

Report on the Results of Rába Nyrt. during Q1 of 2013

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

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SUMMARY

- In Q1 of 2013, the Company at group level registered sales of HUF 11.4 billion, which is an increase of 16.3 per cent compared to the HUF 9.8 billion of in Q1 of 2012. Such increase is fundamentally a tribute to the substantial, 22.8% increase of exports, in spite of the moderate decline in domestic sales by 0.9% and the more substantial decline on the global utility vehicle markets, by 22.8%. 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 25.1%, while the Vehicle Business grew to a lesser extent, by 11.5% and the Component Business grew by 8.9%. Foreign currencies had no impact on the growth since quarterly averages in the relevant currencies were slightly below the levels of the previous year.
- The gross margin improved dramatically, by 4.1 percentage points during Q1 of 2013 compared to Q1 of 2012. The gross margin was improved besides a positive change in the product mix of the Axle business, by the increase in the ratio of products with a higher added value and by the impact of ongoing measures aimed at efficiency improvement, together with the increased volume and the controlled fixed costs.
- As the aggregate effect of the increase in sales revenue in HUF terms and of the improvement in the margin, during Q1 of 2013 the gross profit was nearly HUF 800 million, i.e. 40.5 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, 6.6 per cent compared to Q1 of 2012.
- Other revenues and expenditures contained just the usual items, the balance of which was HUF 144 million during the review period, which is equal to the value of the same period of the previous year.
- The operating profit during Q1 of 2013 was HUF 749 million, HUF 645 million higher than in Q1 of 2012. The company has never before during the last decade started the year with such good results. Such improvement is largely a tribute to the outstanding result of the Axle Business, considered the group's core activity, which increased by HUF 644 million, nearly seven-fold. The Component Business registered an increased profit of HUF 84 million, whereas the Vehicle Business generated losses amounting to HUF 98 million in Q1 of 2013.
- EBITDA doubled compared to the same period of last year amounting to HUF 1,292 million.
- The financial profit during Q1 of 2013 amounted to HUF 245 million, against the loss of HUF 109 million generated during Q1 of 2012. The financial profit includes the profit generated through the sale of the business stake held in Fehrer Automotive-Rába Kft, amounting to HUF 524 million.

- The profit was HUF 860 million during Q1 of 2013, in contrast to the profit of HUF 34 million of in Q1 of 2012. The net result of the cash-flow hedge transactions was a loss of HUF 236 million, thus the result as per the total aggregate income is a profit of HUF 624 million, against HUF 692 million during Q1 of 2012.
- The net loan portfolio was HUF 11.3 billion, HUF 2.1 billion lower than at the end of 2012 and HUF 1.5 billion lower than during Q1 of 2012. This is due to the profitable operation and the decline in working capital by HUF 1.2 billion and the proceeds of HUF 524 million from the sale of the business stake in the joint venture. It was offset by the revaluation of loans amounting to HUF 535 million, resulting from the changes in foreign exchange rates involving, however, no cash movements.

thousand HUF	2012 Q1	2013 Q1	Index
Sales revenue	9 827 438	11 434 076	16,3%
Gross profit	1 916 322	2 692 727	40,5%
<i>Gross margin</i>	19,5%	23,6%	4,1%p
EBITDA	648 441	1 291 931	99,2%
<i>EBITDA level</i>	6,6%	11,3%	4,7%p
Operating profit	103 788	748 990	621,7%
Net financial income	-108 626	245 107	325,6%
Profit during current year	33 885	859 966	2437,9%
Total aggregate income	692 298	624 073	-9,9%

‘Last year resulted in a breakthrough in our performance indicators and the company acquired a number of significant new deals from leading-edge players in the global automotive industry. The figures for the first three months of 2013 show in an encouraging way that Rába is now on a stable growth track and we have every reason to believe that this trend will continue throughout the year. This year we dedicate unprecedented attention to increasing quality and efficiency in the fields of customer relation, product development and production as well’, said István Pintér, Chairman-Chief Executive Officer of Rába Automotive Holding Nyrt.

EXTERNAL ENVIRONMENT

- Market demand in most market segments changed unfavourably. The heavy vehicle sector of the North American market was characterised by a 14 per cent decline in Q1 of 2013, compared to the same period of last year. Based on expectations for 2013, the turnover of the North American market segment will remain at the level of 2012.

