Flash report of Rába Rt. for quarters I-III. of 2003

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

Key company data

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Industry:	Automotive
Period:	Quarters I-III. of 2003
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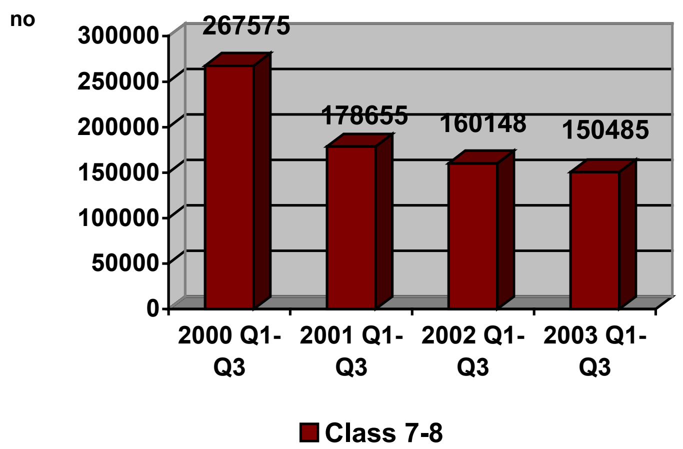
Brief summary

Operating income cleared from non-recurrent items improved significantly.

The double negative effect – the automotive industry's recession and the unfavourable macroeconomic environment – which determined the Rába group's operation in Q1-3 of 2003 continued to have an impact.

- The significant weakening of the US dollar in relation to HUF compared to the same period of last year (-15.2%) considerably worsened both the revenues and the operating profit of Rába Axle Co. and thus those of the 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 annual fallback experienced in the first three quarters is near to 6.1 %.



In response to these difficult external effects the company's management continued the execution of the programme 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.

In addition to the administrative cost cutting package – the first results of which can be seen well in the decreasing trend of the general and administrative costs line - the increase of headcount efficiency was implemented until the end of September, in which, in addition to the 18.5 % reduction of the group's headcount, there will be significant restructuring. From the total headcount of the Rába group the ratio of "direct and indirect" employees decreased to 37 % from the 43 % at the beginning of the year by the end of September, which lowered below 35 % by the beginning of November in relation to outsourcing and internal restructuring.
During the third quarter the dismissal costs related to year 2003 and a significant part of other non-recurrent items related to the internal restructuring were settled. The internal restructuring of Rába is also continuous. As a first step of concentrating sites the factory in Kapuvár will be

closed down but before relocation a certain „safety inventory" was produced; relocation of machines necessary for the production of core products will be completed by the end of November to the sites in Győr and Sárvár.
The total closedown of the factory will take place in the last quarter of 2003 and by outsourcing certain „non-core" products and services and by purchasing them from external sources significant cost saving can be achieved. Dismissal costs and certain installation costs related to the factory's closedown were accrued in the figures of the third quarter.

In addition to the internal restructuring Rába expects adaptation from its suppliers as well: its objective is to reach a level that is in compliance with the industrial average by reducing supplier prices and extending payment deadlines. The first results of the process are already visible, the supplier portfolio shows a growth of 7.5 percent.

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.

- It can be considered positive news that market players and analysts expect the start of favourable tendencies as of the beginning of 2004 in the automotive environment, within this the North American truck market.

- In addition to the US market that stagnates at a low, but stabile level and is expected to embody growth in 2004, Rába delivers axle components to the Western European sites of its American partners in an increasing degree, and thus gradually becomes part of the European supplier chain. As a result of the frame agreement signed with Terex Benford the new deal of the Components business line also serves Western European growth from the fourth quarter of this year already, which plays an emphasised role in the strategy.

- During September Rába signed a letter of intent in relation to founding a joint venture with its Chinese partner, and as a result of long and successful marketing preparatory work the delivery of a smaller amount of axle components started to this market.

- Higher revenues arose from the markets of CIS countries similarly to the second quarter, in accordance with the annual cycle.

- The revenue of the largest member of the group, Rába Axle Co. increased from USD 18.25 million in Q1 and stabilised at a level between USD 21-22 million in Q2 and Q3. In the closing quarter of 2003, according to the expectations of the management this deal can realise revenues exceeding USD 25 million.

