rosenbauer

ANNUAL REPORT 2012

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KEY FIGURES

Rosenbauer Group		2012	2011	2010
Revenue	m€	**645.1**	541.6	595.7
EBIT	m€	**38.6**	41.6	49.7
EBIT margin		**6.0%**	7.7%	8.3%
EBT	m€	**38.8**	40.3	49.1
Consolidated profit	m€	**32.0**	32.1	40.0
Cash flow from operating activities	m€	**(3.7)**	(12.8)	34.8
Investments	m€	**14.7**	11.5	8.9
Order backlog as at Dec 31	m€	**580.5**	682.3	394.5
Order intake	m€	**533.2**	826.8	496.9
Employees (average)		**2,328**	2,092	2,014
Employees as at Dec 31		**2,432**	2,123	2,046
Key balance sheet data				
Total assets	m€	**431.4**	357.1	301.6
Equity in % of total assets		**39.9%**	40.6%	42.9%
Capital employed (average)	m€	**266.2**	212.7	179.7
Return on capital employed		**14.5%**	19.6%	27.6%
Return on equity		**24.4%**	29.4%	42.8%
Net debt	m€	**93.6**	60.8	26.1
Working capital	m€	**123.3**	108.8	100.2
Gearing ratio		**54.4%**	41.9%	20.2%
Key stock exchange figures				
Highest share price	€	**46.5**	41.5	39.8
Lowest share price	€	**35.0**	26.0	28.4
Closing price	€	**46.1**	36.3	37.5
Number of shares	m units	**6.8**	6.8	6.8
Market capitalization	m€	**313.1**	246.8	255.0
Dividend	m€	**8.2**[1)]	8.2	8.2
Dividend per share	€	**1.2**[1)]	1.2	1.2
Dividend yield		**2.6%**	3.3%	3.2%
Earnings per share	€	**4.5**	4.1	4.7
Price/earnings ratio		**10.2**	8.9	8.0

[1)] Proposal to Annual General Meeting

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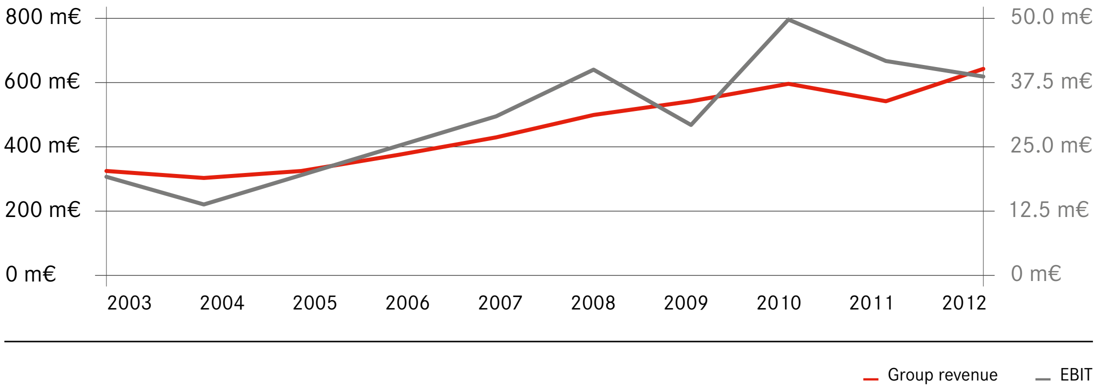
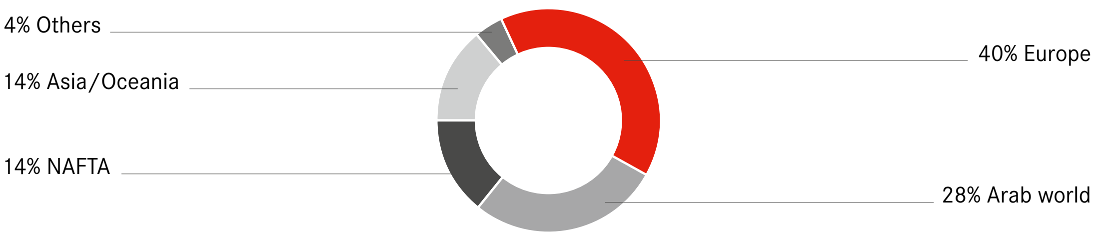
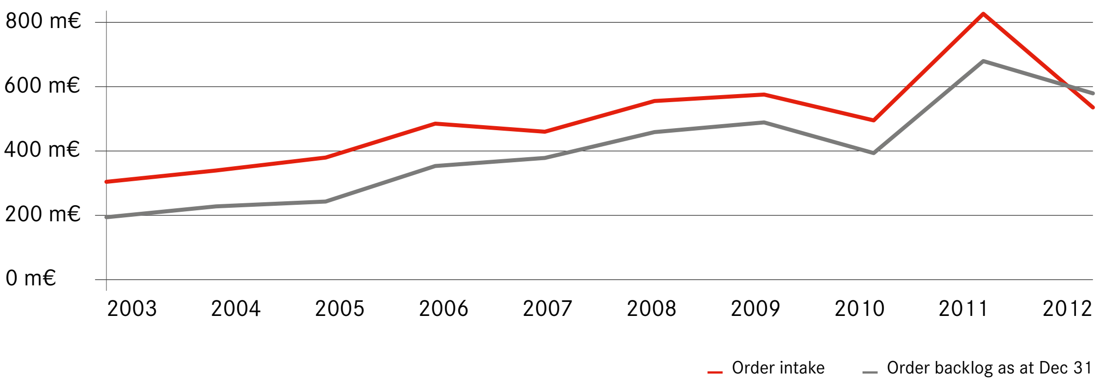
Group revenue/EBIT 2003 – 2012



