

Report on the Results of Rába Nyrt. in Q1-Q3 of 2013

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

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SUMMARY

- During Q1-Q3 of 2013, the Company at group level registered sales of HUF 34.7 billion, which is an increase of 11.6 per cent compared to the HUF 31.1 billion of Q1-Q3 of 2012. Such increase is fundamentally a tribute to the substantial, 18.8 per cent increase of exports, in spite of the decline in domestic sales by 6.5% - which in the third quarter already turned into an increase of 14.7% compared to the figure for the same period of the previous year - and the more substantial decline on the global utility vehicle markets. The increase in sales was largely due to the fruition of the business and product development projects announced during previous periods. The increase is largely the result of the expansion by 14.8% of the Axle Business, the core activity of the group and of the Component Business by 21.5%, while the Vehicle Business declined by 10.6 per cent. Foreign currencies had no impact on the growth since quarterly averages in the relevant currencies were only slightly different from the levels of the previous year.
- The gross margin improved dramatically, by 4.2 percentage points during Q1-Q3 of 2013 compared to Q1-Q3 of 2012. The gross margin was improved besides a positive change in the product mix of the Axle business, by the increase in the ratio of products with a higher added value and by the impact of ongoing measures aimed at efficiency improvement, together with the increased volume upon controlled fixed costs.
- As the aggregate effect of the increase in sales revenue in HUF terms and of the improvement in the margin, during Q1-Q3 of 2013 the gross profit was more than HUF 2,179 million, i.e. 35.9 per cent higher than the level during the previous year. In spite of the increase in sales revenues, administrative and sales costs increased to but a minor extent, 5.9 per cent compared to Q1-Q3 of 2012.
- Other revenues and expenditures contained just the usual items, the balance of which was a profit of HUF 141 million during the review period, which is equal to the value of the same period of the previous year.
- The operating profit during Q1-Q3 of 2013 was HUF 2.4 billion, HUF 1.8 billion higher than in Q1-Q3 of 2012. Such improvement is largely a tribute to the outstanding result of the Axle Business, considered the group's core activity, which increased by HUF 1,691 million, more than four fold. The Component Business registered a tripled profit of HUF 267 million, whereas the Vehicle Business generated losses amounting to HUF 165 million during Q1-Q3 of 2013.
- EBITDA nearly doubled compared to the same period of last year amounting to HUF 4,058 million.
- The financial profit during Q1-Q3 of 2013 amounted to HUF 44 million, against the loss of HUF 219 million generated during Q1-Q3 of 2012. The financial profit includes the profit generated through the sale of the business stake held in Fehrer Automotive-Rába Kft, amounting to HUF 524 million.

- The profit was HUF 1,968 million during Q1-Q3 of 2013, in contrast to the profit of HUF 178 million in Q1-Q3 of 2012. The net result of the cash-flow hedge transactions was a loss of HUF 6 million, thus the result as per the total aggregate income is a profit of HUF 1,962 million, against HUF 1,113 million during Q1-Q3.
- The net loan portfolio was HUF 9.8 billion, HUF 3.6 billion lower than at the end of 2012 and HUF 3.2 billion lower than during Q1-Q3 of 2012. The decline compared to the end of the year is due to the profitable operation and the decline in working capital by HUF 1.5 billion and the proceeds of HUF 524 million from the sale of the business stake in the joint venture. It was offset by the revaluation of loans amounting to HUF 150 million, resulting from the changes in foreign exchange rates involving, however, no cash movements.

thousand HUF	2012 Q1-Q3	2013 Q1-Q3	Change	2012 Q3	2013 Q3	Change
Sales revenue	31 110 663	34 724 272	11,6%	9 890 388	10 999 922	11,2%
Gross profit	6 063 990	8 243 110	35,9%	1 991 054	2 367 605	18,9%
<i>Gross margin</i>	19,5%	23,7%	4,2%p	20,1%	21,5%	1,4%p
EBITDA	2 175 513	4 058 279	86,5%	693 352	951 330	37,2%
<i>EBITDA level</i>	7,0%	11,7%	4,7%p	7,0%	8,7%	1,6%p
Operating profit	559 716	2 404 957	329,7%	158 878	397 911	150,5%
Net financial profit	-218 807	44 391	120,3%	-40 229	-273 579	-580,1%
Profit of current year	178 055	1 967 928	1005,2%	18 784	49 440	163,2%
Total aggregate income	1 113 232	1 962 127	76,3%	154 797	107 923	-30,3%

'Our deals concluded earlier with leading international customers have borne fruit this year, hence our strong business performance during the first nine months of 2013. The past period was characterized by improving customer relations and efficiency proving that our customer-driven, innovation based business strategy is successful. Amongst the ever renewing challenges of the economic environment, however, we too have to explore new opportunities; therefore in the future Rába will put increased emphasis on the promotion of business development', said István Pintér, Chairman-Chief Executive Officer of Rába Automotive Holding Plc.

