Flash report of Rába Rt. for the 1st half of 2003.

Unaudited, consolidated flash report, International Financial Reporting Standards (IFRS)

Key company data

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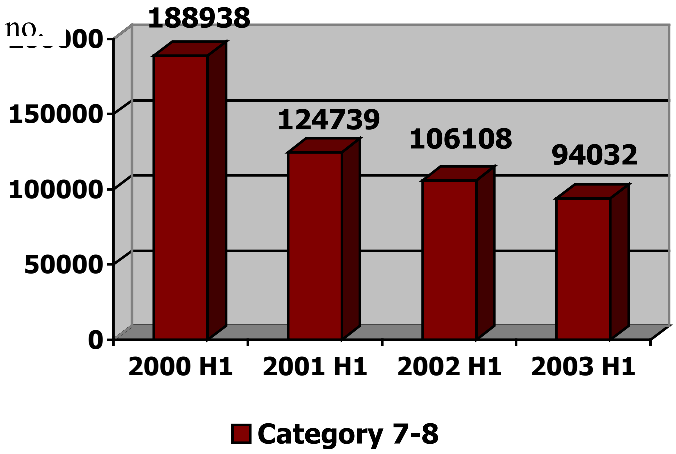
Brief summary

The Rába Group's operation in the 1st half of 2003. was determined by the double negative effect already mentioned in previous quarterly flash reports and the strategic presentation on July 3 - the automotive industry's recession and the unfavorable macroeconomic environment.

- The significant weakening of the US dollar in relation to HUF compared to the same period of last year (-18.4%) and to its average exchange rate in the first quarter of 2003 (-1.2%) considerably worsened both the revenues and the operating income of Rába Axle Co. and thus Rába Group.
- The number of new trucks sold in the American heavy-duty truck market (class 7-8) illustrates the recession environment of the automotive industry – the semi-annual fallback is near to 12 %.



In response to these difficult external effects the company's management started the execution of the program that CEO István Pintér (who was nominated on April 23rd) presented to the public on July 3, 2003, the aim of which is to lay the fundamentals of the corporate group and to transform the Rába Group into a permanently profit producing company amid the above mentioned new circumstances.

The transformation of the Rába Group into a company of a size that is appropriate for external terms as well, has started. In addition to the administrative cost cutting package the increase of headcount efficiency will be implemented continuously until the 3rd quarter of 2003. – in which, in addition to a nearly 19% reduction of the group's headcount, there will be significant

restructuring – the ratio of "direct and indirect" employees in the whole of Rába Holding will improve considerably.
In addition to improving headcount efficiency in a large degree, Rába's internal restructuring has also started. Significant cost saving can be achieved by concentrating sites and purchasing certain "non-core" products from external sources. Beyond internal restructuring Rába expects adaptation from its suppliers as well: its objective is to reduce supplier prices and to extend payment deadlines in order to achieve one that is in compliance with the industrial average. This is essential for achieving result targets and the working capital reduction objectives.
The Rába Group's business and the result thereof are heading into a direction that is in compliance with the management objectives supported by the board.

In addition to creating the bases of sustainable competitive operation Rába makes efforts for intense market and product development as well. Rába will concentrate on the markets of the US, Western Europe, Community of Independent States and China.

A remarkable sign of this in the reporting period is that in addition to the American market that is stagnating at a low but stable level, Rába delivers axle parts to Western European markets, to the European sites of its American partners in an increasing degree thus it is gradually becoming part of the European supplier chain.
As a result of long and successful marketing preparatory work the delivery of a smaller amount of axle components started in the Chinese market, and revenues increased from the markets of CIS countries in accordance with the annual cycle. As a consequence of the above facts the revenue of the largest member of the group, Rába Axle Co. increased by 18.9% from USD 18.25 million in Q1 to USD 21.70 million in Q2.

Note:

As of January 1, 2003 the Rába Group amended its accounting policy related to the evaluation of self-produced stocks, the primary objective of which is to allocate a wider range of costs connected to product manufacturing – in accordance with international practice – to each product. In accordance with this, the group of costs within indirect costs that are not allocated to individual products has narrowed and the range of divided indirect costs expanded. Due to the modification of the accounting policy, for the sake of comparability, in our flash report we report base data according to the new cost structure and by applying the new inventory evaluation rules.

