

Report on the Results of Rába Nyrt. in H1 of 2009

Unaudited, consolidated semi-annual report
in consideration of the International Financial Reporting Standards (IFRS)

Company:	Rába Járműipari Holding Nyilvánosan Működő Részvénytársaság
Company address:	H-9027 Győr, Martin út 1.
Sector:	Machine industry
Period:	2009 Q1
Telephone	36-96-624-460
Telefax:	36-96-624-006
E-mail:	adam.steszli@raba.hu
Company:	Rába Járműipari Holding Nyilvánosan Működő Részvénytársaság

SUMMARY

- In H1 of 2009 the company registered a decline in sales of 44.4% compared to H1 of 2008, thus the total revenue amounted to HUF 18.3 billion.
- The gross margin was 2.4% percentage points higher in H1 of 2009 than during the same period of 2008. The more favourable currency exchange rates had an improving effect, yet on the contrary, the significant fall in volume deteriorated the margin through the non-scalable fixed portion of direct costs. The Company took a lot of efforts in order to improve the margin and achieve the economies of scale. The impacts can be felt gradually in staff reduction, working time reduction, reduction or elimination of services, development of work procedures at more favourable costs and other efficiency improving measures.
- In H1 of 2009 the gross profit was HUF 2,237 million lower than the level of last year's, due to the combined effect of the decline in volume and the improvement in the margin. This was offset by the savings of HUF 1,388 million achieved this quarter by the company in terms of indirect costs as a result of continued stringent cost management within the fields of administration and sales. Such 26% savings in indirect costs were achieved through the termination of services or through the appropriate reduction and through the introduction of reduced working time for white-collar and management positions and of the appropriate wages.
- The result of the semi-annual period improved due to minor property sales, the revenues from which incurred in Q1, generating proceeds of approximately HUF 100 million. Furthermore, other revenues were increased through the release of provisions set aside earlier for redundancies, as well as the state support for job retention, granted from 1 May.
- Despite major decline in revenues, in H1 2009 the operating profit was only slightly, by HUF 195 mln lower than in H1 2008 and was positive, HUF 552 million in both quarters. The activated hedge positions aimed at protecting the temporary fluctuation of foreign exchanges resulted in a loss of HUF 2,327 million compared to the profit of HUF 636 million of last year.
- The EBITDA declined by 4.9%, amounting to HUF 2,091 million.
- In H1 2009 the profit after taxation was HUF – 2,733 million compared to HUF 889 million last year. (It does not contain the revaluation of the hedge transactions, open on the cut-off date – the cash flow was neutral.)
- The net loan portfolio was HUF 12.3 billion, HUF 1.7 billion higher than at the end of last year and HUF 2.3 billion lower than at the end of Q1. (The growth from the year end was the result of revaluation based on exchange rates and the losses accounted on

financial operations, the impact of which was dampened by the decrease in working capital.)

- During the first six month all three divisions occasionally suspended production for periods agreed with customers.

'000' HUF	2008. H1.	2009. H1	Change	2008. Q2	2009. Q2	Change
Sales revenue	32 918 292	18 288 568	-44.4%	16 070 565	8 618 274	-46.4%
Gross profit	5 999 750	3 762 988	-37.3%	2 660 171	1 512 922	-43.1%
<i>Gross margin</i>	18.2%	20.6%	2.4%p	16.6%	17.6%	1%p
EBITDA	2 197 892	2 091 053	-4.9%	841 531	801 539	-4.8%
<i>EBITDA level</i>	6.7%	11.4%	4.7%p	5.2%	9.3%	4.1%p
Operating profit	746 596	551 548	-26.1%	144 327	14 486	-90.0%
Net financial profit	544 137	-3 103 646	-670.4%	659 450	-492 050	-174.6%
Net profit	889 081	-2 732 703	-407.4%	526 279	-550 000	-204.5%

'The results of H1 indicate that Rába successfully adapted to the significantly changed external environment.' – described the H1 performance by István Pintér, Rába CEO. 'All three divisions of the company remained profitable and maintained their customers. Our short-term goals include obtaining orders from the existing clientele for new jobs and this increase the added value of Rába's production in the various relations. In addition to the successful adjustment of the production volume, the company is engaged in active development of its key products, as a result of which Rába will be ready to competitively satisfy increased market demand, involving occasional new types of products in a future more favourable industrial environment.'