EXTERNAL ENVIRONMENT

- Market demand was weak in almost all geographical and product segments, growth trends were unpromising. The heavy vehicle sector of the North American market was characterised by a 9 per cent decline during the first eight month of 2013, compared to the same period of last year. Market outlooks for 2013 were adjusted downwards, a decline of about 4 per cent is projected for 2013 against the earlier stagnation. On the European heavy vehicle market while Q3 was characterised by a 6 per cent growth, the decline in demand amounted to 6 per cent during the first nine months of 2013. No major changes are expected compared to 2012 in Europe either in terms of the outlook for the entire year. Demand for Rába products was manifest on both the European and the American markets for agricultural axles during H1 of 2013. During Q3 this favourable trends seems to have come to a halt. The American market was characterised by a slow down of the growth, whereas the European market saw the elimination of the earlier growth. The Russian truck market, as well as the bus market were characterised by recession, the level of the decline was 5.3 per cent for trucks and 2.6 per cent for buses compared to Q1-Q3 of 2012. The decline on the passenger vehicle component market experienced in H1 is diminishing, the decline in passenger vehicle registrations on the European market shrank from 6.6 to 3.9 per cent during Q1-Q3 of 2013, whereas the registration of new vehicles decreased by 8.5 per cent at the largest Rába partner in the segment.
- Steel raw material prices have been declining for the fifth consecutive quarter, thus the price level during Q3 of 2013 was 9.8 per cent lower than during the same period of last year. During Q1-Q3 of 2013 steel prices were 8.1 per cent lower than during the same period of the previous year.

- Energy prices decreased during Q1-Q3 of 2013, by 2.0% on average compared to the first half of 2012. The average energy prices in Q3, though, showed an increase of 7.8 per cent.
- During Q1-Q3 of 2013, the average USD exchange rate was 1.0% lower and the average EUR exchange rate was 1.8 per cent higher compared to the same period of 2012.¹ In terms of Q3 of 2013, the USD exchange rate was 0.6 per cent lower, the EUR exchange rate was 5.2 per cent higher on average than during the base period.

	2012 Q1-Q3	2013 Q1-Q3	Change	2012 Q3	2013 Q3	Change
HUFEUR - average	291,4	296,7	1,8%	283,1	297,9	5,2%
HUFEUR – end of period	283,7	298,5	5,2%	283,7	298,5	5,2%
HUFUSD - average	227,5	225,3	-1,0%	226,4	225,0	-0,6%
HUFUSD – end of period	219,2	221,1	0,9%	219,2	221,1	0,9%
Changes in raw material prices*	122%	112%	-8,1%	120%	108%	-9,8%
Changes in energy prices**	195%	191%	-2,0%	182%	196%	7,8%

*Rába indices – own calculations - base: 2007. Q1; average values for the period

**Rába indices – own calculation - base: 2004. dec.; average values for the period

Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Axle Ltd. during Q1-Q3 of 2013 amounted to HUF 24.4 billion compared to HUF 21.3 billion achieved during the same period of 2012. This corresponds to an increase of 14.8%.

On the **American market**, the sales revenue during Q1-Q3 of 2013 was USD 44.4 million, against USD 36.3 million in Q1-Q3 of 2012. This means an increase of 22.3%.

On the **EU market** Rába's sales figures in HUF terms increased by 1.9%, amounting to HUF 10.8 billion, compared to HUF 10.6 billion during the base period.

European exports amounted to EUR 27.0 million during Q1-Q3 of 2013 compared to EUR 26.5 million during the same period of 2012. This is an increase of 1.9%.

Domestic sales before consolidation amounted to HUF 2,797 million which represents a decline of 3.0 per cent compared to the HUF 2,884 million of the base period.

On the **CIS and East-European markets** export sales revenues achieved by Rába Axle Ltd. increased by 82.8%, from EUR 5.8 million during the base period in 2012 to EUR 10.6 million during Q1-Q3 of 2013.

On the **other markets** the sales revenue during Q1-Q3 of 2013 amounted to EUR 1.5 million, against EUR 2.8 million of the previous year. Such decline by 46.4 per cent is due to the project-based sale during the base period.

The operating result of the company during Q1-Q3 of 2013 was a profit of HUF 2,219 million, compared to HUF 528 million during the same period of 2012.

At EBITDA level, the operating profit of the Axle business was HUF 3,286 million compared to HUF 1,580 million registered a year earlier.

¹ Average exchange rates are calculated on the basis of the official FX rates of the National Bank of Hungary. Source: <http://www.mnb.hu/arfolyam-lekerdezes>

million HUF	2012 Q1-Q3	2013 Q1-Q3	Change	2012 Q3	2013 Q3	Change
America	8 197	10 008	22,1%	2 933	2 759	-5,9%
EU - export	7 708	8 004	3,8%	2 104	2 216	5,3%
EU - domestic	2 884	2 797	-3,0%	829	801	-3,4%
CIS	1 675	3 154	88,3%	635	900	41,7%
Others	803	446	-44,5%	242	251	3,7%
Total sales	21 268	24 409	14,8%	6 743	6 928	2,7%
EBITDA	1 580	3 286	108,0%	508	574	13,0%
Operating profit	528	2 219	320,3%	167	216	29,3%

Rába Járműalkatrész Kft. (Component Ltd.)

