

Submissions
to RÁBA Automotive Holding Plc.'s
(RÁBA Plc)
Annual General Meeting
to be held on April 24, 2008

The published agenda of the General Meeting

- 1./ Report of the Board of Directors on the Company's operations in the previous business year;
- 2./ Report of the Board of Directors on the management, assets and business policy of the Company, about the annual financial statements and proposal for the approval of the normal and consolidated balance sheet as well as proposal for the allocation of the net result; and the submission of report on the Corporate Governance;
- 3./ Written report of the Supervisory Board and the Auditor on the annual financial statements, the report drawn up as per the Act on Accounting, and the allocation of the net result.
- 4./ Discussion of the financial statements (balance sheet, P&L), approval of the balance sheet, and resolution on the allocation of net result; and resolution on the acceptance of the report on the Corporate Governance;
- 5./ Decision on the registered capital increase through private placement – by means of exclusion of subscription priority rights – and issue of new dematerialized ordinary shares in consideration of cash contribution;
- 6./ Decision on acquisition of own shares;
- 7./ The amendment of the Articles of Association and setting the consolidated memorandum thereof;
- 8./ Election of Board Members;
- 9./ *Recall of Supervisory Board Member and election of Supervisory Board Member;*
- 10./ Election of the Auditor and setting their remuneration;
- 11./ Miscellaneous

Item 1-2 on Agenda of General Meeting

**Report of the Board of Directors on the Company's operations
in the previous business year**

**Report of the Board of Directors on the management, assets and business policy of
the Company, about the annual financial statements; proposal for the approval of the
balance sheet and on the allocation of net result;
and submission on the report on the Corporate Governance;**

Financial Statements
in accordance with the Hungarian Act on Accounting
for the FY 2007
of
Rába Járműipari Holding Nyrt.

Statistical number: 11120133-7415-114-08

Court registration number: 08-10-001532

RÁBA Nyrt.

**9027 Győr Martin út 1.
(96) 624-000**

December 31, 2007

Győr, March 30, 2008

Managing Director of the Company

P.H.

**Annual General Meeting of Rába Plc.
April 24, 2008**

Statistical number

11120133-7415-114-08

Court registration number:

08-10-001532

BALANCE SHEET "A" Assets

data in th HUF

a	b	c		e
	Description	Prior year Dec. 31, 2006	Correction in prior year Dec. 31, 2006	Current year Dec 31, 2007
1	A. Fixed assets	16 083 910	0	16 000 130
2	I. INTANGIBLE ASSETS	31 769	0	170 800
3	Capitalized value of formation/reorganization expenses	0	0	0
4	Capitalized value of research and development	0	0	0
5	Concessions, licenses and similar rights	4 310	0	147 434
6	Trade-marks, patents and similar assets	27 459	0	23 366
7	Goodwill	0	0	0
8	Advances and prepayments on intangible assets	0	0	0
9	Adjusted value of intangible assets	0	0	0
10	II. TANGIBLE ASSETS	7 245 987	0	6 327 356
11	Land and buildings and rights to immovables	7 060 113	0	6 213 895
12	Plant and machinery, vehicles	159 222	0	93 043
13	Other equipment, fixtures and fittings, vehicles	18 307	0	17 168
14	Assets in course of construction	0	0	0
15	Payments on account	8 345	0	3 250
16	Adjusted value of tangible assets	0	0	0
17	FINANCIAL INVESTMENTS	0	0	0
18	III. Long-term investments in affiliated undertakings	8 806 154	0	9 501 974
19	Long-term credit to affiliated undertakings	8 805 615	0	9 501 769
20	Other long-term investments	0	0	0
21	Long-term loan to independent undertakings	205	0	205
22	Other long-term loans	0	0	0
23	Securities signifying a long-term creditor relationship	334	0	0
24	Adjusted value of financial investments	0	0	0
25	Befektetett pénzügyi eszközök értékhelyesbítése	0	0	0

Győr, March 30, 2008

P.H.

**Annual General Meeting of Rába Plc.
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BALANCE SHEET "A" Assets

data in th HUF

a	b	c		e
	Description	Prior year Dec. 31, 2006	Correction in prior year Dec. 31, 2006	Current year Dec 31, 2007
26	B. Current assets	5 543 281	-1 369 745	7 254 990
27	I. INVENTORIES	1 896 057	-1 369 745	350 189
28	Raw materials and consumables	3 659	0	11 390
29	Work in progress, intermediate and semi-finished products	0	0	0
30	Young, fattened and other animals	0	0	0
31	Finished products	0	0	0
32	Goods	1 892 398	-1 369 745	338 217
33	Advances and prepayments	0	0	582
34	II. LIABILITIES	3 004 487	0	5 264 766
35	Trade debtors	550 020	0	573 964
36	Receivables from affiliated undertakings	2 380 343	0	3 056 643
37	Receivables from independent undertakings	0	0	0
38	Bills receivable	0	0	0
39	Other receivables	74 124	0	1 634 159
40	III. SECURITIES	629 625	0	577 249
41	Participations in affiliated undertakings	0	0	0
42	Other participations	0	0	0
43	Own shares and own partnership shares	629 625	0	577 249
44	Securities signifying a creditor relationship for trading purposes	0	0	0
45	IV. LIQUID ASSETS	13 112	0	1 062 786
46	Cash, cheques	89	0	333
47	Bank deposits	13 023	0	1 062 453
48	C. Accrued and deferred assets	153 944	0	161 145
49	Accrued income	152 679	0	159 285
50	Accrued expenses	1 265	0	1 860
51	Deferred expenses	0	0	0
52	Total assets	21 781 135	-1 369 745	23 416 265

