only, compared to 2010, due to the increase in sales costs related to the increased sales revenue, upon further decline in general overhead and administrative expenses.
- Other revenues and expenditures contained, in addition to the usual items, the sale of some of the unused premises and buildings, while the first quarter of the previous year contained the subsidy aimed at preserving jobs and there was a substantial damage compensation, as well. During the current quarter there were no major items in these lines. Thus the balance of other revenues/expenditures was HUF 595 million higher during the review period.
- The operating profit nearly doubled in 2011, and amounted to a profit of HUF 1,640 million through an increase by HUF 781 million. The operating profit shows an increase compared to last year without the real estate transaction as well. All of Rába's business registered a positive operating result, the profitability of the Axle and the Component businesses increased compared to the previous year. In Q4 the group's operating result amounted to HUF 1,711 million, which is 187 per cent above last year's level, owing, exclusively, to the core activities. Thus this quarter and year became the most profitable ones of the past ten years. The activated hedge positions aimed at protecting the temporary fluctuation of foreign exchanges resulted in a profit of HUF 6 million in 2011 compared to the loss of HUF 1,008 million of the previous year.

- EBITDA increased by 23.4%, amounting to HUF 3,846 million.
- The financial profit in 2011 amounted to a loss of HUF 1,001 million, against the loss of HUF 390 million generated during 2010. The majority of the losses – HUF 640 million - was generated through the revaluation of loans involving no cash movement, as a result of the high foreign exchange rates at the end of the period.
- The profit after taxation was HUF 465 million in 2011, in contrast to the loss of HUF 859 million of 2010. The profit from external companies was HUF -124 million in 2011. Regarding the last quarter, the company decided that in consideration of the extreme exchange rate fluctuations, its IFRS regulations for accounting and risk management should be amended as from 01, 10, 2011 and the opportunity granted under IAS 39.88 would be made use of, thus better revealing the actual situation of the company. Accordingly, the group applied hedge accounting, as a result of which the revaluation result of the majority of the loans is shown in the overall result, in accordance with the regulations for the accounting of the cash-flow hedge transactions. The net result of the transaction is HUF -804 million, thus the result as per the total aggregate income is a loss of HUF 339 million.
- The net loan portfolio was HUF 13.8 billion, HUF 0.7 billion higher than during the last quarter and an increase of HUF 3.3 billion over the end of the previous year. This is largely due to the increase by HUF 3 billion of the accounts receivable, which will decline drastically by the end of the next quarter, and to the revaluation of HUF 1.6 billion.

thousand HUF	2010. Q1-4	2011. Q1-4	Change	2010. Q4	2011. Q4	Change
Sales revenue	35 777 362	39 319 019	9,9%	10 294 566	12 940 798	25,7%
Gross profit	7 746 408	8 011 847	3,4%	2 437 195	3 541 352	45,3%
<i>Gross margin</i>	21,7%	20,4%	-1,3%p	23,7%	27,4%	3,7%p
EBITDA	3 117 023	3 846 395	23,4%	1 129 212	2 269 526	101,0%
<i>EBITDA level</i>	8,7%	9,8%	1,1%p	11,0%	17,5%	6,6%p
Operating profit	860 012	1 640 918	90,8%	596 511	1 711 256	186,9%
Net financial result	-390 297	-1 001 493	-156,6%	-102 429	-160 253	-56,5%
Net profit	-859 272	464 992	154,1%	-283 258	1 721 719	707,8%

thousand HUF	2010. Q1-3	2011. Q1-3	Change	2010. Q3	2011. Q3	Change
Sales revenue	25 482 796	26 378 221	3,5%	7 765 755	8 217 664	5,8%
Gross profit	5 309 213	4 470 495	-15,8%	1 575 712	1 339 641	-15,0%
<i>Gross margin</i>	20,8%	16,9%	-3,9%p	20,3%	16,3%	-4%p
EBITDA	1 987 811	1 576 395	-20,7%	404 288	301 245	-25,5%
<i>EBITDA level</i>	7,8%	6,0%	-1,8%p	5,2%	3,7%	-1,5%p
Operating profit	263 501	-70 338	-126,7%	-147 211	-232 938	-58,2%
Net financial profit	-287 868	-841 240	-192,2%	829 940	-1 207 179	-245,5%
Net profit	-576 014	-1 256 727	-118,2%	390 967	-1 506 973	-485,4%

'2011 yielded the desired results allowing us to implement our financial plans, bringing us closer to our strategic goals as a result of our customer agreements and forward-looking developments. Following the path of focused growth, we have managed to strengthen our positions on our key markets, through a strategic shift we have increasingly aligned the company with Europe. Winning the confidence of the most prestigious customers, we stand a chance of gaining the title "best in class", the leader of the category in the targeted segments.

Our component business has joined an elite club by being integrated into the most prestigious supplier network of the West-European passenger car industry. We have reinforced the civilian sales pillar of the vehicle business. The international success of our midi-bus product has shown that a bus with considerable success on the export markets can be produced through Hungarian cooperation as well. One of the most important milestones of 2011 was the inauguration of the Rába Development Institute. The sales revenue resulting from the new businesses this year exceeded 10% already, which aptly demonstrates the value of our major projects and the possibilities ahead of us," summarised István Pintér, Chairman-Chief Executive Officer of Rába Nyrt.

### **Key events and achievements**

- New generation of Rába products for the bus market: as a result of the axle and seat development for low-floor urban buses, off-the-shelf Rába solutions were born;
- Rába Axle Ltd. of Győr has further strengthened its position on the European freight vehicle market through the acquisition of new business deals. Through the agreement concluded with Scania, the delivery range is substantially expanded, which can represent a significant factor of the European growth in the future.
- As yet another result of its comprehensive innovation programme, Rába Nyrt. has opened its Technological Centre. The test and technological demonstration facility, equipped with state-of-the-art technology on nearly 4400 square metres, the company's independent research and development base, provides testing support for the Axle business of the company in the first place, for the intensive product development effort focusing on the strategic segments. The related demonstration centre showcases the most outstanding engineering achievements of the past 115 years.
- Together with the local government of the town of Győr, Rába has presented its new concept for the development of the real estate organically linked to the centre of the town. The complex development concept aims to establish a multi-functional, complementary town centre in keeping with the natural growth rate of the town and meeting the expectations of the 21<sup>st</sup> century.
- In anticipation of the growing market opportunities of the post-crisis period, Rába Axle Ltd. has signed a supply agreement worth some EUR 30 million, expiring at the end of 2015 with BPW Hungária Kft. The agreement provides growing sales potentials and stable market positions for the Győr company for a strategic group of products, further expanding its European sales volume.
- Rába Axle Ltd. has signed a 3-year contract, whereby the company will deliver axle components worth nearly EUR 25 million to one of the world's leading automotive companies. The agreement concluded with the major freight vehicle manufacturer further strengthens Rába's supply positions on the European market, in line with the company's strategic objectives. Owing to the new cooperation, by now some 100,000 new freight vehicles roll off the conveyor using Rába products throughout Europe each year.
- Following the expansion, Rába will supply metal components to Fehrer Automotive GmbH to some 750 thousand passenger cars annually. The cooperation launched in 2012 represents a business worth nearly HUF 1 billion annually for Rába's Component business. The strategic value of the cooperation is highlighted by the fact that Fehrer is an important supplier of the VW group, among others.
- Rába Vehicle Ltd. was awarded an order to supply S91 midibuses to Norway. More than 200 units already travel throughout Europe's metropolises of the vehicle's predecessor. In addition to the international success, the midibus was also successful in concluding without problems the second test in the Buda Castle area of BKV, the Budapest transport company.
- In June 2011, the Company sold to Audi Motor Hungária Kft. some of the premises and buildings out of use at the airfield. The net proceeds of the sale was HUF 917 million. The land sold was 87 thousand square metres, whereas the size of the hall was 8 thousand square metres. The entire transaction was concluded on 31. 12. 2011.

