

Report on the Results of Rába Nyrt. during Q1-Q3 of 2011

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

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SUMMARY

- During Q1-Q3 of 2011, the Company at group level registered a 3.5% growth, with sales revenues of HUF 26.4 billion, compared to HUF 25.5 billion during Q1-Q3 of 2010. Such increase is a tribute to the nearly 20% increase of the Axle business and to the 7.8 increase in the Component business and to the decline by 50% of the performance of the Vehicle business. During the current quarter, the revenue of the Vehicle business remained very low even compared to the rest of the year, while the usual low-season performance within the year of the Axle business is 12.1 per cent above the level of last year's. The Component business, which shows an increase of 20.9 per cent over the 3rd quarter of the previous year, closed the strongest quarter within the year, in spite of the negative effect of seasonality, as a result of the elimination of the problems prevalent during the previous quarters.
- The gross margin declined by 3.9 percentage points during Q1-Q3 of 2011 compared to Q1-Q3 of 2010. The decline is due – as in earlier quarters - to the lower foreign exchange prices compared to the base period and to the lower utilisation of the Vehicle business and the delay in passing on the effect of the raw material price increase to the customers at the usual time, together with the one-off costs of newly acquired businesses.
- As the aggregate effect of the increase in sales revenue in HUF terms and of the deterioration of the margin, during Q1-Q3 of 2011 the gross profit was 15.8 per cent lower than the level during the same period of last year. Thanks to the continued stringent management within the fields of administration and sales, indirect costs further declined by HUF 128 million in Q1-Q3 of 2011 compared to Q1-Q3 of 2010.
- Other revenues and expenditures contained, in addition to the usual items, the sale of some of the unused premises and buildings, while the first quarter of last year contained the subsidy aimed at preserving jobs and there was a substantial damage compensation, as well. During the current quarter there were no major items in this line. Thus the balance of other revenues/expenditures was HUF 378 million higher during the review period.
- The operating profit declined by HUF 334 million and amounted to a loss of HUF 70 million. Rába's Vehicle Component Business Ltd. had a positive operating result. The activated hedge positions aimed at protecting the temporary fluctuation of foreign exchanges resulted in a profit of HUF 30 million in Q1-Q3 of 2011 compared to the loss of HUF 869 million of last year.
- EBITDA declined by 20.7%, amounting to HUF 1,576 million.
- The financial profit in Q1-Q3 of 2011 amounted to a loss of HUF 841 million, against the loss of HUF 288 million generated during the same period of last year. The majority of the losses – HUF 653 million - was generated through the revaluation of loans involving

no cash movement, as a result of the high foreign exchange rates at the end of the period.

- The profit after taxation was a loss of HUF 1,257 million in Q1-Q3 of 2011, in contrast to HUF 576 million of the same period of last year. The profit from external companies was HUF -124 million in Q1 of 2010.
- The net loan portfolio was HUF 13.1 billion, HUF 2.4 billion higher than during the same period of last year and HUF 2.6 billion higher than at the end of last year.

thousand HUF	2010. Q1-3	2011. Q1-3	Change	2010. Q3	2011. Q3	Change
Sales revenue	25 482 796	26 378 221	3,5%	7 765 755	8 217 664	5,8%
Gross profit	5 309 213	4 470 495	-15,8%	1 575 712	1 339 641	-15,0%
<i>Gross margin</i>	20,8%	16,9%	-3,9%p	20,3%	16,3%	-4%p
EBITDA	1 987 811	1 576 395	-20,7%	404 288	301 245	-25,5%
<i>EBITDA level</i>	7,8%	6,0%	-1,8%p	5,2%	3,7%	-1,5%p
Operating profit	263 501	-70 338	-126,7%	-147 211	-232 938	-58,2%
Net financial profit	-287 868	-841 240	-192,2%	829 940	-1 207 179	-245,5%
Net profit	-576 014	-1 256 727	-118,2%	390 967	-1 506 973	-485,4%

'In 2011 benefiting from the revival of the markets, we managed to stabilise our growth and concluded strategic partnership cooperation agreements with leading players of the automotive industry, which lay the foundation for the attainment of our medium-term goals', summarised István Pintér, Chairman-Chief Executive Officer of the Company. 'All this means that we have made yet another big step towards the leading edge of the world's automotive industry, while consistently reducing our customer and financial risks. For the whole of the year, we expect to meet our budgeted figures, the 10% revenue increase and the unchanged level of EBITDA, owing to what is expected to be outstandingly strong fourth quarter results.'