Győr, March 30, 2008

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**Annual General Meeting of Rába Plc.
April 24, 2008**

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11120133-7415-114-08

Court registration number:

08-10-001532

BALANCE SHEET "A" Liabilities

data in th HUF

a	Description	Prior year Dec. 31, 2006	Correction in prior year Dec. 31, 2006	Current year Dec 31, 2007
a	b	c		e
53	D. Shareholders' Equity	15 791 007	-1 423 209	14 752 493
54	I. ISSUED CAPITAL	13 473 446	0	13 473 446
55	including: ownership shares repurchased at face value	629 625	0	577 249
56	II. ISSUED CAPITAL UNPAID (-)	0	0	0
57	III. CAPITAL RESERVE	11 040 016	0	11 040 016
58	IV. RETAINED EARNINGS	-12 514 748	0	-10 722 913
59	V. TIED-UP RESERVE	629 625	0	577 249
60	VI. REVALUATION RESERVE	0	0	0
61	VII. BALANCE SHEET PROFIT	3 162 668	-1 423 209	384 695
62	E. Provisions	45 507	53 464	349 920
63	Provisions for forward liabilities	45 507	53 464	349 920
64	Provisions for forward expenses	0	0	0
65	Other provisions	0	0	0
66	F. LIABILITIES	5 830 080	0	8 188 550
67	I. SUBORDINATED LIABILITIES	0	0	0
68	Subordinated liabilities to affiliated undertakings	0	0	0
69	Subordinated liabilities to independent undertakings	0	0	0
70	Subordinated liabilities to other economic entities	0	0	0
71	II. LONG-TERM LIABILITIES	22 331	0	0
72	Long-term loans	0	0	0
73	Convertible bonds	0	0	0
74	Debts on issue of bonds	0	0	0
75	Investment and development credits	0	0	0
76	Other long-term credits	22 331	0	0
77	Long-term liabilities to affiliated undertakings	0	0	0
78	Long-term liabilities to independent undertakings	0	0	0
79	Other long-term liabilities	0	0	0

Győr, March 30, 2008

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BALANCE SHEET "A" Liabilities

data in th HUF

Sor- szám	Description	Prior year Dec. 31, 2006	Correction in prior year Dec. 31, 2006	Current year Dec 31, 2007
a	b	c		e
80	III. SHORT-TERM LIABILITIES	5 807 749	0	8 188 550
81	Short-term bank loans	0	0	0
82	- including: convertible bonds	0	0	0
83	Other short-term loans	2 372 114	0	0
84	Advances received from customers	0	0	17 917
85	Accounts payable	333 846	0	434 581
86	Bills payable	0	0	0
87	Short-term liabilities to affiliated undertakings	3 022 292	0	7 554 774
88	Short-term liabilities to independent undertakings	0	0	0
89	Other short-term liabilities	79 497	0	181 278
90	G. Accrued and deferred income	114 541	0	125 302
91	Deferred income	1 178	0	4 853
92	Deferred expenses	113 363	0	120 449
93	Accrued income	0	0	0
94	Total liabilities	21 781 135	-1 369 745	23 416 265

Győr, March 30, 2008

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**Annual General Meeting of Rába Plc.
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PROFIT AND LOSS STATEMENT "A"

(total cost method)

data in th HUF

a	b	c		e
	Description	Prior year Dec. 31, 2006	Correction in prior year Dec. 31, 2006	Current year Dec 31, 2007
1	1 Net domestic sales	1 546 950		1 511 944
2	2 external sales	2 902		714
3	I. Net sales revenue (01+02)	1 549 852	0	1 512 658
4	3 Changes in self-manufactured stocks ±	0		0
5	4 Capitalized value of self-construction	0		0
6	II. Capitalized value of production (±03+04)	0	0	0
7	III. Other income	919 027		1 122 762
8	including: reversed loss in value	7 270		511 917
9	5 Material costs	56 581		36 761
10	6 Contracted services	595 498		661 588
11	7 Other services	50 016		52 069
12	8 Cost of goods sold	3 418		1 331
13	9 Value of services sold	459 010		570 996
14	IV. Material cost (05+06+07+08+09)	1 164 523	0	1 322 745
15	10 Wages and salaries	229 432		215 038
16	11 Other employee benefits	68 633		57 670
17	12 Contributions on wages and salaries	97 279		102 040
18	V. Staff costs (10+11+12)	395 344	0	374 748
19	VI. Depreciation	311 111		279 205
20	VII. Other expenditures	739 949	1 423 209	877 735
21	including: loss in value	1 024		5 112
22	A. PROFIT FROM OPERATING ACTIVITIES (I±II+III-IV-V-VI-VII)	-142 048	-1 423 209	-219 013

Győr, March 30, 2008

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**Annual General Meeting of Rába Plc.
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PROFIT AND LOSS STATEMENT "A"

