



Press Release

14 February 2008, Győr, Hungary

Rába Group EBITDA over HUF 4 billion, net debt below HUF 10 billion

2007 was a successful year for Rába Group, whose shares are listed on the Budapest Stock Exchange. Due to the successful strategy and a continuous improvement of efficiency the operating profit and net profit of the group are back in black. Compared to 2006, revenues increased 14.6 percent and reached HUF 57.6 billion. Operating profit soared to 1.022 billion (544 million in 2006). Management forecasts proved right and the axle business unit also reported positive earnings in the fourth quarter. Good performance helped decrease liabilities to level last seen 5 years ago.

- ✓ Rába Holding remained strongly focused on acquisition of new clients in 2007, and managed to sign several new contracts of great value. Revenues soared by 14.6 percent and reached HUF 57.6 billion, a level last seen in 2000.
- ✓ Overall performance and profitability of the company were negatively affected by unfavorable trends in the exchange rates of euro and dollar as well as rocketing prices of energy and raw materials. But the negative external factors in the business environment were compensated by internal efficiency improvements, by increasing the share of products with higher added value, and by signing foreign exchange agreements with clients. As a result of higher revenues and a strict cost management, the earnings of all three business units of the company were in positive territory by the fourth quarter. Group-level EBITDA, in accordance with management forecasts, was over HUF 4 billion.
- ✓ Another proof that strategic plans were successfully carried out was a significant decrease in the liabilities of the company. Loans were reduced significantly, and total net debt of the company was down to HUF 9.4 billion by the end of the year. Successful hedge positions, opened as a protection against unfavorable trends in exchange rates, added more than HUF 1 billion to the financial result of the company. Net profit of Rába reached HUF 1.3 billion in 2007.
- ✓ Revenues in the US market were up by 23 percent as a result of two opposing factors: the substantial, temporary decline of the heavy vehicle market was offset by expanding the cooperation with the strategic partner. In EU markets, including Hungary, HUF denominated revenues of Rába increased by 16.9 percent and reached HUF 34.7 billion. Export revenues from Eastern European and CIS markets rocketed to € 37.2 million, an increase of 69 percent from 2006. Revenue improvement was due to the continuously growing Russian market demand and the expansion of strategic partnerships.
- ✓ “2007 was a milestone in the strategic restructuring program of Rába. The company has remained on the fast track due to several new contracts. Our position is getting more stable and stronger in all markets, as demonstrated by the execution of several important contracts on all strategic areas. We managed to meet yearly targets despite very negative market sentiment and unfavorable external factors. Last year’s outstanding performance provides us with a stable ground to consistently carry out our strategic plan by 2010” – said Rába’s chairman and CEO Mr. István Pintér.



Consolidated P&L – 2007 (IFRS) :

Consolidated figures in HUF million	2007	2006	Index
Net sales revenue	57,644	50,311	114.6%
of which exports	34,642	31,211	110.9%
of which domestic sales	23,002	19,099	120.4%
Operating profit	1,022	544	187.8%
Net profit	1,311	3,530	37,1%
EBITDA	4,072	3,294	123.6%

About Rába Holding:

The business portfolio of the Rába Automotive Group is made up of three independent and interrelated automotive businesses: the Axle, the Components and Vehicle. Rába is a highly export-oriented company, with strategic export markets in the USA, the EU and CIS (Confederation of Independent States). The company group working with nearly 3000 employees has annual sales of EUR 230 million. The shares of Győr-based Rába Automotive Group are traded at the Budapest Stock Exchange.

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