WE MAKE IT POSSIBLE:

TECHNOLOGIES FOR THE FUTURE

REPORT FOR THE 3rd QUARTER 2012

RHI

Key Figures RHI Group

Earnings indicators

in € million	Q1 - Q3 2012	Q1 - Q3 2011	Change
Revenues	1,372.7	1,280.7	7.2%
EBITDA	181.0	148.0	22.3%
EBITDA margin	13.2%	11.6%	1.6pp
Operating result[1]	132.6	108.4	22.3%
Operating result margin	9.7%	8.5%	1.2pp
EBIT	134.3	108.4	23.9%
EBIT margin	9.8%	8.5%	1.3pp
Profit before income taxes	124.0	88.9	39.5%
Profit for the year	85.6	90.0	(4.9)%
Net cash flow from operating activities	91.4	74.9	22.0%
Investments in property, plant and equipment and intangible assets	106.3	32.2	230.1%
Number of employees at end of quarter	8,097	8,001	1.2%
Average number of employees Q1-Q3	8,115	7,711	5.2%

1) before reversal of impairment losses/impairment losses and restructuring costs

Balance sheet indicators

in € million	09/30/2012	09/30/2011	Change
Balance sheet total	1,888.5	1,547.1	22.1%
Equity	492.8	379.0	30.0%
Net debt	424.4	356.6	19.0%
Gearing Ratio [1]	86.1%	94.1%	(8.0)pp

1) not including non-current personnel provisions

Stock exchange indicators

in €	Q1 - Q3 2012	Q1 - Q3 2011	Change
Earnings per share	2.15	2.26	(4.9)%
Share price: high	21.18	29.92	(29.2)%
Share price: low	15.55	14.39	8.1%
Share price: average	18.50	22.20	(16.7)%
Share price at end of quarter	20.69	15.00	37.9%
Market capitalization at end of quarter (in million)	824	597	38.0%
Number of shares (in million units)	39.82	39.82	0.0%

Changes in segment reporting

With the report on the third quarter of 2012, RHI adapts the reporting structure to the organizational changes and the resulting internal reporting structure. Due to the change from a divisional to a functional organizational structure in the RHI Group, the production sites, which were previously allocated to the Steel, Industrial, and Raw Materials Divisions, are combined in technology clusters as of the third quarter of 2012. While manufacturing cost variances were previously shown in the division to which the respective plant was allocated, the allocation is now based on the supply flow. This leads to a slight shift between the results of the three divisions. The Group results remain unchanged.

A detailed overview of the changes per quarter is available on the website of the RHI Group under Investor Relations.

	2011		1st Half year 2012	
in € million	after reclassi-fication	as published	after reclassi-fication	as published
Revenues	**1,758.6**	**1,758.6**	**912.8**	**912.8**
Steel Division	1,106.8	1,106.8	575.9	575.9
Industrial Division	613.9	613.9	312.2	312.2
Raw Materials Division	208.3	208.3	122.2	122.2
External revenues	37.9	37.9	24.7	24.7
Internal revenues	170.4	170.4	97.5	97.5
Operating result[1)]	**148.6**	**148.6**	**82.3**	**82.3**
Steel Division	66.0	70.1	33.7	34.7
Industrial Division	69.9	68.3	36.0	34.2
Raw Materials Division	12.7	10.2	12.6	13.4
Operating result margin	**8.4%**	**8.4%**	**9.0%**	**9.0%**
Steel Division	6.0%	6.3%	5.9%	6.0%
Industrial Division	11.4%	11.1%	11.5%	11.0%
Raw Materials Division	6.1%	4.9%	10.3%	11.0%
EBIT	**150.9**	**150.9**	**77.7**	**77.7**
Steel Division	67.4	71.5	29.1	30.1
Industrial Division	73.4	71.8	36.0	34.2
Raw Materials Division	10.1	7.6	12.6	13.4
EBIT margin	**8.6%**	**8.6%**	**8.5%**	**8.5%**
Steel Division	6.1%	6.5%	5.1%	5.2%
Industrial Division	12.0%	11.7%	11.5%	11.0%
Raw Materials Division	4.8%	3.6%	10.3%	11.0%

1) before reversal of impairment losses/impairment losses and restructuring costs

Management Report RHI Group

Business Development

In the course of the third quarter of 2012, important early macroeconomic indicators cooled down considerably. In its World Economic Outlook, the IMF reduced global growth expectations for 2012 by 0.2% to 3.3% after 3.8% in the previous year, and for 2013 by 0.3% to 3.6%. The lack of confidence in the medium-term effectiveness of the political measures taken by the industrialized countries is considered to be one of the main reasons for this further slow-down of the economy. The crisis in the eurozone is still considered the biggest threat to the global economy. However, progress is attested in coping with this crisis. Unit labor costs have recently fallen in the euro periphery states and indicate first successes of the reforms introduced to enhance competitiveness. The ECB President's announcement stating that an unlimited volume of government bonds would be acquired in the secondary market as soon as a request for assistance was submitted to the European Stability Mechanism ESM caused a significant drop in risk premiums. The implementation of the planned banking union with common supervision and the corresponding rights to intervene as well as the possibility to grant aid from the ESM directly to troubled banks rather than making entire economies accountable, is delayed to the year 2013. In order to fund the costs to overcome the crisis, ten member states agreed to introduce a tax on financial transactions within the framework of "enhanced cooperation".
In the USA, economic growth appears to be accelerating again after it had recently been stalling. In September, the unemployment rate fell below the psychologically important 8% mark for the first time since 2009. Positive signs also come from the property market, which continues to recover. The sale of newly built houses increased to 389,000 houses in September, the highest figure since 2008. The greatest danger for the further economic development lies in the so-called fiscal cliff, which provides for automatic spending cuts of € 65 billion and significant tax increases if the debt ceiling is not raised.
In China, economic growth amounted to "only" 7.4% in the past quarter due to plunging exports, capital outflows of foreign investors and weak domestic demand. Similar to the year 2008, the government tries to counteract the seventh consecutive quarterly decline with a gigantic € 250 billion economic stimulus package to be funded by the communities, which are already suffering from the debt burden of the previous package.
Despite the weaker economic outlook, the oil price and the global stock markets recorded a significant upward development, which indicates a more robust interpretation of the further economic development.