(total cost method)

data in th HUF

Sor- szám	Description	Prior year Dec. 31, 2006	Correction in prior year Dec. 31, 2006	Current year Dec 31, 2007
a	b	c		e
23	13 Dividends received (receivable)	4 995		614 995
24	including: from affiliated undertakings	3 330		610 000
25	14 Profit from investment sales	0		3 683
26	including: from affiliated undertakings	0		0
27	15 Interest and capital gains on financial investments	0		0
28	including: from affiliated undertakings	0		0
29	16 Other interest and similar income (received or due)	48 672		95 756
30	including: from affiliated undertakings	47 257		91 743
31	17 Other income from financial transactions	5 624 877		860 422
32	VIII. Income from financial transactions (13+14+15+16+17)	5 678 544	0	1 574 856
33	18 Losses on financial investments	0		0
34	including: to affiliated undertakings	0		0
35	19 Interest payable and similar charges	248 182		328 817
36	including: to affiliated undertakings	5 993		4 700
37	20 Losses on shares, securities and bank deposits	9 542		1 265
38	21 Other expenses on financial transactions	50 461		50 570
39	IX. Expenses of financial transactions (18+19+20+21)	308 185	0	380 652
40	B. PROFIT FROM FINANCIAL TRANSACTIONS (VIII-IX)	5 370 359	0	1 194 204
41	C. PROFIT OF ORDINARY ACTIVITIES (±A±B)	5 228 311	-1 423 209	975 191
42	X. Extraordinary income	0		1 154 008
43	XI. Extraordinary expenses	2 022 527		1 744 386
44	D. EXTRAORDINARY PROFIT (X-XI)	-2 022 527	0	-590 378
45	E. PROFIT BEFORE TAXES (±C±D)	3 205 784	-1 423 209	384 813
46	XII. Tax payable	43 116		118
47	F. PROFIT AFTER TAXES (±E-XII)	3 162 668	-1 423 209	384 695
48	22 Retained earnings used for dividends	0		0
49	23 Dividends payable	0		0
50	G. BALANCE SHEET PROFIT (±F+22-23)	3 162 668	-1 423 209	384 695

Győr, March 30, 2008

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**Annual General Meeting of Rába Plc.
April 24, 2008**

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PROFIT AND LOSS STATEMENT "A"

(turnover cost method)

data in th HUF

	Description	Prior year Dec. 31, 2006	Correction in prior year Dec. 31, 2006	Current year Dec 31, 2007
a	b	c		e
1	1 Net domestic sales	1 546 950	0	1 511 944
2	2 Net external sales	2 902	0	714
3	I. Net sales revenue (01+02)	1 549 852	0	1 512 658
4	3 Cost of sales	818	0	584
5	4 Cost of goods sold	3 418	0	1 331
6	5 Value of services sold	459 010	0	570 996
7	II. Direct cost of sales (03+04+05)	463 246	0	572 911
8	III. Gross profit (I-II)	1 086 606	0	939 747
9	6 Sales and marketing costs	0	0	0
10	7 Administration costs	1 386 350	0	1 385 620
11	8 Other general overhead	21 382	0	18 167
12	IV. Indirect cost of sales (06+07+08)	1 407 732	0	1 403 787
13	V. Other income	919 027	0	1 122 762
14	including: reversed loss in value	7 270	0	511 917
15	VI. Other expenditures	739 949	1 423 209	877 735
16	including: loss in value	1 024	1 369 745	5 112
17	A. PROFIT FROM OPERATING ACTIVITIES (±III-IV+V-VI)	-142 048	-1 423 209	-219 013

Győr, March 30, 2008

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**Annual General Meeting of Rába Plc.
April 24, 2008**

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PROFIT AND LOSS STATEMENT "A"

(turnover cost method)

data in th HUF

Sor- szám	Description	Prior year Dec. 31, 2006	Correction in prior year Dec. 31, 2006	Current year Dec 31, 2007
a	b	c		e
18	9 Dividends received from associated undertakings	4 995	0	614 995
19	Dividends received from independent undertakings	3 330	0	610 000
20	10 Profit from investment sales	0	0	3 683
21	including: from affiliated undertakings	0	0	0
22	11 Interest and capital gains on financial investments	0	0	0
23	including: from affiliated undertakings	0	0	0
24	12 Other interest and similar income (received or due)	48 672	0	95 756
25	including: from affiliated undertakings	47 257	0	91 743
26	13 Other income from financial transactions	5 624 877	0	860 422
27	VIII. Income from financial transactions (09+10+11+12+13)	5 678 544	0	1 574 856
28	14 Losses on financial investments	0	0	0
29	including: to affiliated undertakings	0	0	0
30	15 Interest payable and similar charges	248 182	0	328 817
31	including: to affiliated undertakings	5 993	0	4 700
32	16 Losses on shares, securities and bank deposits	9 542	0	1 265
33	17 Other expenses on financial transactions	50 461	0	50 570
34	IX. Expenses of financial transactions (14+15+16+17)	308 185	0	380 652
35	B. PROFIT FROM FINANCIAL TRANSACTIONS (VIII-IX)	5 370 359	0	1 194 204
36	C. PROFIT OF ORDINARY ACTIVITIES (±A±B)	5 228 311	-1 423 209	975 191
37	X. Extraordinary income	0	0	1 154 008
38	XI. Extraordinary expenses	2 022 527	0	1 744 386
39	D. EXTRAORDINARY PROFIT (X-XI)	-2 022 527	0	-590 378
40	E. PROFIT BEFORE TAXES (±C±D)	3 205 784	-1 423 209	384 813
41	XII. Tax payable	43 116	0	118
42	F. PROFIT AFTER TAXES (±E-XII)	3 162 668	-1 423 209	384 695
43	18 Retained earnings used for dividends	0	0	0
44	19 Dividends payable	0	0	0
45	G. BALANCE SHEET PROFIT (±F+18-19)	3 162 668	-1 423 209	384 695