The European heavy vehicle market was marked by a trend similar in size and direction. The decline in demand amounted to 17 per cent during the first three months of 2013. No major changes are expected compared to 2012 in Europe either in terms of the outlook for the entire year. Demand was manifest on both the European and the American markets for agricultural axles. The Russian truck market, as well as the bus market are characterised by recession, the level of the decline was 9.6 per cent for trucks and 5.4 per cent for buses compared to Q1 of 2012. The decline in demand did not spare the passenger vehicle component market either: the decline in passenger vehicle registrations on the European market was 9.8 per cent between Q1 of 2013 and the same period of 2012.

- Raw material prices have been declining for the fourth consecutive quarter, thus the price level during Q1 of 2013 was 7.9 per cent lower than during the same period of last year.
- Energy prices decreased during Q1 of 2013, by 5.3% on average compared to the first quarter of 2012.
- In terms of FX exchange rates no major differences could be observed between the two

periods, during Q1 of 2013, the average USD exchange rate was 0.9% lower and the average EUR exchange rate was 0.2 per cent lower compared to the same period of 2012.¹

	2012 Q1	2013 Q1	Index
HUFEUR - average	297,0	296,4	-0,2%
HUFEUR – end of period	295,6	304,3	2,9%
HUFUSD - average	226,5	224,5	-0,9%
HUFUSD – end of period	221,6	237,4	7,1%
Changes in raw material prices*	139%	128%	-7,9%
Changes in energy prices**	204%	193%	-5,3%

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

**Rába indices- own calculation - base: Dec 2004; average values for the period

Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Futómű Kft. during Q1 of 2013 amounted to HUF 8.2 billion compared to HUF 6.6 billion achieved during the same period of 2012. This corresponds to an increase of 25.1%.

On the **American market**, the sales revenue during Q1 of 2013 was USD 15.4 million, against USD 10.2 million in Q1 of 2012. This means an increase of 51.0%.

On the **EU market** Rába's sales figures in HUF terms increased by 7.0%, amounting to HUF 3.9 billion, compared to HUF 3.6 billion during the base period.

European exports amounted to EUR 9.8 million during Q1 of 2013 compared to EUR 9.4 million during the same period of 2012. This is an increase of 4.3%.

Domestic sales before consolidation amounted to HUF 962 million which represents an increase of 11.2 per cent compared to the HUF 865 million of the base period.

On the **CIS and East-European markets** export sales revenues achieved by Rába Axle Ltd. increased by 211.1%, from EUR 0.9 million during the base period 2012 to EUR 2.8 million during Q1 of 2013.

On the **other markets** the sales revenue during Q1 of 2013 amounted to EUR 0.3 million, against EUR 1.4 million of the previous year. Such decline by 78.6 per cent is due to the project-based sales during the base period.

The operating result of the company during Q1 of 2013 was a profit of HUF 753 million, compared to HUF 109 million during the same period of 2012.

At EBITDA level, the operating profit of the Axle business was HUF 1,097 million compared to HUF 465 million registered a year earlier.

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>

million HUF	2012 Q1	2013 Q1	Index
Amerika	2 282	3 463	51,8%
EU - export	2 757	2 915	5,7%
EU - domestic	865	962	11,2%
CIS and former Yugoslavia	269	827	207,4%
Others	419	82	-80,4%
Total sales revenue	6 592	8 248	25,1%
EBITDA	465	1 097	135,8%
Operating profit	109	753	590,8%

Rába Járműipari Alkatrészgyártó Kft. (Component Ltd.)

The sales revenue of the Component Ltd. amounted to HUF 2.9 billion during Q1 of 2013, which is an increase of 8.9% compared to the sales of HUF 2.7 billion of a year earlier.

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

European exports amounted to EUR 3.2 million during Q1 of 2013, against EUR 2.6 million during the base period. This corresponds to an increase of 23.1%.

Domestic sales before consolidation amounted to HUF 1,997 billion during Q1 of 2013, which is an increase of 3.9% compared to the sales revenue of HUF 1,902 billion during Q1 of 2012.

The company generated a profit of HUF 84 million during Q1 of 2013 compared to a profit of HUF 38 million during the same period of 2012.

On the level of EBITDA, the profit of the Component Ltd. changed to HUF 176 million during the period, from HUF 114 million of the previous year.

million HUF	2012 Q1	2013 Q1	Index
EU - export	775	937	20,9%
EU - domestic	1 902	1 977	3,9%
Total sales	2 676	2 913	8,9%
EBITDA	114	176	54,4%
Operating profit	38	84	121,1%

Rába Jármű Kft. (Vehicle Ltd.)