As expected, RHI was unable to repeat the record revenues of the previous quarter. Sales volume dropped by 4.2% compared to the second quarter of 2012, amounting to roughly 450,000 tons in the third quarter of 2012 (Q3/2011: 475,000 tons). The lower volume is primarily attributable to the seasonally weaker business of the Steel Division in Europe and a generally slightly decreasing demand.

Revenues & earnings

In the third quarter of 2012, revenues increased by 7.0% in comparison to the same quarter of 2011 and amounted to € 459.9 million. While revenues in the Steel Division dropped by 3.7% in a market environment still characterized by uncertainty, the Industrial Division recorded growth of 25.8% as some major projects were delivered. The operating result of the third quarter was up 28.3% on the comparable period of 2011 and amounted to € 50.3 million, thus again exceeding the high level of the previous quarter. Positive restructuring effects of € 6.3 million result from the sale of the plant in South Africa. The Group's EBIT amounted to € 56.6 million in the third quarter, exceeding the figure of the third quarter of 2011 by 44.4%. The EBIT margin improved significantly from 9.1% to 12.3%. The tax rate increased to 53.9% due to additional payments and provisions formed as a result of audits. In the reference quarter of 2011 the tax rate amounted to minus 35.3% due to the capitalization of deferred taxes.

Although revenues were 3.4% lower than in the second quarter, RHI increased the operating result by 3.3% in the third quarter. While the operating result margin of the second quarter of 2012 rose from 10.2% to 10.9% in the third quarter, the increase in the group EBIT margin from 9.3% to 12.3% was more significant due to restructuring expenses in the previous quarter and positive effects from the sale of the plant in South Africa in the past quarter.

Equity amounted to € 492.8 million at September 30, 2012, after € 471.1 million at June 30, 2012. Cash and cash equivalents rose from € 107.1 million at the end of the second quarter of 2012 to € 234.2 million as a "Schuldscheindarlehen" of € 130 million was issued. Net debt remained nearly constant at € 424.4 million despite high investments in Norway and Turkey. The gearing ratio improved from 90.2% in the second quarter of 2012 to 86.1%. Net cash flow from operating activities amounted to € 43.0 million in the third quarter despite an increase in working capital by € 10.2 million higher due to reduced trade payables and totaled an accumulated € 91.4 million.

The number of employees increased slightly on the second quarter of 2012, from 8,072 to 8,097. The required increase in staff for the plant in Norway was absorbed by the sale of the plant in South Africa and the related staff reduction.

Segment Reporting

Development of the individual divisions

	3rd Quarter 2012	3rd Quarter 2011[2)]	Q1 - Q3 2012	Q1 - Q3 2011[2)]
Sales (thousand tons)	449	475	1,394	1,444
in € million				
Revenues	**459.9**	**429.8**	**1,372.7**	**1,280.7**
Steel Division	272.1	282.5	848.0	825.3
Industrial Division	174.8	138.9	487.0	432.8
Raw Materials Division				
External revenues	13.0	8.4	37.7	22.6
Internal revenues	46.7	39.6	144.2	130.8
Operating result[1)]	**50.3**	**39.2**	**132.6**	**108.4**
Steel Division	16.5	20.2	50.2	48.8
Industrial Division	29.1	14.4	65.1	50.6
Raw Materials Division	4.7	4.6	17.3	9.0
Operating result margin	**10.9%**	**9.1%**	**9.7%**	**8.5%**
Steel Division	6.1%	7.2%	5.9%	5.9%
Industrial Division	16.6%	10.4%	13.4%	11.7%
Raw Materials Division	7.9%	9.6%	9.5%	5.9%
EBIT	**56.6**	**39.2**	**134.3**	**108.4**
Steel Division	15.9	20.2	45.0	48.8
Industrial Division	28.7	14.4	64.7	50.6
Raw Materials Division	12.0	4.6	24.6	9.0
EBIT margin	**12.3%**	**9.1%**	**9.8%**	**8.5%**
Steel Division	5.8%	7.2%	5.3%	5.9%
Industrial Division	16.4%	10.4%	13.3%	11.7%
Raw Materials Division	20.1%	9.6%	13.5%	5.9%

1) before reversal of impairment losses/impairment losses and restructuring costs
2) after reclassification

Steel Division

In October the World Steel Association revised its own growth estimates regarding global demand for steel significantly downward. While in April of this year increases by 3.6% and 4.5% were forecast for 2012 and 2013 respectively, demand is now expected to increase by only 2.1% and 3.2% respectively. The reasons are to be found in the macro-economic uncertainties related to the sovereign debt crisis in Europe and the slowing growth in the emerging markets, especially in China. The development in the individual regions varied, however. The US steel market is recovering much faster and better than originally expected because the construction industry is picking up and due to the good performance of the automotive industry. In contrast, the forecast for Europe for 2012 was lowered from minus 1.2% to minus 5.6%. In Spain and Italy demand for steel will drop by more than 10% this year. For the coming year, growth of 2.4% is expected in Europe again, which is, amongst other things, due to a bottoming-out in the fourth quarter of 2012 and an increase in orders for rolled steel, which were declining continuously in the first half of the year.

