

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

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

Company:	RÁBA Járműipari Holding Nyilvánosan Működő Részvénytársaság
Company address:	H-9027 Győr, Martin u. 1.
Sector:	Machine industry
Period:	Q1 of 2012
Telephone	36-96-624-460
Telefax:	36-96-624-006
E-mail:	adam.steszli@raba.hu
Company:	Ádám Steszli

SUMMARY

- In Q1 of 2012, the Company at group level registered sales of HUF 9.8 billion, which is an increase of 6.1 per cent compared to the HUF 9.3 billion of Q1 of 2011. Such increase is fundamentally a tribute to the nearly 10% increase of the Axle business and to the lesser increase, by 3.8 per cent of the Component business and to the significant decline by 18.7 per cent in the performance of the Vehicle business.
- The gross margin improved by 1.8 percentage points during Q1 of 2012 compared to Q1 of 2011. The gross margin is deteriorated by the lower utilisation of the Vehicle business and lack of domestic sales offset by the export markets of lower added value. In addition to the more favourable foreign exchange rates, the margin was further improved by the shift towards a more favourable product mix of the Axle business, together with the product launch costs lower than last year and the increased capacity utilisation.
- As the aggregate effect of the increase in sales revenue in HUF terms and of the improvement in the margin, during Q1 of 2012 the gross profit was HUF 280 million, i.e. 17.1 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, 2.4 per cent compared to 2011, thus it declined in sales revenue terms. This is due to the measures implemented last year as well as to the continued stringent cost management, even though during the quarter, cold weather resulted in unusually high communal energy charges.
- Other revenues and expenditures contained just the usual items, the balance of which was HUF 111 million during the review period, which is HUF 49 million higher than during the same period of the previous year.
- The operating profit in Q1 of 2012, grew significantly, by HUF 284 million and amounted to a profit of HUF 104 million. All of Rába's business registered a positive operating result, exceeding last year's level. The largest improvement was demonstrated by the Axle business, amounting to HUF 248 million.
- EBITDA increased by an outstanding 70 per cent, amounting to HUF 648 million.
- The financial profit in Q1 of 2012 amounted to a loss of HUF 109 million, against the profit of HUF 468 million generated during Q1 of 2011.
- The profit after taxation was HUF 34 million in Q1 of 2012, in contrast to the profit of HUF 177 million of Q1 of 2011. The profit from external companies was HUF -1 million in Q1 of 2012, compared to HUF -47 million of last year. Regarding the last quarter, 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 is HUF 658 million, thus the result as per the total aggregate income is a profit of HUF 692 million.

- The net loan portfolio was HUF 12.8 billion, HUF 1.0 billion lower than during the year end of 2011. This is due, besides the profitable operation, to the decline in working capital.

thousand HUF	2011 Q1	2012 Q1	Change
Sales revenue	9 264 459	9 827 438	6,1%
Gross profit	1 636 051	1 916 322	17,1%
<i>Gross margin</i>	17,7%	19,5%	1,8%p
EBITDA	380 927	648 441	70,2%
<i>EBITDA level</i>	4,1%	6,6%	2,5%p
Operating profit	-180 289	103 788	-157,6%
Net financial result	467 664	-108 626	123,2%
Net profit	177 221	33 884	80,9%

'2012 is the year of increasing international integration and boom for the Rába group. Our development results have started generating income. The Rába strategy stood the test of the post-recession period with flying colours: owing to the innovative developments already announced and to the projects currently underway, our company is increasingly becoming part of the international automotive industry undergoing globalisation. We are making moves towards further external markets as well. We aim to operate in a transparent and stable manner, which is key to retaining the confidence fostered among our traditionally important international customers', summarized István Pintér, Chairman-Chief Executive Officer of Rába Nyrt.