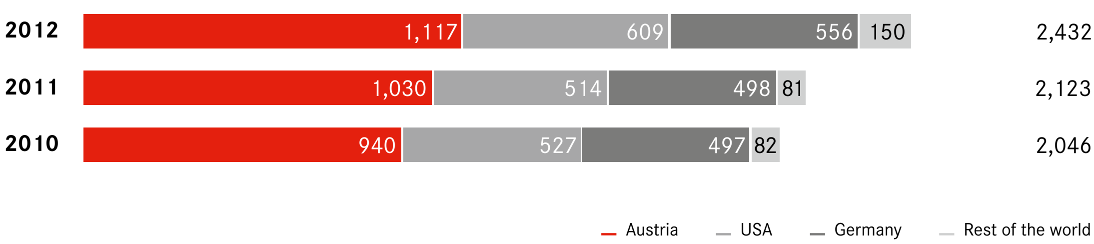
Revenues by region 2012



Order intake/Order backlog 2003 – 2012



Employees as at December 31



CONTENT

Rosenbauer is the fire protection and civil defense sector's leading manufacturer of fire fighting equipment. The company has more than 145 years' experience of developing vehicles, fire fighting components and fire & safety equipment on which fire services throughout the world rely. With its worldwide service and distribution network, the Group is active in over 100 countries and is a dependable partner of professional, industrial and volunteer fire services.

Rosenbauer is a byword for technical progress. Its strengths client-focus, innovational capability and dependability have characterized the company right from its earliest days. Over 2,400 employees in Europe, North America, Asia and Africa work with passion and skill on products that support the technical progress of the fire fighting community.

Established in 1866, this sixth-generation family enterprise has grown to become a global exchange-listed corporate group with annual revenues of 645 m€.

580.5 m€ Order backlog assuring capacity utilization	**38.6 m€** Operating result (EBIT) down 7%
645.1 m€ Revenues up 19%	**2,432** Employees worldwide

Rosenbauer International AG
AUSTRIA

- **Rosenbauer Österreich GmbH** — AUSTRIA — 100%
- **Rosenbauer Management Services GmbH** — AUSTRIA — 100%
- **Rosenbauer Holdings Inc.** — USA — 100%
  - **Rosenbauer America, LLC.** — USA — 50%
    - **Rosenbauer Minnesota, LLC.** — USA — 100%
    - **Rosenbauer South Dakota, LLC.** — USA — 100%
    - **Rosenbauer Aerials, LLC.** — USA — 50%
    - **Rosenbauer Motors, LLC.** — USA — 85%
- **Rosenbauer Finanzierung GmbH** — GERMANY — 100%
- **Rosenbauer Deutschland GmbH** — GERMANY — 100%
- **Metz Aerials GmbH & Co. KG** — GERMANY — 100%
  - **Metz-Service18 S.A.R.L.**[3] — FRANCE — 84%
- **Metz Aerials Management GmbH** — GERMANY — 100%
- **Rosenbauer Española S.A.** — SPAIN — 62.11%
- **Rosenbauer Ciansa S.L.**[1] — SPAIN — 50%
- **Rosenbauer Schweiz AG** — SWITZERLAND — 100%
- **Rosenbauer d.o.o.**[2] — SLOVENIA — 90%
- **S.K. Rosenbauer Pte. Ltd.** — SINGAPORE — 100%
  - **Eskay Rosenbauer Sdn Bhd** — BRUNEI — 80%
- **Rosenbauer South Africa (Pty.) Ltd.** — SOUTH AFRICA — 100%
- **PA “Fire-fighting special technics” LLC.**[1] — RUSSIA — 49%

[1] At equity consolidated company
[2] First consolidated December 2012
[3] Founded at the beginning of 2013

— PRODUCTION FACILITY
— SALES/SERVICE
— HOLDING/MANAGEMENT

PRODUCTION FACILITIES, SALES AND SERVICE COMPANIES

AUSTRIA
Rosenbauer International
Leonding
Neidling
Traun

Rosenbauer Österreich
Leonding

USA
Rosenbauer America
Rosenbauer South Dakota
Lyons, SD

Rosenbauer Minnesota
Rosenbauer Motors
Wyoming, MN

Rosenbauer Aerials
Fremont, NE

SPAIN
Rosenbauer Española
Madrid

Rosenbauer Ciansa
Linares

FRANCE
Metz-Service18
Chambéry

SLOVENIA
Rosenbauer
Gornja Radgona

SWITZERLAND
Rosenbauer Schweiz
Oberglatt

GERMANY
Rosenbauer Deutschland
Luckenwalde

Metz Aerials
Karlsruhe

SOUTH AFRICA
Rosenbauer South Africa
Halfway House

RUSSIA
Rosenbauer
Joint Venture Russia
Moscow

SINGAPORE
S.K. Rosenbauer
Singapore

BRUNEI
Eskay Rosenbauer
Bandar Seri Begawan


RVP
BH BICC
RVP
BH BICC

Dear Shareholders,

in our latest Annual Report, I am pleased to present to you the results of the successful year that the Rosenbauer Group had in 2012. In several areas, the company reached the highest-ever figures in its history. Never before has Rosenbauer generated more revenues, and employed more people, than in 2012. Our workforce of over 2,400, and Group revenues of 645 m€, gave impressive testimony to our leading position in the fire equipment industry.

We further strengthened our presence on international markets in 2012 by acquiring the Slovenian Mettis International d.o.o. and by establishing a service company in France. In Austria, we added another production facility to help us meet international demand.