In comparison with the previous quarter, global crude steel output declined by 3.2% to 376 million tons in the third quarter of 2012. This decline occurred on a broad basis. No region that is important for the steel industry realized higher production rates than in the previous quarter. In Europe, steel output dropped by a double-digit percentage, which was largely due to the shut-down of plants during the summer months.

in million tons	3rd Quarter	2nd Quarter	Change
China	178.4	182.0	(2.0)%
World ex China	197.6	206.3	(4.2)%
thereof EU27	40.4	45.1	(10.4)%
thereof North America	30.1	31.2	(3.5)%
World	**376.0**	**388.3**	**(3.2)%**

In comparison with the second quarter of 2012, sales volume in the Steel Division fell by 9.6% to roughly 303,000 tons, which was due to weaker demand in Europe during the summer months. Revenues also dropped by 8.3%. Compared with the prior-year reference period, sales volume declined by 10.3% and revenues by 3.7%.

At € 272.1 million in the third quarter of 2012, revenues in the Steel Division fell significantly short of revenues in the second quarter of 2012 at € 296.8 million and revenues in the 2011 reference period at € 282.5 million. The operating result dropped from € 21.6 million in the second quarter of 2012 to € 16.5 million in the third quarter of 2012 and was consequently also lower than the result of € 20.2 million in the prior-year period. The operating result margin, at 6.1%, was below the 7.3% of the previous quarter and also that of the prior-year reference period.

EMEA

Although the recession, which was feared in Europe at the beginning of the year, did not turn out to be as severe as expected, a downward correction for the steel industry, and consequently the refractory industry, is identifiable. Revenues in the region Western Europe declined according to expectations due to shut-downs during the summer months. The focus on profitability with the sales strategy "margin over volume" is maintained and consistently implemented.

The discussion regarding structural overcapacity of some 25% in Europe is getting tougher. Even within the European Steel Association there is no uniform opinion. Capacity utilization in the European steel industry was slightly below 70% in converter steel mills and slightly over 60% in electric steel plants, thus roughly 5% below the capacity utilization in the second quarter 2012.

In Eastern Europe, temporary shutdowns of steelworks are also evaluated and planned construction projects postponed to a later time. The delay of oil production projects leads to a difficult order situation for major pipe producers. In the Ukraine, a new electric steel mill was commissioned, which contributed to a positive development of RHI's revenues.

In North Africa, the political situation continued to stabilize. In the past months, RHI resumed business activities in Libya and successfully continued business in Egypt. RHI is currently concentrating on strategic focal points in order to consolidate the high market share in various construction projects, expansions of steelworks and in project business.

North America

Following a surprisingly positive development in the steel market in the first half of 2012, production volume was reduced in the third quarter of 2012. Despite increasing uncertainty in the market and the resulting volatility, the economic development continues to be positive in the NAFTA region.

Weaker steel production and a stronger euro in comparison with the US dollar led to a slightly lower contribution to revenues and earnings. Dependence on imports and consequently the direct effect of currency fluctuations are to be reduced by local production in the medium term.

South America

In Brazil, changed political framework conditions made it necessary to revise RHI's plans for a production site in the federal state of Rio de Janeiro. At present, the planned refractory product portfolio and the sourcing of local raw material are evaluated. Prices and contracts are adapted due to the increase in import duties.

Asia/Pacific

In the past quarter a decline in demand led to adjustments of the volume and qualities produced. This causes increasing pressure on suppliers to the steel industry. With low capacity utilization, the payment behavior of our customers also deteriorates, which is why RHI increasingly attaches greater importance to cash generation.

The commissioning of two steelworks in Vietnam as well as new construction projects in India and Bangladesh indicate a positive business development in the Asia/Pacific region in the medium to long term. As there is considerable need to catch up, this economic area will remain one of the fastest growing markets for refractory products.

China

In China, economic growth is cooling down further due to faltering export business. The International Monetary Fund expects growth of "only" 7.8% for 2012 after 9.2% in the previous year. However, China needs high growth rates in order to be able to maintain the current level of prosperity. For example, the wealthy cities in the coastal region have to accommodate six million new people per year and more than 20 million jobs have to be created in the world's second largest economy each year.

The investment boom of the recent years has led to enormous overcapacities in many industries. Experts estimate that steel production currently exceeds the actual demand by a third, which represents a risk for the steel industry outside China.

The Chinese government tries to counteract the slower growth with an enormous economic stimulus package of € 250 billion. In September, the construction of a total of 2,000 kilometers of roads and highways, four new airports and 25 underground railway systems was adopted, among other things.

Industrial Division

Although the cement business was weaker for seasonal reasons, sales volume in the Industrial Division increased by 6.7% to approx. 114,000 tons compared to the second quarter of 2012. Revenues were up 3.3% due to a very positive business development in the nonferrous metals segment. In comparison with the prior-year reference period, sales volume rose by 0.6% and revenues by 25.8%.

Revenues in the Industrial Division, at € 174.8 million in the third quarter of 2012, slightly exceeded the strong revenues of € 169.2 million in the second quarter of 2012 and significantly exceeded the figure of the 2011 reference period of € 138.9 million. The operating EBIT improved from € 21.7 million in the second quarter of 2012 to € 29.1 million in the third quarter of 2012 due to a shift in product mix, also exceeding the operating EBIT of € 14.4 million in the comparable quarter of 2011. The operating result margin, at 16.6%, exceeded that of the previous quarter at 12.8% as well as that of the comparative period of 2011.

Glass

The global glass market continued to cool down in the past quarter. However, trends varied in different regions. In particular, the situation in the flat glass segment remains difficult due to the weak construction industry. In the USA and Western Europe, capacity was cut and new furnaces were not commissioned. In contrast, Eastern Europe and Russia push ahead with planning new plants. However, funding these projects is difficult. Consequently, Chinese suppliers offering cheaper, technologically less sophisticated solutions are entering the market.

In China itself, the market is not recovering as fast as was hoped for, so many production facilities are still shut down.

The container glass segment is less sensitive to economic developments due to the characteristics of this business segment and the customer structure (glass as packaging material for the food industry) and shows a largely robust development. At present, a certain level of consolidation can be observed in the market. Following the takeover of Anchor Glass in the USA by the Ardagh Group, the world's third largest producer of bottle glass is created. In Europe, Thüringer Behälterglas GmbH was taken over by Wiegand Glas at the beginning of the year. The special glass market, and here especially TFT glass, is largely stable at a good level.

