

Report on the Results of Rába Nyrt. during Q1-Q4 of 2012

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

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SUMMARY

- In 2012, the Company at group level registered sales of HUF 42.3 billion, which is an increase of 705 per cent compared to the HUF 39,4 billion of 2011. Such increase is fundamentally a tribute to the substantial, 16.1% increase of exports, while domestic sales declined by 8% and global utility vehicle markets were ailing. The increase in sales was largely due to the fruition of the business and product development projects announced during previous periods. The increase is largely the result of the expansion of the Axle Business, the core activity of the group by 17.9%, while the Vehicle Business grew to a lesser extent, by 2.6% and the Component Business declined by 8.1%. In Q4 of 2012 the sales revenue was 13.6% below the figure for Q4 of 2011, which is due to the more balanced sales revenue split among the quarters of the year. Such split applies to the Component and the Vehicle Businesses, while the Axle Business demonstrated growth in Q4 of the year.
- The gross margin improved by 1.1 percentage points during 2012 compared to 2011. The gross margin was improved besides favourable exchange rates by a positive change in the product mix of the Axle business, as well as by the impact of ongoing measures aimed at efficiency improvement, together with the increased volume and the more balanced capacity utilisation at group level.
- As the aggregate effect of the increase in sales revenue in HUF terms and of the improvement in the margin, during 2012 the gross profit was nearly HUF 1.1 billion, i.e. 13.2 per cent higher than the level during the previous year. In spite of the increase in sales revenues, administrative and sales costs increased to but a minor extent, 6,0 per cent compared to 2011. Indirect costs increased in spite of the continued stringent cost management in the field of operating expenses, due to the cold weather during Q1, which generated substantially increased communal energy costs and due to the costs related to development projects undertaken earlier and during this year.
- Other revenues and expenditures contained just the usual items, the balance of which was HUF -32 million during the review period, which is HUF 914 million lower than during the same period of the previous year. This is due to the profit resulting from the sale of a substantial property during the second quarter of last year.
- The operating profit during 2012 was HUF 294 million lower than in 2011 and amounted to a profit of HUF 1,334 million. The operating profit net of the one-off sales proceeds from the sale of the real estate shows a substantial improvement in 2012 compared to 2011. Such improvement is largely a tribute to the outstanding result of the Axle Business, considered the group's core activity, which increased by HUF 490 million, more than doubling the operating profit, in contrast to the declining results of the other two business divisions. All of Rába's business registered a positive operating result in all quarters of 2012, and in 2012 on the whole, as a result. The operating result in Q4 amounted to HUF 775 million

- EBITDA declined by 8.9 per cent, amounting to HUF 3,490 million.
- The financial profit during 2012 amounted to a loss of HUF 457 million, against the loss of HUF 1,005 million generated during 2011.
- The profit was HUF 569 million during 2012, in contrast to the profit of HUF 456 million of 2011. The result from external companies amounted to HUF 0 million in 2012, against HUF -124 million last year. Regarding the last quarter of the year, the company decided that in consideration of the extreme exchange rate fluctuations, its IFRS regulations for accounting and risk management should be amended as from 01.10. 2011. and the opportunity granted under IAS 39.88 would be made use of, thus better revealing the actual situation of the company. Accordingly, the group applied hedge accounting, as a result of which the revaluation result of the majority of the loans is shown in the overall result, in accordance with the regulations for the accounting of the cash-flow hedge transactions. The net result of the transaction was HUF 785 million, thus the result as per the total aggregate income is a profit of HUF 1,354 million, against the loss of HUF 350 million in 2011.
- The net loan portfolio was HUF 13.4 billion, HUF 0.4 billion lower than at the end of 2011. This is due to the profitable operation, what offset the decline was the expansion of the working capital lagging behind the rate of the growth and a long-term down payment (HUF 638 million), which is the partial payment for a long-term liability upon favourable terms, which has a positive impact on the indirect cost line of the coming years.

thousand HUF	2011 Q1-Q4	2012 Q1-Q4	Index	2011 Q4	2012 Q4	Index
Sales revenue	39 378 800	42 345 858	7,5%	13 000 579	11 235 195	-13,6%
Gross profit	8 037 089	9 097 819	13,2%	3 566 594	3 033 829	-14,9%
<i>Gross margin</i>	20,4%	21,5%	1,1%p	27,4%	27,0%	-0,4%p
EBITDA	3 833 048	3 490 361	-8,9%	2 256 653	1 314 848	-41,7%
<i>EBITDA level</i>	9,7%	8,2%	-1,5%p	17,4%	11,7%	-5,7%p
Operating profit	1 628 045	1 334 497	-18,0%	1 698 383	774 781	-54,4%
Net financial profit	-1 004 821	-456 670	54,6%	-163 581	-237 863	-45,4%
Profit for current year	454 529	569 262	25,2%	1 711 256	391 207	-77,1%
Aggregate income	-349 886	1 353 835	486,9%	906 842	240 603	-73,5%

'The performance of the group of companies was characterised by growth exceeding the industrial average, substantial business successes and strong operating results in 2012. The strategy centered around focused growth, devised following the crisis and endorsed by the newly established board of directors as well, was successful. One of the key elements of our success is what is expressed by our new slogan introduced this year: 'We engineer, you drive', that Rába is a company with engineering expertise, competence and traditions, that is capable of delivering complete solutions to the automotive companies, ranging from conceptual design through product development to tests and serial production', said István Pintér, Chairman-Chief Executive Officer of Rába Nyrt.