Győr, March 30, 2008

P.H.

Consolidated Financial Statements
in accordance with the International Accounting Standards
for the year ended 31 December 2007
of
Rába Járműipari Holding Nyrt.

RÁBA Jár mű ipari Holding Nyrt.
Consolidated Balance Sheet
as at 31 December 2007

	<u>2006</u>	<u>2007</u>
	<i>th HUF</i>	<i>th HUF</i>
Assets		
Property, plant and equipment	16 783 465	15 976 027
Intangible assets	397 065	487 736
Investment property	338 217	338 217
Investments in equity accounted investees	3 807	1 294 019
Long term receivables	470 394	147 099
Available for sale financial instruments	254 083	263 811
Deferred tax assets	785 326	852 941
Total non-current assets	19 032 357	19 359 850
Inventories	8 561 364	9 321 700
Trade and other receivables	12 127 354	10 965 163
Derivative assets	1 889 667	936 776
Corporate income tax	318	130 952
Financial investments	80 000	80 000
Cash and cash equivalents	577 348	1 711 118
Total current assets	23 236 051	23 145 709
Total assets	42 268 408	42 505 559
Equity and liabilities		
Share capital	12 839 601	12 891 977
Capital reserves	6 854 765	6 852 528
Share based payment reserve	23 745	49 779
Retained earnings	-4 294 675	-2 898 056
Total equity	15 423 436	16 896 228
Provision	643 840	861 906
Non-current loans and borrowings	7 421 767	7 493 240
Total non-current liabilities	8 065 607	8 355 146
Current portion of loans and borrowings	7 824 826	3 936 087
Trade and other payables	10 747 350	13 066 307
Deferred tax liability	207 189	251 791
Total current liabilities	18 779 365	17 254 185
Total equity and liabilities	42 268 408	42 505 559

RÁBA Járműipari Holding Nyrt.
Consolidated Income Statement
for the year ended 31 December 2007

	<u>2006</u>	<u>2007</u>
	<i>th HUF</i>	<i>th HUF</i>
Revenues	51 256 056	58 217 569
Direct cost of sales	-38 729 291	-46 027 961
Gross profit	12 526 765	12 189 608
Sales and marketing expenses	-1 767 087	-1 316 869
General and administrative costs	-9 758 327	-9 603 276
Other incomes	1 338 110	1 101 059
Other expenses	-3 030 315	-1 376 657
Total other operational expenses	-13 217 619	-11 195 743
Results from operating activities	-690 854	993 865
Finance income	7 528 151	2 669 706
Finance expense	-3 165 154	-2 151 142
Net finance income	4 362 997	518 564
Profit before income tax	3 672 143	1 512 429
Income tax expense	-1 402 779	-98 640
Profit for the period	2 269 364	1 413 789

Responsible Corporate Governance Report

**Responsible Corporate Governance Declaration
on Compliance with the Corporate Governance Recommendations**

Annex as enclosure

Item 3 on Agenda of General Meeting

Written report of the Supervisory Board and the Auditor on the annual financial statements, the report drawn up as per the Act on Accounting, and the allocation of the net result

**Report
of the Supervisory Board of Rába Automotive Holding plc
to the Annual General Meeting**

Subject: Report on FY 2007, annual financial statements and a proposal for the allocation of the net result

On the meetings held quarterly in the financial year, the Supervisory Board (SB) discussed and approved the report of the Board of Directors on the quarterly activity of the Company, on its financial management as well as on the most significant events.

The SB continuously followed the operation of the internal audit organizational unit, had its leader report and discussed the reports on internal as well as on follow-up revisions. The SB set the audit plan for the year, and in some cases gave instructions with regard to further monitoring considerations and fields to be monitored.

The SB has been in contact with the Company's auditor and together they discussed the reports of the Board of Directors to be submitted to the Annual General Meeting.

