



Press release

Győr, 22 January, 2008.

Rába: Busch GmbH and the Rába Plc. founded a Joint Venture

According to the by Rába announced strategy the Foundry plant – which was a part of the axle business unit – operates as a Joint Venture since 1st January 2008. The aim of this restructuring is a significant expansion of the capacity and the technological development of the Foundry plant.

The partner of the JV is the M.BUSCH GmbH & Co.KG, member of BPW Group. Rába owns 25,5% of the new JV.

The partners of the JV – according to the schedule of the JV agreement- will realize a developing program for the expansion of the capacity and for a technological modernization in a value of 3,5 milliard HUF. After which the yearly production capacity of the Foundry will increase from the present 9 thousand tons to 25 thousand tons, serving the increasing demands of the JV partners and of other extern customers with competitive prized first quality castings. The actually started development investment will be finished in 2009.

The new JV, registered as BUSCH-RÁBA Foundry Ltd. is owned by M.BUSCH GmbH & Co.KG –majority owned by BPW Group- and by Rába, where the ownership rate is 74,5% to 25,5%. So Rába still has got a qualified influence to the operation of the Foundry plant. Till Rába contributes into the JV the field of the plant, the real estate, the machine-park and the employees, then the other owner M.BUSCH GmbH & Co.KG contributes the to the development required financial capital. Both of the owners have got prominent professional and market knowledge, which also will be a significant advantage in the future of the JV of a world-standard production capacity.

„The foundation of the JV was a strategic step from Rába to being able to concentrate the resources of the axle business for production of complete axles, forged and machined axle components, and for increasing its market share on these areas. Other aims of Rába with the JV are to continue the modernization of its main, and strategically significant technologies, and to develop its competitiveness. So Rába took share in a growing, capital potent, value-generative company.” – told Mr. István Pintér, the president of the Rába Group.

Rába Axle Ltd. and the BPW Group – based in Germany-, already signed a general supplying frame contract in summer of 2007 for the next 4 years. According to which Rába already started the supply of new construction trailer spindles. The compliance of the growing demand was supported by a technical development in 2 steps, which reasoned 60% increase in the capacity. In 2007 the sales of this strategic product was 7 million EUR. The annual turnover of the delivered spindles would amount 10 million EUR in 2008. In line with Rába's –several times published- strategic objective of growing sales in Western-Europe.

Company information:

BPW:

BPW's headquarters are in Wiehl. The company is specialized in the manufacture of axles, all kinds of suspensions and ancillary equipment. More than 4,700 people work for the BPW Group worldwide. Its turnover is 740 million EUR in Germany, with a range of 450 different axles having 19 agencies worldwide.

Rába Automotive Holding Plc:

The business portfolio of the Rába Automotive Group is made up of three independent and interrelated automotive businesses: the Axle, the Components and Vehicle. Rába is a highly export-oriented company, with strategic export markets in the USA, the EU and CIS (Confederation of Independent States). The company group working with nearly 3000 employees has annual sales of EUR 200 million. The shares of Győr-based Rába Automotive Group are traded at the Budapest Stock Exchange.

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