The consolidated revenue achieved in Q1-3 of 2003 was HUF 21.8 billion, which decreased by 24 percent compared to 2002. In Q1-3 of 2003 the income from operations was a loss of HUF 4.318 million, -19.8 percent in the rate of revenue.

In the flash report, in the group's operating income breakdown by member company Rába presents a statement for the first time, in which non-recurrent costs arising from the company's basic operations and in relation to the restructuring thereof can be followed well. The column titled operating income on the left side includes the income line, from which we receive the consolidated profit and loss account complying with IFRS.
And the operating income cleared from non-recurrent items column on the right side contains the operating income arising from the company's basic operations, which does not include non-recurrent expenses.

It can be seen well in the table that laying down the corporate group's fundamentals draws down significant costs, but the results of the first steps are already apparent. The corporate group achieved a result improvement exceeding HUF 600 million in the operating income cleared from non-recurring items line in one quarter.

	Operating income			**Operating income cleared from non-recurring items****		
	Q1 of 2003	**Q2 of 2003**	**Q3 of 2003**	**Q1 of 2003**	**Q2 of 2003**	**Q3 of 2003**
Axle	-1.656	-1.317	-1.442	-1.409	-1.161	-964
Component	-102	-235	-370	-88	-195	-173
Vehicle	-27	-31	-51	-27	-31	-43
Other	93	531*	288	102	-87	336
Total consolidated	**-1.692**	**-1052**	**-1.575**	**-1.439**	**-1.474**	**-844**

* The above sums include the result realised by the change of the accounting policy related to the evaluation of self-produced stocks, which was accounted in the second quarter of 2003 in the value of HUF 749 million.

**Non-recurring items: result realised by the change of the accounting policy related to the evaluation of self-produced stocks, dismissal costs, machine installation and running up expenses related to the project, provisions for liabilities related to future non-recurring items

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 HUF market circumstances already indicated at the half of the year 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.

Expectation for the fourth quarter of 2003:

Based on the existing amount of orders Rába group's revenue in the fourth quarter is expected to significantly exceed the revenue of previous quarters, which, in addition to the cost cutting and efficiency-increasing programme, project the most successful quarter of the year.

PK2. Companies in the consolidated group

Name	Share capital/Registered capital HUF thousand	Ownership share (%)	Voting rate [1]	Category [2]
RÁBA Axle Ltd.	**9,762,800**	**100.00**	**100.00**	**L**
RÁBA Components Ltd.	**300,000**	**100.00**	**100.00**	**L**
Rába Vehicle Ltd.	**835,100**	**100.00**	**100.00**	**L**
RÁBA Ipartechnika Szolgáltató Ltd.	**266,860**	**100.00**	**100.00**	**L**
RÁBA-Service House Ltd.	**615,000**	**100.00**	**100.00**	**L**
RÁBA Asset Manager Ltd.	**11,000**	**100.00**	**100.00**	**L**
RÁBA Detroit Diesel Hungary Ltd. *	**51,000**	**50.00**	**50.00**	**K**
BPW-RÁBA Axle Ltd.	**1,780,000**	**25.00**	**25.00**	**T**

[1] Voting right ensuring the opportunity to participate in decision making at the consolidated company's general assembly.
[2] Fully owned (L); Jointly managed (K); Associated (T)
* RÁBA Detroit Diesel Magyarország Kft. was sold on June 11, 2003.

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	Q1-3 of 2003	Q1-3 of 2002 corrected	Index
Domestic sales	8,131,997	9,962,943	81.6%
Export sales	13,634,922	18,704,631	72.9%
Sales revenue	**21,766,919**	**28,667,574**	**75.9%**
Direct cost of sales	18,883,548	19,431,179	97.2%
Gross profit	**2,883,371**	**9,236,395**	**31.2%**
Cost of sales	687,669	628,039	109.5%
General and administrative costs	8,602,755	10,733,241	80.2%
Other revenues	2,088,145	1,413,661	147.7%
Other expenses related to operations	**-7,202,279**	**-9,947,619**	**72.4%**
Operating profit before interest and taxes	**-4,318,908**	**-711,224**	**607.3%**
Net result of financial revenues and expenses	-589,109	1,040,086	-56.6%
Profit from external companies	91,250	137,650	66.3%
PROFIT BEFORE TAX	**-4,816,767**	**466,512**	**-1032.5%**
Profit tax	**-289,408**	**271,438**	**-106.6%**
NET PROFIT AFTER TAX	**-4,527,359**	**195,074**	**-2320.8%**
Payments due to minority shareholders			
NET PROFIT	**-4,527,359**	**195,074**	**-2320.8%**