The sales revenue of Rába Jármű Kft. amounted to HUF 900 million during Q1 of 2013, which is an increase by 11.5% compared to the HUF 807 million of the base period.

On the **EU market** Rába Vehicle's sales figures during Q1 of 2013 equalled the total sales revenue realised.

European exports were lower than the level of the base period by 13.6%, thus declining from EUR 2.2 million to EUR 1.9 million.

Domestic sales before consolidation amounted to HUF 328 million during Q1 of 2013, an increase of 127.7 per cent compared to the HUF 144 million during the base period.

The operating profit was a loss of HUF 98 million during Q1 of 2013, compared to the profit of

HUF 7 million during the base period.

On the level of EBITDA, during Q1 of 2013 the Company registered a loss of HUF 39 million compared to HUF 65 million during Q1 of 2012.

million HUF	2012 Q1	2013 Q1	Index
EU - export	663	572	-13,7%
EU - domestic	144	328	127,8%
Total sales	807	900	11,5%
EBITDA	65	-39	-160,0%
Operating profit	7	-98	-1500,0%

The Rába Group

The consolidated sales revenue of the Rába group during Q1 of 2013 amounted to HUF 11.4 billion, which is an increase of 16.3% compared to the figure of HUF 9.8 billion for the same period of 2012.

The operating profit of the group during Q1 of 2013 amounted to HUF 749 million, compared to HUF 104 million during the same period of 2012.

In Q1 of 2013 the financial result was HUF 245 million, which includes, among others, a net interest payment of HUF 80 million, as well as exchange rate loss of HUF 194 million.

Based on the above, the Rába group generated a net profit of HUF 860 million during Q1 of 2013, compared to HUF 34 million during the same period of 2012.

On the level of EBITDA, the group registered profits of HUF 1,292 million during Q1 of 2013, against last year's figure of HUF 648 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
2012 Q1	6 592	2 676	807	9 827
2013 Q1	8 248	2 913	900	11 434

Breakdown of sales revenue of Q1 of 2013

mHUF	America	EU			CIS	Other	Total
		total	export	domestic			
Axle	3 463	3 876	2 915	962	827	82	8 248
Component	0	2 913	937	1 977	0	0	2 913
Vehicle	0	900	572	328	0	0	900
Consolidated	3 463	7 062	4 423	2 639	827	82	11 434

Breakdown of operating profit of group companies

	Operating profit	
	2012 Q1	2013 Q1
Axle	109	753
Component	38	84
Vehicle	7	-98
Other	-50	10
Total	104	749

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

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 February of 2013 Rába Nyrt. sold its stake representing 30% of the votes and 0.1% of the company's equity of Fehrer Automotive-Rába Kft. to Fehrer Automotive GmbH, the majority owner of the enterprise.

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	2012. Q1	2013. Q1	Index
Domestic sales revenues	2 663 950	2 639 261	99,1%
Export sales revenues	7 163 488	8 794 815	122,8%
Net sales revenues	9 827 438	11 434 076	116,3%
Direct cost of sales	7 911 116	8 741 349	110,5%
Gross profit	1 916 322	2 692 727	140,5%
Cost of sales	174 829	193 120	110,5%
General and administration expenses	1 784 239	1 895 042	106,2%
Other revenues	251 011	300 904	119,9%
Other expenditures	104 477	156 479	149,8%
Other items related to business activities	-1 812 534	-1 943 737	-107,2%
Operating profit before interest payment and taxation (EBIT)	103 788	748 990	721,7%
Financial revenues	702 397	1 355 565	193,0%
Financial expenditures	811 023	1 110 458	136,9%
Net financial result	-108 626	245 107	425,6%
PROFIT BEFORE TAXATION	-4 838	994 097	20747,7%
Corporate profit tax	-38 723	134 131	546,4%
PROFIT AFTER TAXATION	33 885	859 966	2537,9%
Other aggregate income			
Profit from cash-flow hedge transaction	777 873	-280 825	-136,1%
Deferred tax of cash-flow hedge transaction	119 460	-44 932	-137,6%
Other aggregate income	658 413	-235 893	-135,8%
Total aggregate income	692 298	624 073	90,1%

1. EARNED REVENUES

In Q1 of 2013, Rába achieved HUF 11,434 million in sales revenue, compared to HUF 9,827 million during the same period of 2012, with a growth of 16.3%. 76.9 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 2013, the direct cost level of Rába was 76.4 per cent, compared to 80.5% of the base period. The amount of direct costs was HUF 8,741 million (in Q1 of 2012: HUF 7,911 million).