EXTERNAL ENVIRONMENT

- Because of the economic slow-down in the US, the American freight vehicle market has shrunk further, suffering a decline of approximately 38% compared to the level of last year. The European market of heavy vehicles during the first three months of the year showed a decline of 45 per cent, although starting from a higher level. The exception to the general trend was the market of agricultural vehicles, although it began deteriorating at the end of the period. Market activities started on the Russian bus market, even if they do not cover the entire market and are less intensive than previously. The CIS trolleybus market has not changed since last year. The business of passenger car components declined substantially, in line with the European trends.
- The increase of raw material prices peaked during the third quarter of last year, since then prices have been declining and have further shrunk during Q1. The decline in H1 of this year was 35.3 % compared to the same period of last year and 6.6 % compared to the last quarter. Thus prices have reached the level of the second quarter of 2006.
- Energy prices increased by 32.9% compared to the same period of last year and by 1.7% compared to the last quarter.
- Considerably, 31.5% higher USD exchange rate and 14.4% higher EUR exchange rate compared to the same period of last year. However, some exchange rates fell since Q1: the USD rate fell by 7.1 percentage points and the Euro fell by 2.9 percentage points. The exchange rates were significantly lower at the end of the reporting period than in Q1, which had a considerable impact on the revaluation of FX items. These processes did not fully eliminate the profit deteriorating impact of the end of 2008, as they were still somewhat stronger than at year-end.

	2008. H1	2009. H1	Change	2008. Q2	2009. Q2	Change
EURHUF - average	253.7	290.2	14.4%	248.0	285.9	15.3%
EURHUF – end of period	237.0	272.4	14.9%	237.0	272.4	14.9%
USDHUF - average	166.0	218.3	31.5%	158.6	210.2	32.5%
USDHUF – end of period	149.8	193.3	29.0%	149.8	193.3	29.0%
Raw material prices*	162%	104%	-35.3%	162%	104%	-35.3%
Energy prices**	172%	256%	48.8%	172%	256%	48.8%

*Rába indices – own calculation - base: 2006. Q1

** Rába indices – own calculation - base: Dec 2004

Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Futómű Kft. in H1 of 2009 amounted to HUF 11.3 billion compared to HUF 21.2 billion achieved during H1 of 2008. This corresponds to a decline of 46.7%.

On the **American market**, the sales revenue in Q1 of 2009 was USD 25.0 million, against USD 61.2 million during the same period of 2008. This means a decline of 59.2%.

On the **EU market** Rába's sales figures in HUF terms declined by 50.0%, amounting to HUF 3.7 billion, compared to HUF 7.4 billion of last year.

European exports amounted to EUR 10.2 million during H1 of 2009 compared to EUR 18.7 million during the same period of last year. This is a decline of 45.5%

Domestic sales before consolidation amounted to HUF 731 million during H1 of 2009, a decline of 72.6% compared to HUF 2,663 million in 2008.

On the **CIS and East-European markets** export sales revenues achieved by Rába declined by 76.4% from EUR 12.7 million during the base period to EUR 3.0 million during H1 of 2009.

On the **other markets** the sales revenue in H1 of 2009 amounted to USD 4.3 million, against USD 2.1 million of last year. This corresponds to an increase of 104.8%, which is due to the relaunch of a sale earlier managed on a project basis.

The operating result of the company during H1 of 2009 was a profit of HUF 407 million, compared to the profit of HUF 319 million of the same period of last year.

On the level of EBITDA, the operating result of the Axle Business during the period increased to HUF 1,462 million, compared to HUF 1,347 million of last year.

HUF million	2008. H1	2009. H2	Change	2008. Q2	2009. Q2	Change
America	10 078	5 452	-45.9%	4 809	2 495	-48.1%
EU - export	4 724	2 972	-37.1%	2 435	1 259	-48.3%
EU - domestic	2 663	731	-72.5%	1 352	336	-75.1%
CIS and former Yugoslavia	3 214	887	-72.4%	1 482	388	-73.8%
Other	530	1 263	138.3%	317	759	139.4%
Total sales	21 210	11 305	-46.7%	10 394	5 237	-49.6%
EBITDA	1 347	1 462	8.5%	557	540	-3.1%
Operating profit	319	407	27.6%	47	14	-70.2%

Rába Járműipari Alkatrészgyártó Kft. (Component Ltd.)

The sales revenue of the Component Ltd. declined by 43.3% during H1 of 2009 to HUF 5.1 billion, from HUF 9.0 billion in the same period of 2008.

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

European exports amounted to EUR 3.1 million in H1 of 2009, compared to EUR 9.7 million during the same period of last year. This corresponds to a decline of 68.0%

Domestic sales generated HUF 4.2 million during the first six months of 2009, which is a decline by 34.9% compared to the HUF 6.6 billion of 2008.

The company generated HUF 135 million in profits at operating level during H1 of 2009 compared to HUF 382 million during the same period of 2008.

On the level of EBITDA, the profit of the Component Ltd. changed to HUF 392 million during the period, from HUF 657 million of last year.

HUF million	2008. H1	2009. H1	Change	2008. Q2	2009. Q2	Change
EU - export	2 447	891	-63.6%	1 210	307	-74.6%
EU - domestic	6 577	4 253	-35.3%	3 408	1 936	-43.2%
Total sales	9 024	5 144	-43.0%	4 618	2 244	-51.4%
EBITDA	657	392	-40.3%	272	135	-50.4%
Operating profit	382	135	-64.7%	151	7	-95.4%

Rába Jármű Kft. (Vehicle Ltd.)

