

Report on the Results of Rába Nyrt. in Q1-4 of 2009

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

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SUMMARY

- The group registered a decline in sales of 42.2% compared to 2008, thus the total revenue amounted to HUF 33.9 billion.
- The gross margin improved by 0.8 percentage point in 2009 compared to 2008. The more favourable currency exchange rates had an improving effect, but 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 Q4 the margin was 5.9 percentage higher than the annual average. It was partly due to the fact the depreciation rates were modified retrospectively for 2009 as a result of the review of the useful life according to IAS16, already projected in the previous flash report, but the overall impact was contained only in the Q4 figures.
- In 2009 the gross profit was HUF 4,691 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 2,901 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 savings (29%) in indirect costs was 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. In addition to this, the items occurring each year, the other revenues were also increased by the state subsidy received from 1 May for job retention and the rebates and compensations, the volume of which increased in this period. Part of the other expenditure, which was higher than the ordinary figure involved the impairment on the machines and equipment related to the modification of the depreciation rates indicated above. The impact of the capital contribution, used for the capitalisation of the Fehrer-Rába joint company is reported in the other revenue/expenditure line as a net amount in Q4.
- Despite a major drop in revenue, the operating profit dropped only slightly in 2009 and amounted to HUF 746 million. All three business lines had an operating profit in the year. The activated hedge positions aimed at protecting the temporary fluctuation of foreign exchanges resulted in a loss of HUF 3,743 million compared to the profit of HUF 858 million of last year. The operating profit was HUF 691 million in Q4, which was only slightly lower than the HUF 701 million in 2008. Rába made a HUF 528 million loss on hits hedging transactions. The open currency hedge portfolio of the company continued

to decrease.

- The EBITDA declined by 22.2%, amounting to HUF 3,154 million.
- The profit after taxation was HUF -670 million in 2009 compared to HUF -5,098 in the previous year. The result of the external company (HUF -305 million in 2009) also contributed to this. Places the amount recorded at the parent company from the net profit/loss of Busch-Rába Kft. and Fehrer Automotive-Rába Kft. In the base period the respective figure was HUF -244 million.
- The net loan portfolio was HUF 12.2 billion, HUF 1.6 billion higher than at the end of the previous year and, although it continued to decline, it was HUF 0.5 billion higher than at the end of the previous quarter. This increase is mainly due to the temporary major rise in the accounts receivable, which was related to the concentration of the revenues at the end of the year; the accounts receivable are within the maturity deadline.
- During the year all three business lines partially suspended production on several times, always agreed with the customers. The majority of such interruptions occurred in Q3.
- The important events for Rába in 2009 included the closing of the modernisation and investment programme, the development of Rába MAXS axle product line, designed for all terrain trucks and the foundation of Fehrer Automotive-Rába Kft. manufacturing seat foam for the motor industry, which was capitalised at the end of 2009 and began its production on 1 January 2010.

HUF thd	2008. Q1-4	2009. Q1-4	Change	2008. Q4	2009. Q4	Change
Sales revenue	58 682 966	33 939 697	-42.2%	13 435 933	8 537 658	-36.5%
Gross profit	11 742 376	7 051 706	-39.9%	3 661 933	2 282 766	-37.7%
<i>Gross margin</i>	<i>20.0%</i>	<i>20.8%</i>	<i>0.8%p</i>	<i>27.3%</i>	<i>26.7%</i>	<i>-0.6%p</i>
EBITBA	4 053 094	3 153 778	-22.2%	1 462 174	836 383	-42.8%
<i>EBITDA level</i>	<i>6.9%</i>	<i>9.3%</i>	<i>2.4%p</i>	<i>10.9%</i>	<i>9.8%</i>	<i>-1.1%p</i>
Operating profit	1 108 784	746 162	-32.7%	700 786	690 523	1.5%
Net financial profit	-6 287 799	-220 164	96.5%	-8 201 508	494 876	106.0%
Net profit	-5 098 227	-670 384	86.9%	-6 711 169	875 976	113.1%

'Last year the renewed Rába provided a lot of evidence for stability and flexibility - stated István Pintér, Rába Chairman Chief Executive. With the shortened working hours we managed to keep our well-qualified experts. Despite the more than 40 percentage decline all three business lines generated an operating profit, and we did not loose any strategic partners at all. By the second half of the year we fully eliminated the risk of hedging transactions, which reached an excessive volume due to the falling demand. With targeted investments we made sure that we would effectively benefit from the increase market demand, which we expect to happen this year.'