EXTERNAL ENVIRONMENT

- Growth within the heavy vehicle sector of the North American market continued and amounted to 46% compared to the same period of last year. According to the forecasts the growth of the sector will not stop until the end of 2011. During the period the growth on the European market did not lag behind that of the American segment, European demand, however, shows a certain decline by the end of the quarter. The sales of agricultural axles continue to be strong in the American region and a significant growth occurred on the European market. Substantial growth was characteristic on the Russian heavy vehicle market but this growth declined by the end of Q3. The Russian bus market is characterised by stagnation in 2011. At the same time, the volatility of foreign currencies in certain regions of the CIS market had a negative impact on sales during Q1-Q3. The business of passenger car components remains below the level of last year's.
- Following the significant increase of raw material prices experienced in Q1 of 2011, material price levels stabilized at a high level. Thus a price increase of 1.9% compared to the last quarter and an increase of 13.2% compared to the same period of last year was experienced. Thus the prices of raw materials remained at a high level for three consecutive quarters, experienced for the last time before the economic crisis of 2008.
- Average energy prices decreased by 3.7% in Q3 of 2011 compared to the same period of last year and increased by 13.0% compared to Q2 of 2011. Thus the energy price level declined to the level of Q1 of 2010.
- The average USD exchange rate was 8.0% lower and the average EUR exchange rate

was 1.4 per cent lower compared to the same period of last year. Compared to the base period, the 11.0% weaker USD and the 2.7% weaker EUR during Q3 of 2011, had an impact on the operation of the company. Compared to the last quarter, though, the exchange rate of the USD increased by 5.2% and of the EUR by 3.2% during Q3 of 2011.

	2010. Q1-Q3	2011. Q1-Q3	Changes	2010. . Q3	2011. . Q3.	Change
HUFEUR - average	275,2	271,3	-1,4%	282,5	274,9	-2,7%
HUFEUR - end of period	277,3	292,1	5,3%	277,3	292,1	5,3%
HUFUSD - average	209,8	193,0	-8,0%	218,8	194,6	-11,0%
HUFUSD - end of period	203,4	215,7	6,0%	203,4	215,7	6,0%
Changes in raw material prices*	131%	148%	13,2%	131%	148%	13,2%
Changes in energy prices **	174%	195%	12,0%	174%	195%	12,0%

*Rába indices – own calculation base: 2006 Q1; end of term values

** Rába indices – own calculation base 2004 Dec.,end of period values

Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Futómű Kft. during Q1-Q3 of 2011 amounted to HUF 17.1 billion compared to HUF14.3 billion achieved during the same period of 2010. This corresponds to an increase of 19.6%.

On the **American market**, the sales revenue in Q1-Q3 of 2011 was USD 28.2 million, against USD 24.6 million during Q1-Q3 of 2010. This means an increase of 14.6%.

On the **EU market** Rába's sales figures in HUF terms increased by 57.6%, amounting to HUF 9.3 billion, compared to HUF 5.9 billion during the base period.

European exports amounted to EUR 24.7 million in Q1-Q3 of 2011 compared to EUR 13.8 million during the same period of last year. This is an increase of 89.0%.

Domestic sales before consolidation amounted to HUF 2.6 billion which represents an increase of 23.8 per cent compared to the HUF 2.1 billion of the base period.

On the **CIS and East-European markets** export sales revenues achieved by Rába Axle Ltd. decreased by 23.3%, from EUR9.0 million during the base period in 2010 to EUR 6.9 million in Q1-Q3 of 2011.

On the **other markets** the sales revenue in Q1-Q3 of 2011 amounted to EUR 1.6 million, against EUR 2.5 million of last year. This corresponds to a decline of 36.0%.

The operating result of the company during Q1-Q3 of 2011 was a loss of HUF 295 million, compared to the loss of HUF 185 million during the same period of last year.

At EBITDA level, the operating profit of the Axle business was HUF 750 million compared to HUF 985 million registered a year earlier.

million HUF	2010. Q1-Q3	2011. Q1-Q3	Change	2010. Q3	2011. Q3	Change
America	5 147	5 432	5,5%	1 515	1 700	12,2%
EU - export	3 812	6 712	76,1%	1 191	2 063	73,2%
EU - domestic	2 135	2 602	21,9%	780	755	-3,2%
CIS and former Yougoslavia	2 481	1 883	-24,1%	900	443	-50,8%
Other	694	447	-35,6%	203	184	-9,4%
Total sales revenue	14 269	17 076	19,7%	4 589	5 146	12,1%
EBITDA	985	750	-23,9%	275	174	-36,7%
Operating profit	-185	-295	-59,5%	-113	-164	-45,1%

Rába Járműipari Alkatrészgyártó Kft. (Component Ltd.)

The sales revenue of the Component Ltd. amounted to HUF 7.8 billion in Q1-Q3 of 2011, which is an increase of 8.3% compared to the sales of HUF 7.2 billion a year earlier.

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

European exports amounted to EUR 8.8 million in Q1-Q3 of 2011, against EUR 6.2 million during the base period. This corresponds to an increase of 41.9%.

Domestic sales before consolidation generated HUF 5.4 billion in Q1-Q3 of 2011, which is a decline by 1.8% compared to the HUF 5.5 billion of the same period of 2010.

The company generated a profit of HUF 53 million in Q1-Q3 of 2011 compared to a profit of HUF 24 million during the same period of 2010.

