SUCCESS IN 15 LANGUAGES

ENGLISH — EASTERN EUROPEAN
EASTERN EUROPEAN — ENGLISH

Third Quarter Report 2008

Raiffeisen INTERNATIONAL
Member of RZB Group

Survey of Key Data

Raiffeisen International Group Monetary values in € mn	2008	2007	Change
Income statement	**1/1–30/9**	**1/1–30/9**	
Net interest income after provisioning	1,976.1	1,461.7	35.2%
Net commission income	1,097.8	895.0	22.7%
Trading profit	127.4	120.8	5.5%
General administrative expenses	(1,939.5)	(1,537.7)	26.1%
Profit before tax	1,261.0	953.4	32.3%
Profit after tax	965.4	736.6	31.1%
Consolidated profit (after minorities)	861.5	625.7	37.7%
Balance sheet	**30/9**	**31/12**	
Loans and advances to banks	12,142	11,053	9.9%
Loans and advances to customers	61,074	48,880	24.9%
Deposits from banks	26,298	19,927	32.0%
Deposits from customers	45,553	40,457	12.6%
Equity (including minorities and profit)	7,587	6,622	14.6%
Balance sheet total	87,251	72,743	19.9%
Key ratios	**1/1–30/9**	**1/1–31/12**	
Return on equity before tax	25.4%	25.7%	(0.3) PP
Return on equity after tax	19.5%	20.2%	(0.7) PP
Consolidated return on equity (after minorities)	19.9%	20.1%	(0.2) PP
Cost/income ratio	54.6%	57.6%	(3.0) PP
Return on assets before tax	2.13%	1.98%	0.15 PP
Net provisioning ratio (risk-weighted assets)	0.85%	0.84%	0.01 PP
Risk/earnings ratio	15.6%	14.8%	0.8 PP
Bank-specific information*)	**30/9**	**31/12**	
Risk-weighted assets (credit risk)	64,668	49,802	29.8%
Total own funds	7,044	6,684	5.4%
Total own funds requirement	6,080	4,317	40.8%
Excess cover	15.9%	54.8%	(38.9) PP
Core capital ratio (Tier 1), credit risk	8.9%	11.4%	(2.5) PP
Core capital ratio (Tier 1), incl. market and operational risk	7.6%	10.5%	(2.9) PP
Own funds ratio	9.3%	12.4%	(3.1) PP
Stock data	**30/9**	**30/9**	
Earnings per share in €	5.61	4.40	1.21 €
Price in €	49.97	102.50	(51.2)%
High (closing price) in €	110.20	122.50	(10.0)%
Low (closing price) in €	49.97	98.91	(49.5)%
Number of shares in mn	154.67	142.77	8.3%
Market capitalization	7,729	14,634	(47.2)%
Resources	**30/9**	**31/12**	
Number of staff on balance sheet date	63,921	58,365	9.5%
Business outlets	3,168	3,015	5.1%

*) Calculated according to the Austrian Banking Act (Bankwesengesetz, BWG). As part of the RZB Group, Raiffeisen International is not subject to the provisions of the Austrian Banking Act. The figures from 2007 accord with the provisions of Basel I; from 2008 onward, the own funds requirement is calculated according to Basel II.

Highlights

EU-wide measures to stabilize the financial crisis

The financial crisis, which started in 2007, worsened significantly in the third quarter. The collapse or last-minute rescue of several well-known financial institutions within a few days not only resulted in stock prices plummeting, but also considerably shook confidence in the global financial system as a whole. To prevent further bank defaults and feared panic reactions of market participants, internationally leading central banks first significantly lowered key interest rates in a concerted action. At the same time, governments in the United States, Europe, and other regions began on the political side to develop measures to stabilize the financial system and rescue troubled banks. In the EU, measures are meanwhile being implemented at the national level that in most countries consist of a combination of government guarantees for liquidity, funds for improving the capital situation, and increased investor protection.
Raiffeisen International welcomes the improved deposit protection now being realized in several countries within its sphere of activity.

At first, the crisis seemed largely limited to the financial sector. However, it quickly became evident in September and October that the real economy would also be affected. Well-known industrial firms are already complaining of declining new orders and are cutting their production because they expect a sharp drop in demand. Consequently, growth forecasts for 2009 worldwide have been revised significantly downward. Many market participants now no longer rule out a recession in Western Europe and the United States. It is still unclear how sharp the downturn will actually be and how long it will last. The emerging markets, including the countries of Central and Eastern Europe, are also affected by this development. That is evident in countries like Hungary and Ukraine, which additionally have to struggle with the high volatility of their currencies. Even though the national economies of Central and Eastern Europe have previously grown much more strongly than those of western industrialized countries, growth there is also likely to slow markedly.

Despite the current turmoil, Raiffeisen International has a functioning business model. Financing costs have risen, and funding has become considerably more demanding due to the loss of confidence among banks. But Raiffeisen International has so far registered hardly any direct effects of the financial crisis on its business and earnings. Nevertheless, weaker economic development in the markets of Central and Eastern Europe next year is expected to dampen growth of Raiffeisen International's business.

Very good result despite financial crisis

Raiffeisen International again achieved very good results in the third quarter of 2008 despite the global financial crisis. Compared with the second quarter, profit from operating activities rose in the third quarter by 9 per cent to € 578 million. Quarterly consolidated profit came to € 296 million and was thus 5 per cent below that of the preceding quarter due to a higher need of provisioning for impairment losses. Compared to the previous year profit from operating activities grew by more than 34 per cent to € 1,610 million. After tax and minority interests, the Group achieved a 38 per cent higher consolidated profit of € 861 million in this period, the best result in company history.

Capital Markets Day in St. Petersburg

On 26 September 2008, Raiffeisen International held this year's Capital Markets Day in St. Petersburg, with more than 130 participants. At the conference, the entire Managing Board of Raiffeisen International and individual members of the managing boards of network banks held presentations on corporate and retail banking and also released country-specific data. The Capital Markets Day furthermore offered an opportunity to give the participants a better understanding of Central and Eastern Europe, not only in the form of facts and figures, but also culturally.

Contents

Overview of Raiffeisen International

At the end of the third quarter of 2008, the Raiffeisen International network consisted of 15 banks, 18 leasing companies, and numerous other financial service providers. Raiffeisen International's leading position in the countries of Central and Eastern Europe is a result of its large number of business outlets and the top market positions of several of its network banks, which are among the top three in 8 national markets as measured by balance sheet totals. Altogether, it had almost 64,000 employees serving 14.6 million customers in 3,168 business outlets as of 30 September 2008.

Markets of Raiffeisen International

Data as of 30 September 2008	Balance sheet total in € mn	Change*	Business outlets	Number of staff
Albania	2,069	6.0%	101	1,409
Belarus	1,546	43.0%	95	2,132
Bosnia and Herzegovina	2,373	11.9%	99	1,751
Bulgaria	4,930	24.4%	189	3,864
Croatia	6,079	9.0%	70	2,297
Czech Republic	7,090	25.1%	106	2,600
Hungary	9,656	19.5%	154	3,852
Kazakhstan	101	(14.2)%	1	30
Kosovo	596	26.0%	47	703
Poland	7,843	31.6%	114	3,257
Romania (incl. Moldova)	6,451	15.1%	533	6,831
Russia	15,329	25.9%	247	10,132
Serbia	3,266	12.1%	94	2,217
Slovakia	9,144	16.6%	161	3,871
Slovenia	1,529	8.4%	15	347
Ukraine	7,933	28.6%	1,142	18,302
Subtotal	**85,937**	**20.9%**	**3,168**	**63,595**
Other/consolidation	1,314	–	–	326
Total, Raiffeisen International	**87,251**	**19.9%**	**3,168**	**63,921**

* Change of balance sheet total versus 31 December 2007. Growth in local currencies differs due to fluctuating euro exchange rates.

Raiffeisen International has been listed on the Vienna Stock Exchange since April 2005 and is included in various ATX and Dow Jones indices, among others. Its main shareholder, Raiffeisen Zentralbank Österreich AG (RZB), own more than two-thirds of the shares in Raiffeisen International. The remaining shares are in free float. With a balance sheet total of € 159.2 billion as of 30 June 2008, RZB is Austria's third-largest bank and the central institution of the Raiffeisen Banking Group (RBG), Austria's largest banking group.

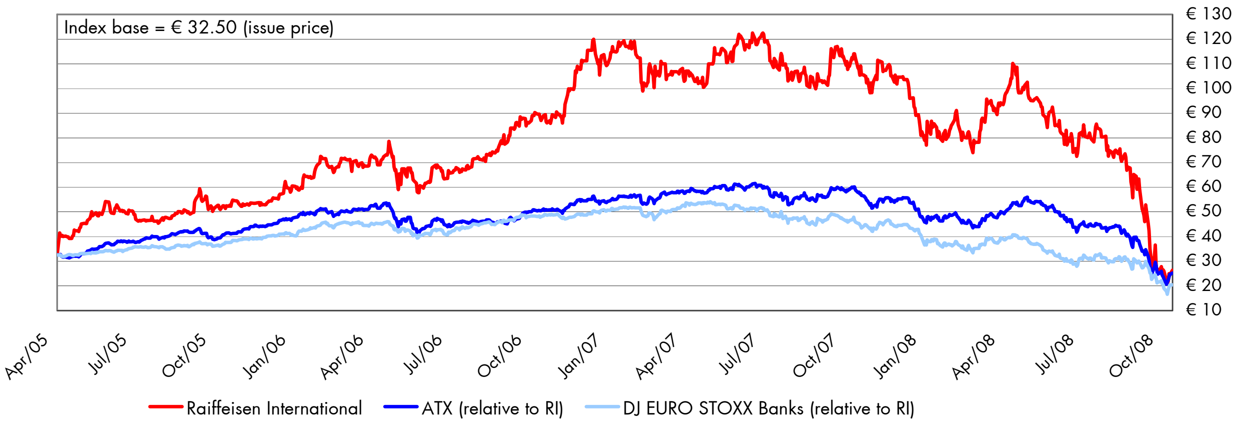
Raiffeisen International Stock

The financial crisis is spreading

After temporary calming on the financial markets during the summer months, the financial crisis returned with full force in September and reached its high point to date in October. That was triggered by the collapse of US investment bank Lehman Brothers, in whose wake only days later further investment banks were taken over by other institutions and the two largest mortgage finance companies in the United States were nationalized.

Problems in the financial sector also became more acute in Europe and ultimately required rescue measures, mostly from the governments. The associated stock price declines were considerable and no longer limited to the financial sector, but extended to other companies. That was a result of the recognition that the financial crisis would have significant impact on the real economy and the global economic trend. So, governments began, especially in the United States and to a greater extent also in Europe, to develop measures to calm and stabilize the situation. Those were flanked by a reduction of key interest rates by the central banks of major industrialized countries worldwide.

Price performance compared with ATX and DJ Euro Stoxx Banks



On 11 and 12 October 2008 joint measures to strengthen the European financial system were approved at an EU level. A series of measures are meanwhile also being implemented at the national level that typically consist of a combination of government guarantees for liquidity, funds for improving the capital situation, and increased investor protection. Raiffeisen International welcomes the improved deposit protection now being realized in several countries within its sphere of activity, which are designed to strengthen people's confidence in the financial sector.

Negative market environment weighing on stock price

The price of Raiffeisen International shares was impacted by the generally poor market environment in the third quarter. Stocks from the financial sector showed the steepest price declines. The Austrian Traded Index (ATX) fell by about 30 per cent in the third quarter and thus performed quite weakly in comparison with other large European and international indices. Raiffeisen International stock also lost about 38 per cent in value and closed at € 49.97 on 30 September. The Dow Jones Euro Stoxx Banks index declined by almost 11 per cent in the same period, although some of the included bank stocks registered significantly larger price losses.

On stock exchanges the dramatic downward slide, accompanied by major volatility, also continued after the end of the reporting period. During the month of October the ATX and the Dow Jones Euro Stoxx Banks indices registered further price drops of 28 and 26 per cent, respectively. Shares associated with business on the markets of Central and Eastern Europe, in particular, suffered considerably, as it was feared that a cyclical drop would affect these countries. Against this background, Raiffeisen International shares fell and stood at € 26.40 on 3 November at copy deadline of this report.

Great interest in Capital Markets Day

Participation in conferences is an essential element in Raiffeisen International's active communication with analysts and investors. The centerpiece of such activities in the past quarter was the Capital Markets Day organized by Raiffeisen International itself. After Austria (Vienna) and Ukraine (Kiev) hosted the Capital Markets Day in previous years, the third Capital Markets Day took place on 26 September 2008 in Russia (St. Petersburg), one of the largest and most important markets for Raiffeisen International. With over 130 participants from major financial centers around the world, the event met with very lively interest in the financial community again this year.

The event kicked off with a tour of a Raiffeisenbank branch in St. Petersburg. Representatives of the financial community were able to get a picture there, for example, of the success of last year's integration of Impexbank into Raiffeisenbank. Against the impressive backdrop of the former Russian imperial city, the Capital Markets Day offered participants a platform from which to be informed by the management first-hand concerning current developments and strategies. Besides the Group's entire Managing Board, members of the Managing Boards of networks banks in Romania, Russia, and Hungary offered insights into developments in their respective countries. The current situation in the financial sector was also intensively discussed in the question-and-answer sessions.