EXTERNAL ENVIRONMENT

- Because of the economic slow-down in the US, the American freight vehicle market has shrunk further, suffering a decline of approximately 30 percent in 2009 compared to last year. Improvement could be felt only in Q4. The European market of heavy vehicles during the year showed a somewhat larger decline of 49 per cent, although starting from a higher level. The sales volume of agricultural axles declined only slightly only compared to the other segments. The market activities continued to rise on the Russian bus market, but they were still significantly lower than last year. In the whole year the total market dropped by 60 percent, while the segment affecting Rába most, declined by 70 percent. 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 reached the highest point in Q3 last year, and showed a declining trend until Q2 2009. Since then stagnation can be observed. In 2009 prices dropped by 21.5 percent compared to the previous year, and by 2.8 percent since Q3. Thus prices have remained at the level of the second quarter of 2006.
- Energy prices decreased by 2.8% compared to the same period of last year and by 23.5% compared to the last quarter.
- Considerably, 17.8% higher USD exchange rate and 11.7% higher EUR exchange rate compared to the same period of last year. However, some exchange rates fell since Q1: the USD rate fell by 3.5 percentage points and the Euro fell by 0.2 percentage points. As at the end of year there were no major changes in the exchange rates compared to the previous year – contrary to the average exchange rates and volatility during the year – the revaluation of currency items did not have any P&L impact on the whole year.

	2008. Q1-4	2009. Q1-4	Change	2008. Q4	2009. Q4	Change
EURHUF - average	251.3	280.6	11.7%	262.3	270.9	3.3%
EURHUF – end of period	264.8	270.8	2.3%	264.8	270.8	2.3%
USDHUF - average	171.8	202.3	17.8%	199.3	183.3	-8.0%
USDHUF – end of period	187.9	188.1	0.1%	187.9	188.1	0.1%
Raw material prices*	130%	102%	-21.5%	130%	102%	-21.5%
Energy prices**	222%	227%	2.3%	222%	227%	2.3%

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

** Rába indices – own calculation - base: Dec 2004; closing figures

Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Futómű Kft. in 2009 amounted to HUF 18.9 billion compared to HUF 36.7 billion achieved during the year of 2008. This corresponds to a decline of 48.5%.

On the **American market**, the sales revenue in 2009 was USD 42.4 million, against USD 108.5 million during the same period of 2008. This means a decline of 60.9%.

On the **EU market** Rába's sales figures in HUF terms declined by 50.8%, amounting to HUF 6.2 billion, compared to HUF 12.6 billion of last year.

European exports amounted to EUR 16.7 million in the year 2009 compared to EUR 31.3 million during the same period of last year. This is a decline of 46.6%.

Domestic sales before consolidation amounted to HUF 1,447 million in 2009, a decline of 67.2% compared to HUF 4,415 million in 2008.

On the **CIS and East-European markets** export sales revenues achieved by Rába declined by 56.9% from EUR 18.8 million during the base period to EUR 8.1 million in 2009.

On the **other markets** the sales revenue in Q1-4 of 2009 amounted to USD 6.2 million, against USD 4.5 million of last year. This corresponds to an increase of 60.6%, which is due to the relaunch of a sale earlier managed on a project basis.

The operating result of the company in 2009 was a profit of HUF 205 million, compared to the profit of HUF 518 million of the same period of last year.

At EBITDA level the operating profit of the Axle business line was HUF 1,792 million compared to the HUF 2,603 million in Q1-4 2008.

HUF million	2008. Q1-4	2009 Q1-4	Change	2008. Q4	2009. Q4	Change
America	18 573	8 657	-53.4%	4 480	1 555	-65.3%
EU - export	8 188	4 740	-42.1%	1 546	1 060	-31.4%
EU - domestic	4 415	1 447	-67.2%	762	439	-42.4%
CID and Yugoslavia	4 371	2 291	-47.6%	114	852	647.4%
Other	1 128	1 747	54.9%	304	223	-26.6%
Total sales	36 676	18 882	-48.5%	7 206	4 129	-42.7%
EBITDA	2 603	1 792	-31.2%	917	218	-76.2%
Operating profit	518	205	-60.4%	381	186	51.2%

Rába Járműipari Alkatrészgyártó Kft. (Component Ltd.)

