

Flash Report of Rába Rt. for the first 6 months of 2005

Unaudited, consolidated flash report in accordance with the International Accounting Standards
(International Financial Reporting Standards - IFRS)

Company:	Rába Járműipari Holding Részvénytársaság
Company address:	H-9027 Győr, Martin u. 1.
Sector:	Machine industry
Period:	1 st 6 months of 2005
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Short summary

The consolidated sales revenue of the Rába group during the first 6 months of 2005 amounted to HUF 22.9 billion, an increase of 41% over the first 6 months of 2004. The increase compared to Q1 of 2005 is 16.9%.

The operating result was a loss of HUF 1.5 billion, following the loss of HUF 3.1 billion registered during the first 6 months of 2004. Operating losses evolved favourably, amounting to HUF 983 million during Q1 of 2005 and to HUF 535 million during Q2.

The result of the Rába group during the first 6 months of 2005 was deteriorated by a financial loss of HUF 1.3 billion, thus the net income of the company during the first 6 months of 2005 was a loss of HUF 2.7 billion.

On the level of EBITDA, during the first 6 months of 2005 the RÁBA group registered a profit of HUF 107 million.

The RÁBA group achieved substantially increased sales revenue with a declining headcount, amounting to 3,195 people at the end of the period, thus contributing to the improvement of the company's efficiency.

Rába Futómű Kft. (Axle Ltd.)

The sales revenue of Rába Futómű Kft. during the first 6 months of 2005 amounted to HUF 15 billion, an increase of 36% over the sales revenue of HUF 11 billion registered during the first 6 months of 2004. The sales revenue generated during the period shows further improvement, amounting to HUF 7.2 billion during Q1 of 2005 and HUF 7.8 billion during Q2, which is the highest sales figure of the past three years. The sales revenue during the first 6 months of 2005 in USD terms amounted to USD 77.7 million, which is 47% over the USD 52.7 million value of the same period of 2004.

The principal driver behind the sales revenue can be linked, as before, to the fruition of the European projects launched earlier, resulting in significant growth. The American commercial vehicle industry continued to generate substantial demand.

Iron and steel prices on the world market have stabilized at a high level. Based on its agreements with its partners, Rába passes on the substantially increased price of iron and steel to a large extent to its customers, consequently the negative effect of this is unlikely to carry any significant negative risk for the profitability of Rába.

The weakening tendency of the USD, was turned around during the last quarter it was, however, still 4.7% below the level of Q2 of last year.

As a result of the measures implemented last year and this year, the profitability of the Axle Business improved considerably.

The result from operations amounted to a loss of HUF 1,419 million, against the loss of HUF 2,629 million during the same period of 2004. At a quarterly level the operating loss from operations declined to HUF 589 million, against the loss of HUF 1,116 million during the Q2 of 2004 and of HUF 830 million during the last quarter. The improvement over the base period is 46.2% and 29 % compared to the previous quarter.

The result from actual operations is a profit of HUF 1,410 million, which includes the settlement of shareholders' equity necessary due to the statutory adequacy requirements, involving the waiver of the shareholders' loan of HUF 2,828 million of the shareholder RÁBA Rt.

On the level of EBITDA, the Axle Business has nearly reached breakeven, whereas at a quarterly level it showed losses of HUF 44 million.

Rába Járműipari Alkatrészgyártó Kft (Component Ltd.)

The sales revenue of the Component Business of Rába amounted to HUF 6.2 billion during the first 6 months of 2005, against HUF 5.5 billion during the first 6 months of 2004. This represents an increase of 13.7%. As a result of the increase in the Suzuki deal gained earlier, during Q2 of the year, the sales revenue increased by 23%, to HUF 3,450 million compared to HUF 2,797 million during the previous quarter.

As a result of the measures implemented earlier and of the increasing sales revenue, the company achieved a positive operating result at a quarterly level.

The result from operations during the first 6 months of 2005 amounted to a loss of HUF 146 million, against the loss of HUF 258 million during the same period of 2004. The improvement over the base period is over 43%, the operating result during Q2 of 2005 was HUF 25 million, following a loss of HUF 172 million during the previous quarter.