In addition to facts and figures, the Capital Markets Day in Russia also conveyed to participants a feeling for Central and Eastern Europe. That is especially important for those investors and analysts who have no personal experience with Central and Eastern Europe.

The investor handbook for the 2008 Capital Markets Day together with all presentations can be downloaded from the Internet at www.ri.co.at → Investor Relations → Financial Reports & Figures → Presentations. A printed copy may also be ordered from the Investor Relations team by telephone at +43 (1) 71 707 2089.

Stock data

Price on 30 September 2008	*€ 49.97*
High/low (closing prices) in Q3 2008	*€ 85.60 / € 49.97*
Earnings per share for 1/1/2008 to 30/9/2008	*€ 5.61*
Market capitalization as of 30 September 2008	*€ 7.729 billion*
Avg. daily trading volume (single counting) in Q3 2008	*579,632 shares*
Stock exchange turnover (single counting) in Q3 2008	*€ 2.671 billion*
Free float as of 30 September 2008	*About 31%*

Stock details

ISIN	*AT0000606306*
Ticker symbols	*RIBH (Vienna Stock Exchange)*
	RIBH AV (Bloomberg)
	RIBH.VI (Reuters)
Market segment	*Prime Market*
Issue price per share as of IPO (25 April 2005)	*€ 32.50*
Issue price per share as of capital increase (5 October 2007)	*€ 104.00*
Number of shares outstanding as of 30 September 2008	*154,667,500*

Investor Relations contact

E-mail: investor.relations@ri.co.at
Internet: www.ri.co.at → Investor Relations
Phone: +43-1-71 707-2089
Fax: +43-1-71 707-2138

Raiffeisen International Bank-Holding AG, Investor Relations
Am Stadtpark 3, 1030 Vienna, Austria

Business Development

Very good result after three quarters

The international banking world was completely dominated in the third quarter by the global financial crisis, which has put many financial institutions in jeopardy. Despite this crisis, whose effects Raiffeisen International also felt indirectly, its results remained at a record level. Another record result was achieved at the end of the third quarter with consolidated profit (after tax and minorities) amounting to € 861 million. The increase on the comparable period last year came to 38 per cent and was due to organic development. The profit after tax and minorities achieved in the third quarter of € 296 million was only 5 per cent below that of the second quarter. The gratifying earnings trend confirms Raiffeisen International's business model, even though the indirect effects in regard to funding and lending are noticeable.

At the end of the third quarter, *net interest income* was among the major factors driving earnings, with an increase of 37 per cent, while *net commission income* rose by 23 per cent. Altogether, the operating income components registered a plus of just under 30 per cent. General administrative expenses rose by 26 per cent, while new allocations to provisioning for impairment losses had to be raised more strongly than before, by 51 per cent. Income taxes went up in line with profit by 36 per cent to € 296 million, which represents an effective tax rate of 23 per cent.

The distribution by regional segments shows that the CIS achieved the largest increase of all regions in respect to profit before tax at the end of the third quarter. Earnings in the CIS segment climbed by 84 per cent to € 477 million. That resulted primarily from higher net interest income and from valuation and divestment gains. The region of Southeastern Europe increased profit before tax by 24 per cent to € 430 million. Set against good profit from operating activities are higher allocations to provisioning for impairment losses, albeit from a very low base in 2007. In Central Europe, on the other hand, an increase of only 2 per cent was registered on last year's result to € 354 million. Here, increased need of impairment loss provisioning also negatively influenced the good profit from operating activities.

Changes made in the scope of consolidation had no effects that materially diminished the comparability of the periods.

Return on equity of 25.4 per cent at last year's level

At the end of the third quarter in 2008, the return on equity before taxes amounted to 25.4 per cent despite major additions to equity and thus almost remained at its year-end level of 2007 (25.7 per cent). The average amount of equity on which the calculation is based rose by 38 per cent due to a capital increase in October 2007 and profit retention last year. It increased from € 4.8 billion at the beginning of the year to € 6.6 billion.

At 19.9 per cent, the consolidated return on equity (after tax and minorities) was likewise very near its 2007 level, which was 20.1 per cent. Earnings per share for the period from January to September 2008 improved by € 1.21 versus the comparable period last year to € 5.61.

Cost/income ratio improved to below 55 per cent

The cost/income ratio was still below 55 per cent at the end of the third quarter. At 54.6 per cent, it improved by 3.0 percentage points compared with the year-end figure in 2007. *Operating income* rose by 30 per cent, or € 811 million, versus the comparable period last year to € 3,549 million. The earnings driver was net interest income with a plus of 37 per cent, followed by net commission income at 23 per cent, while trading profit increased by 6 per cent. There were various reasons for the decline of other operating income by a total of € 36 million, including changes in the scope of consolidation and higher non-income-related taxes.

General administrative expenses rose by 26 per cent, or € 402 million, on the year-earlier period to € 1,940 million. Other administrative expenses showed the strongest growth with a plus of 32 per cent to € 811 million. Staff expenses increased by about one-fourth to € 947 million. The average number of staff rose by 12 per cent versus the comparable period to 61,140.

Corporate customers with 35 per cent earnings plus

The *corporate customer* segment registered a strong earnings increase after nine months. Profit before tax grew by 35 per cent versus the comparable period to € 698 million. That was based largely on operating business. Increases in net interest income by 39 per cent to € 793 million and in net commission income by 25 per cent to € 385 million had a positive impact. Provisioning for impairment losses rose by 37 per cent to € 99 million. General administrative expenses grew by 31 per cent to € 408 million, resulting in a further improved cost/income ratio of 33.8 per cent. Other operating profit amounted to € 25 million, of which about € 13 million came from the operating leasing business. The risk-weighted assets for determining credit risk according to Basel II amounted to € 35.4 billion, which means an increase by 59 per cent versus the comparable period last year calculated according to Basel I. That is connected with the new method of calculation, which burdens loans and advances to banks and the public sector with higher risk weightings. Despite the high profit, the return on equity fell by 3.6 percentage points to 29.3 per cent due to the sharply increased equity base. The share of total earnings attributable to this business segment rose by 1 percentage point to 55 per cent.

Profit before tax in the *retail customer* segment improved by 24 per cent versus the comparable period to € 438 million. A 28 per cent rise of general administrative expenses to € 1,378 million due to ongoing investments in the branch network and 55 per cent higher new allocations to impairment loss provisioning (€ 265 million) were mainly responsible for this comparatively moderate increase. Operating income from the retail customer segment rose by 29 per cent to € 2,081 million. Net interest income registered the greatest growth at 32 per cent and amounted to € 1,355 million. Net commission income rose by 25 per cent to € 717 million. Despite continued high general administrative expenses, the cost/income ratio was reduced by 1 percentage point to 66.2 per cent. Risk-weighted assets (credit risk) amounted to € 19.8 billion at the end of the reporting period, which represents an increase of only 18 per cent versus the value from the comparable period last year calculated according to the Basel I rules. The Basel II rules result in a lower weighting of the credit volume of retail customers. The return on equity fell by 1.6 percentage points to 28.9 per cent due to a much greater base resulting from equity increases in the past year. This business segment's share of total earnings declined by 2 percentage points to 35 per cent.

The *treasury* segment made a considerable earnings contribution of € 197 million (plus 59 per cent). That was achieved, despite 31 per cent higher general administrative expenses, largely through improvement of net interest income by 87 per cent. The own funds requirement and risk-weighted assets (credit risk) rose sharply due to the changed Basel II rules, as investments in sovereigns and banks under Basel II are dependent on the rating and the preferred weightings of the old rules can no longer be applied. The segment's return on equity fell by 4.4 percentage points to 25.6 per cent as a result of the increased own funds requirement and the equity calculated on that basis.

Balance sheet total up by 20 per cent after three quarters

Raiffeisen International's balance sheet increased by almost 20 per cent, or € 14.5 billion, from the beginning of the year to € 87.2 billion. Growth versus the same period a year earlier came to 29 per cent. The predominant part of that was due to credit growth, with loans and advances to customers growing by almost 25 per cent, or € 12.2 billion, from the beginning of the year to € 61.1 billion.

At a plus of 3 per cent, or € 2.4 billion, exchange rate movements had a significant influence on the balance sheet total due to the considerably stronger currencies in almost all CEE countries. On the other hand, changes in the scope of consolidation had no noteworthy effects on the consolidated balance sheet, so adjusted organic growth amounted to 17 per cent, or € 12.1 billion.

Loans and advances to customers rose by 25 per cent from the beginning of the year to € 61.1 billion. Adjusted for impairment loss provisioning of € 1.4 billion, lendings to customers accounted for 69 per cent of the balance sheet total. Credits to retail customers rose slightly stronger at 29 per cent than credits to corporate customers did at 24 per cent. Smaller increases were shown for *loans and advances to banks* at plus € 1.1 billion, and for *financial investments* at plus € 0.6 billion.

Deposits from banks were up by 32 per cent, or € 6.4 billion, to € 26.3 billion. *Deposits from customers*, which increased by 13 per cent to € 45.6 billion, were also a substantial source of funding. *Liabilities evidenced by paper* in the form of securities rose by 51 per cent to € 3.5 billion, of which € 0.8 billion stemmed from several own securitization and warehousing transactions.

Detailed review of income statement items

Profit from operating activities in periodic comparison

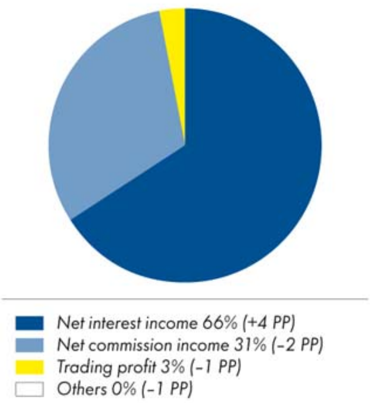
in € mn	*1/1–30/9/ 2008*	*Change*	*1/1–30/9/ 2007*	*1/1–30/9/ 2006*
Net interest income	*2,342*	*37.4%*	*1,704*	*1,251*
Net commission income	*1,098*	*22.7%*	*895*	*661*
Trading profit	*127*	*5.5%*	*121*	*112*
Other operating income	*(18)*	*–*	*18*	*10*
Operating income	***3,549***	***29.6%***	***2,738***	***2,034***
Staff expenses	*(947)*	*24.7%*	*(759)*	*(557)*
Other administrative expenses	*(811)*	*31.6%*	*(617)*	*(473)*
Depreciation/amortization/write-downs	*(181)*	*12.1%*	*(162)*	*(126)*
General administrative expenses	***(1,940)***	***26.1%***	***(1,538)***	***(1,156)***
Profit from operating activities	***1,610***	***34.1%***	***1,200***	***877***

Operating income

The most important income component at the end of the first nine months was *net interest income*, which rose by 37 per cent versus the comparable period last year from € 1,704 million to € 2,342 million. Its growth was thus substantially above that of the average balance sheet total by 31 per cent. There were no material effects from changes in the scope of consolidation in the reporting period. The largest increase was in the treasury segment, with a plus of 87 per cent to € 160 million. The corporate customer segment registered an increase of 39 per cent to € 793 million, which was near the Group average. Net interest income in the retail customer segment grew by 32 per cent versus the comparable period in 2007 to € 1,355 million. There were significant increases of net interest income in all regional segments. The CIS had the largest plus, which amounted to 44 per cent. That was mainly due to significantly higher interest margins compared with the other regions. Net interest income rose by 36 per cent in Southeastern Europe, and by 32 per cent in Central Europe. The Group's net interest margin improved by 17 basis points versus the comparable period in 2007 to 3.96 per cent. It was also 10 basis points above the 2007 level despite higher funding costs due to the global financial crisis.

Growth rates for *net commission income*, which rose by 23 per cent to € 1,098 million, were also gratifying, though somewhat lower than in the case of net interest income. The strongest increases were in loan and guarantee business, where income rose by 45 per cent to € 152 million, and in foreign exchange business, which at € 348 million contributed 35 per cent more to the total result. On the other hand, income from securities transactions (minus 13 per cent to € 34 million) and income from other banking services (minus 32 per cent to € 59 million) were below last year's level. Payment transfers remained the most important earnings component, on which a result of € 475 million was achieved, representing an increase of 24 per cent. The growth of net commission income from corporate customers came to 30 per cent, and from retail customers to 23 per cent, with almost two-thirds of the total contributed by retail customers. Viewed regionally, net commission income rose most strongly in Southeastern Europe, by 27 per cent to € 347 million.

