LOOKING AHEAD TO 2020.

Report for the 3rd Quarter 2013

Quarterly Overview

Earnings indicators (in € million)	Q3/2013	Q2/2013	Delta	Q1/2013	Q4/2012	Q3/2012
Revenues	427.4	445.2	(4.0)%	425.5	463.0	459.9
EBITDA	**50.2**	**102.2**	**(50.9)%**	**65.9**	**48.4**	**72.8**
Operating result[1)]	32.2	27.2	18.4%	49.4	31.8	50.3
EBIT	30.7	84.0	(63.5)%	49.4	33.3	56.6
Financial result	(7.2)	(10.2)	29.4%	(10.5)	(6.6)	(7.3)
Results from associates	1.5	1.8	(16.7)%	1.9	0.9	1.2
Profit before income taxes	25.0	75.6	(66.9)%	40.8	27.6	50.5
Income taxes	(7.1)	(15.1)	53.0%	(18.0)	0.3	(27.2)
Profit	17.9	60.5	(70.4)%	22.8	27.9	23.3
EBITDA %	11.7%	23.0%	(11.3)pp	15.5%	10.5%	15.8%
EBIT %	7.2%	18.9%	(11.7)pp	11.6%	7.2%	12.3%
Profit %	4.2%	13.6%	(9.4)pp	5.4%	6.0%	5.1%

Cash flow indicators (in € million)	Q3/2013	Q2/2013	Delta	Q1/2013	Q4/2012	Q3/2012
Cash flow from operating activities	**53.7**	**25.5**	**110.6%**	**37.8**	**69.7**	**43.0**
Cash flow from investing activities	(14.1)	(8.3)	69.9%	(60.1)	(59.7)	(36.9)
Cash flow from financing activities	12.4	(45.2)	(127.4)%	(12.0)	(56.9)	120.8
Free Cash flow	39.6	17.2	130.2%	(22.3)	10.0	6.1

Balance sheet indicators (in € million)	Q3/2013	Q2/2013	Delta	Q1/2013	Q4/2012	Q3/2012
Balance sheet total	1,818.3	1,824.1	(0.3)%	1,887.0	1,850.3	1,888.5
Equity	525.6	525.6	0.0%	511.6	480.5	492.8
Equity ratio (in %)	28.9%	28.8%	0.1pp	27.1%	26.0%	26.1%
Net debt	430.8	464.2	(7.2)%	444.6	418.5	424.4
Gearing-Ratio (in %)*	82.0%	88.3%	(6.3)pp	86.9%	87.1%	86.1%
Net debt / (EBITDA x 4)	**2.1**	**1.1**	**90.9%**	**1.7**	**2.2**	**1.5**
Working Capital	513.1	542.9	(5.5)%	514.1	479.6	528.2
Working Capital %	30.0%	30.5%	(0.5)pp	30.2%	25.9%	28.7%
Capital Employed	1,221.5	1,271.3	(3.9)%	1,220.6	1,184.4	1,183.8
Return on capital employed (in %)	**7.6%**	**22.1%**	**(14.5)pp**	**10.4%**	**11.4%**	**10.1%**

Stock exchange indicators (Vienna)	Q3/2013	Q2/2013	Delta	Q1/2013	Q4/2012	Q3/2012
Number of shares (million units)	39.819	39.819	0.0%	39.819	39.819	39.819
Closing price (in €)	24.40	26.75	(8.8)%	25.26	24.90	20.69
Market capitalization (in € million)	**972**	**1,065**	**(8.8)%**	**1,006**	**991**	**824**
Earnings per share (in €)	0.44	1.51	(70.9)%	0.57	0.71	0.58
Price-earnings ratio	**13.9**	**4.4**	**215.9%**	**11.1**	**8.8**	**8.9**

1) EBIT before impairment and restructuring expenses and result from Chapter 11 proceedings
* excluding non-current provisions for pensions, termination benefits and service anniversary bonuses
Working Capital: Inventories + Trade receivables and receivables from long-term construction contracts – Trade payables – Prepayments received
Capital Employed: Property, plant and equipment + Goodwill + Other intangible assets + Working Capital
Return on capital employed: (EBIT - Taxes) / average Capital Employed

Economic Environment

The International Monetary Fund reduced growth prospects for 2013 for the sixth consecutive time to now 2.9%.

Despite signs of a gradual economic recovery in the advanced economies, the International Monetary Fund reduced its growth prospects for the years 2013 and 2014 for the sixth consecutive time in its "World Economic Outlook". While growth of 4.1% and 4.4% respectively was forecast in April 2012, expectations have now been lowered to 2.9% and 3.6%. In the advanced economies the situation has stabilized, whereas growth in the emerging markets fell short of expectations due to cyclical factors and a slowdown of potential growth. The International Monetary Fund sees two primary challenges that the emerging markets are confronted with: slower growth on the one hand and tighter financial conditions worldwide on the other. The former should be countered by strengthening domestic consumption and eliminating obstacles for foreign investments. With a view to the expected wind-down of the expansive monetary policy of the US Federal Reserve, which is highly likely to cause further capital outflows from the emerging economies, the Fund recommends allowing a corresponding devaluation of the currencies. Moreover, the IMF calls for implementing the banking union planned in the euro zone as soon as possible in order to eliminate the fragmentation, which currently exists in the banking sector.

At the end of the year 2012, the European heads of state and government agreed on a single supervisory mechanism headed by the European Central Bank, which is to directly supervise the roughly 130 largest banks in the euro area. In early July, the European Commission presented a single resolution mechanism for the planned European banking union, with the objective to ensure that the resolution of banks faced with economic difficulties can be managed efficiently and with minimal costs to taxpayers and the real economy. The resolution costs should in the future primarily be borne by shareholders, bond holders and customers with bank balances exceeding € 100,000. The final step towards the creation of the Banking Union is still pending with the reform of deposit protection.

In September the Markit Purchasing Manager Index in the euro area rose to the highest value since June 2011, thus indicating a gradual recovery of the economy.

First successes of the reforms introduced to enhance competitiveness in Europe are already reflected in a positive development of leading economic indicators. According to the Markit Purchasing Managers Index, the euro area recorded the strongest growth in more than two years in the third quarter, thus indicating a gradual recovery of the economy. In July, the composite Purchasing Managers Index of industry and services exceeded the 50-point mark, which signals economic growth, for the first time, and in September rose to a highest level since June 2011. This development is attributable to an increase in both domestic and export demand. The highest growth rates were recorded in Italy, Germany and France.

Following long accession negotiations, Croatia joined the European Union as the 28th member state as of July 1, 2013. Like the entire Balkans region, Croatia is suffering from a slump in economic growth after the boom years preceding the financial crisis.

In China, the new government is stepping up the fight against corruption. In the past months, numerous high-ranking officials and board members of state enterprises were arrested. The objective of this line of action is to counteract the danger that the misconduct of officials undermines the communist party's claim to power.

The Fed surprised markets with the announcement that it would continue to buy government bonds worth USD 85 billion per month.

In the United States, the Federal Reserve's announcement that it would continue to buy government bonds and mortgage-backed securities of USD 85 billion per month surprised the financial markets, which would have expected a gradual reduction of the intervention support due to improved economic data. As a result of this decision, the dollar devalued against the euro and the stock markets reached new record levels.

Assets, Financial and Earnings Position

Despite a decrease in sales volume by some 10% compared with 2011, revenues were increased slightly by 1% in the first nine months of the year 2013.

The RHI Group's sales volume declined slightly by 2.8% in comparison with the second quarter of 2013 and totaled roughly 422,000 tons in the third quarter of 2013 (third quarter of 2012: 449,000 tons). While the Steel Division recorded a drop by 4.6% compared with the preceding quarter due to seasonal fluctuations, sales volume of the Industrial Division decreased slightly by 1.0%. In this segment, a massive decline in the glass business was nearly offset by increasing volumes in the business units cement/lime and environment, energy, chemicals.
While in the first nine months of the year 2011 some 1,444,000 tons had been sold, sales volume only amounted to 1,294,000 tons two years later. This decrease in quantity is attributable to the weaker economic environment, especially in Europe, and the consistent implementation of the sales strategy focusing on profitability. Despite a decline in sales volume by roughly 10%, revenues increased slightly by some 1% in the first nine months of 2013 in comparison with the 2011 reference period.

EBIT is adversely affected by technical problems of the newly established fusion plant in Norway and negative foreign currency effects totaling roughly € 15 million.

In the third quarter of 2013, revenues fell to € 427.4 million, down 4.0% on the previous quarter. While the revenues of the Steel Division declined by 3.6% because business in Europe was weaker than expected, the Industrial Division's revenues fell by 4.7% especially due to the postponement of projects in the business unit glass. The operating result in the past quarter amounted to € 32.2 million and is burdened by technical problems in the newly constructed fusion plant in Norway totaling roughly € 12 million, and by negative currency effects. Compared with the operating result of the second quarter of 2013, which was adversely affected by negative one-off effects of € 11 million, this corresponds to an increase by 18.4%. The operating result margin rose from 6.1% to 7.5%. EBIT amounted to € 30.7 million in the third quarter of 2013 and was influenced by write-offs of € 1.9 million in China resulting from product and process enhancements. The EBIT margin amounted to 7.2% in the past quarter. The tax rate stood at 28.4%. The tax rate calculated from the cash flow item "income taxes paid" amounts to 61.2% and includes advance payments of € 7.1 million for past tax assessment periods.