On the level of EBITDA, the Company achieved HUF 111 million during Q2.

During Q2 the company gained yet another major order from Suzuki. The serial production of a new model will begin at the end of this year in the Esztergom plant of the Japanese car manufacturer. The Mór plant of the Component Business will supply rear seat frames, as well as front and back seat covers for the vehicle.

Rába Jármű Kft. (Vehicle Ltd.)

In line with the agreement signed earlier, during the first 6 months of 2005 Rába Jármű Kft. delivered 14 units of H14 and 37 H18 military vehicles of Rába's own development and 4 vehicles manufactured by strategic partners to the Military Technology Supply Centre of the Ministry of Defense.

On 15 February, 2005, Rába signed another agreement with the Ministry of Defense about the supply of military vehicles. As a result of the agreement, during 2005 Rába supplies off-road vehicles for an additional HUF 4.8 billion gross, in addition to the vehicles amounting to HUF 1.2 billion ordered last year and in 2006 deliveries will amount to an additional HUF 4.8 billion, gross.

The sales revenue of Rába Jármű Kft. during the first 6 months of 2005 amounted to HUF 2,865 million. The operating profit was HUF 123 million. During Q2 the sales revenue increased to HUF 1,902 million from HUF 964 million during the previous quarter, while the operating profit increased from HUF 9 to HUF 11 million.

In line with the planned schedule the integration of the Győr plant of the Rába Component Ltd. into Rába Vehicle Ltd. took place. Through the integration of the Győr plant involved primarily in the production of chassis, the company seeks to better exploit the synergies resulting from the operation.

On the level of EBITDA, during Q2 the Company registered a profit of HUF 158 million.

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

Sales revenue by business divisions

Sales revenue (HUF million)	Axle	Component	Vehicle	Rába group consolidated
2004 Q1	4943	2608	307	7324
2004 Q2	6036	2885	396	8942
2004 Q3	7025	2547	1361	10442
2004 Q4	7260	2979	4026	13447
2005 Q1	7227	2797	964	10572
2005 Q2	7799	3450	1902	12359

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

	Operating profit					
	2004. Q1*	2004. Q2*	2004. Q3*	2004. Q4	2005. Q1	2005. Q2
Axles from operation	-1,513	-1,116	-826	-1,187	-830	-589
<i>Axles actual**</i>	-1,513	-1,116	-826	-1,187	-830	+2,239
Components	-202	-56	-188	-314	-172	25
Vehicles	-99	-106	27	445	9	114
Others	-3	30	117	-166	10	-84
Total consolidated	-1,817	-1,248	-870	-1,222	-983	-534

* Due to the clarification of the IFRS interpretation, the operating results of the business divisions have been modified as from the first three quarters of 2004.

** Includes the waiver of the shareholders' loan as per the settlement of the shareholders' equity.

Comments to the flash report of Rába Rt. for the first 6 months of 2005:

It must be noted that the flash report for the first 6 months of 2005 includes the profit generated through the revaluation of the hedge transactions open on the closing day (HUF 8 million), as well as the losses resulting from the reversal of revaluations accounted earlier (HUF 1,402 million), which appear in the financial result line.

PK2. Companies involved in the consolidation

Company	Capital in HUF thousand	Participatio n (%)	Voting ratio¹	Classification²
RÁBA Futómű Kft.	9,762,800	100.00	100.00	S

RÁBA Járműipari Alkatrészgyártó Kft.	300,000	100.00	100.00	S
Rába Jármű Kft.	835,100	100.00	100.00	S
RÁBA Ipartechnika Szolgáltató Kft.	266,860	100.00	100.00	S
RÁBA Vagyonkezelő Kft.	11,000	100.00	100.00	S

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

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

The following factors need to be taken into account for the comparison of the consolidated figures of the two periods:

Due to its sale, BPW-Rába Axle Kft. was released from consolidation in 2004. This does not, however, have an impact on the comparability of data, since the consolidation of the Kft. occurred as a capital consolidation only.