EXTERNAL ENVIRONMENT

- Growth within the heavy vehicle sector of the North American market continued and amounted to 52% compared to the same period of last year. The European segment resembles the American one only in that it continues the trends of the previous quarter, since as a continuation of the decline in the European demand during Q4, the total European market showed a decline of 3.0 per cent during the first few months of 2012. The decline in European demand is clearly a consequence of the slow-down in the South European economy, Northern and Eastern Europe was characterised by strong and stable demand. The sales of agricultural axles continue to be strong in both the American and the European regions. The performance of the Russian heavy vehicle market exceeded the level of the previous year by some 10 per cent, there is still substantial instability in the demand, though. The Russian bus market seems to be moving away from the crisis and following the stagnation throughout 2011, Q1 of 2012 is already marked by a double digit growth. The business of passenger car components remains at the level of the previous year's.
- The raw material price level declining during the last quarter of 2011 showed no further decline in Q1 of 2012 but stabilised at the level of the last quarter. Compared to the base period of the previous year, however, material prices affecting the cost side of the operation were 5.2 per cent lower in Q1 of 2012.
- In terms of energy prices, the increase experienced from Q3 of 2011 continued, the increase by 6.9% in Q4, was followed by an additional increase by 1.5% of average energy prices in Q1 of 2012. As a result of the steady increase during the last three quarters, the average energy price level in Q1 of 2012 was 18.9% higher.
- The average USD exchange rate was 13.6% higher and the average EUR exchange rate was 9.0 per cent higher compared to the same period of 2011. Compared to the base

period, the exchange rate of the USD was 0.4% higher and the exchange rate of the EUR was 2.2% lower during Q1 of 2012¹.

	2011 Q1	2012 Q1	Change
HUFEUR - average	272,5	297,0	9,0%
HUFEUR – end of term	265,8	295,6	11,2%
HUFUSD -average	199,4	226,5	13,6%
HUFUSD – end of term	187,0	221,6	18,5%
Changes in raw material prices*	146%	139%	-5,2%
Energy prices**	166%	206%	24,3%

*Rába indices – own calculation - base: 2006. Q1; closing values for the term

**Rába indices – own calculation - base: 2004. dec.; closing values for the term

Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Futómű Kft. during Q1 of 2012 amounted to HUF 6.6 billion compared to HUF 6,0 billion achieved during the same period of Q1 of 2011. This corresponds to an increase of 10,0%.

On the **American market**, the sales revenue in Q1 of 2012 was USD 10,2 million, against USD 9,8 million during Q1 of 2011. This means an increase of 4,1%.

On the **EU market** Rába's sales figures in HUF terms increased by 16,1%, amounting to HUF 3,6 billion, compared to HUF 3,1 billion during the base period.

European exports amounted to EUR 9,4 million in Q1 of 2012 compared to EUR 8,5 million during Q1 of 2011. This is an increase of 10,6%.

Domestic sales before consolidation amounted to HUF 865 million which represents an increase of 8,0 per cent compared to the HUF 801 million of the base period.

On the **CIS and East-European markets** export sales revenues achieved by Rába Axle Ltd. decreased by 70,0%, from EUR 3,0 million during the base period in Q1 of 2011 to EUR 0,9 million in Q1 of 2012.

On the **other markets** the sales revenue in Q1 of 2012 amounted to EUR 1,4 million, against EUR 0,5 million of the previous year. This corresponds to an increase of 180%.

The operating result of the company during Q1 of 2012 was a profit of HUF 109 million, compared to the loss of HUF 139 million during the same period of Q1 of 2011.

At EBITDA level, the operating profit of the Axle business was HUF 465 million compared to HUF 216 million registered a year earlier.

million HUF	2011 Q1	2012 Q1	Change
America	1 942	2 282	17,5%
EU - export	2 317	2 757	19,0%
EU - domestic	801	865	8,0%
CIS and former Yugoslavia	810	269	-66,8%
Others	135	419	210,4%
Total Sales revenue	6 005	6 592	9,8%
EBITDA	216	465	115,3%
Operating profit	-139	109	178,4%

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>

Rába Járműipari Alkatrészgyártó Kft. (Component Ltd.)

The sales revenue of the Component Ltd. amounted to HUF 2.7 billion in Q1 of 2012, which is an increase of 3.8% compared to the sales of HUF 2.6 billion a year earlier.

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

European exports amounted to EUR 2.6 million in Q1 of 2012, against EUR 2,9 million during the base period. This corresponds to an increase of 14,3%.

Domestic sales before consolidation generated HUF 1,9 billion in Q1 of 2012, which is a 5.5 increase compared to the sales revenue of HUF 1.8 billion in Q1 of 2011.

The company generated a profit of HUF 38 million in Q1 of 2012 compared to a profit of HUF 5 million during the same period of Q1 of 2011.