In comparison with the third quarter of 2012, sales volume fell by 6.0% and revenues by 7.1%. This is due to the fact that a major contract in the ferrochrome segment was completed last year, and to the weaker development of the European steel and glass business. The operating result dropped by 36.0% in comparison with the reference quarter of 2012. The operating result margin decreased from 10.9% to 7.5%.

Net cash flow from operating activities increased to € 53.7 million.

Equity amounted to € 525.6 million at the balance sheet date on September 30, 2013, after € 480.5 million at December 31, 2012. The equity ratio thus rose from 26.0% at the end of the financial year 2012 to 28.9% as of September 30, 2013. Cash and cash equivalents rose from € 121.3 million in the second quarter of 2013 to € 170.3 million due to strong cash flow generation. Consequently, net debt fell from € 464.2 million to € 430.8 million. The gearing ratio declined from 88.3% to 82.0%. Net cash flow from operating activities amounted to € 53.7 million and cash flow from investing activities to € (14.1) million in the past quarter.

The number of employees declined slightly from 8,420 in the second quarter of 2013 to 8,348.

Segment Reporting

The changes in the RHI Management Board as of July 1, 2013 led to a minor adaptation in the organizational structure of the Raw Materials Division, in which all raw materials have now been pooled in one organizational unit. In addition to the purchase of raw materials and the sale of raw materials, this unit also includes the RHI Group's own raw material production. This leads to a slight change in cost allocation, which only has an effect on segment reporting in 2013. Consequently, the results are shifted slightly between the three divisions. The group result remains unchanged.

	Q1/2013		Q2/2013	
in € million	After reclassification	As published	After reclassification	As published
Revenues	**425.5**	**425.5**	**445.2**	**445.2**
Steel Division	256.5	256.5	286.3	286.3
Industrial Division	159.7	159.7	147.7	147.7
Raw Materials Division				
External revenues	9.3	9.3	11.2	11.2
Internal revenues	63.2	63.2	59.3	59.3
Operating result[1)]	**49.4**	**49.4**	**27.2**	**27.2**
Steel Division	21.9	20.5	14.6	14.3
Industrial Division	26.6	25.5	11.1	10.7
Raw Materials Division	0.9	3.4	1.5	2.2
Operating result margin	**11.6%**	**11.6%**	**6.1%**	**6.1%**
Steel Division	8.5%	8.0%	5.1%	5.0%
Industrial Division	16.7%	16.0%	7.5%	7.2%
Raw Materials Division	1.2%	4.7%	2.1%	3.1%
EBIT	**49.4**	**49.4**	**84.0**	**84.0**
Steel Division	21.9	20.5	51.0	50.8
Industrial Division	26.6	25.5	29.6	29.2
Raw Materials Division	0.9	3.4	3.4	4.0
EBIT margin	**11.6%**	**11.6%**	**18.9%**	**18.9%**
Steel Division	8.5%	8.0%	17.8%	17.7%
Industrial Division	16.7%	16.0%	20.0%	19.8%
Raw Materials Division	1.2%	4.7%	4.8%	5.7%

1) before impairment and restructuring expenses and result from Chapter 11 proceedings

	9M/2013	9M/2012	Q3/2013	Q2/2013[1]	Q1/2013[1]	Q4/2012	Q3/2012
Sales (thousand tons)	1,294	1,394	422	434	438	456	449
in € million							
Revenues	**1,298.1**	**1,372.7**	**427.4**	**445.2**	**425.5**	**463.0**	**459.9**
Steel Division	818.8	848.0	276.0	286.3	256.5	264.7	272.1
Industrial Division	448.1	487.0	140.7	147.7	159.7	186.9	174.8
Raw Materials Division							
External revenues	31.2	37.7	10.7	11.2	9.3	11.4	13.0
Internal revenues	178.1	144.2	55.6	59.3	63.2	44.3	46.7
EBITDA	**218.3**	**181.0**	**50.2**	**102.2**	**65.9**	**48.4**	**72.8**
EBITDA margin	16.8%	13.2%	11.7%	23.0%	15.5%	10.5%	15.8%
Operating result[2]	**108.8**	**132.6**	**32.2**	**27.2**	**49.4**	**31.8**	**50.3**
Steel Division	57.3	50.2	20.8	14.6	21.9	3.8	16.5
Industrial Division	50.5	65.1	12.8	11.1	26.6	26.7	29.1
Raw Materials Division	1.0	17.3	(1.4)	1.5	0.9	1.3	4.7
Operating result margin	**8.4%**	**9.7%**	**7.5%**	**6.1%**	**11.6%**	**6.9%**	**10.9%**
Steel Division	7.0%	5.9%	7.5%	5.1%	8.5%	1.4%	6.1%
Industrial Division	11.3%	13.4%	9.1%	7.5%	16.7%	14.3%	16.6%
Raw Materials Division	0.5%	9.5%	(2.1)%	2.1%	1.2%	2.3%	7.9%
EBIT	**164.1**	**134.3**	**30.7**	**84.0**	**49.4**	**33.3**	**56.6**
Steel Division	94.0	45.0	21.1	51.0	21.9	5.1	15.9
Industrial Division	69.1	64.7	12.9	29.6	26.6	27.1	28.7
Raw Materials Division	1.0	24.6	(3.3)	3.4	0.9	1.1	12.0
EBIT margin	**12.6%**	**9.8%**	**7.2%**	**18.9%**	**11.6%**	**7.2%**	**12.3%**
Steel Division	11.5%	5.3%	7.6%	17.8%	8.5%	1.9%	5.8%
Industrial Division	15.4%	13.3%	9.2%	20.0%	16.7%	14.5%	16.4%
Raw Materials Division	0.5%	13.5%	(5.0)%	4.8%	1.2%	2.0%	20.1%
Financial result	**(27.9)**	**(14.7)**	**(7.2)**	**(10.2)**	**(10.5)**	**(6.6)**	**(7.3)**
Results from associates	5.2	4.4	1.5	1.8	1.9	0.9	1.2
Profit before income taxes	**141.4**	**124.0**	**25.0**	**75.6**	**40.8**	**27.6**	**50.5**
Income taxes	(40.2)	(38.4)	(7.1)	(15.1)	(18.0)	0.3	(27.2)
Income taxes in %	28.4%	31.0%	28.4%	20.0%	44.1%	(1.1)%	53.9%
Profit	**101.2**	**85.6**	**17.9**	**60.5**	**22.8**	**27.9**	**23.3**
Earnings per share in €[3]	2.52	2.15	0.44	1.51	0.57	0.71	0.58

1) after reclassification (see page 5)

2) EBIT before impairment and restructuring expenses and result from Chapter 11 proceedings

3) basic and diluted

Steel Division

In October, the World Steel Association revised its growth prospects for global steel demand slightly upwards. While increases of 2.9% for the year 2013 and 3.2% for the year 2014 were assumed in April, estimates now amount to 3.1% and 3.3% respectively. The distribution of growth, however, shows great regional differences. The expectations regarding the development of steel demand were adjusted upwards for the emerging markets, whereas the forecast for the advanced economies was lowered. For Europe, for example, the World Steel Association significantly reduced the expected demand for the years 2013 and 2014 from (0.5)% and 3.3% respectively to (3.8)% and 2.1%. The forecast for North America was also adjusted from 2.9% to 0.2% for the year 2013. In the coming year, however, the demand for steel in this region is expected to increase to 3.2%. The future development of global steel demand will strongly depend on the Asian markets due to their size. Here, the World Steel Association anticipates that a decline in the high growth rates in China can be compensated by stronger demand in Southeast Asia and India.

The World Steel Association revised growth prospects for steel demand in the advanced economies downwards.