## EXTERNAL ENVIRONMENT

- Growth within the heavy vehicle sector of the North American market continued in line with the expectations and amounted to 52.0% compared to the same period of last year. Until the third quarter the growth on the European market was nearly identical to that on the American market, there was a significant slow-down, however, during Q4. The decline in demand is expected to continue during the coming year, as well. The sales of agricultural axles continue to be strong in the American region and a significant growth occurred on the European market. The Russian heavy vehicle market developed in line with European trends but this demand declined in Q4. The Russian bus market is characterised by stagnation in 2011. At the same time, the volatility of foreign exchanges in certain regions of the CIS market had a negative impact on sales. The business of passenger car components remains at the level of the previous year's.
- Following the significant increase in raw material prices experienced in Q1 of 2011, material price levels stabilized at a high level during the subsequent two quarters. Some decline occurred during the last quarter, in Q4 of 2011 material prices declined by 5.9% compared to the previous quarter. In spite of the decline during the last quarter, 2011 was marked by 16.2% higher raw material prices compared to 2010 and this level is only 1.1 % below the - outstanding, in material price-terms as well - year 2008, before the economic crisis.
- In terms of energy prices, the increase experienced in Q3 of 2011 continued, the increase by 13.0% in Q3 was followed by an additional increase by 6.9% of average energy prices. Nevertheless, the average energy price level in 2011 was 6.6% below the level of a year earlier.
- The average USD exchange rate was 3.5% lower and the average EUR exchange rate was 1.4 per cent higher compared to the same period of 2010. Compared to the base period, the 11.0% higher USD and the 10.1% higher EUR exchange rate during Q4 of 2011, had an impact on the operation of the company. Compared to the last quarter, though, the exchange rate of the USD increased by 15.9% and of the EUR by 10.5% during Q4 of 2011.

	2010. Q1-Q4	2011. Q1-Q4	Change	2010. Q4	2011. Q4	Change
HUFEUR - average	275,4	279,2	1,4%	275,9	303,6	10,1%
HUFEUR – end of term	278,8	311,1	11,6%	278,8	311,1	11,6%
HUFUSD - average	208,1	200,9	-3,5%	203,1	225,5	11,0%
HUFUSD – end of term	208,7	240,7	15,4%	208,7	240,7	15,4%
Changes in raw material prices*	131%	139%	6,5%	131%	139%	6,5%
Changes in energy prices**	201%	211%	4,7%	201%	211%	4,7%

\*Rába indices – own calculation - base: 2006. Q1; end of term values

\*\*Rába indices – own calculation - base: 2004. Dec.; end of term closing values

### Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Futómű Kft. during Q1-Q4 of 2011 amounted to HUF 24.0 billion compared to HUF 20.9 billion achieved during the same period of 2010. This corresponds to an increase of 14.8%.

On the **American market**, the sales revenue in 2011 was USD 39.8 million, against USD 36.0 million during 2010. This means an increase of 10.5%.

On the **EU market** Rába's sales figures in HUF terms increased by 50.0%, amounting to HUF 12.9 billion, compared to HUF 8.6 billion during the base period.

**European exports** amounted to EUR 33.2 million in Q1-Q4 of 2011 compared to EUR 20.4 million during 2010. This is an increase of 62.7%.

**Domestic sales** before consolidation amounted to HUF 3.5 billion which represents an increase of 16.7 per cent compared to the HUF 3.0 billion of the base period.

On the **CIS and East-European markets** export sales revenues achieved by Rába Axle Ltd. decreased by 41.5%, from EUR 14.2 million during the base period in 2010 to EUR 8.3 million in 2011.

On the **other markets** the sales revenue in 2011 amounted to EUR 3.1 million, against EUR 3.3 million of the previous year. This corresponds to a decline of 6.1%.

The operating result of the company during Q1-Q4 of 2011 was a profit of HUF 466 million, compared to the profit of HUF 331 million during the same period of 2010.

At EBITDA level, the operating profit of the Axle business was HUF 1,862 million compared to HUF 1,853 million registered a year earlier.

millió Ft	2010. Q1-Q4	2011. Q1-Q4	Change	2010. Q4	2011. Q4	Change
America	7 483	7 902	5,6%	2 336	2 471	5,8%
EU - export	5 626	9 349	66,2%	1 813	2 637	45,4%
EU - domestic	2 982	3 543	18,8%	846	941	11,2%
CIS and former Yugoslavia	3 931	2 331	-40,7%	1 450	448	-69,1%
Other	897	880	-1,9%	203	432	112,8%
<b>Total sales</b>	<b>20 919</b>	<b>24 005</b>	<b>14,8%</b>	<b>6 650</b>	<b>6 929</b>	<b>4,2%</b>
<b>EBITDA</b>	<b>1 853</b>	<b>1 862</b>	<b>0,5%</b>	<b>868</b>	<b>1 112</b>	<b>28,1%</b>
<b>Operating profit</b>	<b>331</b>	<b>466</b>	<b>40,8%</b>	<b>516</b>	<b>761</b>	<b>47,5%</b>

#### Rába Járműipari Alkatrészgyártó Kft. (Component Ltd.)

The sales revenue of the Component Ltd. amounted to HUF 10.8 billion in 2011, which is an increase of 11.3% compared to the sales of HUF 9.7 billion a year earlier.

Rába Component Ltd. is selling on the European market only.

**European exports** amounted to EUR 12.1 million in 2011, against EUR 8.5 million during the base period. This corresponds to an increase of 42.4%.

**Domestic sales** before consolidation generated HUF 7.4 billion in 2011, which is equal to the sales in 2010.

The company generated a profit of HUF 202 million in 2011 compared to a profit of HUF 117 million during the same period of 2010.