Gross Profit

The gross profit changed from HUF 1,916 million to HUF 2,693 million, (HUF +777 million), which is due to the increase in sales revenue by HUF +1,607 million and to a lesser increase in direct expenses (HUF +830 million).

2.2. Cost of sales

The cost of sales increased by 10 per cent and amounted to HUF 193 million during Q1 of 2013, compared to HUF 175 million during Q1 of 2012.

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 2013: HUF 1,895 million, Q1 of 2012: HUF 1,784 million), and adjusts them with the net value of the non-capitalised, according to international regulations, costs of technical development (HUF -3 million), and by restating certain bank charges to financial expenditures (HUF -4 million).

2.4. Other revenues

Other revenues amounted to HUF 301 million during Q1 of 2013. This amount was HUF 50 million higher than that of the base period. The composition of the revenues is different during the two quarters, primarily due to the following items: in Q1 of 2013 the Company sold some of its idle property, whereas in Q1 of 2012, a significant amount of provisions – the portion of the liability unused during its term - set aside for guarantee costs was released once the liability ceased to exist.

2.5. Other expenditures

The amount of other expenditures during Q1 of 2013 was HUF 156 million, which is HUF 52 million higher than the amount during the base period. The increase is due to the increase in the amount of taxes and in subsidies given.

3. OPERATING PROFIT

The operating profit of Rába during Q1 of 2013 was HUF 749 million (in Q1 of 2012: HUF 104 million). The increase in gross profit (HUF 777 million) was deteriorated by the combined change in sales and general overhead costs (HUF +129 million) and the changes in the balance of other revenues and expenditures (HUF -2 million). Profitability changed from 1.1% during the base period to 6.6%. The profitability of operating profit + depreciation was 11.3 per cent, against the figure of 6.6 per cent during the base period.

4. FINANCIAL REVENUES AND EXPENDITURES

In Q1 of 2013, the net financial result was HUF -245 million, compared to HUF 109 million during the base period.

The net profit of interest incomes and expenses was HUF -80 million during Q1 of 2013, against HUF -95 million during the base period. The net exchange rate difference of FX items was a loss of HUF 194 million during Q1 of 2013, the exchange rate loss was HUF 1 million in Q1 of 2012.

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 compared to 1 October 2011, the date when these cash-flow transactions were classified as hedge transactions, was a loss of HUF 281 million on 31 March 2013 whereas on 31 March 2012 it was a profit of HUF 778 million, accounted as other aggregate income.

The company sold its participation, the proceeds from the sale amounted to HUF 524 million.

Financial revenues and expenditures consisted of the following principal items:

	Q1 of 2012	Q1 of 2013
Revenue from dividends	0	1 011
Exchange rate gains of participation sold	0	523 531
Interest income	11 832	1 023
Exchange rate gains	689 968	829 504
Other financial revenues	597	496
Financial revenues	702 397	1 355 565
Interest payable	106 949	80 668
Exchange rate loss	688 804	1 023 537
Other financial expenditures	15 270	6 253
Financial expenditures	811 023	1 110 458

5. PROFIT FROM EXTERNAL COMPANIES

No profit from external companies was taken into account during Q1 of 2013 (in Q1 of 2012: HUF 124 million).

6. EARNINGS DURING THE YEAR

The earnings before taxation amounted to HUF 994 million during Q1 of 2013, which, because of the factors outlined in sections 1-5 is HUF 999 million more than the figure for in Q1 of 2012. The profitability ratio represents an 8.69 per cent return on sales on the basis of profit before taxation, compared to -0.05 per cent during the base period.