EXTERNAL ENVIRONMENT

- Growth within the heavy vehicle sector of the North American market continually declined, however, a 15 per cent increase could be observed on a year on year basis. In Q4 of 2012 the demand was already 9 per cent lower than during the current period. Based on the entire year, the European segment, contrary to the American one did not show any similar market growth, the market of utility vehicles shrank by 9% compared to the level of a year earlier. Economic difficulties in Southern Europe continue to cause major uncertainties in the future demand predictions for the entire European market. The

sales of agricultural axles is stronger on the American market, in this segment the European market demand is characterised by stagnation. The performance of the Russian heavy vehicle market exceeded the level of the previous year minimally, by 1 per cent. The Russian bus market is showing sustainable and considerable growth, exceeding 32 per cent compared to the 2011 level. The business of passenger car components was characterised by a sharp decline in demand at the end of the year.

- The two halves of 2012 were very different in terms of raw material prices. During the first half of the year prices stagnated at a relatively high level, while the second half of the year brought continued price declines. The level of the price decline in Q4 of 2012 was 2.3 per cent, compared to the previous quarter. In 2012, average raw material prices were 5.9 per cent below the previous year's level.
- Energy prices increased during Q4 of 2012, by 5.7% compared to the previous quarter. Energy prices during Q1-Q4 of 2012 were in total 6.9 per cent above the level of the previous year.
- During 2012, the average USD exchange rate was 12.2% higher and the average EUR exchange rate was 3.7 per cent higher compared to the same period of 2011. Compared to Q4 of 2011, the exchange rate of the HUF became stronger both compared to the USD (by 3.1 per cent) and the EUR (by 6.8 per cent)¹.

	2011 Q1-Q4	2012 Q1-Q4	Index	2011 Q4	2012 Q4	Index
HUFEUR -average	279,2	289,4	3,7%	303,6	283,1	-6,8%
HUFEUR – end of term	311,1	291,3	-6,4%	311,1	291,3	-6,4%
HUFUSD - average	200,9	225,4	12,2%	225,5	218,5	-3,1%
HUFUSD – end of term	240,7	220,9	-8,2%	240,7	220,9	-8,2%
Trends in raw material prices*	139%	131%	-5,9%	139%	131%	-5,9%
Trends in energy prices**	211%	202%	-4,0%	211%	202%	-4,0%

*Rába indices – own calculation - basis: 2006. Q1; closing values during the period

**Rába indices- own calculation - basis: 2004. dec.; closing values of the period

Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Futómű Kft. during Q1-Q4 of 2012 amounted to HUF 28,3 billion compared to HUF 24,0 billion achieved during the same period of 2011. This corresponds to an increase of 17,9%.

On the **American market**, the sales revenue during 2012 was USD 49,3 million, against USD 40,0 million of 2011. This means an increase of 23,3%.

On the **EU market** Rába's sales figures in HUF terms increased by 7,7%, amounting to HUF 13,9 billion, compared to HUF 12,9 billion during the base period.

European exports amounted to EUR 35.6 million during Q1-Q4 of 2012 compared to EUR 33,2 million during the same period of 2011. This is an increase of 7,2%.

Domestic sales before consolidation amounted to HUF 3,629 million which represents an increase of 2,4 per cent compared to the HUF 3,543 million of the base period.

On the **CIS and East-European markets** export sales revenues achieved by Rába Axle Ltd. decreased by 1,2%, from EUR 8,3 million during the base period in 2011 to EUR 8,2 million during 2012.

On the **other markets** the sales revenue during 2012 amounted to EUR 3,5 million, against EUR 3,1 million of the previous year. This corresponds to an increase of 12,9%.

The operating result of the company during Q1-Q4 of 2012 was a profit of HUF 930 million,

¹ Average exchange rates are calculated on the basis of the official FX rates of the National Bank of Hungary. Source: <http://www.mnb.hu/arfolyam-lekerdezes>

compared to HUF 440 million during the same period of 2011.

At EBITDA level, the operating profit of the Axle business was HUF 2,326 million compared to HUF 1,837 million registered a year earlier.

million HUF	2011 Q1-Q4	2012 Q1-Q4	Index	2011 Q4	2012 Q4	Index
America	7 902	11 057	39,9%	2 471	2 860	15,7%
EU - export	9 349	10 251	9,6%	2 637	2 543	-3,6%
EU – domestic	3 543	3 629	2,4%	941	745	-20,8%
CIS and former Yugoslavia	2 331	2 357	1,1%	448	682	52,2%
Others	880	1 009	14,7%	432	205	-52,5%
Total sales revenue	24 005	28 303	17,9%	6 929	7 035	1,5%
EBITDA	1 837	2 326	26,6%	1 086	746	-31,3%
Operating profit	440	930	111,4%	735	402	-45,3%

Rába Járműipari Alkatrészgyártó Kft. (Components Ltd.)

The sales revenue of the Component Ltd. amounted to HUF 9,9 billion during Q1-Q4 of 2012, which is a decrease of 8,1% compared to the sales of HUF 10,8 billion a year earlier.