On the level of EBITDA, the profit of the Component Ltd. changed to HUF 539 million during the period, from HUF 446 million of the previous year.

millió Ft	2010. Q1-Q4	2011. Q1-Q4	Change	2010. Q4	2011. Q4	Change
EU - export	2 346	3 412	45,4%	637	1 010	58,6%
EU - domestic	7 401	7 406	0,1%	1 867	2 001	7,2%
<b>Total sales</b>	<b>9 747</b>	<b>10 818</b>	<b>11,0%</b>	<b>2 504</b>	<b>3 011</b>	<b>20,2%</b>
<b>EBITDA</b>	<b>446</b>	<b>539</b>	<b>20,9%</b>	<b>173</b>	<b>240</b>	<b>38,7%</b>
<b>Operating profit</b>	<b>117</b>	<b>202</b>	<b>72,6%</b>	<b>94</b>	<b>149</b>	<b>58,5%</b>

### Rába Jármű Kft. (Vehicle Ltd.)

The sales revenue of Rába Jármű Kft. amounted to HUF 5.5 billion in Q1-Q4 of 2011, which is a decline of 11.3% compared to the HUF 6.2 billion of the base period.

On the **EU market** Rába Vehicle's sales figures equalled the total sales revenue realised.  
**European exports** exceeded the level of the base period by 189.5%, thus increasing from EUR 1.9 million to EUR 5.5 million.  
**Domestic sales** before consolidation amounted to HUF 3.9 billion in Q1-Q4 of 2011, a decline of 31.6 per cent compared to the HUF 5.7 billion during the base period.

The operating profit was HUF 500 million in 2011, compared to HUF 699 million during the base period.

On the level of EBITDA, during 2011 the Company registered a profit of HUF 745 million compared to HUF 946 million in Q1-Q4 of 2010.

million HUF	2010. Q1-Q4.	2011. Q1-Q4.	Change	2010. Q4	2011. Q4	Change
EU - export	518	1 556	200,4%	171	346	102,3%
EU - domestic	5 652	3 907	-30,9%	1 237	2 843	129,8%
<b>Total sales</b>	<b>6 170</b>	<b>5 463</b>	<b>-11,5%</b>	<b>1 408</b>	<b>3 190</b>	<b>126,6%</b>
<b>EBITDA</b>	<b>946</b>	<b>745</b>	<b>-21,2%</b>	<b>186</b>	<b>661</b>	<b>255,4%</b>
<b>Operating profit</b>	<b>699</b>	<b>500</b>	<b>-28,5%</b>	<b>124</b>	<b>600</b>	<b>383,9%</b>

### The Rába Group

The consolidated sales revenue of the Rába group in Q1-Q4 of 2011 amounted to HUF 39.3 billion, which is an increase of 9.8% compared to the figure of HUF 35.8 billion for the same period of 2010.

The operating profit of the group in 2011 amounted to HUF 1,641 million, compared to HUF 860 million in profits during the same period of 2010.

In Q1-Q4 of 2011 the financial result was a loss of HUF 1,001 million, which includes, among others, a net interest payment of HUF 459 million and a net exchange rate loss of HUF 515 million.

Based on the above, the Rába group generated a net profit of HUF 465 million in 2011, compared to loss of HUF 859 million during the same period of 2010.

On the level of EBITDA, the group registered profits of HUF 3,846 million in 2011, against last year's figure of HUF 3,117 million.

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

#### Sales revenue by business division

Sales revenue (million Ft)	Axles	Components	Vehicles	Rába group consolidated
2010 Q1	4 329	2 403	1 437	7 890
2010 Q2	5 351	2 512	2 288	9 827
2010 Q3	4 589	2 327	1 037	7 766
<b>2010 Q4</b>	<b>6650</b>	<b>2504</b>	<b>1408</b>	<b>10295</b>
2011 Q1	6 005	2 587	989	9 264
2011 Q2	5 925	2 406	780	8 896
2011 Q3	5 146	2 814	504	8 218
<b>2011 Q4</b>	<b>6929</b>	<b>3011</b>	<b>3190</b>	<b>12941</b>

### Breakdown of sales revenue of 2011

m HUF	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	7 902	12 892	9 349	3 543	2 331	880	24 005
Component	0	10 818	3 412	7 406	0	0	10 818
Vehicle	0	5 463	1 556	3 907	0	0	5 463
<b>Consolidated</b>	<b>7 902</b>	<b>28 206</b>	<b>14 317</b>	<b>13 889</b>	<b>2 331</b>	<b>880</b>	<b>39 319</b>

### Breakdown of operating profit of group companies

Operating profit										
	2010.					2011.				
	Q1	Q2	Q3	Q4	year	Q1	Q2	Q3	Q4	year
Axle	-154	82	-113	516	331	-139	8	-164	761	466
Component	2	5	17	93	117	5	-13	61	149	202
Vehicle	146	424	5	124	699	6	-57	-49	600	500
Other	-38	-56	-56	-137	-287	-52	405	-81	201	473
<b>Total</b>	<b>-44</b>	<b>455</b>	<b>-147</b>	<b>596</b>	<b>860</b>	<b>-180</b>	<b>343</b>	<b>-233</b>	<b>1 711</b>	<b>1 641</b>

### PK2. Companies involved in the consolidation

Company	Capital in HUF thousand	Ownership ratio (%)	Voting ratio <sup>1</sup>	Classification <sup>2</sup>
RÁBA Axle Ltd. Co.	9,762,800	100.00	100.00	S
RÁBA Component Ltd. Co.	300,000	100.00	100.00	S
RÁBA Vehicle Ltd. Co.	835,100	100.00	100.00	S
Fehrer Automotive-Rába Kft.	1.076.000	30,00	30,00	A

<sup>1</sup> Voting right securing participation in the decision-making at the general meeting of the company subject to consolidation.

<sup>2</sup> Subsidiary (S); Jointly controlled (J); Affiliated (A)

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

Currency*	HUF	X	EUR	
Unit*	1 000	X	1 000 000	

\* Indicate with an X.

Item	2010	2011	Index	Q4 2010	Q4 2011	Index
Domestic sales revenues	14 972 435	13 888 865	92,8%	3 684 027	5 596 410	151,9%
Export sales revenues	20 804 927	25 430 154	122,2%	6 610 539	7 344 388	111,1%
<b>Net sales revenues</b>	<b>35 777 362</b>	<b>39 319 019</b>	<b>109,9%</b>	<b>10 294 566</b>	<b>12 940 798</b>	<b>125,7%</b>
Direct cost of sales	28 030 954	31 307 172	111,7%	7 857 371	9 399 446	119,6%
<b>Gross profit</b>	<b>7 746 408</b>	<b>8 011 847</b>	<b>103,4%</b>	<b>2 437 195</b>	<b>3 541 352</b>	<b>145,3%</b>
Cost of sales	646 570	765 593	118,4%	181 211	208 148	114,9%
General and administration expenses	6 527 573	6 487 975	99,4%	1 393 290	1 573 296	112,9%
Other revenues	1 067 144	1 514 065	141,9%	241 713	-40 966	-116,9%
Other expenditures	779 397	631 426	81,0%	507 896	7 686	1,5%