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

data in HUF thousand

Item	Months 1-6 of 2005.	Months 1-6 of 2004.	Index
Domestic sales revenues	8,038,046	5,437,364	147.8%
Export sales revenues	14,893,322	10,828,832	137.5%
Sales revenues	22,931,368	16,266,196	141.0%
Direct cost of sales	18,627,877	14,006,912	133.0%
Gross margin	4,303,491	2,259,284	190.5%
Cost of sales	472,041	498,621	94.7%
General and administration expenses	6,052,737	5,678,211	106.6%
Other revenues	703,607	851,501	82.6%
Other items related to business activities	-5,821,171	-5,325,331	90.7%
Result of operation before interest payment and taxation	-1,517,680	-3,066,047	150.5%
Net financial revenues/expenses	-1,341,861	4,555,610	-29.5%
Profit share from external companies	0	142,514	0.0%
PROFIT BEFORE TAXATION	-2,859,541	1,632,077	-175.2%
Corporate profit tax	-182,498	55,109	-331.2%
PROFIT AFTER TAXATION	-2,677,043	1,576,968	-169.8%
Profit share of minority shareholders			
NET PROFIT	-2,677,043	1,576,968	-169.8%

1. SALES AND MARKET POSITIONS

1.1 Earned revenues

During the first 6 months of 2005, Rába achieved HUF22,931 million in sales revenue. 64.9 per cent of the revenues came from export (The first 6 months of 2004: 66.6 per cent), the rest came from domestic sales.

EXPORT:

The sales revenue achieved on the **US market** during the first 6 months of 2005 amounted to

USD 38.4 million (The first 6 months of 2004: USD 23.9 million). The increase compared to the base period is 60.7%.

On the European markets, Rába's sales went up by 21.9 per cent compared to the previous year which represents sales of EUR 26.8 million.

The revenues of the Axle business amounted to EUR 19.3 million, and those of Components represented EUR 7.5 million of total sales.

On the *West and South European markets* revenues went up by 20.3 per cent; revenues increased from EUR 18.1 million during the previous period to EUR 21.7 million. 70 per cent of the sales involved products of the Axle business and 30 per cent were related to the products of the Component business.

On the *Eastern and Central European markets*, in 2004 Rába generated export sales in excess of EUR 5 million which compared to the base period represents an increase of 29.3 %. 80% of this sales figure is made up from axle deliveries.

During the first 6 months of 2005, **Asian** exports exceeded USD 2.1 million.

During the first 6 months of 2005, **the domestic sales revenues of the group** amounted to HUF 8 billion.

2. EXPENSES AND OTHER REVENUES

2.1. Direct expenditure

During the first 6 months of 2005 the direct expenditure of Rába was at 81.2 per cent, versus the 86.1 % cost level characteristic for the first 6 months of 2004.

Rába achieved the 4.1 percentage points of decrease in direct cost level compared to the level of the previous year in spite of the 7.2% decline in the exchange rate of the US dollar. A change compared to the previous period is that direct costs include HUF 328 million of material price difference, which was shown previously among indirect costs.

2.2. Gross Profit

The gross profit changed from HUF 2,259 million to HUF 4,303 million, which is due to the increase in the sales revenue (+ HUF 6,665 million) and to the lesser increase in direct costs (+ HUF 4,621 million)

2.3. Cost of sales

The cost of sales declined by 5.3 per cent and amounted to HUF 472 million during the first 6 months of 2005, compared to HUF 499 million during the first 6 months of 2004.

2.4. General overhead and administrative expenses

Rába accounts its costs incurred in relation to the management of the company, as well as other general expenses (first 6 months of 2005: HUF 5,349 million, first 6 months of 2004: HUF 4,890 million), and various expenditures outside the ordinary business operation (first 6 months of 2005: HUF 682 million, first 6 months of 2004: HUF 766 million) in the P&L line of general and administrative expenditure. General overhead and administrative costs grew by 6.6%. The increase in general overhead and administrative expenses is largely the result of the redundancy costs, the substantial increase in production and of the necessary provisioning.