The development of crude steel production was split in the first nine months of 2013. While China increased its output by 8.0% compared to the same period of 2012, no region outside of Asia recorded any growth. In the European Union, for example, and surprisingly also in North America, steel production fell by approximately 4%. Following a weak start to the year, this development appears to have bottomed out now. Consequently, steel output remained constant in comparison with the third quarter of 2012. Compared with the second quarter of 2013, however, global steel production declined by roughly 1% due to a slowdown of economic growth in China and seasonal effects in Europe.

in million tons	9M/2013	9M/2012	Delta	Q3/2013	Q2/2013	Delta
China	587.4	543.9	8.0%	197.2	197.3	(0.0)%
World ex China	598.8	610.9	(2.0)%	198.7	202.4	(1.8)%
thereof EU28	123.8	129.2	(4.2)%	39.9	42.8	(6.8)%
thereof North America	88.9	92.7	(4.1)%	30.2	29.0	4.1%
World	**1.186.2**	**1.154.8**	**2.7%**	**395.9**	**399.7**	**(1.0)%**

Source: World Steel Association

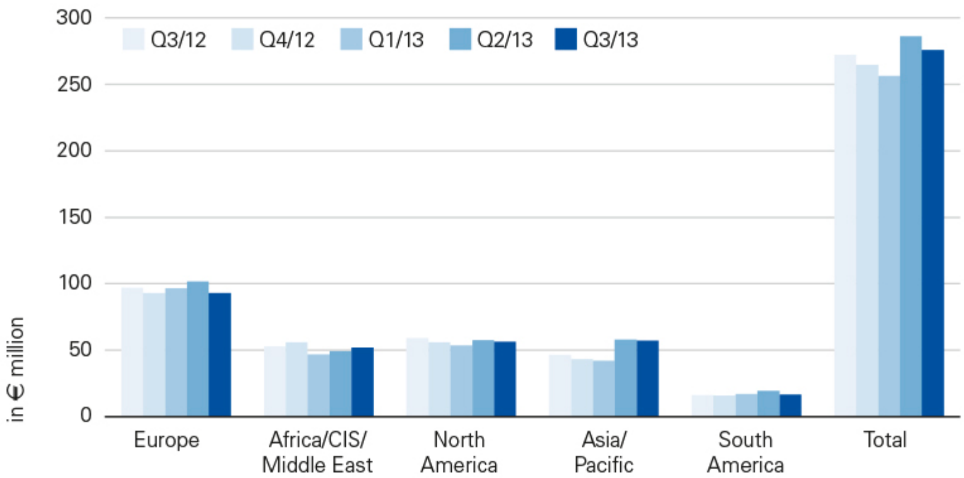
Sales volume in the Steel Division dropped by 4.6% to some 293,000 tons compared with the second quarter of 2013, which was due to lower demand in Europe resulting from scheduled plant shutdowns during the summer months. The decline in revenues, at 3.6%, was slightly lower because of improvements in product mix. In comparison with the same period of the previous year, sales volume was down 3.3%, while revenues rose by 1.4% due to the acquisition of the Indian Orient Refractories in late April 2013.

Revenues in the Steel Division, at € 276.0 million in the third quarter of 2013, fell short of the revenues of the second quarter of 2013 with € 286.3 million, but exceeded revenues of the comparative period of 2012 with € 272.1 million. The operating result rose from € 14.6 million in the second quarter of 2013 to € 20.8 million in the third quarter of 2013. It thus also exceeded that of the comparable quarter in 2012 of € 16.5 million. The operating result margin amounted to 7.5% and was higher than in the preceding quarter, at 5.1%, and also than in the 2012 reference period.

The decline in revenues is attributable to weaker demand in Europe due to scheduled plant shutdowns during the summer months.

Revenues developed as shown below in the past five quarters:

Development of revenues



EMEA

The positive development of macroeconomic leading indicators in Europe is not yet reflected in a higher level of incoming orders.

In an ongoing challenging market environment in Europe, revenues dropped in the third quarter of 2013 in comparison with the previous quarter due to scheduled customer shutdowns in Southern Europe during the summer months. While the decrease in revenues was moderate in the linings segment, the flow control segment recorded a double-digit decline in revenues. This development was influenced in particular by weak order volumes in Spain and Italy.

After Italy's largest steel manufacturer had been put under state control in late June, the Italian tax authority seized assets of roughly one billion euros due to alleged tax offences. As a result, five electric arc furnaces had to be closed down immediately. RHI cut back its business volume in this market due to reduced credit insurance.

In the European market, steel manufacturers are still confronted with an imbalance of supply and demand, which causes prices to fall and the realizable margins to dwindle. This year, the consumption of steel in Europe is a third lower than before the economic crisis. Due to the weak demand situation in Europe, many producers are forced to further intensify the cost-saving measures that had already been introduced. As a result, further job cuts have to be expected in the steel industry in the coming months.

The positive development of leading macroeconomic indicators in Europe is not yet reflected in a higher order level in the steel industry. An increase in the demand for steel can only be expected once the positive trend in the most recently reported sales figures in the steel manufacturers' customer industries proves to be sustainable. Consequently, the refractory industry is likely to benefit from an upswing in Europe with a delay.

North America

After a decline in steel output of roughly 6.5% in the first half of 2013 on the comparative period of the previous year, steel output stabilized at the level of the preceding quarters. As the economic upswing, which is primarily driven by strong domestic demand and a recovery in the US housing market, is strengthening, an increase in steel output can be expected in the upcoming quarters. In addition, experts expect a reindustrialization in the United States in the years to come due to the massive drop in energy prices resulting from the development of shale oil and shale gas deposits. Especially energy-intensive industries such as the chemical industry have already made multi-billion investments in the establishment and expansion of production capacities in the USA. The steel industry benefits directly from the access to cheap energy, which increases the competitiveness of local producers, and indirectly through the expected growth in its customer industries. Due to the high share of energy costs in total costs, especially modern electric steel mills, which account for nearly 60% of the overall steel market in the United States, enjoy a major cost advantage. RHI strives to participate in this development and is evaluating the options for its own production facility.

Modern electric steel mills enjoy a massive competitive advantage in the USA due to their access to cheap energy and the high share of energy costs in total costs.

In the third quarter of 2013, revenues declined slightly compared to the preceding quarter due to the increase in the euro-dollar exchange rate. While flow control revenues saw a positive development especially in the sliding gates segment in the USA, ladle business could not repeat the strong performance of the second quarter. RHI concentrates on sustainable profitability also in this region, which is to be achieved especially through products which in addition to their performance properties also offer customers additional benefits and are difficult to copy, and by expanding the service component.

South America

In the South American steel market, a certain stabilization can be observed after the decrease in production volume of some 4.0% in the first half of 2013 compared with the same period of the previous year. Due to the devaluation of the local currencies in the past months, the competitiveness of South American producers increased significantly versus steel imports. In addition, the local Brazilian market was largely closed off as new anti-dumping duties were imposed on steel imports from China, South Korea, South Africa and the Ukraine. High inflation rates, the current account deficit, which has been increasing since 2007, declining exports and falling raw material prices still burden economic growth in Brazil. The Soccer World Cup held in the year 2014 and the Olympics, which will take place in 2016, have led to anticipated infrastructure projects. As economic growth has slumped in other countries following major sports events, there is no hope for a fast economic recovery in Brazil.

Due to the devaluation of the Brazilian real, the competitiveness of local producers versus imports rose significantly.

Although the local currencies devalued against the euro, revenues were maintained stable in the third quarter of 2013 in comparison with the preceding quarter. A weaker contribution to revenues of the Brazilian ladle and converter business was compensated by a positive development in the electric arc furnace and ladle business in Venezuela, where new deliveries became possible after payments had been received.

Asia/Pacific

Chinese producers try to gain market share in the Asia/Pacific region due to slower growth of the domestic economy.

The competitiveness of steel manufacturers in the Asia/Pacific region is suffering from higher input costs resulting from the devaluation of local currencies in the past months. Especially raw materials, which are often traded in US dollars, became more expensive. In addition, local producers are increasingly confronted with Chinese steel imports. Chinese manufacturers are also trying to gain market share in the refractories market because of the low growth level in the domestic economy. Due to its long-standing presence in the market and the strong service business, RHI considers itself in a good position to remain successful in the market. In addition, production sites in India and China support the market position in the region.

In the third quarter of 2013, revenues declined slightly compared with the previous quarter, which was, amongst other things, due to changes in exchange rates. In particular, revenues in the ladle business did not match the high level of the second quarter.

Orient Refractories Ltd., in which RHI has held 69.6% of the share capital since late April, contributed € 11.7 million to revenues and € 2.7 million to the EBIT of the RHI Group in the third quarter. As this company also invoices in US dollars and euros, the EBIT was positively influenced by exchange rate effects amounting to € 0.3 million. The EBIT margin thus amounted to 23.1%.

China

The Chinese industry ministry presented an action plan for the rapid elimination of excess capacity in China's heavy industry in late July.

While all regions outside Asia recorded a decline in steel output in the first nine months of 2013, the production volume in China increased by 8.0% to roughly 587 million tons. China's share in world steel production consequently amounts to some 50% now, as compared with a share of roughly 20% ten years ago. Annual double-digit market growth and an even faster expansion of production capacities caused high excess capacities, not only in the steel industry. The new Chinese government has made it its goal to eliminate these surplus capacities. While in the year 2007 the average capacity utilization in the Chinese industry amounted to some 80% according to calculations of the International Monetary Fund, it has now fallen to only about 60%. This decline was, amongst other things, due to the economic stimulus packages introduced during the financial crisis and the collapsing export business. As a result of existing excess capacities, decreasing Chinese producer prices have been observed for the last two years. The average steel price, for example, dropped by roughly 15% compared with the previous year.

The Chinese government tries to shift the strongly investment-driven growth more towards domestic consumption through structural reforms. In late July, the industry ministry presented an action plan for the rapid elimination of excess capacities in the Chinese heavy industry, which provides for production restrictions for roughly 1,500 companies and the dismantling of production capacities by the end of the year at the latest. The specific effects of this action plan can currently not be assessed yet. However, experts speak of a symbolic character and a signal to the Chinese industry to increase its willingness to adapt. With regard to the refractory industry, RHI expects consolidation to progress within the next few years in a market with more than 3,000 competitors.