Key Financial Figures of the Company in the Annual Reports in accordance with the Hungarian and International Accounting Standards:

figures in HUF thousand

Description	2006				2007	
	individual	modifications in the last year data	modified individual	consolidated IFRS	Individual	consolidated IFRS
Sales revenue	1 549 852		1 549 852	51 256 056	1 512 658	58 217 569
In which export	2 902		2 902	32 156 589	714	35 264 607
Operating profit	-142 048	-1 423 209	-1 565 257	-690 854	-219 013	993 865
Profit before tax	3 205 784	-1 423 209	1 782 575	3 672 143	384 813	1 512 429
Registered capital	13 473 446		13 473 446	12 839 601	13 473 446	12 891 977
Own equity	15 791 007	-1 423 209	14 367 798	15 423 436	14 752 493	16 896 228
Balance sheet total	21 781 135	-1 369 745	20 411 390	42 268 408	23 416 265	42 505 559
Average headcount	20		20	2899	19	2818

The Supervisory board declares that in the financial year of 2007 the Company's sales revenue on group levels exceeded HUF 58 billion, and its profit before tax is HUF 1,5 billion. Even with tough market competition and in an unfavorable macroeconomic environment, the Company increased its sales revenue, and improved its liquidity. Thanks to the permanent profit-growth, the Company could successfully restructure its loans outstanding. The company, however, is still overtly exposed to forex-based, in particular to USD-based transactions, which influences the profit significantly, but to decreasing extent.

The Company successfully finished the internal structural transformation along the objectives set previously, more particularly the operational efficiency improvement of the Axle and Components Business Units. The SB evaluated the outsourcing of the foundry into a joint venture, which is significant both regarding to the level of the activity and regarding to the profit-growth.

The continuation of the share-option program introduced in the Company was successful among the Company's management and its employees further strengthening their long-term commitment to the Company.

The SB draws the attention that during the FY 2007 the Company has found mistakes in the consolidated financial statements prepared as of 31 December 2006 and for the year then ended. According to this the comparative data were re-determined as of 31 December 2006.

**Annual General Meeting of Rába Plc.
April 24, 2008**

The SB concluded that the report gives an appropriate account of the Company's financial state.

The SB proposes to the General Meeting to approve the non-consolidated and consolidated balance sheets and profit and loss statements of the company for the FY 2007 as well as the proposal of the Board of Directors for the allocation of the net result and the Responsible Corporate Governance Report.

Győr, April 04, 2008

On behalf of the Supervisory Board of Rába plc.

Benedek, János Dr.
Chairman



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Independent Auditor's Report

To the shareholders of Rába Járműipari Holding Nyrt.

We have audited the accompanying 2007 annual report of Rába Járműipari Holding Nyrt. (hereinafter referred to as "the Company"), which comprises the balance sheet as at 31 December 2007, which shows total assets of THUF 23,416,265 and retained profit for the year of THUF 384,695, and the income statement for the year then ended, and the supplementary notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the annual report in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the annual report based on the audit and to assess whether the business report is consistent with the annual report.

The 2006 annual report of the Company was audited by another auditor, who issued a qualified opinion in its Auditor's Report dated 30 March 2007. The reason of the qualification was that the Company disclosed inventories of THUF 1,412,276 which should have been impaired in accordance with 53§ (1) b) of Act on Accounting in Hungary.

We conducted our audit in accordance with the Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our work with respect to the business report was limited to the assessment of the consistency of the business report with the annual report and did not include a review of any information other than that drawn from the audited accounting records of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

This is an English translation of the Independent Auditor's Report on the 2007 statutory Annual Report of Rába Járműipari Holding Nyrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete statutory Annual Report it refers to.



Opinion

We have audited the annual report of Rába Járműipari Holding Nyrt., its components and elements and their accounting and documentary support in accordance with Hungarian National Standards on Auditing and gained sufficient and appropriate evidence that the annual report has been prepared in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. In our opinion, the annual report gives a true and fair view of the financial position of Rába Járműipari Holding Nyrt. as of 31 December 2007, and of its financial performance and of the result of its operations for the year then ended. The business report is consistent with the disclosures in the annual report.

Budapest, 4 April 2008

KPMG Hungária Kft.
1139 Budapest, Váci út 99.
Chamber registration number: 000202

Marcin Ciesielski
Marcin Ciesielski
Partner

Dr. Eperjesi Ferenc
Dr. Eperjesi Ferenc
Registered Auditor
Identification number: 003161

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Independent Auditor's Report

To the shareholders of Rába Járműipari Holding Nyrt.

We have audited the accompanying 2007 consolidated financial statements of Rába Járműipari Holding Nyrt. ("the Company"), which comprise the consolidated balance sheet as at 31 December 2007, which shows total assets of THUF 42,505,559 and retained profit for the year of THUF 1,413,789, and the consolidated income statement, consolidated statement of changes in equity and cash flow statement for the year then ended, and the consolidated supplementary notes including a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on the audit and to assess whether the consolidated business report is consistent with the consolidated financial statements.

The 2006 consolidated financial statements of the Company was audited by another auditor, who issued a qualified opinion in its Auditor's Report dated 6 April 2007. The reason of the qualification was that the Company disclosed non-current assets held for sale of THUF 1,412,276 which should have been impaired in accordance with IAS 36.

We conducted our audit in accordance with the Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

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effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our work with respect to the consolidated business report was limited to the assessment of the consistency of the consolidated business report with the consolidated financial statements, and did not include a review of any information other than that drawn from the audited accounting records of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

We have audited the consolidated financial statements of Rába Jár್ಮűipari Holding Nyrt., its components and elements and their documentary support in accordance with Hungarian National Standards on Auditing and gained sufficient and appropriate evidence that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its consolidated subsidiaries as of 31 December 2007, and of their consolidated financial performance and of the consolidated result of their operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU. The consolidated business report is consistent with the disclosures in the consolidated annual financial statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 6 to the consolidated financial statements. During 2007 errors were discovered in the consolidated financial statements of the Company as at and for the year ended 31 December 2006. The related corresponding figures for 31 December 2006 have been restated accordingly.