2.5. Other revenues

Other revenues amounted to HUF 704 million during the first 6 months of 2005. This amount was HUF 148 million (17.4 per cent) lower than that of the previous period. The change is due to the decline in the sale of tangible assets (HUF -411 million), to the release of provisions

(HUF -83 million) set aside for lay-offs and repairs under guarantee and to the increase in the rewrite of receivables (HUF 109 million), as well as to the increase in other items (HUF 71 million).

3. ("OPERATING") PROFIT BEFORE INTEREST PAYMENT AND TAXATION

The profit of Rába before interest payment and taxation was HUF -1,518 million during the first 6 months of 2005 (first 6 months of 2004: HUF -3,066 million). The positive effect of the growth due to the gross margin (HUF +2,044 million) was deteriorated by the increase in the cost of sales and in general expenses (HUF +348 million) and by the decline in other revenues (HUF -148 million) as described in section 2.5. Profitability changed from -18.8% during the base period to -6.6%. The profitability of operating profit + depreciation increased from -10.1 per cent to -1.0 per cent.

4. FINANCIAL REVENUES AND EXPENSES

4.1. Net financial result

The net financial result was HUF -1,342 million during the first 6 months of 2005. (first 6 months of 2004: a profit of HUF 4,556 million). The net financial revenues consisted of the following principal items:

	June 30 th 2005 million HUF	June 30 th 2004 Million HUF
Dividend received	0	22
Net interest	-283	-279
Net other items	-1,059	4,812
Net financial revenues	-1,342	4,555

Within net financial revenues, the majority of other items involved exchange rate gains/exchange rate losses on FX items, the related risks of which Rába reduced through hedging transactions. During the first 6 months of 2005, the net gain on hedging transactions amounted to HUF 648 million, the gain during the first 6 months of 2004 was HUF 1,596 million. The unrealised gain on the revaluation of forward transactions as at June 30th 2005 was a profit of HUF 8 million, against the profit of HUF 344 million during the base period. The unrealized gain of the forward transactions of December 31st 2004 was released during Q1 of 2005, which had a negative effect of HUF 1,402 million on the financial result. The same value resulted in gains of HUF 2,576 million during Q1 of 2004.

4.2. Profit from external companies

The profit from external companies contains the profit share of the parent company of the net profit of associated companies, included in Rába's profit and loss account, consolidated according to IFRS. Since BPW-Rába Axle Kft. was sold on 30th July, 2004, there was no profit from external companies during the first 6 months of 2005 (first 6 months of 2004: HUF 143 million).

5. PROFIT BEFORE TAXATION AND NET PROFIT

The result before taxation was HUF -2,860 million during the first 6 months of 2005, which as a result of the factors outlined in sections 2.1-4.2 is HUF 4,492 lower than the level of the first 6 months of 2004. The profitability index represents a -12.5 per cent return on sales on the basis of profit before taxation, compared to 10.0 per cent during the base period.

At group level the tax liability amounts to HUF -182 million, which is the tax liability due exclusively on the basis of the unrealized profit of the hedging transactions (in this case redeeming position), thus the consolidated after-tax profit amounts to a loss of HUF -2,677 million.

6. IFRS-HAS DIFFERENCES

In the case of Rába, the differences between the profit and loss accounts prepared according to the Hungarian Accounting Standards (HAS) and the International Accounting Standards (IFRS) are predominantly due to the following factors:

- revaluation of open hedging positions and reversal of revaluation of the previous year,
- accounting under IFRS as costs of technical development expenses capitalised according to HAS

