

**Abridged Annual Financial Statements  
2010 of RHI AG in accordance with the  
Austrian Commercial Code (UGB)**

# Management Report

Regarding the management report, please refer to the statements of the annual financial statements of RHI AG.

Vienna, 7 March 2011

Management Board



Henning E. Jensen  
CEO



Mark J. Eckhout  
CFO



Giorgio Cappelli  
COO Steel



Manfred Hödl  
COO Industrial

# Report of the Supervisory Board

The Supervisory Board of RHI AG, Vienna, held seven meetings in the year 2010. 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 for the year 2010 were audited and certified without qualification by Deloitte Austria Wirtschaftsprüfungs GmbH, Vienna, duly appointed auditors at the 31<sup>st</sup> Annual General Meeting. Furthermore, the auditors confirmed that the management report prepared by the Management Board is in accordance with the financial statements of RHI AG and the consolidated financial statements. The auditor's report was submitted to the members of the Supervisory Board in accordance with § 273 para. 4 UGB (Austrian Commercial Code).

At the meeting of the audit committee held on 7 March 2011 the financial statements of RHI AG and the RHI Group were examined and preparations made for their approval.

The Supervisory Board examined the financial statements of RHI AG submitted by the Management Board, the management report and the Corporate Governance Report for the year 2010 and approved the annual financial statements for 2010 at its meeting on 21 March 2011. The financial statements of RHI AG have thus been approved in accordance with § 96 para. 4 AktG (Stock Corporation Act). At the same meeting, the Supervisory Board reviewed and approved the RHI consolidated financial statements and the management report.

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

The audit committee held six meetings in 2010. The presidium (at the same time nomination and compensation committee) held eight meetings, with two meetings being held in the function of the nomination committee and two in the function of the compensation committee. In addition to the audit of the financial statements, the audit of the quarterly financial statements, monitoring of the accounting process, strategy, organisation, internal auditing, risk management, internal controlling system, personnel, status of important investment projects and current developments were discussed at these meetings

Vienna, 21 March 2011

Herbert Cordt  
Chairman

## Balance Sheet of RHI AG 2010<sup>1)</sup>

in € 1,000	31.12.2010	31.12.2009
<b>A S S E T S</b>		
<b>Fixed assets</b>		
Intangible assets	5,811.4	10,019.0
Property, plant and equipment	11,515.3	11,045.6
Financial assets	754,865.3	621,534.0
	<b>772,192.0</b>	<b>642,598.6</b>
<b>Current assets</b>		
Inventories	40,511.4	33,298.0
Receivables and other assets	621,957.4	531,775.2
Cash and cash equivalents	18,132.7	101,816.3
	<b>680,601.5</b>	<b>666,889.5</b>
<b>Prepaid expenses and deferred charges</b>	<b>49.4</b>	<b>39.8</b>
	<b>1,452,842.9</b>	<b>1,309,527.9</b>
<b>E Q U I T Y A N D L I A B I L I T I E S</b>		
<b>Equity</b>		
Share capital	289,376.2	289,376.2
Additional paid-in capital	39,142.1	39,142.1
Accumulated profit	397,490.6	242,278.7
	<b>726,008.9</b>	<b>570,797.0</b>
<b>Provisions</b>		
Provisions for termination benefits and pensions	42,497.4	40,663.4
Other provisions	109,155.1	98,836.0
	<b>151,652.5</b>	<b>139,499.4</b>
<b>Liabilities</b>		
Financial liabilities	294,019.7	321,744.8
Trade payables	19,405.6	12,803.7
Other liabilities	261,756.2	264,683.0
	<b>575,181.5</b>	<b>599,231.5</b>
	<b>1,452,842.9</b>	<b>1,309,527.9</b>
Contingent liabilities	95,964.9	65,224.5

<sup>1)</sup> The financial statements of 2010 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 2010<sup>1)</sup>

in € 1,000	2010	2009
Revenues	1,102,033.6	846,518.3
Changes in inventories of work in progress and services not yet invoiced	(1,809.5)	(871.8)
Other operating income	74,983.5	52,727.0
Cost of material and other production services	(823,768.7)	(628,683.7)
Personnel expenses	(69,957.5)	(62,648.6)
Depreciation and amortisation	(8,041.3)	(11,222.7)
Other operating expenses	(245,137.3)	(182,997.4)
<b>Operating result</b>	<b>28,302.8</b>	<b>12,821.0</b>
Income from investments	22,034.3	12,860.9
Income from other non-current securities	83.1	108.6
Other interest and similar income	14,649.2	15,385.6
Income from the write-up of financial assets	110,128.6	97.5
Expenses from financial assets	(3,200.0)	(46,624.0)
Interest and similar expenses	(12,946.5)	(19,164.7)
<b>Financial result</b>	<b>130,748.7</b>	<b>(37,336.1)</b>
<b>Result from ordinary activities</b>	<b>159,051.5</b>	<b>(24,515.1)</b>
Income taxes	(3,839.6)	(1,385.8)
<b>Profit/Loss for the year</b>	<b>155,211.9</b>	<b>(25,900.8)</b>
<b>Profit carried forward</b>	<b>242,278.7</b>	<b>268,179.5</b>
<b>Accumulated profit</b>	<b>397,490.6</b>	<b>242,278.7</b>