The sales revenue of the Component Ltd. declined by 39.9% in 2009 to HUF 9.8 billion, from HUF 16.3 billion in the same period of 2008.

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

European exports amounted to EUR 5.8 million in Q1-4 of 2009, compared to EUR 16.1 million during the same period of last year. This corresponds to a decline of 64.0%

Domestic sales generated HUF 8.1 million in 2009, which is a decline by 34.1% compared to the HUF 12.3 billion of 2008.

The company generated HUF 302 million in profits at operating level in 2009 compared to HUF 417 million during the same period of 2008.

On the level of EBITDA, the profit of the Component Ltd. changed to HUF 754 million during the period, from HUF 952 million of last year.

HUF million	2008. Q1-4	2009. Q1-4	Change	2008. Q4	2009. Q4	Change
EU - export	4 037	1 657	-59.0%	694	444	-36.0%
EU - domestic	12 261	8 109	-33.9%	2 690	1 932	-28.2%
Total sales	16 299	9 767	-40.1%	3 384	2 376	-29.8%
EBITDA	952	754	-20.8%	66	366	454.5%
Operating profit	417	302	-27.6%	-70	295	521.4%

Rába Jármű Kft. (Vehicle Ltd.)

The sales revenue of Rába Jármű Kft. amounted to HUF 8,110 million in 2009, which is a decline of 25.0% compared to HUF 6,086 million of the base period.

On the **EU market** Rába's sales figures in HUF terms declined by 25.0%, amounting to HUF 6,086 million, compared to HUF 8,110 million of last year.

European exports amounted to EUR 0.7 million in 2009 compared to EUR 3.3 million during the same period of last year. This is a decline of 78.8%.

Domestic sales before consolidation amounted to HUF 5,893 million in 2009, a decline of 19.1% compared to HUF 7.285 million in the first nine months of 2008.

On the **CIS and East-European** markets Rába Vehicle Ltd. Had minimal export sales only amounting to HUF 0.2 million in Q1-4 of 2009. During the same period of 2008 the company had no sales in this market segment.

The operating profit was HUF 619 million in 2009, compared to HUF 849 million during the same period of last year.

On the level of EBITDA, during Q1-4 of 2009 the Company registered a profit of HUF 851 million compared to HUF 1,044 million in Q1-4 of 2008.

HUF million	2008. Q1-4	2009. Q1-4	Change	2008. Q4	2009. Q4	Change
EU - export	824	193	-76.6%	72	17	-76.4%
EU - domestic	7 285	5 893	-19.1%	3 103	2 202	-29.0%
CIS and Yugoslavia	0	0		0	0	
Total sales	8 110	6 086	-25.0%	3 175	2 219	-30.1%
EBITDA	1 044	851	-18.5%	646	407	37.0%
Operating profit	849	619	-27.1%	594	349	41.2%

The Rába Group

The consolidated sales revenue of the Rába group in 2009 amounted to HUF 33.9 billion, which is a decline of 42.2% over the figure for the same period of 2008.

The operating profit of the group during Q1-4 of 2009 amounted to HUF 746 million, compared to the profit of HUF 1,109 million during the same period of 2008.

In 2009 the financial profit contains the activated loss of HUF 3,743 million from derivative transactions, as well as net interest payment of HUF 550 million in addition to the HUF 0.2 million of exchange rate gains, HUF 11 million dividend revenues and HUF 72 million losses from other items. In addition, the group generated HUF 944 million loss on the non-realised deals. HUF 5,078 million non-realised loss was reversed from the derivative transactions in the previous year. As a result, the net financial profit is HUF -220 million.

Based on the above, the Rába group generated a net loss of HUF 670 million in 2009, compared to HUF 5,098 million loss in the same period of last year.