The sales revenue of Rába Jármű Kft. amounted to HUF 2,279 million in H1 of 2009, which is a decline of 46.1% compared to HUF 4,225 million of the base period.

On the **EU market** Rába's sales figures in HUF terms declined by 46.1%, amounting to HUF 2,279 million, compared to HUF 4,225 million of last year.

European exports amounted to EUR 0.5 million during H1 of 2009 compared to EUR 2.5 million during the same period of last year. This is a decline of 80.0%.

Domestic sales before consolidation amounted to HUF 2,134 million during H1 of 2009, a decline of 40.87% compared to HUF 3,607 million in H1 of 2008.

On the **CIS and East-European** markets Rába Vehicle Ltd. had minimal export sales only amounting to HUF 0.2 million. During the same period of 2008 the company had no sales in this market segment.

The operating profit was HUF 109 million in H1 of 2009, compared to HUF 378 million during the same period of last year.

On the level of EBITDA, during H1 of 2009 the Company registered a profit of HUF 224 million compared to HUF 471 million in H1 of 2008.

HUF million	2008. H1	2009. H1	Change	2008. Q2	2009. Q2	Change
EU - export	618	145	-76.5%	367	68	-81.5%
EU - domestic	3 607	2 134	-40.8%	1 511	1 268	-16.1%
CIF and former Yugoslavia	0	0		0	0	
Total sales	4 225	2 279	-46.1%	1 878	1 336	-28.9%
EBITDA	471	224	-52.4%	146	122	-16.4%
Operating profit	378	109	-71.2%	98	65	-33.7%

The Rába Group

The consolidated sales revenue of the Rába group in H1 of 2009 amounted to HUF 18.3 billion, which is a decline of 44.4% over the figure for the same period of 2008.

The operating profit of the group during H1 of 2009 amounted to HUF 552 million, compared to the profit of HUF 747 million during the same period of 2008.

In H1 of 2009 the financial profit contains the activated loss of HUF 2,327 million from derivative transactions, as well as net interest payment of HUF 314 million in addition to the HUF 167 million of exchange rate gains and HUF 105 million in losses from the revaluation of derivative transactions, HUF 9 million dividend revenues and HUF 42 million in losses from other items. As a result, the net financial profit is HUF -2,946 million.

Based on the above, the Rába group generated a net loss of HUF 2.732 billion in H1 of 2009, compared to the profit of HUF 889 million in the same period of last year.

On the level of EBITDA, the group registered profits of HUF 2,091 million in H1 of 2009, against last year's figure of HUF 2,198 million

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

Sales revenue by business divisions

Sales revenue (HUF million)	Axles	Components	Vehicles	Rába group consolidated
2008 Q1	10 816	4 407	2 347	16 848
2008 Q2	10 394	4 618	1 878	16 071
2008 Q3	8 261	3 890	710	12 329
2008 Q4	7 205	3 384	3 175	13 436
2009 Q1	6 068	2 900	942	9 670
2009 Q2	5 237	2 244	1 336	8 618

Due to the changes in IFRS accounting, shipping in FX is not shown as an item reducing the sales revenue but under cost of sales.

Breakdown of sales revenue during H1 of 2009

Million HUF	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	2 495	1 595	1 259	336	388	759	5 237
Component	0	2 244	307	1 936	0	0	2 244
Vehicle	0	1 336	68	1 268	0	0	1 336
Consolidated	2 495	4 977	1 634	3 342	388	759	8 618

Breakdown of operating profit of group subsidiaries

	Operating profit						
	2008					2009	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
Axles	272	47	-181	381	518	393	14
Components	231	151	105	-70	417	129	7
Vehicles	280	98	-123	594	849	44	65
Other	-181	-152	-139	-204	-676	-29	-70
Total	602	144	-339	701	1 109	537	15

PK2. Companies involved in the consolidation

Company	Capital in HUF thousand	Ownership ratio (%)	Voting ratio ¹	Classification ²
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 Vagyonkezelő Kft.	11,000	100.00	100.00	S
Busch-Rába Kft.	4,510,000	25.50	25.50	A

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)

As from 30 November 2008, Rába Vagyonkezelő Kft. (Asset Management Kft.) is no longer active and as from 1 January, 2009, the company is being wound up.

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

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

* Indicate with an X.