On the level of EBITDA, the profit of the Component Ltd. increased to HUF 114 million during the period, from HUF 94 million of the previous year.

million HUF	2011 Q1	2012 Q1	Change
EU - export	793	774	-2,4%
EU - domestic	1 794	1 902	6,0%
Total sales revenue	2 587	2 676	3,4%
EBITDA	94	114	21,3%
Operating profit	5	38	660,0%

Rába Jármű Kft. (Vehicle Ltd.)

The sales revenue of Rába Jármű Kft. amounted to HUF 807 million in Q1 of 2012, which is a decline of 18.4% compared to the HUF 989 million 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 69.2%, thus increasing from EUR 1.3 million to EUR 2.2 million.

Domestic sales before consolidation amounted to HUF 144 million in Q1 of 2012, a decline of 77.3 per cent compared to the HUF 635 million during the base period.

The operating profit was HUF 7 million in Q1 of 2012, compared to HUF 6 million during the base period.

On the level of EBITDA, during Q1 of 2012 the Company registered a profit of HUF 65 million compared to HUF 69 million in Q1 of 2011.

million HUF	2011 Q1	2012 Q1	Change
EU - export	354	663	87,3%
EU - domestic	635	144	-77,3%
Total sales	989	807	-18,4%
EBITDA	69	65	-5,8%
Operating profit	6	7	16,7%

The Rába Group

The consolidated sales revenue of the Rába group in Q1 of 2012 amounted to HUF 9.8 billion, which is an increase of 6.1% compared to the figure of HUF 9.3 billion for the same period of Q1 of 2011.

The operating profit of the group in Q1 of 2012 amounted to HUF 104 million, compared to HUF

180 million in losses during the same period of Q1 of 2011.

In Q1 of 2012 the financial result was a loss of HUF 109 million, which includes, among others, a net interest payment of HUF 95 million.

Based on the above, the Rába group generated a net profit of HUF 34 million in Q1 of 2012, compared to loss of HUF 177 million during the same period of Q1 of 2011.

On the level of EBITDA, the group registered profits of HUF 648 million in Q1 of 2012, against last year's figure of HUF 381 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
2012 Q1	6 592	2 676	807	9 827

Breakdown of sales revenue of Q1 of 2012

million HUF	America	EU			CIS	Other	Total
		Total	export	domestic			
Axles	2,282	3,622	2,757	865	269	419	6,592
Components	0	2,676	774	1,902	0	0	2,676
Vehicles	0	807	663	144	0	0	807
Consolidated	2,282	6,858	4,194	2,664	269	419	9,827

Breakdown of operating profit of group companies

	Operating profit					
	2011.					2012.
	Q1	Q2	Q3	Q4	Year	Q1
Axles	-139	8	-164	735	440	109
Components	5	-13	61	143	196	38
Vehicles	6	-57	-49	597	497	7
Other	-52	225	82	240	495	-50
Total	-180	163	-70	1,715	1,628	104

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.	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)

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	Q1 of 2011	Q1 of 2012	Index
Domestic sales revenues	2,914,002	2,663,950	91.4%
Export sales revenues	6,350,457	7,163,488	112.8%
Net sales revenues	9,264,459	9,827,438	106.1%
Direct cost of sales	7,628,408	7,911,116	103.7%
Gross profit	1,636,051	1,916,322	117.1%
Cost of sales	179,115	174,829	97.6%
General and administration expenses	1,734,342	1,784,239	102.9%
Other revenues	170,381	251,011	147.3%
Other expenditures	73,264	104,477	142.6%
Other items related to business activities	-1,816,340	-1,812,534	0.2%
Operating profit before interest payment and taxation (EBIT)	-180,289	103,788	-57.6%
Financial revenues	1,156,681	768,582	66.4%
Financial expenditures	689,017	877,208	127.3%
Net financial result	467,664	-108,626	23.2%
Dividend from affiliated companies	-46,790	-1	200.0%
PROFIT BEFORE TAXATION	240,585	-4,839	-2.0%
Corporate profit tax	63,364	-38,723	-61.1%
PROFIT AFTER TAXATION	177,221	33,884	80.9%
Other aggregate income			
Profit from cash-flow hedge transaction		777,873	
Deferred tax of cash-flow hedge transaction		119,460	
Other aggregate income	0	658,413	
Total aggregate income	177,221	692,297	290.6%

1. EARNED REVENUES

In Q1 of 2012, Rába achieved HUF 9,827 million in sales revenue, compared to HUF 9,264 million during Q1 of 2011, with a growth of 6.1%. 72.9 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 Q1 of 2012, the direct cost level of Rába was 80.6 per cent, compared to 82.3% of the base period.