This positive course of events is all the more gratifying when one considers the persistently difficult economic environment in which it was achieved. Fiscal consolidation has been made an overriding priority in almost all Western countries. The USA, the world's biggest single market, once again languished at the low level of previous years in 2012, while sales on highly developed European fire equipment markets were still around 20% below their multi-year average. Markets in the crisis-struck countries of Southern Europe have more or less grounded to a halt. Not surprisingly, this stagnation is racheting up the pressure on prices, confronting a growing number of industry manufacturers with existential challenges.

Positive growth signals continue to come out of Asia, and also from the Arab world, whose importance for the Rosenbauer Group has risen accordingly.

The basis of these industry-trend-bucking successes are of course our products, whose reliability, performance and design makes them a yardstick against which the rest of the sector is measured. Rosenbauer was an early mover in concentrating on developing product series that unite design variability with the quality benefits of industrial production methods. All our product series undergo continuous and uncompromising onward development, and are more successful on today's marketplaces than ever before. Now into its third generation, the PANTHER has come to be a near-synonym for aircraft rescue fire fighting (ARFF) vehicles; in 2012 we delivered the 1,000th PANTHER to London Stansted Airport in Great Britain. Also into its third generation, the municipal vehicle AT has made us the market leader not only in Austria but now in Germany as well. The 3,000th AT is due to roll off the production line any day now. The 500,000th HEROS helmet and the 15,000th FOX portable fire pump are yet more examples of "sales jubilees" for continually developed Rosenbauer brand products – and they will certainly not be the last!

Since 2012, Rosenbauer has had its own in-house-produced chassis for municipal fire fighting vehicles in the USA, the "Commander". In its first year on sale, it has already met with an excellent market response, and has a good chance of becoming the next brand product in the Rosenbauer stable.

Although the overall picture for 2012 is positive, the year also saw some less satisfactory occurrences which I would not wish to leave unmentioned. One such was the cancellation by the Brazilian civil aviation authority Infraero of its order for 80 aircraft rescue fire fighting vehicles owing to differing interpretations of the vehicle specifications in the bid description. We are pursuing legal action, but had to post 3.1 m€ of expense in the reporting period. Secondly, the commencement of series chassis manufacturing operations in the USA caused unforeseen start-up losses. These one-off effects squeezed the Group's EBIT margin to 6% in 2012, which is below the goal we had set ourselves.

A crucial undertaking for 2013 is thus also to enhance our efficiency and improve our earnings quality. Thanks to another major order worth 125.8 m€ from Saudi Arabia at the beginning of this year, and to further successes on many other markets, fulfillment of our production program will once again be the biggest challenge facing our employees in 2013.

We have a good prospect of continuing on our growth path in 2013. The program of capital investment that was decided in 2012 to extend and upgrade our manufacturing capacity at all Group locations is being pushed ahead as planned, focusing on Austria in 2013.

We are confident that in 2013, Rosenbauer will again be able to create jobs, surely the most important contribution any company can make to society. We also actively shoulder responsibility aside from our purely business activities, however. Alongside the almost obligatory commitment towards environmentally conscious conduct, and Rosenbauer's time-honored sustainability-oriented business policy, we also want to help wherever we can with our CSR policy – especially by supporting well-targeted projects in the field of youth and education.

All our projects have always rested on the efforts of our highly motivated and capable employees, to whom I wish at this juncture to express my heartfelt thanks and to ask for the same exemplary commitment and hard work in 2013 once again.

Another factor of equally great importance for long-term corporate planning is to have a stable ownership structure, and shareholders who support a responsible approach to corporate policy. I thus also wish to warmly thank you, our shareholders, and especially those among you who have remained loyal to the company right from the very beginning. The fact that this year I am able not only to thank you but also to point to the very satisfactory development of our share price, gives me particular pleasure.

Yours,

Dieter Siegel

Dieter Siegel, CEO
Born 1964
Joined Rosenbauer: 2009
Date of first appointment: 2011
End of current period of tenure: 2016

BUSINESS UNITS
Specialty vehicles, Fire & safety equipment and USA
FUNCTIONS WITHIN THE GROUP
Corporate strategy, marketing and advertising, personal and social management, corporate communications, international sales, customer service (until December 31, 2012)

Gottfried Brunbauer, CTO
Born 1960
Joined Rosenbauer: 1995
Date of first appointment: 2000
End of current period of tenure: 2014

BUSINESS UNITS
Municipal vehicles, Aerials, Fire fighting components, Customer service (since January 1, 2013)
FUNCTIONS WITHIN THE GROUP
Technical Group coordination, logistics, innovation management, quality management, environmental management

Robert Kastil, CFO
Born 1949
Joined Rosenbauer: 1983
First appointment: 1993
End of current period of tenure: September 30, 2013

BUSINESS UNIT
Business development (until March 18, 2013)
FUNCTIONS WITHIN THE GROUP
Financial accounting and controlling,
Group finance, IT, risk management, internal audit and control system, compliance, investor relations (stepwise handover until September 30, 2013)

Günter Kitzmüller
Born 1961
Joined Rosenbauer: 2013
First appointment: 2013
End of current period of tenure: 2018

BUSINESS UNIT
Business development (since March 19, 2013)
FUNCTIONS WITHIN THE GROUP
Financial accounting and controlling,
Group finance, IT, risk management, internal audit and control system, compliance, investor relations (stepwise takeover until September 30, 2013)