As a result of the difficult situation of some major glass producers, the general trend towards cheap refractory solutions continues. RHI therefore increasingly works on the development and marketing of adapted lining concepts in order to meet the changed requirements of many customers.

Cement/Lime

Due to the persisting unfavorable economic situation in Europe and the resulting reduced demand for cement, many of our customers are forced to adjust their costs. The refractory industry has been unable to detach itself from this development and is increasingly faced with the use of inexpensive materials. RHI has taken account of this development with a new product line, for which there is currently strong demand.

In China many cement producers also suffer from the slowing economy and a decline in the utilization of their capacity. Based on its good market presence and a clear quality edge vis-à-vis its competitors, RHI has been able to maintain its position in the market.

Outside Western Europe and China, the cement market developed positively and RHI successfully participated in the market growth, especially in the CIS states. In the USA, the property market continues to recover. In September the number of building permits and construction of new apartments recorded the highest increase since 2008. With such positive data, the climate and investments in the construction sector are also improving.

Latin America is an interesting growth market for RHI not only for third party business but also for project business. However, our activities in Brazil have been significantly affected by the 20% increase in import duties for fired basic refractory materials.

While the expected upturn in the construction industry and the resulting cement sales in North Africa have not yet been realized to the level hoped for, sales volume in the Middle East, especially in Saudi Arabia, where demand for high-grade refractory products is strong, developed very positively.

In the lime segment the positive business development continued. While existing plants are repaired in Europe, new plants are planned in Russia, India and Southeast Asia. Thanks to our production sites in India and China, customers in this region can be optimally supported.

Nonferrous metals

In the nonferrous metals business unit, a historic record result was realized in the third quarter, which was primarily attributable to deliveries for the ferrochrome project in Kazakhstan. However, third-party business also produced above-average results. In Guatemala, for example, material for a complete nickel smelter was delivered and in Brazil the first part of a major repair of a ferronickel kiln was carried out. The copper and nickel segment also recorded a highly satisfactory development. Projects in the high single-digit million range were realized in China, Kazakhstan and South Africa

In the fourth quarter, business is expected to develop at a slightly more moderate level; part of the repair of a ferronickel kiln in Brazil, an electric furnace for a nickel project in New Caledonia as well as further orders for the ferrochrome project in Kazakhstan will be delivered. Some major contracts have already been won for the following months or negotiations are in the final phase, which allows a positive forecast for the remaining year 2012 and the first quarter of the coming year.

Environment, Energy, Chemicals

In the environment, energy, chemicals sector, the positive development of the previous quarter continued. Planned contracts for new constructions and installations were performed. In short-term maintenance business, some major projects were carried out in the refinery segment, especially in Canada. The installation business in Europe, which was started at the beginning of the year, also saw a very positive development in terms of market penetration and customer retention. Revenues and earnings were clearly above plan in the reporting period.

As a result of the large number of refinery stops this year, there will be significantly fewer in the coming year. Nonetheless, RHI expects an increase in the maintenance business for the year 2013. New construction business, however, should be slightly below the level of the current financial year due to the small number of projects that are currently realized.

Raw Materials Division

Revenues of the Raw Materials Division, at € 59.7 million in the third quarter of 2012, were slightly below the figure of € 62.0 million in the second quarter of 2012, but significantly exceeded revenues of the same period in 2011, at € 48.0 million, due to the acquisition of Premier Periclase Ltd. (PPL) in Ireland in September of the previous year. Operating EBIT decreased slightly from € 5.4 million in the second quarter of 2012 to € 4.7 million in the third quarter of 2012, slightly exceeding the value of € 4.6 million in the comparable period of 2011. The operating result margin amounted to 7.9%, falling short of both the figure of 8.7% in the previous quarter and that of the 2011 reference period.

Capacity utilization of the plants of the Raw Materials Division declined slightly due to a decrease in demand by the Steel and Industrial Divisions.

The projects designed to increase backward integration of magnesia raw materials to some 80% are largely going according to plan. The second rotary kiln in Turkey, with an annual capacity of 70,000 tons of high-grade sinter magnesia, was completed in the past quarter, and the gradual commissioning of the fusing lines in Norway with an annual capacity of approximately 80,000 tons of seawater-based fused magnesia was started; consequently, RHI will effectively be self-sufficient outside China.

US Chapter 11 proceedings

In the US Chapter 11 proceedings, the court ruled in the year 2011 that in the remaining GIT appeals proceedings the case would be referred back to the first instance for the purpose of ascertaining further facts. In view of this decision, the ANH companies have now agreed on a settlement with all insurance companies successful in the appeals proceedings, against which no objections were raised. The insolvency court verbally approved the revised plan of reorganization; the judgment in writing is still outstanding. The final settlement of the proceedings is expected for the first quarter of 2013. Beyond that, no further developments of material importance took place.

Outlook

Although the economic environment is weakening, RHI expects a slightly higher level of revenues and a higher EBIT margin in the year 2012 than in the previous financial year. Despite indications that the economy is slowing down, RHI expects revenues for the year 2013 to reach a similar level as in 2012. The EBIT margin should continue to improve further due to a higher level of backwards integration and consistent cost management.

In the course of the strategy process and of revising the Vision, the RHI Management Board defined financial targets which provide for revenues of € 3 billion and an EBIT margin of 12% or above. The revenue target is to be accomplished through organic growth and acquisitions.

Risk Report

In the third quarter of 2012, the risk management processes and key risks remained unchanged. No risks that are considered to be a threat to the existence of the Group were identified.