On the level of EBITDA, the profit of the Component Ltd. changed to HUF 299 million during the period, from HUF 273 million of the previous year.

million HUF	2010. Q1-Q3	2011. Q1-Q3	Change	2010. Q3.	2011. Q3	Change
EU - export	1 709	2 402	40,6%	616	835	35,6%
EU - domestic	5 534	5 405	-2,3%	1 711	1 979	15,7%
Total sales revenue	7 242	7 807	7,8%	2 327	2 814	20,9%
EBITDA	273	299	9,5%	78	143	83,3%
Operating profit	24	53	120,8%	17	61	258,8%

Rába Jármű Kft. (Vehicle Ltd.)

The sales revenue of Rába Jármű Kft. amounted to HUF 2.3 billion in Q1-Q3 of 2011, which is a decline of 52.1% compared to the HUF 4.8 billion of the base period.

On the **EU market** Rába Vehicle's sales figures equalled the total sales revenue realised.

European exports exceeded the level of the base period by 338.5%, thus increasing from EUR 1.3 million to EUR 4.4 million.

Domestic sales before consolidation amounted to HUF 1.1 billion in Q1-Q3 of 2011, a decline of 75.0 per cent compared to the HUF 4.4 billion during the base period.

The operating loss was HUF 100 million in Q1-Q3 of 2011, compared to HUF 575 million during the same period of last year.

On the level of EBITDA, during Q1-Q3 of 2011 the Company registered a profit of HUF 84 million compared to HUF 760 million in Q1-Q3 of 2010.

million HUF	2010. Q1-Q3	2011. Q1-Q3	Change	2010. Q3	2011. Q3	Change
EU - export	348	1 210	247,7%	146	386	164,4%
EU - domestic	4 415	1 064	-75,9%	891	119	-86,6%
Total sales revenue	4 762	2 274	-52,3%	1 037	504	-51,4%
EBITDA	760	84	-88,9%	66	11	-83,3%
Operating profit	575	-100	-117,4%	5	-50	-1100,0%

The Rába Group

The consolidated sales revenue of the Rába group in Q1-Q3 of 2011 amounted to HUF 26.4 billion, which is an increase of 3.5% compared to the figure of HUF 25.5 billion for the same period of 2010.

The operating profit of the group in Q1-Q3 of 2011 amounted to a loss of HUF 70 million, compared to HUF 264 million in profits during the same period of 2010.

In Q1-Q3 of 2011 the financial result was a loss of HUF 841 million, which includes, among others, a net interest payment of HUF 328 million and an exchange rate loss of HUF 413 million.

Based on the above, the Rába group generated a net loss of HUF 1,257 million in Q1-Q3 of 2011, compared to loss of HUF 576 million during the same period of last year.

On the level of EBITDA, the group registered profits of HUF 1,576 million in Q1-Q3 of 2011, against last year's figure of HUF 1,988 million.

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

Sales revenue by business division

Sales revenue (million Ft)	Axles	Components	Vehicles	Rába group consolidated
2010 Q1	4 329	2 403	1 437	7 890
2010 Q2	5 351	2 512	2 288	9 827
2010 Q3	4 589	2 327	1 037	7 766
2011 Q1	6 005	2 587	989	9 264
2011 Q2	5 925	2 406	780	8 896
2011 Q3	5 146	2 814	504	8 218

Breakdown of sales revenue of Q1-Q3 of 2011.

m Ft	America	EU			CIS	Others	Total
		total	export	domestic			
Axles	5 432	9 314	6 712	2 602	1 883	447	17 076
Components	0	7 807	2 402	5 405	0	0	7 807
Vehicles	0	2 274	1 210	1 064	0	0	2 274
Consolidated	5 432	18 616	10 323	8 293	1 883	447	26 378

Breakdown of operating profit of group companies

	Operating profit					
	2010.			2011.		
	Q1	Q2	Q3	Q1	Q2	Q3
Axles	-154	82	-113	-139	8	-164
Components	2	5	17	5	-13	61
Vehicles	146	424	5	6	-57	-50
Others	-38	-56	-56	-52	405	-80
Total	-44	455	-147	-180	343	-233

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
Fehrer Automotive-Rába Kft.	1.076.000	30,00	30,00	A

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

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

In December of 2010 an equity increase was carried out in Fehrer-Automotive-Rába Kft. in the amount of an additional HUF 1 million.

Rába Mérnöki Szolgáltató Kft. – earlier called Fehrer-Rába Járműipari Kft - was wound up through voluntary dissolution and was deleted from the Registry of Companies as of 16th November 2010.