I. Analysis of consolidated profit and loss account items

1. SALES AND MARKET POSITIONS

1.1. Realised revenues

In Q1-3 of 2003 Rába realised revenues of HUF 21.767 million. 62.6 percent of the revenue arose from exports (Q1-3 of 2002: 65.2 percent), the remaining part is domestic sales revenue.

EXPORT:

The United States of America is the largest export market of the Rába group. After the recession that is retraceable to strong, cyclical and prosperity reasons the market stabilised. The revenue achieved in the **US market** in Q1-3 of 2003 was USD 32.3 million (Q1-3 of 2002: USD 37.1 million).

Asian exports exceeded USD 1.1 million in Q1-3 of 2003, after the USD 11.3 million realised 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 5.5 percent compared to the level of the previous year, which means a turnover of EUR 23.6 million.
The Axle Company has a share of EUR 13.3 million and the Components Company of EUR 10.3 million in the revenues.

In the Western and Southern European markets revenues show an increase of 31.7 percent; from the previous period's EUR 14.2 million it grew to EUR 18.7 million. Deliveries consisted of the Axle Company's products in 47, while those of the Components Company in 53 percent. It plays a significant role in the growth that Rába became a player of multinational commercial on-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 closing quarter of the year as well.
In the Eastern and Central European markets the export revenues realised by Rába reached EUR 4.9 million in Q1-3 of 2003 – though compared to the base period (EUR 8.1 million; EUR 6 million without the Engine Company) this means a decrease.
This revenue includes axle deliveries of EUR 4.4 million and seat deliveries in the value of USD 0.5 million that started to the Romanian bus market.

The Group's domestic sales revenue decreased from HUF 9.96 billion in Q1-3 of 2002 to HUF 8.13 billion on a comparative basis.

2. COSTS AND OTHER REVENUES

2.1. Direct costs

Rába's direct cost level was 86.8 percent in Q1-3 of 2003 (Q1-3 of 2002: 67.8 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.

2.2. Gross profit

Gross yield decreased from HUF 9.236 million to HUF 2.883 million, which arises from the fall of revenues (HUF -6.901 million) and of direct costs (HUF -548 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. Under nearly the same turnover and cost level gross profit changed from the HUF 2.016 million in the first half of the year to HUF 2.883 million in Q1-3 of 2003.

2.3. Sales costs

Sales costs increased by 9.5 percent and their sum amounted to HUF 688 million in Q1-3 of 2003 compared to the HUF 628 million of Q1-3 of 2002.

2.4. General and administrative costs

Rába reports costs arising in relation to management (Q1-3 of 2003: HUF 1.741 million, Q1-3 of 2002: HUF 4.644 million), other general costs (Q1-3 of 2003: HUF 5.183 million, Q1-3 of 2002: HUF 4.220 million), furthermore various expenses outside the course of trade (Q1-3 of 2003: HUF 1.679 million, Q1-3 of 2002: HUF 1.869 million) under general and administrative costs. The decrease of indirect costs is 18.2 percent, within this, drop is higher in case of costs of the course of business (20.1 percent). The reason for differences is the factor already mentioned under “Note”, according to which the group of costs earlier accounted under indirect costs and not allocated to each product, narrowed and the group of direct, allocated indirect costs expanded. Other general costs include the non-recurring costs of dismissals executed in Q2 of 2003, for the coverage of which we made provisions during 2002. In accordance with Rába’s plans area rationalisation and other cost-cutting, cost saving measures will continue, which will realise additional significant cost savings.