PK. 3. CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS

Data in HUF thousand

Item	30th June 2005	30th June 2004	Index
Properties, machines, equipment	17,581,898	19,197,217	91.59%
Intangible assets	220,793	17,115	1290.09%
Long-term participations	0	1,843,647	0.00%
Other participations	83,952	434,620	19.32%
Other investments	15,432	25,833	59.74%
Deferred tax	1,800,852	1,707,281	105.48%
Total invested assets	19,702,927	23,225,713	84.83%
Securities	350,000	6,392	5475.59%
Stocks	9,503,188	7,842,903	121.17%
Receivables related to tax	947,453	1,811,137	52.31%
Receivables	8,688,655	8,928,284	97.32%
Liquid assets, bank account	319,670	240,206	133.08%
Total current assets	19,808,966	18,828,921	105.20%
Total ASSETS	39,511,893	42,054,635	93.95%
Share capital	12,687,766	12,687,766	100.00%
Capital reserve	6,854,765	6,854,765	100.00%
Retained earnings	-5,173,798	-2,554,466	202.54%
Total capital and reserves	14,368,733	16,988,065	84.58%
Long-term liabilities	6,024,261	5,830,198	103.33%
Total long-term liabilities	6,024,261	5,830,198	103.33%
Short-term credits and loans	6,741,978	8,668,691	77.77%
Short-term liabilities	12,376,921	10,567,681	117.12%
Short-term liabilities total	19,118,899	19,236,372	99.39%
Total LIABILITIES (equity and liabilities)	39,511,893	42,054,635	93.95%

I. Analysis of principal balance sheet items and their changes**1. INVESTED ASSETS****1.1. Properties, machines and equipment**

The consolidated net value of properties, machines and equipment dropped from the closing value of HUF 19,197 million of the previous year to HUF 17,582 million, which represents a change of (-8.4%).

1.2. Intangible assets

The net value of intangible assets was HUF 221 million, HUF 204 million more than that of the base period. Rába Rt. has only licences among intangible assets.

1.3. Long-term participations

This balance sheet line shows the proportion of an associate enterprise relating to the parent company. On 30th June 2005, it amounted to HUF 0, (30th June 2004: HUF 1,844 million). As of July 30th 2004 the company sold its affiliated company recorded here and mentioned in section 4.2.

1.4. Other participations

Some of the other participations include subsidiaries not involved in the consolidation, and the rest are other participations, in the case of which Rába's stake is less than 25 per cent. The closing figure on 30th June 2005 was HUF 84 million, HUF 350 million less than during the base period, which is due to the fact that Questor's shares were regrouped to securities from among investments at the end of 2004.

1.5. Other investments

The closing value of other investments was HUF 15 million, which was HUF 11 million below the previous year's figure.

1.6. Deferred tax

On 30th June 2005, the deferred tax amounted to HUF 1,801 million, HUF 94 million more than the value as at 30th June 2004. The change is due to the increase in accrued subsidiary losses and to the change in tax liabilities as detailed under section 5.

2. CURRENT ASSETS

2.1. Stocks

On 30th June 2005, the closing value of stocks was HUF 9,503 million (30th June 2004: HUF 7,843 million). The increase in stocks of HUF 1,660 million is due to the increase in materials (of HUF 670 million) and in finished goods (of HUF +1,082 million) resulting from the substantial customer orders. Work in progress and the value of goods declined by HUF 92 million compared to the base period. The increase in stocks by HUF 21,2% was significantly influenced by the increase in orders and sales, within that by the launch of military deliveries, the increase in production volume and the fulfillment of the conditions for more efficient production (combinations of series).

2.2. Tax receivables

Tax receivables (HUF 947 million) originate mainly from the reclaimed VAT in relation to export activities (30th June 2004: HUF 1,811 million).

2.3. Receivables

The closing figure of receivables as at the end of the first 6 months of 2005 was HUF 8,689 million (closing figure for the first 6 months of 2004: HUF 8,928 million) which represents a decline of 2.7%. The increase is the result of the 14% increase of receivables from customers and of the 65% decline in other short-term liabilities

2.4. Liquid assets

The closing figure of liquid assets on 30th June 2005 was HUF 320 million (30th June 2004: HUF 240 million). The company operates a cash pool system, which allows the optimization of the cash available for the company, as a result of which the difference between the deposit and credit interests related to the cash and loan portfolios of the companies involved in the system can be saved.

3. EQUITY AND RESERVES

3.1. Share capital

Rába Rt.'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 30th June 2005, the share capital of the company was HUF 12,688 million, which is the same figure as the one prevailing on 30th June 2004.

3.2. Capital reserve

On 30th June 2005, the capital reserve was HUF 6,855 million, equal to that on 30th June 2004.

3.3. Retained earnings

The retained earnings (HUF –5,174 million) changed compared to the previous year (HUF - 2,554 million) in line with the result realized between the two periods.