On the level of EBITDA, the group registered profits of HUF 3,154 million in Q1-4 of 2009, against last year's figure of HUF 4,053 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
2009 Q3	3 448	2 247	1 588	7 113
2009 Q4	4 129	2 376	2 220	8 538

Breakdown of sales revenue during Q1-4 of 2009

Million HUF	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	8 657	6 187	4 740	1 447	2 291	1 747	18 882
Component	0	9 767	1 657	8 109	0	0	9 767
Vehicle	0	6 085	193	5 893	0	0	6 086
Consolidated	8 657	21 245	6 590	14 654	2 291	1 747	33 940

Breakdown of operating profit of group subsidiaries

	Operating profit									
	2008					2009				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Axles	272	47	-181	381	518	393	14	-388	186	205
Components	231	151	105	-70	417	129	7	-129	295	302
Vehicles	280	98	-123	594	849	44	65	161	349	619
Other	-181	-152	-139	-204	-676	-29	-71	-140	-140	-380
Total	602	144	-339	701	1 109	537	15	-496	690	746

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
Busch-Rába Kft.	4,510,000	25.50	25.50	A
Fehrer Automotive-Rába Kft.	1.075.000	30,00	30,00	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, it was finally wound-up and deleted from the company register on 16 September 2009. In 2009 Rába invested HUF 322,500,000 into the establishment of a joint venture, Fehrer Automotive-Rába Kft., for manufacturing seat foam for the motor industry. Fehrer Automotive-Rába Kft. was founded on 16 June 2009. Rába has 30 percent equity participation in the business.

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	2009	Index	2008 Q4	2009 Q4	Index
Domestic sales revenues	21 560 552	14 654 425	68.0%	6 226 728	4 385 707	70.4%
Export sales revenues	37 122 414	19 285 272	52.0%	7 209 205	4 151 951	57.6%
Net sales revenues	58 682 966	33 939 697	57.8%	13 435 933	8 537 658	63.5%
Direct cost of sales	46 940 590	26 887 991	57.3%	9 774 000	6 254 892	64.0%
Gross profit	11 742 376	7 051 706	60.1%	3 661 933	2 282 766	62.3%
Cost of sales	1 164 398	623 767	53.6%	280 255	170 007	60.7%
General and administration expenses	8 817 292	6 457 263	73.2%	1 942 816	1 013 221	52.2%
Other revenues	740 206	1 592 995	215.2%	280 675	146 554	52.2%
Other expenditures	1 392 108	817 509	58.7%	1 018 751	555 569	54.5%
Other items related to business activities	-10 633 592	-6 305 544	140.7%	-2 961 147	-1 592 243	146.2%
Operating profit before interest payment and taxation (EBIT)	1 108 784	746 162	67.3%	700 786	690 523	98.5%
Financial revenues	4 419 062	2 540 637	57.5%	-2 074 251	210 359	110.1%
Financial expenditures	10 706 861	2 760 800	25.8%	6 127 257	-284 518	-4.6%
Net financial result	-6 287 799	-220 163	96.5%	-8 201 508	494 877	106.0%
Dividend from affiliated companies	-243 857	-305 160	-125.1%	-97 980	-81 166	117.2%
PROFIT BEFORE TAXATION	-5 422 872	220 839	104.1%	-7 598 702	1 104 234	114.5%
Corporate profit tax	-324 645	891 222	374.5%	-887 533	228 257	125.7%
PROFIT AFTER TAXATION	-5 098 227	-670 383	86.9%	-6 711 169	875 977	113.1%
Profit share of minority shareholders						
NET INCOME	-5 098 227	-670 383	86.9%	-6 711 169	875 977	113.1%
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		0	0	
Total aggregate income (attributable in full to shareholders in the company)	-5 098 227	-670 383	86.9%	-6 711 169	875 977	113.1%

1. EARNED REVENUES

In 2009, Rába achieved HUF 33,940 million in sales revenue, compared to 58,683 million during the same period of the last year. 56.8 per cent of the revenues came from export the rest came from domestic sales. The sales revenue is 42.2 lower than that of the base period.

2. COSTS AND OTHER REVENUES, EXPENDITURES

2.1. Direct costs

In Q1-3 of 2009 the direct cost level of Rába was at 79.2 per cent, compared to 80% of the base period.

Gross Profit

The gross profit changed from HUF 11,742 million to HUF 7,052 million, (-4,691), which is due to the decline in the sales revenue (HUF -24,743 million) and a decrease in direct expenses (HUF -20,054 million).