Gross Profit

The gross profit changed from HUF 1,636 million to HUF 1,916 million, (HUF +280 million), which is due to the increase in the sales revenue by HUF +563 million and to a lesser increase in direct expenses (HUF +283 million).

2.2. Cost of sales

The cost of sales declined by 2.4 per cent and amounted to HUF 175 million in Q1 of 2012, compared to HUF 179 million in Q1 of 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 (Q1 of 2012: HUF 1,784 million, Q1 of 2011: HUF 1,734 million), and adjusts them with the net value of the non-capitalised, according to international regulations, costs of technical development (HUF -10 million), and by restating certain bank charges to financial expenditure (HUF -13 million).

2.4. Other revenues

Other revenues amounted to HUF 251 million in Q1 of 2012. This amount was HUF 81 million higher than that of the base period. The change is due to the following factors: increase in the release of provisions (HUF 124 million), increase in subsidies (HUF 16 million), decline in compensation, indemnification received (HUF -37 million) and the increase in discounts received in arrear (HUF 11 million), as well as to the decline in net CO₂ revenues.

2.5. Other expenditures

The amount of other expenditures in Q1 of 2012 was HUF 104 million, which is HUF 31 million higher than the amount during the base period. The most important reason for this is the increase in stock impairment

3. OPERATING PROFIT

The operating profit of Rába in Q1 of 2012 was HUF 104 million (Q1 of 2011: HUF -180 million). The increase in gross profit (HUF 280 million) was deteriorated by the combined change in sales and general overhead costs (HUF +46 million) and was improved by the changes in other revenues and expenditures (HUF +49 million). Profitability changed from -1.9% during the base period to 1.1%. The profitability of the operating profit + depreciation was 6.6 per cent, against 4.1% during the base period.

4. FINANCIAL REVENUES AND EXPENDITURES

In Q1 of 2012, the net financial result was HUF -109 million, compared to HUF 468 million during the base period. There was no activated profit from derivative transactions in Q1 of 2012, compared to the HUF +30 million during Q1 of 2011.

The net profit of interest incomes and expenses was HUF -95 million in Q1 of 2012, against HUF -89 million during the base period. The net exchange rate difference of FX items was HUF 1 million, in Q1 of 2011 the exchange rate gain was HUF 544 million.

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 HUF -778 million in Q1 of 2012.

Financial revenues and expenditures consisted of the following principal items:

	Q1 of 2011	Q1 of 2012
Revenue from dividends	1 378	0
Exchange rate gains of stakes sold	0	
Interest income	79 437	78 017
Realised gains of derivative transactions	30 040	0
Exchange rate gains	1 045 292	689 968
Other financial revenues	534	598
Financial revenues	1 156 681	768 583
Interest payable	168 327	173 135
Realised loss of derivative transactions	0	0
Release of unrealised loss from previous year of derivative transactions	-8 782	0
Non-realised loss of derivative transactions	0	0
Exchange rate losses	501 253	688 804
Other financial expenditures	28 219	15 269
Financial expenditures	689 017	877 208

5. PROFIT FROM EXTERNAL COMPANIES

No profit from external companies was taken into account in Q1 of 2012 (Q1 of 2011: HUF -47 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 Q3 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 value of the affiliated company not yet accounted for in 2011 is HUF -216 million, and a loss of HUF -56 million in Q1 of 2012. 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 a loss of HUF -5 million in Q1 of 2012, which, because of the factors outlined in sections 1-5 is HUF 245 million less than the figure for Q1 of 2011. The profitability ratio represents a -0.05 per cent return on sales on the basis of profit before taxation, compared to +2.6 per cent during the base period.

At group level the tax receivable amounted to HUF 39 million, of this HUF 59 million is the trade tax liability. The deferred tax liability for the current period is HUF 21 million and deferred tax receivable accounted in the capital is HUF 119 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 net amount of the cash-flow hedge transaction is HUF

658 million, which is accounted under other aggregate income and also reflects the effect of the corporate income tax.