2.5. Other revenues

In Q1-3 of 2003 other revenues amounted to HUF 2.088 million. This sum is higher than that of the previous year by HUF 674 million (47.7 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 Q1-3 of 2003 Rába’s income before interest and taxes was HUF –4.319 million (Q1-3 of 2002: HUF -711 million). The lack due to gross profit (HUF 6.353 million) could not be balanced by the saving achieved in sales and general costs (HUF 2.071 million) and the surplus of other revenues (HUF 674 million). Profitability changed from the base period’s –2.5 percent to –19.8 percent. The decrease of the profitability rate was of a smaller degree than the joint amount of the operating income + amortisation (EBITDA): -10.5/4.3 percent.

4. FINANCIAL REVENUE

4.1. Net financial revenue

Net financial revenue amounted to HUF –589 million in Q1-3 of 2003 (Q1-3 of 2002: HUF +1.040 million). Net financial revenues consisted of the following major items:

	Q1-3 of 2003 HUF million	Q1-3 of 2002 HUF million
Dividends received	18	36
Net interest	-399	-653
Net other	-208	1.657
Net financial revenue	**-589**	**1.040**

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 realised net forex gain of hedge transactions was HUF 1.188 million in Q1-3 of 2003 (Q1-3 of 2002: HUF 1.430 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). Its value in Q1-3 of 2003. Was HUF 91 million (Q1-3 of 2002: HUF 138 million).

5. PRE-TAX AND NET PROFIT FIGURES

The pre-tax profit was HUF –4.817 million in Q1-3 of 2003, which, as a result of factors covered under points 2.1-4.2 is less than that of Q1-3 of 2002 by HUF 5.283 million. On the level of pre-tax profit the profitability rate is equal to –22.1 percent revenue proportional profitability, compared to the 1.6 percent of the base period, which means a small degree improvement compared to that of the first half of the year.

On group level no tax paying liability exists, the tax payment obligation for the profit after non-realised transactions (HUF 289 million) has been resolved; thus the profit after consolidated taxation was a loss of HUF 4.527 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	30.09.2003.	30.09.2002. corrected	Index
Real estate, machines and equipment	21,124,430	19,251,878	109.7%
Intangible assets	76,330	233,241	32.7%
Long-term participation	1,743,265	2,722,948	64.0%
Other participation	432,620	523,842	82.6%
Other investments	39,228	51,427	76.3%
Deferred taxes	352,803	363,495	97.1%
Total invested assets	**23,768,676**	**23,146,831**	**102.7%**
Securities	1,889	0	
Stocks	7,679,257	8,116,802	94.6%
Receivables due to taxation	1,716,540	1,547,261	110.9%
Receivables	7,500,706	8,115,576	92.4%
Cash, cash deposits	269,683	3,463,296	7.8%
Total current assets	**17,168,075**	**21,242,935**	**80.8%**
TOTAL ASSETS	**40,936,751**	**44,389,766**	**92.2%**
Share capital	12,687,766	12,687,766	100.0%
Capital reserve	6,854,687	5,745,201	119.3%
Retained profit	-1,136,724	6,856,054	-16.6%
Total capital and reserves	**18,405,729**	**25,289,021**	**72.8%**
Long-term liabilities	6,940,334	1,786,203	388.6%
Total long-term liabilities	**6,940,334**	**1,786,203**	**388.6%**
Short-term loans and credits	8,809,439	9,822,195	89.7%
Short-term liabilities	6,781,249	7,492,347	90.5%
Total short-term liabilities	**15,590,688**	**17,314,542**	**90.0%**
Total LIABILITIES (equity plus liabilities)	**40,936,751**	**44,389,766**	**92.2%**

II. Analysis of key balance sheet items and their changes

1. INVESTED ASSETS

1.1. Real estate, machines and equipment

The consolidated net value of real property, machines and equipment rose from the previous year's closing value of HUF 19.252 million to HUF 21.124 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 76 million, which is HUF 157 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. Its value amounted to HUF 1.743 million on September 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 September 30, 2003 was HUF 433 million (September 30, 2002: HUF 524 million). The reason for the decrease is that the Company sold many of its – unconsolidated – investments.

1.5. Other investments

The closing value of other investments was HUF 39 million, which is lower than that of the previous year by HUF 12 million.