Condensed, Unaudited
Interim Consolidated Financial Statements

Consolidated Statement of Financial Position

in € million	09/30/2012	12/31/2011
ASSETS		
Non-current assets		
Property, plant and equipment	580.8	512.1
Goodwill	23.6	17.2
Other intangible assets	51.2	45.9
Shares in associates	13.7	14.5
Other non-current financial assets	32.1	41.7
Other non-current assets	12.1	11.0
Deferred tax assets	109.9	105.7
	823.4	**748.1**
Current assets		
Inventories	466.9	426.5
Trade and other current receivables	356.6	361.0
Income tax receivables	5.2	7.0
Other financial assets	2.2	2.8
Cash and cash equivalents	234.2	144.5
	1,065.1	**941.8**
	1,888.5	**1,689.9**
EQUITY AND LIABILITIES		
Equity		
Share capital	289.4	289.4
Group reserves	202.7	148.9
Equity attributable to equity holders of RHI AG	492.1	438.3
Non-controlling interests	0.7	0.6
	492.8	**438.9**
Non-current liabilities		
Non-current financial liabilities	444.4	285.7
Deferred tax liabilities	13.0	10.9
Personnel provisions	289.8	289.9
Other non-current provisions	3.7	3.5
Other non-current liabilities	5.6	7.5
	756.5	**597.5**
Current liabilities		
Current financial liabilities	214.2	220.3
Trade and other current payables	313.8	331.8
Other financial liabilities	1.0	0.3
Income tax payables	41.6	29.1
Current provisions	68.6	72.0
	639.2	**653.5**
	1,888.5	**1,689.9**

Consolidated Income Statement

in € million	3rd quarter 2012	3rd quarter 2011 [1)]	Q1 - Q3 2012	Q1 - Q3 2011 [1)]
Revenues	459.9	429.8	1,372.7	1,280.7
Cost of sales	(352.9)	(340.5)	(1,064.5)	(1,008.6)
Gross profit	**107.0**	**89.3**	**308.2**	**272.1**
Sales and marketing costs	(31.1)	(25.7)	(89.2)	(78.8)
General and administration costs	(26.3)	(25.8)	(86.8)	(80.8)
Other income	2.2	1.5	9.9	6.2
Other expenses	(1.5)	(0.1)	(9.5)	(10.3)
Operating result	**50.3**	**39.2**	**132.6**	**108.4**
Impairment losses	(1.0)	0.0	(1.0)	0.0
Restructuring costs	7.3	0.0	2.7	0.0
Operating results (EBIT)	**56.6**	**39.2**	**134.3**	**108.4**
Interest income	0.4	0.3	1.7	0.9
Interest expenses	(4.7)	(6.4)	(13.6)	(14.4)
Other financial result	(3.0)	(3.7)	(2.8)	(10.6)
Financial result	(7.3)	(9.8)	(14.7)	(24.1)
Results from associates	1.2	0.9	4.4	4.6
Profit before income taxes	**50.5**	**30.3**	**124.0**	**88.9**
Income taxes	(27.2)	10.7	(38.4)	1.1
Profit	**23.3**	**41.0**	**85.6**	**90.0**
Profit attributable to				
equity holders of RHI AG	23.2	41.0	85.5	90.0
non-controlling interests	0.1	0.0	0.1	0.0
	23.3	41.0	85.6	90.0
in €				
Earnings per share (basic and diluted)	0.58	1.03	2.15	2.26

1) Explanations regarding the reclassified comparative figures for 2011 are shown in the notes.

Consolidated Statement of Comprehensive Income

in € million	3rd quarter 2012	3rd quarter 2011	Q1 - Q3 2012	Q1 - Q3 2011
Profit after income taxes	23.3	41.0	85.6	90.0
Currency translation differences				
Unrealized results from currency translation recognized in equity	0.9	4.6	7.8	(13.5)
Reclassification to the income statement due to the disposal of subsidiaries	(2.5)	0.0	(2.5)	0.0
Reclassification of fair value reserves of available-for-sale financial instruments to the income statement	0.0	0.0	(7.1)	0.0
Other changes	0.0	0.0	0.0	1.5
Total comprehensive income	**21.7**	**45.6**	**83.8**	**78.0**
Total comprehensive income attributable to				
equity holders of RHI AG	21.6	45.6	83.7	77.9
non-controlling interests	0.1	0.0	0.1	0.1
	21.7	45.6	83.8	78.0

Consolidated Statement of Changes in Equity

	Equity attributable to equity holders of RHI AG							
		Group reserves						
in € million	Share capital	Additional paid-in capital	Fair value reserves	Currency translation reserves	Accumulated results	Total	**Non-controlling interests**	**Total equity**
12/31/2011	**289.4**	**38.3**	**8.7**	**(28.5)**	**130.4**	**438.3**	**0.6**	**438.9**
Total comprehensive income	-	-	(7.1)	5.3	85.5	**83.7**	**0.1**	**83.8**
Dividends	-	-	-	-	(29.9)	**(29.9)**	**-**	**(29.9)**
09/30/2012	**289.4**	**38.3**	**1.6**	**(23.2)**	**186.0**	**492.1**	**0.7**	**492.8**

	Equity attributable to equity holders of RHI AG							
		Group reserves						
in € million	Share capital	Additional paid-in capital	Fair value reserves	Currency translation reserves	Accumulated results	Total	**Non-controlling interests**	**Total equity**
12/31/2010	**289.4**	**38.3**	**3.1**	**(28.7)**	**18.3**	**320.4**	**0.5**	**320.9**
Total comprehensive income	-	-	-	(13.6)	91.5	**77.9**	**0.1**	**78.0**
Dividends	-	-	-	-	(19.9)	**(19.9)**	**-**	**(19.9)**
30.09.2011	**289.4**	**38.3**	**3.1**	**(42.3)**	**89.9**	**378.4**	**0.6**	**379.0**