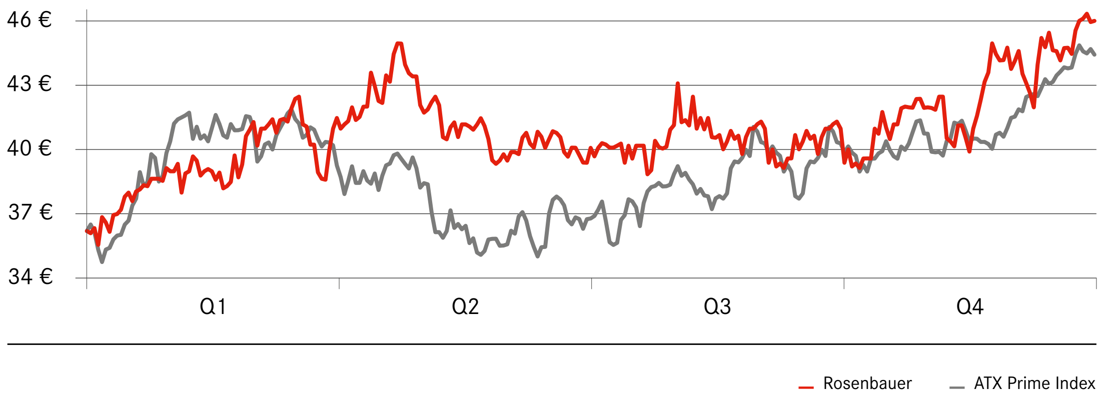
2012 on the stock markets

After two difficult years, the Vienna Stock Exchange turned in a positive performance in 2012: the ATX, the leading index of the Vienna Stock Exchange, rose by 27% last year, outperforming all major European stock exchanges apart from the German DAX, and closing at 2,401.21 points on the last day of trading. Monthly volumes bottomed out in the summer and averaged 3.01 bn € per month over the year as a whole. Market capitalization stood at 80.43 bn € at the year-end (14.75 bn € more than at December 31, 2011).

The Rosenbauer share

The Rosenbauer International AG share is listed on the Vienna Stock Exchange's "Prime Market". It upheld its reputation as a good long-term investment in 2012 once again, and was one of the Vienna Stock Exchange's "outperformers" last year. Compared to the 2011 year-end price of 36.3 €, the share price gained 27% during the reporting period, reaching 46.1 € by year-end 2012.

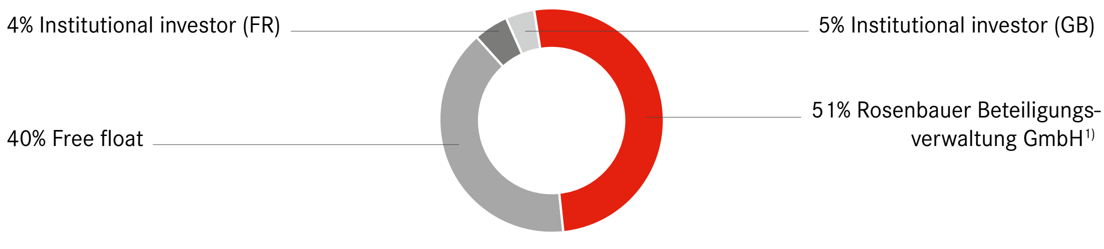
Performance of Rosenbauer share in comparison with ATX prime index 2012



Stability in the shareholder structure

Rosenbauer has been listed on the stock exchange with non-par-value shares (bearer shares) since 1994. 51% of the Rosenbauer shares are held by Rosenbauer Beteiligungsverwaltung GmbH, a holdings-management company founded by the family shareholders. Over 5% of the share capital is held by an institutional investor in Great Britain, while another institutional investor in France owns slightly over 4%. The remaining shareholdings in the free float are held by investors from Europe (Italy, France, Austria, Germany, Sweden, Great Britain and Switzerland) and the USA. Despite the turbulent market environment, Rosenbauer has been successful in further developing its shareholder structure. This has confirmed the wisdom of the decision to deepen dialog with investors, and with institutional investors in particular, and to intensify the road-show work.

Shareholder structure



[1] Holding company of Rosenbauer family shareholders

Distribution of dividends

Rosenbauer pursues a long-termist, shareholder-friendly dividend policy which assures a reasonable return on the capital employed while addressing the need to safeguard the company's growth perspectives. The Executive Board and Supervisory Board will propose to the General Meeting that the dividend for 2012 should be left unchanged at 1.2 € (2011: 1.2 €) per share. Accordingly, the sum for distribution for 6.8 million non-par-value shares is 8.2 m€ (2011: 8.2 m€). In terms of the share's closing price of 46.1 €, this corresponds to a dividend yield of 2.6% (2011: 3.3%).

Investor-relations activities

Open exchange of information with all players on the capital market was continued again last year. Rosenbauer used the opportunities presented by road-shows and capital-market conferences in many European financial centers to inform institutional investors about the strategy and development of the Rosenbauer Group. In addition, there were regular press conferences and meetings with analysts. Financial community members such as analysts and investors were invited to question-and-answer sessions with senior management at Group HQ, and took the opportunity of viewing the production operations and the products themselves.

Details of the share

ISIN: AT0000922554
Vienna Stock Exchange listing: Prime Market
Quoted on OTC (Over-the-counter) market: Berlin, Dusseldorf, Hamburg, Hanover, Munich, Stuttgart
Stock exchanges: Regulated market in Munich; OTC market in Berlin, Dusseldorf, Hamburg, Hanover, Stuttgart; Open market in Frankfurt
Ticker symbols: Reuters: RBAV.VI; Bloomberg: ROS AV; Vienna Stock Exchange: ROS
Number of shares: 6,800,000
Class of shares: Non-par-value shares made out to bearer
Nominal share capital: 13,600,000 €
Volume traded: 47,483,710 € (2011: 82,250,303.8 €)
N° of shares traded: 1,153,212 (2011: 2,355,564)
ATX prime weighting: 0.38%