1.6. Deferred taxes

Its value was HUF 353 million on September 30, 2003, which is less than that of September 30, 2002 by HUF 11 million.

2. CURRENT ASSETS

2.1. Inventories

The closing value of inventories on September 30, 2003 was HUF 7.679 million (September 30, 2002: HUF 8.117 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 437 million compared to the status of September 30, 2002.

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 7.501 million in Q1-3 of 2003 (closing value of Q1-3 of 2002: HUF 8.116 million), the amount of the decrease is HUF 615 million.

2.4. Cash and cash deposits

The closing value of cash and cash deposits was HUF 270 million on September 30, 2003 (September 30, 2002: HUF 3.463 million). A cash-pool system operates at the company. With this system available cash can be optimised, as a consequence of which the difference of deposit and credit interests related to the cash and credit amount of companies involved in the system, can be saved.

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 September 30, 2003, the same as on September 30, 2002.

3.2. Capital reserve

Capital reserve was HUF 6.855 million on September 30, 2003.

3.3. Retained profit

Retained profit (HUF –1.137 million) decreased compared to the previous year (HUF 6.856 million) almost exclusively by the loss realised between the two periods.

4. LONG-TERM LIABILITIES

The closing value of long-term liabilities was HUF 6.940 million on September 30, 2003 (closing value on September 30, 2002: HUF 1.786 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 8.809 million) compared to the previous period (HUF 9.822 million).

5.2. Short-term liabilities

The amount of short-term liabilities (closing value on September 30, 2003: HUF 6.781 million) compared to the previous year (HUF 7.492 million) (-9.5 percent).

PK 5. CONSOLIDATED CASH-FLOW STATEMENT Q1-3 OF 2003

	Q1-3 of 2003	2002
Cash flow from ordinary business activities:	**-2,261,423**	**4,696,108**
Pre-tax profit without the share from associated companies' profit	-4,513,900	-2,730,402
Revenues and expenses not influencing the cash flow from ordinary business activities	1,357,549	2,494,245
Change in assets and liabilities related to ordinary business activities	999,637	4,983,249
From this: buyer	911,889	
Supplier	-149,591	
Tax paid in the reporting year	-104,709	-50,984
Cash flow from financial transactions	**3,173,311**	**-2,819,636**
Sale of own shares	0	2295517
Purchase of own shares	0	-1,902,917
Net decrease/ (increase) of securities	576	-955
Net increase / (decrease) of loans and credits	3,172,735	-1,891,082
Dividends paid	0	-1,320,199
Cash flow from investment activities	**-1,701,647**	**-1,718,925**
Revenues arising from the sale of tangible assets	147,033	2,609,332
Growth of financial investments		-13,661
Revenues arising from the sale of investments		1,224,083
Purchase of invested assets	-1,848,680	-5,538,679
Decrease/increase of cash, cash deposits	**-789,759**	**157,547**

Revenues and expenses not influencing the cash flow from ordinary business activities	**1,357,549**	**2,494,245**
Depreciation	2,031,485	2,619,462
Negative goodwill amortised during the year	-621,919	
Profit / (loss) from the sale of invested assets	-52,017	-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	**999,637**	**4,983,249**
Decrease / (increase) of inventories	-1,276,667	1,361,460
Change of receivables/liabilities	2,276,304	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 197 million against HUF, furthermore, the purchase of EUR 42 million against USD. The profit and loss account's financial profit does not include the profit of revaluating the above forward open positions on the balance sheet date. The non-realised result of revaluation was HUF -1.231 million.

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 the reporting year (January 1)			End of period (September 30)			Start of period		End of period	
	%[2]	%[3]	No. of shares	%[2]	%[3]	No. of shares	%	No. of shares	%	No. of shares
Domestic institutional investors/companies	28.97	30.75	3,903,027	27.46	29.15	3,699,250				
Foreign institutional investors/companies	24.55	26.06	3,307,282	21.32	22.63	2,872,755				
Foreign private investors	0.11	0.12	15,138	0.10	0.10	12,810				
Domestic private investors	16.54	17.55	2,227,893	21.67	23.00	2,919,622				
Employees, executive officers										
Own shares	5.80		781,460	5.80		781,460				
Owner representing a part of the state budget	13.18	13.99	1,776,200	12.79	13.58	1,723,107				
International Development Institutions	10.85	11.52	1,462,446	10.85	11.52	1,462,446				
Other	0.00	0.00		0.01	0.02	1,996				
TOTAL	**100.00**	**100.00**	**13,473,446**	**100.00**	**100.00**	**13,473,446**				

[1] If the publicly offered series is equal to the total registered capital, it is not necessary to fill after the indication thereof. If several series' are quoted on the Stock Exchange, the ownership structure shall be provided in case of each series.