By taking into consideration the guidelines recorded in IAS 34 (interim reports) we note that due to the current market circumstances our flash report does not include the revaluation of hedge transactions being open on the balance sheet date as in IAS 39 (Financial Instruments), but contains the write-back of earlier settled revaluations. When preparing the annual report, we will, of course, not leave out of account this evaluating principle either, regardless of the prevailing market circumstances.

Consolidated figures in HUF million (IAS)	**1st quarter of 2003.**	**1st quarter of 2002 corrected**	**Index**
Net sales revenue	**14.568**	**21.299**	**68.4 %**
Of which exports	9.124	14.070	64,8%
Of which domestic sales	5.444	7.229	75,3%
Operating profit	**-2.744**	**-515**	**532,8%**
Profit before tax	**-3.591**	**508**	**-706,9%**
Profit after tax	**-3.302**	**411**	**-803,4%**

The consolidated revenue of HUF 14.6 billion in the 1st half of 2003 decreased by 32 percent compared to the 1st half of 2002. Operating loss amounted to HUF 2.744 million in the first half of 2003, which is –18.8 percent in the rate of revenues.

	1st quarter of 2003. Operating income	**2nd quarter of 2003. Operating income**	**1st quarter of 2003. Increased by realized hedge profit**	**2nd quarter of 2003. Increased by realized hedge profit**
Axle	-1.656	-1.317	-1.188	-658
Component	-102	-235	-102	-260
Vehicle	-27	-31	-27	-31
Other	93*	531*	93	531
Total consolidated	**-1.692**	**-1052**	**-1.224**	**-418**

* The above data includes the result related to the change of accounting policy governing the evaluation of self-produced inventories.

PK2. Companies in the consolidated group

NAME	**Share capital/Registered capital in HUF thousand**	**Ownership share (%)**	**Voting rate**	**Category [1]**
RÁBA Futómű Kft. (Axle business)	**9,762,800**	**100.00**	**100.00**	**L**
RÁBA Járműipari Alkatrészgyártó Kft. (Components business)	**300,000**	**100.00**	**100.00**	**L**
Rába Jármű Kft. (Specialty Vehicle business)	**835,100**	**100.00**	**100.00**	**L**
RÁBA Ipartechnika Szolgáltató Kft. (Maintanace)	**266,860**	**100.00**	**100.00**	**L**
RÁBA-Szolgáltatóház Kft. (Service House)	**615,000**	**100.00**	**100.00**	**L**
RÁBA Vagyonkezelő Kft. (Asset Management)	**11,000**	**100.00**	**100.00**	**L**
RÁBA Detroit Diesel Magyarország Kft.	**51,000**	**50.00**	**50.00**	**K**
BPW-RÁBA Futóműgyártó Kft.	**1,780,000**	**25.00**	**25.00**	**T**

[1]Fully owned (L); Jointly managed (K); Associated (T)

When comparing the consolidated values of the two periods the following shall be taken into consideration:

1/ By being merged into Rába Component Kft. on September 30, 2002. Rába Mór Kft. and Rába Sárvár Kft. were terminated.

2/ Due to their spin-off RÁBA-KÉSZ Kft. and Motor Kft. are not included in the consolidation group. In order to ensure the comparability of data, the figures of the 1st quarter of 2002 were amended accordingly and do not include these two companies.

PK. 4. CONSOLIDATED PROFIT AND LOSS ACCOUNT, IFRS

DATA: in HUF thousand

Item	1st half of 2003.	1st half of 2002. Corrected	Index
Domestic sales	5,443,312	7,229,018	75.3%
Export sales	9,124,321	14,069,949	64.8%
Sales revenue	**14,567,633**	**21,298,967**	**68.4%**
Direct cost of sales	12,551,964	15,977,232	78.6%
Gross profit	**2,015,669**	**5,321,735**	**37.9%**
Cost of sales	471,561	385,656	122.3%
General and administrative costs	6,120,633	6,310,123	97.0%
Other revenues	1,832,159	858,614	213.4%
Other expenses related to operations	**-4,760,035**	**-5,837,165**	**81.5%**
Operating profit before interest and taxes	**-2,744,366**	**-515,430**	**532.4%**
Net result of financial revenues and expenses	-955,854	867,774	-110.2%
Profit from external companies	109,049	155,750	70.0%
PROFIT BEFORE TAX	**-3,591,171**	**508,094**	**-706.8%**
Profit tax	**-289,407**	**96,922**	**-298.6%**
NET PROFIT AFTER TAX	**-3,301,764**	**411,172**	**-803.0%**
Payments due to minority shareholders			
NET PROFIT	**-3,301,764**	**411,172**	**-803.0%**

