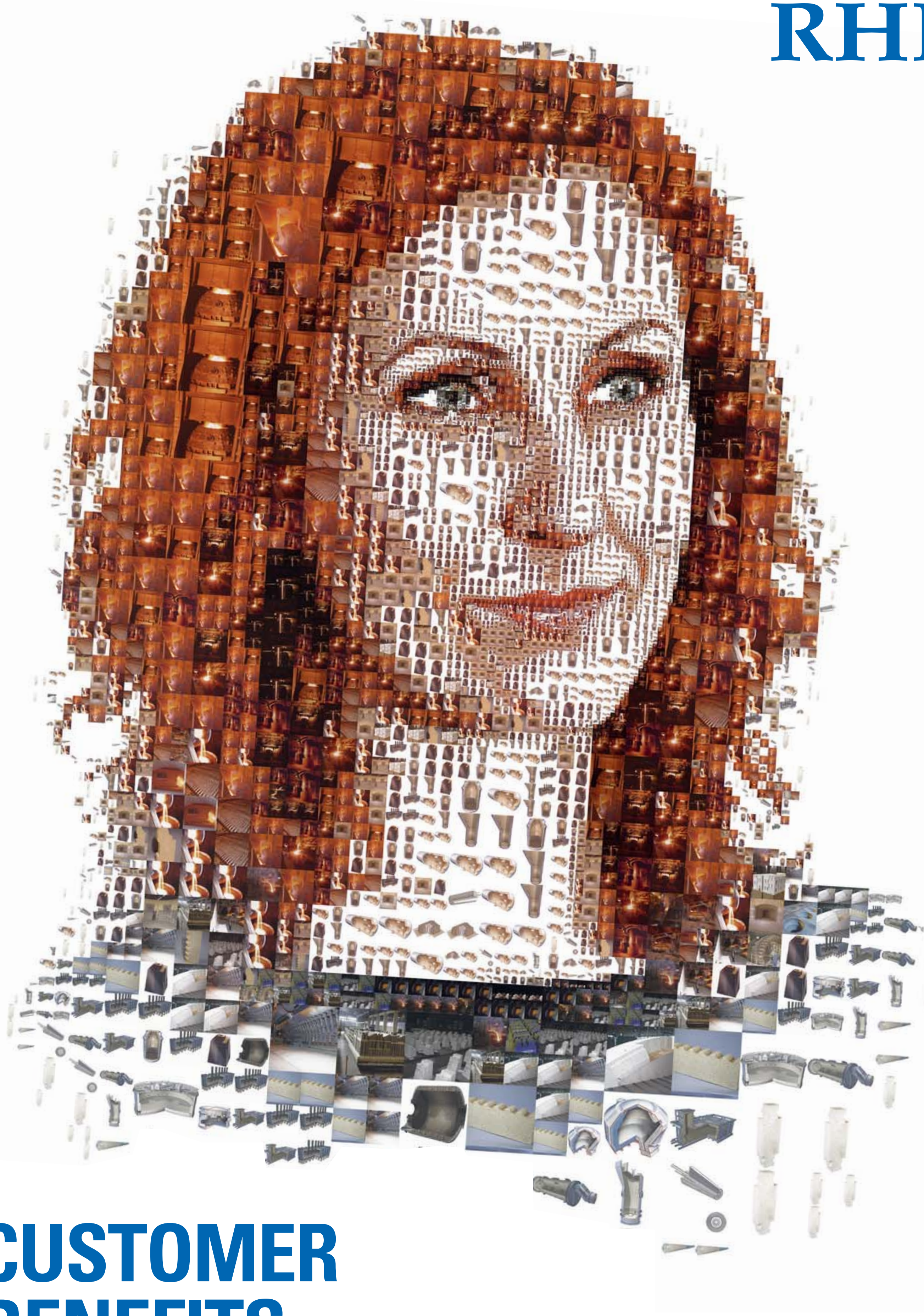


CUSTOMER BENEFITS

Report for the 1st Quarter 2014

Quarterly Overview

Earnings indicators (in € million)	Q1/2014	Q4/2013	Delta	Q3/2013	Q2/2013	Q1/2013
Revenues	402.3	456.6	(11.9)%	427.4	445.2	425.5
EBITDA	**50.2**	**43.3**	**15.9%**	**50.2**	**102.2**	**65.9**
Operating result[1]	34.1	18.0	89.4%	32.2	27.2	49.4
EBIT	33.6	(53.0)	163.4%	30.7	84.0	49.4
Financial result	(6.8)	(1.9)	(257.9)%	(7.2)	(10.2)	(10.5)
Results from joint ventures	2.0	2.8	(28.6)%	1.5	1.8	1.9
Result before income taxes	28.8	(52.1)	155.3%	25.0	75.6	40.8
Income taxes	(9.0)	13.6	(166.2)%	(7.1)	(15.1)	(18.0)
Result from continued operations	19.8	(38.5)	151.4%	17.9	60.5	22.8
EBITDA %	12.5%	9.5%	3.0pp	11.7%	23.0%	15.5%
EBIT %	8.4%	(11.6)%	20.0pp	7.2%	18.9%	11.6%
Result from continued operations %	4.9%	(8.4)%	13.3pp	4.2%	13.6%	5.4%

Cash flow indicators (in € million)	Q1/2014	Q4/2013	Delta	Q3/2013	Q2/2013	Q1/2013
Cash flow from operating activities	**23.0**	**54.5**	**(57.8)%**	**53.7**	**25.5**	**37.8**
Cash flow from investing activities	(5.3)	(42.6)	(87.6)%	(14.1)	(8.3)	(60.1)
Cash flow from financing activities	(1.9)	(68.0)	(97.2)%	12.4	(45.2)	(12.0)
Free Cash flow	17.7	11.9	48.7%	39.6	17.2	(22.3)

Balance sheet indicators (in € million)	Q1/2014	Q4/2013	Delta	Q3/2013[2]	Q2/2013[2]	Q1/2013[2]
Balance sheet total	1,759.1	1,724.0	2.0%	1,817.6	1,823.4	1,886.3
Equity	497.5	485.5	2.5%	527.2	527.2	513.2
Equity ratio (in %)	28.3%	28.2%	0.1pp	29.0%	28.9%	27.2%
Net debt	408.3	422.9	(3.5)%	430.8	464.2	444.6
Gearing-Ratio (in %)[3]	82.1%	87.1%	(5.0)pp	81.7%	88.1%	86.6%
Net debt / EBITDA[4]	**1.7**	**1.6**	**6.3%**	**1.6**	**1.6**	**1.8**
Working Capital	507.5	481.0	5.5%	513.1	542.9	514.1
Working Capital %	31.5%	26.3%	5.2pp	30.0%	30.5%	30.2%
Capital Employed	1,152.6	1,138.8	1.2%	1,218.9	1,268.7	1,218.0
Return on capital employed (in %)	**8.6%**	**(13.4)%**	**22.0pp**	**7.6%**	**22.2%**	**10.5%**

Stock exchange indicators (Vienna)	Q1/2014	Q4/2013	Delta	Q3/2013	Q2/2013	Q1/2013
Number of shares (million units)	39.819	39.819	0.0%	39.819	39.819	39.819
Closing price (in €)	23.36	22.56	3.5%	24.40	26.75	25.26
Market capitalization (in € million)	**930**	**898**	**3.6%**	**972**	**1,065**	**1,006**
Earnings per share (in €)	0.49	(0.97)	150.5%	0.44	1.51	0.57
Price-earnings ratio	**11.9**	**(5.8)**	**305.2%**	**13.9**	**4.4**	**11.1**

1) EBIT before impairment and restructuring expenses and result from Chapter 11 proceedings
2) for explanations regarding the adjustments, see Annual Report 2013, page 82 (other changes in comparative information)
3) excluding non-current provisions for pensions, termination benefits and service anniversary bonuses
4) EBITDA trailing twelve months

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) x 4 / average Capital Employed

Economic Environment

In its World Economic Outlook published in April 2014, the International Monetary Fund (IMF) forecasts the global economy to grow 3.6% in the current year, and a further acceleration of economic growth to 3.9% in the year 2015. The recovery of global economic activities since the second half of 2013 is primarily attributable to the upswing in the advanced economies. The International Monetary Fund expects economic growth of 1.2% in the euro area for the year 2014, following a decline by 0.5% in the previous year. Although first signs of an economic recovery are identifiable, the crisis states in the euro area still suffer from high unemployment, low investments and a lack of credit supply.