<b>Other items related to business activities</b>	<b>-6 886 396</b>	<b>-6 370 929</b>	<b>7,5%</b>	<b>-1 840 684</b>	<b>-1 830 096</b>	<b>0,6%</b>
<b>Operating profit before interest payment and taxation (EBIT)</b>	<b>860 012</b>	<b>1 640 918</b>	<b>190,8%</b>	<b>596 511</b>	<b>1 711 256</b>	<b>286,9%</b>
Financial revenues	2 279 207	2 129 780	93,4%	40 866	485 795	1188,8%
Financial expenditures	2 669 504	3 131 273	117,3%	143 295	646 048	450,9%
<b>Net financial result</b>	<b>-390 297</b>	<b>-1 001 493</b>	<b>-256,6%</b>	<b>-102 429</b>	<b>-160 253</b>	<b>-156,5%</b>
Dividend from affiliated companies	-196 184	-124 262	136,7%	-26 000		
<b>PROFIT BEFORE TAXATION</b>	<b>273 531</b>	<b>515 163</b>	<b>188,3%</b>	<b>468 082</b>	<b>1 551 003</b>	<b>331,4%</b>
<b>Corporate profit tax</b>	<b>1 132 803</b>	<b>50 171</b>	<b>4,4%</b>	<b>751 340</b>	<b>-170 716</b>	<b>-122,7%</b>
<b>PROFIT AFTER TAXATION</b>	<b>-859 272</b>	<b>464 992</b>	<b>154,1%</b>	<b>-283 258</b>	<b>1 721 719</b>	<b>707,8%</b>
Profit share of minority shareholders						
<b>NET INCOME</b>	<b>-859 272</b>	<b>464 992</b>	<b>154,1%</b>	<b>-283 258</b>	<b>1 721 719</b>	<b>707,8%</b>
<b>Other aggregate income</b>						
Profit from cash-flow hedge transaction		-950 381			-950 381	
Deferred tax of cash-flow hedge transaction		-145 967			-145 967	
<b>Other aggregate income</b>	<b>0</b>	<b>-804 414</b>		<b>0</b>	<b>-804 414</b>	
<b>Total aggregate income</b>	<b>-859 272</b>	<b>-339 422</b>	<b>60,5%</b>	<b>-283 258</b>	<b>917 305</b>	<b>423,8%</b>

## **1. EARNED REVENUES**

In 2011, Rába achieved HUF 39,3198 million in sales revenue, compared to HUF 35,777 million during 2010, with a growth of 10 %. 64.7 per cent of the revenues came from export, the rest came from domestic sales.

## **2. COSTS AND OTHER REVENUES, EXPENDITURES**

### **2.1. Direct costs**

In 2011, the direct cost level of Rába was 79.6 per cent, compared to 78.3% of the base period.

#### **Gross Profit**

The gross profit changed from HUF 7,746 million to HUF 8,012 million, (HUF +265 million), which is due to the increase in the sales revenue by HUF +3,542 million and to a lesser increase in direct expenses (HUF +3,276).

### **2.2. Cost of sales**

The cost of sales increased by 18.4 per cent and amounted to HUF 766 million in 2011, compared to HUF 647 million in 2010.

### **2.3. General overhead and administrative expenses**

Rába accounts its costs incurred in relation to the administration of the company and other general expenses under general overhead and administrative expenses (2011: HUF 6,488 million, 2010: 6,528 million), and adjusts them with the net value of the non-capitalised, according to international regulations, costs of technical development (HUF -6 million), and by restating certain bank charges to financial expenditure (HUF -37 million) and with the share-based payments made in capital instruments and cash (HUF +6 million).

### **2.4. Other revenues**

Other revenues amounted to HUF 1,514 million in 2011. This amount was HUF 447 million

higher than that of the base period. The change is due to the following factors: increase in net proceeds from the sale of fixed assets: HUF +848 million decrease in subsidies (HUF -116 million), decline in compensation, indemnification received (HUF -97 million) and the decline in discounts received in arrear (HUF -144 million).

In June of 2011 the Company sold a portion of its unused land and buildings, resulting in net proceeds of HUF 917 million. Expenditures incurred in connection with the sale, including demolition and other costs, are shown in the appropriate lines of the financial accounts.

### **2.5. Other expenditures**

The amount of other expenditures in 2011 was HUF 631 million, which is HUF 148 million lower than the amount during the base period. The most important reasons for this are the decline in other tax liabilities (HUF -120 million), and in provisions set aside (HUF -137 million), as well as the increase in the amount of other expenditures and fixed-asset write-offs in connection with the sale of unused land and buildings (HUF 104 million).

### **3. OPERATING PROFIT**

The operating profit of Rába in 2011 was HUF 1,641 million (2010: HUF 860 million). The increase in gross profit (HUF 265 million) was deteriorated by the combined change in sales and general overhead costs (HUF +79 million) and was improved by the changes in other revenues and expenditures (HUF +595 million). Profitability changed from 2.4% during the base period to 4.2%. The profitability of the operating profit + depreciation was 9.8 per cent, against 8.7% during the base period.

### **4. FINANCIAL REVENUES AND EXPENDITURES**

In 2011, the net financial result was HUF 1,001 million, compared to HUF -390 million during the base period. The activated profit of derivative transactions in 2011 was a profit of HUF 6 million, compared to the loss of HUF 1,008 million during 2010. On 31. December, 2011, the Group has no open derivative transactions, whereas during the same period of last year the non-activated profit of the revaluation of derivative transactions was HUF -9 million.

The net profit of interest incomes and expenses was HUF -459 million in 2011, against HUF -367 million during the base period. The net exchange rate difference of FX items deteriorated the financial result of the Group by HUF 515 million in 2011, in 2010 the exchange rate loss was HUF -336 million.

The risk management strategy of the Rába Group views the mitigation of the uncertainties in the HUF value of FX based cash-flows resulting from sales contracts concluded in FX as its primary risk management objective. The uncertainty in the HUF value is determined by the strengthening/weakening compared to the FX of the HUF (as the accounting currency of the Company). Therefore, in order to offset the adverse effect on the result of the Company of the strengthening of the HUF, part of the financing needs of the operation of the enterprise is met in FX (FX loans are used) and thus these are viewed as hedge transactions suitable for maintaining the value of FX revenues, to the extent of the expected exposure. The exchange rate difference of these cash-flow hedge transactions was HUF 950 million on 31. December 2011.