	Share capital	Capital reserve	Profit reserve	Total
Balance as at 1st January 2004	12,688	6,855	-4,131	15,412
Net income	-	-	1,577	1,577
Balance as at 30th June 2004	12,688	6,855	-2,554	16,989
Balance as at 1st July 2004	12,688	6,855	-2,554	16,989
Net income	-	-	58	58
Balance as at 31st December 2004	12,688	6,855	-2,496	17,047
Balance as at 1st January 2005	12,688	6,855	-2,496	17,047
Net income	-	-	-2,677	-2,677
Balance as at 30th June 2005	12,688	6,855	-5,173	14,370

4. LONG-TERM LIABILITIES

The closing value of long-term liabilities as at 30th June 2005 amounted to HUF 6,024 million (on 30th June 2004, the closing figure was HUF 5,830 million), which no longer included the repayment liabilities of medium-term loans due within one year. The increase is HUF 194 million, resulting from the increase in long-term and investment loans at the subsidiaries. On 1st March 2005 a HUF 6 billion investment and development loan agreement was signed with Magyar Fejlesztési Bank, aimed at the development of the forging and finishing facility for axle products. Of this loan HUF 1,895 million was disbursed until 30th June 2005.

5. SHORT-TERM LIABILITIES

5.1. Short-term credits and loans

The amount (HUF 6,742 million) of short-term credits and loans declined by 22.2% compared to the previous period (HUF 8,669 million). The reason for the decline is that the company used the proceeds earned in 2004 and 2005 from portfolio streamlining for loan repayment and the repayment installment of long-term loans due within one year was paid in accordance with the contract.

5.2. Short-term liabilities

The amount of short-term liabilities (closing figure on 30th June 2005: HUF 12,377 million) increased by 17.1% compared to the base period (of HUF 10,568 million). The change is due to the increase in other short-term liabilities and to the increase in liabilities to suppliers. The principal reasons for the increase in liabilities to suppliers are:

- Increase in purchases necessary for increased production;
- Procurements have increased due to the launch of serial production of military vehicles

- of our own production and to the increase in the range of types offered;
- The price of steel needed for production has increased considerably and pre-payments have become frequent due to the general shortage of steel on the world market;
- The payment terms for the payment of supplier invoices have been slightly extended;

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR THE FIRST HALF OF 2004

Data in HUF thousand
1st 6 months of
2005

Cash-flow of ordinary operation:

Profit before taxation net of profit shares from associate companies	-2,677,043
Revenues and expenses not affecting the cash flow of ordinary operation	2,917,313
Changes in assets and liabilities related to ordinary activities	-2,767,596
Of which: customers	-2,187,848
Suppliers	677,805
Taxes paid during current year	0
	-2,527,325

Changes in financial assets due to financial transactions

Sale of treasury shares	0
Purchase of treasury shares	0
Net reduction / increase of securities	0
Net increase / decrease of credits and loans	2,428,177
Dividend paid	0
	2,428,177

Changes in cash-flow of investment activity

Revenues from the sale of invested assets	0
Sale of tangible assets	61,373
Purchase of invested assets	-558,138
	-496,765

Changes in liquid assets **-595,913**

Revenues and expenses not affecting the cash flow of ordinary activities

Depreciation	1,064,917
Revaluation	1,892,303
- of which: unrealized exchange rate gains/loss of forward transactions	1,394,456
- of which: revaluation of customer, supplier loans	497,847
Loss (gain) on the sale of tangible assets	-39,908
Result of the sale of participation	0
Write-off of invested assets	0
	2,917,313

Changes in assets and liabilities related to ordinary activities

Reduction / increase of stocks	-1,141,062
Changes in receivables / liabilities	-1,626,534
	-2,767,596

PK6. Major off-balance sheet items

Description	Value (HUF)
According to a separate list*	

Forward FX deals serving as collateral for the exchange rate risk of export sales revenues: sale of EUR 18 million in exchange for HUF, sale of USD 16 million in exchange for HUF, as well as purchase of EUR 90 million for USD.