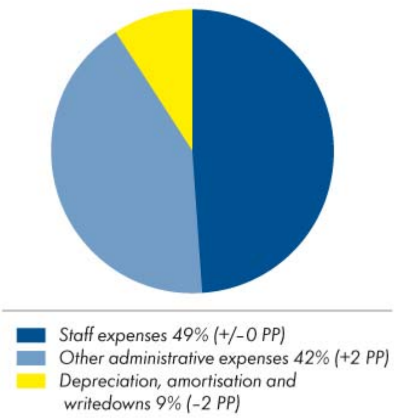
Structure of operating income



Despite the adverse market environment, *trading profit* was 6 per cent above the comparable period last year. A look at the individual earnings components reveals an extremely mixed picture. Strong increases were registered by the result from currency-based business, which almost doubled from € 87 million last year to € 156 million. However, that was partly due to a special effect, since the revaluation of the Ukrainian hryvnia gave rise under hedge accounting rules to a valuation gain of € 24 million, resulting from the ineffective part of the capital hedge, which was recognized through the income statement. Due to currency fluctuation the capital hedge became to a large extent ineffective in October. As a result of this there will be a negative effect on profit of € 87 million for the full year. Net income from *interest-related business* fell from € 21 million to minus € 22 million, caused in particular by price declines in the last two months of the quarter. Group units in the Czech Republic, Hungary, and Slovakia had to take significant valuation losses on securities, including mostly sovereign bonds. Net income from *equity-based business* also fell from € 8 million last year to minus € 7 million, primarily due to positions in Croatia and in Bosnia and Herzegovina.

Other operating income amounted to minus € 18 million, while a positive result of € 18 million had still been achieved last year. This decline is spread across several items. Last year, initial consolidation effects that were € 10 million higher had been included due to the release of negative goodwill through the income statement. Furthermore, expenses arising from new allocations to other provisions, particularly for litigation, increased by € 10 million. Finally, expenses for other non-income-related taxes also rose by € 11 million. On the other hand, the earnings contribution from operating leasing, primarily in Southeastern Europe, developed positively, up by € 12 million to € 28 million.

Structure of general administrative expenses



General administrative expenses

General administrative expenses rose by € 402 million, or 26 per cent, versus the comparable period last year to € 1,940 million. There were no notable effects due to changes in the scope of consolidation. In the first nine months of the year, general administrative expenses rose less than operating income did despite a continuation of the investment program designed to expand distribution channels. The cost/income ratio improved accordingly by 3.0 percentage points versus last year to 54.6 per cent.

Staff expenses made up the largest share of general administrative expenses at 49 per cent. They rose by 25 per cent, or € 188 million, versus the comparable period last year to € 947 million. Wages and salaries accounted for 78 per cent of staff expenses, statutory social security costs for 19 per cent, and voluntary staff expenses for 3 per cent.

Viewed regionally, there were only small differences among the rates of increase in staff expenses. They rose by 27 per cent in Central Europe, by 25 per cent in Southeastern Europe, and by 22 per cent in the CIS.

The average number of staff amounted to 61,140 in the period January to September 2008. That meant an increase of 12 per cent, or 6,461, versus the comparable period last year. Southeastern Europe registered the largest plus at 23 per cent, or 3,312. In Central Europe, the average number of staff grew by 14 per cent, or 1,612, while the figure in the CIS was above that of the year-earlier period by 6 per cent, or 1,538.

Other administrative expenses registered a higher increase than that of staff expenses. They grew by 32 per cent, or € 195 million, to € 811 million. At 39 per cent, the strongest rise of other administrative expenses occurred in the CIS and was due to higher rental expenses. Central Europe and Southeastern Europe showed pluses of 24 per cent and 20 per cent, respectively. The largest expense items were office space at € 223 million (plus 39 per cent), information technology at € 103 million (plus 25 per cent), and advertising at € 88 million (plus 17 per cent).

The number of business outlets came to 3,168 at the end of the quarter. That represents a net addition of 145 outlets versus the comparable period. New outlets were opened mainly in Southeastern Europe (238), including particularly in Romania (146) and Bulgaria (49). In the CIS, 112 branches were closed on balance due to further site optimization efforts.

Depreciation/amortization/write-downs of tangible and intangible assets rose by 12 per cent to € 181 million, of which tangible assets accounted for € 110 million, intangible assets for € 52 million, and assets from operating leasing transactions for € 19 million. Total investments of € 422 million were made by Raiffeisen International in the reporting period. The share of investments in tangible assets, excluding operating leasing, came to 63 per cent (€ 264 million), and the share in intangible assets, including especially software systems, to 17 per cent (€ 71 million).

Consolidated profit

New allocations to *provisioning for impairment losses* rose by 51 per cent, or € 123 million, compared with last year to € 366 million. Viewed regionally, Group units in the CIS accounted for 38 per cent, or € 140 million, of provisioning for impairment losses, and Group units in Central Europe for 37 per cent, or € 136 million. While provisioning in the CIS remained nearly unchanged versus the comparable period last year, Central Europe saw an increase of € 67 million. The largest pluses were in Hungary because of worsening economic development and in the Czech Republic due to specific cases in the corporate segment. In Southeastern Europe, provisioning for impairment losses amounted to € 90 million. The increase of € 56 million versus last year's low level occurred mainly at Group units in Romania, Croatia, Bulgaria, and Albania.

The Group's *risk/earnings ratio* amounted to 15.6 per cent. Retail customers accounted for 73 per cent of all provisions formed, and corporate customers for the rest. In the third quarter, the ratio increased to 19 per cent, which was above the level in the previous quarters.

The € 17 million shown in the table below under *other profit* was due to net income from financial investments and current financial assets (€ 10 million) and income from disposal of Group assets (€ 6 million). Furthermore, valuation gains from derivative financial instruments of € 1 million were included, which resulted from interest rate swap positions taken for the purpose of reducing yield curve risk.

Net income from financial investments and current financial assets consisted mainly of gains on the sale of securities held to maturity (€ 22 million) and valuation losses from securities marked to market (minus € 11 million).

Income from disposal of Group assets was recognized in the amount of € 6 million from the sale of two Hungarian real estate project companies, *SCTD Kondorosi út Kft.*, Budapest and *SCTH Budaörs Kft.*, Budapest and of *Raiffeisen Real Estate Management Zrt.*, Budapest. The € 27 million achieved in the comparable period last year mainly consisted of the income from the sale of two Hungarian subsidiaries.

Development of consolidated profit in periodic comparison

in € mn	*1/1–30/9/ 2008*	*Change*	*1/1–30/9/ 2007*	*1/1–30/9/ 2006*
Profit from operating activities	***1,610***	***34.1%***	***1,200***	***877***
Provisioning for impairment losses	*(366)*	*51.0%*	*(242)*	*(229)*
Other profit	*17*	*–*	*(5)*	*3*
Profit before tax	***1,261***	***32.3%***	***953***	***651***
Income taxes	*(296)*	*36.3%*	*(217)*	*(141)*
Profit after tax	***965***	***31.1%***	***737***	***509***
Minority interests in profit	*(104)*	*(6.3)%*	*(111)*	*(72)*
Consolidated profit	***861***	***37.7%***	***626***	***437***

Income taxes rose by 36 per cent, or € 79 million, to € 296 million. The tax rate amounted to 23 per cent and was thus nearly unchanged from its level in the year-earlier period.

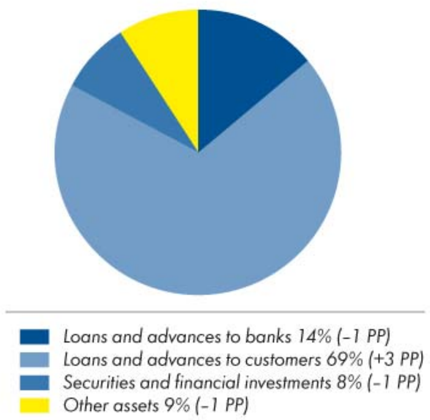
Profit after tax amounted to € 965 million. That meant an increase of 31 per cent, or € 229 million. *Minority interests in profit* represent the earnings of outside shareholders in various Group units and are items deducted from profit. Minority shareholders accounted for € 104 million of profit after tax in the reporting period.

Consolidated profit allocable to Raiffeisen International shareholders rose by 38 per cent, or € 236 million, to € 861 million. Dividing that result by the average number of shares outstanding yields earnings per share for the period of € 5.61, which represents a plus of € 1.21 versus the comparable period.

Balance sheet development

Raiffeisen International's balance sheet total increased by € 14.5 billion from the beginning of the year to € 87.3 billion as of 30 September 2008. That meant growth of nearly 20 per cent. The increase versus the end of last year was mainly due to organic development, and there were no material changes in the scope of consolidation. The revaluation of some CEE currencies, including the Czech koruna, Slovakian koruna, and Polish zloty, had positive effects of about € 2.4 billion, or almost 3 per cent of the balance sheet total. Adjusted for exchange rates, organic growth thus amounted to € 12.1 billion.

Structure of assets



Assets

On the asset side, growth of the balance sheet total in the nine months of 2008 was largely attributable to an increase of *loans and advances to customers* by about 25 per cent, or € 12.2 billion, to € 61.1 billion. Adjusted for impairment loss provisioning of € 1.4 billion, loans and advances to customers had a 69 per cent share of balance sheet assets. Lending to corporate customers accounted for 59 per cent, or € 7.3 billion, of the increase. Another 41 per cent, or € 5.0 billion, of the increase was a result of lending to retail customers, consisting predominantly of private individuals. The ratio of customer lendings to customer deposits increased by 13 percentage points to 134 per cent.

The level of *provisioning for impairment losses* increased from € 1.1 billion to € 1.4 billion due to new allocations and taking into account the use of provisions. Almost 60 per cent of the rise is attributable to higher provisioning for retail customers.

Loans and advances to banks amounted to € 12.1 billion and were thus 10 per cent above their level at the end of 2007. While investments with internationally operating commercial banks were down slightly, deposits with Austrian commercial banks, especially in the short-term segment, increased by € 2.3 billion, or 67 per cent. The share of total assets decreased by 1 percentage point to 14 per cent.

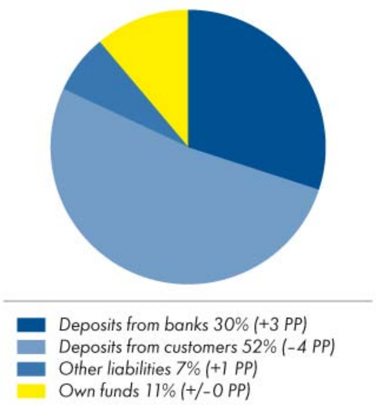
At the end of September, the total of all *financial investments* stood at € 8.2 billion, of which investments in public-sector debt securities accounted for more than 61 per cent, or € 4.9 billion. Compared with the end of 2007, that represents an increase of 9 per cent, which continues to be due to greater investments in fixed-income debt securities. The adapted IFRS guidelines regarding reclassification of securities held for trading into securities held to maturity were adopted by the IASB and the EU in the third quarter, but were only partly applied in the Group. The total amount involved was € 258 million and had a positive effect of € 3.3 million in the income statement. The share of balance sheet assets attributable to financial investments came to 8 per cent (minus 1 percentage point).

The cash reserve remained nearly unchanged versus the end of 2007 at € 3.6 billion. The share of balance sheet assets attributable to the item *other assets* decreased by 1 percentage point to 9 per cent.

Liabilities

As of 30 September 2008, there were slight changes in the structure of the Group's liabilities versus the end of 2007. Deposits from customers continued to dominate the liability side of the balance sheet with a share of 52 per cent, but that represented a decline by 4 percentage points. Deposits from banks increased to 30 per cent of the balance sheet total, and the rest consisted of own funds (11 per cent) and other liabilities (7 per cent).

Structure of liabilities



Deposits from customers rose by 13 per cent compared with the end of 2007 to € 45.6 billion. The largest increase was achieved in Central Europe at € 2.6 billion, or 15 per cent. While retail business was responsible for 65 per cent of the growth, deposits from corporate customers rose by 31 per cent. Time and sight deposits increased by 13 per cent to € 44.4 billion, while savings deposits remained unchanged at € 1.2 billion.

Deposits from banks grew by 32 per cent from the beginning of the year to € 26.3 billion. While Central Europe and the CIS registered increases of 36 per cent and 32 per cent, respectively, funding rose below average in Southeastern Europe at 15 per cent. Long-term funding increased by € 5.6 billion, or 43 per cent, compared with the end of 2007.

Liabilities evidenced by paper showed a significant increase of 51 per cent, or € 1.2 billion, to € 3.5 billion. That was due to issues of debt securities in Bulgaria, Romania, Poland, Slovakia, and the Czech Republic.

The share of the balance sheet total attributable to *own funds*, which consist of equity and subordinated capital, remained unchanged at 11 per cent. The increase by € 1 billion to € 9.2 billion is mainly attributable to profit in the first three quarters of 2008 and revaluation gains in some CEE currencies. *Subordinated capital*, needed for local regulatory purposes of Group banks, increased slightly, by 5 per cent to € 1.6 billion.

