

**Financial Statements of RHI AG 2008
in accordance with the Austrian
Commercial Code (UGB)**

Management Report

As was pointed out at the beginning of the management report of the RHI Group, the option to summarise the management report of RHI AG with the Group management report pursuant to § 267 (4) UGB together with § 251 (3) UGB (Austrian Commercial Code) was exercised. RHI had no branch offices in the reporting period.

Vienna, 11 March 2009

Management Board

Thomas Fahnemann
m.p.

Stefano Colombo
m.p.

Giorgio Cappelli
m.p.

Manfred Hödl
m.p.

Rudolf Payer
m.p.

Report of the Supervisory Board

The Supervisory Board of RHI AG, Vienna, held eight meetings during the course of 2008. 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. Pursuant to Article 58 of the Corporate Governance Code, it is pointed out that one member of the Supervisory Board (Mr. M. Eckhout) did not personally attend more than half of the meetings in the financial year 2008.

The financial statements of RHI AG and the consolidated financial statements 2008 were audited and certified without qualification by KPMG Austria GmbH, Vienna, certified public accountants, auditors and tax consultants, duly appointed auditors at the 29th 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 (3) UGB (Austrian Commercial Code).

At the meeting of the audit committee held on 2 April 2008, 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 submitted by the Management Board and the management report for the year 2008 and approved these at its meeting on 22 April 2009. The financial statements of RHI AG have thus been approved in accordance with § 125 (2) AktG (Austrian Stock Corporation Act). At the same meeting, the Supervisory Board approved the consolidated financial statements.

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

The audit committee held four meetings in 2008; the presidium (at the same time nomination and compensation committee) held nine 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 topics strategy, organisation, internal auditing, personnel and current developments were discussed at these meetings.

Vienna, 22 April 2009

Michael Gröller
Chairman

Balance Sheet of RHI AG 2008¹

in € 1,000	31.12.2008	31.12.2007
ASSETS		
Fixed assets		
Intangible assets	14,708.4	17,560.5
Property, plant and equipment	13,376.2	14,466.0
Financial assets	642,129.1	615,080.0
	670,213.7	647,106.5
Current assets		
Inventories	33,788.3	32,989.2
Receivables and other assets	575,365.0	576,135.1
Cash and cash equivalents	15,120.0	7,700.6
	624,273.3	616,824.9
Prepaid Expenses and deferred charges	104.5	338.0
	1,294,591.5	1,264,269.4
EQUITY AND LIABILITIES		
Equity		
Common stock	275,626.5	272,349.0
Additional paid-in capital	39,131.8	39,129.3
Accumulated profit	268,179.5	222,486.5
	582,937.8	533,964.8
Subordinated mezzanine capital		
Subordinated convertible bonds	13,760.0	17,040.0
Effective equity capital	596,697.8	551,004.8
Provisions		
Provisions for termination benefits and pensions	46,501.9	47,568.4
Other provisions	96,929.7	83,674.5
	143,431.6	131,242.9
Liabilities		
Financial liabilities	366,605.7	409,374.0
Trade payables	14,456.6	15,313.8
Other liabilities	173,399.8	157,333.9
	554,462.1	582,021.7
	1,294,591.5	1,264,269.4
Contingent liabilities	72,631.7	38,524.0

¹ The 2008 financial statements of RHI AG were compiled in accordance with the Austrian Commercial code (UGB) as amended. The financial statements shown here are a summarised presentation of the audited balance sheet and income statement.

Income Statement of RHI AG 2008¹

in € 1,000	2008	2007
Revenues	1,121,484.0	976,147.7
Changes in inventories and services not yet invoiced	1,256.5	-384.1
Other own work capitalised	58,169.1	38,700.8
Cost of material and other production services	-807,709.7	-671,308.9
Personnel expenses	-68,083.7	-66,955.1
Depreciation and amortisation	-9,039.2	-9,728.7
Other operating expenses	-266,227.1	-204,028.1
Operating result	29,849.9	62,443.6
Income from investments	15,571.3	10,889.8
Income from other non-current securities	594.2	416.2
Other interest and similar income	26,295.8	20,207.0
Expenses from financial assets	-259.1	-507.3
Interest and similar expenses	-25,159.1	-28,681.6
Financial result	17,043.1	2,324.1
Result from ordinary activities	46,893.0	64,767.7
Income taxes	-1,200.0	-2,032.8
Profit for the year	45,693.0	62,734.9
Profit carried forward	222,486.5	159,751.6
Accumulated profit	268,179.5	222,486.5

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.