The bank loans of the Rába Group amount to HUF 12,553 million, of which real estate and loans secured with liens and mortgages on movable assets and real property amount to HUF 11,207 million.

The amount of bank guarantees issued on behalf of the Rába Group is HUF 984 million.

III. DESCRIPTION OF MAJOR FACTORS AND CHANGES

RS1. Ownership structure, ratio of participation

Description of ownership	Total equity						Series listed ¹			
	Beginning of current year (1 January)			At the end of the period (30 th June)			Beginni ng of term		End of term	
	% ²	% ³	No. of pcs.	% ²	% ³	No. of pcs.	%	Pcs	%	Pcs
Domestic institutional/corporate	15.22	16.15	2,050,221	16.50	17.52	2,223,678				
Foreign institutional/corporate	29.10	30.89	3,920,354	30.24	32.10	4,073,762				
Foreign private individual	0.02	0.02	2,120	0.02	0.02	2,120				
Domestic private individual	31.79	33.74	4,282,749	28.15	29.88	3,792,220				
Employees, managing executives										
Treasury shares	5.80		781,460	5.80		781,460				
Shareholder forming part of general government	7.19	7.63	968,850	8.44	8.96	1,137,760				
International Development Institutions	10.85	11.52	1,462,446	10.85	11.52	1,462,446				
Other	0.04	0.04	5,246							
TOTAL	100.00	100.00	13,473,446	100.00	100.00	13,473,446				

¹ If the series listed equals the total equity, it need not be filled in if so indicated. If more than one series are listed on the Stock Exchange, the ownership structure should be specified for each series.

² Ownership ratio

³ Voting right ensuring participation in the decision making process at the issuing general meeting of shareholders. If the ownership ratio and the voting right are the same, only the column regarding the ownership ratio needs to be filled in/published while stating such fact!

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

⁵ E.g.: EBRD, EIB, etc.

RS3. Listing, introduction of shareholders with a stake exceeding 5% (as at 30th June 2005)

Name	Nationality ¹	Activity ²	Quantity (pcs)	Ownership stake (%) ³	Voting right (%) ^{3,4}	Comment ⁵
Municipality of Győr County Town	D	G	968,850	7.19	7.63	
EBRD	F	IFI	1,462,446	10.85	11.52	
DRB Hicom Group	F	B	1,462,446	10.85	11.52	
Westbay Holdings Limited	F	B	734,000	5.45	5.78	

Treasury shares	D	B	781,460	5.80	
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¹ Domestic (D), Foreign (F)

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

³ Should be rounded to two decimal figures

⁴ Voting right ensuring participation in the decision making process at the issuing general meeting of shareholders.

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

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

	1 January	31 March	30 June	30 September	31 December
Company level	781,460	781,460	781,460		
Subsidiaries					
Total	781,460	781,460	781,460		

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

TSZ2. Headcount of full-time employees (No. of people)

	End of base period	Beginning of current year	End of current year
Company level	28	12	13
Group level	3,249	3,265	3,195

The consolidated closing headcount as at 30th June 2005 was 3,249 people, which represented a decline of 1.7% compared to the end of the base period.

TSZ3. Managing executives, strategic employees

Type ¹	Name	Position	Beginning of mandate	End/ termination of mandate	Shares held (pcs)
BD	Péter Jancsó	Chairman of the BD	1998.		0
BD	Abbas Mehad	Board member	1998.		0
BD	Antal Apró	Board member	1998.		0
BD	Gordon Bajnai	Board member	2003.		0
BD	Péter Küllői	Board member	2003.		0
BD	Olivér Martin	Board member	2003.		0
SB	Dr. János Benedek	Chairman of the SB	2004.		
SB	András Geszti	Supervisory Board member	2000.	2004	0
SB	Lajos Horváth	Supervisory Board member	2003.		0
SB	Csaba Zoltán	Supervisory Board member	2003.	2004	0
SB	Péter Budaházy	Supervisory Board member	2004.		0
SB	István Préda	Supervisory Board member	2004.		0
SP	István Pintér	CEO	2003.	Definite	414
SP	Ferenc Romvári	Deputy CEO	1998.	Indefinite	0
SP	Péter Lengyel	CFO	2002.	2004	0
SP	Béla Balog	CFO	2004	Indefinite	0