8. 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;
- 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. March 2011	Index
Properties, machines, equipment	13 939 631	13 776 632	98,8%
Intangible assets	971 345	1 010 938	104,1%
Long-term receivables	4 392	4 392	100,0%
Property for investment purposes	338 217	338 217	100,0%
Other investments accounted through the capital method	205	205	100,0%
Marketable financial assets	194 043	194 043	100,0%
Deferred tax receivables	664 515	642 929	96,8%
Total invested assets	16 112 348	15 967 356	99,1%
Inventories	8 188 147	8 821 752	107,7%
Receivables	10 540 582	8 133 922	77,2%
Corporate tax receivables	41 238	67 942	164,8%
Liquid assets, bank account	894 712	1 541 437	172,3%
Total current assets	19 664 679	18 565 053	94,4%
Total ASSETS	35 777 027	34 532 409	96,5%
Share capital	12 921 066	12 921 066	100,0%
Other aggregate income	-804 416	-146 002	81,8%
Capital reserve	85 004	85 004	100,0%
Share option reserve	165 198	165 198	100,0%
Retained earnings*	-2 375 451	-2 341 565	98,6%
Total equity and reserves	9 991 401	10 683 701	106,9%
Long-term liabilities	8 043 520	7 526 206	93,6%
Provisions	650 410	486 814	74,8%
Total long-term liabilities	8 693 930	8 013 020	92,2%
Short term loans and credits	6 653 414	6 774 027	101,8%
Short-term liabilities	10 438 282	9 061 661	86,8%
Short-term liabilities total	17 091 696	15 835 688	92,7%
Total LIABILITIES (equity and liabilities)	35 777 027	34 532 409	96,5%

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 13,777 million, the change was a decline of 1.2 %. The depreciation of fixed assets during Q1 of 2012 was HUF 525 million.

1.2. Intangible assets

The net value of intangible assets changed from HUF 971 million to HUF 1,011 million. This represents an increase of 4.1 per cent. The amount of depreciation accounted during the period was HUF 20 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 remained unchanged compared to the closing value as at 31st December of 2011.

1.4. Real estate for investment purposes

The value of real estate for investment purposes – amounting to HUF 338 million on 31st March 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 643 million on 31st March of 2012, which is HUF 22 million less than the amount on 31 December of 2011.

1.7. Receivables from the sale of assets

On 31st March 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 31st March 2012, the closing value of stocks was HUF 8,822 million (31st December 2011: HUF 8,188 million). The change is +7.7%, due to the growth in materials and goods by HUF 218 million and in unfinished, semi-finished and finished goods by HUF 415 million.

2.2. Receivables

The closing figure of receivables as at 31st March 2012 was HUF 8,134 million, a decline of HUF 2,407 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 -2,874 million). Deliveries during the last months of the previous year reached a higher level, these accounts receivable were settled during the current period.

2.3. Liquid assets

The closing figure of liquid assets on 31st March 2012 was HUF 1,541 million, HUF 647 million more 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 1 January, Q1 of 2011	12 550 920	26 278	209 448	-2 727 376		10 059 270
Profit of current year				177 221		177 221
Profit from share-based payments drawn	10 443					10 443
Balance as at 31st March 2011.	12 561 363	26 278	209 448	-2 550 155	0	10 246 934
Profit of current year				277 308		277 308
Other aggregate income					-804 416	-804 416
Share-based expenditure met in equity instrument			68 705			68 705
Deferred tax of share-based payments in equity instrument			-9 619			-9 619
Purchase of treasury shares	-159 710	58 726	0			-100 984
Profit from share-based payments drawn	519 413		-109 338	-102 604		307 471
Deferred tax of share-based payments drawn, deferred tax rate change			6 002			6 002
Balance as at 31st December 2012	12 921 066	85 004	165 198	-2 375 451	-804 416	9 991 401
Profit of current year				33 886		33 886
Other aggregate profit					658 414	658 414
Balance as at 31 March 2012.	12 921 066	85 004	165 198	-2 341 565	-146 002	10 683 701

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 31st March 2012, the share capital of the company was HUF 12,921 million.

On 7th November Q1 of 2012, 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 licencing of the transaction (encompassing the territory of the entire EU). The approval was granted after the closing day, 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 has concluded USD and EUR foreign exchange loan transactions in order to hedge the USD/HUF and EUR/HUF foreign exchange risks stemming from its sales contracts ("Basic transaction"). The transactions with an efficient hedge relation are cash-flow hedge transactions, the profit of which, of HUF +658 million is accounted for under other aggregate profit.

3.3. Capital reserve

On 31st March 2012, the capital reserve was HUF 85 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 were not fulfilled and therefore the tranche was reopened on 1st January 2012, with the approval of the annual general meeting held in 2010.