The sales revenue of the Component Ltd. amounted to HUF 9.3 billion during Q1-Q3 of 2013, which is an increase of 21.5% compared to the sales of HUF 7.6 billion of a year earlier.

Rába Automotive Components Ltd. is selling on the European market only.

European exports amounted to EUR 10.2 million during Q1-Q3 of 2013, against EUR 6.8 million during the base period. This corresponds to an increase of 50.0%.

Domestic sales before consolidation amounted to HUF 6,249 million during Q1-Q3 of 2013, which is an increase of 10.5% compared to the sales revenue of HUF 5,653 million during Q1-Q3 of 2012.

The company generated a profit of HUF 267 million at operating level during Q1-Q3 of 2013 compared to a profit of HUF 82 million during the same period of 2012.

On the level of EBITDA, the profit of the Component Ltd. increased to HUF 537 million during the period, from HUF 311 million of the previous year.

million HUF	2012 Q1-Q3	2013 Q1-Q3	Change	2012 Q3	2013 Q3	Change
EU - export	1 987	3 036	52,8%	565	1 059	87,4%
EU - domestic	5 653	6 249	10,5%	1 930	2 461	27,5%
Total sales	7 640	9 285	21,5%	2 496	3 520	41,0%
EBITDA	311	537	72,7%	83	191	130,1%
Operating profit	82	267	225,6%	1	101	10000%

Rába Jármű Kft. (Vehicle Ltd.)

The sales revenue of Rába Vehicle Ltd. amounted to HUF 2,868 million during Q1-Q3 of 2013, which is a decline by 10.6 per cent compared to the HUF 3,208 million of the base period.

On the **EU market** Rába Vehicle's sales figures during Q1-Q3 of 2013 equalled the total sales revenue realised.

European exports were lower than the level of the base period by 6.2%, thus declining from EUR 6.4 million to EUR 6.0 million.

Domestic sales before consolidation amounted to HUF 1,097 million during Q1-Q3 of 2013, a decline of 18.5 per cent compared to the HUF 1,346 million during the base period.

The operating result was a loss of HUF 165 million during Q1-Q3 of 2013, compared to the profit of HUF 18 million during the base period.

On the level of EBITDA, during Q1-Q3 of 2013 the Company registered a loss of HUF 2 million compared to the profit of HUF 192 million during Q1-Q3 of 2012.

million HUF	2012 Q1-Q3	2013 Q1-Q3	Change	2012 Q3	2013 Q3	Change
EU - export	1 862	1 771	-4,9%	541	521	-3,7%
EU - domestic	1 346	1 097	-18,5%	554	617	11,4%
Total sales	3 208	2 868	-10,6%	1 094	1 139	4,1%
EBITDA	192	-2	-101,0%	62	23	-62,9%
Operating profit	18	-165	-1016,7%	4	-28	-800,0%

The Rába Group

The consolidated sales revenue of the Rába group during Q1-Q3 of 2013 amounted to HUF 34.7 billion, which is an increase of 11.6% compared to the figure of HUF 31.1 billion for the same period of 2012.

The operating profit of the group during Q1-Q3 of 2013 amounted to HUF 2,405 million, compared to HUF 560 million during the same period of 2012.

During Q1-Q3 of 2013 the financial result was HUF 44 million, which includes, among others, a net interest payment of HUF 184 million, as well as an exchange rate loss of HUF 288 million.

Based on the above, the Rába group generated a net profit of HUF 1,968 million during Q1-Q3 of 2013, compared to HUF 178 million during the same period of 2012.

On the level of EBITDA, the group registered profits of HUF 4,058 million during Q1-Q3 of 2013, against last year's figure of HUF 2,176 million.

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

Sales revenue by business division

Sales revenue (million HUF)	Axles	Components	Vehicles	Rába Group consolidated
2012 Q1	6 592	2 676	807	9 827
2012 Q2	7 933	2 468	1 306	11 393
2012 Q3	6 743	2 496	1 094	9 890
2013 Q1	8 248	2 913	900	11 434
2013 Q2	9 232	2 851	830	12 290
2013 Q3	6 928	3 520	1 139	11 000

Breakdown of sales revenue during Q1-Q3 of 2013

million HUF	America	EU			CIS	Other	Total
		total	export	domestic			
Axles	10 008	10 802	8 004	2 797	3 154	446	24 409
Components	0	9 285	3 036	6 249	0	0	9 285
Vehicles	0	2 868	1 771	1 097	0	0	2 868
Consolidated	10 008	21 117	12 814	8 304	3 154	446	34 724

Breakdown of operating profit of group companies

	Operating profit					
	2012			2013		
	Q1	Q2	Q3	Q1	Q2	Q3
Axles	109	252	167	753	1 250	216
Components	38	43	1	84	82	101
Vehicles	7	7	4	-97	-40	-28
Others	-50	-5	-13	10	-35	108
Total	104	297	159	750	1 257	397

PK2. Companies involved in the consolidation

Company	Capital in HUF thousand	Ownership ratio (%)	Voting ratio ¹	Classification ²
Rába Axle Ltd.	9,762,800	100.00	100.00	S
Rába Component Ltd.	300,000	100.00	100.00	S
Rába Vehicle Ltd.	835,100	100.00	100.00	S

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

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

In February of 2013 Rába Nyrt. sold its stake representing 30% of the votes and 0.1% of the company's equity of Fehrer Automotive-Rába Kft. to Fehrer Automotive GmbH, the majority owner of the enterprise.