According to the IMF, the recovery of global economic activities is primarily attributable to the economic upturn in the advanced economies.

However, despite the improved economic prospects, the IMF also warns of a very low inflation rate in Europe and the new geopolitical risks triggered by the conflict between Ukraine and Russia. The sanctions that the West is threatening to impose on Russia have caused experts to reduce this year's growth forecast for the Russian economy by 1.7 percentage points to now 0.2% due to a withdrawal of capital by foreign investors.

The emerging markets on the one hand benefit from recovering demand in the industrialized nations due to growing exports; on the other hand, however, the more restrictive monetary policy of the US Federal Reserve could put a brake on their economic development. Due to the upswing in the USA and the improved situation in the job market, the Federal Reserve reduced its monthly bond purchases for the fourth time this year by another USD 10 billion, from originally USD 85 billion to USD 45 billion in the future, and intends to phase out the program by the end of October 2014. Moreover, some specialists expect a first increase in the US base rate as early as the first half of 2015.

The US Federal Reserve intends to phase out its bond purchasing program by the end of October 2014.

The effects of a changed US monetary policy already led to currency turbulences in the emerging economies in early summer 2013 as a result of the withdrawal of capital by foreign investors; these countries had previously benefited from capital inflow due to low interest rates in the advanced economies. In order to counteract higher inflation rates resulting from currency devaluation and further outflows, many central banks in the emerging markets increased their base rates in the past quarter. This, however, at the same time has a dampening effect on future economic growth, as the cost of loans increase accordingly.

In China, the Manufacturing Purchasing Managers Index, which is compiled by the British bank HSBC, dropped significantly and, at 48 point, reached its lowest level since mid-2013. Throughout the entire first quarter of 2014, the index remained below the 50-point mark, which signals growth. So the Chinese economy is likely to continue to contract. Following the country's unmatched rise to become the world's second largest economy, experts assume that China's growth prospects in exports, its main domain so far, will gradually dwindle away.

In China, growth continued to slow down as a result of economic restructuring.

After initially reaching new record levels, the stock markets in Europe and the USA performed very weakly in the first quarter of 2014. This development was heavily influenced by concerns about economic growth in the emerging markets, the political upheavals in Turkey and Ukraine, and the imminent end of the loose monetary policy in the USA.

Asset, Financial and Earnings Position

The decline in revenues is primarily attributable to weaker new construction business in the Industrial Division.

The RHI Group's sales volume declined by 2.2% compared to the fourth quarter of 2013 and totaled roughly 435,000 tons (first quarter of 2013: 438,000 tons) in the first quarter of 2014. While the Steel Division reported a 0.7% decrease compared with the preceding quarter due to weaker business in South America and Ukraine, sales volume in the Industrial Division recorded a sharp drop by 19.0%. This is primarily attributable to fewer project deliveries in the business unit glass and fewer installations in the business unit cement/lime.

The double-digit increase in the order level indicates growing revenues in the coming quarters.

In the first quarter of 2014, revenues were down 11.9% on the preceding quarter and amounted to € 402.3 million. Revenues in the Steel Division decreased by 7.9% compared with the fourth quarter of 2013 due to the difficult market environment in South America, political tensions in Ukraine and Turkey and the New Year's celebrations in China. However, the level of incoming orders rose in the double-digit percentage range compared with the end of the year 2013, which indicates an increase in revenues in the coming quarters. The drop in revenues in the Industrial Division by 22.1% compared with the preceding quarter results in particular from weaker new construction activities. In addition, several major projects were delivered in the fourth quarter of 2013. Revenues should, however, also recover significantly in this division in the course of the financial year. The operating result amounted to € 34.1 million in the past quarter. Compared with the operating result of the fourth quarter of 2013, which was characterized by several one-off effects, this corresponds to an increase by 89.4%. The operating result margin rose from 3.9% to 8.5%. EBIT amounted to € 33.6 million in the first quarter of 2014 and includes restructuring costs of € 0.5 million resulting from the closure of the Duisburg plant in Germany. Here, higher expenses for the social plan led to additions to the relevant provisions. The EBIT margin amounted to 8.4% in the past quarter. The tax rate was 31.3%.

In comparison with the first quarter of 2013, sales volume declined by 0.7% and revenues by 5.5%. This is primarily attributable to a weaker business development in the Industrial Division. While the cement/lime business unit recorded high seasonal fluctuations in the first half of 2013 with a very strong first quarter and a very weak second quarter, RHI expects a longer cement season in the year 2014 and consequently more consistent revenues. Moreover, deliveries for a major contract in the ferrochrome segment were also made in the first quarter of 2013. The operating result was down 31.0% on the comparative period of 2013, which was due to a reduced contribution to earnings by the Industrial Division. The operating result margin fell from 11.6% to 8.5%.

The gearing ratio fell to 82.1% as a result of lower new debt.

Equity totaled € 497.5 million at March 31, 2014 compared with € 485.5 million at December 31, 2013. The equity ratio increased slightly from 28.2% at the end of the financial year 2013 to 28.3% at March 31, 2014. Cash and cash equivalents rose from € 112.4 million at December 31, to € 127.3 million. Net debt decreased from € 422.9 million to € 408.3 million. As a result, the gearing ratio declined from 87.1% to 82.1%. Net cash flow from operating activities amounted to € 23.0 million in the past quarter, and net cash flow from investing activities to € (5.3) million. The number of employees increased slightly from 8,121 at the end of the year 2013 to 8,189.