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. No draw down was done in Q1 of 2012.

3.5. Retained earnings

The retained earnings (HUF -2,342 million) changed by HUF +34 million (the net profit of Q1) 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 31st March 2012 amounted to HUF 7,526 million, which was 6.4 per cent lower than the opening balance of the period (on 31st December 2011, the closing figure was HUF 8,044 million).

4.2. Provisions

The closing value of provisions as at 31st March 2012 was HUF 487 million, which is HUF 164 million less than the closing value for last year. The principal reasons for the change were the following:

- release and use of provisions set aside for guarantee obligations in the amount of HUF -146 million,
- release of provisions set aside for guarantee obligations in the amount of HUF -146 million, as well as
- release of provisions in the amount of HUF -18 million for the redundancies and other liabilities.

5. SHORT-TERM LIABILITIES

5.1. Derivative financial liabilities

The company had no derivative transactions on the turning date of the balance sheet.

5.2. Short-term credits and loans

The total amount of short-term credits and loans (HUF 6,774 million) increased by 1.8% compared to the closing balance of December (HUF 6,653 million).

5.3. Short-term liabilities

The total short-term liabilities (closing balance on 31st March 2012: HUF 9,062 million) declined by 13.2% compared to the closing value of December 2011 (HUF 10,438 million). The most significant change took place in accounts payable (HUF -1,678 million), passive accruals (HUF +241 million) and other liabilities (HUF +69 million).

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR Q1 OF 2012

Data in HUF thousand

	<u>Q1 of 2011</u>	<u>Q1 of 2012</u>
<u>Cash flows of operating activities</u>		
Profit before taxation	240 585	-4 837
<i>Adjustment items related to items with no cash movement:</i>		
Interest income/expenditure	88 890	23 115
Depreciation and amortisation	561 216	544 653
Impairment of bad and doubtful receivables and of long term receivables	-3 881	2 427
Impairment of stocks kept at net realisable value	-338	37 137
Inventory reject	22 138	12 634
Provisions	-34 643	-163 596
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	-6 729	-6 875
Participation in profit of affiliated companies	46 841	0
Revaluation of loans and credits at end of period	-664 257	78 785
<i>Changes in working capital:</i>		
Changes in trade and other receivables	334 978	2 340 534
Changes in stocks	-484 439	-683 376
Changes in accounts payable and other liabilities	-425 359	-1 053 441
Profit tax paid	-42 608	-152 516
Interests paid	-186 401	-202 509
Net cash flows from operating activity	-562 789	772 135
<u>Cash flows from investment activities</u>		
Purchase of real estate, machinery and fixtures, as well as of intangibles	-463 299	-508 135
Revenues from the sale of investments accounted through the capital method	716	8 522
Interests received	73 381	71 816
Net cash flows used for investment activities	-389 202	-427 797
<u>Cash flow from financing activities</u>		
Revenues/expenditures from the sale/purchase of treasury shares	10 443	0
Receipt of loans and credits	1 484 158	2 830 517
Repayment of loans and credits	-640 842	-2 528 130
Net cash flows from financing activities	853 759	302 387
Net increase/decline of financial instruments and equivalents	-98 232	646 725

PK6. Major off-balance sheet items

Description	Value (HUF)
According to a separate list*	

* On 31st March of 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 13,804 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 13,216 million. The amount of bank guarantees issued on behalf of the Rába Group is HUF 1,952 million.

RS1. Ownership structure, ratio of participation

On 18th April, 2012. the Hungarian State Holding Company Ltd. announced that as a result of the Public Takeover Bid and of the thus resulting share-transfer agreements, it has acquired the ownership of 9,925,829 shares of the Company, as a result of which it will have a 73.67 per cent ownership stake of the Company, entitling the holder to 76.79 per cent of the votes.

Description of ownership	Total equity						Series listed ¹			
	At beginning of current year (1st January)			At end of term (31st March)			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	28,38	29,59	3 824 004				
Foreign institutional/corporate	1,10	1,14	147 584	12,26	12,77	1 651 173				
Foreign private individual	0,24	0,25	32 639	0,56	0,59	75 896				
Domestic private individual	19,65	20,49	2 648 048	35,88	37,41	4 834 935				
Employees, managing executives	0,01	0,01	825	3,36	3,50	452 419				
Treasury shares	4,07		548 160	4,07		548 160				
Shareholder forming part of general government ⁴	15,49	16,14	2 086 439	15,49	16,14	2 086 439				
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	420				
TOTAL	100,00	100,00	13 473 446	100,00	100,00	13 473 446				

¹If 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.