Budapest, 4 April 2008

KPMG Hungária Kft.
1139 Budapest, Váci út 99.
Chamber registration number: 000202

Ciesielski Marcin
Ciesielski Marcin
Partner

Dr. Eperjesi Ferenc
Dr. Eperjesi Ferenc
Registered Auditor
Identification number: 003161

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Item 4 on Agenda of General Meeting

**Discussion of the financial statements (balance sheet, P&L), approval of the balance sheet, and resolution on the allocation of net result;
and resolution on the acceptance of the report on the Corporate Governance;**

(Draft) resolution 1/2008.04.24 of the AGM:

The Board proposes to the General Meeting to approve the report of the Board of Directors on the results of the 2007 operations and financial position of Rába Plc. as in the proposal.

(Draft) resolution 2/2008.04.24 of the AGM:

Based on the review by the Supervisory Board, the report of the auditor and the figures in the 2007 annual report, the General Meeting approves the individual and consolidated balance sheet of Rába Nyrt. for 2007 as set forth in the proposal and as follows:

A./

The AGM approves the individual balance sheet, drawn up as per **the Hungarian Act on Accounting**, with a corresponding balance-sheet total of assets and liabilities that is 23.416.265 thousand, and a profit after taxation of HUF 384.695 thousand.

B./

The AGM approves the consolidated balance sheet, drawn up as per **the International Financial Reporting Standards**, with a corresponding balance-sheet total of assets and liabilities that is HUF 42.505.559 thousand, and a profit after taxation of HUF 1.413.789 thousand.

(Draft) resolution 3/2008.04.24 of the AGM:

Based on the proposal of the Board of Directors, the General Meeting resolves that the Company does not pay dividend, and places the profit after taxation into profit reserves.

(Draft) resolution 4/2008.04.24 of the AGM:

With regard to the preliminary approval by the Supervisory Board, the General Meeting approves the Report on Corporate Governance and the Corporate Governance Declaration as per the proposal.

Item 5 on Agenda of General Meeting

Decision on the registered capital increase through private placement – by means of exclusion of subscription priority rights – and issue of new dematerialized ordinary shares in consideration of cash contribution

For the purpose of continuation of the Management Share Option Incentive Program, which has been generating permanent positive affect on the Rába share value since its launching on July 1, 2006, the General Meeting decides to increase the Company's fully paid-in registered capital of HUF 13,473,446,000 (i.e., thirteen billion four hundred and seventy-three million four hundred and forty-six thousand forints) in a value of HUF 650,000,000 (i.e. six hundred and fifty million forints) through private placement of, and, exclusion of subscription priority rights to new dematerialized ordinary shares to be issued in consideration of cash contribution, in accordance with the AGM resolution No. 16/2006. 04.25 on the MSOIP.

(Draft) resolution 5/2008.04.24 of the AGM on the increase of registered capital:

The purpose of the capital increase: is to provide sufficient shares for the second tranche of the Share Option Incentive Program (the „MSOIP“) in accordance with the strategic goals of Rába Plc.

The method and rate of capital increase: share capital increase through private placement of 650,000 pieces, i.e six hundred and fifty thousand pieces of new dematerialized ordinary shares with a face value of HUF 1000 each, with the exclusion of subscription priority rights of shareholders. The new ordinary shares are to be issued at par value and placed with CIB Bank Zrt. that is to be appointed, on the basis of their prior commitment, to take over the new shares.

The issue of ordinary shares takes place on the day of the General Meeting.

The deadline for the commitment to take over the ordinary shares is the day of the General Meeting

Exclusion of priority rights: in accordance with the proposal of the Board of Directors published earlier, the General Meeting excludes the right of priority of the shareholders recorded in the Register of Shareholders pursuant to paragraph 313. § (4) of the Company Act and exclusively appoints the CIB Bank Zrt, the transacting bank of MSOIP, to take over the shares to be issued.

The reason of exclusion of the right of subscription priority to which the shareholders are entitled otherwise pursuant to the law is that the capital increase is necessary for the Company to cover the own share requirements of the 2nd tranche of MSOIP, opened on March 4, 2008, in accordance with the decisions brought by the AGM on this subject earlier. Following the subscription of the increased capital, the Company will re-purchase the new shares as own shares.

In addition, compared to the stock exchange acquisition, the registered capital increase via exclusion of subscription priority rights is also reasonable for the Company in terms of its more favourable affects resulting from the issue through private placement and re-purchase at face value of HUF 1 000 each.

Introduction of CIB Bank Zrt. entitled to take over the shares: CIB Bank Zrt. is the transacting bank of the MSOIP and an important commercial partner of the Company as well.

Following the registered capital increase, the voting rata of the shareholders who held quotas prior to the registered capital increase, will change with cca. -4,6%.