Equity on the balance sheet and regulatory capital

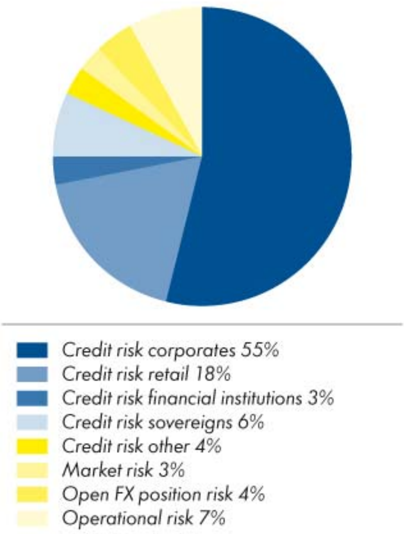
Equity shown on Raiffeisen International's balance sheet increased by 15 per cent, or € 965 million, from the end of 2007 to € 7,587 million. On the one hand, it rose due to the current year's profit of € 965 million and to capital contributions from minority shareholders to various Group units in the amount of € 41 million. Set against that, on the other hand, was a profit distribution of € 179 million for the year 2007. In June 2008, the Annual General Meeting of Raiffeisen International approved a dividend payout of € 0.93 per share, which makes a total of € 143 million. Other profit distributions in the amount of € 37 million went to minority shareholders of Group units.

Furthermore, positive changes in the exchange rates of some CEE currencies, minus associated capital hedges, caused equity to increase on balance by € 159 million. The greatest effects came from the currency revaluations in Ukraine and in Slovakia, Hungary, and Poland. Several currencies in the CEE region have fallen, in some cases significantly, between the end of the quarter and the copy deadline for this report.

Since 1 January 2008, capital adequacy has been calculated according to Basel II. In the absence of equivalent comparative figures for the end of 2007, the values in this report are compared with the regulatory own funds requirement calculated according to the old Basel I rule.

Regulatory own funds increased by 5 per cent, or € 360 million, to € 7,044 million. That does not include the current profit of the reporting year, because it may not be taken into account yet in the calculation under applicable Austrian regulations. *Core capital* (Tier 1) increased by € 88 million to € 5,780 million. Material changes in core capital resulted, on the one hand, from the significant revaluation of various CEE currencies and, on the other hand, from Raiffeisen International's dividend payout in the amount of € 143 million. *Additional own funds* (Tier 2) rose by € 237 million to € 1,194 million primarily because of the changed method of calculation since the launch of Basel II. Eligible short-term subordinated capital (Tier 3) increased by € 43 million to € 101 million.

Composition of own funds requirement



Set against own funds is a regulatory *own funds requirement* of € 6,080 million. That results in excess cover of about 16 per cent, or € 964 million. The own funds requirement had amounted to € 4,317 million at the end of the year under the old regulation (Basel I). The additional own funds requirement of € 1,762 million is therefore partly due to the Basel II effect, and especially to the newly included own funds requirement for operational risk, which amounts to € 440 million.

The ratio of core capital to credit risk fell in comparison with the end of the year by 2.5 percentage points to 8.9 per cent (that would be 10.4 per cent including current-year profit). The ratio to total risk amounted to 7.6 per cent, which would be 8.9 per cent including profit. The own funds ratio decreased by 3.1 percentage points to 9.3 per cent, which would be 10.5% including profit.

Risk management

A banking group's ability to capture and measure risks comprehensively and to monitor and manage them in real time is a decisive competitive factor. To ensure the Group's long-term success and permit targeted growth in the relevant markets, Raiffeisen International's risk management and risk controlling activities aim to ensure careful handling and professional management of credit, country, market, liquidity, and operational risks.

Raiffeisen International's banking group is exposed to all those types of risks in the framework of its business activity and in connection with the launch and subsequent establishment of financial products and services. The CEE region is distinguished by relatively strong economic growth compared with established markets, but that may also be associated with higher volatility. At the time when this report was produced, Raiffeisen International knew of no specific credit risks of unusual extent for which provisioning to an above-average extent would have been necessary. The current market and liquidity situation is very strained, however. Tensions continuing over relatively long periods can naturally also have indirect effects on the quality of the credit portfolio.

In the beginning of 2008, the RZB Group switched to using the Basel II rules to calculate regulatory minimum own funds requirements. Raiffeisen International is not itself subject to those rules as a subsidiary group of RZB. However, since the results flow into the RZB Group, they are used for internal control and informational purposes.

The own funds requirement according to Basel II for risk-weighted assets in the non-retail segment is calculated centrally in Vienna, with the Basel II standardized approach being applied. In a centralized Group solution, the own funds calculation is carried out for all units of Raiffeisen International with the aid of standardized risk management software. For that purpose, the various options of the respective local legislatures and regulatory agencies are configured and applied accordingly. The calculation of the own funds requirement for the retail portfolio is performed in the local units according to the rules of the Basel II standardized approach. The respective local options are also applied there. The results are transmitted to the central data warehouse in Vienna.

The own funds requirement for operational risk is calculated according to the standardized approach, except in the local units in Croatia and Ukraine, for which the own funds requirement is calculated according to the basic indicator approach. The standardized approach is used to calculate the own funds requirement for the trading book.

Outlook and targets

Our goal for consolidated profit in 2008, which has been adjusted by 5 per cent due to the changed market situation, is about € 950 million.

Due to the current market environment we will review our mid-term targets. The new targets will be announced at the publication of the full-year results 2008 in March 2009.

Segment Reports

Classification of segments

Raiffeisen International classifies its business primarily according to customer groups:

- Corporate Customers
- Retail Customers
- Treasury
- Participations and Other

A secondary classification of segments for reporting purposes is made according to regional aspects. The location of the respective business outlets is the criterion of segment assignment:

- ***Central Europe*** (CE)
  Czech Republic, Hungary, Poland, Slovakia, and Slovenia
- ***Southeastern Europe*** (SEE)
  Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Moldova, Romania, and Serbia
- ***Commonwealth of Independent States*** (CIS)
  Belarus, Kazakhstan, Russia, and Ukraine

The figures stated are derived from the interim financial statements prepared according to the *International Financial Reporting Standards* (IFRS) underlying the consolidated financial statements. Divergences from locally published data are possible. Employees from the head office are added pro rata in the staff figures presented below.

CIS with best quarterly result

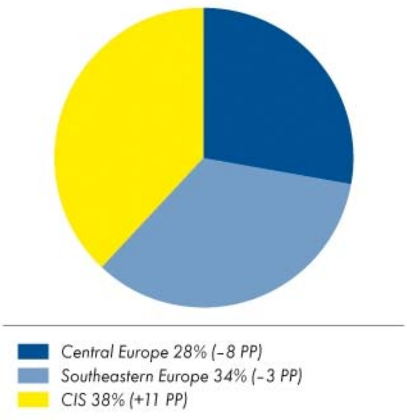
After nine months, the CIS again registered the highest profit before tax of all three segments at € 477 million. The strong earnings growth of 84 per cent, or € 218 million, is primarily attributable to high interest income and a better risk/earnings ratio. Balance sheet assets increased by 36 per cent compared with last year. The CIS contributed 38 per cent of total profit before tax and was thus 11 percentage points above its share in the comparable period last year.

Southeastern Europe made the second-largest profit before tax, which amounted to € 430 million. The earnings increase of 23 per cent, or € 82 million, was mainly based on solid growth of net interest and commission income and a continuing lean cost structure. The contribution to profit before tax amounted to 34 per cent, which is a slight decline of 3 percentage points versus the year-earlier level. Balance sheet assets grew by 22 per cent compared with last year.

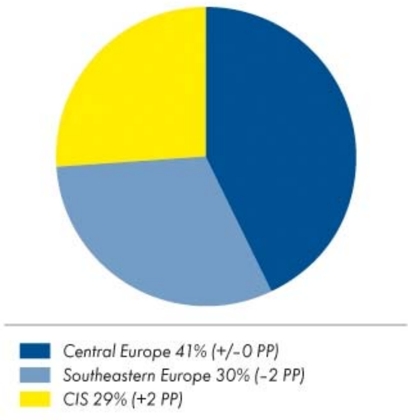
In Central Europe, profit before tax improved by 2 per cent, or € 7 million, to € 354 million. The result was positively influenced by increases of net interest and commission income and negatively influenced by high allocations to provisions. The segment contributed 28 per cent to total earnings. Due to the sharp rise in the CIS, that represents a decline of 8 percentage points versus last year's figure, which was influenced by special effects. Those resulted from changes in the scope of consolidation. Balance sheet assets rose by 30 per cent compared with last year.

Central Europe continued to dominate in respect to consolidated assets with a share of 41 per cent. As in the previous year, Southeastern Europe had the second-largest share at 30 per cent (minus 2 percentage points versus the comparable period), followed by the CIS at 29 per cent (plus 2 percentage points).

Segment shares of profit before tax (compared with 1/1-30/9/07)



Segment shares of assets (compared with 30/9/07)



Central Europe

in € mn	**1/1–30/9/ 2008**	**1/1–30/9/ 2007**	**Change**
Net interest income	*768*	*582*	*31.9%*
Provisioning for impairment losses	*(136)*	*(69)*	*95.9%*
Net interest income after provisioning	***633***	***513***	***23.3%***
Net commission income	*424*	*342*	*24.0%*
Trading profit	*29*	*47*	*(38.4)%*
Net income from derivative financial instruments	*2*	*0*	*–*
Net income (loss) from financial investments and current financial assets	*8*	*(9)*	*–*
General administrative expenses	*(728)*	*(577)*	*26.3%*
Other operating profit (loss)	*(19)*	*5*	*–*
Income from disposal of Group assets	*6*	*25*	*(77.2)%*
Profit before tax	***354***	***347***	***2.1%***
Share of profit before tax	*28.1%*	*36.3%*	*(8.3) PP*
*Total assets**	*35,764*	*27,459*	*30.2%*
*Risk-weighted assets (credit risk)**	*25,496*	*18,146*	*40.5%*
*Total own funds requirement**	*2,431*	*1,592*	*52.7%*
Average number of staff	*13,523*	*11,911*	*13.5%*
*Business outlets**	*553*	*534*	*3.6%*
Cost/income ratio	*60.6%*	*59.1%*	*1.5 PP*
Average equity	*2,649*	*1,874*	*41.4%*
Return on equity before tax	***17.8%***	***24.7%***	***(6.9) PP***

** Reference date value as of 30 September*

In Central Europe, a mildly positive development of earnings was registered in the first three quarters. *Profit before tax* rose by 2 per cent, or € 7 million, versus the comparable period to € 354 million. The *return on equity before tax* for Central Europe fell, however, by 6.9 percentage points to 17.8 per cent. The main factors responsible for this decline were, on the one hand, a strong increase of average equity by 41 per cent versus the comparable period and, on the other hand, significantly higher provisioning for impairment losses in the region as well as earnings-enhancing special effects last year.

Net interest income grew by 32 per cent to € 768 million. That is slightly higher than the increase of Group assets in Central Europe by 30 per cent. The net interest margin remained unchanged versus the comparable period at 3.12 per cent. Risk-weighted assets (credit risk) grew by 41 per cent from € 18.1 billion to € 25.5 billion and hence slightly more than balance sheet assets did. The increase is mainly attributable to organic growth, but to a smaller extent also to the Basel II effect.

New allocations to *provisioning for impairment losses* rose by 96 per cent to € 136 million. That was mainly due to new allocations to specific provisions in Hungary and the Czech Republic. The *risk/earnings ratio* thus increased by 5.8 percentage points versus the comparable period to 17.6 per cent. The share of the loan portfolio attributable to non-performing loans rose by 9 basis points versus the comparable period to 2.74 per cent.

The region's *net commission income* grew by € 82 million to € 424 million. Substantial contributors were foreign exchange and notes/coins business at € 187 million and payment transfers and account services at € 152 million. Loan and guarantee business contributed another € 42 million. The Group units in Poland and the Czech Republic posted the largest increases of net commission income. The share of operating income attributable to commission-related business came to 35 per cent and thus continued to be the highest among all the segments.

Trading profit in Central Europe fell by 38 per cent versus the comparable period to € 29 million. A positive result of € 48 million was achieved from currency-related business. On the other hand, the region registered a loss of € 21 million in interest-related business. That was mainly due to the financial market turmoil and related interest rate changes, which led to valuation losses on securities, including mainly sovereign bonds.

Net income from derivative financial instruments amounted to € 2 million and was based on valuation gains from hedging positions taken in most countries of the region for the purpose of minimizing the loan portfolio's currency risk.

Net income from financial investments and current financial assets amounted to € 8 million. The sale of the shares recognized at equity of building society *Raiffeisen stavebni sporitelna, a.s.,* Prague by the local Raiffeisenbank yielded a positive earnings contribution of € 13 million. On the other hand, valuation losses of securities reduced earnings by € 5 million.

General administrative expenses rose by 26 per cent, or € 151 million, versus the comparable period to € 728 million. Staff expenses amounted to € 368 million, and the average number of staff increased by 14 per cent to 13,523. Other administrative expenses went up by € 65 million to € 296 million. Depreciation/amortization/write-downs increased by € 5 million to € 64 million. The number of business outlets rose by 4 per cent, or 19 branches, on the year-earlier period to 553. The *cost/income ratio* climbed by 1.5 percentage points to 60.6 per cent.

Other operating profit amounted to minus € 19 million and consisted mainly of other tax expenses for Group units in Hungary and Slovakia. The item had amounted to € 5 million in the comparable period, with € 9 million having been contributed by initial consolidation of asset management companies in Slovakia and Hungary.

Net income from disposal of Group assets arose from the sale of two Hungarian real estate project companies in the second quarter and amounted to about € 6 million. Last year, the deconsolidation effect of selling a Hungarian energy production company and a Hungarian real estate company had led to income of € 25 million.