⁶ Shares offered in Q1 of 2012 in the context of the takeover

RS3. List and introduction of shareholders with a stake exceeding 5% (as at 31st March 2012)

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 Kezelő Központ Zrt.) Pension Reform and Debt Reduction Fund	D	G	2,084,729	15.47	16.13	
DRB Hicom Group	F	B	1,462,446	10.85	11.31	

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.)

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

	1 Jan	31 March
At corporate level	548 160	548 160
Subsidiaries		
Total	548 160	548 160

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

	End of Base Period	Beginning of Current Period	End of current period
Company level	15	15	15
Group level	2 025	1 861	1902

The consolidated closing headcount as at 31st March 2012 was 1902, which represented a decline of 6.1% 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		119931
BD	Olivér Martin	Board member	2003		38737
BD	Róbert Hrabovszky	Board member	2005		38737
BD	Alan Spencer	Board member	2006		38182
BD	Khalid Abdol Rahman	Board member	2007		0
BD	Dr. Ádám Fintha-Nagy	Board member	2008		0
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	119931
SP	Béla Balog	Deputy CEO	2004	Indefinite	48038
SP	Ferenc Vissi	HR Director	2001	Indefinite	50014
SP	József Szabó	Purchasing and Asset Mgmt. Director	2001	Indefinite	50428
SP	István Pintér	Managing Director	2004	Indefinite	119931
1SP	László Urbányi	Managing Director	2005	Indefinite	44619
SP	János Torma	Managing Director	2005	Indefinite	23733
Total number of treasury shares owned (pcs):					53 780

RÁBA NYRT. (INDIVIDUAL) BALANCE SHEET (HAS)

Data in HUF thousand

No	Description of item	31 Dec 2011	31 March 2012	Index
A.	Invested assets	16 584 348	16 597 984	100,08%
I.	Intangible assets	88 448	76 809	86,84%
II.	Fixed assets	5 773 248	5 798 523	100,44%
III.	Financial assets invested	10 722 652	10 722 652	100,00%
B.	Current assets	2 365 483	5 132 379	216,97%
I.	Stocks	351 099	349 801	99,63%
II.	Receivables	1 343 881	3 449 151	256,66%
III.	Securities	489 421	489 421	100,00%
IV.	Liquid assets	181 082	844 006	466,09%
C.	Active accruals	21 998	37 844	172,03%
	TOTAL ASSETS	18 971 829	21 768 207	114,74%
D.	Shareholders' equity	13 163 590	13 243 903	100,61%
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	-926 931	-
V.	Fixed reserves	489 421	489 421	100,00%
VII.	Net profit	-57 035	80 313	-
				240,81%
E.	Provisions	44 650	44 650	100,00%
F.	Liabilities	5 678 468	8 377 729	147,54%
III.	Short-term liabilities	5 678 468	8 377 729	147,54%
G.	Passive accruals	85 121	101 924	119,74%
	TOTAL LIABILITIES	18 971 829	21 768 206	114,74%

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

Data in thousand HUF

No	Description of item	Q1 of 2011	Q1 of 2012	Index
I.	Net sales revenue	285 533	294 140	103,01%
II.	Direct costs of sales	48 595	54 459	112,07%
III.	Gross sales revenue	236 938	239 681	101,16%
IV.	Indirect sales costs	250 819	252 641	100,73%

V.	Other revenues	1 351	7 660	566,99%
VI.	Other expenditures	38 344	40 462	105,52%
A.	OPERATING PROFIT	-50 874	-45 762	10,05%
VIII.	Revenues from financial transactions	221 553	187 585	84,67%
IX.	Expenditures of financial transactions	52 699	60 830	115,43%
B.	Profit of financial transactions	168 854	126 755	75,07%
C.	ORDINARY BUSINESS PROFIT	117 980	80 993	68,65%
D.	EXTRAORDINARY PROFIT	-996	-680	68,27%
E.	PROFIT BEFORE TAXATION	116 984	80 313	68,65%
XII.	TAX LIABILITY	0	0	
F.	AFTER-TAX PROFIT	116 984	80 313	68,65%
G.	NET PROFIT	116 984	80 313	68,65%

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 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, 9 May, 2012

István Pintér
Chairman-CEO

Béla Balog
CFO