Segment Reporting

	Q1/2014	Q1/2013[1]	Delta	Q4/2013	Q3/2013	Q2/2013[1]
Sales (thousand tons)	435	438	(0.7)%	445	422	434
in € million						
Revenues	**402.3**	**425.5**	**(5.5)%**	**456.6**	**427.4**	**445.2**
Steel Division	256.7	256.5	0.1%	278.7	276.0	286.3
Industrial Division	133.2	159.7	(16.6)%	170.9	140.7	147.7
Raw Materials Division						
External revenues	12.4	9.3	33.3%	7.0	10.7	11.2
Internal revenues	68.6	63.2	8.5%	58.1	55.6	59.3
EBITDA	**50.2**	**65.9**	**(23.8)%**	**43.3**	**50.2**	**102.2**
EBITDA margin	12.5%	15.5%	(3.0)pp	9.5%	11.7%	23.0%
Operating result[2]	**34.1**	**49.4**	**(31.0)%**	**18.0**	**32.2**	**27.2**
Steel Division	18.2	21.9	(16.9)%	7.1	20.8	14.6
Industrial Division	10.1	26.6	(62.0)%	19.7	12.8	11.1
Raw Materials Division	5.8	0.9	544.4%	(8.8)	(1.4)	1.5
Operating result margin	**8.5%**	**11.6%**	**(3.1)pp**	**3.9%**	**7.5%**	**6.1%**
Steel Division	7.1%	8.5%	(1.4)pp	2.5%	7.5%	5.1%
Industrial Division	7.6%	16.7%	(9.1)pp	11.5%	9.1%	7.5%
Raw Materials Division[3]	7.2%	1.2%	6.0pp	(13.5)%	(2.1)%	2.1%
EBIT	**33.6**	**49.4**	**(32.0)%**	**(53.0)**	**30.7**	**84.0**
Steel Division	17.9	21.9	(18.3)%	3.3	21.1	51.0
Industrial Division	9.9	26.6	(62.8)%	17.7	12.9	29.6
Raw Materials Division	5.8	0.9	544.4%	(74.0)	(3.3)	3.4
EBIT margin	**8.4%**	**11.6%**	**(3.2)pp**	**(11.6)%**	**7.2%**	**18.9%**
Steel Division	7.0%	8.5%	(1.5)pp	1.2%	7.6%	17.8%
Industrial Division	7.4%	16.7%	(9.3)pp	10.4%	9.2%	20.0%
Raw Materials Division[3]	7.2%	1.2%	6.0pp	(113.7)%	(5.0)%	4.8%
Financial result	**(6.8)**	**(10.5)**	**35.2%**	**(1.9)**	**(7.2)**	**(10.2)**
Results from joint ventures	2.0	1.9	5.3%	2.8	1.5	1.8
Result before income taxes	**28.8**	**40.8**	**(29.4)%**	**(52.1)**	**25.0**	**75.6**
Income taxes	(9.0)	(18.0)	50.0%	13.6	(7.1)	(15.1)
Income taxes in %	31.3%	44.1%	(12.8)pp	26.1%	28.4%	20.0%
Result from continued operations	**19.8**	**22.8**	**(13.2)%**	**(38.5)**	**17.9**	**60.5**
Earnings per share in €[4]	0.49	0.57	(14.0)%	(0.97)	0.44	1.51

1) after reclassification
2) EBIT before impairment and restructuring expenses and result from Chapter 11 proceedings
3) based on external and internal revenues
4) basic and diluted

Steel Division

The World Steel Association increased growth expectations for steel demand in Europe due to the first signs of an economic recovery.

In April, the World Steel Association published its growth forecasts for the global steel demand in the years 2014 and 2015. While growth was still estimated at 3.3% for the year 2014 in October, the estimate is now at 3.1% for 2014 and 3.3% for the year 2015. In particular, the outlook for Europe is more positive because of a possible economic recovery. Accordingly, the growth expected for steel demand in 2014 now amounts to 3.1% compared with 2.1% in October. The estimated increase in demand in the USA is also more positive at 3.8% in comparison with 3.2% after a weak year 2013. In contrast, the forecasts for the emerging markets were revised downwards, in some cases significantly. The expected growth in the CIS region, for example, was reduced from 3.5% to only 1.1% for the year 2014. Similarly, the increase in demand in South America is now estimated to be lower at 3.4% vs. 5.0%. Following a decade of high growth rates, demand for steel in China should adapt to the average growth rate realized worldwide of approximately 3%.

In the first quarter of 2014, crude steel production was up 2.2% on the same period of the previous year, and 3.4% on the fourth quarter of 2013. While steel production within the European Union saw a surprisingly strong increase driven by a positive development in the number of registrations of new vehicles, it fell short of expectations in the USA despite the consolidating economic upturn. One reason of the stagnating steel output in the USA may be the cold winter. In China, steel production surpassed the 200-million-ton mark in one quarter for the first time. However, the growth of steel production in the world's most populous country should slow down further due to the gloomy economic outlook.

in million tons	Q1/2014	Q1/2013	Delta	Q4/2013	Q3/2013	Q2/2013
China	201.1	197.4	1.9%	188.3	197.2	197.3
World ex China	202.9	197.9	2.5%	202.5	199.0	203.0
thereof EU28	43.8	41.1	6.6%	42.3	40.0	42.7
thereof USA	21.5	21.5	0.0%	21.6	22.2	21.6
World	**404.0**	**395.3**	**2.2%**	**390.8**	**396.2**	**400.3**

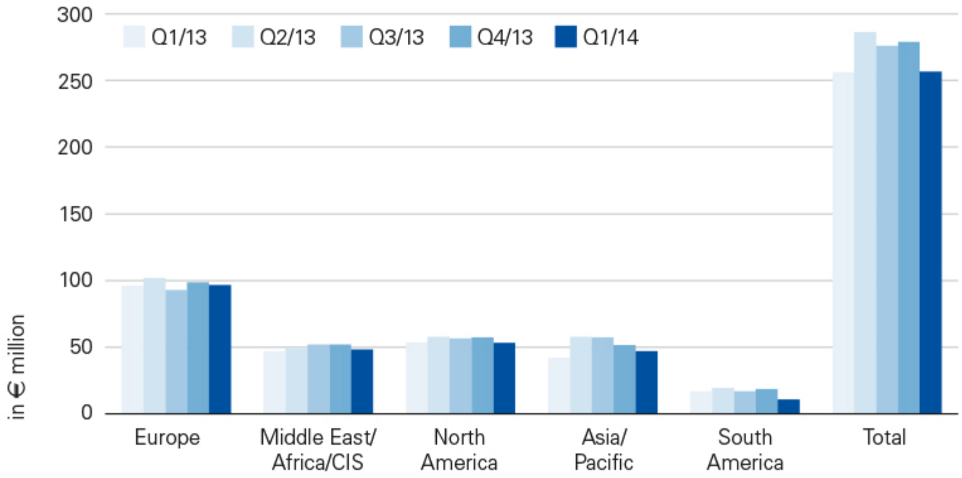
Source: World Steel Association

Sales volume of the Steel Division was down 0.7% on the fourth quarter of 2013 to roughly 291,000 tons as a result of weaker demand in South America. The decline in revenues was more pronounced at 7.9% due to a shift in product mix. Compared with the same period of the previous year, sales volume dropped by 1.0%, while revenues rose slightly by 0.1%. However, the outlook on the full year 2014 is optimistic due to a double-digit increase in the order level in comparison with the end of the year 2013.

The decline in revenues is related to shifts in product and regional mix.

Revenues in the Steel Division, at € 256.7 million in the first quarter of 2014, fell short of revenues in the fourth quarter of 2013, at € 278.7 million, but slightly exceeded the figure of € 256.5 million in the comparative period of 2013. The operating result rose from € 7.1 million in the fourth quarter of 2013 to € 18.2 million in the first quarter of 2014. Amongst other things, this is due to the absence of a one-off effect in the fourth quarter related to impairments of € 6.5 million for the engineering and the steel construction of the investment project in Brazil, which was stopped, and lower negative currency effects. The operating result of the first quarter of 2013 amounted to € 21.9 million. The operating result margin, at 7.1%, exceeded that of the preceding quarter, at 2.5%, but was lower than in the comparative period of 2013.

The development of revenues in the past five quarters is shown below:



Development of revenues

Europe

In the first quarter of 2014, the steel industry in the European Union grew by 3.5% compared with the preceding quarter and by 6.6% compared with the first quarter of 2013, thus clearly exceeding expectations. This positive development is primarily attributable to good results in the automotive industry. The number of registrations of new cars in the European Union increased by 8.4% and that of commercial vehicles by 9.8% compared with the first quarter of 2013. However, these high growth rates are based on a low absolute level.

The economic recovery in Europe has not yet been reflected in increasing revenues due to the time span between receiving orders and their delivery.

From a regional point of view, steel production increased compared with the fourth quarter of 2013 especially in Italy, Germany, France and Poland. Most recently, the European construction industry also showed encouraging signs due to the mild winter.

However, the economic recovery in Europe was not yet reflected in growing revenues in the first quarter of 2014. This is above all attributable to the time span between receiving orders and delivering the goods. However, the level of incoming orders developed very positively due to growing demand for steel in Europe in the past quarter. Consequently, the number of incoming orders rose in the double-digit percentage range compared with the end of the year 2013.