I. Analysis of consolidated profit and loss account items

1. SALES AND MARKET POSITIONS

1.1 Realized revenues

In the 1st half of 2003 Rába realized revenues of HUF 14.568 million. 62.6 percent of the revenue arose from exports (1st half of 2002: 66.1 percent), the remaining part is domestic sales revenue.

EXPORT:

The United States of America is the largest export market of the Rába corporate group. After the recession that is retraceable to strong, cyclical and prosperity reasons the market stabilized. In the 2nd quarter of 2003, compared to the previous quarter, we can perceive a minimal sales increase, but the semi-annual sales data still lags behind the similar period of 2002; as a result of pre-purchases due to the change of American environmental protection standards last year.

In the **USA market** the revenues in the 1st half of 2003. amounted to USD 22.2 million (USD 26.0 million in 1st half of 2002).

Asian exports hardly reached USD 1.0 million in the 1st half of 2003, after the USD 10.8 realized in the first half of the previous year. The significant difference occurred due to the lag of bus axle deliveries to Iran, high volume restart of which cannot be expected in the second half of 2003 either. Axle component delivery in small volumes has started to China and complete axle deliveries to the Japanese market also continued.

In the European markets Rába's sales figures show an increase of 1.7 percent compared to the level of the previous year, which means a turnover of EUR 15.4 million.

The Axle Company has a share of EUR 7.5 million and the Component Company of EUR 7.8 million in the revenues.

In the Western and Southern European markets revenues show an increase; from the previous period's EUR 9.6 million it grew to EUR 12.3 million. Deliveries consisted of the Axle Company's products in 40.0, while those of the Component Company in 60.0 percent. It plays a significant role in the growth that Rába became a player of multinational commercial road vehicle suppliers' outsourcing projects taking place in Europe, in relation to which it activated HUF 2.2 billion in the 2nd quarter, thus it gradually becomes part of the European supplier chain. Further acceleration of Western European axle component sales can be counted on in the next two quarters as well.

In the Eastern and Central European markets the export revenues realized by Rába reached EUR 3.0 million in the 1st half of 2003 – after the first quarter's lower sales of EUR 1.0 million a positive advance could be experienced, though compared to the base period (EUR 5.5 million; 4.8 million, without the Engine Company EUR) this means a decrease.

This revenue includes axle deliveries of EUR 2.6 million and seat deliveries of USD 0.4 million to the Romanian bus market.

The Group's domestic sales revenue decreased from HUF 7.2 billion in the 1st half of 2002 to HUF 5.4 billion on a comparative basis.

2. COSTS AND OTHER REVENUES

2.1 Direct costs

Rába's direct cost level was 86.2 percent in the 1st half of 2003 (1st half of 2002: 75.0 percent) which already includes the effect of the accounting policy change mentioned previously under „Notes" and the impact thereof on the structure of costs. The increase of the cost level took place due to the weakening of the dollar's exchange rate.

Rába makes efforts to enumerate costs that arise in relation to the production of goods as accurately as possible, therefore as of 2003 certain cost elements were ranked over from indirect costs to direct costs. As a consequence of Rába's cost reduction and efficiency increasing projects, compared to the 1st quarter of 2003 the level of indirect costs decreased by 1 percentage point despite the unfavorable effect of the exchange rate.

2.1. Gross profit

Gross yield decreased from HUF 5.322 million to HUF 2.016 million, which arises from the fall of revenues (HUF 6.731 million) and the rise of the cost level (HUF 3.425 million). The profit increasing effect arising due to the change of the inventory evaluating method naturally occurred in the same degree in case of the gross profit as well. Due to the direct cost level improvement that occurred in the 2nd quarter of 2003, the semi-annual gross profit changed from the first quarter's HUF 941 million to HUF 2.016 million with the same turnover.