At group level the tax liability amounted to HUF 134 million, of this corporate tax liability represented HUF 6 million, the trade tax liability is HUF 78 million, the deferred tax liability for the current period is HUF 5 million, whereas the deferred tax liability accounted in the equity is HUF 45 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 Q1 of 2013, the net amount of the cash-flow hedge transaction is HUF -236 million, which is accounted under other aggregate income and also reflects the effect of the corporate income tax (in Q1 of 2012: HUF 658 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 2012	31 March 2013	Index
Properties, machines, equipment	13 777 744	13 511 672	98,1%
Intangible assets	1 046 740	995 644	95,1%
Long-term receivables	642 079	624 349	97,2%
Property for investment purposes	338 217	338 217	100,0%
Investments accounted through the capital method	205	206	100,5%
Receivables from sale of assets	194 043	194 043	100,0%
Deferred tax receivables	508 470	502 757	98,9%
Total invested assets	16 507 498	16 166 888	97,9%
Inventories	8 424 298	8 771 663	104,1%
Receivables	9 683 334	8 665 457	89,5%
Derivative financial instruments		1 649	
Corporate tax receivables	112 298	123 866	110,3%
Liquid assets, bank account	176 525	1 475 697	836,0%
Total current assets	18 396 455	19 038 332	103,5%
Total ASSETS	34 903 953	35 205 220	100,9%
Share capital	12 921 066	12 921 066	100,0%
Other aggregate income	-19 843	-255 735	-1188,8%
Capital reserve	85 004	85 004	100,0%
Share option reserve	165 057	165 057	100,0%
Retained earnings	-1 767 906	-907 940	51,4%
Total equity and reserves	11 383 378	12 007 452	105,5%
Long-term liabilities	3 286 679	4 433 837	134,9%
Provisions	406 620	361 328	88,9%
Total long-term liabilities	3 693 299	4 795 165	129,8%
Short term loans and credits	10 294 062	8 302 939	80,7%
Short-term liabilities	9 533 214	10 099 664	105,9%
Short-term liabilities total	19 827 276	18 402 603	92,8%
Total LIABILITIES (equity and liabilities)	34 903 953	35 205 220	100,9%

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 13,778 million on 31 December of 2012 to HUF 13,512 million, the change was a decline of 1.9 %. The depreciation of fixed assets during Q1 of 2013 was HUF 496 million.

1.2. Intangible assets

The net value of intangible assets changed from HUF 1,047 million to HUF 996 million. This represents a decline of 4.9 per cent. The amount of depreciation accounted during the period was HUF 47 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 621 million are also shown here, as this is the consequence of the partial payment of a long-term liability upon favourable conditions, to be recorded annually in the indirect cost line. In consequence of the discharge of liabilities during Q1, the amount of long term receivables declined by HUF 18 million during the period.

	31 Dec 2012	31 March 2013
Opening	4 392	642 079
Increase	638 235	
Repayment	(548)	
Impairment		(17 730)
Effect of discounting		
Closing	642 079	624 349

1.4. Real estate for investment purposes

The value of real estate for investment purposes – amounting to HUF 338 million on 31 March 2013 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 was 30%. The participation was sold and deleted from the books by Rába in February of 2013.

1.6. Deferred tax receivable

It amounted to HUF 503 million on 31 March 2013, which is HUF 6 million less than the amount on 31 December 2012.

1.7. Receivables from the sale of assets

On 31 March 2013, the value of the receivable was HUF 194 million, equal to the 31st December 2012 amount.

2. CURRENT ASSETS

2.1. Stocks

On 31 March 2013, the closing value of stocks was HUF 8,772 million (31st December 2012: HUF 8,424 million). The change is +4.1%, due to the decline in materials and goods by HUF 80 million and to the increase in unfinished, semi-finished and finished goods by HUF 427 million.

2.2. Receivables

The closing figure of receivables as at 31 March 2013 was HUF 8,665 million, a decline of HUF 1,018 million compared to the 31st December figure (closing figure for 31 December 2012: HUF 9,683 million). The most significant changes occurred in the accounts receivable (HUF -1,373 million). Other accounts receivable increased by HUF 275 million, active accruals by HUF +50 million and advances paid changed by HUF +31 million.

2.3. Derivative financial instruments

This line of the balance sheet contains the FX forward transaction intended to hedge the exchange rate risk of export sales revenues (sale of EUR 3 million for HUF).

