

**Abridged Annual Financial Statements
2009 of RHI AG in Accordance with the
Austrian Commercial Code (UGB)**

Management Report

Regarding the management report, reference is made to the statements of the annual financial statements of RHI AG.

Vienna, 10 March 2010

Management Board



Thomas Fahnemann
CEO



Giorgio Cappelli
COO Steel



Manfred Hödl
COO Industrial



Henning E. Jensen
CFO



Rudolf Payer
Business Administration

Report of the Supervisory Board

The Supervisory Board of RHI AG, Vienna, held seven meetings during the course of 2009. At these meetings and on other occasions, the Management Board informed the Supervisory Board about important matters relating to the management, operating activities and the situation of the company. The Supervisory Board therefore had ample opportunity to fulfil its obligation to remain informed of and to monitor company operations. The Supervisory Board saw no reason to raise objections to the activities and operations of the Management Board.

The financial statements of RHI AG and the consolidated financial statements 2009 were audited and certified without qualification by Deloitte Austria Wirtschaftsprüfungs GmbH, Vienna, duly appointed auditors at the 30th Annual General Meeting. Furthermore, the auditors confirmed that the management reports prepared are in accordance with the annual financial statements and the consolidated financial statements. The auditor's report was submitted to the members of the Supervisory Board in accordance with § 273 (4) UGB (Austrian Commercial Code).

At the meeting of the audit committee held on 10 March 2010, the financial statements of RHI AG and the RHI Group were examined and preparations made for the approval thereof.

The Supervisory Board examined the financial statements of RHI AG submitted by the Management Board and the management report as well as the corporate governance report for the year 2009 and approved these at its meeting on 26 March 2010. The financial statements of RHI AG have thus been approved in accordance with § 96 (4) AktG (Austrian Stock Corporation Act). At the same meeting, the Supervisory Board examined and approved the consolidated financial statements along with the management report of the Group.

The Supervisory Board approved the Management Board's proposed appropriation of earnings.

The audit committee held six meetings in 2009; the presidium (at the same time nomination and compensation committee) held eleven meetings, with three meetings being held in the function of the nomination committee and three in the function of the compensation committee. In addition to the audit of the financial statements, the topics monitoring of the accounting process, strategy, organisation, internal auditing, risk management, internal control system, personnel and current developments were discussed at these meetings.

Vienna, 26 March 2010

Michael Gröller
Chairman

Balance Sheet of RHI AG 2009¹

in € 1,000	31.12.2009	31.12.2008
ASSETS		
Fixed assets		
Intangible assets	10,019.0	14,708.4
Property, plant and equipment	11,045.6	13,376.2
Financial assets	621,534.1	642,129.1
	642,598.7	670,213.7
Current assets		
Inventories	33,298.0	33,788.3
Receivables and other assets	531,775.2	575,365.0
Cash and cash equivalents	101,816.2	15,120.0
	666,889.4	624,273.3
Prepaid expenses and deferred charges	39.8	104.5
	1,309,527.9	1,294,591.5
EQUITY AND LIABILITIES		
Equity		
Share capital	289,376.2	275,626.5
Additional paid-in capital	39,142.1	39,131.8
Accumulated profit	242,278.7	268,179.5
	570,797.0	582,937.8
Subordinated mezzanine capital		
Subordinated convertible bonds	0.0	13,760.0
Effective equity capital	570,797.0	596,697.8
Provisions		
Provisions for termination benefits and pensions	40,663.4	46,501.9
Other provisions	98,836.0	96,929.7
	139,499.4	143,431.6
Liabilities		
Financial liabilities	321,744.8	366,605.7
Trade payables	12,803.7	14,456.6
Other liabilities	264,683.0	173,399.8
	599,231.5	554,462.1
	1,309,527.9	1,294,591.5
Contingent liabilities	65,224.5	72,631.7

¹ The financial statements of 2009 of RHI AG were compiled in accordance with the Austrian Commercial code (UGB) as amended. The balance sheet and the income statement shown here are a summarised presentation of the audited balance sheet and income statement.

Income Statement of RHI AG 2009¹

in € 1,000	2009	2008
Revenues	846,518.3	1,121,484.0
Changes in inventories of work in progress and services not yet invoiced	-871.8	1,256.5
Other operating income	52,727.0	58,169.1
Cost of material and other production services	-628,683.7	-807,709.7
Personnel expenses	-62,648.6	-68,083.7
Depreciation and amortisation	-11,222.7	-9,039.2
Other operating expenses	-182,997.4	-266,227.1
Operating result	12,821.0	29,849.9
Income from investments	12,860.9	15,571.3
Income from other non-current securities	108.6	594.2
Other interest and similar income	15,385.6	26,295.8
Income from the write-up of financial assets	97.5	0.0
Expenses from financial assets	-46,624.0	-259.1
Interest and similar expenses	-19,164.7	-25,159.1
Financial result	-37,336.1	17,043.1
Result from ordinary activities	-24,515.1	46,893.0
Income taxes	-1,385.8	-1,200.0
Profit/Loss for the year	-25,900.8	45,693.0
Profit carried forward	268,179.5	222,486.5
Accumulated profit	242,278.7	268,179.5