Financial revenues and expenditures consisted of the following principal items:

	<b>2010.</b>	<b>2011.</b>
Revenue from dividends	2 879	6 780
Exchange rate gains of stakes sold	444 581	
Interest income	82 438	57 720
Realised gains of derivative transactions	110 883	47 320
Non-realised profit from derivative transactions		0
Exchange rate gains	1 634 719	2 016 115
Other financial revenues	3 707	1 845
<b>Financial revenues</b>	<b>2 279 207</b>	<b>2 129 780</b>

Interest payable	448 938	516 916
Realised loss of derivative transactions	1 118 815	40 890
Release of unrealised loss from previous year of derivative transactions	-944 267	-8 782
Non-realised loss of derivative transactions	8 782	0
Exchange rate losses	1 970 918	2 531 465
Other financial expenditures	66 318	50 784
<b>Financial expenditures</b>	<b>2669504</b>	<b>3131273</b>

## **5. PROFIT FROM EXTERNAL COMPANIES**

The profit from external companies in 2011 amounted to HUF -124 million (2010: HUF -196 million), which amount represents the portion the parent company is entitled to from the net loss of Fehrer Automotive-Rába Kft, through the accounting of which the value of this asset is reduced to zero. The amount of the net value of the affiliated company Rába Nyrt is entitled to is a loss of HUF 342 million in 2011. In line with the provisions of the IFRS, the loss can be accounted for up to the value of the investment.

## **6. PROFIT BEFORE TAXATION AND NET PROFIT**

The earnings before taxation amounted to HUF 515 million in 2011, which, because of the factors outlined in sections 1-5 is HUF 242 million more than the figure for 2010. The profitability ratio represents a 1.3 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 amounted to HUF 50 million, of HUF 44 million is the corporate tax and HUF 261 million is the trade tax liability. The deferred tax for the current period is HUF 397 million and deferred tax liability accounted in the capital is HUF 142 million.

## **7. OTHER AGGREGATE INCOME**

In line with the risk management strategy of the Company, the FX exchange rate risks resulting from the sales contracts ("Basic Transaction") was hedged through the conclusion of FX loan deals. The net profit of the cash-flow hedge transaction is HUF -804 million, which is accounted under aggregate income.

## **8. 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:

- accounting under IFRS as costs of technical development in part and of foundation and reorganisation expenses in full, capitalised according to HAS;
- accounting of the share options made available to the managers within the Share Option Programme;
- the reclassification into profit tax of the business tax accounted under HAS as other expenditures;
- accounting under IFRS among indirect costs of the FX shipping costs reducing the sales revenues under the Hungarian accounting rules;
- any rebate accounted as other expenditure according to the HAS requirements must be accounted as an item reducing the sales revenues according to the IFRS requirements;
- restatement of certain bank charges accounted as indirect expenditure under the Hungarian Accounting Regulations into financial expenditure;
- accounting of cash-flow hedge transaction (according to IAS 39.88) in other aggregate income.

**PK. 3. CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS**

Currency*	HUF	X	EUR	
Unit*	1 000	X	1 000 000	

\* Indicate with X.

Item	2010.12.31	2011.12.31	Index
Properties, machines, equipment	13 772 582	13 939 631	101,2%
Intangible assets	631 396	971 345	153,8%
Long-term receivables	13 273	4 392	33,1%
Property for investment purposes	338 217	338 217	100,0%
Other investments accounted through the capital method	124 518	206	0,2%
Marketable financial assets	205 201	194 043	94,6%
Deferred tax receivables	261 756	658 906	251,7%
<b>Total invested assets</b>	<b>15 346 943</b>	<b>16 106 740</b>	<b>105,0%</b>
Inventories	7 568 030	8 163 159	107,9%
Receivables	7 591 462	10 677 724	140,7%
Corporate tax receivables	37 249	41 104	110,3%
Liquid assets, bank account	1 498 111	894 712	59,7%
<b>Total current assets</b>	<b>16 694 852</b>	<b>19 776 699</b>	<b>118,5%</b>
<b>Total ASSETS</b>	<b>32 041 795</b>	<b>35 883 439</b>	<b>112,0%</b>
Share capital	12 550 920	12 921 066	102,9%
Other aggregate income		-804 416	
Capital reserve	26 278	85 004	323,5%
Share option reserve	209 448	165 198	78,9%
Retained earnings*	-2 727 376	-2 364 989	86,7%
<b>Total equity and reserves</b>	<b>10 059 270</b>	<b>10 001 863</b>	<b>99,4%</b>
Long-term liabilities	7 294 131	8 043 520	110,3%
Provisions	843 385	650 410	77,1%
<b>Total long-term liabilities</b>	<b>8 137 516</b>	<b>8 693 930</b>	<b>106,8%</b>
Derivative financial liabilities	8 782	0	0,0%
Short term loans and credits	4 703 498	6 653 414	141,5%
Short-term liabilities	9 132 729	10 534 232	115,3%
<b>Short-term liabilities total</b>	<b>13 845 009</b>	<b>17 187 646</b>	<b>124,1%</b>
<b>Total LIABILITIES (equity and liabilities)</b>	<b>32 041 795</b>	<b>35 883 439</b>	<b>112,0%</b>

**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 13,773 million on 31 December 2010 to HUF 13,940 million, the change was 1.2 %. The value of assets purchased exceeded the amount of depreciation stated during the period. The depreciation of fixed assets during 2011 was HUF 2,079 million. The book value of real estate sold and demolished during the current period is HUF 278 million.

**1.2. Intangible assets**

The net value of intangible assets changed from HUF 631 million to HUF 971 million. The increase of 53.8 per cent was largely due to the accelerated development activities. The amount of depreciation accounted during the period was HUF 126 million.

**1.3. Long-term receivables**

This balance sheet line shows long-term receivables at a discounted value among invested assets in the balance sheet. Long-term receivables declined by HUF 9 million compared to the closing value as at 31<sup>st</sup> December 2010.

	<b>31st 12. 2010.</b>	<b>31st 12. 2011.</b>
Closing	38 169	13 273
Increase	-	5 000
Repayment	(6 516)	(2 519)
Impairment	(21 370)	(12 352)
Effect of discounting	2 990	990
<b>Closing</b>	<b>13 273</b>	<b>4 392</b>

#### **1.4. Real estate for investment purposes**

The value of real estate for investment purposes – amounting to HUF 338 million on 31<sup>st</sup> December 2011 at book value – remained unchanged.

#### **1.5. Investments accounted using the capital method**

In 2009, Rába Nyrt and F.S. Fehrer Automotive GmbH. established Fehrer Automotive-Rába Kft. Rába's stake in the joint venture is 30%. The line of the balance sheet entitled investments accounted using the capital method shows that the book value of this investment has declined to zero, since Rába's share of the Kft's losses exceeded the value of the stake in the enterprise.

#### **1.6. Deferred tax receivable**

It amounted to HUF 659 million on 31<sup>st</sup> December 2011, which is HUF 397 million over the value prevailing on 31 December 2010. The main reason for the increase is the change in the tax laws and that the Company has set aside deferred taxes for the accrued negative tax base during the current period of the parent company and one of the subsidiaries in view of the expected returns

#### **1.7. Receivables from the sale of assets**

On 31<sup>st</sup> December 2011, the present value of the receivable was HUF 194 million, (31<sup>st</sup> December, 2010).