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.

Description of item	2012 Q1-Q3	2013 Q1-Q3	Index	2012 Q3	2013 Q3	Index
Domestic sales revenues	8 878 150	8 303 558	93,5%	2 869 952	3 292 463	114,7%
Export sales revenues	22 232 513	26 420 714	118,8%	7 020 436	7 707 459	109,8%
Net sales revenues	31 110 663	34 724 272	111,6%	9 890 388	10 999 922	111,2%
Direct cost of sales	25 046 673	26 481 162	105,7%	7 899 334	8 632 317	109,3%
Gross profit	6 063 990	8 243 110	135,9%	1 991 054	2 367 605	118,9%
Cost of sales	590 161	603 474	102,3%	188 226	198 549	105,5%
General and administration expenses	5 054 623	5 376 060	106,4%	1 655 368	1 754 678	106,0%
Other revenues	452 228	632 328	139,8%	246 162	206 722	84,0%
Other expenditures	311 718	490 947	157,5%	234 744	223 189	95,1%
Other items related to business activities	-5 504 274	-5 838 153	-106,1%	-1 832 176	-1 969 694	-107,5%
Operating profit before interest payment and taxation (EBIT)	559 716	2 404 957	429,7%	158 878	397 911	250,5%
Financial revenues	1 851 502	1 738 993	93,9%	422 543	207 346	49,1%
Financial expenditures	2 070 309	1 694 602	81,9%	462 772	480 925	103,9%
Net financial result	-218 807	44 391	220,3%	-40 229	-273 579	-580,1%
PROFIT BEFORE TAXATION	340 909	2 449 348	718,5%	118 649	124 332	104,8%
Corporate profit tax	162 854	481 420	295,6%	99 865	74 892	75,0%
PROFIT AFTER TAXATION	178 055	1 967 928	1105,2%	18 784	49 440	263,2%
Other aggregate income						
Profit from cash-flow hedge transaction	1 104 933	-6 906	-100,6%	161 971	69 622	43,0%
Deferred tax of cash-flow hedge transaction	169 756	-1 105	-100,7%	25 958	11 139	42,9%
Other aggregate income	935 177	-5 801	-100,6%	136 013	58 483	43,0%
Total aggregate income	1 113 232	1 962 127	176,3%	154 797	107 923	69,7%

1. EARNED REVENUES

During Q1-Q3 of 2013, Rába achieved HUF 34,724 million in sales revenue, compared to HUF 31,111 million during the same period of 2012, with a growth of 11.6%. 76.1 per cent of the revenues came from export, the rest came from domestic sales.

2. COSTS AND OTHER REVENUES, EXPENDITURES**2.1. Direct costs**

During Q1-Q3 of 2013, the direct cost level of Rába was 76.3 per cent, compared to 80.5% of the base period. The amount of direct costs was HUF 26,481 million (in Q1-Q3 of 2012: HUF 25,047 million).

Gross Profit

The gross profit changed from HUF 6,064 million to HUF 8,243 million, (HUF +2,179 million), which is due to the increase in sales revenue by HUF +3,614 million and to a lesser increase in direct expenses (HUF 1,434 million).

2.2. Cost of sales

The cost of sales increased by 2.3 per cent and amounted to HUF 603 million during Q1-Q3 of 2013, compared to HUF 590 million during Q1-Q3 of 2012.

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 (Q1-Q3 of 2013: HUF 5,376 million, Q1-Q3 of 2012: HUF 5,055 million), and adjusts them with the net value of the non-capitalised, according to international regulations, costs of technical development (HUF -11 million), and by restating certain bank charges to financial expenditures (HUF -7.6 million).

2.4. Other revenues

Other revenues amounted to HUF 632 million during Q1-Q3 of 2013. This amount was HUF 180 million higher than that of the base period. The composition of the revenues is different during the two quarters, primarily due to the following items: during Q1-Q3 of 2013 the company sold some of its idle property and accounted a larger amount of grants, whereas in Q1-Q3 of 2012, a significant amount of provisions – the portion of the liability unused during its term - set aside for guarantee costs was released once the liability ceased to exist.

2.5. Other expenditures

The amount of other expenditures during Q1-Q3 of 2013 was HUF 491 million, which is HUF 179 million higher than the amount during the base period. The increase is due to the increase in the amount of provisions set aside for taxes and stocks, as well as fixed asset write-offs and guarantee liabilities.

3. OPERATING PROFIT

The operating profit of Rába during Q1-Q3 of 2013 was HUF 2,405 million (in Q1-Q3 of 2012: HUF 560 million). The increase in gross profit (HUF 2,179 million) was deteriorated by the combined change in sales and general overhead costs (HUF +335 million). Profitability changed from 1.8% during the base period to 6.9%. The profitability of operating profit + depreciation was 11.7 per cent, against 7.0 per cent during the base period.

