

**Abridged Annual Financial Statements
2011 of RHI AG in accordance with the
Austrian Commercial Code (UGB)**

Balance Sheet RHI AG 2011¹⁾

in € million	12/31/2011	%	12/31/2010	%
A S S E T S				
Fixed assets				
Intangible assets	5.5	0.3	5.8	0.4
Property, plant and equipment	11.3	0.7	11.5	0.8
Financial assets	858.1	52.0	754.9	52.0
	874.9	53.0	772.2	53.2
Current assets				
Inventories	39.9	2.4	40.5	2.8
Receivables and other assets	661.8	40.0	622.0	42.8
Cash and cash equivalents	75.5	4.6	18.1	1.2
	777.2	47.0	680.6	46.8
	1,652.1	100.0	1,452.8	100.0
E Q U I T Y A N D L I A B I L I T I E S				
Equity				
Share capital	289.4	17.5	289.4	19.9
Additional paid-in capital	39.1	2.4	39.1	2.7
Accumulated profit	477.1	28.9	397.5	27.4
	805.6	48.8	726.0	50.0
Provisions				
Provisions for termination benefits and pensions	40.6	2.5	42.5	2.9
Other provisions	94.0	5.6	109.1	7.5
	134.6	8.1	151.6	10.4
Liabilities				
Financial liabilities	407.2	24.7	294.0	20.2
Trade payables	18.6	1.1	19.4	1.3
Other liabilities	286.1	17.3	261.8	18.1
	711.9	43.1	575.2	39.6
	1,652.1	100.0	1,452.8	100.0
Contingent liabilities	108.2		96.0	

¹⁾ The financial statements of 2011 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 summarized presentation of the audited balance sheet and income statement.

Income Statement of RHI AG 2011¹⁾

in € million	2011	%	2010	%
Revenues	1,217.3	100.0	1,102.0	100.0
Changes in inventories of work in progress and services not yet invoiced	0.1	0.0	(1.8)	(0.2)
Other operating income	46.3	3.8	75.0	6.8
Cost of material and other production services	(914.8)	(75.1)	(823.8)	(74.7)
Personnel expenses	(65.1)	(5.3)	(70.0)	(6.4)
Depreciation and amortization	(4.0)	(0.3)	(8.0)	(0.7)
Other operating expenses	(224.6)	(18.5)	(245.1)	(22.2)
Operating result	55.2	4.6	28.3	2.6
Income from investments	47.5	3.9	22.0	2.0
Income from other non-current securities	0.1	0.0	0.0	0.0
Other interest and similar income	15.6	1.3	14.7	1.3
Income from the write-up of financial assets	0.0	0.0	110.1	10.0
Expenses from financial assets	0.0	0.0	(3.2)	(0.3)
Interest and similar expenses	(15.3)	(1.3)	(12.9)	(1.2)
Financial result	47.9	3.9	130.7	11.8
Result from ordinary activities	103.1	8.5	159.0	14.4
Income taxes	(3.6)	(0.3)	(3.8)	(0.3)
Profit for the year	99.5	8.2	155.2	14.1
Profit carried forward	377.6	31.0	242.3	22.0
Accumulated profit	477.1	39.2	397.5	36.1

Management Report

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

Vienna, 02/17/2012

Management Board



Franz Struzl
CEO



Mark J. Eckhout
CFO



Giorgio Cappelli
COO Steel Division



Manfred Hödl
COO Industrial Division and
Raw Materials Division

Report of the Supervisory Board

The Supervisory Board of RHI AG, Vienna, held nine meetings in the year 2011. 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 fulfill 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 2011 were audited and certified without qualification by Deloitte Austria Wirtschaftsprüfungs GmbH, Vienna, duly appointed auditors at the 32- Annual General Meeting. Furthermore, the auditors confirmed that the management reports 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 March 05, 2012 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 2011 and approved the annual financial statements for 2011 at its meeting on March 27, 2012. 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 four meetings in 2011. 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 audit of the quarterly financial statements, monitoring of the accounting process, strategy, organization, internal auditing, risk management, internal controlling system, personnel, status of important investment projects and current developments were discussed at these meetings.