Consolidated Cash Flow Statement

in € million	Q1 - Q3 2012	Q1 - Q3 2011
Profit	85.6	90.0
Adjustments for		
income taxes	38.4	(1.1)
depreciation and amortization charges	44.8	39.6
impairment losses of property, plant and equipment and intangible assets	3.2	0.0
reversal of impairment losses of property, plant and equipment	(1.3)	0.0
reversal of impairment losses of financial assets	(1.9)	0.0
gains from the disposal of property, plant and equipment	(6.7)	(3.3)
gains from the disposal of subsidiaries	(7.5)	0.0
interest result	11.9	13.5
realized gains on financial instruments classified as available for sale	(7.1)	0.0
dividend income	0.0	(0.8)
results from associates	(4.4)	(4.6)
other non-cash changes	15.5	19.5
Changes in assets and liabilities		
Inventories	(29.7)	(18.8)
Trade receivables	19.1	(14.1)
Other receivables and assets	(4.0)	(10.5)
Provisions	(12.0)	(17.0)
Trade payables	(38.5)	(10.0)
Other liabilities	15.0	11.1
Cash flow from operating activities	**120.4**	**93.5**
Income taxes paid	(29.0)	(18.6)
Net cash flow from operating activities	**91.4**	**74.9**
Investments in subsidiaries net of cash	(16.7)	(36.4)
Cash inflows from the sale of subsidiaries net of cash	2.4	0.0
Investments in non-controlling interests	0.0	(0.3)
Investments in property, plant and equipment and intangible assets	(106.3)	(32.2)
Cash inflows from the sale of property, plant and equipment	7.6	3.5
Changes in non-current receivables	(0.4)	(1.9)
Cash inflows from the sale of financial assets	0.3	0.0
Dividend payments from associates	5.1	6.5
Investment subsidies received	0.2	0.0
Interest received	1.6	0.9
Dividends received	0.0	0.8
Net cash flow from investing activities	**(106.2)**	**(59.1)**
Dividend payments to shareholders of RHI AG	(29.9)	(19.9)
Proceeds from non-current borrowings and loans	190.9	20.7
Repayments of non-current borrowings and loans	(19.8)	(1.6)
Changes in current borrowings	(24.5)	15.0
Interest payments	(12.0)	(11.8)
Net cash flow from financing activities	**104.7**	**2.4**
Cash flow from continuing operations	**89.9**	**18.2**
Cash flow from discontinued operations	**0.0**	**(0.2)**
Total cash flow	**89.9**	**18.0**
Change in cash and cash equivalents	**89.9**	**18.0**
Cash and cash equivalents as of 1.1.	144.5	58.8
Change in cash and cash equivalents due to currency translation	(0.2)	(2.2)
Cash and cash equivalents at end of reporting period	234.2	74.6

Condensed, Unaudited Interim Consolidated Financial Statements

Selected Explanatory Notes

Principles and methods

Starting on 01/01/2012, the reporting of RHI AG is based on calendar quarters. The reporting periods for the financial year 2012 and the periods of the previous year are shown in the table below:

	2012	2011
1st quarter	Jan 1 – March 31	Jan 1 – Apr 1
2nd quarter	Apr 1 – Jun 30	Apr 2 – Jul 1
3rd quarter	Jul 1 – Sep 30	Jul 2 – Sep 30
4th quarter	Oct 1 – Dec 31	Oct 1 – Dec 31

The interim financial statements as of 09/30/2012 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 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 12/31/2011.

In the interim financial statements as of 09/30/2012, the same accounting and valuation principles were used as in the preparation of the consolidated financial statements as of 12/31/2011. Since 01/01/2012, it has been mandatory to apply the amended IFRS 7 "Disclosures – Transfer of Financial Assets". This standard has no impact on these interim financial statements.

The interim consolidated financial statements as of 09/30/2012 were neither fully audited nor reviewed by an auditor.

Changes in segment reporting

As the organization of the RHI Group has been changed from a divisional to a functional structure, the production sites, which had previously been allocated to the Steel, Industrial and Raw Materials Divisions, are combined in technology clusters and pooled in the reporting segment Raw Materials as of the third quarter of 2012. This reporting segment reports to the CEO. The allocation of manufacturing cost deviations and sales and marketing costs as well as general and administrative costs to the Steel and Industrial Divisions is based on the supply flows. The research activities, which had previously been organized by division, are now managed centrally again. The costs are directly allocated to the three divisions.

The adaptation in the reporting structure led to the following changes in the divisional results for the first half of 2012: Steel € (1.0) million, Industrial € 1.8 million, Raw Materials € (0.8) million (first half of 2011: Steel € 1.9 million, Industrial € 2.2 million, Raw Materials € (4.1) million).

The organizational change also gives rise to changes in the management structure, resulting in shifts between sales and marketing costs and general and administration costs.

Property, plant and equipment and intangible assets are allocated the segments based on the usage of these assets. In contrast, inventories and receivables will continue to be allocated to the three divisions in accordance with the responsibilities.

Personnel provisions
In the first three quarters of 2012, no actuarial gains or losses were recognized as the provisions for pensions, termination benefits and service anniversary bonuses were calculated on the basis of a preview for the entire year prepared by an actuary.

Due to decreasing capital market interest rates for the euro area, the relevant discount rate declined to approx. 3.8% as of 09/30/2012 (12/31/2011: 5.0%). A revaluation of the obligations as of 09/30/2012 on the basis of the sensitivity analysis carried out as of 12/31/2011 would have led to actuarial effects amounting to roughly € (22.0) million (after deferred taxes).

US Chapter 11 proceedings
In the US Chapter 11 proceedings, the court ruled in the year 2011 that in the remaining GIT appeals proceedings the case would be referred back to the first instance for the purpose of ascertaining further facts. In view of this decision, the ANH companies have now agreed on a settlement with all insurance companies successful in the appeals proceedings, against which no objections were raised. The insolvency court verbally approved the revised plan of reorganization; the judgment in writing is still outstanding. The final settlement of the proceedings is expected for the first quarter of 2013. Beyond that, no further developments of material importance took place.

Group of consolidated companies

In comparison with the balance sheet date 12/31/2011, five fully consolidated subsidiaries were added to the group of consolidated companies, while one fully consolidated company was sold.