4. FINANCIAL REVENUES AND EXPENDITURES

During Q1-Q3 of 2013, the net financial result was HUF 44 million, compared to HUF -219 million during the base period.

The net result of interest incomes and expenses was HUF -184 million during Q1-Q3 of 2013, against HUF -295 million during the base period. The net exchange rate difference of FX items was a loss of HUF 288 million during Q1-Q3 of 2013, the exchange rate gains amounted to HUF 95 million in Q1-Q3 of 2012.

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 of the HUF (as the accounting currency of the Company) compared to foreign exchanges. 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 compared to 1 October 2011, the date when these cash-flow transactions were classified as hedge transactions, was a loss of HUF 7 million on 30 September 2013 whereas on 30 September 2012 it was a profit of HUF 1,105 million, accounted as other aggregate income.

The company sold its participation, the proceeds from the sale amounted to HUF 524 million.

Financial revenues and expenditures consisted of the following principal items:

	Q1-Q3 of 2012	Q1-Q3 of 2013
Revenue from dividends	6 660	10 156
Exchange rate gains of participation sold	0	523 531
Interest income	5 218	17 932
Exchange rate gains	1 839 275	1 184 552
Other financial revenues	349	2 822
Financial revenues	1 851 502	1 738 993
Interest payable	300 481	201 545
Exchange rate loss	1 744 259	1 472 892
Other financial expenditures	25 569	20 165
Financial expenditures	2 070 309	1 694 602

5. EARNINGS DURING THE YEAR

The earnings before taxation amounted to HUF 2,449 million during Q1-Q3 of 2013, which, because of the factors outlined in sections 1-4, is HUF 2,108 million more than the figure for Q1-Q3 of 2012. The profitability ratio represents a 7.1 per cent return on sales on the basis of profit before taxation, compared to 1.1 per cent during the base period.

At group level the tax liability amounted to HUF 481 million, of this corporate tax liability represented HUF 37 million, the trade tax liability is HUF 262 million, the deferred tax liability for the current period is HUF 181 million, whereas the deferred tax liability accounted in the equity is HUF 1 million.

6. OTHER AGGREGATE INCOME

In line with the risk management strategy of the Company, in 2011, the fluctuation of the FX exchange rate risks resulting from the sales contracts ("Basic Transaction") was hedged through the conclusion of FX loan deals. The FX deals among the financial liabilities of the group were designated as hedge transactions. During Q1-Q3 of 2013, the net amount of the cash-flow hedge transaction is HUF -6 million, which is accounted under other aggregate income and also reflects the effect of the corporate income tax (in Q1-Q3 of 2012: HUF 935 million).

7. IFRS-HAS DIFFERENCE

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	31 Dec 2012	30 Sept 2013	Index
Properties, machines, equipment	13 777 744	14 086 823	102,2%
Intangible assets	1 046 740	904 200	86,4%
Long-term receivables	642 079	593 642	92,5%
Property for investment purposes	338 217	338 217	100,0%
Investments accounted through the capital method	205	205	100,0%
Receivables from sale of assets	194 043	194 043	100,0%
Deferred tax receivables	508 470	327 642	64,4%
Total invested assets	16 507 498	16 444 772	99,6%
Inventories	8 424 298	8 598 293	102,1%
Receivables	9 683 334	8 204 034	84,7%
Derivative financial instruments		0	
Corporate tax receivables	112 298	36 640	32,6%
Liquid assets, bank account	176 525	280 914	159,1%
Total current assets	18 396 455	17 119 881	93,1%
Total ASSETS	34 903 953	33 564 653	96,2%
Share capital	12 921 066	12 921 066	100,0%
Other aggregate income	-19 843	-25 644	-129,2%
Capital reserve	85 004	85 004	100,0%
Share option reserve	165 057	165 057	100,0%
Retained earnings	-1 767 906	200 022	111,3%
Total equity and reserves	11 383 378	13 345 505	117,2%
Long-term liabilities	3 286 679	6 266 722	190,7%
Provisions	406 620	408 296	100,4%
Total long-term liabilities	3 693 299	6 675 018	180,7%
Short term loans and credits	10 294 062	3 770 114	36,6%
Short-term liabilities	9 533 214	9 774 016	102,5%
Short-term liabilities total	19 827 276	13 544 130	68,3%
Total LIABILITIES (equity and liabilities)	34 903 953	33 564 653	96,2%

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 13,778 million on 31 December of 2012 to HUF 14,087 million, the change was an increase of 2.2 %. The depreciation of fixed assets during Q1-Q3 of 2013 was HUF 1,467 million.

1.2. Intangible assets

The net value of intangible assets changed from HUF 1,047 million to HUF 904 million. This represents a decline of 13.6 per cent. The amount of depreciation accounted during the period was HUF 187 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 of Rába. This line also shows other long-term loans given, as well as long-term advance payments in the amount of HUF 585 million are also shown here, as this is the consequence of the partial payment of a long-term liability upon favourable conditions, to be recorded annually in the indirect cost line. In consequence of the discharge of liabilities during Q1-Q3, the amount of long term receivables declined by HUF 53 million during the period.