Revenues fell by roughly 2% compared with the preceding quarter. While the linings business expanded slightly, especially in the converter segment, flow control business in the tundish segment declined. The planned introduction of a new slide gate mechanism in the current financial year and manifold new orders for products of the Indian company Orient Refractories Ltd., which had been acquired in 2013, indicate increasing flow control revenues in the quarters to come.

Africa/CIS/Middle East

Political tensions in Ukraine and Turkey burdened the business development.

The political tensions between Ukraine and Russia and the related uncertainties regarding further economic developments led to a 0.7% decline in steel production in the CIS region in the first quarter of 2014 in comparison with the preceding quarter. Especially Ukrainian producers reduced their steel output.

In this market environment, the CIS region's contribution to revenues dropped by roughly 16% compared with the fourth quarter of 2013. This development was attributable in particular to a very weak electric steel and ladle business, with deliveries to Ukraine coming to a complete standstill. However, the flow control business was expanded, starting from a low level, despite the existing uncertainties.

In the region Africa/Middle East, steel production declined above all because steel output in Egypt was roughly 4% lower than in the preceding quarter. However, in the medium term, this region should benefit especially from planned construction projects and capacity expansions.

The region's contribution to revenues fell by 3% compared with the fourth quarter of 2013. While the linings business expanded, in particular in the ladle and electric steel segments, the flow control business recorded a double-digit drop in revenues.

North America

The economic upswing in the USA is not yet reflected in an increase in steel output.

North American steel production in the first quarter of 2014 increased by 0.8% compared with the preceding quarter. While the Mexican steel industry raised its output by 8.7%, Canadian and US producers recorded a slight decline. Consequently, the economic upturn in the USA is not yet reflected in an increase in steel production.

Within the US steel industry, however, two different trends can be observed. While the development of construction steel for infrastructure projects is surprisingly weak, specialist manufacturers benefit from a multitude of new projects of the local oil and gas industry.

The order cycles for both products of the steel industry and for refractory products have been shortened even further in the past years. The order books are often only full for a few weeks. For refractories suppliers, short delivery times, flexible production and a high service level are key factors for further business success.

Revenues in the first quarter of 2014 fell by approximately 7% compared with the preceding quarter due to weaker linings business. While flow control revenues saw a very positive development in the USA, especially in the isostatic product segment, the ladle and electric steel business did not match the strong fourth quarter of 2013. In this region, RHI focuses on further expanding technical services in order to strengthen its position as the first address for process optimization at the steel plant through the efficient use of refractory products.

South America

Political unrest in Venezuela and social unrest in Brazil had a negative effect on the market environment.

Being raw material exporters, the South American economies still suffer from lower raw material prices and the capital flight of foreign investors as a result of the slump in growth. This subsequently led to a massive devaluation of the local currencies and high inflation rates.

The South American steel production fell by 1.8% in the first quarter of 2014 compared to the previous quarter as a result of subdued economic prospects. Political unrest in Venezuela and social unrest in Brazil had a negative impact on the market environment. Triggered by the actions taken by the Brazilian police in order to contain criminality at the venues of the soccer world cup, which takes place this summer, tensions related to the government's wrong capital investments exploded and subsequently caused social protests in several cities.

The region's contribution to revenues fell by roughly 42% in the first quarter of 2014 compared with the preceding quarter. This is on the one hand attributable to significantly reduced deliveries to Venezuela resulting from payment difficulties of local producers and on the other hand to lower competitiveness resulting from the devaluation of local currencies. In addition, high import and anti-dumping duties have a negative impact on foreign producers. While flow control revenues were expanded in this challenging market climate, the linings business recorded a strong decrease in the electric steel and ladle segments. RHI is currently working on enhancing the installations.

Asia/Pacific

With the exception of India, the region's contribution to revenues fell short of expectations.

Many local steel manufacturers in the Asia/Pacific region are increasingly confronted with Chinese imports. This trend was intensified by a variety of measures taken by the Chinese government. As access to cheap loans was cut, many steel companies are now forced to refinance in the financial markets, in many cases under substantially higher conditions than before. As a result, more and more Chinese producers try to generate additional cash flow in the export business. Chinese manufacturers also try to gain market share in the refractory market due to slower growth in their domestic market.

With the exception of India, the region's contribution to revenues fell short of expectations in the first quarter and was down some 9% on the preceding quarter. Lower revenues in China due to the New Year's celebrations heavily influenced this development. In addition, the political upheavals in Thailand had a negative impact on the business development. In contrast, business in India was expanded in the high single-digit range due to the progressing integration of Orient Refractories Ltd., which had been acquired in the year 2013. Contracts won in the first quarter of 2014 and the new atmosphere of change in the country after the parliamentary election indicate that the positive development will continue in the future. The most recent polls see BJP, the largest opposition party, clearly in the lead and forecast a massive defeat for the Congress party, which is currently in power. Many people hope that Narendra Modi, the top candidate of BJP, whose economic reforms as the Chief Minister of the state of Gujarat caused rapid growth in this state, will implement the reforms necessary to reduce bureaucracy.

Industrial Division

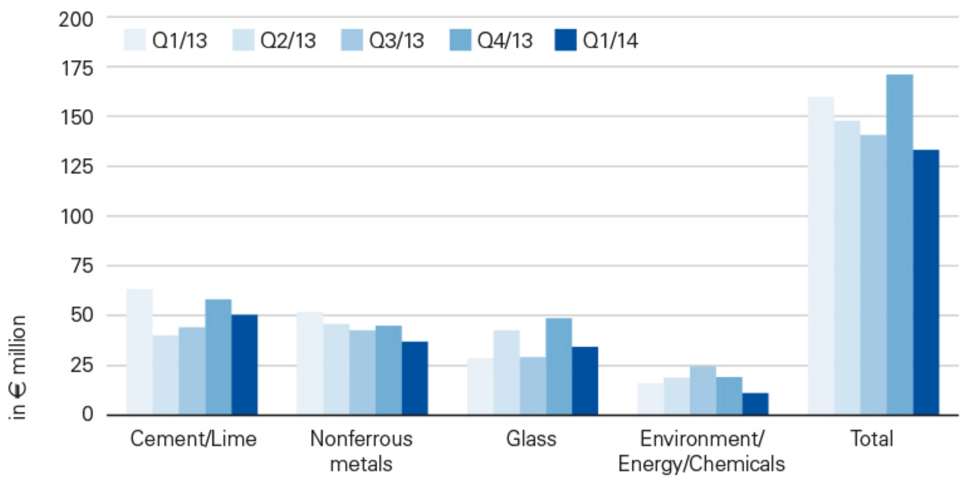
The decline in revenues is attributable to a weaker business development resulting from a subdued construction project business.

Sales volume of the Industrial Division decreased by 19.0% compared with the fourth quarter of 2013 and totaled roughly 102,000 tons. This drop is attributable in particular to deliveries of projects at the end of the year 2013. Due to a weaker business development in all four business units, revenues fell by 22.1%. Compared with the same period of the previous year, sales volume declined by 13.6% and revenues by 16.6%. Due to the satisfactory level of incoming orders, however, RHI expects revenues for the full year 2014 to exceed those of the previous year.

Revenues of the Industrial Division, at € 133.2 million in the first quarter of 2014, fell short of revenues in the fourth quarter of 2013 at € 170.9 million and also of the revenues of € 159.7 million in the comparative period of 2013. Due to a lower contribution to revenues of the high-margin nonferrous metals business unit and the lack of coverage of fixed costs at the production facilities as a result of declining volume, the operating result amounted to € 10.1 million in the first quarter of 2014 compared with € 19.7 million in the fourth quarter of 2013. It was thus also lower than in the same quarter of 2013, at € 26.6 million. The operating result margin, at 7.6%, was lower than the 11.5% in the preceding quarter and substantially lower than in the comparative period of 2013.