Item	2008 H1	2009 H1	Index	2008 Q2	2009 Q2	Index
Domestic sales revenues	11 307 156	6 679 673	59.1%	5 453 038	3 342 411	61.3%
Export sales revenues	21 611 136	11 608 895	53.7%	10 617 527	5 275 863	49.7%
Net sales revenues	32 918 292	18 288 568	55.6%	16 070 565	8 618 274	53.6%
Direct cost of sales	26 918 542	14 525 580	54.0%	13 410 394	7 105 352	53.0%
Gross profit	5 999 750	3 762 988	62.7%	2 660 171	1 512 922	56.9%
Cost of sales	629 747	316 439	50.2%	304 068	146 535	48.2%
General and administration expenses	4 696 713	3 621 683	77.1%	2 272 407	1 862 755	82.0%
Other revenues	337 610	916 912	271.6%	161 417	621 891	385.3%
Other expenditures	264 304	190 230	72.0%	100 786	111 037	110.2%
Other items related to business activities	-5 253 154	-3 211 440	138.9%	-2 515 844	-1 498 436	140.4%
Operating profit before interest payment and taxation (EBIT)	746 596	551 548	73.9%	144 327	14 486	190.0%
Financial revenues	3 302 508	1 931 764	58.5%	2 245 787	99 159	4.4%
Financial expenditures	2 694 811	4 877 108	181.0%	1 545 329	493 880	32.0%
Dividend from affiliated companies	-63 560	-158 302	-249.1%	-41 008	-97 329	
Net financial result*	544 137	-3 103 646	-570.4%	700 458	-394 721	-256.4%
PROFIT BEFORE TAXATION	1 290 733	-2 552 098	-197.7%	803 777	-477 564	-259.4%
Corporate profit tax	401 652	180 605	45.0%	277 498	72 436	-173.9%
PROFIT AFTER TAXATION	889 081	-2 732 703	-307.4%	526 279	-550 000	-304.5%
Profit share of minority shareholders						
NET INCOME	889 081	-2 732 703	-307.4%	526 279	-550 000	-304.5%
Other aggregate income						
Gain (loss) on share-based payments		0				
Profit tax of other complex income		0				

Other aggregate income netted by profit tax	0	0	
Total aggregate income (attributable in full to shareholders in the company)	<i>889 081</i>	<i>-2 732 703</i>	

* In order to allow fair assessment of the fundamental values of the company, due to the extremely volatile exchange rate movements, the interest spread opened due to the crisis and to the extreme closing exchange rates, in consideration of the guidelines of IAS 34 (Interim reports) it is noted that our flash report does not include the (cash-flow neutral) revaluation of hedge transactions as per IAS 39 (Financial instruments) open on the closing day and does not include the rewrite of earlier accounted revaluations either. In the annual report these evaluation principles will not be ignored, regardless of the market conditions prevailing at the time.

The value of activated hedge and the revaluations of other FX items are present in the accounts.

1. EARNED REVENUES

In H1 of 2009, Rába achieved HUF 18,289 million in sales revenue, compared to HUF 32,918 million during the same period of last year. 63.5 per cent of the revenues came from export, the rest came from domestic sales. The sales revenue is 44.4 lower than that of the base period.

2. COSTS AND OTHER REVENUES, EXPENDITURES

2.1 Direct costs

In H1 of 2009 the direct cost level of Rába was at 79.4 per cent, compared to 81.8% of the base period.

Gross Profit

The gross profit changed from HUF 6,000 million to HUF 3,7613 million,(-2,237) which is due to the decline in the sales revenue (HUF -12,393 million).

2.2. Cost sales

The cost of sales declined by 49.8 per cent and amounted to HUF 316 million in H1 of 2009, compared to HUF 630 million during the same period of 2008.

2.3. General overhead and administrative expenses

Rába accounts its costs incurred in relation to the administration of the company, other general expenses (H1 2009: HUF 3,679 million, H1 2008: HUF 4,609 million), and adjust them with the net value of the capitalised costs of technical development (HUF -8 million) and restating certain bank charges to financial expenditure (HUF -40 million).

2.4. Other revenues

Other revenues amounted to HUF 917 million in h1 of 2009. This amount was HUF 579 million higher than that of the base period. The change is due to the following factors: increase in net income from the sale of fixed assets (HUF -12 million), increase due to the release of provisions HUF -329 million), increase in compensation, penalty received (HUF +43 million), the income from wage support (HUF +168 million) and an increase in subsequent discounts (HUF +63 million).

2.5. Other expenditures

The amount of other expenditures in h1 of 2009 amounted to HUF 190 million. In the reporting period the accounted penalties and compensations increased by HUF 10 million, while the scrapped stocks decreased by HUF 59 mln and the discounts provided by HUF 30 mln.

3. OPERATING PROFIT

The operating profit of Rába in h1 of 2009 was HUF 552 million (h1 of 2008: HUF 747 million). The decline in gross profit (HUF -2,237 million) was improved by the decline in sales and overhead costs (HUF -1,388 million) and by the increase in other revenues (HUF 579 million) and by the decline in other expenditures (HUF -74 million). Profitability increased from 2.3% during the base period to 3%. The profitability of operating profit + depreciation is 11.4 per cent, against 6.7% during the base period.

4. FINANCIAL REVENUES AND EXPENSES

In h1 of 2009, the net financial profit was HUF -2,945 million, compared to the same period of 2008, when it was HUF 608 million. The activated profit of derivative transactions during h1 of 2009 was a loss of HUF 2,327 million, compared to a profit of HUF 636 million in h1 of 2008.