2.2. Cost of sales

The cost of sales declined by 46.4 per cent and amounted to HUF 624 million in 2009, compared to HUF 1,164million 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 (2009: HUF 6,636 million, 2008: 8,995 million), and adjusts them with the net value of the capitalised costs of technical development (HUF -83 million), and the estimated pro rata expenses of the Share Purchase Option (HUF -25 million), and by restating certain bank charges to financial expenditure (HUF -68 million).

2.4. Other revenues

Other revenues amounted to HUF 1,592 million in 2009. This amount was HUF 853 million higher than that of the base period. The change is due to the following factors: increase of the net revenues from the sale of fixed asset (HUF 69 million), revenues from wage support (HUF +659 million), and an increase of the other extraordinary items (HUF +220 million) as well as a decrease in the other items (HUF -85 million).

2.5. Other expenditures

The amount of other expenditures in 2009 amounted to HUF 818 million. In the reporting period HUF 108 million more scrapped fixed assets, HUF 145 million more inventory impairment and HUF 38 million more impairment on receivables were accounted. The provisions were by HUF 766 million and the scrapped inventories were by HUF 95 million lower than in the base period.

3. OPERATING PROFIT

The operating profit of Rába in 2009 was HUF 746 million (2008: HUF 1,109 million). The decline in gross profit (HUF -4,844 million) was improved by the decline in sales and overhead costs (HUF -2,740 million) and by the increase in other revenues (HUF 1,561 million) and by the decline in other expenditures (HUF -190 million). Profitability increased from 1.9% during the base period to 2.2%. The profitability of operating profit + depreciation is 9.3 per cent, against 6.9% during the base period.

4. FINANCIAL REVENUES AND EXPENSES

In 2009, the net financial loss was HUF -220 million, compared to the same period of 2008, when it was HUF 6,288 million. The activated profit of derivative transactions in 2009 was a loss of HUF 3,743 million, compared to a profit of HUF 858 million in 2008. HUF -944 million loss was reported as the non-realised loss of derivative transactions restated on 31 December 2009, compared to the HUF - 5,079 million in the base year.

The net profit of interest incomes and expenses was HUF -554 million in 2009, compared to HUF -658 million during the base period. The net exchange rate loss of the currency items was insignificant on 31 December 2009 compared to the HUF -516 million on 31 December 2008.

Financial revenues and expenditures consisted of the following principal items:

	2008	2009
Revenue from dividends	4 163	11 138
Interest income	46 211	55 965
Realised gains of derivative transactions	2 058 473	140 788
Reversed non-realised profit of derivative transactions in the previous year	-833 677	
Exchange rate gains	3 136 148	2 330 199
Other financial revenues	7 744	2 547
Financial revenues	4 419 062	2 540 637
Interest payable	704 508	610 319
Realised loss of derivative transactions	1 200 117	3 884 074
Reversed non-realised loss of derivative transactions in the previous year		-5 078 664
Non-realised profit of derivative transactions	5 078 664	944 267
Exchange rate losses	3 652 599	2 328 175
Other financial expenditures	70 973	72 630
Financial expenditures	10 706 861	2 760 801

5. Profit from external companies

The profit from external companies in 2009 amounted to HUF -305 million, which amount represents the portion the parent company is entitled to from the net profit of Busch-Rába Kft. and Fehrer Automotive-Rába Kft. This figure was HUF – 244 million in the base period.

6. PROFIT BEFORE TAXATION AND NET PROFIT

The earnings before taxation amounted to a loss of HUF + 221 million in 2009 which, because of the factors outlined in sections 1-5 is HUF 5,644 million higher than the figure for 2008. The profitability ratio represents a 0.7 per cent return on sales on the basis of profit before taxation, compared to -9.2 per cent during the base period.

At group level the tax liability amounts to HUF 891 million, of which the deferred tax for the current period is HUF 516 million and the trade tax is HUF 290 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;
- any rebate accounted as other expenditure according to the HAS requirements must be accounted as an item reducing the sales revenues according to the IFRS requirements;
- restatement of certain bank charges accounted as indirect expenditure under the Hungarian

- Accounting Regulations into financial expenditure;
- 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;
 - the deferred tax was calculated as 19 percent rate in compliance with the provisions of the legal regulations effective for 2010.