STOPINC-Group
With a purchase contract dated 01/18/2012, Radex Vertriebsgesellschaft mbH, Leoben, acquired the remaining 50% share in Stopinc AG, Hünenberg, Switzerland, with retroactive effect from 01/01/2012. RHI now holds 100% of the shares in equity and voting rights.

Stopinc AG and its subsidiaries Interstop Corp., Cincinnati, USA, Interstop (Shanghai) Co., Ltd., Shanghai, China, as well as Mezubag AG, Pfäffikon, Switzerland, (acquisition on 01/18/2012) manufacture and sell special products for the use in the steel industry. With this takeover, RHI has strengthened the flow control segment, which covers the regulated flow of liquid steel in the production process. Stopinc AG is one of the world market leaders in this market segment with the Interstop brand. RHI AG will maintain this brand. Activities will be expanded through intensified research work and a focus on Asia. At the time of acquisition, the Stopinc Group had 113 employees.

The effective date for the initial consolidation is 01/01/2012. The amounts recognized at the date of acquisition are preliminary and may therefore be adjusted or complemented during the measurement period. The adjustments of fair value made in the second and third quarters led to a decline in current assets by € 0.9 million and in cash and cash equivalents by € 0.2 million on the assets side. On the liabilities side, non-current liabilities were reduced by € 2.6 million while current liabilities increased by € 1.4 million.

The purchase price based on the preliminary fair value was consisted of the following components:

in € million	01/01/2012
Non-current assets	15.6
Current assets (without cash and cash equivalents)	18.4
Cash and cash equivalents	1.7
Non-current liabilities	(4.2)
Current liabilities	(8.8)
Net assets acquired	**22.7**
Goodwill	6.2
Total purchase price	**28.9**

The total purchase price of € 28.9 million comprises the fair value of the equity share of 50% amounting to € 11.5 million held immediately before the acquisition as well as the purchase price of the remaining share paid in cash and cash equivalents, which amounted € 17.4 million. For the previously held shares no fair value adjustment was necessary at the time of the initial consolidation. The changes in fair value of € 7.1 million, which were recognized to equity in the previous years, were transferred to profit and loss through the financial results in accordance with IFRS 3.42. The costs related to the acquisition amount to less than € 0.1 million.

The goodwill of € 6.2 million resulting from the acquisition reflects the expected strategic advantages for the Group resulting from the expansion of the product portfolio in the flow control segment. The goodwill recognized is not usable for tax purposes.

The gross value of the receivables acquired at the time of acquisition amounts to € 10.2 million; the fair value amounts to € 9.4 million.

Stopinc AG and its subsidiaries contributed € 19.0 million to the group's revenues and € 0.2 million to profit after income tax in the first three quarters of 2012. The elimination of license fees creates an advantage for RHI AG.

RHI MARVO SRL
With effect from 06/01/2012, the newly established subsidiary RHI MARVO SRL, Ploiesti, Romania, (100%) was included in the group of consolidated companies.

RHI Isithebe (Pty) Limited
With effect from 07/31/2012 the share in RHI Isithebe (Pty) Limited, Sandton, South Africa was sold.

The result from the deconsolidation is shown under restructuring expenses and consists of the following items:

in € million	31.07.2012
Proceeds on the sale	2.4
Deconsolidated net debt	2.6
Reclassification currency translation differences	2.5
Result from deconsolidation	**7.5**

Non-current assets

The increase in property, plant and equipment of € 52.2 million results from the investment made in a fusion plant in Norway.

Non-current liabilities

On 07/25/2012, RHI AG issued a "Schuldscheindarlehen" amounting to € 130.0 million. The "Schuldscheindarlehen" was placed in tranches with terms ranging from three to ten years with Austrian, German and Eastern European investors. The proceeds from the transactions will be used to secure liquidity in the long term.

Other income

Income from the sale of land, which is shown under other income, amounts to € 6.7 million (Q1-Q3/2011: € 2.9 million). The sale of land in the third quarter of 2012 of € 1.4 million is entirely allocable to the Industrial Division. Sales of land in the first half of 2012 amounted to € 5.3 million, of which € 2.7 million (first half of 2011: € 2.9 million) is allocable to the Raw Materials Division, € 1.8 million to the Industrial Division and € 0.8 million to the Steel Division.

Other expenses

The net effect from foreign currency losses and results from derivative financial instruments amounted to € (6.4) million in the first three quarters of 2012 (Q1-Q3/2011: € (10.0) million).

Restructuring costs

Restructuring costs include expenses related to the partial close-down of the ISO production line at the Bonnybridge plant in Great Britain amounting to € (4.6) million and income amounting to € 7.3 million from the sale of the share in RHI Isithebe (Pty) Limited, Sandton, South Africa, which was realized in July 2012.

Income taxes

The tax rate amounted to 54% in the third quarter of 2012, after 15% in the first half of 2012. This increase is predominantly attributable to additional tax payments and increased tax reserves resulting from an audit of previous financial years.

Dividends

The 33rd Annual General Meeting of RHI AG on 05/03/2012 approved the payment of a dividend of € 0.75 per share for the year 2011. Therefore, dividends of € 29.9 million were paid to the shareholders of RHI AG in the 2nd quarter of 2012.