The net profit of interest incomes and expenses was HUF -314 million during h1 of 2009, compared to HUF -309 million during the base period. The exchange rate gains/losses of FX items on 30 June 2009 were HUF -272 million, compared to HUF +282 million on 30 June 2008.

Financial revenues and expenditures consisted of the following principal items:

	<i>2008 H1</i>	<i>2009 H1</i>
Revenue from dividends	0	8 820
Interest income	196 136	165 729
Realised gains of derivative transactions	811 618	126 505
Exchange rate gains	2 291 779	1 628 790
Other financial revenues	2 975	1 920
Financial revenues	3 302 508	1 931 764
Interest payable	505 351	479 584
Realised loss of derivative transactions	175 900	2 453 840
Exchange rate losses	2 009 608	1 900 298
Other financial expenditures	3 952	43 386
Financial expenditures	2 694 811	4 877 108

5. Profit from external companies

The profit from external companies in H1 of 2009 amounted to HUF -158 million, which amount represents the portion the parent company is entitled to from the net profit of Busch-Rába Kft. This figure was HUF – 64 million in the base period.

6. PROFIT BEFORE TAXATION AND NET PROFIT

The earnings before taxation amounted to a loss of HUF –2,552 million in H1 of 2009, which because of the factors outlined in sections 1-5 is HUF 23,843 million less than the figure for H1 of 2008. The losses resulted entirely on the financial line. The profitability ratio represents a -14 per cent return on sales on the basis of profit before taxation, compared to 3.9 per cent during the base period.

At group level the tax liability amounts to HUF 181 million, of which the deferred tax for the current period is HUF 21 million and the trade tax is HUF 160 million.

7. IFRS-HAS DIFFERENCES

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

- accounting under IFRS as costs of technical development, foundation and reorganisation expenses capitalised according to HAS;
- treatment as financial leasing of production equipment purchased as operating leasing within the group;
- accounting of the share options made available to the managers within the Share Option Programme;
- the reclassification into profit tax of the trade tax accounted under HAS as other expenditures;
- accounting under IFRS among indirect costs of the FX shipping costs reducing the sales revenues under the Hungarian accounting rules;
- restatement of certain bank charges accounted as indirect expenditure under the Hungarian Accounting Regulations into financial expenditure;
- the difference between the book value and the actual value of the Railway Vehicle site to be sold to Engel is under IFRS accounted as profit during the current year;

PK. 3. CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS

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

* Indicate with X.

Item	31.12.2008	30.06.2009	Index
Properties, machines, equipment	16 173 131	15 613 853	96.5%
Intangible assets	589 351	500 437	84.9%
Long-term receivables	73 064	73 064	100.0%
Property for investment purposes	338 217	338 217	100.0%
Other investments accounted through the capital method	1 048 483	890 675	84.9%
Marketable financial assets	255 055	255 055	100.0%
Deferred tax receivables	1 489 254	1 462 805	98.2%
Total invested assets	19 966 555	19 134 106	95.8%
Securities	80 000	80 000	100.0%
Inventories	10 101 383	8 681 994	85.9%
Receivables	9 184 711	6 631 951	72.2%
Derivative instruments	213 916	241 258	112.8%
Corporate tax receivables	1 498 759	2 076 325	138.5%
Liquid assets, bank account	21 078 769	17 711 528	84.0%
Total current assets	41 045 324	36 845 634	89.8%
Total ASSETS	12 623 816	12 541 639	99.3%
Share capital	0	26 278	
Capital reserve	63 502	56 189	88.5%
Share option reserve	-1 187 358	-3 912 747	-329.5%
Retained earnings*	11 499 960	8 711 359	75.8%
Total equity and reserves	6 270 505	6 308 220	100.6%
Long-term liabilities	1 366 997	1 039 271	76.0%
Provisions	104 162	98 763	94.8%
Deferred tax liability	7 741 664	7 446 254	96.2%
Total long-term liabilities	5 078 664	5 078 664	100.0%
Derivative financial liabilities	5 838 671	8 065 179	138.1%
Short-term credits and loans	10 886 365	7 544 178	69.3%
Short-term liabilities	21 803 700	20 688 021	94.9%
Short-term liabilities total	41 045 324	36 845 634	89.8%
Total LIABILITIES (equity and liabilities)			

* In order to allow fair assessment of the fundamental values of the company, due to the extremely volatile exchange rate movements, the interest spread opened due to the crisis and to the extreme closing exchange rates, in consideration of the guidelines of IAS 34 (Interim reports) it is noted that our flash report does not include the (cash-flow neutral) revaluation of hedge transactions as per IAS 39 (Financial instruments) open on the closing day and does not include the rewrite of earlier accounted revaluations either. In the annual report these evaluation principles will not be ignored, regardless of the market conditions prevailing at the time.

The value of activated hedge and the revaluations of other FX items are present in the accounts.

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

The consolidated net value of properties, machines and equipment changed from the closing value of HUF 16,173 million on 31 December 2008 to HUF 15,614 million, the decline was not significant, only 3.5 %.