Industrial Division

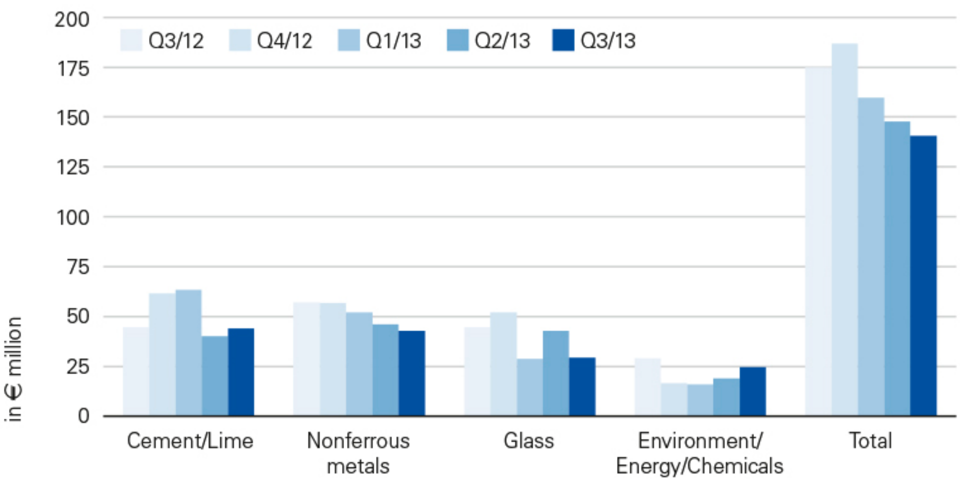
Sales volume in the Industrial Division fell by 1.0% compared with the second quarter of 2013 and amounted to roughly 97,000 tons. Revenues dropped by 4.7% due to a change in product mix and the postponement of projects to the fourth quarter of 2013 in the business unit glass. Compared with the same period of the previous year, sales volume decreased by 14.9% and revenues by 19.5%. This is primarily attributable to the end of a major contract for a ferrochrome project in Kazakhstan and a weaker development in the glass business.

The decline in revenues is attributable to project postponements in the business unit glass and a change in product mix.

In the third quarter, revenues of the Industrial Division amounted to € 140.7 million, which corresponds to a decline compared to the second quarter of 2013 with € 147.7 million and also compared to the revenues in the same period of 2012 with € 174.8 million. As fixed costs were not sufficiently covered as a result of low capacity utilization at the production facilities, the operating result of the third quarter of 2013 amounted to € 12.8 million after € 11.1 million in the second quarter of 2013. Consequently, it also fell short of the figure of the same quarter of 2012, at € 29.1 million. The operating result margin, at 9.1%, exceeded the 7.5% of the preceding quarter, but was significantly lower than in the 2012 reference period.

Revenues developed as shown below in the past five quarters:

Development of revenues



Cement/Lime

In the third quarter as well as the second quarter the lowest revenues are generated due to seasonal factors. As construction activities are mostly carried out in spring and summer due to favorable weather conditions and consequently the demand for cement is highest then, cement plants hardly do any maintenance work in those months.

Due to little maintenance work of cement producers during the summer months, the third and second quarters are those with the lowest revenues.

In Europe many producers are confronted with weak demand and low utilization of their production capacities. Especially in Southern Europe low euro interest rates triggered a real estate boom, and the cement and construction industry still suffers from its abrupt end. In view of the market environment, cement producers have been forced to adapt their costs to the demand situation. RHI reacted to this development with a new, more cost-effective product line, whose share in revenues was expanded again in the third quarter.

While the growth of the construction industry cooled off noticeably in China and led to a decline in the demand for cement, the US housing market continued to recover. Positive developments were also recorded in Southeast Asia and South America. RHI participated in the installation of newly built projects in Indonesia and Malaysia.

The cement industry in Africa currently varies greatly depending on region. While increased demand was recorded from Nigeria to South Africa, cement plants in countries such as Egypt and Libya suffer from sales difficulties caused by the unstable political situation.

Nonferrous metals

As a result of decreasing raw material prices, a certain cool-down of the nonferrous metals industry can be observed.

The most important nonferrous metals saw different price developments in the third quarter of 2013. While copper and aluminum recovered slightly from the annual low reached in June, the difficult situation of the stainless steel industry continued to burden the price of nickel, which has now fallen to a 4-year low. Following a substantial increase at the beginning of the year, the prices of lead and zinc fell back to the prior-year levels.

Important deliveries were carried out in the copper segment in Zambia, where the outstanding aggregates for the Kansanshi project were invoiced, and in Germany, where the entire material for the repair of a flash smelter was installed. In addition, major repairs of flash smelters for customers in Spain and Mexico were successfully completed. In the ferrochrome segment, the remaining quantities for four kilns in Kazakhstan were delivered. Further projects with a total contract value of more than one million euros were carried out in the platinum segment in South Africa and in the ferronickel segment in China.

Currently, the nonferrous metals industry is undergoing a certain cool-down process as compared to the preceding years, caused by the relatively weak development of results of the large mining companies, whose balance sheets reflected the falling raw material prices in different impairment losses. While the targets for 2013 do not appear to be in danger, this development nonetheless causes certain tensions in the project business for the months to come.

Glass

The global glass market is still characterized by significant excess capacities in the flat glass segment.

The third quarter of 2013 also did not bring a noticeable improvement in the situation of the global glass industry. The market is still characterized by significant excess capacities, especially in the flat glass segment. The situation of the container glass manufacturers varies according to region, but no upswing appears to be imminent in this segment either. The special glass segment recorded a stable development in terms of quantity, but some producers also report a negative earnings situation in this sector too.

Harsh cost-cutting measures were adopted within the glass industry as a response to the challenging market environment and investments were limited to the absolutely necessary minimum, a situation under which suppliers like the refractory industry suffer. In addition, a wave of consolidation can be observed within the glass industry in order to accomplish synergies and economies of scale. Especially smaller companies, which cannot keep up with large producers in terms of costs, are therefore likely to be faced with major challenges and to concentrate on special products in the medium term.

In China the first signs of a slight improvement of the market environment are reflected in an increase in incoming orders. RHI won a large-scale project with a total contract value of approximately € 4 million. The growing number of customer inquiries, which have not yet turned into specific contracts to date, can be considered an indication of a gradual recovery. Outside China, the glass industry in Asia showed a split development: while an increase in demand was recorded in Thailand, Korea and the Philippines on the one hand, the situation of the Indian Glass industry deteriorated noticeably. Here it is especially the tangible decline in economic growth and payment problems of large manufacturers that burden the market environment.

The further development of the glass refractory market will be challenging due to the low investment activities of customers, the growing export activities of Chinese producers, especially to the CIS region, and the political tensions in the Middle East.

Environment, energy, chemicals

In the business unit environment, energy, chemicals, a certain upward trend can be observed. In comparison with the two preceding quarters, the contribution to revenues and earnings was increased in the third quarter, in particular in the service-intensive maintenance business, while business related to the construction of new plants continued at a moderate level.

Due to the positive development in the service-intensive maintenance business, the contribution to revenues and earnings was increased.

In Europe, business was largely limited to maintenance contracts as the customer industries show little willingness to invest. Only in Eastern Europe and Scandinavia, projects in the areas of waste incineration and modernization of power plants are planned due to legal requirements. As there are currently no signs of an expansion of production activities in Europe, the focus in this region remains on expanding the service business.

In the CIS region, growing demand for the modernization of existing plants and for new plants was recorded from the oil and gas processing industry, especially in the areas of process technology and installation. In this context, the first contract comprising everything from engineering, the removal of refractory material to material supply and installation, was realized in a refinery.

In North America, a significant increase in revenues was accomplished because maintenance activities in the Canadian oil industry are mostly carried out in the third quarter due to favorable weather conditions. In contrast, demand was subdued in Mexico since an important customer imposed an investment stop.

In Brazil, the import duties, which had been raised to 25% only last year, were reduced to 10% at the end of the past quarter, which should lead to a slight improvement of the market position in the short to medium term. However, the investment climate in South America remains subdued because of the collapse of economic growth. New projects are continuously postponed.

Raw Materials Division

In Norway problems with the pneumatic conveying of causter material to the fusion plant incurred costs totaling roughly € 12 million.

The plants of the Raw Materials Division were faced with weak capacity utilization again in the third quarter of 2013 due to the low level of finished products sold. In addition, scheduled maintenance work at the Irish location Drogheda and the related downtime of a furnace led to a lower production volume of sintered magnesia in comparison with the previous quarter.

In China the conversion of the raw material plant required a write-off in the amount of € 1.9 million resulting from process enhancements. The first firing tests with newly developed products showed very positive results.

In Porsgrunn, Norway, problems with the pneumatic conveying of causter material to the fusion plant led to another delay in the start-up phase and consequently caused additional costs of roughly € 12 million in the past quarter. So far it has not been possible to fully fix the damage as deliveries of some spare parts are still outstanding and technical adaptations are still necessary. The quality of the fused magnesia produced so far meets the expectations. However, the production volume planned and the related manufacturing costs, especially with respect to specific energy consumption and scrap, have not been accomplished. An RHI team of experts is currently working intensively on finding a remedy for the technical problems and evaluates the financial impact on the result of the year 2014 as well as the schedule for realizing a satisfactory cost structure.