[2] Ownership rate

[3] Voting right ensuring the opportunity to participate in decision making at the Issuer's general assembly. If the ownership rate and the voting right is the same, only the ownership rate column has to be filled and submitted/published by indicating the fact!

[4] E.g.: State Privatisation and Holding Co., Social Security, Municipality, companies being in 100 % state ownership etc.
5 E.g.: EBRD, EIB etc.

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

Name	Domestic/Foreign [1]	Profile [2]	Quantity (no. of shares held)	Participation (%) [3]	Voting right (%) [3,4]	Note [5]
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		

[1] Domestic (D). Foreign (F)
[2] Asset Manager (A). State Budget (S). International Development Institution (D). Institution (I). Company (C) Private (P). Employee. Executive official (E)
[3] Shall be provided by rounding to two decimals
[4] Voting right ensuring the opportunity to participate in decision making at the Issuer's general assembly.[5] E.g.: professional investor, financial investor etc.

RS2. 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
On corporate level	781,460	781,460	781,460	781,460	
Subsidiaries					
Total	781,460	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)

	End of base period	Start of reporting year	End of reporting period
On corporate level	45	43	30
On group level	*4,779	4,445	3,626

* The base period's headcount includes the headcount of Motor Kft. (156 persons).
On September 30, 2003 the closing consolidated headcount was 3,626 persons. The degree of headcount decrease compared to the end of the base period is 24.1 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.	
BD	Antal Apró	BoD member	1998.		0
BD	József Szabó	BoD member	2000.	2003.	
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.	
SB	Lajos Horváth	SB member	2003.		0
SB	Csaba Zoltán	SB member	2003.		0
SP	László Steiner	CEO	2001	2003.	
SP	István Pintér	CEO	2003.	Determined	414
SP	Ferenc Romvári	Deputy CEO	1998.	Undetermined	412
SP	Gyula Kugler	Deputy CEO	2000.	2003.	
SP	István Pintér	Deputy CEO	2000.	2003.	
SP	Péter Lengyel	Deputy CEO	2002.	Undetermined	0
SP	Péter Lengyel	CFO	2001.	Undetermined	0
SP	Ferenc Vissi	HR director	2001.	Undetermined	0
SP	Sándor Kocsis	TQM manager	2001.	Undetermined	0
SP	József Szabó	Purch. and asset mgmt director	2001.	Undetermined	414
SP	Dr János Megyeri	Technical and sales director	2001.	2002.	
SP	Dr. Béla Fekecs	Managing director	2002.	Undetermined	0
SP	Dr. János Megyeri	Managing director	2002.	2003.	
SP	István Simon	Managing director	2003.	Undetermined	
SP	Csaba Kovács	Managing director	2002.	Undetermined	0
SP	Dr. Jenő Surányi	Managing director	2002.	Undetermined	0
Number of own shares (no.) TOTAL:					1.240

[1] Employee in a strategic position (SP). Member of the board of directors (BD). Member of the supervisory board (SB)

Employee-related changes

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
15-01-2003	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)
14-08-2003	MATÖKE Issue 157	About the inspectability of Rába Rt.'s first semi-annual flash report of 2003.
15-08-2003	MATÖKE Issue 158	Rába Rt.'s first semi-annual flash report of 2003.

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

Rába called for tenders in order to outsource Financial-accounting, Human and Informatics services in accordance with its announced strategy. As a result of the valid tender on October 31, 2003 Matáv Rt. acquired 100 % business share of Rába Szolgáltatóház Kft., thereby undertaking to ensure these services at a higher standard.

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. emphasises 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, November 14, 2003.

István Pintér
CEO

Péter Lengyel
Deputy CEO