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

European exports amounted to EUR 9,0 million during Q1-Q4 of 2012, against EUR 12,1 million during the base period. This corresponds to a decline of 25,6%.

Domestic sales before consolidation amounted to HUF 7,338 billion during 2012, which is a decline of 0,9% compared to the sales revenue of HUF 7,406 billion during Q1-Q4 of 2011.

The company generated a profit of HUF 111 million during 2012 compared to a profit of HUF 196 million during the same period of 2011.

On the level of EBITDA, the profit of the Component Ltd. changed to HUF 423 million during the period, from HUF 534 million of the previous year.

million HUF	2011 Q1-Q4	2012 Q1-Q4	Index	2011 Q4	2012 Q4	Index
EU - export	3 412	2 601	-23,8%	1 010	614	-39,2%
EU - domestic	7 406	7 338	-0,9%	2 001	1 685	-15,8%
Total sales revenue	10 818	9 939	-8,1%	3 011	2 299	-23,6%
EBITDA	534	423	-20,8%	234	112	-52,1%
Operating profit	196	111	-43,4%	143	29	-79,7%

Rába Jármű Kft. (Vehicle Ltd.)

The sales revenue of Rába Jármű Kft. amounted to HUF 5,6 billion during Q1-Q4 of 2012, which is an increase by 2,6% compared to the HUF 5,5 billion of the base period.

On the **EU market** Rába Vehicle's sales figures during 2012 equalled the total sales revenue realised.

European exports exceeded the level of the base period by 41,8%, thus increasing from EUR 5,5 million to EUR 7,8 million.

Domestic sales before consolidation amounted to HUF 2,246 million during Q1-Q4 of 2012, an increase of 44,1 per cent compared to the HUF 1,556 million during the base period.

The operating profit was HUF 403 million during 2012, compared to HUF 497 million during the base period.

On the level of EBITDA, during 2012 the Company registered a profit of HUF 635 million compared to HUF 742 million during Q1-Q4 of 2011.

million HUF	2011 Q1-Q4	2012 Q1-Q4	Index	2011 Q4	2012 Q4	Index
EU - export	1 556	2 242	44,1%	346	380	9,8%
EU - domestic	3 907	3 363	-13,9%	2 843	2 017	-29,1%
Total sales revenue	5 464	5 605	2,6%	3 190	2 397	-24,9%
EBITDA	742	635	-14,4%	658	443	-32,7%
Operating profit	497	403	-18,9%	597	385	-35,5%

The Rába Group

The consolidated sales revenue of the Rába group during Q1-Q4 of 2012 amounted to HUF 42.3 billion, which is an increase of 7,5% compared to the figure of HUF 39,4 billion for the same period of 2011.

The operating profit of the group during Q1-Q4 of 2012 amounted to HUF 1,334 million, compared to HUF 1,628 million during the same period of 2011.

In 2012 the financial result was a loss of HUF 457 million, which includes, among others, a net interest payment of HUF 393 million, as well as exchange rate loss of HUF 44 million.

Based on the above, the Rába group generated a net profit of HUF 569 million during Q1-Q4 of 2012, compared to HUF 455 million during the same period of 2011.

On the level of EBITDA, the group registered profits of HUF 3,490 million during 2012, against last year's figure of HUF 3,833 million.

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

Sales revenue by business division

Sales revenue (million HUF)	Axles	Components	Vehicles	Rába Group Consolidated
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
2011 Q4	6 929	3 011	3 190	13 001
2012 Q1	6 592	2 676	807	9 827
2012 Q2	7 933	2 468	1 306	11 393
2012 Q3	6 743	2 496	1 094	9 890
2012 Q4	7 035	2 299	2 397	11 235

Breakdown of sales revenue of 2012

million HUF	America	EU			CIS	Other	Total
		total	export	domestic			
Axles	11,057	13,880	10,251	3,629	2,357	1,009	28,303
Components	0	9,939	2,601	7,338	0	0	9,939
Vehicles	0	5,605	2,242	3,363	0	0	5,605
Consolidated	11,057	27,923	15,094	12,829	2,357	1,009	42,346

Breakdown of operating profit of group companies

	Operating profit									
	2011					2012				
	Q1	Q2	Q3	Q4	year	Q1	Q2	Q3	Q4	year
Axles	-139	8	-164	735	440	109	252	167	402	930
Components	5	-13	61	143	196	38	43	1	29	111
Vehicles	6	-57	-49	597	497	7	7	4	385	403
Others	-52	405	-81	223	495	-50	-5	-13	-42	-110
Total	-180	343	-233	1 698	1 628	104	297	159	774	1 334

PK2. Companies involved in the consolidation

Company	Capital in HUF thousand	Ownership ratio (%)	Voting ratio ¹	Classification ²
RÁBA Axle Ltd. Co.	9,762,800	100.00	100.00	S
RÁBA Component Ltd. Co.	300,000	100.00	100.00	S
RÁBA Vehicle Ltd. Co.	835,100	100.00	100.00	S
Fehrer Automotive-Rába Kft.	142,500	0,10	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)