Corporate calendar

April 18, 2013	Publication of 2012 annual results
May 15, 2013	Publication of Quarterly Report 1/2013
May 24, 2013	Annual General Meeting; Start: 10 a.m. Börsensäle Wien (function hall at Vienna Stock Exchange) Wipplingerstrasse 34, 1010 Vienna, Austria
June 3, 2013	Dividend payout date
August 22, 2013	Publication of Half-Year Financial Report 2013
November 19, 2013	Publication of Quarterly Report 3/2013

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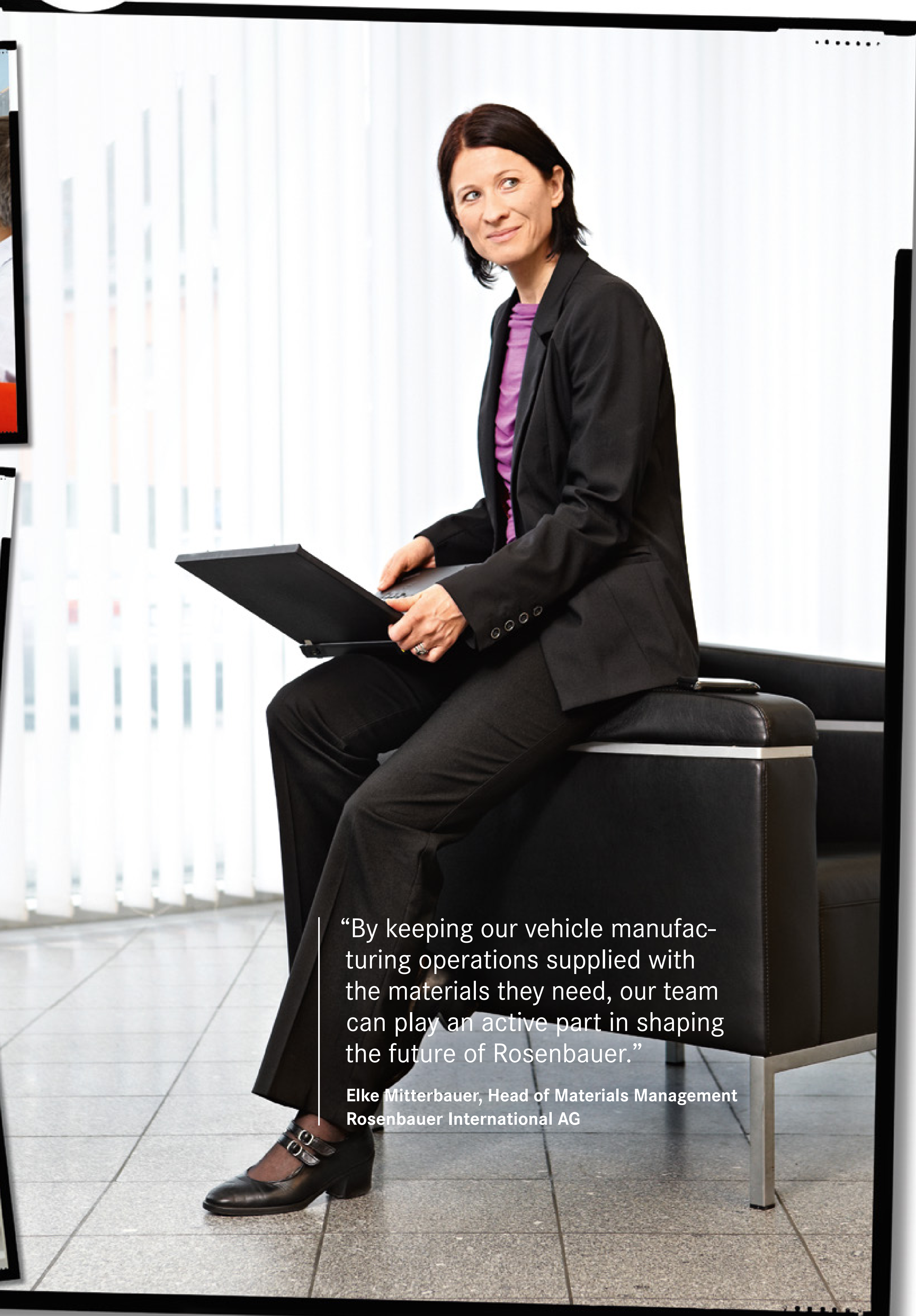
Materials Management
Leonding (AUT)



"By keeping our vehicle manufacturing operations supplied with the materials they need, our team can play an active part in shaping the future of Rosenbauer."

Elke Mitterbauer, Head of Materials Management
Rosenbauer International AG

Declaration pursuant to §243b UGB (Austrian Companies Act)

Rosenbauer is committed to upholding the Austrian Code of Corporate Governance, and fulfils its requirements. In so doing, it meets domestic and international investors' expectations of responsible, transparent, long-termist corporate governance and control. Its compliance with the Code is evaluated regularly by the Internal Auditing unit.

The version of the Code governing the Group's reporting is the most recent one, as issued in July 2012, consisting of 83 rules which break down into three categories.[1] In addition to the obligatory "L" Rules (legal requirements based on mandatory statutory provisions), Rosenbauer also provides the following explanations relating to the "C" Rules, drawing attention to, and outlining the reasons for, any deviations from the said rules.

The explanations required by the Code are published in the Annual Report and on the corporate website www.rosenbauer.com.

Composition and operation of the Executive Board pursuant to §243 Sect. 2 of UGB (Austrian Companies Act)

The Executive Board consisted of three persons in Financial 2012. Günter Kitzmüller was appointed as the fourth member of the Executive Board with effect from February 1, 2013.

The Executive Board Member Robert Kastil, hitherto responsible for the Finance, Accounting and Controlling, Investor Relations, Treasury, IT, Risk Management, Internal Audit, Compliance and Internal Control System portfolios, is to retire as planned when his Executive Board employment contract expires at the end of September 2013. Robert Kastil has worked for Rosenbauer for 30 years, since 1993 as a Member of the Executive Board. He is to be succeeded as Treasurer by Günter Kitzmüller, from October 1, 2013.