2.2. Sales costs

Sales costs increased by 22 percent; from HUF 472 million in the 1st half of 2003 to HUF 386 million in the 1st half of 2002.

2.3. General and administrative costs

Rába reports costs arising in relation to management (1st half of 2003: HUF 1.533million, 1st half of 2002: HUF 2.598 million), other general costs (1st half of 2003: HUF 3.585 million, 1st half of 2002: HUF 2.610 million), furthermore various expenses outside the course of trade (1st half of 2003: HUF 1.003 million, 1st half of 2002: HUF 1.102 million) under general and administrative costs. The decrease of indirect costs is 1.5 percent, within this the drop is higher in the case of costs of the course of business (3 percent). Other general costs include the one-off costs of headcount reductions executed in the 2nd quarter of 2003, for the coverage of which we made provisions during 2002. In accordance with Rába's plans, rationalization of sites and other cost reduction, cost saving measures continue, which will yield significant additional cost savings.

2.4. Other revenues

In the 1st half of 2003 other revenues amounted to HUF 1.832 million. This sum is higher than that of the previous year by HUF 974 million (113 percent). The accrue arises from the posting of provisions made for dismissals (which has not profit increasing impact, due to actually paid expenses occurring as a result of dismissals), the sale of unnecessary assets and the inventory upvaluation of HUF 749 million arising as a one-time sum as the consequence of the accounting policy's amendment (change in the amount of self-produced inventories, which appears as other revenues when compiling the profit and loss account).

3. OPERATING PROFIT (PROFIT BEFORE INTEREST AND TAXES)

In the 1st half of 2003 Rába's income before interest and taxes was HUF –2.744 million (1st half of 2002: HUF -515 million). The lack due to gross profit (HUF 3.306 million) could not be balanced by the saving achieved in general costs (HUF 104 million) and the surplus of other revenues (HUF 974 million). Profitability changed from the base period's –2.4 percent to –18.8 percent. The decrease of the profitability rate related to the joint amount of the operating income + amortization (EBITDA) was of a smaller degree: -9.8/3.6 percent.

4. FINANCIAL REVENUE

4.1. Net financial revenue

Net financial revenue amounted to HUF –955.8 million in the 1st half of 2003 (1st half of 2002: HUF 867.8 million). Net financial revenues consisted of the following major items:

	1st half of 2003 HUF million	1st half of 2002 HUF million
Net interest	-241	-403
Net other	-715	1271
Net financial revenue	-956	868

Within the net financial revenues the majority of other items is provided by the forex gain/loss of foreign exchange items, the risk of which Rába reduced by hedge transactions. The realized net forex gain of hedge transactions was HUF 1.105 million in the 1st half of 2003 (1st half of 2002: HUF 581 million).

4.2. Profit from external companies

Profit from external companies indicated in the IFRS consolidated profit and loss account of Rába includes the share accruing to the parent company from the net profit of associated companies. Its value is HUF 109 million in the 1st half of 2003 (1st half of 2002: HUF 156 million).

5. PRE-TAX AND NET PROFIT FIGURES

The pre-tax profit was HUF –3.591 million in the 1st half of 2003, which, as a result of factors covered under points 2.1-4.2 is less than that of the 1st half of 2002 by HUF 4.099 million. On the level of pre-tax profit the profitability rate is equal to –24.7 percent revenue proportional profitability, compared to the 2.4 percent of the base period.
On group level no tax paying liability exists, the tax payment obligation for the profit after non-realized transactions (HUF 289 million) has been resolved; thus the profit after consolidated taxation was a loss of HUF 3.302 million.

6. IFRS-HAS DIFFERENCES

In case of Rába the difference between the figures of the profit and loss account based on Hungarian Accounting Standards (HAS) and International Financial Reporting Standards (IFRS) is mainly caused by the following factors:

- write-back of the revaluation of open hedge positions last year,
- settling technical development expenses activated according to HAS provisions among costs in compliance with IFRS.