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	2011	2012	Index	Q4 of 2011	Q4 of 2012	Index
Domestic sales revenues	13 948 646	12 829 266	92,0%	5 656 191	3 951 116	69,9%
Export sales revenues	25 430 154	29 516 592	116,1%	7 344 388	7 284 079	99,2%
Net sales revenues	39 378 800	42 345 858	107,5%	13 000 579	11 235 195	86,4%
Direct cost of sales	31 341 711	33 248 039	106,1%	9 433 985	8 201 366	86,9%
Gross profit	8 037 089	9 097 819	113,2%	3 566 594	3 033 829	85,1%
Cost of sales	765 594	743 492	97,1%	208 149	153 331	73,7%
General and administration expenses	6 525 632	6 987 905	107,1%	1 610 953	1 933 282	120,0%
Other revenues	1 513 626	468 121	30,9%	-41 405	204 644	694,2%
Other expenditures	631 444	500 046	79,2%	7 704	377 079	4694,6%
Other items related to business activities	-6 409 044	-7 763 322	121,1%	-1 868 211	-2 259 048	120,9%
Operating profit before interest payment and taxation (EBIT)	1 628 045	1 334 497	82,0%	1 698 383	774 781	54,4%
Financial revenues	2 129 780	1 874 443	88,0%	485 795	22 941	-95,3%
Financial expenditures	3 134 601	2 331 114	74,4%	649 376	260 805	40,2%
Net financial result	-1 004 821	-456 671	154,6%	-163 581	-237 864	-145,4%
Dividend from affiliated companies	-124 263	0				
PROFIT BEFORE TAXATION	498 961	877 826	175,9%	1 534 802	536 917	35,0%
Corporate profit tax	44 432	308 565	694,5%	-176 455	145 711	182,6%
PROFIT AFTER TAXATION	454 529	569 261	125,2%	1 711 257	391 206	22,9%
Other aggregate income						
Profit (loss) of share-based payments						
Profit from cash-flow hedge transaction	-950 382	926 760	197,5%	-950 382	-178 173	18,7%
Deferred tax of cash-flow hedge transaction	-145 967	142 187	197,4%	-145 967	-27 569	18,9%
Other aggregate income	-804 415	784 573	197,5%	-804 415	-150 604	18,7%
Total aggregate income	-349 886	1 353 834	486,9%	906 842	240 602	26,5%

1. EARNED REVENUES

In 2012, Rába achieved HUF 42,346 million in sales revenue, compared to HUF 39,379 million during the same period of 2011, with a growth of 7,5%. 69,7 per cent of the revenues came from export, the rest came from domestic sales.

2. COSTS AND OTHER REVENUES, EXPENDITURES

2.1. Direct costs

In 2012, the direct cost level of Rába was 78.5 per cent, compared to 79,6% of the base period. The amount of direct costs was HUF 33,248 million (2011: HUF 31,342 million).

Gross Profit

The gross profit changed from HUF 8,037 million to HUF 9,098 million, (HUF +1,061 million), which is due to the increase in sales revenue by HUF +2,967 million and to a lesser increase in direct expenses (HUF +1,906 million).

2.2. Cost of sales

The cost of sales decreased by 2.9 per cent and amounted to HUF 743 million during 2012, compared to HUF 766 million during 2011.

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 (2012: HUF 6,988 million, 2011: HUF 6,526 million), and adjusts them with the net value of the non-capitalised, according to international regulations, costs of technical development (HUF -28 million), and by restating certain bank charges to financial expenditures (HUF -22 million) and the share based expenditures performed in capital instruments and cash (HUF +45 million).

2.4. Other revenues

Other revenues amounted to HUF 468 million during 2012. This amount was HUF 1,046 million lower than that of the base period. The change is due to the following factors: the decline in the net revenues from the sale of fixed assets (HUF -914 million), the decline in subsidies accounted (HUF -107 million) and the decline in the amount of compensations and indemnifications received (HUF -63 million)

2.5. Other expenditures

The amount of other expenditures during 2012 was HUF 500 million, which is HUF 131 million lower than the amount during the base period. The most important reason for this is the decline in the write-off of fixed assets (HUF -104 million) and the decline in the release of provisions (HUF -137 million), the decline in the write-off of inventories (HUF -74 million), together with the increase in stock impairment (HUF 165 million).

3. OPERATING PROFIT

The operating profit of Rába during 2012 was HUF 1,334 million (2011: HUF 1,628 million). The increase in gross profit (HUF 1,061 million) was deteriorated by the combined change in sales and general overhead costs (HUF +440 million) and the changes in other revenues and expenditures (HUF -915 million). Profitability changed from 4,1% during the base period to 3,2%. The profitability of operating profit + depreciation was 8.2 per cent, against the figure of 9.7 per cent during the base period.

4. FINANCIAL REVENUES AND EXPENDITURES

In 2012, the net financial result was HUF -457 million, compared to HUF -1,005 million during the base period.

The net profit of interest incomes and expenses was HUF -393 million during 2012, against HUF -451 million during the base period. The net exchange rate difference of FX items was a los of

HUF 44 million during 2012, the exchange rate loss was HUF 515 million during 2011. .