The Executive Board of Rosenbauer International AG manages the company on its own responsibility, in conformity with the law, the Articles of Association and the Rules of Procedure approved by the Supervisory Board. It exercises its executive functions as the well-being of the company requires, having due regard to the interests of shareholders, employees and the wider public. It holds regular meetings at which it deliberates upon the current course of business and takes the necessary decisions and resolutions.

Continuous and candid exchange of information between the members of the Executive Board, and with the responsible managers of the business units and central units, is a paramount management principle at Rosenbauer. The Executive Board informs the Supervisory Board regularly and comprehensively on all issues relating to the course of business, including the risk situation and risk management in the Group. In addition, the Chairman of the Supervisory Board stays in regular touch with the Chairman of the Executive Board, with whom he discusses the strategy and ongoing course of business.

[1] The Austrian Code of Corporate Governance comprises the following three categories of rules: "L" Rules (legal requirements), based on mandatory statutory provisions; "C" Rules ("comply or explain"), i. e. rules which must be kept, with an explanation having to be given for any deviations from the rule; and "R" Rules (recommendations), non-compliance with which requires neither disclosure nor explanation.

Scope of competence and responsibilities of the Executive Board

Dieter Siegel	Chairman of the Executive Board, CEO
Born:	1964
Business units:	Fire & Safety Equipment, Specialty vehicles and USA
Functions within the Group:	Corporate strategy, marketing and advertising, personnel and social management, corporate communications, international sales, customer service (until December 31, 2012)
Date of first appointment:	2011
End of current period of tenure:	2016
Supervisory board mandates:	–

Gottfried Brunbauer	Member of the Executive Board, CTO
Born:	1960
Business units:	Municipal vehicles, Aerials, Fire fighting components, Customer service (from January 1, 2013)
Functions within the Group:	Technical Group coordination, logistics, innovation management, quality management, environmental management
Date of first appointment:	2000
End of current period of tenure:	2014
Supervisory board mandates:	–

Robert Kastil	Member of the Executive Board, CFO
Born:	1949
Business unit:	Business development (until March 18, 2013)
Functions within the Group:	Financial accounting and controlling, Group finance, internal audit, IT, risk management, internal control system, compliance, investor relations (stepwise handover until September 30, 2013)
Date of first appointment:	1993
End of current period of tenure:	September 30, 2013
Supervisory board mandates:	REFORM-WERKE Bauer & Co GmbH

Günter Kitzmüller	Member of the Executive Board (since February 1, 2013)
Born:	1961
Business unit:	Business development (from March 19, 2013)
Functions within the Group:	Financial accounting and controlling, Group finance, internal audit, IT, risk management, internal control system, compliance, investor relations (stepwise takeover until September 30, 2013)
Date of first appointment:	February 1, 2013
End of current period of tenure:	2018
Supervisory board mandates:	–

Executive Board remuneration report

An important element of the remuneration system is the variable component, which is closely linked to corporate performance. The ratio between the fixed and performance-linked components of the Executive Board's total compensation in the period under review was 41% to 59%.

Remuneration of Executive Board Members 2012		Fixed	Variable	Total
Dieter Siegel	in k€	371.8	577.6	949.4
Gottfried Brunbauer	in k€	343.7	473.7	817.4
Robert Kastil	in k€	343.2	473.7	816.9
	in k€	**1,058.7**	**1,525.0**	**2,583.7**

The performance bonus of the Executive Board is determined as a percentage of the consolidated profit as shown in the Consolidated Income Statement before deduction of tax and non-controlling interests. An incremental reduction is made in this percentage in line with increases in the consolidated profit. The severance-pay arrangements are based upon the regulatory stipulations. Following any cessation of the employer/employee relationship, the company will not be burdened by any subsequent contributions to the company pension scheme, or any vested right to future pension payments, on behalf of the Executive Board Member concerned.

The contracts concluded with Dieter Siegel as the Chairman of the Executive Board and with Günter Kitzmüller as the Treasurer-Designate (from February 1, 2013) are linked to sustainable long-term performance criteria, as stipulated by Rule 27, and include a two-year assessment period for determining the variable remuneration component. Only financially quantifiable criteria are taken into account for this purpose; non-financial criteria have been disregarded, as these cannot be measured objectively. For the variable remuneration component, the contracts with Dieter Siegel and Günter Kitzmüller stipulate a ceiling of twice the fixed component of the annual salary.

The contracts with Dieter Siegel and Günter Kitzmüller also contain a provision for subsequent repayment of previously received variable emoluments in cases where these have been disbursed on the basis of incorrect data. Allowance is made for the circumstances accompanying a Board Member's departure to the extent that if the Executive Board employment contract is prematurely terminated where there has been no gross breach of duty, the departing Board Member's continued entitlement to the benefits conferred by the Executive Board employment contract is limited to a maximum further period of 18 months. If there has been gross breach of duty, the departing Board Member forfeits his entitlement to pro-rata variable emoluments, to a severance payment, and to the other benefits to which he would otherwise be entitled in cases of termination by the company. In the event of premature termination without a material breach, the severance payment will not exceed two years' total remuneration.

No stock option program is in place, either for Members of the Executive Board or for senior managers. A D&O (Directors & Officers) insurance policy is in force for the Group, the costs of which are borne by Rosenbauer International AG.

Composition and operation of the Supervisory Board pursuant to §243 Sect. 2 of UGB (Austrian Companies Act)

As well as to supervise the Executive Board, the Supervisory Board also sees it as its duty to support the Executive Board in its management of the company, and especially with the taking of crucially important decisions.