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	2010. I-III. negyedév	2011. I-III. negyedév	Index	2010. III. negyedév	2011. III. negyedév	Index
Domestic sales revenues	11 288 408	8 292 455	73,5%	3 191 079	2 606 105	81.7%
Export sales revenues	14 194 388	18 085 766	127,4%	4 574 676	5 611 559	122.7%
Net sales revenues	25 482 796	26 378 221	103,5%	7 765 755	8 217 664	105.8%
Direct cost of sales	20 173 583	21 907 726	108,6%	6 190 043	6 878 023	111.1%
Gross profit	5 309 213	4 470 495	84,2%	1 575 712	1 339 641	85.0%
Cost of sales	465 359	557 445	119,8%	170 119	192 788	113.3%
General and administration expenses	5 134 283	4 914 679	95,7%	1 591 261	1 582 202	99.4%
Other revenues	807 085	1 555 031	192,7%	99 439	323 463	325.3%
Other expenditures	253 155	623 740	246,4%	60 982	121 052	198.5%
Other items related to business activities	-5 045 712	-4 540 833	110,0%	-1 722 923	-1 572 579	108.7%
Operating profit before interest payment and taxation (EBIT)	263 501	-70 338	-126,7%	-147 211	-232 938	-158.2%
Financial revenues	2 238 341	1 643 985	73,4%	323 281	255 309	79.0%
Financial expenditures	2 526 209	2 485 225	98,4%	-506 659	1 462 488	488.7%

Net financial result	-287 868	-841 240	-292,2%	829 940	-1 207 179	-245.5%
Dividend from affiliated companies	-170 184	-124 262	127,0%	-53 437	-15 421	171.1%
PROFIT BEFORE TAXATION	-194 551	-1 035 840	-532,4%	629 292	-1 455 538	-331.3%
Corporate profit tax	381 463	220 887	57,9%	238 325	51 435	78.4%
PROFIT AFTER TAXATION	-576 014	-1 256 727	-218,2%	390 967	-1 506 973	-485.4%
Profit share of minority shareholders						
NET INCOME	-576 014	-1 256 727	-218,2%	390 967	-1 506 973	-485.4%
Other aggregate income						
Gain (loss) on share-based payments		0				
Profit tax of other aggregate income		0				
Other aggregate income netted by profit tax	0	0		0	0	
Total aggregate income (attributable in full to shareholders in the company)	-576 014	-1 256 727	-218,2%	390 967	-1 506 973	-485.4%

1. EARNED REVENUES

In Q1-Q3 of 2011, Rába achieved HUF 26,378 million in sales revenue, compared to HUF 25,483 million during the same period of last year. 68.6 per cent of the revenues came from export, the rest came from domestic sales. The sales revenue is 3.5% higher than that of the base period.

2. COSTS AND OTHER REVENUES, EXPENDITURES

2.1. Direct costs

In Q1-Q3 of 2011, the direct cost level of Rába was 83.1 per cent, compared to 79.2% of the base period.

Gross Profit

The gross profit changed from HUF 5,309 million to HUF 4,470 million, (HUF -839 million), which is due to the increase in the sales revenue by HUF +895 million and to a substantial increase in direct expenses (HUF +1,734 million).

2.2. Cost of sales

The cost of sales increased by 19.8 per cent and amounted to HUF 557 million in Q1-Q3 of 2011, compared to HUF 465 million in Q1-Q3 of 2010.

2.3. General overhead and administrative expenses

Rába accounts its costs incurred in relation to the administration of the company and other general expenses under general overhead and administrative expenses (Q1-Q3 of 2011: HUF 4,915 million, Q1-Q3 of 2010: 5,134 million), and adjusts them with the net value of the non-capitalised, according to international regulations, costs of technical development (HUF -6 million), and by restating certain bank charges to financial expenditure (HUF -34 million) and with the share-based payments made in capital instruments and cash (HUF +83 million).

2.4. Other revenues

Other revenues amounted to HUF 1,555 million in Q1-Q3 of 2011. This amount was HUF 748 million higher than that of the base period. The change is due to the following factors: increase in net proceeds from the sale of fixed assets: HUF +915 million, decrease in subsidies (HUF -29 million), decline in compensation, indemnification received (HUF -110 million).

In June of 2011 the Company sold a portion of its unused land and buildings, resulting in net proceeds of HUF 917 million. Expenditures related to the sale are shown in other lines of the

financial accounts as well.

2.5. Other expenditures

The amount of other expenditures in Q1-Q3 of 2011 was HUF 624 million, which is HUF 371 million higher than the amount during the base period. The most important reasons for the increase are the increase in the write-off of inventories (HUF +52 million), the increase in impairment accounted for customers (HUF +28 million), the decline in local taxes paid (HUF -35 million), as well as the amount of expenditures incurred, or expected to be incurred in connection with the June 2011 sale of unused land and buildings (HUF 308 million).

3. OPERATING PROFIT

The operating profit of Rába in Q1-Q3 of 2011 was HUF -70 million (Q1-Q3 of 2010: HUF 264 million). The decline in gross profit (HUF -839 million) was improved by the combined decline in sales and general overhead costs (HUF -128 million) and by the changes in other revenues and expenditures (HUF +366 million). Profitability changed from 1% during the base period to 0.3%. The profitability of the operating profit + depreciation was 6 per cent, against 7.8% during the base period.