1.2. Intangible assets

The net value of intangible assets increased from HUF 589 million to HUF 500 million. The decline was HUF 89 million.

1.3. Long-term receivables

This balance sheet line shows long-term receivables at a discounted value among invested assets in the balance sheet. Long-term receivables include the following items:

	30.06.2008	31.12. 2008	30.06.2009
Opening	147 099	147 099	73 064
Increase	-	3 339	-
Repayment	-	(36 811)	-
Impairment	-	(52 740)	-
Effect of discounting	-	12 177	-
Closing	147 099	73 064	73 064

1.4. Real estate for investment purposes

The value of real estate for investment purposes amounted to HUF 338 million on 30 June 2009.

1.5. Investments accounted using the capital method

The closing stock of investments as at 30 June 2009 was HUF 891 million. The Company participated in the establishment of a joint venture, Busch-Rába Öntöde Kft., charged with the management of the foundry division. Rába's stake in the venture is 25.5%. The change since the closing balance of 31 December 2008 is the portion of the subsidiary profit due to the parent company (HUF -158 million).

1.6. Deferred tax receivable

On 30 June 2009, the deferred tax amounted to HUF 1,463 million, HUF 26 million lower than on 31 December 2008.

2. CURRENT ASSETS**2.1. Stocks**

On 30 June 2009, the closing value of stocks was HUF 8,682 million (31 December 2008: HUF 10,101 million). The change is -14.1%. The majority of the decline related to the variation of produced stocks (HUF -1,022 million).

2.2. Receivables

The closing figure of receivables as at the end of H1 of 2009 was HUF 6,632 million, a decline of HUF 2,553 million compared to the 31 December (closing figure for 2008: HUF 9,185 million). The change is due to the following factors:

- decline in accounts receivable (HUF -2,364 million);
- increase in active accrual of revenues (HUF +216 million);
- decline in other short-term receivables (HUF -326 million).

2.3. Liquid assets

The closing figure of liquid assets on 30 June 2009 was HUF 2,076 million (31 December 2008: HUF 1,499 million).

3. EQUITY AND RESERVES

3.1. Share capital

RÁBA Nyrt.'s share capital consists of common shares with a nominal value of HUF 1,000 each, entitling the shareholders to the dividend announced in a particular period, and providing one vote at the General Meeting of the Company. On 30 June 2009, the share capital of the company was HUF 12,542 million, which is HUF 82 million less than the figure prevailing on 31 December 2008. This change occurred because based on the Board of Directors' authorisation the Company purchased 82,177 treasury shares in the reporting period.

3.2. Capital reserve

On 30 June 2009, the capital reserve was HUF 26 million, identical with the difference between the cost and face value of the redeemed treasury shares.

3.3. Share option reserve

To foster common interests between the shareholders of Rába and the management of the Rába Group, as well as to further increase the value of the company, the Board of Directors of Rába decided to launch a five-year management share option programme, entitled Management Share Option Incentive Programme for the senior and middle management of the Company. The program is for the Rába shares. The options are offered on 1 July, 2006 and the closing date of the programme is 30 June 2011, which is the last date for option draw-down. All options are offered upon the same terms.

Within the five-year term of the programme three separate draw-down tranches are defined, each of which is implemented separately, subject to unrelated conditions.

At its meeting held on 2 July 2009 the Board of Directors of Rába Nyrt. concluded that the conditions of opening the third tranche were not fulfilled considering the price of Rába shares and the average price weighted with the stock exchange turnover during the opening period of the third tranche between 1 January 2009 and 30 June 2009.

Consequently, the HUF 7 million share option provisions, accounted for the third drawdown period were released in the reporting period.

3.4. Retained earnings

The retained earnings (HUF -3,913 million) changed compared to the closing balance of the previous year (HUF -1,187 million) by HUF -2,725 million, as follows:

	Registered capital	Capital reserve	Share option capital reserve	Retained earnings	Total shareholders equity
Balance as at 1 January, 2008	12 891 977	6 852 528	49 779	-2 898 056	16 896 228
After-tax profit				889 082	889 082
Share-based payments drawn	31 265		11 493	-8 466	34 292
Deferred tax of share-based payments			-2 298		-2 298
Purchase of treasury shares	-100 270	-65 909			-166 179
Balance at 30 June 2008	12 822 972	6 786 619	58 974	-2 017 440	17 651 125
After-tax profit				-5 987 309	-5 987 309
Share-based payments drawn	4 444		5 661	-3 413	6 692
Deferred tax of share-based payment			-1 133		-1 133
Purchase of treasury shares	-203 600	34 185			-169 415
Regrouping from capital reserve to retained earnings		-6 820 804		6 820 804	0
Balance as at 31 December, 2008	12 623 816	0	63 502	-1 187 358	11 499 960
After-tax profit				-2 732 702	-2 732 702
Provisions for share-based payments			-9 141	7 313	-1 828
Deferred tax of share-based payment			1 828		1 828
Purchase of treasury shares	-82 177	26 278			-55 899
Balance as at 30 June 2009	12 541 639	26 278	56 189	-3 912 747	8 711 359

4. LONG-TERM LIABILITIES

The closing value of long-term liabilities as at 30 June 2009 amounted to HUF 6,308 million, nearly identical with the opening balance of the period (on 31 December 2008, the closing figure was HUF 6,271 million).