Periods of tenure of Supervisory Board members: Owner representatives

Alfred Hutterer	Chairman of the Supervisory Board (since May 26, 2007)
Born:	1947
Date of first appointment:	May 24, 2003
End of current period of tenure:	2013 General Meeting
Functions:	Former CEO, TRUMPF Maschinen Austria GmbH & Co. KG

Christian Reisinger	Deputy Chairman of the Supervisory Board (since May 26, 2007)
Born:	1960
Date of first appointment:	May 25, 2006
End of current period of tenure:	2016 General Meeting
Functions:	Managing Director, Hawle Beteiligungsgesellschaft m.b.H.

Karl Ozlsberger	Member of the Supervisory Board
Born:	1948
Date of first appointment:	May 26, 2007
End of current period of tenure:	2017 General Meeting
Functions:	Management Consultant

Rainer Siegel	Member of the Supervisory Board
Born:	1963
Date of first appointment:	May 29, 2009
End of current period of tenure:	2014 General Meeting
Functions:	Senior Consultant, Marschollek, Lautenschläger & Partner (MLP) AG

Periods of tenure of Supervisory Board members: Workforce representatives

Rudolf Aichinger	
Born:	1963
First delegated:	July 17, 2003
End of current period of tenure:	2016

Alfred Greslehner	
Born:	1960
First delegated:	December 9, 2004
End of current period of tenure:	2016

None of the members of the Supervisory Board exercised a supervisory board mandate, or any comparable function, in any other Austrian or foreign exchange listed company in 2012.

All the members of the Supervisory Board attended more than half of the meetings of the Supervisory Board in person during the period under review.

Supervisory Board committees

The Audit Committee met in April 2013 to review and prepare the approval of the 2012 financial statement, to draw up a proposal for the appointment of the external auditor and to confer on all matters relating to the Group's financial reporting. A further meeting was held to appraise the Group's internal audit, risk management procedures, internal control system and corporate compliance. The members of the Audit Committee were Alfred Hutterer (Chairman), Rainer Siegel and Rudolf Aichinger.

The functions of the strategy committee, which lays the groundwork for decisions of fundamental significance in collaboration with the Executive Board, calling upon expert assistance where appropriate, are exercised by the Supervisory Board as a whole, provided that this latter comprises no more than five elected members.

The remuneration arrangements for the Executive Board members are decided by the Supervisory Board's executive committee. All other functions of the human resources committee (primarily Executive Board succession planning, for example) are exercised by the Supervisory Board as a whole. The Executive Committee is made up of the Chairman of the Supervisory Board and his Deputy; it convened once during the period under review. Moreover, the Executive Committee conducts an annual appraisal interview with every Board member, to discuss his performance in the previous year and his objectives for the year ahead.

The committees' members are appointed in line with their respective periods of tenure on the Supervisory Board. Each committee then chooses a chairman and deputy chairman from among its number.

Meetings of the Supervisory Board

The Supervisory Board met four times in the year under review. In addition, meetings of the owner representatives took place regularly, at which matters of operational and strategic corporate governance were discussed with the Executive Board. Once a year, the owner representatives also discuss the Supervisory Board's organization and mode of working.

Contracts subject to approval

Last year, one contract subject to approval pursuant to L-Rule 48 was concluded with a member of the Supervisory Board: Karl Ozlsberger was asked to mentor and moderate a strategy workshop in November 2012, for which he received a fee of 4.2 k€.

Remuneration schedule for members of the Supervisory Board

The emoluments paid to members of the Supervisory Board consist of a fixed and a variable component. The variable component is determined as a percentage of the Group profit (EBT) as shown in the Consolidated Income Statement before deduction of tax and non-controlling interests. This percentage is reduced in line with increases in the consolidated profit.

Remuneration of Supervisory Board members 2012		Fixed	Variable	Total
Alfred Hutterer	in k€	20.0	42.4	62.4
Christian Reisinger	in k€	20.0	42.4	62.4
Karl Ozlsberger	in k€	15.0	31.0	46.0
Rainer Siegel	in k€	15.0	31.0	46.0
	in k€	**70.0**	**146.8**	**216.8**

Independence of the Supervisory Board

"C" Rule 53: When establishing the criteria for assessing the independence of its members, the Supervisory Board follows the guidelines set out in Annex 1 of the Code of Corporate Governance. According to these guidelines, the Supervisory Board members Alfred Hutterer (Chairman), Christian Reisinger (Deputy Chairman) and Karl Ozlsberger may be deemed to be independent.

Supervisory Board members with a shareholding in excess of 10%

"C" Rule 54: None of the following Supervisory Board members: Alfred Hutterer (Chairman), Christian Reisinger (Deputy Chairman) or Karl Ozlsberger holds more than 10% of the shares of Rosenbauer International AG or represents the interests of a shareholder whose stake is in excess of 10%.

Affirmative action for women

Non-discrimination and equality of opportunity in the workplace, without gender preference, "go without saying" for Rosenbauer. The same is true of the company's rejection of discrimination in any form. By encouraging more female employees to enrol in professional advancement programs, Rosenbauer is paving the way for more women to exercise leadership and managerial functions.