Southeastern Europe

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007	Change
Net interest income	695	513	35.5%
Provisioning for impairment losses	(90)	(34)	164.2%
Net interest income after provisioning	**605**	**479**	**26.3%**
Net commission income	347	274	26.8%
Trading profit	38	32	16.7%
Net income (loss) from derivative financial instruments	(1)	0	–
Net income (loss) from financial investments and current financial assets	(5)	(1)	–
General administrative expenses	(573)	(461)	24.4%
Other operating profit	19	25	(22.4)%
Profit before tax	**430**	**348**	**23.5%**
Share of profit before tax	34.1%	36.5%	(2.4) PP
Total assets*	26,209	21,490	22.0%
Risk-weighted assets (credit risk)*	19,912	13,800	44.3%
Total own funds requirement*	1,836	1,155	58.9%
Average number of staff	17,953	14,641	22.6%
Business outlets*	1,130	892	26.7%
Cost/income ratio	52.1%	54.6%	(2.5) PP
Average equity	2,038	1,380	47.7%
Return on equity before tax	**28.1%**	**33.6%**	**(5.5) PP**

* Reference date value as of 30 September

Southeastern Europe registered the second-highest earnings increase of all three regional segments in the reporting period. *Profit before tax* grew by 23 per cent to € 430 million mainly thanks to sharply higher net interest and commission income. Because of a significantly higher equity base, the return on equity before tax was down by 5.5 percentage points to 28.1 per cent.

Net interest income in the region grew by 35 per cent, or € 182 million, to € 695 million, while balance sheet assets rose by 22 per cent to € 26.2 billion. That was achieved through a significant improvement of the net interest margin, which increased by 38 basis points to 3.80 per cent. Risk-weighted assets (credit risk) rose significantly, by 44 per cent from € 13.8 billion before to € 19.9 billion. The influence of the Basel II effect is somewhat stronger here, since this region includes countries with lower ratings.

The allocation of *provisioning for impairment losses* rose by 164 per cent, or € 56 million, from a very low level to € 90 million. The increase was primarily due to new allocations to portfolio-based provisions in some Group units.

The risk/earnings ratio therefore rose to 13.0 per cent (plus 6.3 percentage points). The share of the loan portfolio attributable to non-performing loans increased on the year-earlier period from 1.59 per cent to 1.73 per cent.

Southeastern Europe registered the largest increase of *net commission income*, which rose by 27 per cent from € 274 million to € 347 million. Payment transfers contributed € 127 million to that, and foreign exchange and notes/coins business € 75 million. Another € 71 million came from loan and guarantee business. The region's largest increases were posted by the Raiffeisenbank in Romania, which was also the region's strongest unit in commission income.

Trading profit in Southeastern Europe amounted to € 38 million. At € 53 million, currency-related business was 66 per cent above the figure for the comparable period. Losses from stock-related business amounted to € 8 million, which was due especially to positions in Croatia as well as in Bosnia and Herzegovina. A small loss of € 3 million was posted in interest-related business.

Net income from derivative financial instruments amounted to minus € 1 million, which was based on valuation losses from hedging positions through other banking book derivatives that were entered into for the purpose of minimizing the currency and interest rate risks of the loan portfolio.

Net income from financial investments and current financial assets amounted to minus € 5 million and mainly consisted of valuation losses from securities.

General administrative expenses rose by 24 per cent to € 573 million. Staff expenses grew from € 207 million to € 260 million. The average number of staff increased by 23 per cent, or 3,312, versus the comparable period to 17,953. Other administrative expenses amounted to € 246 million, which was 26 per cent higher than last year. Depreciation/amortization/write-downs, mostly for branch investments, increased to € 67 million. From 892 at the end of the comparable period, the number of business outlets rose by 27 per cent to 1,130, with Southeastern Europe thus achieving the largest increase of all three segments. The cost/income ratio improved significantly, by 2.5 percentage points to 52.1 per cent.

Other operating profit fell by € 6 million versus the comparable period and amounted to € 19 million. Income from operating leasing contributed € 23 million to earnings in the first three quarters. The integration because of materiality of *Raiffeisen Capital & Investment Romania S.A.*, Bucharest, whose business is investment banking, yielded special income from initial consolidation of € 4 million.

CIS

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007	Change
Net interest income	878	608	44.4%
Provisioning for impairment losses	(140)	(139)	0.6%
Net interest income after provisioning	**739**	**470**	**57.3%**
Net commission income	327	280	17.0%
Trading profit	61	41	46.4%
Net income (loss) from derivative financial instruments	0	(22)	–
Net income from financial investments and current financial assets	7	0	>500.0%
General administrative expenses	(638)	(500)	27.6%
Other operating profit (loss)	(18)	(12)	54.1%
Income from disposal of Group assets	–	3	–
Profit before tax	**477**	**259**	**84.4%**
Share of profit before tax	37.8%	27.1%	10.7 PP
Total assets*	25,277	18,555	36.2%
Risk-weighted assets (credit risk)*	19,260	12,756	51.0%
Total own funds requirement*	1,812	1,102	64.5%
Average number of staff	29,665	28,127	5.5%
Business outlets*	1,485	1,597	(7.0)%
Cost/income ratio	51.1%	54.5%	(3.4) PP
Average equity	1,930	1,293	49.2%
Return on equity before tax	**33.0%**	**26.7%**	**6.3 PP**

* Reference date value as of 30 September

Profit before tax in the CIS grew in the first three quarters of 2008 by 84 per cent, or € 218 million, to € 477 million. The region thus registered by far the largest increase of the three segments. That was mainly a result of the very high growth of net interest income and low allocations to provisions. The *return on equity before tax* thus rose by 6.3 percentage points to 33.0 per cent.

With a plus of 44 per cent, or € 270 million, to € 878 million, development of *net interest income* in the region was significantly more dynamic than that of balance sheet assets, which increased by 36 per cent, or € 6.7 billion, to € 25.3 billion. One of the main reasons for that was a strongly improved net interest margin, which climbed by 40 basis points to 5.32 per cent.

Compared with September 2007, risk-weighted assets (credit risk) rose by 51 per cent to € 19.3 billion and hence more strongly than balance sheet assets did. That includes, above all, a volume-raising Basel II effect, since last year's comparable figures were still based on the calculation according to

Basel I. The increase resulted from the consistently lower ratings of the countries in this region and from different collateral eligibility under Basel II.

Provisioning for impairment losses rose slightly in the first three quarters of 2008 from € 139 million in the comparable period to € 140 million. The plus was so small due to some releases of portfolio-based provisions in Russia and Ukraine, while specific provisions increased. The risk/earnings ratio improved by 6.9 percentage points to 15.9 per cent. The share of the loan portfolio attributable to non-performing loans rose by 36 basis points to 2.42 per cent.

Net commission income registered an increase of € 47 million to € 327 million. Payment transfers made the most important contribution at € 190 million. Foreign exchange and notes/coins business furnished another € 88 million.

Trading profit grew from € 41 million to € 61 million. Currency-related business generated income of € 33 million. An additional contribution of € 24 million derived from a special effect, since revaluation of the Ukrainian hryvnia gave rise under hedge accounting rules to a valuation gain of € 24 million, resulting from the ineffective part of the capital hedge. Due to currency fluctuation the capital hedge became to a large extent ineffective in October. As a result of this there will be a negative effect on profit of € 87 million for the full year. Interest-related business yielded income of € 2 million.

Net income from derivative financial instruments was zero at the end of the third quarter, after a loss in the comparable period last year. That was based largely on a valuation result in Russia, where interest rate swap positions were taken for the purpose of reducing yield curve risk. Due to the mild recovery of the ten-year US dollar swap rate, the result from those swaps improved significantly versus the comparable period.

Net income from financial investments and current financial assets amounted to € 7 million and stemmed mainly from divestments of other equity participations.

General administrative expenses rose by 28 per cent, or € 138 million, to € 638 million. Staff expenses grew by € 57 to € 319 million, which meant a rise of 22 per cent. The region showed the highest average number of staff at 29,665, and the increase versus the comparable period amounted to 1,538. Other administrative expenses rose by 42 per cent, or € 80 million, to € 269 million, with a significant increase of rental costs in the Group's Russian units being largely responsible for that. Depreciation/amortization/write-downs amounted to € 50 million and thus remained almost at the level of the comparable period last year. The region's cost/income ratio improved by 3.4 percentage points to 51.1 per cent.

The segment's *other operating profit* amounted to minus € 18 million. Allocations to other expense provisions and expenses for other non-income-related taxes were mainly responsible for that.

Last year, there was *net income from disposal of Group assets* of € 3 million to be taken into account. In the reporting period, there were no disposals from the scope of consolidation.

Consolidated Financial Statements

(Interim report as of 30 September 2008)

Income statement

in € mn	Notes	1/1–30/9/ 2008	1/1–30/9/ 2007	Change
Interest income		4,424.4	3,232.4	36.9%
Current income from associates		1.4	0.4	291.7%
Interest expenses		(2,084.1)	(1,528.9)	36.3%
Net interest income	(2)	**2,341.7**	**1,703.8**	**37.4%**
Provisioning for impairment losses	(3)	(365.5)	(242.1)	51.0%
Net interest income after provisioning		**1,976.1**	**1,461.7**	**35.2%**
Commission income		1,289.7	1,053.3	22.4%
Commission expense		(191.9)	(158.3)	21.2%
Net commission income	(4)	**1,097.8**	**895.0**	**22.7%**
Trading profit	(5)	127.4	120.8	5.5%
Valuation result from derivatives	(6)	1.1	(22.2)	–
Net income from financial investments	(7)	10.1	(10.1)	–
General administrative expenses	(8)	(1,939.5)	(1,537.7)	26.1%
Other operating profit/loss	(9)	(17.6)	18.5	(195.5)%
Income from disposal of group assets		5.6	27.4	(79.4)%
Profit before tax		**1,261.0**	**953.4**	**32.3%**
Income taxes		(295.6)	(216.8)	36.3%
Profit after tax		**965.4**	**736.6**	**31.1%**
Minority interests in profit		(103.9)	(110.9)	(6.3)%
Consolidated profit		**861.5**	**625.7**	**37.7%**

in €	1/1–30/9/ 2008	1/1–30/9/ 2007	Change
Earnings per share	**5.61**	**4.40**	**1.21**

Earnings per share are obtained by dividing consolidated profit by the average number of common shares outstanding. As of 30 September 2008, the number of common shares outstanding was 153.6 million compared with 142.3 million as of 30 September 2007.

There were no conversion or option rights outstanding, so undiluted earnings per share are equal to diluted earnings per share.

Profit development

Quarterly results

in € mn	Q4/2007	Q1/2008	Q2/2008	Q3/2008
Net interest income	715.1	711.1	786.5	844.1
Provisioning for impairment losses	(114.9)	(93.0)	(108.3)	(164.2)
Net interest income after provisioning	**600.2**	**618.1**	**678.1**	**679.9**
Net commission income	354.8	330.9	372.0	394.9
Trading profit	7.1	37.6	54.6	35.2
Valuation result from derivatives	(8.0)	(36.7)	44.1	(6.3)
Net income from financial investments	0.8	(1.5)	0.9	10.8
General administrative expenses	(646.3)	(584.4)	(665.5)	(689.7)
Other operating profit/loss	(23.5)	5.8	(17.0)	(6.4)
Income from disposal of group assets	(0.9)	–	5.8	(0.2)
Profit before tax	**284.2**	**369.6**	**473.1**	**418.3**
Income taxes	(47.4)	(90.2)	(106.0)	(99.3)
Profit after tax	**236.8**	**279.4**	**367.1**	**319.0**
Minority interests in profit	(21.3)	(24.9)	(55.8)	(23.2)
Consolidated profit	**215.6**	**254.4**	**311.3**	**295.8**

in € mn	Q4/2006	Q1/2007	Q2/2007	Q3/2007
Net interest income	513.1	505.0	573.8	625.0
Provisioning for impairment losses	(79.6)	(75.9)	(77.3)	(88.8)
Net interest income after provisioning	**433.6**	**429.1**	**496.4**	**536.2**
Net commission income	272.4	275.1	297.2	322.8
Trading profit	63.0	35.6	43.7	41.4
Valuation result from derivatives	(0.9)	(2.7)	6.8	(26.3)
Net income from financial investments	4.1	0.8	(8.0)	(2.9)
General administrative expenses	(537.3)	(476.5)	(526.2)	(535.0)
Other operating profit/loss	(14.4)	17.0	3.9	(2.5)
Income from disposal of group assets	506.6	14.1	0.2	13.1
Profit before tax	**727.0**	**292.5**	**314.1**	**346.8**
Income taxes	(64.0)	(61.7)	(67.9)	(87.2)
Profit after tax	**663.0**	**230.8**	**246.3**	**259.6**
Minority interests in profit	(20.2)	(38.2)	(37.4)	(35.3)
Consolidated profit	**642.8**	**192.6**	**208.8**	**224.3**