The risk management strategy of the Rába Group views the mitigation of the uncertainties in the HUF value of FX based cash-flows resulting from sales contracts concluded in FX as its primary risk management objective. The uncertainty in the HUF value is determined by the strengthening/weakening of the HUF (as the accounting currency of the Company) compared to foreign exchanges. Therefore, in order to offset the adverse effect on the result of the Company of the strengthening of the HUF, part of the financing needs of the operation of the enterprise is met in FX (FX loans are used) and thus these are viewed as hedge transactions suitable for maintaining the value of FX revenues, to the extent of the expected exposure. The exchange rate difference of these cash-flow hedge transactions was a loss of HUF 927 million during 2012, whereas in 2011 it was a profit of HUF 950 million..

Financial revenues and expenditures consisted of the following principal items:

	2011	2012
Revenue from dividends	6 780	6 660
Exchange rate gains of participations sold	0	
Interest income	57 720	27 281
Realised gains of derivative transactions	47 320	0
Non-realised gains of derivative transactions	0	
Exchange rate gains	2 016 115	1 840 072
Other financial revenues	1 845	430
Financial revenues	2 129 780	1 874 443
Interest payable	508 957	419 936
Realised loss of derivative transactions	52 047	0
Release of unrealised loss of derivative transactions of previous year	-8 782	0
Exchange rate loss	2 531 594	1 884 009
Other financial expenditures	50 785	27 169
Financial expenditures	3 134 601	2 331 114

5. PROFIT FROM EXTERNAL COMPANIES

No profit from external companies was taken into account during 2012 (2011: HUF 124 million).

This line represents the portion the parent company is entitled to from the net loss of Fehrer Automotive-Rába Kft. The amount Rába is liable for from the net result of the affiliated company exceeded in the second half of 2011 the book value of the investment, thus further losses cannot be accounted for, according to the IFRS regulations.

Rába Nyrt's share of the amount of the net profit of the affiliated company not yet accounted for in 2011 and 2012 is HUF -214 million. According to the IFRS regulations, losses can be accounted for up to the value of the investment.

6. PROFIT BEFORE TAXATION AND NET PROFIT

The earnings before taxation amounted to HUF 878 million during 2012, which, because of the factors outlined in sections 1-5 is HUF 379 million more than the figure for 2011. The profitability ratio represents a 2.1 per cent return on sales on the basis of profit before taxation, compared to 1.3 per cent during the base period.

At group level the tax liability amounted to HUF 309 million, of this the trade tax liability is HUF 295 million, the deferred tax liability for the current period is HUF 156 million, whereas the deferred tax receivable accounted in the equity is HUF 142 million.

7. OTHER AGGREGATE INCOME

In line with the risk management strategy of the Company, in 2011 the fluctuation of the FX exchange rate risks resulting from the sales contracts ("Basic Transaction") was hedged through the conclusion of FX loan deals. The FX deals among the financial liabilities of the Group were designated as hedge transactions. In 2012, the net amount of the cash-flow hedge transaction is HUF 785 million, which is accounted under other aggregate income and also reflects the effect of the corporate income tax (in 2011: HUF -804 million).

8. IFRS-HAS DIFFERENCE

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;
- accounting of cash-flow hedge transaction (according to IAS 39.88) in other aggregate income.

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. 2011	31 Dec. 2012	Index
Properties, machines, equipment	13 939 631	13 777 744	98,8%
Intangible assets	971 345	1 046 740	107,8%
Long-term receivables	4 392	642 079	14619,3%
Property for investment purposes	338 217	338 217	100,0%
Other investments accounted through the capital method	205	205	100,0%
Receivables from sale of assets	194 043	194 043	100,0%
Deferred tax receivables	664 515	508 470	76,5%
Total invested assets	16 112 348	16 507 498	102,5%
Inventories	8 188 147	8 424 297	102,9%
Receivables	10 540 582	9 855 554	93,5%
Corporate tax receivables	41 238	112 298	272,3%
Liquid assets, bank account	894 712	176 525	19,7%
Total current assets	19 664 679	18 568 674	94,4%
Total ASSETS	35 777 027	35 076 172	98,0%
Share capital	12 921 066	12 921 066	100,0%
Other aggregate income	-804 416	-19 843	97,5%
Capital reserve	85 004	91 610	107,8%
Share option reserve	165 198	165 057	99,9%
Retained earnings	-2 375 451	-1 767 654	74,4%
Total equity and reserves	9 991 401	11 390 236	114,0%
Long-term liabilities	8 043 520	5 606 087	69,7%
Provisions	650 410	406 475	62,5%
Total long-term liabilities	8 693 930	6 012 562	69,2%
Short term loans and credits	6 653 414	7 974 653	119,9%
Short-term liabilities	10 438 282	9 698 721	92,9%
Short-term liabilities total	17 091 696	17 673 374	103,4%
Total LIABILITIES (equity and liabilities)	35 777 027	35 076 172	98,0%

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 13,940 million on 31 December of 2011 to HUF 13,775 million, the change was a decline of 1.2 %. The depreciation of fixed assets during 2012 was HUF 1,979 million.

1.2. Intangible assets

The net value of intangible assets changed from HUF 971 million to HUF 1,047 million. This represents an increase of 7.8 per cent. The amount of depreciation accounted during the period was HUF 178 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 of Rába. Long-term advance payments in the amount of HUF 638 million are also shown here, as this is the consequence of the partial payment of a long-term liability upon favourable conditions. The liability will appear annually among indirect expenses.