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	31.12.2009	Index
Properties, machines, equipment	16 173 131	14 745 025	91.2%
Intangible assets	589 351	612 945	104.0%
Long-term receivables	73 064	38 169	52.2%
Property for investment purposes	338 217	338 217	100.0%
Other investments accounted through the capital method	1 048 483	1 013 098	96.6%
Marketable financial assets	255 055	192 221	75.4%
Deferred tax receivables	1 489 254	950 966	63.9%
Total invested assets	19 966 555	17 890 641	89.6%
Securities	80 000	0	0.0%
Inventories	10 101 383	6 893 232	68.2%
Receivables	9 184 711	7 178 813	78.2%
Derivative instruments	213 916	70 138	32.8%
Corporate tax receivables	1 498 759	376 312	25.1%
Liquid assets, bank account	21 078 769	14 518 495	68.9%
Total current assets	41 045 324	32 409 136	79.0%
Total ASSETS	12 623 816	12 546 330	99.4%
Share capital	0	26 278	
Capital reserve	63 502	55 291	87.1%
Share option reserve	-1 187 358	-1 851 407	-155.9%
Retained earnings*	11 499 960	10 776 492	93.7%
Total equity and reserves	6 270 505	6 883 835	109.8%
Long-term liabilities	1 366 997	907 729	66.4%
Provisions	104 162	82 140	78.9%
Deferred tax liability	7 741 664	7 873 704	101.7%
Total long-term liabilities	5 078 664	944 267	18.6%
Derivative financial liabilities	5 838 671	5 694 145	97.5%
Short-term credits and loans	10 886 365	7 120 528	65.4%
Short-term liabilities	21 803 700	13 758 940	63.1%
Short-term liabilities total	41 045 324	32 409 136	79.0%
Total LIABILITIES (equity and liabilities)	16 173 131	14 745 025	91.2%

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

The consolidated net value of properties, machines and equipment changed from the closing value of HUF 16,173 million on 31 December 2008 to HUF 14,745 million, the decline was not significant, only -8.8 %.

1.2. Intangible assets

The net value of intangible assets increased from HUF 589 million to HUF 613 million. The increase was HUF 24 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:

	2008.12.31.	2009. 12. 31.
Opening	147 099	73 064
Increase	3 339	-
Repayment	(36 811)	(42 053)
Impairment	(52 740)	-
Effect of discounting	12 177	7 157
Closing	73 064	38 169

1.4. Real estate for investment purposes

The value of real estate for investment purposes amounted to HUF 338 million on 31 December 2009.

1.5. Investments accounted using the capital method

The closing stock of investments as at 31 December 2009 was HUF 1,013 million. The Company participated in the establishment of a joint venture, Busch-Rába Öntőde Kft., charged with the management of the foundry division. Rába's stake in the venture is 25.5%. In 2009 Rába took part in the establishment of Fehrer Automotive-Rába Kft. with 30 percent participation.

1.6. Deferred tax receivable

HUF 951 million was reported under this title on 31 December 2009, which was by HUF 538 million lower than on 31 December 2008. The most significant change was the decrease in the deferred tax receivable resulting from the release of the restatement of the 2008 forward deals.

1.7. Financial assets to be sold

On 31 December 2009 the balance of such assets was HUF 192 million, which varied as follows: HUF 56 million increase in revenues, HUF -133 million impairment on the site and HUF +14 million discounting effect.

2. CURRENT ASSETS**2.1. Securities**

In 2009 the company sold its 40.2 percent (HUF 80 million) participation in Autokut Zrt.

2.2. Stocks

On 31 December 2009, the closing value of stocks was HUF 6,893 million (31 December 2008: HUF 10,101 million). The change is -31.8%. The majority of the decline related to the variation

of produced stocks (HUF -2,026 million), materials decreased by HUF -1,244 million.

2.3. Receivables

The closing figure of receivables as at the end of 2009 was HUF 7,179 million, a decline of HUF 2,006 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 -2,006 million);
- increase in active accrual of revenues (HUF +108 million);
- decline in other short-term receivables (HUF -133 million).

2.4. Liquid assets

The closing figure of liquid assets on 31 December 2009 was HUF 376 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 31 December 2009, the share capital of the company was HUF 12,546 million, which is HUF 77 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, 1 person used his option and 4,691 shares were purchased.

3.2. Capital reserve

On 31 December 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 31 December 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 were 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 8 million share option provisions, accounted for the third drawdown period were released in the reporting period.