Balance sheet

Assets in € mn	**Notes**	**30/9/ 2008**	**31/12/ 2007**	**Change**
Cash reserve		3,612	3,664	(1.4)%
Loans and advances to banks	(11,30)	12,142	11,053	9.9%
Loans and advances to customers	(12,30)	61,074	48,880	24.9%
Impairment losses on loans and advances	(13)	(1,442)	(1,103)	30.7%
Trading assets	(14,30)	3,247	2,809	15.6%
Derivatives	(15,30)	186	92	101.7%
Financial investments	(16,30)	4,752	4,133	15.0%
Investments in associates	(30)	8	24	(64.8)%
Intangible fixed assets	(17)	1,229	1,137	8.1%
Tangible fixed assets	(18)	1,356	1,154	17.6%
Other assets	(19,30)	1,087	899	20.9%
Total assets		**87,251**	**72,743**	**19.9%**

Equity and liabilities in € mn	**Notes**	**30/9/ 2008**	**31/12/ 2007**	**Change**
Deposits from banks	(20,30)	26,298	19,927	32.0%
Deposits from customers	(21,30)	45,553	40,457	12.6%
Liabilities evidenced by paper	(22,30)	3,508	2,320	51.2%
Provisions for liabilities and charges	(23,30)	404	315	28.3%
Trading liabilities	(24,30)	874	541	61.6%
Derivatives	(25,30)	274	154	77.8%
Other liabilities	(26,30)	1,139	874	30.3%
Subordinated capital	(27,30)	1,614	1,532	5.4%
Equity	(28)	7,587	6,622	14.6%
Consolidated equity		5,767	4,986	15.7%
Consolidated profit		861	841	2.4%
Minority interests		959	795	20.6%
Total equity and liabilities		**87,251**	**72,743**	**19.9%**

Statement of changes in equity

in € mn	Subscribed capital	Capital reserves	Retained earnings	Consolidated profit	Minority interests	Total
Equity as of 1/1/2007	**434**	**1,390**	**980**	**1,182**	**604**	**4,590**
Capital increases	1	(1)	–	–	51	51
Transferred to retained earnings	–	–	1,081	(1,081)	–	–
Dividend payments	–	–	–	(101)	(29)	(130)
Comprehensive income	–	–	(5)	626	109	731
Own shares/share incentive program	(2)	(16)	–	–	–	(18)
Other changes	–	–	(12)	–	14	2
Equity as of 30/9/2007	**433**	**1,373**	**2,045**	**626**	**749**	**5,225**

in € mn	Subscribed capital	Capital reserves	Retained earnings	Consolidated profit	Minority interests	Total
Equity as of 1/1/2008	**469**	**2,588**	**1,929**	**841**	**795**	**6,622**
Capital increases	–	–	–	–	41	41
Transferred to retained earnings	–	–	698	(698)	–	–
Dividend payments	–	–	–	(143)	(37)	(179)
Comprehensive income	–	–	120	861	153	1,134
Own shares/share incentive program	(1)	(16)	–	–	1	(16)
Other changes	–	–	(21)	–	6	(15)
Equity as of 30/9/2008	**469**	**2,572**	**2,726**	**861**	**959**	**7,587**

Comprehensive income

	Group equity		Minority interests	
in € mn	30/9/2008	30/9/2007	30/9/2008	30/9/2007
Consolidated profit	**861**	**626**	**104**	**111**
Exchange differences	211	(80)	49	(2)
Capital hedge	(101)	76	–	–
Cash flow hedge	(7)	–	–	–
Sundry income and expenses directly recognised in equity	22	–	1	–
Deferred taxes on sundry income and expenses directly recognised in equity	(6)	–	–	–
Comprehensive income	**981**	**621**	**153**	**109**

The item sundry income and expenses directly recognised in equity only includes valuation results of securities categorized as *financial assets available-for-sale*.

Cash flow statement

in € mn	*1/1–30/9/ 2008*	*1/1–30/9/ 2007*
Cash and cash equivalents at the end of the previous period	***3,664***	***4,064***
Net cash from operating activities	*378*	*(1,312)*
Net cash from investing activities	*(486)*	*122*
Net cash from financing activities	*(62)*	*165*
Effect of exchange rate changes	*116*	*(21)*
Cash and cash equivalents at the end of period	***3,612***	***3,019***

Segment reporting

Raiffeisen International primarily divides its business according to the following customer and proprietary business segments:

- Corporate customers
- Retail customers
- Treasury
- Participations and other

The *corporate customers* segment encompasses business with local and international medium-sized enterprises and key accounts. *Retail customers* comprises private individuals and small and medium-sized enterprises whose annual revenues generally do not exceed € 5 million. The *Treasury* segment includes proprietary trading as well as investment banking activities, which are only carried out by a few group units. Besides non-banking business, the *Participations and other* segment also encompasses the management of equity participations. In addition, this segment covers other cross-segment activities, including especially those in the parent company *Raiffeisen International Bank-Holding AG.*

Secondary segment reporting shows earnings components and portfolio figures by regional aspects. The basis for the classification is the location of the head office of the respective business outlets.

- Central Europe
  Czech Republic, Hungary, Poland, Slovakia, and Slovenia
- Southeastern Europe
  Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Moldova, Romania, and Serbia
- CIS
  Belarus, Kazakhstan, Russia and Ukraine

a) Segment reporting by business segment

1/1–30/9/2008 in € mn	Corporate customers	Retail customers	Treasury	Participations and other	Total
Net interest income	792.6	1,354.8	159.6	34.7	2,341.7
Provisioning for impairment losses	(98.8)	(265.0)	(0.1)	(1.6)	(365.5)
Net interest income after provisioning	**693.8**	**1,089.8**	**159.5**	**33.0**	**1,976.1**
Net commission income	385.2	716.6	0.7	(4.8)	1,097.8
Trading profit	1.6	0.6	126.1	(1.0)	127.4
Valuation result from derivatives	–	–	1.0	0.1	1.1
Net income from financial investments	(0.7)	0.1	(13.2)	23.9	10.1
General administrative expenses	(407.6)	(1,377.8)	(76.5)	(77.6)	(1,939.5)
Other operating profit/loss	25.4	8.7	(0.2)	(51.6)	(17.6)
Income from disposal of group assets	–	–	–	5.6	5.6
Profit before tax	**697.8**	**438.0**	**197.4**	**(72.2)**	**1,261.0**
Risk-weighted assets (credit risk)*	35,402	19,825	6,080	3,362	64,668
Own funds requirement*	2,983	1,838	992	266	6,080
Average number of staff	9,744	47,978	1,461	1,957	61,140
Cost/income ratio	33.8%	66.2%	26.7%	–	54.6%
Average equity	3,177	2,020	1,027	393	6,617
Return on Equity before tax	**29.3%**	**28.9%**	**25.6%**	**–**	**25.4%**

* Reference date value as of 30 September

1/1–30/9/2007 in € mn	Corporate customers	Retail customers	Treasury	Participations and other	Total
Net interest income	570.0	1,027.7	85.1	20.9	1,703.8
Provisioning for impairment losses	(72.4)	(170.9)	0.0	1.2	(242.1)
Net interest income after provisioning	**497.6**	**856.8**	**85.1**	**22.2**	**1,461.7**
Net commission income	309.5	572.3	11.3	1.9	895.0
Trading profit	6.4	3.3	115.8	(4.7)	120.8
Valuation result from derivatives	0.0	(2.4)	(19.7)	–	(22.2)
Net income from financial investments	(0.1)	(0.1)	(9.5)	(0.4)	(10.1)
General administrative expenses	(311.1)	(1,081.0)	(58.5)	(87.1)	(1,537.7)
Other operating profit/loss	15.8	5.5	(0.2)	(2.6)	18.5
Income from disposal of group assets	–	–	–	27.4	27.4
Profit before tax	**517.9**	**354.4**	**124.3**	**(43.2)**	**953.4**
Risk-weighted assets (credit risk)*	22,269	16,834	1,589	4,010	44,702
Own funds requirement*	1,781	1,347	400	321	3,849
Average number of staff	8,061	43,759	1,238	1,621	54,679
Cost/income ratio	34.5%	67.2%	27.6%	–	56.2%
Average equity	2,097	1,546	553	351	4,548
Return on Equity before tax	**32.9%**	**30.6%**	**30.0%**	**–**	**28.0%**

* Reference date value as of 30 September

b) Segment reporting by region

1/1–30/9/2008 in € mn	Central Europe	Southeastern Europe	CIS	Total
Net interest income	768.1	695.3	878.3	2,341.7
Provisioning for impairment losses	(135.5)	(90.4)	(139.6)	(365.5)
Net interest income after provisioning	**632.6**	**604.9**	**738.7**	**1,976.1**
Net commission income	423.7	346.9	327.2	1,097.8
Trading profit	28.9	37.9	60.5	127.4
Valuation result from derivatives	2.0	(0.6)	(0.4)	1.1
Net income from financial investments	8.1	(5.3)	7.4	10.1
General administrative expenses	(728.3)	(573.1)	(638.1)	(1,939.5)
Other operating profit/loss	(18.8)	19.1	(18.0)	(17.6)
Income from disposal of group assets	5.6	–	–	5.6
Profit before tax	**353.9**	**429.9**	**477.2**	**1,261.0**
Total assets*	35,764	26,209	25,277	87,251
Risk-weighted assets (credit risk)*	25,496	19,912	19,260	64,668
Own funds requirement*	2,431	1,836	1,812	6,080
Average number of staff	13,523	17,953	29,665	61,140
Cost/income ratio	60.6%	52.1%	51.1%	54.6%
Average equity	2,649	2,038	1,930	6,617
Return on Equity before tax	**17.8%**	**28.1%**	**33.0%**	**25.4%**

* Reference date value as of 30 September

1/1–30/9/2007 in € mn	Central Europe	Southeastern Europe	CIS	Total
Net interest income	582.4	513.2	608.2	1,703.8
Provisioning for impairment losses	(69.2)	(34.2)	(138.7)	(242.1)
Net interest income after provisioning	513.2	479.0	469.5	1,461.7
Net commission income	341.7	273.5	279.7	895.0
Trading profit	47.0	32.5	41.3	120.8
Valuation result from derivatives	0.4	(0.2)	(22.3)	(22.2)
Net income from financial investments	(9.1)	(0.6)	(0.4)	(10.1)
General administrative expenses	(576.8)	(460.8)	(500.1)	(1,537.7)
Other operating profit/loss	5.5	24.7	(11.7)	18.5
Income from disposal of group assets	24.7	–	2.7	27.4
Profit before tax	**346.5**	**348.1**	**258.8**	**953.4**
Total assets*	27,459	21,490	18,555	67,503
Risk-weighted assets (credit risk)*	18,146	13,800	12,756	44,702
Own funds requirement*	1,592	1,155	1,102	3,849
Average number of staff	11,911	14,641	28,127	54,679
Cost/income ratio	59.1%	54.6%	54.5%	56.2%
Average equity	1,874	1,380	1,293	4,548
Return on Equity before tax	**24.7%**	**33.6%**	**26.7%**	**28.0%**

* Reference date value as of 30 September

Notes

Accounting and valuation principles

The consolidated financial statements of Raiffeisen International are prepared in conformity with the *International Financial Reporting Standards* (*IFRS*) published by the *International Accounting Standards Board* (*IASB*) and the international accounting standards adopted by the EU on the basis of IAS Regulation (EC) 1606/2002 including the applicable interpretations of the *International Financial Reporting Interpretations Committee* (*IFRIC/SIC)*. The current unaudited interim report as of 30 September 2008 is prepared in conformity with IAS 34. In the interim reporting, exactly the same accounting and valuation principles and consolidation methods are applied as in the preparation of the 2007 consolidated financial statements.

Due to the modified IAS 39.50, adopted by the EU in October 2008, non-derivative financial instruments are permitted to be reclassified in exceptional circumstances from the category held-for-trading to held-to-maturity retroactively from 1 July 2008. Because of the current financial turmoil and the fact that certain financial instruments are no longer traded or related markets have become inactive or significantly distressed, the possibility to transfer financial instruments from held-for-trading to held-to-maturity category has been applied.

Changes in the scope of consolidation

	Fully consolidated		Equity method	
Number of units	1/1–30/9/ 2008	1/1–31/12/ 2007	1/1–30/9/ 2008	1/1–31/12/ 2007
As of beginning of period	121	105	3	3
Included for the first time in the financial period	17	29	–	–
Excluded in the financial period	(3)	(10)	(2)	–
Merged in the financial period	(2)	(3)	–	–
As of end of period	**133**	**121**	**1**	**3**

The following companies were firstly integrated in the consolidated financial statements:

Name	Share	Included as of	Fact
Appolon Property, s.r.o., Prague (CZ)	69.0%	1/9	Materiality
Central Eastern European Finance Agency B.V., Amsterdam (NL)	100.0%	1/8	Foundation
Gama Project CZ, s.r.o., Prague(CZ)	69.0%	1/8	Acquisition
Holeckova Property s.r.o., Prague (CZ)	69.0%	1/6	Acquisition
Matejska 24 s.r.o., Prague (CZ)	69.0%	1/8	Acquisition
Orchideus Property, s.r.o., Prague (CZ)	69.0%	1/2	Materiality
Raiffeisen Capital & Investment S.A., Bucharest (RO)	99.5%	1/1	Materiality
Raiffeisen Energy Serivce Ltd., Budapest (HU)	72.7%	1/8	Materiality
Raiffeisen Factoring Ltd., Sofia (BG)	100.0%	1/7	Foundation
Raiffeisen Finance d.o.o., Sarajevo (BiH)	75.0%	1/8	Foundation
Rb Kereskedhöház Kft, Budapest (HU)	70.3%	1/1	Materiality
RB Russia Finance Limited, Dublin (IRL)	0.0%	1/1	Foundation
REAL ESTATE RENT 3 DOO, Belgrade (SRB)	75.0%	1/4	Foundation
Real Estate Rent 4 d.o.o., Belgrade (SRB)	75.0%	1/9	Foundation
Residence Park Trebes, s.r.o., Prague (CZ)	69.0%	1/8	Acquisition
ROOF Consumer Bulgaria 2007 - I B.V., Amsterdam (NL)	0.0%	1/3	Foundation
ROOF Consumer Romania 2008 – 1B.V., Amsterdam (NL)	0.0%	1/7	Foundation

RB Russia Finance Limited, Dublin, a special purpose vehicle to raise capital for *ZAO Raiffeisenbank*, Moscow, was integrated as of 1 January 2008.