Segment reporting

The key figures of the operating segments for the first three quarters of 2012 are shown in the table below:

in € million	Steel	Industrial	Raw Materials	Elimination/ Unallocated assets	Group
External revenues	848.0	487.0	37.7	0.0	1,372.7
Internal revenues	0.0	0.0	144.2	(144.2)	0.0
Segment revenues	**848.0**	**487.0**	**181.9**	**(144.2)**	**1,372.7**
Operating result	**50.2**	**65.1**	**17.3**	**0.0**	**132.6**
Impairment losses	(0.6)	(0.4)	0.0	0.0	(1.0)
Restructuring costs	(4.6)	0.0	7.3	0.0	2.7
EBIT	**45.0**	**64.7**	**24.6**	**0.0**	**134.3**
Financial results					(14.7)
Results from associates					4.4
Profit before income taxes					**124.0**
Segment assets at 09/30/2012	587.4	312.4	498.7	476.3	1,874.8
Shares in associates at 09/30/2012	0.2	0.0	13.5	0.0	13.7
					1,888.5

The operating segments for the first three quarters of 2011 are shown in the following table:

in € million	Steel	Industrial	Raw Materials	Elimination/ Unallocated assets	Group
External revenues	825.3	432.8	22.6	0.0	1,280.7
Internal revenues	0.0	0.0	13.8	(130.8)	0.0
Segment revenues	**825.3**	**432.8**	**153.4**	**(130.8)**	**1,280.7**
Operating result/EBIT	**48.8**	**50.6**	**9.0**	**0.0**	**108.4**
Financial results					(24.1)
Results from associates					4.6
Profit before income taxes					**88.9**
Segment assets at 12/31/2011	588.4	317.6	381.2	388.2	1,675.4
Shares in associates at 12/31/2011	0.2	0.0	14.3	0.0	14.5
					1,689.9

Related companies

The volume of transactions of RHI Group companies with affiliated, non-consolidated companies or associates 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 influences

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

Changes in the RHI Management Board

Mark J. Eckhout, CFO of RHI AG since 02/14/2011, resigned from the RHI Management Board with effect from 03/31/2012. The RHI Supervisory Board appointed Barbara Potisk-Eibensteiner CFO with effect from 04/01/2012.

Vienna, 11/06/2012

The Management Board

Franz Struzl
CEO

Barbara Potisk-Eibensteiner
CFO

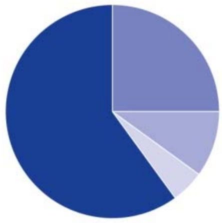
Giorgio Cappelli
CSO Steel Division

Manfred Hödl
CSO Industrial Division and
CTO R&D

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 a member of the Prime Market at the Vienna Stock Exchange. On October 01, 2012, 39,819,039 no-par common shares with voting rights of RHI AG were admitted to trading in Vienna.

RHI shareholder structure



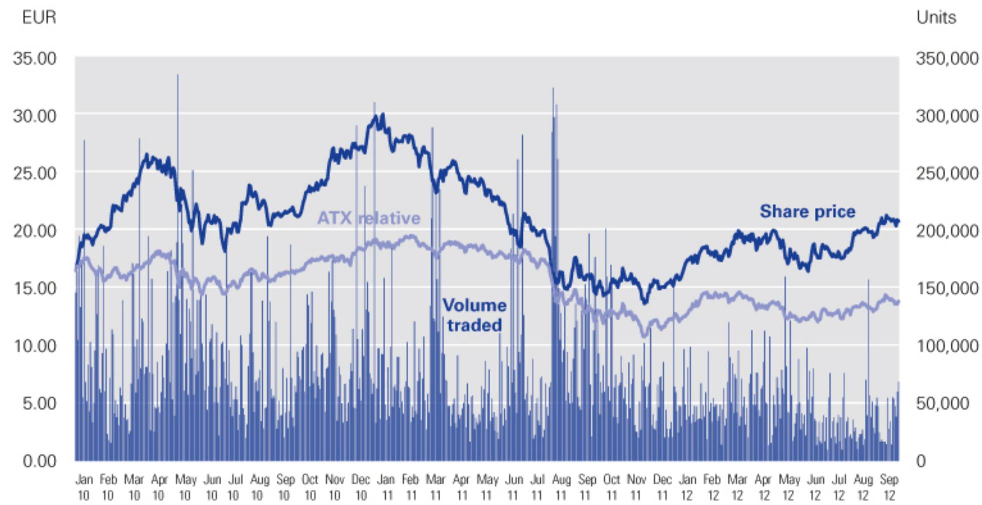
Financial Calendar 2013

Preliminary result 2012	March 8, 2013
Final result 2012	April 4, 2013
RHI Annual General Meeting	May 3, 2013
Expected ex-dividend day	May 8, 2013
Expected dividend payment day	May 13, 2013
Report on the 1st quarter of 2013	May 15, 2013
Half-year result 2013	August 6, 2013
Report on the 3rd quarter of 2013	November 5, 2013

Stock exchange key figures

	Q1 - Q3	
in €	2012	2011
Highest share price	21.18	29.92
Lowest share price	15.55	23.15
Share price at end of quarter	20.69	25.40
Market capitalization (in € million)	824	1,011

Performance of the RHI share 01/2010 - 09/2012



ISIN
RHI share: AT0000676903

Reuters: RHIV.VI
Bloomberg: RHI AV

Information on RHI
Investor Relations
Mag. Simon Kuchelbacher
Tel. +43 (0)50213-6123
Fax: +43 (0)50213-6130
E-Mail: rhi@rhi-ag.com
Internet: www.rhi-ag.com

Imprint

Owner and publisher:
RHI AG
Wienerbergstraße 9
A-1100 Vienna, Austria
Tel: +43 (0)50213-0
Fax: +43 (0)50213-6213
E-mail: rhi@rhi-ag.com
www.rhi-ag.com

Concept, graphic design and coordination:
RHI AG
Investor Relations
Tel: +43 (0)50213-6123
Fax: +43 (0)50213-6130
E-Mail: investor.relations@rhi-ag.com

Production:
In-house produced with FIRE.sys from
Michael Konrad GmbH
Kasseler Straße 1a
D-60486 Frankfurt am Main

The English translation of the RHI quarterly 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.

In this report, terms may be used that are not IFRS financial measures. These additional financial measures should therefore not be viewed in an isolated manner as alternatives to the key figures for the financial position, earnings development or cash flow of RHI. For definitions of these additional financial measures, comparison with the most directly comparable figures in accordance with IFRS and information regarding the benefits and limitations of these additional financial measures, please contact the RHI Investor Relations Team (investor.relations@rhi-ag.com).