3.4. Retained earnings

The retained earnings (HUF -1,851 million) changed compared to the closing balance of the previous year (HUF -1,187 million) by HUF -664 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				-5 098 227	-5 098 227
Share-based payments drawn	35 709		17 154	-11 879	40 984
Deferred tax of share-based payments			-3 431		-3 431
Purchase of treasury shares	-303 870	-31 724			-335 594
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				-670 383	-670 383
Provisions for share-based payments	4 691		-10 137	6 334	888
Deferred tax of share-based payment			1 926		1 926
Purchase of treasury shares	-82 177	26 278			-55 899
Balance as at 31 December 2009	12 546 330	26 278	55 291	-1 851 407	10 776 492

4. LONG-TERM LIABILITIES

The closing value of long-term liabilities as at 31 December 2009 amounted to HUF 6,884 million, which was 9.8 percent higher than the opening balance of the period (on 31 December 2008, the closing figure was HUF 6,271 million).

Deferred tax liability

Amounted to HUF 82 million on 31 December 2009, which is HUF 22 million less than the value at 31 December 2008.

5. SHORT-TERM LIABILITIES

5.1. Funds originating from derivative transactions

The company reports the valuation result of the derivative transactions on the cut-off date in this balance sheet line, which was HUF -944 million on 31 December 2009 compared to the HUF -5,079 million recorded in the base period.

5.2. Short-term credits and loans

The total of short-term credits and loans (HUF 5,694 million) decreased by 2.5% compared to the closing balance of December (HUF 5,839 million).

5.3. Short-term liabilities

The total short-term liabilities (closing balance on 31 December 2009: HUF 7,121 million) dropped by 34.6% compared to 31 December (HUF 10,886 million). The most significant decline took place in the accounts payable (HUF -3,469 million), the other short-term liabilities decreased by HUF -30, the accruals decreased by HUF 193 million.

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR 2009

	Data in HUF thousand	
	31.12.2008	31.12.2009
<u>Cash flow of operating activity</u>		
Profit before taxation	-5 422 872	220 840
<i>Adjustment items related to items with no cash movement:</i>		
Interest income/expenditure	658 297	554 355
Depreciation and amortisation	2 944 311	2 421 661
Impairment of real estate, machinery, and fixtures	0	0
Impairment of bad and doubtful receivables	199 713	172 027
Impairment of stocks recorded at net realisable value	190 271	335 201
Inventory reject	207 192	111 891
Provisions	505 091	-459 270
Share-based payments made in capital instruments	40 984	2 815
Changes in real value of derivative financial assets	6 015 440	-4 134 397
Result of sale and in-kind contribution of real assets, machinery and fixtures	-121 428	-256 566
Participation in profit of affiliated companies	243 436	359 985
Revaluation of loans and credits at end of period	703 819	7 948
<i>Changes in working capital:</i>		
Trade and other receivables, changes in corporate tax	1 660 385	1 931 599
Changes in stocks	-1 177 146	2 761 059
Changes in accounts payable and other liabilities	-2 141 213	-3 439 462
Share-based payment made in liquid assets	-43 326	-24 997
Profit tax paid	0	-96 400
Interest expenses	-545 693	-231 178
Net cash-flows from operating activities	-717 472	-625 960
	3 199 789	-388 849
<u>Cash flows from investment activities</u>		
Purchase of investments accounted through the capital method		
Purchase of real estate, machinery and intangibles		-324 600
Revenue from the sale of investments accounted through the capital method	-3 415 864	-1 677 560
Revenues from the sale of real estate, machinery and fixtures, as well as of intangibles	2 100	0
Income, expenditure from the sale and purchase of securities	311 824	631 240
Interests received	0	176 400
Net cash flows used for investment activities	49 356	55 965
	-3 052 584	-1 138 555
<u>Cash flow from financing activities</u>		
Revenues/expenditures from the sale/purchase of treasury shares		
Reserves	-335 594	-55 900
Receipt and repayment of loans and credits and repayment		0
Net cash flows from financing activities	-23 970	460 857
	-359 564	404 957
Net increase/decline of financial instruments and equivalents		

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 18 million in exchange for HUF, and sale of EUR 53 million for HUF (of which EUR 1 million represents option transactions).

The bank loans of the Rába Group amount to HUF 12,603 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 11,934 million.