	31 Dec. 2011	31 Dec. 2012
Opening	13 273	4 392
Increase	5 000	638 235
Repayment	(2 519)	(548)
Impairment	(12 352)	
Effect of discounting	990	
Closing	4 392	642 079

1.4. Real estate for investment purposes

The value of real estate for investment purposes – amounting to HUF 338 million on 31 December 2012 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 508 million on 31 December 2012, which is HUF 156 million less than the amount on 31 December of 2011. The main reason for the decline was the release of provisions, the creation of training reserves and the changes in the deferred tax receivable created for the difference between the depreciation according to the accounting act and the tax law.

1.7. Receivables from the sale of assets

On 31 December 2012, the present value of the receivable was HUF 194 million, equal to the 31st December, 2011 amount.

2. CURRENT ASSETS**2.1. Stocks**

On 31 December 2012, the closing value of stocks was HUF 8,424 million (31st December 2011: HUF 8,188 million). The change is +2.9%, due to the growth in materials and goods by HUF 377 million and to the decline in unfinished, semi-finished and finished goods by HUF 141 million.

2.2. Receivables

The closing figure of receivables as at 31 December 2012 was HUF 9,856 million, a decline of HUF 685 million compared to the 31st December 2011 figure (closing figure for 31st December 2011: HUF 10,541 million). The most significant changes occurred in the accounts receivable (HUF -1,154 million). Other accounts receivable increased by HUF 481 million, advances paid changed by HUF +105 million.

2.3. Liquid assets

The closing figure of liquid assets on 31 December 2012 was HUF 177 million, HUF 718 million lower than on 31st December 2011 (HUF 895 million).

3. EQUITY AND RESERVES

The change occurred as follows:

	Registered capital	Capital reserve	Share based payments reserve	Retained earnings	Other aggregate income	Total shareholders' equity
Balance as at 31 January, 2011	12 550 920	26 278	209 448	-2 727 376		10 059 270
Profit of current year				454 529		454 529
Other aggregate loss					-804 416	-804 416
Share based expenditure made in equity instrument			68 705			68 705
Deferred tax of share based expenditure made in equity instrument			-9 619			-9 619
Purchase of treasury shares	-159 710	58 726				-100 984
Profit from share-based payments drawn	529 856		-109 338	-102 604		317 914
Deferred tax of share-based payments drawn, deferred tax rate change			6 002			6 002
Balance as at 31st December 2011	12 921 066	85 004	165 198	-2 375 451	-804 416	9 991 401
Profit of current year				569 261		569 261
Share based expenditure made in equity instrument			63 438			63 438
Deferred tax of share based expenditure made in equity instrument			-8 881			-8 881
Elimination of share-based payments			-63 602	38 536		-25 066
Deferred tax of share-based payments			8 904			8 904
Subsidy		6 606				6 606
Other aggregate profit					784 573	784 573
Balance as at 31 December 2012.	12 921 066	91 610	165 057	-1 767 654	-19 843	11 390 236

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 2012, the share capital of the company was HUF 12,921 million.

On 7th November of 2011, the Hungarian State Holding Company Ltd. made a public takeover bid for the purchase of all of the shares issued by the Company. The bid was approved by the Hungarian State Financial Supervision on 8th November 2011. For the public takeover bid the Bidder initiated the procedure of the European Commission for the uniform competition law licensing of the transaction (encompassing the territory of the entire EU). The approval was granted on 18th April 2012, thus the Hungarian State Holding Company acquired 9,925,829 shares and a 73.67 per cent stake in the Company.

3.2. Other aggregate result

In accordance with its risk management strategy, the Company designated the USD and EUR foreign exchange loan transactions under financial liabilities in order to hedge the USD/HUF and EUR/HUF foreign exchange risks stemming from its sales contracts ("Basic transaction"). The transactions with an effective hedge relation are cash-flow hedge transactions, the profit during the period minus the deferred tax of which, in the amount of HUF 785 million net is accounted for under other aggregate profit, the closing value as at 31 December 2012. was HUF -19 million.

3.3. Capital reserve

On 31 December 2012, the capital reserve was HUF 92 million, equal to the difference between the cost and the face value of the repurchased treasury shares.

3.3. Share option reserve

To foster shared 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. The programme originally planned for five years was extended in 2010 until 31st December, 2014.

The conditions of the first and the second tranches were met and could thus be drawn. The conditions of opening the third tranche launched 1 January, 2012 with the approval of the general meeting of shareholders of 2010 were not fulfilled, since the weighted average rate of the Rába shares during the first half of 2012 remained under two thousand forints on twenty consecutive stock trading day.

The participants of the option programme availed themselves to the opportunity to draw down the first tranche and thus the shares of the first tranche were fully drawn before the end of 2011.

The pro rata portion of the amount due for the current year of the share based payment made in equity instruments is HUF 63,438, thousand gross, with the deferred tax amounting to HUF 8,881 thousand. Due to the termination of the eligibility of the participants HUF 63,602 thousand gross share option reserve has been deleted, with deferred taxes amounting to HUF 8,904 thousand.