PK. 3. CONSOLIDATED BALANCE SHEET PURSUANT TO IFRS Data in HUF thousand

Item	1st half of 2003	1st half of 2002 corrected	Index

Real property, machines and equipment	21.351.572	19.414.143	110,0%
Intangible assets	200.453	408.028	49,1%
Long-term participation	1.794.233	2.679.299	67,0%
Other participation	432.620	590.896	73,2%
Other investments	39.228	29.093	134,8%
Deferred taxes	352.803	388.415	90,8%
Total invested assets	**24.170.909**	**23.509.874**	**102,8%**
Securities	2.858	8.205	34,8%
Stocks	7.210.281	6.525.516	110,5%
Receivables due to taxation	1.716.540	1.806.920	95,0%
Receivables	8.211.525	7.902.549	103,9%
Cash, cash deposits	379.359	2.419.386	15,7%
Total current assets	**17.520.563**	**18.662.576**	**93,9%**
TOTAL ASSETS	**41.691.472**	**42.172.450**	**98,9%**
Share capital	12.687.766	12.687.766	100,0%
Capital reserve	6.856.499	5.698.382	120,3%
Retained profit	89.042	7.263.710	1,2%
Total capital and reserves	**19.633.307**	**25.649.858**	**76,5%**
Long-term liabilities	7.313.079	1.817.381	402,4%
Total long-term liabilities	**7.313.079**	**1.817.381**	**402,4%**
Short-term loans and credits	8.552.455	8.967.928	95,4%
Short-term liabilities	6.192.631	5.737.283	107,9%
Total short-term liabilities	**14.745.086**	**14.705.211**	**100,3%**
Total LIABILITIES (equity plus liabilities)	**41.691.472**	**42.172.450**	**98,9%**

II. Analysis of key balance sheet items and their changes

1. INVESTED ASSETS

1.1. Real property, machines and equipment

The consolidated net value of real property, machines and equipment rose from the previous year's closing value of HUF 19.414 million to HUF 21.352 million. The majority of the growth arose from producing machines put into operation and necessary for the start and acceleration of new businesses.

1.2. Intangible assets

The net value of intangible assets was HUF 200 million, which is HUF 208 million less than in the base period. The reason for the decrease is that technical development expenditures were not stated among intangible assets but costs.

1.3. Long-term participation

This line includes the parent company's share in associated companies and shows HUF 1.794 million on June 30, 2003.

1.4. Other participation

One part of other participation includes non-consolidated subsidiaries, while the other part other ownership shares, where Rába's influence does not reach 25 percent. Their closing value on June 30, 2003 was HUF 433 million (June 30, 2002: HUF 591 million).

1.5. Other investments

The closing value of other investments was HUF 39 million, which is higher than that of the previous year by HUF 10 million. Growth arose from long-term placement of free funds.

1.6. Deferred taxes

Its value was HUF 353 million on June 30, 2003, which is less than that of June 30, 2002 by HUF 36 million.

2. CURRENT ASSETS

2.1. Inventories

The closing value of inventories on June 30, 2003 was HUF 7.210 million (June 30, 2002: HUF 6.525 million). Within inventories self-produced inventories are indicated at a higher value in both periods – according to the above-mentioned. There was an inventory decrease of HUF 228 million compared to the status of March 31.

2.2. Receivables due to taxation

Receivables due to taxation (HUF 1,717 million) were mainly incurred by the tax rebate related to export sales and the payment of corporate profit tax.

2.3. Receivables

- The closing value of receivables was HUF 8.212 million in the 1st half of 2003 (closing value of the 1st half of 2002: HUF 7.903 million); the reason for growth is the increase of advances for investments.

2.4. Cash and cash deposits

The closing value of cash and cash deposits was HUF 379 million on June 30, 2003 (June 30, 2002: HUF 2.419 million).

3. CAPITAL AND RESERVES

3.1. Share capital

The share capital of Rába Rt. is made up of ordinary shares with a face value of HUF 1,000, which entitle their holders to receive dividends announced at regular intervals and cast one vote per share at Rába's General Meetings. The company's share capital amounted to HUF 12,688 million on June 30, 2003, the same as on June 30, 2002.

3.2. Capital reserve

Capital reserve was HUF 6.856 on June 30, 2003.

3.3. Retained profit

Retained profit (HUF 89 million) decreased compared to the previous year (HUF 7.364 million) by the dividend determined for external owners at the closing of the financial year of 2001 and by the loss realized between the two periods.