As a result of the registered capital increase, the amount of the Company's registered capital and the number of its ordinary shares as determined by the Articles of Association will change as follows:

**Annual General Meeting of Rába Plc.
April 24, 2008**

Proposed Amendments to Articles of Association:

The change in the registered share capital and the number of shares after the registered capital increase:

The new registered share capital: HUF 14,123,446,000

The share capital of the Company consists of 14,123,446 dematerialized ordinary shares with a face value of HUF 1,000 each.

Payment terms of the ordinary shares issued: the issue value of the shares has to be paid in cash, within 5 (five) working days from the date of decision on registered capital increase. In case of failure in timely payment the provisions of the Articles of Association shall be applied.

Item 6 on Agenda of General Meeting

Decision on acquisition of own shares

The Board of Director proposes that the General Meeting bring **two resolutions** under this item on Agenda.

Under the first resolution, the Board of Directors requests the General Meeting to authorize the Company to purchase, from CIB Bank Zrt., which is appointed to take over the shares constituting the registered capital increase, the new dematerialized ordinary shares created in the course of execution of the registered capital increase through private placement as resolved under the previous item on Agenda, as the purpose of the registered capital increase was to make available the sufficient own shares for the Management Share Option Incentive Program as approved by the shareholders in their AGM resolution No. 16/2006.04.25.

By means of **the second resolution**, the Board of Directors requests the General Meeting to **renew the authorization** granted by **AGM resolution No. 4/2007.04.26.** and repeatedly authorize the Board of Directors in order that the Company acquire own shares to be financed from its assets above the registered capital with aim of the achieving the Company's strategic goals and share value management.

Pursuant to the Company Act which was in force at that time, the authorization in the previous year entitled the Board of Directors to acquire own shares up to the 10% of the existing registered capital, as a maximum.

This authorization was valid for a period of 18 months beginning on April 26, 2007. As the purposes of acquisition of own shares are still unchanged, the Board of Directors proposes to the General Meeting to bring new resolution about the acquisition of own shares with the simultaneous annulment of the relating resolutions brought by the General Meeting last year. The resolution should take into consideration that the new Company Act declared null and void its Article 223. § (2) which provided for an acquisition limit of own shares of 10%. This new rule, however, has no affect on the strict rules prescribing that share acquisition is always subject to special capital conditions.

(Draft) resolution 6/2008.04.24 of the AGM

The Board of Directors proposes that the General Meeting authorizes the Board of Directors to purchase, at the issue price equalling to the face value, the new dematerialized shares, after their creation, in a maximum accumulated face value of HUF 650,000 000 (i.e. six hundred and fifty million forints) and in a quantity up to 650,000 pieces (i.e. six hundred and fifty thousand pieces) as a maximum, which shares are to be issued in the course of the registered capital increase through private placement and via exclusion of subscription priority of shareholders at a face value of HUF 1000 each, as resolved by the AGM resolution No. 5/2008.04.24. The Company purchases the shares from the CIB Bank Zrt. appointed to take over the new shares so issued, over the counter and on the basis of a sale and purchase agreement, to ensure the availability of the required number of treasury shares for the Management Share Option Incentive Program. The minimum and maximum purchase price of Rába dematerialized ordinary shares, to be acquired pursuant to this resolution, is HUF 1000 per piece. The Board of Directors is entitled to exercise its right of acquisition within 60 days from the creation of the new shares.

(Draft) resolution 7/2008.04.24 of the AGM

The General Meeting resolves that it cancels its resolution No. 4/2007.04.26. and, in addition to the authorization contained in resolution No. 6/2008.04.24, authorizes the Board of Directors to acquire own shares with a face value of HUF 1000 each, from the Company's assets above the share capital in accordance with paragraphs 223 and 224 of the Company Act in

order to safeguard the share price and facilitate the achievement of the strategic objectives of the Company.

The total accumulated face value of the own shares acquired or owned by the Company in excess of the quantity of own shares necessary for the MSOIP, may never exceed the 10 % of the ever existing registered capital.

The own shares may be acquired with 18 months from the date of resolution.

The minimum purchase price shall be no less than the face value of the shares, and the maximum purchase price shall be no more than the closing trading price before the day of the acquisition +10%.

Item 7 on Agenda of General Meeting

The amendment of the Articles of Association and setting the consolidated memorandum thereof;

Article 5 The new scope of activities as per TEÁOR'08 (changes according to the law)

RÁBA's SCOPE OF ACTIVITIES ACCORDING TO TEÁOR'08:

5. The Company's scope of activities.

<u>According to TEÁOR '03</u>	<u>According to TEÁOR '08</u>
22.13 Publication of periodicals	58.14 Publication of journals, periodicals
50.10 Motor vehicle trade	45.11 Passenger car- , light automotive vehicle trade 45.19 Other motor vehicle trade
50.30 Motor vehicle parts trade	45.31 Motor vehicle parts whole sale 45.32 Motor vehicle parts retail trade
51.57 Wholesale of waste materials	46.77 Wholesale of waste materials
51.86 Wholesale of other electronic parts;	46.52 Wholesale of electronic, telecommunication facilities and parts thereof
51.87 Wholesale of other industrial, trade and navigation equipment	46.69 Wholesale of other equipments, facilities
51.90 Other wholesale	46.90 Wholesale of miscellaneous goods
65.21 Financial leasing	64.91 Financial leasing
65.22 Other lending activity	64.92 Other loan lending activity
70.11 Real estate investment and sale	41.10 Organization of building construction projects
70.20 Property rental and management	68.20 Rental and management of private real estate
72.10 Hardware consulting	62.02 Information technology consulting
72.22 Other software consulting and supply	62.01 Computer programming 62.02 Information technology consulting 62.09 Other information technology services
73.10 Engineering, research and development	72.19 Other natural scientific, engineering, research and development
74.12 Accounting and tax advisory activity, with the exception of auditing activities	69.20 Accounting, auditing and tax advisory activity, (with the exception of auditing activities)
74.14 Administrative consulting	70.21 PR, communication 70.22 Administrative, other management consulting 74.90 Other, non-classified professional, scientific, engineering activity 85.60 Supplementary activity to education
74.15 Asset management – core activity	64.20 Asset management (holding) 70.10 Business management – core activity
74.20 Engineering activity, consulting	71.11 Architect engineering activity 71.12 Engineering activity, engineering consulting 74.90 Other, non-classified professional, scientific, engineering activity
74.30 Engineering tests and analyses	71.20 Engineering tests and analyses
74.87 Other, non-classified business services;	63.99 Other, non-classified information services 74.90 Other, non-classified professional, scientific, engineering activity 77.40 Lending of immaterial assets 82.30 Organization of conferences and exhibits 82.99 Other, non-classified supplementary business Services
80.42 Other, non-classified adult and other education	85.32 Professional secondary education 85.59 Other, non-classified education
92.51 Library, archiving activity	91.01 Library, archiving activity

Under 64.91 - Financial leasing and 64.92 - Other loan lending activity, the Company is engaged solely in lending, guarantee and financial leasing activities between the Company and the enterprises under its control, not subject to a licence and not regarded as financial leasing.

ing or lending activities pursuant to Annex 2 of Act CXII of 1996 on lending institutions and financial enterprises.

Article 7.5 The registered share capital, the shares (with regard to the registered capital increase through private placement)

Article 13 **The competence of the General Meeting**
In Article 13.h. instead of “decision about the approval of the enterprise corporate governance report” “decision about the approval of the corporate governance report”

Article 16 **Convocation of the General Meeting of Shareholders**
Article 16.5 is deleted
16.5 The documents to be inspected by the shareholders in the case of an annual general meeting of shareholder shall include the balance sheet, the profit and loss account for the previous year, the reports of the Board of Directors, the Supervisory Board and of the auditor for the previous year, together with the comments to the balance sheet and other proposals for the general meeting in the case of all general meetings. Written proposals can be inspected at the seat of the Company from the 15th day preceding the general meeting.

(Draft) resolution 8/2008.04.24 of the AGM on the amendment of Articles of Association

In accordance with the proposal, the general meeting resolves about the amendment of the Articles of Association as shown in the Appendix to the Minutes of the Annual General Meeting.

(Draft) resolution 9/2008.04.24 of the AGM

The general meeting resolves to integrate the amendments to the Articles of Association of RÁBA Plc which were accepted under resolution 8/2008.04.24 and approves the consolidated version thereof. The General Meeting authorizes the Company’s attorney at law to set the consolidated memorandum and countersign it as an attorney at law.

The Board of Directors has to arrange that the new registered capital and the relating number of shares resulted from the registered capital increase through private placement as accepted under resolutions 5/2008 04.24 be integrated into the Articles of Association.

Item 8 on Agenda of the General Meeting

Election of Board Members

The mandate of István Pintér, the Chairman of the Board and the mandate of Róbert Hrabovszki, a member of the Board expire on the day of the General Meeting.

According to the Articles of Association, the Board of Directors consists of five members. Therefore two new members have to be elected. In compliance with the preliminary agreements among the shareholders, I propose to the General Meeting to re-elect Mr. István Pintér and Mr. Róbert Hrabovszki as an unchanged member of the Board of Directors for further certain period of time.

(Draft) resolution 10/2008.04.24 of the AGM:

The general meeting re-elects Mr. István Pintér as a member of the Board of Directors for the period ending with the annual general meeting closing the 2012 business year, until April 30, 2013, the latest.

(Draft) resolution 11/2008.04.24 of the AGM:

The general meeting re-elects Mr. Róbert Hrabovszki as a member of the Board of Directors for the period ending with the annual general meeting closing the 2012 business year, until April 30, 2013, the latest.

Item 9 on Agenda of the General Meeting

Recall of Supervisory Board Member and election of Supervisory Board Member

Shareholder's submission

Item 10 on Agenda of General Meeting

Election of the Auditor and setting their remuneration

The appointment of the auditor of the company expires at the AGM. According to the proposal of the Audit Committee, the General Meeting is suggested to appoint **KPMG Hungária Ltd.** as auditor in the future too.

(Draft) resolution 12/2008.04.24 of the AGM:

The general meeting appointed KPMG Hungária Ltd. as auditor until the general meeting closing the financial year 2008. Mr. Dr. Eperjesi Ferenc (registered number: 003161) is the auditor in charge on behalf of the appointed company. The general meeting authorise the Chairman of the Board of Directors and the CEO of the company to execute a contract with the auditor for the period of the appointment at an auditor fee of HUF 25 million + VAT.

Item 11 on Agenda of General Meeting

Miscellaneous