3.5. Retained earnings

The retained earnings (HUF -1,768 million) changed by HUF +608 million (annual net profit and amount of termination of share-based payments compared to the closing balance of the previous year (HUF -2,375 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 31 December 2012 amounted to HUF 5,606 million, which was 30,3 per cent lower than the opening balance of the period (on 31st December 2011, the closing figure was HUF 8,044 million). The decline was due to the increase in the amount repayable within a year and reclassified to short-term loans.

4.2. Provisions

The closing value of provisions as at 31 December 2012 was HUF 406 million, which is HUF 244 million less than the closing value for last year.

The principal reasons for the change were the following: positive balance of the release and use of provisions set aside for guarantee obligations in the amount of HUF -210 million, release of provisions set aside for the expenses related to the draw down of the shares in the first tranche (HUF -29 million); and the release of provisions in the amount of HUF -8 million set aside for redundancies.

5. SHORT-TERM LIABILITIES

5.1. Short-term credits and loans

The total amount of short-term credits and loans (HUF 7,975 million) increased by 19.9% compared to the closing balance of December 2011 (HUF 6,653 million).

5.3. Short-term liabilities

The total short-term liabilities (closing balance on 31 December 2012: HUF 9,699 million) declined by 7.1% compared to the closing value of December 2011 (HUF 10,438 million). The most significant change took place in accounts payable (HUF -1,166 million), passive accruals (HUF -245 million) and other liabilities (HUF +601 million).

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR 2012 Data in HUF thousand

	<u>2011</u>	<u>2012</u>
<u>Cash flows of operating activities</u>		
Profit before taxation	498 961	877 825
<i>Adjustment items related to items with no cash movement:</i>		
Interest income/expenditure	68 858	32 920
Depreciation and amortisation	2 205 003	2 155 865
Impairment of properties, machinery and equipment	135 245	31 185
Impairment of bad and doubtful receivables and of long term receivables	6 230	-26 134
Impairment of stocks kept at net realisable value	200 413	371 535
Inventory reject	119 696	45 872
Provisions	-192 975	-243 935
Share based payments made in equity instruments	-143 238	38 373
Changes in real value of derivative financial assets and receivables	-8 782	0
Result of sale and in-kind contribution of real assets, machinery and fixtures and intangible assets	-922 156	8 512
Participation in profit of affiliated companies	124 312	0
Revaluation of loans and credits at end of period	639 557	517 106
<i>Changes in working capital:</i>		
Changes in trade and other receivables	-2 998 847	704 531
Changes in stocks	-940 225	-653 557
Changes in accounts payable and other liabilities	1 874 411	-293 844
Share based payment made in financial instrument	-62 382	-6 778
Profit tax paid	-331 012	-379 907
Interests paid	-498 547	-418 426
Net cash flows from operating activity	-225 478	2 761 143
<u>Cash flows from investment activities</u>		
	0	-637 687
Purchase of real estate, machinery and fixtures, as well as of intangibles	-3 047 724	-2 161 289
Revenues from the sale of real estate, machinery and fixtures	1 076 282	12 921
Interests received	55 282	6 660
Net cash flows used for investment activities	-1 916 160	-2 779 395
<u>Cash flow from financing activities</u>		
Revenues from the sale/purchase of treasury shares	428 872	0
Reserve	0	6 606
Receipt of loans and credits	9 580 840	16 888 907
Repayment of loans and credits	-8 471 473	-17 595 448
Net cash flows from financing activities	1 538 239	-699 935
Net increase/decline of financial instruments and equivalents	-603 399	-718 187

PK6. Major off-balance sheet items

Description	Value (HUF)
According to a separate list*	

* On 31 December 2012 there were no forward FX transaction serving to hedge the exchange rate risk of export sales revenues.

The bank loans of the Rába Group amount to HUF 13,049 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 13,049 million.

The amount of bank guarantees issued on behalf of the Rába Group is HUF 1,241 million.

RS1. Ownership structure, ratio of participation

Description of ownership	Total equity						Series listed ¹			
	At beginning of current year (1st January)			At end of term (31 December)			At beginning of term		At end of term	
	% ²	% ³	% ²	% ³	% ²	% ³	%	Pcs	%	Pcs
Domestic institutional/corporate	1,56	1,62	209 933	1,40	1,46	188 700				
Foreign institutional/corporate	1,10	1,14	147 584	1,01	1,06	136 632				
Foreign private individual	0,24	0,25	32 639	0,29	0,30	39 078				
Domestic private individual	19,65	20,49	2 648 048	19,43	20,25	2 617 651				
Employees, managing executives	0,01	0,01	825	0,12	0,12	15 686				
Treasury shares	4,07		548 160	4,07		548 160				
Shareholder forming part of general government ⁴	15,49	16,14	2 086 439	73,68	76,81	9 927 539				
International Development Institutions ⁵	0,00	0,00	0	0,00	0,00	0				
Other	57,89	60,35	7 799 818	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 during 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 Sept 2012)

Name	Nationality ¹	Activity ²	Quantity (pcs)	Ownership stake (%) ³	Voting right (%) ^{3,4}	Comment ⁵
Hungarian State Holding Company Ltd. (MNV Zrt)	D	G	9 925 829	73.67	76.79	

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 during 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.)