Revenues of the Raw Materials Division amounted to € 66.3 million in the third quarter of 2013, thus falling short of the revenues of € 70.5 million in the second quarter, but exceeding revenues of the comparable period of 2012 with € 59.7 million. The operating result fell from € 1.5 million in the second quarter of 2013 to € (1.4) million in the third quarter of 2013. It thus fell clearly short of the € 4.7 million in 2012. The operating result margin, at (2.1)% was lower than in the preceding quarter with 2.1%, and also lower than in the comparable period of 2012.

US Chapter 11 Proceedings

On March 11, 2013, the competent district court confirmed the decision of the bankruptcy court regarding a settlement with all insurance companies successful in the appeals proceedings. After the expiry of the objection period and the fulfillment of conditions precedent, the reorganization plans of the US companies entered into force with effect from April 30, 2013. Consequently, the Chapter 11 proceedings of the US companies, which were deconsolidated as of December 31, 2001, and the associated claims for damages have now been finally completed with full legal security after eleven years. On May 2, 2013, RHI received a payment of € 30.5 million from the previous owner of one of the US companies. Due to the reversal of provisions and the derecognition of liabilities, the effect of the termination of the Chapter 11 proceedings on EBIT amounted to € 76.2 million.

Outlook

Provided that the macroeconomic environment remains stable and with no changes in exchange rates, RHI expects the fourth quarter of 2013 to be the strongest quarter of the Industrial Division in terms of revenues due to delays of deliveries in the third quarter, and revenues to increase slightly in the Steel Division in comparison with the third quarter of 2013. The operating result is expected to be negatively affected by roughly € 10 million in the fourth quarter due to the technical problems in Norway, which are still unresolved. As soon as the results of the analyses currently carried out are available, RHI will report on them.

For the full year 2013, RHI expects revenues to be slightly below the level of the previous year. The operating result margin is expected to fall significantly short of that of the year 2012 due to insufficient coverage of fixed costs resulting from low capacity utilization, negative currency effects and the above-mentioned burden on the result in Norway.

Risk Report

In the third quarter of 2013, the risk management processes and key risks remained unchanged. No risks that are considered to be a threat to the existence of the Group were identified.

Condensed, Unaudited Interim Consolidated Financial Statements

Consolidated Statement of Financial Position

in € million	09/30/2013	12/31/2012
ASSETS		
Non-current assets		
Property, plant and equipment	600.9	625.8
Goodwill	52.3	20.0
Other intangible assets	55.2	59.0
Shares in associates	16.2	14.1
Other non-current financial assets	33.0	31.8
Other non-current assets	13.2	10.7
Deferred tax assets	97.5	119.5
	868.3	**880.9**
Current assets		
Inventories	436.5	423.2
Trade and other current receivables	328.0	351.9
Income tax receivables	9.1	6.9
Other financial assets	6.1	1.7
Cash and cash equivalents	170.3	185.7
	950.0	**969.4**
	1,818.3	**1,850.3**
EQUITY AND LIABILITIES		
Equity		
Share capital	289.4	289.4
Group reserves	231.6	190.4
Equity attributable to equity holders of RHI AG	521.0	479.8
Non-controlling interests	4.6	0.7
	525.6	**480.5**
Non-current liabilities		
Non-current financial liabilities	385.3	390.7
Deferred tax liabilities	9.1	9.1
Personnel provisions	325.3	330.6
Other non-current provisions	4.1	3.7
Other non-current liabilities	4.6	5.2
	728.4	**739.3**
Current liabilities		
Current financial liabilities	215.8	213.5
Trade and other current payables	269.9	310.7
Other financial liabilities	0.6	2.3
Income tax payables	32.1	38.5
Current provisions	45.9	65.5
	564.3	**630.5**
	1,818.3	**1,850.3**

Consolidated Income Statement

	3rd quarter		Q1 - Q3	
in € million	2013	2012	2013	2012
Revenues	427.4	459.9	1,298.1	1,372.7
Cost of sales	(339.0)	(352.9)	(1,004.5)	(1,064.5)
Gross profit	**88.4**	**107.0**	**293.6**	**308.2**
Sales and marketing costs	(28.7)	(31.1)	(88.1)	(89.2)
General and administration costs	(26.2)	(26.3)	(89.9)	(86.8)
Other income	1.8	2.2	6.3	9.9
Other expenses	(3.1)	(1.5)	(13.1)	(9.5)
Operating result	**32.2**	**50.3**	**108.8**	**132.6**
Impairment losses	0.0	(1.0)	0.0	(1.0)
Restructuring costs	(1.9)	7.3	(20.9)	2.7
Net income from US Chapter 11 proceedings	0.4	0.0	76.2	0.0
Operating results (EBIT)	**30.7**	**56.6**	**164.1**	**134.3**
Interest income	0.3	0.4	1.4	1.7
Interest expenses	(5.1)	(4.7)	(21.1)	(13.6)
Other financial results	(2.4)	(3.0)	(8.2)	(2.8)
Financial results	(7.2)	(7.3)	(27.9)	(14.7)
Results from associates	1.5	1.2	5.2	4.4
Profit before income taxes	**25.0**	**50.5**	**141.4**	**124.0**
Income taxes	(7.1)	(27.2)	(40.2)	(38.4)
Profit for the year	**17.9**	**23.3**	**101.2**	**85.6**
Profit attributable to				
equity holders of RHI AG	17.4	23.2	100.3	85.5
non-controlling interests	0.5	0.1	0.9	0.1
	17.9	23.3	101.2	85.6
in €				
Earnings per share (basic and diluted)	0.44	0.58	2.52	2.15

All items up to and including the operating result do not include any impairment losses and restructuring effects or any results from US Chapter 11 proceedings.

Consolidated Statement of Comprehensive Income

	3rd quarter		Q1 - Q3	
in € million	2013	2012 1)	2013	2012 1)
Profit after income taxes	**17.9**	**23.3**	**101.2**	**85.6**
Other results recognized in equity net of income taxes				
Currency translation differences				
Unrealized results from currency translation	(17.8)	0.9	(31.2)	7.8
Reclassification to the income statement due to the disposal of subsidiaries	0.0	(2.5)	(0.1)	(2.5)
Market valuation of cash flow hedges				
Unrealized results from fair value change	(0.2)	0.0	0.9	0.0
Deferred taxes on unrealized results from fair value change	0.1	0.0	(0.2)	0.0
Market valuation of available-for-sale financial instruments				
Unrealized results from fair value change	0.6	0.0	0.7	0.0
Reclassification reserves to the income statement	0.0	0.0	0.0	(7.1)
Deferred taxes on unrealized results from fair value change	(0.2)	0.0	(0.2)	0.0
Items that will be reclassified subsequently to profit or loss	(17.5)	(1.6)	(30.1)	(1.8)
Total comprehensive income	**0.4**	**21.7**	**71.1**	**83.8**
Total comprehensive income attributable to				
equity holders of RHI AG	0.3	21.6	71.1	83.7
non-controlling interests	0.1	0.1	0.0	0.1
	0.4	21.7	71.1	83.8

1) Explanations regarding changes in presentation are shown in the notes.

Consolidated Statement of Changes in Equity

in € million	Share capital	Additional paid-in capital	Fair value reserves	Currency translation reserves	Accumulated results	Total	Non-controlling interests	Total equity
	Equity attributable to equity holders of RHI AG							
		Group reserves						
12/31/2012	**289.4**	**38.3**	**1.6**	**(33.2)**	**183.7**	**479.8**	**0.7**	**480.5**
Total comprehensive income	-	-	1.2	(30.4)	100.3	**71.1**	**-**	**71.1**
Dividends	-	-	-	-	(29.9)	**(29.9)**	**(0.4)**	**(30.3)**
Change in non-controlling interests	-	-	-	-	-	**0.0**	**4.3**	**4.3**
09/30/2013	**289.4**	**38.3**	**2.8**	**(63.6)**	**254.1**	**521.0**	**4.6**	**525.6**

in € million	Share capital	Additional paid-in capital	Fair value reserves	Currency translation reserves	Accumulated results	Total	Non-controlling interests	Total equity
	Equity attributable to equity holders of RHI AG							
		Group reserves						
12/31/2011 adjusted[1)]	**289.4**	**38.3**	**8.7**	**(30.7)**	**132.6**	**438.3**	**0.6**	**438.9**
Total comprehensive income	-	-	(7.1)	5.3	85.5	**83.7**	**0.1**	**83.8**
Dividends	-	-	-	-	(29.9)	**(29.9)**	**-**	**(29.9)**
09/30/2012	**289.4**	**38.3**	**1.6**	**(25.4)**	**188.2**	**492.1**	**0.7**	**492.8**

1) Explanations regarding the adjustments are shown in the notes.