4. FINANCIAL REVENUES AND EXPENDITURES

In Q1-Q3 of 2011, the net financial result was HUF -841 million, compared to HUF -288 million during the base period. The activated profit of derivative transactions in Q1-Q3 of 2011 was a profit of HUF 30 million, compared to the loss of HUF 869 million during Q1-Q3 of 2010. The result of the revaluation of derivative transactions open on 30 September, 2011 was a loss of HUF 86 million, while the non-activated profit of the revaluation of derivative transactions in the same period of last year was HUF -179 million.

The net profit of interest incomes and expenses was HUF -328 million in Q1-Q3 of 2011, against HUF -294 million during the base period. The net exchange rate difference of FX items deteriorated the financial result of the group by HUF 413 million in Q1-Q3 of 2011, in Q1-Q3 of 2010 the exchange rate loss was HUF -284 million.

Financial revenues and expenditures consisted of the following principal items:

	Q1-Q3 2010	Q1-Q3 2011
Revenue from dividends	2 879	6 780
Exchange rate gains of stakes sold	444 581	
Interest income	396 313	210 597
Realised gains of derivative transactions	89 555	30 040
Non-realised profit from derivative transactions	1 302 061	1 395 540
Exchange rate gains	2 952	1 028
Other financial revenues	2 238 341	1 643 985
Financial revenues		
Interest payable	690 048	538 483
Realised loss of derivative transactions	958 596	0
Release of unrealised loss from previous year of derivative transactions	-944 267	-8 782
Non-realised profit or loss of derivative transactions	178 932	86 071
Exchange rate losses	1 586 264	1 808 313
Other financial expenditures	56 636	61 140
Financial expenditures	2 526 209	2 485 225

5. PROFIT FROM EXTERNAL COMPANIES

The profit from external companies in Q1-Q3 of 2011 amounted to HUF -124 million (Q1-Q3 of 2010: HUF -170 million), which amount represents the portion the parent company is entitled to from the net loss of Fehrer Automotive-Rába Kft, through the accounting of which the value of this asset is reduced to zero. The amount of the net value of the affiliated company Rába Nyrt is entitled to is a loss of HUF 170 million in Q1-Q3 of 2011. In line with the provisions of the IFRS, the loss can be accounted for up to the value of the investment.

6. PROFIT BEFORE TAXATION AND NET PROFIT

The earnings before taxation amounted to a loss of HUF 1,036 million in Q1-Q3 of 2011, which, because of the factors outlined in sections 1-5 is HUF 841 million less than the figure for Q1-Q3 of 2010. The profitability ratio represents a -3.9 per cent return on sales on the basis of profit before taxation, compared to -0.8 per cent during the base period.

At group level the tax liability amounted to HUF 221 million, of which the deferred tax for the current period is HUF 58 million and the business tax is HUF 165 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 in part and of foundation and reorganisation expenses in full, capitalised according to HAS;
- accounting of the share options made available to the managers within the Share Option Programme;
- the reclassification into profit tax of the business 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;

PK. 3. CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS

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

* Indicate with X.

Item	31. Dec. 2010.	30. Sept. 2011	Index
Properties, machines, equipment	13 772 582	13 745 216	99.8%
Intangible assets	631 396	869 080	137.6%
Long-term receivables	13 273	16 356	123.2%
Property for investment purposes	338 217	338 217	100.0%
Other investments accounted through the capital method	124 518	205	0.2%
Marketable financial assets	205 201	205 201	100.0%
Deferred tax receivables	261 756	198 533	75.8%
Total invested assets	15 346 943	15 372 808	100.2%
Inventories	7 568 030	8 719 103	115.2%
Receivables	7 591 462	7 367 707	97.1%
Corporate tax receivables	37 249	82 867	222.5%
Liquid assets, bank account	1 498 111	1 696 971	113.3%
Total current assets	16 694 852	17 866 648	107.0%

Total ASSETS	32 041 795	33 239 456	103.7%
Share capital	12 550 920	12 501 669	99.6%
Capital reserve	26 278	54 893	208.9%
Share option reserve	209 448	257 045	122.7%
Retained earnings*	-2 727 376	-3 953 921	-145.0%
Total equity and reserves	10 059 270	8 859 686	88.1%
Long-term liabilities	7 294 131	9 553 185	131.0%
Provisions	843 385	855 098	101.4%
Total long-term liabilities	8 137 516	10 408 283	127.9%
Derivative financial liabilities	8 782	86 071	980.1%
Short term loans and credits	4 703 498	5 238 409	111.4%
Short-term liabilities	9 132 729	8 647 007	94.7%
Short-term liabilities total	13 845 009	13 971 487	100.9%
Total LIABILITIES (equity and liabilities)	32 041 795	33 239 456	103.7%

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 13,773 million on 31 December 2010 to HUF 13,745 million, the change was -0.2 %. The value of assets purchased exceeded the amount of depreciation stated during the period. The depreciation of fixed assets during Q1-Q3 of 2011 was HUF 1,552 million. The net value of assets sold has been deleted from the accounts (HUF 152 million).