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

	1 Jan	31 March	30 June	30 September	31 December
At corporate level	548 160	548 160	548 160	548 160	548 160
Subsidiaries					
Total	548 160	548 160	548 160	548 160	548 160

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

	Beginning of Current Period	End of current period
Company level	15	16
Group level	1 861	1939

The consolidated closing headcount as at 31 December 2012 was 1,939, which represented an increase of 2.1% 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		4990
BD	Alan Spencer	Board member	2006		0
BD	Dr. Zoltán Borbíró	Board member	2012		0
BD	Dr. Tibor Zoltán Hajdú	Board member	2012		0
BD	Dr. Péter Székács	Board member	2012		0
BD	György Wáberer	Board member	2012		0
BD	Olivér Martin	Board member	2003	2012	n.a.
BD	Róbert Hrabovszky	Board member	2005	2012	n.a.
BD	Khalid Abdol Rahman	Board member	2007	2012	n.a.
BD	Dr. Ádám Fintha-Nagy	Board member	2008	2012	n.a.
BD	Gábor Földvári	Board member	2008	2012	n.a.
SB	Dr. Csaba Polacsek	Chairman of the SB	2012		0
FB	Dr. Mirjána Markovics	SB member	2012		0
FB	Dr. János Kerégyártó	SB member	2012		0
SB	Dr. János Benedek	Chairman of the SB	2004	2012	n.a.
SB	Zoltán Varga	Supervisory Board member	2006	2012	n.a.
SB	Balázs Sándorfi	Supervisory Board member	2009	2012	n.a.
SP	István Pintér	Chief Executive	2003	Definite	4990
SP	Béla Balog	Deputy CEO	2004	Indefinite	2286
SP	Ferenc Vissi	HR Director	2001	Indefinite	2286
SP	József Szabó	Purchasing and Asset Mgmt. Director	2001	Indefinite	2697
SP	István Pintér	Managing Director	2004	Indefinite	4990
1SP	László Urbányi	Managing Director	2005	Indefinite	2286
SP	János Torma	Managing Director	2005	Indefinite	1141
Total number of shares owned (pcs):					15 686

RÁBA NYRT. (INDIVIDUAL) BALANCE SHEET (HAS)

Data in HUF thousand

No	Description of item	31 Dec 2011	31 Dec 2012	Index
A.	Invested assets	16 584 348	16 607 193	100,14%
I.	Intangible assets	88 448	48 634	54,99%
II.	Fixed assets	5 773 248	5 835 907	101,09%
III.	Financial assets invested	10 722 652	10 722 652	100,00%
B.	Current assets	2 365 483	4 607 185	194,77%
I.	Stocks	351 099	351 012	99,98%
II.	Receivables	1 343 881	3 726 307	277,28%
III.	Securities	489 421	489 421	100,00%
IV.	Liquid assets	181 082	40 445	22,34%
C.	Active accruals	21 998	19 638	89,27%
	TOTAL ASSETS	18 971 829	21 234 016	111,92%
D.	Shareholders' equity	13 163 590	13 862 717	105,31%
I.	Registered capital	13 473 446	13 473 446	100,00%
	Of which: ownership stake repurchased at face value	548 160	548 160	100,00%
III.	Capital reserve	127 654	127 654	100,00%
IV.	Retained earnings	-869 896	-1 005 506	-115,59%
V.	Fixed reserves	489 421	567 996	116,05%
VII.	Net profit	-57 035	699 127	1325,79%
E.	Provisions	44 650	19 420	43,49%
F.	Liabilities	5 678 468	7 255 418	127,77%
III.	Short-term liabilities	5 678 468	7 255 418	127,77%
G.	Passive accruals	85 121	96 461	113,32%
	TOTAL LIABILITIES	18 971 829	21 234 016	111,92%

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

Data in thousand HUF

No	Description of item	2011.	2012.	Index
I.	Net sales revenue	843 089	1 302 337	154,47%
II.	Direct costs of sales	143 836	219 376	152,52%
III.	Gross sales revenue	699 253	1 082 961	154,87%
IV.	Indirect sales costs	815 841	1 037 488	127,17%
V.	Other revenues	1 078 239	41 719	3,87%
VI.	Other expenditures	597 982	165 279	27,64%
A.	OPERATING PROFIT	363 669	-78 087	-121,47%
VIII.	Revenues from financial transactions	799 672	958 720	119,89%
IX.	Expenditures of financial transactions	802 307	176 576	22,01%
B.	Profit of financial transactions	-2 635	782 144	
C.	ORDINARY BUSINESS PROFIT	361 034	704 057	195,01%
D.	EXTRAORDINARY PROFIT	-6 753	-5 571	117,50%
E.	PROFIT BEFORE TAXATION	354 281	698 486	197,16%
XII.	TAX LIABILITY	641	-641	-100,00%
F.	AFTER-TAX PROFIT	353 640	699 127	197,69%
G.	NET PROFIT	353 640	699 127	197,69%

PK1. General information pertaining to the financial data

	Yes	No		
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Accounting principles	Hungarian	<input type="checkbox"/>	IFRS	<input checked="" type="checkbox"/>
Other:			Other	<input type="checkbox"/>

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 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).

Győr, 14 February 2013.

István Pintér
Chairman-CEO

Béla Balog
CFO