Consolidated Cash Flow Statement

in € million	Q1 - Q3 2013	2012 [1)]
Profit	101.2	85.6
Adjustments for		
income taxes	40.2	38.4
depreciation and amortization charges	52.3	44.8
impairment losses of property, plant and equipment and intangible assets	1.8	3.2
reversal of impairment losses of property, plant and equipment	0.0	(1.3)
reversal of impairment losses of financial assets	(0.4)	(1.9)
gains from the disposal of property, plant and equipment	(3.6)	(6.7)
gains from the disposal of subsidiaries	0.0	(7.5)
net income from US Chapter 11 proceedings	(76.2)	0.0
interest result	19.7	11.9
realized gains on financial instruments classified as available for sale	0.0	(7.1)
results from associates	(5.2)	(4.4)
other non-cash changes	39.5	15.5
Changes in assets and liabilities		
Inventories	(18.0)	(29.7)
Trade receivables	18.4	19.1
Other receivables and assets	(0.4)	(4.0)
Provisions	(19.3)	(12.0)
Trade payables	(24.7)	(38.5)
Other liabilities	(3.1)	15.0
Net cash inflows from US Chapter 11 proceedings	28.3	0.0
Cash flow from operating activities	**150.5**	**120.4**
Income taxes paid	(33.5)	(29.0)
Net cash flow from operating activities	**117.0**	**91.4**
Investments in subsidiaries net of cash	(49.9)	(16.7)
Cash inflows from the sale of subsidiaries net of cash	(0.2)	2.4
Investments in property, plant and equipment and intangible assets	(42.8)	(106.3)
Cash inflows from the sale of property, plant and equipment	6.0	7.6
Investments in non-current receivables	0.0	(0.4)
Cash inflows from the sale of financial assets	0.0	0.3
Dividend payments from associates	3.1	5.1
Investment subsidies received	0.0	0.2
Interest received	1.3	1.6
Net cash flow from investing activities	**(82.5)**	**(106.2)**
Dividend payments to shareholders of RHI AG	(29.9)	(29.9)
Proceeds from non-current borrowings and loans	13.1	190.9
Repayments of non-current borrowings and loans	(11.7)	(18.5)
Changes in current borrowings	(2.9)	(22.7)
Interest payments	(13.4)	(15.1)
Net cash flow from financing activities	**(44.8)**	**104.7**
Total cash flow	**(10.3)**	**89.9**
Change in cash and cash equivalents	**(10.3)**	**89.9**
Cash and cash equivalents at beginning of year	185.7	144.5
Changes due to currency translation	(5.1)	(0.2)
Cash and cash equivalents at year-end	170.3	234.2

1) Explanations regarding the reclassified comparative figures are shown in the notes.

Selected Explanatory Notes

Principles and methods

The interim consolidated financial statements as of 09/30/2013 were prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and with the International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU).

The interim consolidated financial statements do not include all information and disclosures required in the annual financial statements and should therefore be read in conjunction with the RHI consolidated financial statements as of 12/31/2012.

With the exception of the changes described in the following, the same accounting and measurement principles as in the previous year were used:

>> IAS 1 (amended 2011): Presentation of Items of Other Comprehensive Income
>> IAS 12 (amended 2010): Deferred Tax: Recovery of Underlying Assets
>> IAS 19 (amended 2011): Employee Benefits
>> IFRS 7 (amended 2011): Disclosures – Offsetting Financial Assets and Financial Liabilities
>> IFRS 13 (2011): Fair Value Measurement
>> IFRIC 20 (2011): Stripping Costs in the Production Phase of a Surface Mine
>> Improvements to IFRSs 2009-2011 (2012)

The amended IAS 1 "Presentation of Financial Statements" leads to a revised presentation of the statement of comprehensive income. The individual components of other comprehensive income have to be divided into items which are never reclassified to the income statement and items which are reclassified to the income statement if certain conditions apply. The statement of comprehensive income of the RHI Group has been adjusted accordingly.

In June 2011, the IASB adopted amendments to IAS 19 "Employee Benefits", which are applicable as of 01/01/2013 with retroactive effect from 01/01/2012. The change currently relevant for RHI is the abolishment of the expected return on plan assets and the introduction of interest on plan assets at the discount rate of the corresponding defined benefit liability. This leads to a net measurement of the net liability or the net asset and a net interest on defined benefit pension plans.

As the adjustment effects are insignificant, RHI did not adapt the comparative information. If a retrospective adjustment had been made, the financial results for the financial year 2012 would improve by roughly € 0.7 million from € (21.3) million to € (20.6) million. The effect on income taxes would amount to less than € (0.1) million and on earnings per share to less than € 0.01. Equity as of 01/01/2012, 09/30/2012 and 12/31/2012 would remain unchanged.

By prospectively applying the net interest method, the financial result of the financial year 2013 is expected to deteriorate by approximately € 0.1 million.

The changes to IAS 19 will, however, affect the form of presentation and the scope of the notes in the RHI annual financial statements of 2013.

The initial application of IFRS 13 "Fair value measurement" will result in additional notes.

The other reporting standards and interpretations to be initially applied in the year 2013 have no significant influence on the presentation of the asset, financial and earnings position of these interim financial statements.

Personnel provisions

In the first three quarters of 2013, no revaluation of the net debt from employee-related defined benefit obligations was recognized as the provisions for pensions, termination benefits and service anniversary bonuses were calculated on the basis of a preview for the entire year prepared by an actuary and there were no significant changes in the actuarial assumptions.

Cash flow hedge

In order to counteract the risk of an increase in the interest rate level for financial liabilities carrying variable interest, RHI concluded interest swaps of a nominal value of € 100.0 million in the second quarter of 2013. As the requirements for the application of hedge accounting (documentation of the hedging relationship, proof of effectiveness) are given, unrealized gains and losses from changes in market value are initially recognized directly in equity. When the hedged item is realized, the profit contribution of the hedge will be shown in the income statement. Ineffective parts of the change in fair value of cash flow hedges are immediately recognized in the income statement.

Other changes in comparative information

The changes in the RHI Management Board as of July 1, 2013 led to a minor adaptation in the organizational structure of the Raw Materials Division, in which all raw materials have now been pooled in one organizational unit. In addition to the purchase of raw materials and the sale of raw materials, this unit now also includes the RHI Group's own raw material production. This change only has an effect on segment reporting in 2013 due to the start-up costs at the Norwegian raw materials plant.

As a result of the adjustment, the divisional results for the first half of 2013 changed as follows:

in € million	After reclassification	As published
Revenues	**870.7**	**870.7**
Steel Division	542.8	542.8
Industrial Division	307.4	307.4
Raw Materials Division		
External revenues	20.5	20.5
Internal revenues	122.5	122.5
Operating result	**76.6**	**76.6**
Steel Division	36.5	34.8
Industrial Division	37.7	36.2
Raw Materials Division	2.4	5.6
Operating result margin	**8.8%**	**8.8%**
Steel Division	6.7%	6.4%
Industrial Division	12.3%	11.8%
Raw Materials Division	1.7%	3.9%
EBIT	**133.4**	**133.4**
Steel Division	72.9	71.3
Industrial Division	56.2	54.7
Raw Materials Division	4.3	7.4
EBIT margin	**15.3%**	**15.3%**
Steel Division	13.4%	13.1%
Industrial Division	18.3%	17.8%
Raw Materials Division	3.0%	5.2%

Due to a misrepresentation in the equity statement, € (2.2) million were reclassified from the item accumulated results to currency translation reserves as of 12/31/2010.

The reclassifications in the cash flow statement are related to proceeds from and repayments of non-current borrowings and loans, which are classified according to the total term of financing, rather than according to residual terms as it is done in the balance sheet, for better presentation as of the financial year 2012. Payments related to financial liabilities to non-controlling interests (dividend payments) are accounted for in the item interest payments.

Audit and review

The consolidated interim financial statements as of 09/30/2013 were neither fully audited nor reviewed by an auditor.

Group of consolidated companies

The group of consolidated companies was extended by one fully consolidated subsidiary and reduced by one fully consolidated subsidiary in comparison with 12/31/2012.

Orient Refractories Ltd.

On 01/15/2013 the RHI subsidiary Dutch US Holding B.V., Arnhem, Netherlands, signed a contract to acquire 43.62% of the share capital of Orient Refractories Ltd. ("ORL"). ORL is a listed company based in India and produces special refractory products and refractory mixes for the iron and steel industry. The headquarters of the company is based in New Delhi; the production and R&D site is located in Bhiwadi, Rajasthan. In addition, ORL operates eight sales offices in India. ORL currently employs 484 people.

The closing of the acquisition of this block of shares through Dutch US Holding B.V. took place on 03/04/2013. The transaction price amounted to € 31.8 million and was paid in cash. The mandatory public offer to the shareholders of ORL related to the acquisition of the block of shares for up to another 26% of the shares commenced on 03/25/2013 and was closed on 04/29/2013. The public offer was accepted in full. The purchase price amounted to € 19.0 million and was also paid in cash. After the execution of the mandatory offer, Dutch US Holding B.V. now holds 69.62% in the share capital of ORL.

The acquisition is treated as a single transaction. The initial consolidation was carried out with the execution of the mandatory public offer on the basis of 69.62% of the voting rights in ORL. The initial consolidation is based on preliminary IFRS valuations, which can still be adjusted or added to during the measurement period. In the third quarter the fair value of current liabilities was reduced by € 0.3 billion. The measurement of non-controlling interests was made on the basis of the proportional share of net assets. The components of the purchase price based on the preliminary fair value at the date of initial consolidation are shown in the following table:

in € million	04/29/2013
Non-current assets	4.1
Current assets (without cash and cash equivalents)	18.9
Cash and cash equivalents	2.0
Non-current liabilities	(0.2)
Current liabilities	(8.0)
Net assets	**16.8**
Non-controlling interest	(5.1)
Proportional share of net assets acquired	**11.7**
Goodwill before purchase price allocation	39.1
Purchase price	**50.8**

RHI expects strategic advantages for the Group based on a stronger market position in the flow control business in the growing steel industry in India and Asia.