	31 Dec 2012	30 Sept 2013
Opening	4 392	642 079
Increase	638 235	4 750
Repayment	(548)	
Impairment		53 187)
Effect of discounting		
Closing	642 079	593 642

1.4. Real estate for investment purposes

The value of real estate for investment purposes – amounting to HUF 338 million on 30 Sept 2013 at book value – remained unchanged.

1.5. Investments accounted using the equity method

In 2009, Rába Nyrt and F.S. Fehrer Automotive GmbH. established Fehrer Automotive-Rába Kft. Rába's stake in the joint venture was 30%. The participation was sold and deleted from the books by Rába in February of 2013

1.6. Deferred tax receivable

The amount of this receivable was HUF 328 million on 30 Sept 2013, which is HUF 181 million less than the amount on 31 December 2012. The decline in the receivable is most significantly due to the deferred tax liability due to the creation of a development reserve, and to the release of the deferred tax liability set aside for the accrued negative tax base.

1.7. Receivables from the sale of assets

On 30 Sept 2013, the value of the receivable was HUF 194 million, equal to the 31st December 2012 amount.

2. CURRENT ASSETS**2.1. Stocks**

On 30 Sept 2013, the closing value of stocks was HUF 8,598 million (31st December 2012: HUF 8.424 million). The change is +2,1%, due to the decline in materials and goods by HUF 33 million and to the increase in unfinished, semi-finished and finished goods by HUF 207 million.

2.2. Receivables

The closing figure of receivables as at 30 Sept 2013 was HUF 8.204 million, a decline of HUF 1.479 million compared to the 31st December figure (closing figure for 31 December 2012: HUF 9.683 million). The most significant changes occurred in the accounts receivable (HUF -1,678 million). Other accounts receivable increased by HUF 124 million, active accruals by HUF +34 million and advances paid changed by HUF -34 million.

2.3. Liquid assets

The closing figure of liquid assets on 30 Sept 2013 was HUF 280 million, HUF 104 million more than on 31 December 2012 (HUF 177 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
Balance as at 1 Jan 2012	12 921 066	85 004	165 198	-2 375 451	-804 416	9 991 401
Profit of current year				178 055		178 055
Share-based expenditure made in equity instrument			14 560			14 560
Deferred tax of share based expenditure made in equity instrument			-2 038			-2 038
Other aggregate loss					935 177	935 177
Balance as at 30 June 2012	12 921 066	85 004	177 720	-2 197 396	130 761	11 117 155
Profit of current year				390 953		390 953
Other aggregate profit					-150 604	-150 604
Share based expenditure made in equity instrument			48 878			48 878
Deferred tax of share based expenditure made in equity instrument			-6 843			-6 843
Ceaseure of share-based payments			-63 602	38 537		-25 065
Deferred tax of ceaseure of share-based payments			8 904			8 904
Balance as at 31 Dec 2012	12 921 066	85 004	165 057	-1 767 906	-19 843	11 383 378
Profit of current year				1 967 928		1 967 928
Other aggregate profit					-5 801	-5 801
Balance as at 30 Sept 2013	12 921 066	85 004	165 057	200 022	-25 644	13 345 505

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 Sept 2013, the share capital of the company was HUF 12,921 million.

On 7th November of 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 8th November 2011. For the public takeover bid the Bidder initiated the procedure of the European Commission for the uniform competition law licensing of the transaction (encompassing the territory of the entire EU). The approval was granted on 18th April 2012, thus the Hungarian State Holding Company acquired 9,925,829 shares, representing a 73.67 per cent stake in the Company.

3.2. Other aggregate result

In accordance with its risk management strategy, the Company designated the USD and EUR foreign exchange loan transactions under financial liabilities in order to hedge the USD/HUF and EUR/HUF foreign exchange risks stemming from its sales contracts ("Basic transaction"). The transactions with an effective hedge relation are cash-flow hedge transactions, the profit during the period minus the deferred tax of which, in the amount of HUF -6 million net is accounted for under other aggregate profit, the closing value as at 30 Sept 2013 was HUF -26 million.

3.3. Capital reserve

On 30 Sept 2013, the capital reserve was HUF 85 million, equal to the difference between the cost and the face value of the repurchased Rába treasury shares, the amount of which remained unchanged.

3.4. 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. The programme originally planned for five years was extended in 2010 until 31st December, 2014.

The conditions of the first and the second tranches were met and could thus be drawn. The conditions of opening the third tranche launched 1 January, 2012 with the approval of the general meeting of shareholders of 2010 were not fulfilled, since the weighted average price of the Rába shares during the first half of 2012 remained under two thousand forints on any twenty consecutive stock trading day.

The participants of the option programme availed themselves of the opportunity to draw down the first tranche and thus the shares of the first tranche were fully drawn before the end of the year 2011.

There were no changes in the share option reserve during the current period.