### **2. CURRENT ASSETS**

#### **2.1. Stocks**

On 31<sup>st</sup> December 2011, the closing value of stocks was HUF 8,163 million (31<sup>st</sup> December 2010: HUF 7,568 million). The change is +7.9%, due to the growth in materials and goods by HUF 363 million and in unfinished, semi-finished and finished goods by HUF 232 million.

#### **2.2. Receivables**

The closing figure of receivables as at 31st December 2011 was HUF 10,678 million, an increase of HUF 3,086 million compared to the 31<sup>st</sup> December 2010 figure (closing figure for 31st December 2010: HUF 7,591 million). The most significant changes occurred in the accounts receivable (HUF +3,027 million). Deliveries during the last months of the current year reached a higher level compared to the previous period, hence the higher accounts receivable upon the turning day.

#### **2.3. Liquid assets**

The closing figure of liquid assets on 31<sup>st</sup> December 2011 was HUF 895 million, HUF 603 million less than on 31<sup>st</sup> December 2010 (HUF 1,498 million).

### **3. EQUITY AND RESERVES**

The change occurred as follows:

	Registered capital	Capital reserve	Share based payments reserve	Retained earnings	Other aggregate income	Total shareholders equity
<b>Balance as at 1 January, 2010</b>	<b>12 546 330</b>	<b>26 278</b>	<b>56 183</b>	<b>-1 882 561</b>		<b>10 746 230</b>
Profit of current year				-859 271		-859 271
Expired dividend				12 308		12 308
Share-based expenditure met in equity instrument	4 590		-1 933	1 933		4 590
Deferred tax of share-based payments in equity instrument			165 518			165 518
<b>Balance as at 31<sup>st</sup> December, 2010.</b>			<b>-10 320</b>	<b>215</b>		<b>-10 105</b>
Profit of current year	<b>12 550 920</b>	<b>26 278</b>	<b>209 448</b>	<b>-2 727 376</b>		<b>10 059 270</b>
Profit from cash-flow hedge transaction				464 992		464 992
Tax of cash-flow hedge transaction					-950 383	-950 383
Profit of share-based payments drawn					145 967	145 967
Share-based expenditure met in equity instrument			68 705			68 705
Deferred tax of share-based payments in equity instrument			-9 619			-9 619
Purchase of treasury shares	-159 710	58 726				-100 984
Profit from share-based payments	529 856		-109 338	-102 605		317 913
Deferred tax of share-based payments drawn, deferred tax rate change			6 001			6 001
<b>Balance as at 31st December 2011</b>	<b>12 921 066</b>	<b>85 004</b>	<b>165 198</b>	<b>-2 364 989</b>	<b>-804 416</b>	<b>10 001 863</b>

### **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 31st December 2011, the share capital of the company was HUF 12,921 million.

On 7<sup>th</sup> November 2011, the Hungarian State Holding Company Ltd. made a public takeover bid for the purchase of all of the shares issued by the Company. The bid was approved by the Hungarian State Financial Supervision on 8<sup>th</sup> November 2011. For the public takeover bid the Bidder initiated the procedure of the European Commission for the uniform competition law licencing of the transaction (encompassing the territory of the entire EU).

The State shall acquire the title to the shares thus offered if as a result of the bidit can acquire control exceeding 50 per cent and the Cartel Offices have approved the purchase.

Within the framework of the Rába Group Management Share Option Incentive Programme during Q1-Q3 of 2011, seven people availed themselves to the share drawdown option and 43,459 treasury shares were drawn.

On 6<sup>th</sup> December 2011, in response to the public takeover bid made by the Hungarian State, 21 people drew down a total of 486,397 Rába shares. Thus the first tranche of the MSOP was fully drawn.

Based on the authorization granted by the Board of Directors, the Company purchased 159,710 treasury shares on the Budapest Stock Exchange.

### **3.2. Other aggregate result**

In accordance with its risk management strategy, the Company has concluded USD and EUR foreign exchange loan transactions in order to hedge the USD/HUF and EUR/HUF foreign exchange risks stemming from its sales contracts ("Basic transaction"). The transactions with an efficient hedge relation are cash-flow hedge transactions, the profit of which, of HUF -804 million is accounted for under other aggregate profit.

### **3.3. Capital reserve**

On 31<sup>st</sup> December 2011, the capital reserve was HUF 85 million, equal to the difference between the cost and the face value of the repurchased treasury shares.

### **3.3. Share option reserve**

To foster shared interests between the shareholders of Rába and the management of the Rába Group, as well as to further increase the value of the company, in 2006 the Board of Directors of Rába launched a five-year management share option programme, entitled Management Share Option Incentive Programme for the senior and middle management of the company. The program is for the Rába shares.

The programme consists of three separate draw-down tranches, each of which is implemented separately, subject to unrelated conditions.

At its meeting held on 2<sup>nd</sup> July 2009 the Board of Directors of Rába Nyrt. concluded that the conditions of opening the third tranche were not fulfilled considering the price of Rába shares and the average price weighted with the stock exchange turnover during the opening period of the third tranche between 1<sup>st</sup> January 2009 and 31<sup>st</sup> December 2009

Upon authorization from the General Meeting of Shareholders, as per resolution No. 5/2010 04.29. of the General Meeting, the term of the ESOP launched 1 July, 2006 was extended until 31 December, 2014 and the third tranche is relaunched from 1 January, 2012 with unchanged terms.

In line with the expectations of the shareholders, during this period the management substantially improved the position of the group, bringing it closer to the leading edge of the global automotive industry and ensuring a favourable strategic position for the company for the future.

In its public takeover bid for the shares of the Company, the Hungarian State Holding Company Ltd, stated its intention to pursue the current strategy of the company and to additionally plan expansion and complementary value creation. Against such a backdrop the incentive role of the option programme will prevail over the ownership stabilizing role. Therefore the members of the management – in this case as well – have acted in a uniform fashion and decided to draw the first tranche.

The amount of the share-based payment met in equity instrument of members of the MSOP leaving the company during the year and of the shares drawn for the sake of the offer, during the current year is HUF 109.3 million. For tranches 2. and 3. an amount of HUF 68.7 million gross was accounted during the current year.

### **3.5. Retained earnings**

The retained earnings (HUF -2,365 million) changed by HUF +464 million (by the amount of the net profit during Q1-Q3 and the restatement of the principal amount of the drawn-down and terminated option) compared to the closing balance of the previous year (HUF -2,727 million).

## **4. LONG-TERM LIABILITIES**

### **4.1 Long-term liabilities**

Long-term liabilities contain the amount of long-term loans and credits. The closing value of long-term liabilities as at 31<sup>st</sup> December 2011 amounted to HUF 8,044 million, which was 10.3 per cent higher than the opening balance of the period (on 31<sup>st</sup> December 2010, the closing figure was HUF 7,294 million).