The gross value of the receivables acquired amounts to € 10.5 million at the date of acquisition, the carrying amount amounts to € 10.4 million (corresponds to fair value).

ORL contributed € 20.5 million to revenues and € 2.8 million to profit after income tax in the second and third quarters of 2013. In the period from 01/01/2013 to the inclusion in the consolidated financial statements of RHI, ORL realized revenues of € 17.7 million and earnings after tax of € 2.9 million.

FC Technik AG

As of 03/21/2013, all shares (51 %) in FC Technik AG, Winterthur, Switzerland, were sold.

The result from deconsolidation is calculated as follows:

in € million	03/21/2013
Proceeds on the sale	0.7
Net assets disposed	(1.6)
Non-controlling interest	0.8
Reclassification currency translation differences	0.1
Result from deconsolidation	**0.0**

Termination of US Chapter 11 proceedings

With effect from 04/30/2013, the reorganization proceedings under Chapter 11 of the US Bankruptcy Code of the RHI US companies which were deconsolidated as of 12/31/2001 and the associated asbestos-related claims for damages were definitively completed with full legal security after eleven years.

As RHI AG no longer exercised control due to the Chapter 11 proceedings initiated by the US companies NARCO, Harbison-Walker, AP Green and GIT (together with their subsidiaries the "ANH companies") in early 2002, these companies were deconsolidated as of 12/31/2001 and all relevant receivables and investments were written off.

In the subsequent years, RHI AG and some RHI Group companies entered into agreements with the previous US owners of the ANH companies Honeywell and Halliburton/DII, the US companies themselves and other parties in order to clarify contractual agreements, mutual claims and claims of third parties, which included claims related to receivables, payables, bank guarantees, liabilities and tax matters, which existed in the context of the US subsidiaries' affiliation with the RHI Group until the beginning of the Chapter 11 proceedings. These agreements regulate, amongst other things, the waiver of RHI to receivables due from the US companies from the period prior to the Chapter 11 proceedings and the waiver of RHI to all shares in the US companies in conjunction the closing of the Chapter 11 proceedings. Based on these agreements, RHI had previously received payments by Honeywell and DII. Another important condition to the coming into effect of the agreements was a payment of USD 40.0 million by Honeywell to RHI Refractories Holding Company arranged in the context of the Chapter 11 proceedings of NARCO as soon as the decision of the court would become final and would be implemented.

In 2003, the companies operating under Chapter 11 submitted plans of reorganization for the NARCO and GIT groups to the court. Subsequently, the above-mentioned agreements were added to the plans and provide for the establishment of trust funds for asbestos-related claims for damages against the ANH companies. The progress of the Chapter 11 proceedings was delayed by several objections/appeals proceedings by the creditors and insurance companies and by adjustments to the plans.

It was only in the course of the year 2012 that the ANH companies agreed on a settlement with all insurance companies successful in the appeals proceedings; no objection was raised against this settlement. The confirmation hearing was held on 10/29/2012. The insolvency court confirmed the plan of reorganization on 02/13/2013 in a written opinion. Following a thorough review, RHI acknowledged this opinion. The competent district court confirmed the decision of the insolvency court on 03/11/2013. After the 30-day objection period expired and the conditions precedent were met, the plans of reorganization of the US companies became final as of 04/30/2013. RHI Refractories Holding Company received a payment of USD 40.0 million (€ 30.5 million) from Honeywell on 05/02/2013 as contractually agreed. With the completion of the reorganization proceedings, all present and future claims against the ANH companies and consequently also against RHI were finally and legally securely transferred to the trust funds.

As there had been several indications in the course of the Chapter 11 proceedings that the proceedings would draw to a close, which, however, did not prove true, RHI did not recognize the positive effect on the results from the implementation of the agreements until the final and legally secure conclusion of the proceedings. The effects on the asset, financial and earnings position of the RHI Group are shown in the table below:

in € million	09/30/2013	12/31/2012
Statement of Financial Position		
Deferred tax assets	0.4	5.2
Trade and other current payables	0.0	11.6
Income tax payables	5.7	0.0
Current provisions	7.5	41.7
Income Statement		
Net income from US Chapter 11 proceedings	76.2	0.0
Interest expenses	(1.2)	0.0
Income taxes	(10.9)	0.0
Cash Flow Statement		
Profit for the year	64.1	0.0
Adjustments for		
income taxes	10.9	0.0
net income from US Chapter 11 proceedings	(76.2)	0.0
interest result	1.2	0.0
Net cash inflows from US Chapter 11 proceedings	28.3	0.0
Segment results		
Net income from US Chapter 11 proceedings		
Steel	49.0	0.0
Industrial	25.3	0.0
Raw Materials	1.9	0.0

With the termination of the Chapter 11 proceedings, RHI recorded the payment of € 30.5 million by Honeywell and a cash outflow of € 2.6 million, which is primarily related to calling guarantees which served as collateral for premiums and deductibles for insurance policies of ANH companies. A provision for a guarantee amounting to € 6.5 million still exists as of 09/30/2013.

Investment projects

Norway

In Porsgrunn, Norway, problems with the pneumatic conveying of causter material to the fusion plant led to another delay in the start-up phase and consequently caused additional costs of roughly € 12 million in the past quarter. So far it has not been possible to fully fix the damage as deliveries of some spare parts are still outstanding and technical adaptations are still necessary. The quality of the fused magnesia produced so far meets the expectations. However, the production volume planned and the related manufacturing costs, especially with respect to specific energy consumption and scrap, have not been accomplished.

Brazil

In September 2012 the RHI Management Board decided to revise the original plan for the construction of a plant in Brazil. This decision was due to the changed political framework conditions in Brazil, especially the increase in import duties and the introduction of anti-dumping duties, and the significantly higher investment costs in comparison with the investment originally budgeted. The Management Board had made no new decision by the time of the publication of this interim report.

Closure of Duisburg plant

On 05/03/2013 RHI decided to adjust the production capacity for magnesia-carbon bricks in Europe to the lower demand by closing the plant in Duisburg, Germany. This site currently still employs roughly 120 people. At present, negotiations with employee representatives regarding a reconciliation of interests are underway. The restructuring costs of € 19 million expected for the shutdown of the plant were accounted for by a provision in the second quarter and confirmed by the current assessment.

Goodwill

Goodwill developed as follows:

in € million	
Goodwill at 12/31/2012	**20.0**
Currency translation	(6.8)
Additions to consolidated companies	39.1
Goodwill at 09/30/2013	**52.3**

in € million	
Goodwill at 12/31/2011	**17.2**
Currency translation	0.2
Additions to consolidated companies	2.6
Goodwill at 12/31/2012	**20.0**

Other income

Income from the sale of land, which is shown under other income, amounts to € 2.9 million (Q1-Q3/2012: € 6.7 million) as in the first half of 2013 and is fully allocable to the Raw Materials Division (Q1-Q3/2012: € 3.2 million Industrial, € 2.7 million Raw Materials, € 0.8 million Steel).

Other expenses

The net effect of foreign currency losses recognized in the income statement and of the results of forward exchange contracts amounts to € (12.0) million in the first three quarters of 2013 (Q1-Q3/2012: € (6.4) million).

Income taxes

The tax rate in the first three quarters of 2013 amounts to 28% (Q1-Q3/2012: 31%).

Dividends

The Annual General Meeting on 05/03/2013 adopted the payout of a dividend of € 0.75 per share for the year 2012. Consequently, dividends of € 29.9 million were paid to the shareholders of RHI AG in the second quarter of 2013.

Segment reporting

The key figures of the operating segments for the first three quarters of 2013 are shown in the table below:

in € million	Steel	Industrial	Raw Materials	Elimination/ Unallocated assets	Group
External revenues	818.8	448.1	31.2	0.0	1,298.1
Internal revenues	0.0	0.0	178.1	(178.1)	0.0
Segment revenues	**818.8**	**448.1**	**209.3**	**(178.1)**	**1,298.1**
Operating result	**57.3**	**50.5**	**1.0**	**0.0**	**108.8**
Restructuring costs	(12.3)	(6.7)	(1.9)	0.0	(20.9)
Net income from US Chapter 11 proceedings	49.0	25.3	1.9	0.0	76.2
EBIT	**94.0**	**69.1**	**1.0**	**0.0**	**164.1**
Financial results					(27.9)
Results from associates					5.2
Profit before income taxes					**141.4**
Segment assets at 09/30/2013	608.4	270.2	515.7	407.8	1,802.1
Shares in associates at 09/30/2013	0.2	0.0	16.0	0.0	16.2
					1,818.3

The operating segments for the first three quarters of 2013 are shown in the following table:

in € million	Steel	Industrial	Raw Materials	Elimination/ Unallocated assets	Group
External revenues	848.0	487.0	37.7	0.0	1,372.7
Internal revenues	0.0	0.0	144.2	(144.2)	0.0
Segment revenues	**848.0**	**487.0**	**181.9**	**(144.2)**	**1,372.7**
Operating result	**50.2**	**65.1**	**17.3**	**0.0**	**132.6**
Impairment losses	(0.6)	(0.4)	0.0	0.0	(1.0)
Restructuring costs	(4.6)	0.0	7.3	0.0	2.7
EBIT	**45.0**	**64.7**	**24.6**	**0.0**	**134.3**
Financial results					(14.7)
Results from associates					4.4
Profit before income taxes					**124.0**
Segment assets at 12/31/2012	559.4	303.1	531.8	441.9	1,836.2
Shares in associates at 12/31/2012	0.2	0.0	13.9	0.0	14.1
					1,850.3

Disclosures on financial instruments

Financial assets and liabilities at fair value

As in the previous year, fair value is determined based on the following hierarchy:

Level 1: Prices quoted in active markets for identical financial instruments.
Level 2: Measurement techniques in which all important data used are based on observable market data.
Level 3: Measurement techniques in which all important data used are based on non-observable market data.