ROOF Consumer Bulgaria 2007 – I B.V., Amsterdam, and *ROOF Consumer Romania 2008 – 1 B.V.*, Amsterdam, was founded in connection with a securitization of unsecured consumer loans and therefore consolidated for the first time as of 1 March 2008 and 1 July 2008 respectively due to control principle from an economic point of view.

As of 20 May 2008, two Hungarian leasing companies – *SCTD Kondorosi út Kft. and SCTH Budaörs Kft.* – were sold and excluded from the group. This resulted in a profit of € 5.8 million.

As of 2 July 2008, the Hungarian *Raiffeisen Real Estate Management Zrt*, Budapest, was sold to *CEU-REM Holding Zrt.*, Budapest and therefore excluded from the group. The result amounted to minus € 0.3 million.

In the third quarter 2008, two mergers took place: *ebanka a.s.*, Prague, was merged into *Raiffeisenbank a.s.*, Prague, as of 7 July 2008 and *Raiffeisen International GROUP IT GmbH*, Vienna, was merged into *Raiffeisen Bank-Holding AG*, Vienna, as of 15 July 2008.

Notes to the income statement

(1) Income statement according to valuation categories

The following table shows income statement according to IAS 39 valuation categories:

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007	Change
Gains (losses) on financial assets and liabilities held-for-trading	(28.7)	(14.2)	101.5%
Result from financial assets and liabilities at fair value through profit or loss	59.4	50.2	18.5%
Result from financial assets available-for-sale	24.3	0.8	>500%
Result from loans and receivables	3,762.6	2,785.3	35.1%
Result from financial assets held-to-maturity	119.8	111.1	7.8%
Result from financial liabilities measured at amortized cost	(2,081.1)	(1,528.9)	36.1%
Result from derivatives (hedging)	1.2	(0.4)	(426.7)%
Revaluations from exchange differences	255.9	146.1	75.1%
Other operating income/expenses	(852.3)	(596.5)	42.9%
Total profit before tax from continuing operations	**1,261.0**	**953.4**	**32.3%**

The result of derivatives (hedging) includes only valuation results. The previous year figure was adapted.

(2) Net interest income

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007
Interest income	**4,414.1**	**3,227.5**
from loans and advances to banks	378.3	346.8
from loans and advances to customers	3,497.0	2,513.3
from financial investments	189.5	171.0
from leasing claims	249.4	163.5
from derivative financial instruments (non-trading), net	99.9	32.9
Current income from shareholdings	**3.9**	**1.1**
Interest-like income	**6.4**	**3.8**
Interest and interest-like income, total	**4,424.4**	**3,232.4**
Current income from associates	**1.4**	**0.4**
Interest expenses	**(2,078.6)**	**(1,524.1)**
on deposits from banks	(766.7)	(540.2)
on deposits from customers	(1,132.0)	(850.3)
on liabilities evidenced by paper	(111.3)	(69.2)
on subordinated capital	(68.6)	(64.3)
Interest-like expenses	**(5.5)**	**(4.9)**
Interest and interest-like expenses, total	**(2,084.1)**	**(1,528.9)**
Net interest income	**2,341.7**	**1,703.8**

(3) Provisioning for impairment losses

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007
Individual loan loss provisions	**(249.7)**	**(115.8)**
Allocation to provisions for impairment losses	(392.5)	(322.2)
Release of provisions for impairment losses	186.4	226.1
Direct write-downs	(55.4)	(38.6)
Income received on written-down claims	11.8	18.9
Portfolio-based loan loss provisions	**(115.8)**	**(126.9)**
Allocation to provisions for impairment losses	(215.2)	(212.6)
Release of provisions for impairment losses	99.4	85.7
Gains from the sales of loans	**0.0**	**0.5**
Total	**(365.5)**	**(242.1)**

(4) Net commission income

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007
Payment transfer business	475.3	383.1
Loan administration and guarantee business	151.9	105.0
Securities business	34.0	39.0
Foreign currency and precious-metals business	348.4	259.0
Management of investment and pension funds	29.7	20.9
Other banking services	58.5	87.9
Total	**1,097.8**	**895.0**

(5) Trading profit

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007
Interest-based transactions	(22.0)	21.0
Currency-based transactions	156.1	86.9
Equity-/index-based transactions	(7.1)	7.8
Other transactions	0.4	4.9
Total	**127.4**	**120.8**

The increase in the result from currency-based transactions is due to the result arising from the ineffective part of a capital hedge amounting to € 24 million.

(6) Valuation result from derivatives

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007
Net result from hedge accounting	1.2	(0.4)
Net result from other derivatives	(0.2)	(21.8)
Net result from credit derivatives	0.1	–
Total	**1.1**	**(22.2)**

(7) Income from financial investments

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007
Net income from financial investments held-to-maturity and equity participations	**22.0**	**0.0**
Net valuations of financial investments held-to-maturity and equity participations	(0.2)	(0.2)
Net proceeds from sales of financial investments held-to-maturity and equity participations	22.2	0.2
Net income from securities at fair value through profit and loss	**(11.9)**	**(10.0)**
Net valuations of securities at fair value through profit and loss	(11.4)	(10.1)
Net proceeds from sales of securities at fair value through profit and loss	(0.5)	0.1
Total	**10.1**	**(10.1)**

(8) General administrative expenses

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007
Staff expenses	(947.3)	(759.5)
Other administrative expenses	(811.0)	(616.5)
Depreciation on intangible and tangible fixed assets	(181.2)	(161.7)
Total	**(1,939.5)**	**(1,537.7)**

(9) Other operating profit

in € mn	1/1–30/9/ 2008	1/1–30/9/ 2007
Sales revenues from non-banking activities	163.1	48.2
Expenses arising from non-banking activities	(149.5)	(30.3)
Net result from additional leasing services	2.3	(0.7)
Net result from real estate	1.9	2.2
Net result from operating lease	27.6	15.1
Net proceeds from disposal of tangible and intangible fixed assets	(2.0)	(0.5)
Other taxes	(43.0)	(32.0)
Income from release of negative goodwill	5.3	15.1
Net expense from allocation and release of other provisions	(19.1)	(8.9)
Sundry operating income	11.9	34.7
Sundry operating expenses	(16.1)	(24.4)
Total	**(17.6)**	**18.5**

Notes to the balance sheet

(10) Balance sheet according to valuation categories

The following table shows balance sheet according to IAS 39 valuation categories:

Assets according to valuation categories in € mn	30/9/ 2008	31/12/ 2007	Change
Trading assets	3,429	2,896	18.4%
Financial assets at fair value through profit or loss	1,886	1,566	20.4%
Financial assets available-for-sale	82	40	104.6%
Loans and advances	76,473	63,348	20.7%
Financial assets held-to-maturity	2,732	2,528	8.0%
Derivatives (hedging)	4	6	(35.4)%
Other assets	2,646	2,358	12.2%
Total assets	**87,251**	**72,743**	**19.9%**

Positive market values of derivatives not designated as hedging instrument according to IAS 39 hedge accounting are reported in the valuation category *trading assets*. The valuation category *financial assets available-for-sale* comprises only other equity participations. *Loans and advances* are reported net of any provisions for impairment losses. *Other assets* comprise intangible and tangible fixed assets, investments in associates and other affiliated companies.

Equity and liabilities according to valuation categories in € mn	30/9/ 2008	31/12/ 2007	Change
Trading liabilities	1,136	688	65.1%
Liabilities at amortizedd cost	78,111	65,110	20.0%
Derivatives (hedging)	13	8	62.7%
Provisions for liabilities and charges	404	315	28.3%
Equity	7,587	6,622	14.6%
Total equity and liabilities	**87,251**	**72,743**	**19.9%**

Negative market values of derivatives not designated as hedging instrument according to IAS 39 hedge accounting are reported in the valuation category *trading liabilities.*

(11) Loans and advances to banks

in € mn	30/9/2008	31/12/2007
Giro and clearing business	1,854	1,472
Money market business	5,751	6,379
Loans to banks	4,515	3,191
Leasing claims	4	2
Claims evidenced by paper	18	9
Total	**12,142**	**11,053**

Loans and advances to banks classified regionally (counterparty's seat) are as follows:

in € mn	30/9/2008	31/12/2007
Central Europe	1,693	2,200
Southeastern Europe	3,038	2,975
CIS	642	1,051
Austria	5,718	3,433
Other countries	1,051	1,394
Total	**12,142**	**11,053**

Loans and advances break down into the following bank segments:

in € mn	30/9/2008	31/12/2007
Central banks	3,997	4,360
Commercial banks	8,145	6,674
Multilateral development banks (MDB)	–	19
Total	**12,142**	**11,053**

(12) Loans and advances to customers

in € mn	30/9/2008	31/12/2007
Credit business	28,157	24,537
Money market business	10,315	7,897
Mortgage loans	17,504	12,433
Purchased loans	844	564
Leasing claims	4,250	3,442
Claims evidenced by paper	4	7
Total	**61,074**	**48,880**

Loans and advances to customers break down into business segments according to Basel II definition as follows:

in € mn	30/9/2008	31/12/2007
Sovereigns	980	966
Corporate customers – large	31,853	25,693
Corporate customers – small business	5,587	4,496
Retail customers – private individuals	19,466	15,003
Retail customers – small and medium-sized entities	3,164	2,594
Other	24	127
Total	**61,074**	**48,880**

Loans and advances to customers classified regionally (counterparty's seat) are as follows:

in € mn	30/9/2008	31/12/2007
Central Europe	25,514	20,328
Southeastern Europe	13,461	10,976
CIS	17,447	14,186
Austria	21	18
Other countries	4,631	3,373
Total	**61,074**	**48,880**

(13) Impairment losses on loans and advances

Provisions for impairment losses are allocated to the following asset classes according to Basel II definition:

in € mn	30/9/2008	31/12/2007
Sovereigns	2	2
Banks	1	1
Corporate customers – large	578	465
Corporate customers – small business	151	127
Retail customers – private individuals	605	423
Retail customers – small and medium-sized entities	105	86
Total	**1,442**	**1,103**

The following table shows the geographic breakdown of provisioning (including provisions for contingent liabilities) by the entities' head office:

in € mn	As of 1/1/2008	Change in consolidated group	Allocation*	Release	Usage*	Transfers, exchange differences	As of 30/9/2008
Individual loan loss provisions	**804**	**–**	**436**	**(186)**	**(67)**	**23**	**1,010**
Central Europe	302	–	199	(85)	(38)	18	396
Southeastern Europe	191	–	77	(51)	(10)	(1)	206
CIS	310	–	161	(50)	(19)	6	408
Portfolio-based provisions	**367**	**–**	**215**	**(99)**	**–**	**11**	**494**
Central Europe	126	–	61	(35)	–	10	162
Southeastern Europe	66	–	79	(19)	–	(2)	124
CIS	175	–	75	(45)	–	3	208
Total	**1,171**	**–**	**651**	**(286)**	**(67)**	**34**	**1,504**

* Allocation includes direct write-downs and income on written down claims.