### **4.2. Provisions**

The closing value of provisions as at 31<sup>st</sup> December, 2011 was HUF 650 million, which is HUF 193 million over the closing value for last year. The principal reasons for the change were the following:

- use of provisions set aside for redundancies in the amount of HUF -126 million,
- creation and release of provisions set aside for guarantee obligations in the amount of HUF -

96 million,

- provisions in the amount of HUF 30 million for the social security liability of the share option.

## **5. SHORT-TERM LIABILITIES**

### **5.1. Derivative financial liabilities**

The company had no derivative transactions on the turning date of the balance sheet.

### **5.2. Short-term credits and loans**

The total amount of short-term credits and loans (HUF 6,653 million) increased by 41.5% compared to the closing balance of December (HUF 4,703 million).

### **5.3. Short-term liabilities**

The total short-term liabilities (closing balance on 31st December 2011: HUF 10,534 million) increased by 15.3% compared to the December 2010 closing value (HUF 9,133 million). The most significant increase took place in accounts payable (HUF +1,405 million), passive accruals (HUF -255 million) and other liabilities (HUF +470 million).

## **PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR 2011**

	Data in HUF thousand	
	<b><u>2010.</u></b>	<b><u>2011.</u></b>
<b><u>Cash flows of operating activities</u></b>		
Profit before taxation	273 532	515 162
<i>Adjustment items related to items with no cash movement:</i>		
Interest income/expenditure	33 758	65 659
Depreciation and amortisation	2 257 010	2 205 003
Impairment of real estate, machinery and equipment	31 051	135 245
Impairment of bad and doubtful receivables and of long term receivables	-27 778	5 759
Impairment of stocks kept at net realisable value	206 504	200 413
Inventory reject	101 378	119 696
Provisions	-64 342	-192 975
Share-based payments made in capital instrument	165 518	-143 238
Changes in real value of derivative financial assets and receivables	-935 485	-8 782
Result of sale and in-kind contribution of real assets, machinery and fixtures and intangible assets	-74 167	-922 156
Proceeds from sale of investments accounted through the capital method	-444 986	0
Participation in profit of affiliated companies	196 133	124 312
	236 235	639 557
Revaluation of loans and credits at end of period		639 557
<i>Changes in working capital:</i>		
Changes in trade and other receivables	-350 321	-3 135 520
	-939 502	-915 237
Changes in stocks		-915 237
Changes in accounts payable and other liabilities	2 092 859	1 968 574
Share-based payment made in liquid assets	23 615	-62 382
Profit tax paid	-470 225	-326 021
Interests paid	-461 190	-498 547
<b>Net cash flows from operating activity</b>	<b>1 849 597</b>	<b>-225 478</b>
<b><u>Cash flows from investment activities</u></b>		
Purchase, sale, capital increase of the sale of investments accounted through the capital method	-82 713	0
Revenues from the sale of investments accounted through the capital method	1 150 050	0
Purchase of real estate, machinery and fixtures, as well as of intangibles	-1 203 800	-3 047 724
Revenues from the sale of real estate, machinery and fixtures, as well as of intangibles	139 893	1 076 282

Interests received	82 261	55 282
<b>Net cash flows used for investment activities</b>	<b>85 691</b>	<b>-1 916 160</b>

**Cash flow from financing activities**

Revenues/expenditures from the sale/purchase of treasury shares	4 590	428 872
Receipt of loans and credits	12 316 765	9 580 840
Repayment of loans and credits	-13 133 352	-8 471 473
<b>Net cash flows from financing activities</b>	<b>-811 997</b>	<b>1 538 239</b>
<b>Net increase/decline of financial instruments and equivalents</b>	<b>1 123 291</b>	<b>-603 399</b>

**PK6. Major off-balance sheet items**

Description	Value (HUF)
According to a separate list*	

\* On 31<sup>st</sup> December, 2011 there were no forward FX transaction serving to hedge the exchange rate risk of export sales revenues.

The bank loans of the Rába Group amount to HUF 14,092 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 13,473 million. The amount of bank guarantees issued on behalf of the Rába Group is HUF 2,310 million.

**RS1. Ownership structure, ratio of participation**

On 14<sup>th</sup> December, 2011. the Hungarian State Holding Company Ltd. announced that as a result of the Public Takeover Bid and of the thus resulting share-transfer agreements, it will acquire ownership of 9,925,979 shares of the Company, as a result of which it will have a 73.67 per cent ownership stake of the Company.

Description of ownership	Total equity						Series listed <sup>1</sup>			
	At beginning of current year (1st January)		At end of term (31st December)				At beginning of current year (1st January)		At end of term (31st December)	
	% <sup>2</sup>	% <sup>3</sup>	% <sup>2</sup>	% <sup>3</sup>	% <sup>2</sup>	% <sup>3</sup>	%	Pcs	%	Pcs
Domestic institutional/corporate	35.49	38.08	4,781,302	1.56	1.62	209,933				
Foreign institutional/corporate	14.40	15.45	1,939,724	1.10	1.14	147,584				
Foreign private individual	0.43	0.46	57,941	0.24	0.25	32,639				
Domestic private individual	42.46	45.56	5,720,683	19.65	20.49	2,648,048				
Employees, managing executives	0.40	0.43	53,780	0.01	0.01	825				
Treasury shares	6.82		918,306	4.07		548,160				
Shareholder forming part of general government <sup>4</sup>	0.01	0.01	1,710	15.49	16.14	2,086,439				
International Development Institutions <sup>5</sup>	0.00	0.00	0	0.00	0.00	0				
Other	0.00	0.00	0	57.89	60.35	7,799,818 <sub>6</sub>				
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>13 473 446</b>	<b>100.00</b>	<b>100.00</b>	<b>13 473 446</b>				

<sup>1</sup> 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.

<sup>2</sup> Ownership ratio

<sup>3</sup> 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!

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

<sup>5</sup> E.g.: EBRD, EIB, etc.

<sup>6</sup> Shares offered in 2011 in the context of the takeover

**RS3. List and introduction of shareholders with a stake exceeding 5% (as at 31<sup>st</sup> Dec 2011)**

Name	Nationality <sup>1</sup>	Activity <sup>2</sup>	Quantity (pcs)	Ownership stake (%) <sup>3</sup>	Voting right (%) <sup>3,4</sup>	Comment <sup>5</sup>
Centre For The Management Of The State Debt Ltd. (Államadósság Ezelő Központ Zrt.) Pension Reform and Debt Reduction Fund	D	G	2,084,729	15.47	16.13	

<sup>1</sup> Domestic (D), Foreign (F)

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

<sup>3</sup> Should be rounded to two decimal figures

<sup>4</sup> Voting right ensuring participation in the decision making process at the general meeting of shareholders of the issuer.