The following table shows the financial assets and liabilities measured at fair value according to measurement level:

	09/30/2013		
in € million	Level 1	Level 2	Level 3
Financial assets			
Other non-current financial assets - available for sale	31.4	0.0	0.0
Other non-current assets - derivatives with a hedging relationship	0.0	0.9	0.0
Other financial assets - available for sale	0.0	0.0	1.6
Other financial assets - held for trading	0.0	2.3	0.0
Financial liabilities			
Non-current financial liabilities - at fair value through profit or loss	0.0	0.0	19.2
Current financial liabilities - at fair value through profit or loss	0.0	0.0	7.8
Other financial liabilities - held for trading	0.0	0.6	0.0

	12/31/2012		
in € million	Level 1	Level 2	Level 3
Financial assets			
Other non-current financial assets - available for sale	30.3	0.0	0.0
Other financial assets - held for trading	0.0	0.1	0.0
Other financial assets - available for sale	0.0	0.0	1.6
Financial liabilities			
Non-current financial liabilities - at fair value through profit or loss	0.0	0.0	19.3
Current financial liabilities - at fair value through profit or loss	0.0	0.0	6.8
Other financial liabilities - held for trading	0.0	2.3	0.0

In the two reporting periods there were no transfers between fair value measurements of the levels 1, 2 and 3.

The development of level 3 financial liabilities measured at fair value is shown in the following table:

in € million	Financial assets	Financial liabilities
Fair value 12/31/2012	**1.6**	**26.1**
Changes recognized in income statement	0.0	2.6
Currency translation differences recognized in other comprehensive income	0.0	(0.1)
Payments	0.0	(1.6)
Additions	50.8	0.0
Reclassification due to full consolidation	(50.8)	0.0
Fair value 09/30/2013	**1.6**	**27.0**

in € million	Financial assets	Financial liabilities
Fair value 12/31/2011	**13.1**	**27.4**
Changes recognized in income statement	0.0	2.6
Currency translation differences recognized in other comprehensive income	0.0	(0.3)
Payments	0.0	(3.6)
Reclassification due to full consolidation	(11.5)	0.0
Fair value 12/31/2012	**1.6**	**26.1**

The changes of financial liabilities measured at fair value, which are recognized in the income statement, are included in interest expenses. The changes recognized in other comprehensive income are included in currency translation differences.

Financial assets and liabilities at (amortized) cost

The following table shows the carrying amounts and fair values of the financial assets and liabilities which are carried at (amortized) cost:

	09/30/2013		12/31/2012	
in € million	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Other non-current financial assets	1.5	1.5	1.5	1.5
Other non-current assets	2.7	2.7	2.6	2.6
Trade and other current receivables	328.0	328.0	351.9	351.9
Cash and cash equivalents	170.3	170.3	185.7	185.7
Financial liabilities				
Non-current financial liabilities	366.1	378.6	371.4	387.1
Current financial liabilities	208.0	209.4	206.7	207.8
Trade and other current payables	269.9	269.9	310.7	310.7

Related companies

The volume of transactions of RHI Group companies with affiliated, non-consolidated companies or associates is immaterial. The same also applies to accounts receivable from and accounts payable to related companies.

Contingent liabilities

As of 09/30/2013 contingent liabilities amount to € 23.9 million (12/31/2012: € 26.6 million).

Seasonal and cyclical influence

Explanations regarding seasonal and cyclical influences on the operating activities of the RHI Group can be found in the management report.

Employees

In the first three quarters of 2013, the average number of employees of the RHI Group amounted to 8,399 (Q1-Q3/2012: 8,115).

Changes in the RHI Management Board

As of 06/30/2013 Giorgio Cappelli and Manfred Hödl resigned from the Management Board of RHI AG by mutual agreement. They will be available exclusively to the RHI Group in a consulting function for upcoming projects; a corresponding agreement was concluded until 2017.

With effect from 07/01/2013, the Supervisory Board appointed Reinhold Steiner and Franz Buxbaum to the Management Board. Reinhold Steiner succeeds Giorgio Cappelli and is responsible for the Steel Division; Franz Struzl assumes responsibility for the Industrial Division, and Franz Buxbaum is responsible for the Raw Materials Division.

Vienna, 11/05/2013

Management Board

Franz Struzl
CEO
CSO Industrial Division
CTO R&D

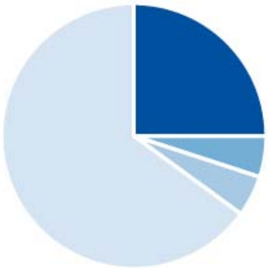
Barbara Potisk-Eibensteiner
CFO

Franz Buxbaum
COO

Reinhold Steiner
CSO Steel Division

RHI Share

Shareholder structure



* Voting rights are exercised jointly.

The shares of RHI AG are admitted to official trading on the Vienna Stock Exchange. RHI is represented in the ATX, the lead index and the most important trading segment of the Austrian capital market, and a member of the Prime Market at the Vienna Stock Exchange. On September 30, 2013, 39,819,039 no-par common shares of RHI AG with voting rights were admitted to trading in Vienna.

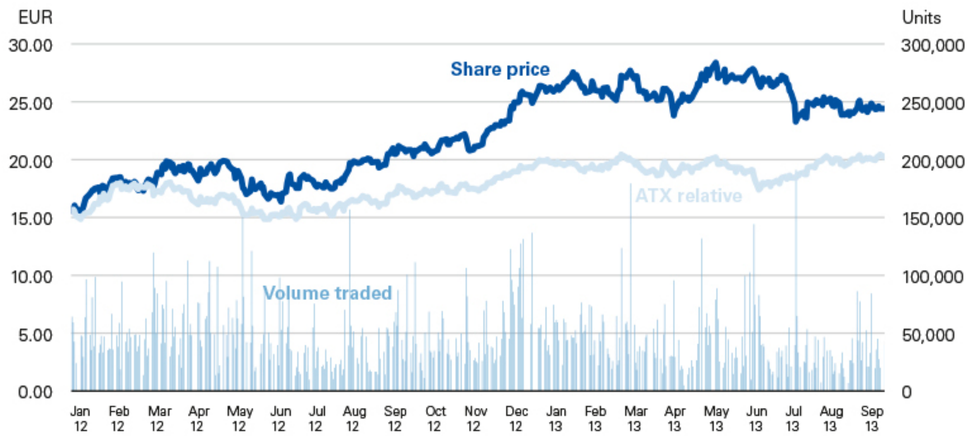
Capital market calendar 2014

Preliminary results 2013	February 25, 2014
Final results 2013	April 4, 2014
RHI Annual General Meeting	May 9, 2014
Expected ex-dividend day	May 12, 2014
Report for the first quarter of 2014	May 14, 2014
Expected dividend payment day	May 19, 2014
Half-year financial report 2014	August 5, 2014
Report for the third quarter 2014	November 5, 2014

Stock exchange key figures

	3rd Quarter	
in €	2013	2012
Highest share price	27.23	21.18
Lowest share price	23.29	17.48
Share price at end of quarter	24.40	20.69
Market capitalization (in € million)	972	824

Share performance 01/2012 - 09/2013



ISIN
RHI share: AT0000676903
Reuters: RHIV.VI
Bloomberg: RHI AV

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The English translation of the RHI quarterly report is for convenience.
Only the German text is binding.

This quarterly report contains forward-looking statements based on the currently held beliefs and assumptions of the management of RHI AG ("RHI"), which are expressed in good faith and, in their opinion, reasonable. These statements may be identified by words such as "expectation" or "target" and similar expressions, or by their context. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of RHI to differ materially from the results, financial condition, performance or achievements express or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. RHI disclaims any obligation to update these forward-looking statements to reflect future events or developments.

In this report, terms may be used that are not IFRS financial measures. These additional financial measures should therefore not be viewed in an isolated manner as alternatives to the key figures for the financial position, earnings development or cash flow of RHI. For definitions of these additional financial measures, comparison with the most directly comparable figures in accordance with IFRS and information regarding the benefits and limitations of these additional financial measures, please contact the RHI Investor Relations Team (investor.relations@rhi-ag.com).