The development of revenues in the past five quarters is shown below:

Development of revenues



Cement/Lime

Based on the order situation, a substantially longer cement season than in the previous year can be expected.

The business unit cement/lime did not match the high revenues of the first quarter of 2013 in the first quarter of 2014. However, the first half-year of 2013 showed high seasonal fluctuations with a very strong first quarter and a very weak second quarter. Based on the order situation, a significantly longer cement season and consequently a stronger second quarter than in the previous year are to be expected for the current financial year.

Europe is still a difficult market with stagnating demand for refractories and, consequently, high cost pressure on the cement industry. No improvement of this situation is to be expected in the medium term, so the pressure on refractory costs also remains high. In order to maintain market share, RHI successfully introduced a new product line in the market last year.

In April, the two largest European cement manufacturers, the Swiss Holcim Group and the French Lafarge Group, announced their intention to merge. The merger would create a cement giant with revenues totaling roughly € 32 billion and with locations in more than 90 countries. In order to dispel the concerns of competition authorities, it is planned to sell several cement plants. If the intended merger is approved, major changes in the cement market are to be expected. RHI has been a long-standing refractories partner to both Lafarge and Holcim and, thanks to its global orientation, is prepared to accompany further growth plans of LafargeHolcim.

In India, the parliamentary elections, which were held from April 7 to May 12, and the expected changeover of power, caused customers to be cautious regarding new orders. However, RHI expects demand to pick up significantly in the second half of the year, and revenues to reach at least the level of the previous year in the full financial year. Outside India, the company invests in building new cement production capacities in particular in Indonesia and Malaysia.

Several larger customers from Africa and the CIS region recorded little demand for refractories in the first quarter, with the corresponding absence of orders. However, based on current inquiries, business can be expected to recover also in this region in the months to come. The political conflict between Ukraine and Russia only leads to minor effects on the cement industry at this stage.

In Brazil, anti-dumping duties were introduced for magnesite bricks from Mexico in December 2013. In addition, import duties of more than 30% have been levied for two years. Despite these challenging market conditions, RHI increased revenues due to the quality of its products, which leads to a substantially higher availability of aggregates, and due to the service level offered.

Nonferrous metals

Export restrictions in Indonesia caused a massive increase in the price of nickel.

The price development of the relevant nonferrous metals varied greatly in the first quarter of 2014. While, for example, the price of copper dropped to a 3-year low, the price of nickel was up 25%, which was due, amongst other things, to the ban on the export of unprocessed ores in Indonesia, which has been in place since the beginning of the year. The increase recorded on prior-year prices was significantly lower for zinc, at roughly 12%, and lead, at roughly 6%. The price of aluminum settled at the level of the comparative period of the previous year.

Revenues of the nonferrous metals business unit fell short of expectations in the first quarter of 2014. The fact that the earnings margin was higher than in the previous year did not offset the lacking contribution to earnings, which resulted from the decline in revenues. In the ferroalloy segment, the first deliveries for the world's largest ferronickel furnace in South Korea were made. Refractory material for an electric arc furnace in Indonesia was also delivered. In the copper segment, large quantities of repair materials for ISA smelters were supplied in Australia. Large quantities also went to Namibia and South Africa. In the aluminum segment, two larger projects were realized in Germany and in the USA.

As the major mining corporations are under pressure to make savings due to the drop in metal prices, a certain cool-down can currently be observed in the industry – a situation which bears a certain potential of tensions both in straight-line business and in project business in the months to come. Many kiln manufacturers also reported rather subdued incoming orders. Due to the export restrictions in Indonesia and the expected increase in nickel prices, however, there are also opportunities with respect to new construction projects.

Glass

The glass business unit's contribution to revenues and earnings is still weak.

The climate in the global glass refractory industry continued to be difficult in the first quarter of 2014. As uncertainties regarding the further development of the global glass market remain, glass manufacturers postpone costly investments in many cases. This applies especially to the flat glass segment, and here especially to the major producers. However, due to an economic upturn in the advanced economies, the market environment should start to improve in the further course of the year. This can also be seen in customer inquiries regarding projects and major repairs.

In Russia the glass market is undergoing massive changes. High excess capacities, stagnating demand for glass bottles and competitive pressure from China burden the profitability of the local glass producers and reduce any further willingness to invest. In North America, the demand situation is also very subdued. However, as a result of the Ardagh Group's takeover of Verallia North America, which was approved by the antitrust authorities, interesting opportunities arise for the RHI Group due to its very good positioning with the customer.

The business environment in the special glass and container glass segments is more stable than in the flat glass sector. Especially manufacturers in the premium segment regularly conduct repairs of glass tanks. While project activities in Europe continue to be slow, positive signals were received from China. Incoming orders developed positively. For the further business development, an economic recovery and an easing of the political unrest would be helpful, especially in Egypt and Thailand, which are important glass markets for RHI.

Environment, energy, chemicals

The absence of new construction business and generally low maintenance activities led to a decline in revenues.

The contribution to revenues of the environment, energy, chemicals business unit fell clearly short of expectations in the first quarter. This is due in particular to the lack of new construction business. Moreover, maintenance activities were generally low in the relevant customer industries in the first quarter.

Currently, a certain reservation regarding investment decisions about new building projects can be observed in the market outside the US. The low oil and gas exploration costs in the USA related to the growing production volume imply energy exports in the medium term. Consequently, so-called "difficult oil and gas" projects, which are characterized by high production costs, are currently under review.

The Chinese government also pursues ambitious plans to expand the exploration of shale gas. However, in contrast to the USA, the deposits are not located in low-lying areas, but rather in mountainous regions that are difficult to access such as the Sichuan province, or they are situated at a lower level, which additionally increases exploration costs. Moreover, Chinese companies often lack the know-how to produce shale gas at a similarly economical price as in the USA.

Raw Materials Division

A significant increase in the utilization of the raw material plants due to strong incoming orders led to improved results.

Capacity utilization at the plants of the Raw Materials Division saw a highly satisfactory development as a result of the high level of incoming orders in the Steel Division. Utilization of the refractory production capacities in the RHI Group consequently rose from an average 66% in the fourth quarter of 2013 to an average 76% in the first quarter of 2014. This development was also significantly influenced by the reduced capacity resulting from the closure of the plant in Duisburg, Germany. The increase in production volume led to an improvement in earnings of the Raw Material Division as coverage of fixed cost increased in the Raw Materials Division.

Revenues in the Raw Materials Division, at € 81.0 million in the first quarter of 2014, clearly exceeded the revenues of the fourth quarter of 2013 at € 65.1 million as well as those of the comparative period of 2013, at € 72.5 million. This is attributable to both higher external revenues and an increase in internal demand. The operating result rose from € (8.8) million in the fourth quarter of 2013 to € 5.8 million in the first quarter of 2014, thus also exceeding the figure of € 0.9 million in the comparative quarter of 2013. This development reflects the improved utilization of the raw material plants and the improvements made to stabilize the fused magnesia production process in Porsgrunn, Norway. The operating result margin amounted to 7.2%, exceeding that of the preceding quarter at (13.5)% and that of the comparative period of 2013.

Optimization measures implemented at the site in Norway produced first successes.

In Porsgrunn, Norway, a series of the technical measures defined in the fourth quarter of 2013 was implemented in the past quarter. These measures primarily include the reduction of material losses, lower gas consumption in the calciner and improvements to increase the flowability in caustic magnesia production. Currently, a new concept is developed for the sorting process, which should substantially increase the volume of material meeting specifications. At the same time, technical improvements are carried out in order to further increase plant availability. The first results of the external consultant specializing in process engineering should be presented in the course of the second quarter of 2014.