SP	Ferenc Vissi	HR Director	2001.	Indefinite	0
SP	Sándor Kocsis	Quality Management Director	2001.	Indefinite	0
SP	József Szabó	Purchasing and Asset Mgmt. Director	2001.	Indefinite	412
SP	Dr. Béla Fekecs	Managing Director	2002.	2004.	
SP	István Simon	Managing Director	2003.	Indefinite	0
SP	Kovács Csaba	Managing Director	2002.	2005	0
SP	János Torma	Managing Director	2005	Indefinite	31
TOTAL No. of shares held (pcs):					857

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

Changes in employment

In consequence of the organisational changes implemented as from 1 January 2004, the following changes occurred among the employees of the Company:

- The employment of Dr Béla Fekecs came to an end, the tasks of managing director of Rába Futómű (Axle) Kft. are now performed by István Pintér in addition to performing his tasks as CEO of Rába Holding.
- The tasks of finance director of Rába Futómű (Axle) Kft are performed by Péter Lengyel in addition to his functions within Rába Holding Rt.
- The tasks of director of operations and quality management of Rába Futómű (Axle) Kft. are now performed by Sándor Kocsis as a new function.

On 29 April 2004 the General Meeting of Shareholders elected three new members, Dr János Benedek, Péter Budaházy and István Préda to the Supervisory Board. The Supervisory Board membership of András Geszti and Csaba Zoltán is simultaneously terminated.

Concluding over three years of activities within Rába, Péter Lengyel, CFO of Rába Rt. and finance director of Rába Futómű Kft. left the company upon mutual consent on 31st August, 2004. His successor in the above positions is Béla Balog, who took up his position on 16 August 2004.

As from 1st May 2005, the managing director of Rába Jármű (Vehicle) Kft. is János Torma. His predecessor, Csaba Kovács left the company upon mutual consent upon the expiry of his mandate (on 30th April 2005).

ST1. Extraordinary communications published during the current period

Date	Place of publication	Subject, brief summary
14-02-2005	No. 31. MATÖKE	Flash Report of Rába Rt. on the year 2004.
10-03-2005	No. 49. MATÖKE	Corporate announcements, Rába Axle Kft., the subsidiary of Rába Rt. has taken out a development loan of HUF 6 billion.
25-03-2005	No. 58. MATÖKE	Invitation to the AGM of Rába Járműipari Holding Rt.
01-04-2005	No. 62. MATÖKE	Announcement of RÁBA Rt. about the payment of the cash value of printed shares
13-04-2005	No. 70. MATÖKE	Supplements to the invitation to the general meeting of RÁBA Járműipari Holding Rt.
28-04-2005	No. 82. MATÖKE	Resolutions of the general meeting of RÁBA Rt. held 28th April, 2005.

02-05-2005	No. 83. MATÖKE	Personal changes within RÁBA Járműipari Holding Rt. The annual report of RÁBA Rt. for 2004. is available for viewing
09-05-2005	No. 88. MATÖKE	Annual report of RÁBA Rt. for 2004.(excerpt)
10-05-2005	No. 89. MATÖKE	Announcement of RÁBA Rt. of a personal nature
11-05-2005	No. 90. MATÖKE	Information of RÁBA Rt. about the venue where its flash report can be viewed
27-06-2005	No. 122. MATÖKE	Extraordinary informaiton of RÁBA Rt. about changes in controls exceeding 5%

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"/>

In the context of the flash report Rába Rt wishes to emphasize the following:

- The figures shown in the flash report are unaudited but have been compiled from the available data relying on the best efforts of the management.
- Rába has prepared its flash report in a form in compliance with the requirements of the Stock Exchange Regulations (balance sheet and profit and loss statement), in consideration of the International Financial Reporting Standards. This does not, however, mean the entire publication of the accounts as per the IFRS.
- There have been no changes in the accounting policy of the group companies, the accounting policies of the companies involved in the consolidation are consistent with each other.

Győr. 11th August 2005.

István Pintér
CEO

Béla Balog
CFO