4. LONG-TERM LIABILITIES

The closing value of long-term liabilities was HUF 7.313 million on June 30, 2003 (closing value on June 30, 2002: HUF 1.817 million). The growth occurred due to the efforts made in order to finance investments of significant volume and to internally restructure the corporate group's credits. Beyond the "extension" of the duration (long and short rate shift) the composition of our credit portfolio's currency (dollar, euro, forint) is the same as the composition of our revenues in its rates, thereby reducing our exposure to exchange rates.

5. SHORT-TERM LIABILITIES

5.1. Short-term loans and credits

The restructuring as indicated under point 4 took place in the amount of short-term loans and credits (HUF 8.552 million) compared to the previous period (HUF 8.968 million).

5.2. Short-term liabilities

The amount of short-term liabilities (closing value of the 1st half of 2003: HUF 6.193 million) increased in a small degree (8 percent) compared to the previous year (HUF 5.737 million).

PK 5. CONSOLIDATED CASH-FLOW STATEMENT 1ST HALF OF 2003

-	1st half of 2003	2002
Cash flow from ordinary business activities:	**-1.783.606**	**4.696.108**
Pre-tax profit without the share from associated companies' profit	-3.288.304	-2.730.402
Revenues and expenses not influencing the cash flow from ordinary business activities	1.019.471	2.494.245
Change in assets and liabilities related to ordinary business activities	589.936	4.983.249
From this: buyer	1.173.286	
supplier	-452.990	
Tax paid in the reporting year	-104.709	-50.984
Cash flow from financial transactions	**2.590.979**	**-2.819.636**
Sale of own shares	0	2295517
Purchase of own shares	0	-1.902.917
Net decrease/ (increase) of securities	-393	-955
Net increase / (decrease) of loans and credits	2.591.372	-1.891.082
Dividends paid	0	-1.320.199
Cash flow from investment activities	**-1.487.456**	**-1.718.925**
Revenues arising from the sale of tangible assets	192.333	2.609.332
Growth of financial investments		-13.661
Revenues arising from the sale of investments		1.224.083
Purchase of invested assets	-1.679.789	-5.538.679
Decrease/increase of cash, cash deposits	**-680.083**	**157.547**
Revenues and expenses not influencing the cash flow from ordinary business activities	**1.019.471**	**2.494.245**
Depreciation	1.317.600	2.619.462
Negative goodwill amortized during the year	-126.726	
Profit / (loss) from the sale of invested assets	-171.403	-539.067
Loss / (gain) from the sale of financial investments		363.776
Write-off of invested assets	0	50.074
Change of assets and liabilities related to ordinary business activities	**589.936**	**4.983.249**
Decrease / (increase) of inventories	-807.691	1.361.460
Change of receivables/liabilities	1.397.627	3.621.789

PK6. Major off-balance sheet items

Item	Value (HUF)
According to separate listing*	

Forward exchange transactions performed to hedge exchange rate related risks of export sales: sale of EUR 221 million against HUF, furthermore, the purchase of EUR 49 million against USD.

The profit and loss account's financial profit does not include the profit of the above forward open positions on the balance sheet date due to the following considerations:
- as an effect of the significant events taking place in the Hungarian money and foreign exchange market in June 2003, instead of the stability experienced in the previous period in the exchange rate of the forint against the euro and the dollar and the forint interest rates an outstanding level of volatility showed. The balance sheet data exchange rates and interest rates to be applied in order to re-evaluate open forward foreign exchange transactions were the highest values of the period, which extremely damaged the value of open positions.
- the majority of open forward foreign exchange transactions outstanding on the balance sheet date – transactions in the value of 15 million EUR/USD and of 155 million EUR/HUF – serves as foreign exchange guarantee for the business year 2004-2005. While balance sheet date exchange rates and interests have a negative effect on open positions and thereby the financial profit, the same degree positive influence of these same exchange rates on future revenues and operating profit would only appear in the future period.

In addition to the above notes the non-realized profit from the balance sheet date revaluation of open forward foreign exchange transactions was HUF –5497 million.

(In addition to this, we note that the revaluation as of the date of preparing the flash report would show a significantly more favorable result of HUF -3653.)