At the site in Eskisehir, Turkey, the production of high-grade sintered magnesia in the first quarter of 2014 clearly exceeded that of the comparative quarter 2013. In addition, the preparation work for a new mining location was carried out. Here, RHI signed a contract in early April to acquire a raw material plant with a production capacity of roughly 100,000 tons of sintered magnesia and mining rights in Erzurum, Turkey. The acquisition serves to further expand self-supply with raw materials for refractory products for the steel and cement industries. Following an upgrade of the plant and a change in the mining concept, a positive contribution to EBIT is expected as of the year 2016. The purchase price agreed amounts to USD 30 million; in addition, a debtor warrant of up to USD 16 million, depending on the realizable raw material quantities and qualities, was agreed. The entire transaction is subject to the approval of the competent courts and authorities as well as to meeting further contractual conditions.

At the Dashiqiao site, China, product and process optimizations carried out in the second half of 2013 produced very satisfactory results. As a result, both sinter and fused production exceeded expectations. The extension of the product portfolio by hercynite also went smoothly.

Outlook

Provided that the macroeconomic environment and exchange rates remain stable, RHI expects significantly higher revenues in the second quarter of 2014 than in the first quarter of 2014 driven by strong incoming orders. The operating result margin is expected to rise to roughly 9%.

For the full year 2014, RHI still expects revenues to grow by roughly 3% compared with the year 2013. The operating result margin should range between 8% and 9% including the negative effects from Norway.

Risk Report

In the first quarter of 2014, the risk management processes and key risks remained largely unchanged. The political crisis in Ukraine is considered a new, material uncertainty, whose development will be closely monitored. No risks that are considered to be a threat to the existence of the Group were identified.

Events after March 31, 2014

In early May, a power failure occured in the industrial park in Porsgrunn, Norway, which caused a fire in the fusion plant of the RHI Group. The damage level and recourse claims are currently reviewed. Due to the repair work, not all furnaces will be available for production in the coming weeks. The Management Board of RHI AG assumes that all capacities can be used fully again in mid-June.

Condensed, Unaudited Interim Consolidated Financial Statements

as of 03/31/2014

Consolidated Statement of Financial Position

in € million	03/31/2014	12/31/2013
ASSETS		
Non-current assets		
Property, plant and equipment	532.8	543.7
Goodwill	35.1	34.5
Other intangible assets	77.2	79.6
Shares in joint ventures	20.0	18.2
Other non-current financial assets	37.3	37.1
Other non-current assets	9.1	9.1
Deferred tax assets	122.5	121.4
	834.0	**843.6**
Current assets		
Inventories	413.9	389.4
Trade and other current receivables	375.1	368.6
Income tax receivables	6.6	7.8
Other current financial assets	2.2	2.2
Cash and cash equivalents	127.3	112.4
	925.1	**880.4**
	1,759.1	**1,724.0**
EQUITY AND LIABILITIES		
Equity		
Share capital	289.4	289.4
Group reserves	197.2	185.9
Equity attributable to shareholders of RHI AG	486.6	475.3
Non-controlling interests	10.9	10.2
	497.5	**485.5**
Non-current liabilities		
Non-current financial liabilities	360.3	362.1
Deferred tax liabilities	17.2	17.4
Personnel provisions	320.6	312.9
Other non-current provisions	4.1	4.1
Other non-current liabilities	7.6	7.9
	709.8	**704.4**
Current liabilities		
Current financial liabilities	175.3	173.2
Other current financial liabilities	0.4	0.3
Trade and other current payables	311.0	291.8
Income tax payables	23.3	25.7
Current provisions	41.8	43.1
	551.8	**534.1**
	1,759.1	**1,724.0**

Consolidated Income Statement

in € million	1st Quarter 2014	2013
Revenues	402.3	425.5
Cost of sales	(309.2)	(318.1)
Gross profit	**93.1**	**107.4**
Sales and marketing costs	(26.4)	(28.9)
General and administration costs	(31.3)	(29.9)
Other income	0.5	3.4
Other expenses	(1.8)	(2.6)
Operating result	**34.1**	**49.4**
Restructuring costs	(0.5)	0.0
Operating results (EBIT)	**33.6**	**49.4**
Interest income	0.3	0.6
Interest expenses	(4.3)	(8.5)
Other financial results	(2.8)	(2.6)
Financial results	(6.8)	(10.5)
Results from joint ventures	2.0	1.9
Result before income taxes	**28.8**	**40.8**
Income taxes	(9.0)	(18.0)
Result after income taxes	**19.8**	**22.8**
attributable to shareholders of RHI AG	19.5	22.7
attributable to non-controlling interests	0.3	0.1
in €		
Earnings per share (basic and diluted)	0.49	0.57

Consolidated Statement of Comprehensive Income

	1st Quarter	
in € million	2014	2013
Result after income taxes	**19.8**	**22.8**
Other comprehensive income after income taxes		
Currency translation differences		
Unrealized results from currency translation	(1.0)	9.0
Reclassification to the income statement due to the disposal of subsidiaries	0.0	(0.1)
Market valuation of cash flow hedges		
Unrealized results from fair value change	(0.7)	0.0
Deferred taxes on unrealized results from fair value change	0.2	0.0
Reclassification reserves to the income statement	(0.1)	0.0
Market valuation of available-for-sale financial instruments		
Unrealized results from fair value change	0.8	0.3
Deferred taxes on unrealized results from fair value change	(0.2)	(0.1)
Items that will be reclassified subsequently to profit or loss, if necessary	**(1.0)**	**9.1**
Remeasurement of defined benefit plans	(9.3)	0.0
Deferred taxes on remeasurement of defined benefit plans	2.5	0.0
Items that will not be reclassified to profit or loss	**(6.8)**	**0.0**
Total comprehensive income	**12.0**	**31.9**
attributable to shareholders of RHI AG	11.3	31.8
attributable to non-controlling interests	0.7	0.1

Consolidated Cash Flow Statement

in € million	1st Quarter 2014	2013
Result after income taxes	19.8	22.8
Adjustments for		
income taxes	9.0	18.0
depreciation and amortization charges	16.6	16.5
reversal of impairment losses on financial assets	0.0	(0.4)
gains from the disposal of property, plant and equipment	0.0	(2.9)
interest result	4.0	7.9
results from joint ventures	(2.0)	(1.9)
other non-cash changes	5.4	0.0
Changes in assets and liabilities		
Inventories	(26.7)	(10.7)
Trade receivables	(9.8)	(3.0)
Other receivables and assets	1.8	4.1
Provisions	(5.8)	(5.1)
Trade payables	4.7	(6.0)
Other liabilities	15.4	6.9
Cash flow from operating activities	**32.4**	**46.2**
Income taxes paid less refunds	(9.4)	(8.4)
Net cash flow from operating activities	**23.0**	**37.8**
Cash inflows from the sale of subsidiaries net of cash	0.0	(0.2)
Investments in property, plant and equipment and intangible assets	(6.4)	(14.5)
Cash inflows from the sale of property, plant and equipment	0.5	4.3
Investments in / cash inflows from non-current receivables	0.1	(0.3)
Investments in financial assets (Orient Refractories Ltd.)	0.0	(51.1)
Dividend payments from joint ventures	0.2	1.1
Interest received	0.3	0.6
Net cash flow from investing activities	**(5.3)**	**(60.1)**
Proceeds from non-current borrowings and loans	0.0	0.4
Repayments of non-current borrowings and loans	(0.1)	(0.1)
Changes in current borrowings	2.8	(9.3)
Interest payments	(4.6)	(3.0)
Net cash flow from financing activities	**(1.9)**	**(12.0)**
Total cash flow	**15.8**	**(34.3)**
Change in cash and cash equivalents	**15.8**	**(34.3)**
Cash and cash equivalents at beginning of year	112.4	185.7
Changes due to currency translation	(0.9)	1.0
Cash and cash equivalents at year-end	127.3	152.4