Vienna, 03/27/2012

Herbert Cordt
Chairman

Imprint

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

This annual 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.

These materials may use terms which are non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation as alternatives to measures of RHI's financial condition, results of operations or cash flows as presented in accordance with IFRS in its Consolidated Financial Statements. For definition of these supplemental financial measures, a reconciliation to the most directly comparable IFRS financial measures and information regarding the usefulness and limitations of these supplemental financial measures please contact the RHI Investor Relations team (investor.relations@rhi-ag.com).

RHI Group

Key Data

in € million	2011	2010	2009 ¹⁾	2008 ¹⁾	in € million
Revenues	1,758.6	1,522.9	1,236.9	1,596.7	Revenues
Steel	1,106.8	977.3	703.6	957.6	Steel
Industrial	613.9	517.8	513.6	605.6	Industrial
Raw Materials, Production, other	208.3	165.2	135.1	167.5	Raw Materials, Production, other
Consolidation	(170.4)	(137.4)	(115.4)	(134.0)	Consolidation
EBITDA	204.1	172.0	114.5	216.1	EBITDA
EBIT	150.9	126.0	54.8	148.4	EBIT
Steel	71.5	61.7	(6.7)	58.8	Steel
Industrial	71.8	60.6	54.2	70.9	Industrial
Raw Materials, Production, other	7.6	3.7	7.3	18.6	Raw Materials, Production, other
Profit continuing operations	120.8	104.6	21.4	101.8	Profit continuing operations
Profit discontinued operations	0.7	1.1	0.0	(1.2)	Profit/Loss discontinued operations
Profit for the year	121.5	105.7	21.4	100.6	Profit for the year
Profit attributable to equity holders of RHI AG	121.5	105.9	20.9	98.1	Profit attributable to equity holders of RHI AG
Cash flow from operating activities	124.4	(12.3)	202.0	123.5	Cash flow from operating activities
Cash flow from investing activities	(105.5)	(54.3)	(36.2)	(73.2)	Cash flow from investing activities
Cash flow from financing activities	67.3	(18.3)	(72.7)	(34.9)	Cash flow from financing activities
Non-current assets	748.1	647.1	592.4	607.4	Non-current assets
Financial liabilities net ¹⁾	361.5	341.0	255.9	397.7	Financial liabilities net ¹⁾
Employees (average)	7,883	7,260	7,272	7,692	Employees (average)
Equity ratio (in %) ²⁾	26.0	22.2	16.2	12.1	Equity ratio (in %) ²⁾
Return on capital employed (in %) ³⁾	14.2	14.2	5.9	15.1	Return on capital employed (in %) ³⁾
Return on average fixed assets ⁴⁾	28.2	26.2	11.5	31.0	Return on average fixed assets ⁴⁾
Basic earnings per share (in €) ⁵⁾	3.05	2.66	0.55	2.61	Basic earnings per share (in €) ⁵⁾
Diluted earnings per share (in €) ⁶⁾	3.05	2.66	0.52	2.48	Diluted earnings per share (in €) ⁶⁾
Continuing operations					Continuing operations
Basic earnings per share (in €) ⁵⁾	3.03	2.63	0.55	2.64	Basic earnings per share (in €) ⁵⁾
Diluted earnings per share (in €) ⁶⁾	3.03	2.63	0.52	2.51	Diluted earnings per share (in €) ⁶⁾
Dividend per share (in €)	0.75	0.50	0.00	0.00	Dividend per share (in €)

1 Financial liabilities net = financial liabilities - cash and cash equivalents

2 Equity ratio = equity according to balance sheet / balance sheet total

3 Return on capital employed = EBIT / average (property, plant and equipment + goodwill + other intangible assets + net current assets)

4 Return on average fixed assets = EBIT / average (property, plant and equipment + goodwill + other intangible assets)

5 Basic earnings per share = profit attributable to equity holders of RHI AG / number of shares (weighted average)

6 Diluted earnings per share = profit attributable to equity holders of RHI AG + interest expense of convertible bond - current taxes / amount of shares (weighted average) + potential shares from convertible bond