<sup>5</sup> 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	918 306	907 863	935 009	967 557	548 160
Subsidiaries					
Total	918 306	907 863	935 009	967 557	548 160

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

**TSZ1. Headcount of full-time employees (No. of people)**

	End of Base Period	End of Current Period
Company level	14	15
Group level	2 044	1 861

The consolidated closing headcount as at 31<sup>st</sup> December, 2011 was 1 861, which represented a decline of 9.8% compared to the end of the base period.

**TSZ2. Managing executives, strategic employees**

Type <sup>1</sup>	Name	Position	Beginning of mandate	End/ termination of mandate	Shares held (pcs)
BD	István Pintér	Chairman of the BD	2005		414
BD	Olivér Martin	Board member	2003		0
BD	Róbert Hrabovszky	Board member	2005		0

BD	Alan Spencer	Board member	2006		0
BD	Khalid Abdol Rahman	Board member	2007		0
BD	Dr. Ádám Fintha-Nagy	Board member	2008		0
BD	Gábor Földvári	Board member	2008		0
SB	Dr. János Benedek	Chairman of the SB	2004		0
SB	Zoltán Varga	Supervisory Board member	2006		0
SB	András Lovas-Romváry	Supervisory Board member	2008	2009	-
SB	Balázs Sándorfi	Supervisory Board member	2009		0
SP	István Pintér	Chief Executive	2003	Definite	414
SP	Béla Balog	Deputy CEO	2004	Indefinite	0
SP	Ferenc Vissi	HR Director	2001	Indefinite	0
SP	József Szabó	Purchasing and Asset Mgmt. Director	2001	Indefinite	411
SP	István Pintér	Managing Director	2004	Indefinite	414
SP	László Urbányi	Managing Director	2005	Indefinite	0
SP	János Torma	Managing Director	2005	Indefinite	0
Total number of treasury shares owned (pcs):					53 780

### **RÁBA NYRT. (INDIVIDUAL) BALANCE SHEET (HAS)**

Data in HUF thousand

No	Description of item	31 Dec. 2010	31 Dec. 2011	Index
<b>A.</b>	<b>Invested assets</b>	<b>17 737 047</b>	<b>16 584 348</b>	<b>93,50%</b>
I.	Intangible assets	127 429	88 448	69,41%
II.	Fixed assets	6 048 576	5 773 248	95,45%
III.	Financial assets invested	11 561 042	10 722 652	92,75%
<b>B.</b>	<b>Current assets</b>	<b>2 081 449</b>	<b>2 368 287</b>	<b>113,78%</b>
I.	Stocks	355 511	351 099	98,76%
II.	Receivables	801 707	1 346 685	167,98%
III.	Securities	706 350	489 421	69,29%
IV.	Liquid assets	217 881	181 082	83,11%
<b>C.</b>	<b>Active accruals</b>	<b>20 654</b>	<b>21 966</b>	<b>106,35%</b>
	<b>TOTAL ASSETS</b>	<b>19 839 150</b>	<b>18 974 601</b>	<b>95,64%</b>
<b>D.</b>	<b>Shareholders' equity</b>	<b>14 470 625</b>	<b>13 170 418</b>	<b>91,01%</b>
I.	Registered capital	13 473 446	13 473 446	100,00%
	Of which: ownership stake repurchased at face value	918 306	548 160	59,69%
III.	Capital reserve	127 654	127 654	100,00%
IV.	Retained earnings	-2 741 766	-869 896	68,3%
V.	Fixed reserves	706 350	489 421	69,29%
VII.	Net profit	2 904 941	-50 207	-
<b>E.</b>	<b>Provisions</b>	<b>85 585</b>	<b>41 007</b>	<b>47,91%</b>
<b>F.</b>	<b>Liabilities</b>	<b>5 238 093</b>	<b>5 681 273</b>	<b>108,46%</b>
III.	Short-term liabilities	5 238 093	5 681 273	108,46%
<b>G.</b>	<b>Passive accruals</b>	<b>44 847</b>	<b>81 905</b>	<b>182,63%</b>
	<b>TOTAL LIABILITIES</b>	<b>19 839 150</b>	<b>18 974 603</b>	<b>95,64%</b>

**RÁBA NYRT. (INDIVIDUAL) PROFIT AND LOSS STATEMENT (HAS)**

Data in thousand HUF

No	Description of item	2010.	2011.	Index
I.	Net sales revenue	1 194 010	1 208 682	101,23%
II.	Direct costs of sales	188 312	199 802	106,10%
<b>III.</b>	<b>Gross sales revenue</b>	<b>1 005 698</b>	<b>1 008 880</b>	<b>100,32%</b>
IV.	Indirect sales costs	1 016 067	1 145 717	112,76%
V.	Other revenues	206 467	1 175 936	569,55%
VI.	Other expenditures	297 423	488 273	164,17%
<b>A.</b>	<b>OPERATING PROFIT</b>	<b>-101 325</b>	<b>550 826</b>	<b>643,62%</b>
VIII.	Revenues from financial transactions	3 743 708	860 941	23,00%
IX.	Expenditures of financial transactions	707 215	1 476 325	208,75%
B.	Profit of financial transactions	3 036 493	-615 384	-120,27%
<b>C.</b>	<b>ORDINARY BUSINESS PROFIT</b>	<b>2 935 168</b>	<b>-64 558</b>	<b>-102,20%</b>
D.	EXTRAORDINARY PROFIT	-6 137	-9 098	-148,25%
<b>E.</b>	<b>PROFIT BEFORE TAXATION</b>	<b>2 929 031</b>	<b>-73 656</b>	<b>-102,51%</b>
XII.	TAX LIABILITY	24 090	-23 449	-197,34%
<b>F.</b>	<b>AFTER-TAX PROFIT</b>	<b>2 904 941</b>	<b>-50 207</b>	<b>-101,73%</b>
<b>G.</b>	<b>NET PROFIT</b>	<b>2 904 941</b>	<b>-50 207</b>	<b>-101,73%</b>

**PK1. General information pertaining to the financial data**

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

**Declaration of liability**

We, the undersigned, authorised signatories of the Company, hereby declare that the data and statements contained in the quarterly report are true and accurate. The report reflects the true and fair value of the Company's assets, liabilities, financial position, profit and loss, the situation, development and performance of the business and also describes the main risks and factors of uncertainty. The Company does not conceal any fact that is important for assessing its financial and economic position.

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

- The figures shown in the report are unaudited but have been compiled from the available data relying on the best efforts of the management.
- Rába has prepared its quarterly report in compliance with the requirements of the Stock Exchange Regulations and in consideration of the IAS 34 Standard (interim financial statement).

In 2011 Rába supplemented its accounting policy as follows: in the context of the IFRS accounting principles FX loan transactions securing the financing requirements can be viewed as hedge transactions, provided that the hedge efficiency between the FX sales revenues and FX loans involved in the hedge relation during the hedge relation, as per the IFRS requirements shall be secured.

Győr, 14 February, 2012.

**István Pintér**  
Chairman-CEO

**Béla Balog**  
CFO