2.4. Liquid assets

The closing figure of liquid assets on 31 March 2013 was HUF 1,476 million, HUF 1,299 million

more than on 31 December 2012 (HUF 177 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 Jan 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 loss					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
Profit of current year				535 122		535 122
Other aggregate profit					126 159	126 159
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)
Ceaseure of share-based payments			(63 602)	38 537		(25 065)
Deferred tax of ceaseure of share-based payments			8 904			8 904
Balance as at 31 Dec 2012	12 921 066	85 004	165 057	-1 767 906	-19 843	11 383 378
Profit of current year				859 966		859 966
Other aggregate profit					-235 892	-235 892
Balance as at 31 March 2013	12 921 066	85 004	165 057	-907 940	-255 735	12 007 452

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 March 2013, 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 licencing 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 -236 million net is accounted for under other aggregate profit, the closing value as at 31 March 2013. was HUF -256 million.

3.3. Capital reserve

On 31 March 2013, the capital reserve was HUF 85 million, equal to the difference between the cost and the face value of the repurchased Rába treasury shares, the amount of which remained unchanged.

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 price of the Rába shares during the first half of 2012 remained under two thousand forints on any twenty consecutive stock trading day.

The participants of the option programme availed themselves of the opportunity to draw down the first tranche and thus the shares of the first tranche were fully drawn before the end of in Q1 of 2012.

There were no changes in the share option reserve during the current period.

3.5. Retained earnings

The retained earnings (HUF -908 million) changed by HUF +860 million (annual net profit) compared to the closing balance of the previous year (HUF -1,768 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 March 2013 amounted to HUF 4,434 million, which was 34.9 per cent higher than the opening balance of the period (on 31st December 2012, the closing figure was HUF 3,287 million). According to the situation as at the end of 2012, due to the partial non-delivery of the financial side obligations assumed in some long-term loan agreements, the entire loans were shown as liabilities within a year. Once these side obligations were met during the current period, the loans were reclassified among long-term liabilities.

4.2. Provisions

The closing value of provisions as at 31 March 2013 was HUF 361 million, which is HUF 45 million less than the closing value for last year.

The principal reason for the change was the release of provisions set aside for guarantee obligations.

5. SHORT-TERM LIABILITIES

5.1. Short-term credits and loans

The total amount of short-term credits and loans (HUF 8,303 million) decreased by 19.3% compared to the closing balance of December 2012 (HUF 10,294 million), due to repayments and reclassification of long-term liabilities.

5.3. Short-term liabilities

The total short-term liabilities (closing balance on 31 March 2013: HUF 10,100 million) increased by 5.9% compared to the closing value of December 2012 (HUF 9,533 million). The most significant change took place in accounts payable (HUF +164 million), passive accruals (HUF +713 million) and other liabilities (HUF -336 million).

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR 2012

	Data in HUF thousand	
	<u>Q1 2012</u>	<u>Q1 2013</u>
<u>Cash flows of operating activities</u>		
Profit before taxation	-4 837	994 097
<i>Adjustment items related to items with no cash movement:</i>		
Interest income/expenditure	23 115	37 898
Depreciation and amortisation	544 653	542 941
Impairment of properties, machinery and equipment	0	9 186
Impairment of bad and doubtful receivables and of long term receivables	2 427	3 523
Impairment of stocks kept at net realisable value	37 137	-14 640
Inventory reject	12 634	70 791
Provisions	-163 596	-45 292
Changes in real value of derivative financial assets and receivables	0	-1 649
Result of sale and in-kind contribution of real assets, machinery and fixtures and intangible assets	-6 875	-97 653
Proceeds from sale of investments accounted through the equity method	0	-523 530
Participation in profit of affiliated companies	0	0
Revaluation of loans and credits at end of period	78 785	254 126
<i>Changes in working capital:</i>		
Changes in trade and other receivables	2 340 534	1 013 371
Changes in stocks	-683 376	-403 516
Changes in accounts payable and other liabilities	-1 053 441	789 926
Profit tax paid	-152 516	-147 071
Interests paid	-130 693	-74 920
Net cash flows from operating activity	843 951	2 407 588
<u>Cash flows from investment activities</u>		
Revenues, expenditures from long-term receivables	0	17 730
Purchase of real estate, machinery and fixtures, as well as of intangibles	-508 135	-387 263
Revenues from the sale of real estate, machinery and fixtures	8 522	115 493
Proceeds from the sale of investments accounted through the equity method		523 530
Interests received, dividend	0	1 011
Net cash flows used for investment activities	-499 613	270 501
<u>Cash flows from financing activities</u>		
Borrowing	2 830 517	3 371 590
Repayment of loans and credits	-2 528 130	-4 750 507
Net cash flows from financing activities	302 387	-1 378 917
Net increase/decline of financial instruments and equivalents	646 725	1 299 172