The amount of bank guarantees issued on behalf of the Rába Group is HUF 3,489 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 (31 December)			Beginning of term		End of term	
	% ²	% ³	Pcs	% ²	% ³	Pcs	%	Pcs	%	Pcs
Domestic institutional/corporate	39,80	42,46	5.362.319	35,24	37,84	4 748 609				
Foreign institutional/corporate	21,32	22,75	2.872.678	18,80	20,19	2 533 359				
Foreign private individual	0,29	0,31	38.700	0,33	0,36	44 894				
Domestic private individual	31,91	34,04	4.298.761	38,36	41,18	5 168 198				
Employees, managing executives	0,40	0,43	53.868	0,40	0,43	53 780				
Treasury shares	6,27		845.410	6,85		922 896				
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 31 December 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	922 896	6,85		

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	927 587	922 896
Subsidiaries	-	-	-	-	-
Total	845 410	927 587	927 587	927 587	922 896

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	29	29	15
Group level	2 415	2 415	2 131

The consolidated closing headcount as at 30 September 2009 was 2,217, which represented a decline of 11.8% 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 number 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	31.12.2009	Index
A.	Invested assets	17 435 745	16 114 197	92.42%
I.	Intangible assets	145 988	157 346	107.78%
II.	Fixed assets	6 363 759	6 171 361	96.98%
III.	Financial assets invested	10 925 998	9 785 489	89.56%
B.	Current assets	5 017 592	3 547 281	70.70%
I.	Stocks	352 676	351 355	99.63%
II.	Receivables	2 533 726	2 432 268	96.00%
III.	Securities	877 134	709 104	80.84%
IV.	Liquid assets	1 254 056	54 554	4.35%
C.	Active accruals	92 287	73 681	79.84%
	TOTAL ASSETS	22 545 624	19 735 159	87.53%
D.	Shareholders' equity	14 586 900	12 997 372	89.10%
I.	Registered capital	13 473 446	13 473 446	100.00%
	Of which: ownership stake repurchased at face value	845 410	922 896	109.17%
III.	Capital reserve	127 654	127 654	100.00%
IV.	Retained earnings	1 109 359	57 457	94.82%
V.	Fixed reserves	877 134	928 343	105.84%
VII.	Net profit	-1 000 693	-1 589 527	41.16%
E.	Provisions	392 959	119 633	30.44%
F.	Liabilities	7 389 877	6 504 880	88.02%
III.	Short-term liabilities	7 389 877	6 504 880	88.02%
G.	Passive accruals	175 888	113 274	64.40%
	TOTAL LIABILITIES	22 545 624	19 735 159	87,53%

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

Data in HUF thousand

No	Description	2008	2009	Index
I.	Net sales revenue	1 167 226	963 198	82.52%
II.	Direct costs of sales	235 496	197 658	83.93%
III.	Gross sales revenue	931 730	765 540	82.16%
IV.	Indirect sales costs	1 505 956	1 005 380	66.76%
V.	Other revenues	202 734	478 601	236.07%
VI.	Other expenditures	408 247	297 760	72.94%
A.	OPERATING PROFIT	-779 739	-58 999	192.4%
VIII.	Revenues from financial transactions	665 102	306 966	46.15%
IX.	Expenditures of financial transactions	882 886	1 834 138	207.74%
B.	Profit of financial transactions	-217 784	-1 527 171	-501.23%
C.	ORDINARY BUSINESS PROFIT	-997 523	-1 586 170	41.0%
D.	EXTRAORDINARY PROFIT	-22 198	-3 357	184.88%
E.	PROFIT BEFORE TAXATION	-1 019 721	-1 589 527	44.1%
XII.	TAX LIABILITY	-19 028	0	
F.	AFTER-TAX PROFIT	-1 000 693	-1 589 527	41.2%
G.	NET PROFIT	-1 000 693	-1 589 527	41.2%

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	<input type="checkbox"/>
Other:			

Declaration of liability

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

In the context of the quarterly report Rába Nyrt wishes to emphasize the following:

- The figures shown in the quarterly report are unaudited but have been compiled from the available data relying on the best efforts of the management.
- Rába has prepared its quarterly report in 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, 16 February 2010

István Pintér
Chairman-CEO

Béla Balog
CFO