3.5. Retained earnings

The retained earnings (HUF 200 million) changed by HUF +1,968 million (amount of net profit during Q1-Q3) compared to the closing balance of the previous year (HUF -1,768 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 30 Sept 2013 amounted to HUF 6,467 million, which was 91 per cent higher than the opening balance of the period (on 31st December 2012, the closing figure was HUF 3,287 million). In 2013 the Company repaid a short-term loan replacing it with a favourable, 5-year, fixed-interest loan instead.

4.2. Provisions

The closing value of provisions as at 30 Sept 2013 was HUF 408 million, which is HUF 2 million higher than the closing value for last year.

5. SHORT-TERM LIABILITIES

5.1. Short-term credits and loans

The total amount of short-term credits and loans (HUF 3,770 million) decreased by 63.4% compared to the closing balance of December 2012 (HUF 10,294 million), due to repayments.

5.2. Short-term liabilities

The total short-term liabilities (closing balance on 30 Sept 2013: HUF 9,774 million) increased by 2.5% compared to the closing value of December 2012 (HUF 9,533 million). The most significant change took place in accounts payable (HUF -862 million) and passive accruals (HUF +972 million).

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR THE FIRST HALF OF 2013

Data in HUF thousand

Q1-Q3 2012 **Q1-Q3 2013****Cash flows of operating activities**

Profit before taxation	340 909	2 449 348
<i>Adjustment items related to items with no cash movement:</i>		
Interest income/expenditure	35 998	26 245
Depreciation and amortisation	1 615 797	1 653 322
Impairment of properties, machinery and equipment	2 530	37 391
Impairment of bad and doubtful receivables and of long term receivables	299	-109 077
Impairment of stocks kept at net realisable value	112 737	97 579
Inventory reject	27 535	94 418
Provisions	-184 091	1 676
Share based payments made in equity instruments	14 560	0
Result of sale, write-off and in-kind contribution of real assets, machinery and fixtures and intangible assets	8 527	-249 680
Proceeds from sale of investments accounted through the equity method	0	-523 530
Participation in profit of affiliated companies	0	0
Revaluation of loans and credits at end of period	310 783	143 233
<i>Changes in working capital:</i>		
Changes in trade and other receivables	2 074 338	1 596 235
Changes in stocks	-586 734	-365 992
Changes in accounts payable and other liabilities	-1 350 900	280 308
Profit tax paid	-328 510	-206 151
Interests paid and received	-317 956	-190 540
Net cash flows from operating activity	1 775 822	4 734 785

Cash flows from investment activities

Revenues, expenditures from long-term receivables	0	48 437
Purchase of real estate, machinery and fixtures, as well as of intangibles	-1 822 226	-1 796 551
Revenues from the sale of real estate, machinery and fixtures	12 789	278 075
Proceeds from the sale of investments accounted through the equity method		523 530
Interests received, dividend	6 660	10 156
Net cash flows used for investment activities	-1 802 777	-936 353

Cash flows from financing activities

Borrowing	12 792 838	9 982 285
Repayment of loans and credits	-13 364 983	-13 676 328
Net cash flows from financing activities	-572 145	-3 694 043
Net increase/decline of financial instruments and equivalents	-599 100	104 389

PK6. Major off-balance sheet items

Description	Value (HUF)
According to a separate list*	

* The bank loans of the Rába Group amount to HUF 9,773 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 9,730 million. The amount of bank guarantees issued on behalf of the Rába Group is HUF 563 million.

RS1. Ownership structure, ratio of participation

Description of ownership	Total equity						Series listed ¹			
	At beginning of current year (1st January)			At end of term (30 September)			At beginning of term		At end of term	
	% ²	% ³	% ²	% ³	% ²	% ³	%	Pcs	%	Pcs
Domestic institutional/corporate	1.40	1.46	188,700	2,90	3,03	391 048				
Foreign institutional/corporate	1.01	1.06	136,632	0,93	0,97	124 998				
Foreign private individual	0.29	0.30	39,078	0,29	0,30	38 611				
Domestic private individual	19.43	20.25	2,617,651	17,98	18,74	2 422 684				
Employees, managing executives	0.12	0.12	15,686	0,15	0,16	20 406				
Treasury shares	4.07		548,160	4,07		548 160				
Shareholder forming part of general government ⁴	73.68	76.81	9,927,539	73,68	76,81	9 927 539				
International Development Institutions ⁵	0.00	0.00	0	0,00	0,00	0				
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 during 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. List and introduction of shareholders with a stake exceeding 5% (as at 30th Sept 2013)

Name	Nationality ¹	Activity ²	Quantity (pcs)	Ownership stake (%) ³	Voting right (%) ^{3,4}	Comment ⁵
Hungarian State Holding Company Ltd. (MNV Zrt)	D	G	9 925 829	73.67	76.79	

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 during the decision making process at the general meeting of shareholders of the issuer.

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

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

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

	1 Jan	31 March	30 June	30 Sept
At corporate level	548 160	548 160	548 160	548 160
Subsidiaries				
Total	548 160	548 160	548 160	548 160

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

	End of base period	Beginning Of Current Year	End of current period
Company level	16	16	17
Group level	1 937	1 920	2 030

The consolidated closing headcount as at 30 September 2013 was 2,030, which represented an increase of 4.8 per cent compared to the end of the base period.