PK6. Major off-balance sheet items

Description	Value (HUF)
According to a separate list*	

* The bank loans of the Rába Group amount to HUF 12,318 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 11,713 million. The amount of bank guarantees issued on behalf of the Rába Group is HUF 996 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 March)			At beginning of term		At end of term	
	% ²	% ³	% ²	% ³	% ²	% ³	%	Pcs	%	Pcs
Domestic institutional/corporate	1.40	1.46	188,700	1.45	1.51	194,918				
Foreign institutional/corporate	1.01	1.06	136,632	1.01	1.06	136,579				
Foreign private individual	0.29	0.30	39,078	0.28	0.29	37,920				
Domestic private individual	19.43	20.25	2,617,651	19.40	20.23	2,614,200				
Employees, managing executives	0.12	0.12	15,686	0.10	0.11	14,130				
Treasury shares	4.07		548,160	4.07		548,160				
Shareholder forming part of general government ⁴	73.68	76.81	9,927,539	73.68	76.81	9,927,539				
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				

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 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
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	16	16	15
Group level	1 907	1 920	1 927

The consolidated closing headcount as at 31 March 2013 was 1 927, which represented an increase of 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. Mirjana 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	2013	n.a.

SP	Ákos Farkas	Purchasing and Asset Mgmt. Director	2013		1141
SP	István Pintér	Managing Director	2004	Indefinite	4990
SP	László Urbányi	Managing Director	2005	Indefinite	2286
SP	János Torma	Managing Director	2005	Indefinite	1141
Total number of shares owned (pcs):					14 130

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

RÁBA NYRT. (INDIVIDUAL) BALANCE SHEET (HAS)

Data in HUF thousand

No	Description of item	31 Dec 2012	31 March 2013	Index
A.	Invested assets	16 607 193	16 155 264	100,14%
I.	Intangible assets	48 634	42 892	54,99%
II.	Fixed assets	5 835 907	5 794 933	101,09%
III.	Financial assets invested	10 722 652	10 317 439	100,00%
B.	Current assets	4 607 185	3 901 102	194,77%
I.	Stocks	351 012	351 069	99,98%
II.	Receivables	3 726 307	2 919 969	277,28%
III.	Securities	489 421	489 421	100,00%
IV.	Liquid assets	40 445	140 643	22,34%
C.	Active accruals	19 638	35 431	89,27%
	TOTAL ASSETS	21 234 016	20 091 797	111,92%
D.	Shareholders' equity	13 862 717	14 105 378	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	-1 005 506	-327 805	-115,59%
V.	Fixed reserves	567 996	589 421	116,05%
VII.	Net profit	699 127	242 662	1325,79%
E.	Provisions	19 420	24 720	43,49%
F.	Liabilities	7 255 418	5 846 250	127,77%
III.	Short-term liabilities	7 255 418	5 846 250	127,77%
G.	Passive accruals	96 461	115 449	113,32%
	TOTAL LIABILITIES	21 234 016	20 091 797	111,92%

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

Data in thousand HUF

No	Description of item	Q1 of 2012	Q1 of 2013	Index
I.	Net sales revenue	294 140	294 780	100,22%
II.	Direct costs of sales	54 459	54 027	99,21%
III.	Gross sales revenue	239 681	240 753	100,45%
IV.	Indirect sales costs	252 642	277 976	110,03%
V.	Other revenues	7 661	110 048	1436,47%
VI.	Other expenditures	40 462	74 042	182,99%
A.	OPERATING PROFIT	-45 762	-1 217	2,66%
VIII.	Revenues from financial transactions	187 586	456 363	243,28%
IX.	Expenditures of financial transactions	60 830	212 184	348,81%
B.	Profit of financial transactions	126 756	244 179	192,64%

C.	ORDINARY BUSINESS PROFIT	80 994	242 962	299,98%
D.	EXTRAORDINARY PROFIT	-681	-300	44,05%
E.	PROFIT BEFORE TAXATION	80 313	242 662	302,15%
XII.	TAX LIABILITY	0	0	
F.	AFTER-TAX PROFIT	80 313	242 662	302,15%
G.	NET PROFIT	80 313	242 662	302,15%

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, 15 May 2013.

István Pintér
Chairman-CEO

Béla Balog
CFO