1.2. Intangible assets

The net value of intangible assets changed from HUF 631 million to HUF 869 million. The increase of 37.6 per cent was largely due to the accelerated development activities. The amount of depreciation accounted during the period was HUF 94 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 increased by HUF 3 million compared to the closing value as at 31st December 2010.

1.4. Real estate for investment purposes

The value of real estate for investment purposes – amounting to HUF 338 million on 30th September, 2011 at book value – remained unchanged.

1.5. Investments accounted using the capital method

In 2009, Rába Nyrt and F.S. Fehrer Automotive GmbH. established Fehrer Automotive-Rába Kft. Rába's stake in the joint venture is 30%. The line of the balance sheet entitled investments accounted using the capital method shows that the book value of this investment has declined to zero, since Rába's share of the Kft's losses exceeded the value of the stake in the enterprise.

1.6. Deferred tax receivable

It amounted to HUF 199 million on 30th September 2011, which is 24.2% less than the value prevailing on 31 December 2010. The main reason for the change is that the deferred tax receivable set aside for the accrued losses of the parent company has been released.

1.7. Receivables from the sale of assets

On 30th September 2011, the value was HUF 205 million, it remained unchanged compared to the value as at 31st December, 2010.

2. CURRENT ASSETS**2.1. Stocks**

On 30th September 2011, the closing value of stocks was HUF 8,719 million (31st December 2010: HUF 7,568 million). The change is +15.2%, due to the growth in materials and goods by HUF 789 million and in unfinished, semi-finished and finished goods by HUF 362 million.

2.2. Receivables

The closing figure of receivables as at 30th September 2011 was HUF 7,368 million, a decline of HUF 223 million compared to the 31st December 2010 figure (closing figure for 31st December 2010: HUF 7,591 million). The most significant changes occurred in the accounts receivable (HUF -636 million), in down payments (HUF +1110 million), in active accruals (HUF +17 million) and in other receivables (HUF +286 million).

2.3. Liquid assets

The closing figure of liquid assets on 30th September 2011 was HUF 1,697 million, HUF 199 million more than on 31st December 2010 (HUF 1,498 million).

3. EQUITY AND RESERVES

The change occurred as follows:

	Registered capital	Capital reserve	Share based payments reserve	Retained earnings	Total shareholders equity
Balance as at 1 January, 2010	12 546 330	26 278	56 183	-1 882 561	10 746 230
Profit of current year				-576 014	-576 014
Share-based expenditure met in equity instrument			5 833		5 833
Deferred tax of share-based payments in equity instrument			-1 108		-1 108
Balance as at 30 September, 2010.	12 546 330	26 278	60 908	-2 458 575	10 174 941
Profit of current year				-283 257	-283 257
Obsolete dividend				12 308	12 308
Profit of share-based payments drawn	4 590		-1 933	1 933	4 590
Share-based expenditure met in equity instrument			159 685		159 685
Deferred tax of share-based payments in equity instrument			-9 212	215	-8 997
Balance as at 31st December 2010	12 550 920	26 278	209 448	-2 727 376	10 059 270
Profit during the current year				-1 256 727	-1 256 727
Share-based expenditure performed in equity instrument			83 068		83 068
Deferred tax of share-based expenditure met in equity instrument			-5 289		-5 289
Purchase of treasury shares	-92 710	28 615			-64 095
Share-based payments drawn	43 459		-30 182	30 182	43 459
Balance as at 30th September 2011	12 501 669	54 893	257 045	-3 953 921	8 859 686

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 30th September 2011, the share capital of the company was HUF 12,502 million. During Q1-Q3 H1 seven people availed themselves to the share drawdown option and 43,459 treasury shares were drawn. Based on the authorization granted by the Board of Directors, the Company purchased 92,710 shares on the Budapest Stock Exchange.

3.2. Capital reserve

On 30th September 2011, the capital reserve was HUF 37 million, equal to the difference between the cost and the face value of the repurchased 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, in 2006 the Board of Directors of Rába launched 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 programme consists of three separate draw-down tranches, 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 1st January 2009 and 31st December 2009.

Upon authorization from the General Meeting of Shareholders, as per resolution No. 5/2010 04.29. of the General Meeting, the term of the ESOP launched 1 July, 2006 was extended until 31 December, 2014 and the third tranche is relaunched from 1 January, 2012 with unchanged terms. As from 2010, a draw-down restriction entered into force for the management with regards to their option already opened.

The amount for the current year of share-based payments made in capital instruments was HUF 83,068 thousand. The draw-down and termination of the option during the year amounted to HUF 30,182 thousand gross.

3.4. Retained earnings

The retained earnings (HUF -3,954 million) changed by HUF 1,227 million (by the amount of the net profit during Q1-Q3 and the restatement of the principal amount of the drawn-down and terminated option) compared to the closing balance of the previous year (HUF -2,727 million).