Deferred tax liability

Amounted to HUF 99 million on 30 June 2009, which is HUF 5 million less than the value at 31 December 2008.

5. SHORT-TERM LIABILITIES

5.1. Short-term credits and loans

The total of short-term credits and loans (HUF 8,065 million) increased by 38% compared to the closing balance of December (HUF 5,839 million).

5.2. Short-term liabilities

The total short-term liabilities (closing balance on 30 June 2009: HUF 7,544 million) dropped by 30.7% compared to 31 December (HUF 10,886 million). The most significant decline took place in the accounts payable (HUF -3,117 million), the other short-term liabilities decreased by HUF -219 million.

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR H1 OF 2009

	Data in HUF thousand	
	<u>30.06.2008</u>	<u>30.06.2009</u>
<u>Cash flow of operating activity</u>		
Profit before taxation	1 290 734	-2 552 098
<i>Adjustment items related to items with no cash movement:</i>		
Interest income/expenditure	309 215	312 645
Depreciation and amortisation	1 451 295	1 539 505
Impairment of real estate, machinery, and fixtures	0	0
Impairment of bad and doubtful receivables	7 850	7 100
Impairment of stocks recorded at net realisable value	635	0
Inventory reject	0	0
Provisions	15 595	-327 726
Share-based payments made in capital instruments	31 994	0
Changes in real value of derivative financial assets	0	0
Result of sale and in-kind contribution of real assets, machinery and fixtures	-87 356	-75 107
Result of sale of financial investments	0	0
Participation in profit of affiliated companies	67 751	157 808
Revaluation of loans and credits at end of period	707 299	170 523
<i>Changes in working capital:</i>	0	0
Trade and other receivables, changes in corporate tax	61 851	2 711 389
Changes in stocks	-632 733	1 419 389
Changes in accounts payable and other liabilities	-319 123	-3 757 915
Share-based payment made in liquid assets		
Profit tax paid	-378 207	-186 897
Net cash-flows from operating activities	2 526 800	-581 384
<u>Cash flows from investment activities</u>		
Purchase of investments accounted through the capital method	0	0
Purchase of real estate, machinery and intangibles	-1 799 413	-1 006 828
Revenue from the sale of investments accounted through the capital method	0	0
Revenues from the sale of real estate, machinery and fixtures, as well as of intangibles	162 266	127 978
Income, expenditure from the sale and purchase of securities	0	0
Interests received	196 136	0
Net cash flows used for investment activities	-1 441 011	-878 850
<u>Cash flow from financing activities</u>		
Revenues/expenditures from the sale/purchase of treasury shares	-166 179	-55 900
Reserves		
Receipt and repayment of loans and credits and repayment	-986 656	2 093 700
Net cash flows from financing activities	-1 152 835	2 037 800
Net increase/decline of financial instruments and equivalents	-67 046	577 566

PK6. Major off-balance sheet items

Description	Value (HUF)
According to a separate list*	

* Forward FX deals to cover the exchange rate risk of export sales revenues: sale of USD 54 million in exchange for HUF, sale of USD 8 million for EUR (option deals) and sale of EUR 111 million for HUF (of which EUR 11 million represents option transactions).

The balance of the revaluation at closing of derivative instruments is HUF 462 million.

The bank loans of the Rába Group amount to HUF 14,317 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 13,775 million.

The amount of bank guarantees issued on behalf of the Rába Group is HUF 3,475 million.

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 June)			Beginning of term		End of term	
	% ²	% ³	Pcs	% ²	% ³	Pcs	%	Pcs	%	Pcs
Domestic institutional/corporate	25.34	26.48	5 362 319	40.87	43.89	5 506 758				
Foreign institutional/corporate	33.28	34.77	2 872 678	21.57	23.17	2 906 319				
Foreign private individual	0.43	0.45	38 700	0.21	0.23	28 756				
Domestic private individual	36.29	37.91	4 298 761	30.05	32.27	4 048 536				
Employees, managing executives	0.36	0.38	53 868	0.40	0.43	53 780				
Treasury shares	4.28		845 410	6.88		927 587				
Shareholder forming part of general government	0.01	0.01	1 710	0.01	0.01	1 710				
International Development Institutions	0.00	0.00	0	0.00	0.00	0				
Other	0.00	0.00	0	0.00	0.00	0				
TOTAL	100.00	100.00	13 473 446	100.00	100.00	13 473 446				

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

² Ownership ratio

³ Voting right ensuring participation 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. List and introduction of shareholders with a stake exceeding 5% (as at 30 June 2009)

Name	Nationality ¹	Activity ²	Quantity (pcs)	Ownership stake (%) ³	Voting right (%) ^{3,4}	Comment ⁵
DRB Hicom Group	K	T	1 462 446	10,85	11,66	
Treasury Shares	B	T	927 587	6,88		

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	845 410	927 587	927 587		
Subsidiaries	-	-	-	-	-
Total	845 410	927 587	927 587	0	0

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

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

	End of base period	Beginning of current year	End of current period
Company level	21	29	30
Group level	2 683	2 415	2 219

The consolidated closing headcount as at 30 June 2009 was 2,219, which represented a decline of 17.3% compared to the end of the base period.