Consolidated Statement of Changes in Equity

in € million	Share capital	Additional paid-in capital	Retained earnings
12/31/2013	**289.4**	**38.3**	**287.7**
Result after income taxes	**-**	**-**	**19.5**
Other comprehensive income after income taxes			
Currency translation differences	-	-	-
Market valuation of cash flow hedges	-	-	-
Market valuation of available-for-sale financial instruments	-	-	-
Remeasurement of defined benefit plans	-	-	-
	-	-	-
Total comprehensive income	**-**	**-**	**19.5**
03/31/2014	**289.4**	**38.3**	**307.2**

in € million	Share capital	Additional paid-in capital	Retained earnings
12/31/2012 adjusted[1)]	**289.4**	**38.3**	**255.0**
Result after income taxes	**-**	**-**	**22.7**
Other comprehensive income after income taxes			
Currency translation differences	-	-	-
Market valuation of available-for-sale financial instruments	-	-	-
	-	-	-
Total comprehensive income	**-**	**-**	**22.7**
Change in non-controlling interests due to disposal of consolidated companies			
Transactions with shareholders	**-**	**-**	**-**
03/31/2013	**289.4**	**38.3**	**277.7**

1) Explanations regarding adjustments are provided in the section "Other changes in comparative information" of the notes to the consolidated financial statements 2013.

Group reserves						
Accumulated other comprehensive income						
Cash flow hedges	Available-for-sale financial instruments	Defined benefit plans	Currency translation	Equity attributable to shareholders of RHI AG	Non-controlling interests	Total equity
0.5	**2.0**	**(70.3)**	**(72.3)**	**475.3**	**10.2**	**485.5**
-	**-**	**-**	**-**	**19.5**	**0.3**	**19.8**
-	-	-	(1.4)	**1.4**	**0.4**	**(1.0)**
(0.6)	-	-	-	**(0.6)**	**-**	**(0.6)**
-	0.6	-	-	**0.6**	**-**	**0.6**
-	-	(6.8)	-	**(6.8)**	**-**	**(6.8)**
(0.6)	0.6	(6.8)	(1.4)	**(8.2)**	**0.4**	**(7.8)**
(0.6)	**0.6**	**(6.8)**	**(1.4)**	**11.3**	**0.7**	**12.0**
(0.1)	**2.6**	**(77.1)**	**(73.7)**	**486.6**	**10.9**	**497.5**

Group reserves						
Accumulated other comprehensive income						
Cash flow hedges	Available-for-sale financial instruments	Defined benefit plans	Currency translation	Equity attributable to shareholders of RHI AG	Non-controlling interests	Total equity
-	**1.6**	**(69.7)**	**(33.2)**	**481.4**	**0.7**	**482.1**
-	**-**	**-**	**-**	**22.7**	**0.1**	**22.8**
-	-	-	8.9	**8.9**	**-**	**8.9**
-	0.2	-	-	**0.2**	**-**	**0.2**
-	0.2	-	8.9	**9.1**	**-**	**9.1**
-	**0.2**	**-**	**8.9**	**31.8**	**0.1**	**31.9**
-	-	-	-	**0.0**	**(0.8)**	**(0.8)**
-	**-**	**-**	**-**	**0.0**	**(0.8)**	**(0.8)**
0.0	**1.8**	**(69.7)**	**(24.3)**	**513.2**	**0.0**	**513.2**

Selected Explanatory Notes

Principles and methods

The interim financial statements as of 03/31/2014 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 12/31/2013.

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

>> IAS 27 (revised version 2011): Separate Financial Statements
>> IAS 28 (revised version 2011): Investments in Associates and Joint Ventures
>> IAS 32 (amended 2011): Offsetting Financial Assets and Financial Liabilities
>> IAS 36 (amended 2013): Recoverable Amount Disclosures for Non-Financial Assets
>> IAS 39 (amended 2013): Novation of Derivatives and Continuation of Hedge Accounting
>> IFRS 10 (2011): Consolidated Financial Statements
>> IFRS 11 (2011): Joint Arrangements
>> IFRS 12 (2011): Disclosure of Interests in Other Entities
>> IFRS 10 - IFRS 12 (amended 2012): Transition Guidance
>> IFRS 10, IFRS 12, IAS 27 (amended 2012): Investment Entities

IFRS 10 "Consolidated Financial Statements" supersedes the provisions on consolidation previously defined in IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities" and explains a standard control concept for all entities including special purpose entities. Control exists when an investor is exposed to the risks of variable returns from the company in which it holds a share or has a right to variable returns and has the ability to affect those returns through its power over the investee. If one of those elements changes, it has to be reassessed whether control exists. Hence, IAS 27 now only includes provisions regarding the accounting of interests in subsidiaries, associates and joint ventures in the separate financial statements of the parent company provided that they are prepared in accordance with IFRS.

IFRS 11 "Joint Arrangements" supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". It governs the accounting of joint operations and joint ventures. The classification of a joint arrangement as a joint operation or a joint venture depends on the rights and duties of the parties to the arrangement. The structure, the legal form of the arrangement as well as all contractual conditions and other relevant facts and circumstances have to be taken into account in the classification. A joint operation exists when two or more companies make an agreement whereby they have direct rights to the assets and obligations for the liabilities. A joint venture is defined as a joint arrangement in which the parties which jointly exercise control have rights to the net assets of the arrangement in which they hold an interest. Joint ventures have to be included in the consolidated financial statements using the equity method in accordance with IAS 28. Assets and liabilities as well as income and expenses of a joint operation have to be recognized proportionately in the consolidated statement of financial position and in the income statement.

IFRS 12 "Disclosure of Interests in Other Entities" provides disclosure standards for consolidated financial statements and pools the disclosures regarding interests in other entities. With IFRS 12, the disclosure requirements of IAS 27, IAS 28 and IAS 31 are superseded.

The initial application of the consolidation packages IFRS 10 – 12 as of 01/01/2014 does not result in any changes in the type of consolidation for the companies of the RHI Group and consequently not in any change in the previous accounting of these Group companies. However, as a result of the reassessment of the involvement in MAGNIFIN Magnesiaprodukte GmbH & Co KG and Società Dolomite Italiana SDI S.p.A, which used to be classified as associates, these companies were reclassified as joint ventures. As these entities continue to be accounted for using the equity method according to IFRS, there is no effect on the recognized assets, liabilities and comprehensive income of the RHI Group. Due to the application of IFRS 12, taking into account the changed classification of the two above-mentioned investments, the required information regarding the interests in other entities in the RHI consolidated financial statements as of 12/31/2014 may be more extensive than previously.

The other accounting standards initially applied in 2014 have no impact on the asset, financial and earnings position of this interim report.

Changes in comparative information

As a result of the adaptation of the organizational structure in the Raw Materials Division as of 07/01 of the previous year, the divisional results for the first quarter of 2013 changed as follows:

in € million	After reclassification	As published
Revenues	**425.5**	**425.5**
Steel Division	256.5	256.5
Industrial Division	159.7	159.7
Raw Materials Division		
External revenues	9.3	9.3
Internal revenues	63.2	63.2
Operating result/EBIT	**49.4**	**49.4**
Steel Division	21.9	20.5
Industrial Division	26.6	25.5
Raw Materials Division	0.9	3.4
Operating result/EBIT margin	**11.6%**	**11.6%**
Steel Division	8.5%	8.0%
Industrial Division	16.7%	16.0%
Raw Materials Division	1.2%	4.7%

Audit and review by an auditor

The consolidated interim financial statements as of 03/31/2014 were neither fully audited nor reviewed by an auditor.