4. LONG-TERM LIABILITIES

4.1 Long-term liabilities

Long-term liabilities contain the amount of long-term loans and credits. The closing value of long-term liabilities as at 30th September 2011 amounted to HUF 9,553 million, which was 31 per cent higher than the opening balance of the period (on 31st December 2010, the closing figure was HUF 7,294 million).

4.2. Provisions

The closing value of provisions as at 30th September, 2011 was HUF 855 million, which is HUF 12 million over the closing value for last year. The principal reasons for the change were the following:

- release of provisions set aside for redundancies in the amount of HUF 85 million,
- release of provisions set aside for guarantee obligations in the amount of HUF 137 million,
- provisions in the amount of HUF 234 million for the demolishing of buildings and other obligations.

5. SHORT-TERM LIABILITIES**5.1. Derivative financial liabilities**

The company reports the valuation result of the derivative transactions on the cut-off date in this balance sheet line, which was HUF 86 million on 30th September 2011, On 31st December 2010 the actual value of derivative transactions amounted to HUF 9 million.

5.2. Short-term credits and loans

The total amount of short-term credits and loans (HUF 5,238 million) increased by 11.4% compared to the closing balance of December (HUF 4,703 million).

5.3. Short-term liabilities

The total short-term liabilities (closing balance on 30th September 2011: HUF 8,647 million) declined by 5.3% compared to the December 2010 closing value (HUF 9,133 million). The most significant increase took place in accounts payable (HUF -610 million), passive accruals (HUF -52 million) and other liabilities (HUF +176 million).

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR Q1-Q3 OF 2011

Data in HUF thousand

	Q1-Q3 2010	Q1-Q3 2011
Cash flows of operating activities		
Profit before taxation	-194 550	-1 035 841
<i>Adjustment items related to items with no cash movement:</i>		
Interest income/expenditure	293 735	327 886
Depreciation and amortisation	1 724 309	1 646 734
Impairment of real estate, machinery and equipment	0	135 034
Impairment of bad and doubtful receivables and of long term receivables	-3 864	23 003
Impairment of stocks kept at net realisable value	0	7 119
Inventory reject	23 555	76 306
Provisions	-99 232	11 713
Share-based payments made in capital instrument	5 833	83 067
Changes in real value of derivative financial assets and receivables	-765 335	77 289
Result of sale and in-kind contribution of real assets, machinery and fixtures and intangible assets	16 183	-942 548
Proceeds from sale of investments accounted through the capital method	-444 985	0
Participation in profit of affiliated companies	191 199	124 313
Revaluation of loans and credits at end of period	73 742	652 727
<i>Changes in working capital:</i>		

Changes in trade and other receivables	1 036 368	198 427
Changes in stocks	-1 125 638	-1 234 498
Changes in accounts payable and other liabilities	862 827	33 903
Share-based payment made in liquid assets	24 061	-562
Profit tax paid	-243 313	-208 570
Interests paid	-340 283	-549 192
Net cash flows from operating activity	1 034 612	-573 690
Cash flows from investment activities		
Revenue from the sale of investments accounted through the capital method	1 150 050	0
Purchase of real estate, machinery and fixtures and intangibles	-637 344	-2 629 818
Revenues from the sale of real estate, machinery and fixtures, as well as of intangibles	6 799	1 071 928
Other revenues and expenditures from the purchase and sale of other investment, securities	0	0
Interests received	46 548	209 839
Net cash flows used for investment activities	566 053	-1 348 051
Cash flow from financing activities		
Revenues/expenditures from the sale/purchase of treasury shares	0	-20 636
Receipt of loans and credits	10 882 042	8 946 427
Repayment of loans and credits	-11 081 697	-6 805 190
Net cash flows from financing activities	-199 655	2 120 601
Net increase/decline of financial instruments and equivalents	1 401 010	198 860

PK6. Major off-balance sheet items

Description	Value (HUF)
According to a separate list*	

* Forward FX transaction serving as the collateral for the exchange rate risk of export sales revenues amounted to EUR 9.5 million sold for HUF.

The bank loans of the Rába Group amount to HUF 14,399 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 13,818 million. The amount of bank guarantees issued on behalf of the Rába Group is HUF 2,416 million.

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 (30th June)			Start of term		End of term	
	% ²	% ³	Pcs	% ²	% ³	Pcs	%	Pcs	%	Pcs
Domestic institutional/corporate	35.49	38.08	4 781 302	24.45	26.32	3 294 167				
Foreign institutional/corporate	14.40	15.45	1 939 724	14.26	15.35	1 920 727				
Foreign private individual	0.43	0.46	57 941	0.73	0.79	98 321				
Domestic private individual	42.46	45.56	5 720 683	40.25	43.33	5 422 849				
Employees, managing executives	0.40	0.43	53 780	0.40	0.43	53 780				
Treasury shares	6.82		918 306	7.11		958 087				
Shareholder forming part of general government ⁴	0.01	0.01	1 710	12.81	13.79	1 725 515				
International Development Institutions ⁵	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 30th June 2010)

Name	Nationality ¹	Activity ²	Quantity (pcs)	Ownership stake (%) ³	Voting right (%) ^{3,4}	Comment ⁵
Centre For The Management Of The State Debt Ltd. (Államadósság Ezelő Központ Zrt.) Pension Reform and Debt Reduction Fund	D	G	1 723 805	12.79	13.77	
DRB Hicom Group	F	B	1 462 446	10.85	11.69	
Treasury Shares	D	B	958 087	7.11		

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 general meeting of shareholders of the issuer.