III. KEY FACTORS AND MAJOR CHANGES

RS1. Ownership structure with ratio of participation

Type of shareholder	Total share capital						Series of public offering[1]			
	Start of period (April 1)			End of period (June 30)			Start of period		End of period	
	Voting rate %	Ownership rate %	No. of shares	Voting rate %	Ownership rate %	No. of shares	%	No. of shares	%	No. of shares
Domestic institutional investors/companies	29.10	27.41	3,693,549	26.83	25.28	3,405,824				
Foreign institutional investors/companies	22.52	21.22	2,858,756	22.49	21.19	2,854,494				
Foreign private investors	0.10	0.09	12,516	0.10	0.09	12,516				
Domestic private investors	22.92	21.59	2,909,516	26.82	25.27	3,404,473				
Employees, executive officers										
Own shares		5.80	781,460		5.80	781,460				
Owner representing a part of the state budget	13.81	13.01	1,753,207	12.21	11.50	1,549,937				
International Development Institutions	11.52	10.85	1,462,446	11.52	10.85	1,462,446				
Other	0.02	0.01	1,996	0.02	0.01	1,996				
TOTAL	**100.00**	**100.00**	**13,473,446**	**100.00**	**100.00**	**13,473,446**				

RS3. List and introduction of shareholders with a business share exceeding 5 % in the Company (at the end of the period)

Name	Domestic/Foreign	Profile	Quantity (no. of share held)	Participation (%)	Voting rate

Municipality of Győr	D	State	1.508.850	11,20	11,89
EBRD	F	Development	1.462.446	10,85	11,52
DRB Hicom Group	F	Company	1.462.446	10,85	11,52
Wallis Rt.	D	Company	1.118.146	8,30	8,81
Own shares	D	Company	781.460	5,80	

RS2. Changes in the amount of own stock (number of shares) in the reporting year

January 1st	March 31st	June 30th	September 30th	December 31st
781.460	781.460	781.460		

All repurchased shares are own shares directly held by the parent company.

TSZ2. Changes in the number of full time employees (persons)

Company **Group**

End of base period	Beginning of reporting year	End of reporting period
5.051	4.445	3.765

* The base period's headcount includes the headcount of Motor Kft. and RÁBAKÉSZ Kft. (266 persons).

On June 30, 2003 the closing consolidated headcount was 3,765 persons. The degree of headcount decrease compared to the end of the base period is 25.5 percent.

TSZ3. Senior management and strategically important employees

Body[1]	Name	Position	Start of mandate	End/termination of mandate	No. of shares held in the company
BD	Péter Jancsó	BoD chairman	1998.		0
BD	Abbas Mehad	BoD member	1998.		0
BD	Merrick W. Taylor	BoD member	1998.	2003.	0
BD	Antal Apró	BoD member	1998.		0
BD	József Szabó	BoD member	2000.	2003.	414
BD	Gordon Bajnai	BoD member	2003.		0
BD	Péter Küllői	BoD member	2003.		0
BD	Olivér Martin	BoD member	2003.		0
SB	József Patonai	SB chairman	1996.		0
SB	András Geszti	SB member	2000.		0
SB	Dr. Imre Czinege	SB member	2001.	2003.	0
SB	Lajos Horváth	SB member	2003.		0
SB	Csaba Zoltán	SB member	2003.		0
SP	László Steiner	CEO	2001	2003.	2000
SP	István Pintér	CEO	2003.		414
SP	Ferenc Romvári	Deputy CEO	1998.		412
SP	Gyula Kugler	Deputy CEO	2000.	2003.	414
SP	István Pintér	Deputy CEO	2000.	2003.	414
SP	Péter Lengyel	Deputy CEO	2002.		0
SP	Péter Lengyel	CFO	2001.		0
SP	Ferenc Vissi	HR director	2001.		0

SP	Sándor Kocsis	TQM manager	2001.		0
SP	József Szabó	Purch. and asset mgmt director	2001.		414
SP	Dr János Megyeri	Technical and sales director	2001.	2002.	0
SP	Dr. Béla Fekecs	Managing director	2002.		0
SP	Dr. János Megyeri	Managing director	2002.	2003.	0
SP	István Simon	Managing director	2003.		
SP	Csaba Kovács	Managing director	2002.		0
SP	Dr. Jenő Surányi	Managing director	2002.		0

[1] Employee being in a strategic position (SP), member of the board of directors (BD), SB member (SB)