TSZ2. Managing executives, strategic employees

Type ¹	Name	Position	Beginning of mandate	End/ termination of mandate	Shares held (pcs)
IT	István Pintér	Chairman of the BD	2005		19 429
IT	Olivér Martin	Board member	2003		555
IT	Róbert Hrabovszky	Board member	2005		555
IT	Alan Spencer	Board member	2006		0
IT	Khalid Abdol Rahman	Board member	2007		0
IT	Dr. Ádám Fintha-Nagy	Board member	2008		5 350
IT	Gábor Földvári	Board member	2008		0
FB	Dr. János Benedek	Chairman of the SB	2004		0
FB	Zoltán Varga	Supervisory Board member	2006		0
FB	András Lovas-Romváry*	Supervisory Board member	2008	2009	-
FB	István Pintér	Chairman-CEO	2009		0
SP	Béla Balog	Deputy CEO	2003	Definite	19 429
SP	Ferenc Vissi	HR Director	2004	Indefinite	5 821
SP	József Szabó	Purchasing and Asset Mgmt. Director	2001	Indefinite	7 797
SP	István Pintér	Managing Director	2001	Indefinite	8 211
SP	László Urbányi	Managing Director	2004	indefinite	19 429
SP	János Torma	Managing Director	2005	Indefinite	4 412
SP	István Pintér	Chairman of the BD	2005	Indefinite	1 650
TOTAL No. of treasury shares owned (pcs):					53 780

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

RÁBA NYRT. (INDIVIDUAL) BALANCE SHEET (HAS)

Data in HUF thousand

No	Description of item	31.12.2008	30.06.2009
A.	Invested assets	17 435 745	17 390 533
I.	Intangible assets	145 988	139 457
II.	Fixed assets	6 363 759	6 325 078
III.	Financial assets invested	10 925 998	10 925 998
B.	Current assets	5 017 592	5 179 788
I.	Stocks	352 676	352 729
II.	Receivables	2 533 726	3 871 350
III.	Securities	877 134	933 034
IV.	Liquid assets	1 254 056	22 675
C.	Active accruals	92 286	138 793
	TOTAL ASSETS	22 545 624	22 709 114
D.	Shareholders' equity	14 586 899	14 213 588
I.	Registered capital	13 473 446	13 473 446
	Of which: ownership stake repurchased at face value	845 410	927 587
III.	Capital reserve	127 654	127 654
IV.	Retained earnings	1 109 359	52 766
V.	Fixed reserves	877 134	933 034
VII.	Net profit	-1 000 693	-373 311
E.	Provisions	392 959	392 959
F.	Liabilities	7 389 877	8 002 126
III.	Short-term liabilities	7 389 877	8 002 126
G.	Passive accruals	175 888	100 442
	TOTAL LIABILITIES	22 545 624	22 709 114

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

Data in HUF thousand

No	Description	2008 H1	2009 H1	Index
I.	Net sales revenue	553 826	234 765	42.39%
II.	Direct costs of sales	117 212	46 927	40.04%
III.	Gross sales revenue	436 615	187 838	43.02%
IV.	Indirect sales costs	685 361	238 253	34.76%
V.	Other revenues	157 654	105 009	66.61%
VI.	Other expenditures	321 360	90 476	28.15%
A.	OPERATING PROFIT	-412 452	-35 882	191.3%
VIII.	Revenues from financial transactions	58 285	45 625	78.28%
IX.	Expenditures of financial transactions	171 347	382 402	223.17%
B.	Profit of financial transactions	-113 062	-336 777	-197.87%
C.	ORDINARY BUSINESS PROFIT	-525 514	-372 659	29.1%
D.	EXTRAORDINARY PROFIT	-6 147	-653	89.39%
E.	PROFIT BEFORE TAXATION	-531 661	-373 311	29.8%
XII.	TAX LIABILITY	1 769	0	
F.	AFTER-TAX PROFIT	-533 430	-373 311	30.0%
G.	NET PROFIT	-533 430	-373 311	30.0%

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:				

Declaration of liability

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

In the context of the semi-annual report Rába Nyrt 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 semi-annual report in a form in compliance with the requirements of the Stock Exchange Regulations and in consideration of the IAS 34 Standard (interim financial statement)

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, 5 August 2009

István Pintér
Chairman-CEO

Béla Balog
CFO