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	918 306	907 863	935 009	958 087	
Subsidiaries					
Total	918 306	907 863	935 009	958 087	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	15	14	15
Group level	2 063	2044	1 900

The consolidated closing headcount as at 30th September, 2011 was 1 900, which represented a decline of 7.9% 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)
BD	István Pintér	Chairman of the BD	2005		19 429
BD	Olivér Martin	Board member	2003		555
BD	Róbert Hrabovszky	Board member	2005		555
BD	Alan Spencer	Board member	2006		0
BD	Khalid Abdol Rahman	Board member	2007		0
BD	Dr. Ádám Fintha-Nagy	Board member	2008		5 350
BD	Gábor Földvári	Board member	2008		0
SB	Dr. János Benedek	Chairman of the SB	2004		0
SB	Zoltán Varga	Supervisory Board member	2006		0
SB	András Lovas-Romváry	Supervisory Board member	2008	2009	-
SB	Balázs Sándorfi	Supervisory Board member	2009		0
SP	István Pintér	Chief Executive	2003	Definite	19 429
SP	Béla Balog	Deputy CEO	2004	Indefinite	5 821
SP	Ferenc Vissi	HR Director	2001	Indefinite	7 797
SP	József Szabó	Purchasing and Asset Mgmt. Director	2001	Indefinite	8 211
SP	István Pintér	Managing Director	2004	Indefinite	19 429
SP	László Urbányi	Managing Director	2005	Indefinite	4 412
SP	János Torma	Managing Director	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 Dec. 2010	30 Sept. 2011	Index
A.	Invested assets	17 737 047	16 960 558	95.62%
I.	Intangible assets	127 429	100 792	79.10%
II.	Fixed assets	6 048 576	5 746 384	95.00%
III.	Financial assets invested	11 561 042	11 113 382	96.13%
B.	Current assets	2 081 449	3 268 042	157.01%
I.	Stocks	355 511	351 141	98.77%
II.	Receivables	801 707	1 662 016	207.31%
III.	Securities	706 350	744 370	105.38%
IV.	Liquid assets	217 881	510 515	234.31%
C.	Active accruals	20 654	60 715	293.96%
	TOTAL ASSETS	19 839 150	20 289 315	102.27%
D.	Shareholders' equity	14 470 625	14 824 264	102.44%
I.	Registered capital	13 473 446	13 473 446	100.00%
	Of which: ownership stake repurchased at face value	918 306	967 557	105.36%
III.	Capital reserve	127 654	127 654	100.00%
IV.	Retained earnings	-2 741 766	125 155	104.6%
V.	Fixed reserves	706 350	744 370	105.38%
VII.	Net profit	2 904 941	353 639	87.83%
E.	Provisions	85 585	268 023	313.17%
F.	Liabilities	5 238 093	5 060 313	96.61%
III.	Short-term liabilities	5 238 093	5 060 313	96.61%
G.	Passive accruals	44 847	136 715	304.85%
	TOTAL LIABILITIES	19 839 150	20 289 315	102.27%

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

Data in thousand HUF

No	Description of item	Q1-Q3 2010.	Q1-Q3 2011.	Index
I.	Net sales revenue	888 684	843 089	94.87%
II.	Direct costs of sales	139 231	143 836	103.31%
III.	Gross sales revenue	749 453	699 253	93.30%
IV.	Indirect sales costs	749 905	815 840	108.79%
V.	Other revenues	24 653	1 078 238	4373.66%
VI.	Other expenditures	163 954	597 982	364.73%
A.	OPERATING PROFIT	-139 753	363 669	360.2%
VIII.	Revenues from financial transactions	1 485 683	799 671	53.83%
IX.	Expenditures of financial transactions	562 343	802 308	142.67%
B.	Profit of financial transactions	923 340	-2 637	-100.29%
C.	ORDINARY BUSINESS PROFIT	783 587	361 032	46.1%
D.	EXTRAORDINARY PROFIT	-4 519	-6 752	-49.4%
E.	PROFIT BEFORE TAXATION	779 068	354 280	45.5%
XII.	TAX LIABILITY	24 090	641	
F.	AFTER-TAX PROFIT	754 978	353 639	46.8%
G.	NET PROFIT	754 978	353 639	46.8%

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 contained in 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 factors of uncertainty. 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 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 November, 2011.

István Pintér
Chairman-CEO

Béla Balog
CFO