Employee-related changes

As a step of developing the automotive components business from February 2001 until April 15, 2002 József Szabó served as managing director at Rába Sárvár Kft., and as of April 15, 2002 Dr. János Megyeri at Rába Mór Kft. The managing director positions in Sárvár and Mór were terminated by the merger.
As of September 1, 2002 the managing director of Rába Jármű Kft. is Csaba Kovács.
As of April 1, 2002 the managing director of the Axle Kft is Dr. Béla Zoltán Fekecs instead of Gyula Kugler. From this date until his retirement Gyula Kugler exclusively filled the post of the deputy CEO.
Instead of traditional internal control Rába Rt. launched an internal auditor organization, the leader of which is Csaba Hatvani from April 2002 on.
The General Meeting held on April 23, 2003 elected a new Board of Directors and a Supervisory Board. The membership of Merrick W. Taylor and József Szabó in the board of directors was terminated, their places were taken by Gordon Bajnai, Péter Küllői, Olivér Martin, thereby the number of board members increased to six. This way the number of the Supervisory Board members increased to four, Dr. Imre Czinege was replaced by Lajos Horváth and Csaba Zoltán in the Supervisory Board.
The contract of CEO László Steiner expired on the date of the General Meeting. The Board of Directors elected István Pintér, former deputy CEO, to be the CEO of Rába Rt.
As of May 31, 2003 the employment of Rába Alkatrészgyártó Kft.'s managing director, Dr. János Megyeri, expired, instead of him István Simon fulfils the tasks of the managing director.

ST1. Special announcements published during the reporting period

Date	Published in	Subject, summary
15-012003	MATÖKE Issue 10	Rába became the strategic supplier of the Hungarian Army Rába sold its energy business Personnel change at Rába – Gyula Kugler retired
05-02-2003	MATÖKE Issue 25	Rába Rt.'s official announcement in relation to the article published in Magyar Hírlap's issue on February 4, 2003. (military vehicle program)
14-02-2003	MATÖKE Issue 32	Rába Rt.'s announcement on the completion of the annual flash report for 2002
17-02-2003	MATÖKE Issue 33	Rába Rt.'s annual flash report for 2002
21-03-2003	MATÖKE Issue 57	Rába Járműipari Holding Rt.'s invitation to the AGM
03-25-2003	MATÖKE Issue 59	Personnel change at Rába Rt. (resignation of László Steiner)
07-04-2003	MATÖKE Issue 68	Supplement to the invitation to Rába Járműipari Holding Rt.'s AGM

25-04-2003	MATÖKE Issue 81	Resolutions of Rába Rt.'s AGM
30-04-2003	MATÖKE Issue 84	About the inspection of Rába Rt.'s annual report of 2002
15-05-2003	MATÖKE Issue 93	About the inspectability of Rába Rt.'s quarterly flash report of the 1st quarter of 2003.
30-05-2003	MATÖKE Issue 104	Personnel change at Rába Rt. (Dr. János Megyeri's employment has expired)

Other events

Rába Vehicle Kft. was elected the supplier of the Hungarian Army in the category of off-road vehicles, based on its offer submitted for the military vehicle procurement tender of the Hungarian Army. According to Rába's expectations this allows the supply of nearly 8000 pieces of vehicles in 15 years.

Events subsequent to the balance sheet date

In order to maintain its competitiveness and improve its efficiency Rába will concentrate production from Rába Axle Kft.'s site in Kapuvár to its site in Győr and the site of Rába Alkatrész Kft. in Sárvár. Concurrently with this, it started the examination of utilizing the site in Kapuvár.

PK1. General information related to financial data

	Yes	No
Audited		X
Consolidated	X	

Accounting standards	**Hungarian**		**IFRS**	X	**Other**	

Other: …………………..

In relation to the flash report Rába Rt. emphasizes the following:

- Data of the flash report is unaudited, but was compiled according to the best knowledge of the management, based on available data.
- Rába prepared the flash report (the balance sheet and the profit and loss account) in accordance with International Financial Reporting Standards (IFRS).
- No change took place in the accounting policy of the group's companies in addition to the ones mentioned in "Notes"; the accounting policies of enterprises involved in consolidation are in accord with each other.

Győr, August 13, 2003.

István Pintér
CEO

Péter Lengyel
Deputy CEO