Group of consolidated companies

The group of consolidated companies was reduced by one fully consolidated subsidiary, INTERSTOP Corporation, in comparison with the balance sheet date 12/31/2013. After this US subsidiary had been sold to the RHI subsidiary RHI US Ltd. by Stopinc AG at the end of 2013, it was merged with this company in January 2014.

Goodwill

Goodwill developed as follows:

in € million	01/01/ - 03/31/2014	01/01/ - 12/31/2013
Cost at beginning of period	36.7	17.4
Currency translation	0.7	(4.4)
Additions to consolidated companies	0.0	23.7
Cost at end of period	**37.4**	**36.7**
Accumulated impairment at beginning of period	(2.2)	0.0
Currency translation	(0.1)	0.0
Impairment losses	0.0	(2.2)
Accumulated impairment at end of period	**(2.3)**	**(2.2)**
Carrying amounts at end of period	**35.1**	**34.5**

Personnel provisions

For interim reports, provisions for pensions and termination payments are determined on the basis of a preview for the entire year prepared by an actuary. If there are significant changes in the actuarial assumptions in the course of the year, a remeasurement of the net debt from employee-related defined benefit obligation is recognized.

At 03/31/2014 a significant reduction of the actuarial interest rate for the determination of pension and termination payment obligations in the euro area led to an increase in personnel provisions amounting to € 9.3 million and to a reduction of equity amounting to € 6.8 million (after deferred taxes).

Other income

Income from the sale of land shown under other income in the first quarter of the previous year amounted to € 2.7 million and was allocable to the Raw Materials Division in its entirety. In the current reporting period, no significant sale of land was realized.

Other expenses

The net effect from foreign currency losses through profit or loss and the results from forward exchange contracts amounts to € (1.3) million in the first quarter of 2014 (first quarter of 2013: € (1.9) million).

Restructuring costs

The restructuring costs of € 0.5 million recognized in the first quarter of 2014 result from the closure of the plant in Duisburg, Germany, and are related to expenses for the social plan.

Income taxes

The tax rate of the first quarter of 2014 amounts to 31 %. The tax rate of the first quarter of the previous year amounted to 44% and was influenced by provisions for audits.

Segment reporting

The key figures of the operating segments for the first quarter of 2014 are shown in the table below:

in € million	Steel	Industrial	Raw Materials	Elimination/ Unallocated assets	Group
External revenues	256.7	133.2	12.4	0.0	402.3
Internal revenues	0.0	0.0	68.6	(68.6)	0.0
Segment revenues	**256.7**	**133.2**	**81.0**	**(68.6)**	**402.3**
Operating result	**18.2**	**10.1**	**5.8**	**0.0**	**34.1**
Restructuring costs	(0.3)	(0.2)	0.0	0.0	(0.5)
EBIT	**17.9**	**9.9**	**5.8**	**0.0**	**33.6**
Financial results					(6.8)
Results from joint ventures					2.0
Result before income taxes					**28.8**
Segment assets at 03/31/2014	584.9	282.2	488.7	383.3	1,739.1
Shares in joint ventures 03/31/2014	0.2	0.0	19.8	0.0	20.0
					1,759.1

The following table shows the operating segments for the first quarter of 2013:

in € million	Steel	Industrial	Raw Materials	Elimination/ Unallocated assets	Group
External revenues	256.5	159.7	9.3	0.0	425.5
Internal revenues	0.0	0.0	63.2	(63.2)	0.0
Segment revenues	**256.5**	**159.7**	**72.5**	**(63.2)**	**425.5**
Operating result/EBIT[1)]	**21.9**	**26.6**	**0.9**	**0.0**	**49.4**
Financial results					(10.5)
Results from joint ventures					1.9
Result before income taxes					**40.8**
Segment assets at 12/31/2013	574.2	266.8	494.9	369.9	1,705.8
Shares in joint ventures 12/31/2013	0.2	0.0	18.0	0.0	18.2
					1,724.0

1) adjusted

Disclosures on financial instruments

Financial assets and liabilities at fair value

As in the previous year, the fair values are determined according to the following hierarchy:

Level 1: Quoted prices 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.

Financial assets and liabilities measured at fair value and classified by the corresponding levels are shown below:

	03/31/2014		
in € million	Level 1	Level 2	Level 3
Financial assets			
Available-for-sale securities and shares	32.0	0.0	1.6
Financial assets held for trading	0.0	0.3	0.0
Financial liabilities			
Interest derivatives in a hedging relationship	0.0	0.1	0.0
Financial liabilities held for trading	0.0	0.4	0.0

	12/31/2013		
in € million	Level 1	Level 2	Level 3
Financial assets			
Available-for-sale securities and shares	31.2	0.0	1.6
Interest derivatives in a hedging relationship	0.0	0.6	0.0
Financial assets held for trading	0.0	0.2	0.0
Financial liabilities			
Financial liabilities held for trading	0.0	0.3	0.0

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

The fair value of level 3 financial assets did not change in the financial year 2013 and the first quarter of 2014 and amounts to € 1.6 million.

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:

	03/31/2014		12/31/2013	
in € million	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Available-for-sale investments	0.4	0.4	0.4	0.4
Available-for-sale securities and shares	1.1	1.1	1.1	1.1
Other financial receivables	4.1	4.1	4.2	4.2
Trade and other current receivables	375.1	375.1	368.6	368.6
Cash and cash equivalents	127.3	127.3	112.4	112.4
Financial liabilities				
Non-current financial liabilities	360.3	373.1	362.1	373.3
Current financial liabilities	175.3	175.3	173.2	173.2
Trade and other current payables	311.0	311.0	291.8	291.8

Related companies

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

Contingent liabilities

Contingent liabilities recorded no material changes since the previous balance sheet date.

Seasonal and cyclical influence

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

Employees

The average number of employees of the RHI Group weighted by level of employment amounted to 8,062 in the first quarter of 2014 (first quarter of 2013: 7,866).

Events after the balance sheet date 03/31/2014

The Turkish subsidiary Magnesit Anonim Sirketi, Eskisehir, signed a contract with the Cihan Group regarding the acquisition of a raw material plant and mining rights in Erzurum, Turkey, on 04/07/2014. The agreed purchase price amounts to USD 30 million; in addition, a debtor warrant of up to USD 16 million was agreed upon, which depends on the realizable raw material quantities and qualities. The entire transaction is subject to the approval of the first instance of the competent civil court and the competent administrative authorities, both in Turkey, as well as to meeting further contractual conditions.

The Annual General Meeting on 05/09/2014 approved the payout of a dividend of € 0.75 per share for the year 2013. Consequently, dividends totaling € 29.9 million will be paid to the shareholders of RHI AG in the second quarter of 2014.

In Norway, a power failure occurred in the industrial park in early May, which caused a fire in the RHI fusion plant. The damage level and recourse claims are currently assessed. Due to the repair work, not all furnaces will be available to RHI for production in the coming weeks.

Vienna, 05/14/2014

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

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 is a member of the Prime Market at the Vienna Stock Exchange. On March 31, 2014, 39,819,039 no-par common shares of RHI AG with voting rights were admitted to trading in Vienna.

Capital market calendar 2014

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

Shareholder structure

* Voting rights are exercised jointly.

Stock exchange key figures

in €	Q1/2014	Q1/2013
Highest share price	26.05	27.70
Lowest share price	22.85	25.12
Share price at end of quarter	23.36	25.26
Market capitalization (in € million)	930	1,006

Kursentwicklung 01/2013 - 04/2014

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

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The English translation of the RHI annual 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.

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