TSZ2. Managing executives, strategic employees

Type ¹	Name	Position	Beginning of mandate	End/ termination of mandate	Shares held (pcs)
BD	István Pintér	Chairman of the BD	2005		7 082
BD	Alan Spencer	Board member	2006		0
BD	Dr. Zoltán Borbíró	Board member	2012	2013	n.a.
BD	Dr. Tibor Zoltán Hajdú	Board member	2012		0
BD	József Steigler	Board member	2013		0
BD	Dr. Péter Székács	Board member	2012		0
BD	György Wáberer	Board member	2012		0
BD	Olivér Martin	Board member	2003	2012	n.a.
IT	Róbert Hrabovszki	Board member	2005	2012	n.a.
IT	Khalid Abdol Rahman	Board member	2007	2012	n.a.
IT	Dr. Ádám Fintha-Nagy	Board member	2008	2012	n.a.
IT	Gábor Földvári	Board member	2008	2012	n.a.
SB	Dr. Csaba Polacsek	Chairman of the SB	2012		0
SB	Tamás Berencsi	SB member	2013		0
SB	Dr. Mirjána Markovics	SB member	2012	2013	n.a.
SB	Dr. János Kerékgyártó	SB member	2012		0
SB	Dr János Benedek	Chairman of the SB	2004	2012	n.a.
SB	Zoltán Varga	SB member	2006	2012	n.a.
SB	Balázs Sándorfi	SB member	2009	2012	n.a.
SP	István Pintér	Chief Executive	2003	Definite	7 082
SP	Béla Balog	Deputy CEO	2004	Indefinite	3 332
SP	Ferenc Vissi	HR Director	2001	Indefinite	3 332

SP	József Szabó	Strategic Purchasing and Asset Mgmt. Director	2001	2013	n.a.
SP	Ákos Farkas	Strategic Purchasing and Asset Mgmt. Director	2013		1 664
SP	István Pintér	Managing Director	2004	Indefinite	7 082
SP	László Urbányi	Managing Director	2005	Indefinite	3 332
SP	János Torma	Managing Director	2005	Indefinite	1 664
Total number of shares owned (pcs):					20 406

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

RÁBA NYRT. (INDIVIDUAL) BALANCE SHEET (HAS)

Data in HUF thousand

No	Description of item	31 Dec 2012	30 Sept 2013	Index
A.	Invested assets	16 607 193	16 298 112	98,14%
I.	Intangible assets	48 634	32 117	66,04%
II.	Fixed assets	5 835 907	5 948 556	101,93%
III.	Financial assets invested	10 722 652	10 317 439	96,22%
B.	Current assets	4 607 247	4 109 764	89,20%
I.	Stocks	351 012	350 008	99,71%
II.	Receivables	3 726 369	3 151 592	84,58%
III.	Securities	489 421	489 421	100,00%
IV.	Liquid assets	40 445	118 743	293,59%
C.	Active accruals	19 637	83 612	425,79%
	TOTAL ASSETS	21 234 077	20 491 488	96,50%
D.	Shareholders' equity	13 862 716	15 344 768	110,69%
I.	Registered capital	13 473 446	13 473 446	100,00%
	Of which: ownership stake repurchased at face value	548 160	548 160	100,00%
III.	Capital reserve	127 654	127 654	100,00%
IV.	Retained earnings	-1 026 931	772 195	175,19%
V.	Fixed reserves	589 421	589 421	100,00%
VII.	Net profit	699 126	382 052	45,35%
E.	Provisions	19 420	20 220	104,12%
F.	Liabilities	7 255 478	5 012 554	69,09%
III.	Short-term liabilities	7 255 478	5 012 554	69,09%
G.	Passive accruals	96 463	113 946	118,12%
	TOTAL LIABILITIES	21 234 077	20 491 488	96,50%

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

Data in thousand HUF

No	Description of item	Q1-Q3 of 2012	Q1-Q3 of 2013	Index
I.	Net sales revenue	947 818	919 977	97,06%
II.	Direct costs of sales	167 733	162 113	96,65%
III.	Gross sales revenue	780 085	757 864	97,15%
IV.	Indirect sales costs	747 430	770 335	103,06%
V.	Other revenues	37 642	261 884	695,72%
VI.	Other expenditures	113 358	181 842	160,41%
A.	OPERATING PROFIT	-43 061	67 571	256,92%
VIII.	Revenues from financial transactions	1 036 789	498 857	48,12%
IX.	Expenditures of financial transactions	139 704	181 506	129,92%
B.	Profit of financial transactions	897 085	317 351	35,38%
C.	ORDINARY BUSINESS PROFIT	854 024	384 922	45,07%
D.	EXTRAORDINARY PROFIT	-2 818	-801	28,42%
E.	PROFIT BEFORE TAXATION	851 206	384 121	45,13%
XII.	TAX LIABILITY	11 461	2 069	18,05%
F.	AFTER-TAX PROFIT	839 745	382 052	45,50%
G.	NET PROFIT	839 745	382 052	45,50%

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

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).

Győr, 13, November 2013

István Pintér
Chairman-CEO

Béla Balog
CFO