The following table gives an overview of the loans and advances as well as loan loss provisions according to Basel II asset classes:

30/9/2008 in € mn	Total gross carrying amount	Individual loan loss provisions	Portfolio-based provisions	Total net carrying amount	Individually impaired assets
Banks	12,142	–	1	12,141	18
Sovereigns	980	2	–	978	19
Corporate customers – large	31,853	442	136	31,274	1,206
Corporate customers – small business	5,587	109	42	5,436	264
Retail customers – private individuals	19,466	351	254	18,861	517
Retail customers – small and medium-sized entities	3,164	73	32	3,059	155
Other	24	–	–	24	–
Total	**73,216**	**977**	**465**	**71,774**	**2,178**

31/12/2007 in € mn	Total gross carrying amount	Individual loan loss provisions	Portfolio-based provisions	Total net carrying amount	Individually impaired assets
Banks	11,053	–	–	11,053	–
Sovereigns	966	2	–	964	32
Corporate customers – large	25,694	357	108	25,229	1,122
Corporate customers – small business	4,496	98	29	4,369	268
Retail customers – private individuals	15,003	237	185	14,580	295
Retail customers – small and medium-sized entities	2,594	61	25	2,508	262
Other	127	–	–	127	–
Total	**59,933**	**755**	**348**	**58,830**	**1,978**

(14) Trading assets

in € mn	30/9/2008	31/12/2007
Bonds, notes and other fixed-interest securities	2,070	2,049
Shares and other variable-yield securities	65	78
Positive fair values of derivative financial instruments	955	528
Call/time deposits for trading purposes	–	14
Pledged securities ready to be sold/repledged by transferee	157	140
Total	**3,247**	**2,809**

(15) Derivatives

in € mn	30/9/2008	31/12/2007
Positive fair values of derivatives in fair value hedges (IAS 39)	4	6
Positive fair values of banking book derivatives without hedge accounting	182	86
Total	**186**	**92**

(16) Financial investments

in € mn	30/9/2008	31/12/2007
Bonds, notes and other fixed-interest securities	4,408	3,931
Shares and other variable-yield securities	87	102
Pledged securities ready to be sold/repledged by transferee	122	16
Equity participations	135	84
Total	**4,752**	**4,133**

Due to the application of the modified IAS 39.50, adopted by the EU, securities held-for-trading amounting to € 258 million were transferred to held-to-maturity category.

(17) Intangible fixed assets

in € mn	30/9/2008	31/12/2007
Goodwill	813	757
Software	215	191
Other intangible fixed assets	201	189
Total	**1,229**	**1,137**

(18) Tangible fixed assets

in € mn	30/9/2008	31/12/2007
Land and buildings used by the Group for own purposes	567	505
Other land and buildings (investment property)	22	16
Office furniture and equipment as well as other tangible fixed assets	530	450
Leased assets (operating lease)	237	183
Total	**1,356**	**1,154**

(19) Other assets

in € mn	30/9/2008	31/12/2007
Tax assets	199	166
Receivables arising from non-banking activities	101	83
Prepayments and other deferrals	296	228
Clearing claims from securities and payment transfer business	68	100
Lease in progress	122	102
Any other business	301	220
Total	**1,087**	**899**

(20) Deposits from banks

in € mn	30/9/2008	31/12/2007
Giro and clearing business	940	522
Money market business	6,618	6,293
Long-term loans	18,740	13,112
Total	**26,298**	**19,927**

Deposits from banks classified regionally (counterparty's seat) break down as follows:

in € mn	30/9/2008	31/12/2007
Central Europe	1,885	1,620
Southeastern Europe	389	452
CIS	1,496	750
Austria	14,024	10,732
Other countries	8,504	6,373
Total	**26,298**	**19,927**

The deposits break down into the following bank segments:

in € mn	30/9/2008	31/12/2007
Central banks	43	53
Commercial banks	25,624	19,482
Multilateral development banks (MDB)	631	392
Total	**26,298**	**19,927**

(21) Deposits from customers

in € mn	30/9/2008	31/12/2007
Sight deposits	18,514	17,585
Time deposits	25,849	21,628
Savings deposits	1,190	1,244
Total	**45,553**	**40,457**

Deposits break down as follows according to Basel II definition:

in € mn	30/9/2008	31/12/2007
Sovereigns	1,512	1,199
Corporate customers – large	16,595	14,875
Corporate customers – small business	2,838	2,965
Retail customers – private individuals	20,339	17,461
Retail customers – small and medium-sized entities	3,915	3,500
Others	354	457
Total	**45,553**	**40,457**

Deposits from customers classified regionally (counterparty's seat) are as follows:

in € mn	30/9/2008	31/12/2007
Central Europe	19,423	17,006
Southeastern Europe	13,871	12,868
CIS	10,575	9,071
Austria	271	143
Other countries	1,413	1,370
Total	**45,553**	**40,457**

(22) Liabilities evidenced by paper

in € mn	30/9/2008	31/12/2007
Bonds and notes issued	2,680	1,620
Money market instruments issued	13	–
Other liabilities evidenced by paper	815	700
Total	**3,508**	**2,320**

(23) Provisions for liabilities and charges

in € mn	30/9/2008	31/12/2007
Taxes	142	82
Contingent liabilities and commitments	62	68
Pending legal issues	63	46
Overdue vacation	30	34
Others	107	85
Total	**404**	**315**

(24) Trading liabilities

in € mn	30/9/2008	31/12/2007
Negative fair values of derivative financial instruments	860	502
Call/time deposits for trading purposes	14	39
Total	**874**	**541**

(25) Derivatives

in € mn	30/9/2008	31/12/2007
Negative fair values of derivatives in fair value hedges (IAS 39)	3	–
Negative fair values of derivatives in cash flow hedges (IAS 39)	10	8
Negative fair values of bankbook derivatives without hedge accounting	261	146
Total	**274**	**154**

(26) Other liabilities

in € mn	30/9/2008	31/12/2007
Liabilities arising from non-banking business	152	112
Accruals and deferred items	226	193
Liabilities arising from dividends	1	–
Clearing claims from securities and payment transfer business	438	259
Any other business	322	310
Total	**1,139**	**874**

(27) Subordinated capital

in € mn	30/9/2008	31/12/2007
Hybrid tier 1 capital	511	504
Subordinated liabilities	1,010	930
Supplementary capital	93	98
Total	**1,614**	**1,532**

(28) Equity and minorities

in € mn	30/9/2008	31/12/2007
Consolidated equity	5,767	4,986
Subscribed capital	469	469
Capital reserves	2,572	2,588
Retained earnings	2,726	1,929
Consolidated profit	861	841
Minority interests	959	795
Total	**7,587**	**6,622**

Additional notes

(29) Contingent liabilities and commitments

in € mn	30/9/2008	31/12/2007
Contingent liabilities	5,391	4,598
Commitments (irrevocable credit lines)	7,125	8,081

Moreover, revocable credit lines were granted to an amount of € 7,262 million (2007: € 5,493 million) which currently bear no credit risk.

(30) Related parties

Transactions with related parties who are natural persons are limited to banking business transactions which are carried out at fair market conditions. Moreover, members of the Managing Board hold shares of Raiffeisen International Bank-Holding AG. This information is published on the homepage of Raiffeisen International.
Further business transactions, especially large banking business transactions with related parties who are natural persons were not concluded in the reporting period.

Transactions with related companies, especially relations to the parent company Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna, as majority shareholder are shown in the tables below:

30/9/2008 in € mn	Parent companies	Companies with significant influence	Affiliated companies	Companies valued at equity	Other interests
Loans and advances to banks	5,357	–	8	–	29
Loans and advances to customers	–	32	100	–	17
Trading assets	129	–	–	11	2
Financial investments	–	–	52	–	82
Investments in associates	–	–	–	8	–
Other assets including derivatives	73	–	1	–	–
Deposits from banks	12,979	83	2,287	20	109
Deposits from customers	2	–	33	–	12
Liabilities evidenced by paper	35	–	–	–	–
Provisions for liabilities and charges	4	–	–	–	–
Trading liabilities	85	–	4	–	–
Other liabilities including derivatives	115	–	2	–	–
Subordinated capital	865	29	552	–	–
Guarantees given	268	–	–	–	–
Guarantees received	171	3	–	–	25

31/12/2007 in € mn	Parent companies	Companies with significant influence	Affiliated companies	Companies valued at equity	Other interests
Loans and advances to banks	3,263	56	6	–	22
Loans and advances to customers	–	–	194	–	22
Trading assets	22	–	5	–	1
Financial investments	–	–	44	11	40
Investments in associates	–	–	–	24	–
Other assets (including derivatives)	42	–	1	–	–
Deposits from banks	9,940	36	1,263	13	130
Deposits from customers	2	–	37	2	19
Liabilities evidenced by paper	43	–	–	–	–
Provisions for liabilities and charges	2	–	–	–	–
Trading liabilities	24	–	–	–	–
Other liabilities (including derivatives)	105	–	2	–	–
Subordinated capital	824	23	532	–	–
Guarantees given	386	–	2	10	2
Guarantees received	149	1	1	–	1

(31) Regulatory own funds

As a subsidiary of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Raiffeisen International Bank-Holding AG does not have its own Group of credit institutions as defined by the Austrian Banking Act (BWG). Therefore, it is not itself subject to the relevant regulatory requirements. However, the following figures are accounted for within the scope of RZB Group of credit institutions. They are provided here for information purposes only.

The own funds of Raiffeisen International according to the Austrian Banking Act 1993/Amendment 2006 (Basel II) are comprised of as follows (The figures as of 31 December 2007 are based on Basel I and are adapted to the new reporting scheme):

in € mn	30/9/2008	31/12/2007
Paid-in capital	3,035	3,057
Earned capital	1,404	1,259
Minority interests	1,082	1,079
Hybrid tier 1 capital	500	500
Intangible fixed assets	(241)	(203)
Core capital (tier 1 capital)	**5,780**	**5,692**
Deductions from the core capital	(16)	(11)
Eligible core capital (after deductions)	**5,765**	**5,681**
Additional own funds according to Section 23 (1) 5 BWG	91	91
Hidden reserves	207	–
Long-term subordinated own funds	895	866
Additional own funds (tier 2 capital)	**1,194**	**957**
Deductions from the additional own funds	(16)	(11)
Eligible additional own funds (after deductions)	**1,178**	**946**
Tier 2 capital available to be redesignated as tier 3 capital	101	57
Short-term subordinated capital (tier 3 capital)	101	57
Total own funds	**7,044**	**6,684**
Total own funds requirement	**6,080**	**4,317**
Excess own funds	964	2,367
Excess cover ratio	15.9%	54.8%
Core capital ratio (tier 1), credit risk	8.9%	11.4%
Core capital ratio (tier 1), incl. market and operational risk	7.6%	10.5%
Own funds ratio	9.3%	12.4%

The total own funds requirement is as follows (The figures as of 31 December 2007 are based on Basel I and are adapted to the new reporting scheme):

in € mn	30/9/2008	31/12/2007
Risk-weighted assets according to Section 22 BWG	64,668	49,802
of which 8 per cent minimum own funds for the credit risk according to Sections §§ 22a to 22h BWG	5,173	3,984
Own funds requirement for position risk in bonds, equities and commodities	208	146
Own funds requirement for open currency positions	258	187
Own funds requirement for the operational risk	440	–
Total own funds requirement	**6,080**	**4,317**

Risk-weighted assets for the credit risk according to asset classes break down as follows:

in € mn	30/9/2008
Central governments and central banks	3,925
Regional governments	531
Public administration and non-profit organisations	113
Multilateral development banks	11
Banks	2,551
Corporates	40,928
Retail (including small and medium-sized entities)	13,778
Investment funds	81
Other positions	2,749
Total	**64,668**

(32) Average number of staff

The average number of staff employed during the reporting period (full-time equivalents) break down as follows:

Full-time equivalents	1/1–30/9/ 2008	1/1–30/9/ 2007
Central Europe	13,433	11,830
Southeastern Europe	17,883	14,572
CIS	29,586	28,055
Austria	238	222
Total	**61,140**	**54,679**

(33) Statement of all members of the Management Board to the interim report

We confirm to the best of our knowledge that the condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first nine months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining three months of the financial year and of the major related party transactions disclosed.

The Managing Board

Herbert Stepic	Martin Grüll	Aris Bogdaneris
Rainer Franz	Peter Lennkh	Heinz Wiedner

Financial Calendar for 2009

26 February 2009	*Start of Quiet Period*
26 March 2009	*2008 Annual Report, Analyst Conference, Conference Call*
30 April 2009	*Start of Quiet Period*
14 May 2009	*First Quarter Report, Conference Call*
9 June 2009	*Annual General Meeting*
17 June 2009	*Ex Dividend and Dividend Payment Date*
30 July 2009	*Start of Quiet Period*
13 August 2009	*Semi-Annual Report, Conference Call*
29 October 2009	*Start of Quiet Period*
12 November 2009	*Third Quarter Report, Conference Call*

Publication Details

Published by Raiffeisen International Bank-Holding AG, Am Stadtpark 3, 1030 Vienna, Austria
Edited by Investor Relations
Copy deadline: 3 November 2008
Produced in Vienna
Website: www.ri.co.at
This report is also available in German.

Inquiries to Investor Relations
E-mail: investor.relations@ri.co.at
Website: www.ri.co.at → Investor Relations
Phone: +43 (1) 71 707 2089

Inquiries to Public Relations
E-mail: ri-communications@ri.co.at
Website: www.ri.co.at → Public Relations
Phone: +43 (1) 71 707 2828

Disclaimer

The forecasts, plans, and statements addressing the future are based on the knowledge and estimates of Raiffeisen International at the time at which they are prepared. Like all statements addressing the future, they are subject to risks and uncertainty factors that may ultimately lead to considerable divergences. No guarantees can therefore be given that the forecasts and targeted values or the statements addressing the future will actually materialize.

We have exercised the utmost diligence in preparing this interim report and have checked the data contained therein. However, rounding, transmission, and printing errors cannot be ruled out. The present English version is a translation of the interim report that the company originally prepared in the German language. The company only recognizes the German version as the authentic version.

www.ri.co.at