Issuer Compliance Directive

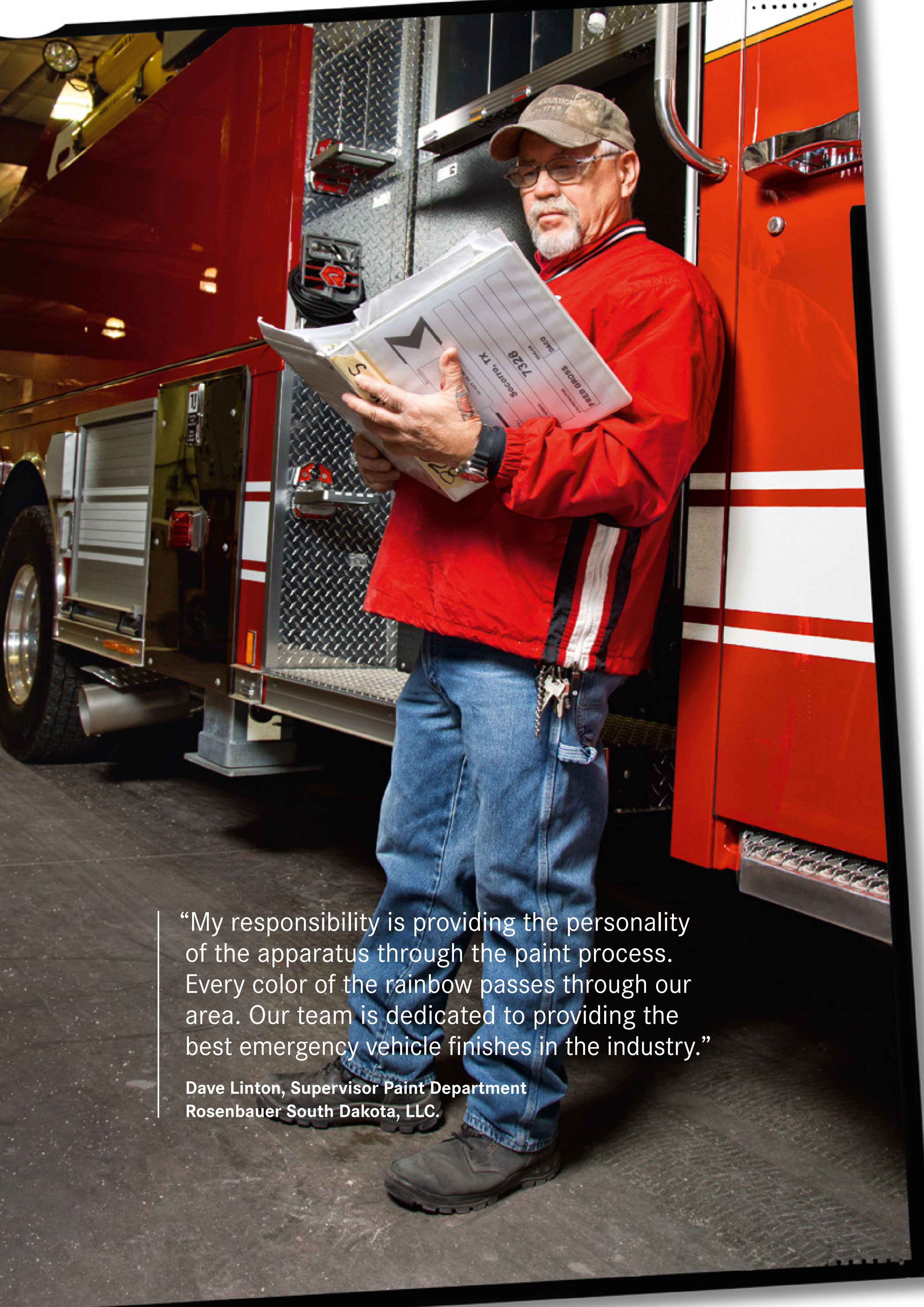
To prevent insider trading, the company has introduced a mandatory Issuer Compliance Directive that conforms to the latest Austrian capital market regulations. Adherence to this directive, and any necessary modifications thereto, are continually monitored and implemented by the Issuer Compliance Officer. This directive applies to the members of the Executive and Supervisory Boards, top management at Rosenbauer International AG and all other persons who are privy to insider information, whether on a routine or project-related basis.

Leonding, March 22, 2013

Dieter Siegel Chairman of the Executive Board CEO	Gottfried Brunbauer Member of the Executive Board, CTO
Robert Kastil Member of the Executive Board, CFO	Günter Kitzmüller Member of the Executive Board (since February 1, 2013)

Paint Department

Lyons (SD, USA)



"My responsibility is providing the personality of the apparatus through the paint process. Every color of the rainbow passes through our area. Our team is dedicated to providing the best emergency vehicle finishes in the industry."

Dave Linton, Supervisor Paint Department
Rosenbauer South Dakota, LLC.

Commitment to sustainability

As a forward-looking enterprise, Rosenbauer takes its sustainability responsibilities seriously and is heedful of the interests of its stakeholders. Rosenbauer understands sustainability to mean, first and foremost, its responsibility towards society and the environment. This responsibility is embodied in the mission statement and the CSR policy, and underpins all that the company does.

By pooling resources across departmental and national boundaries, initiatives in the fields of education and young people, fire services and regional development are supported.

Short-term thinking that only goes as far as the next quarter's results has no place in the business ethos. The cornerstones of success are seen in the long-term orientation of Management decisions. Innovations, intelligent solutions, and employee training and safety all play an essential role here.

Sustaining employee motivation

Employees are the company's principal ambassadors. It is they who shape the picture the public has of the company, and who represent Rosenbauer in its daily dealings with customers and all other stakeholders. Enhancing employee motivation is thus an ongoing aim that is pursued on several different levels: for example through a modern remuneration system with a profit-sharing scheme, through flat hierarchies and the distributed responsibility that these make possible, or through attractive skill-enhancement and career opportunities.

Rosenbauer bears direct responsibility for 2,432 employees, 54% of whom are based outside Austria. Besides promoting talent, creativity and commitment, the company attaches great importance to rigorous vocational and continuing professional training.

Continuing professional development

A prime focus is on training young employees so as to assure a steady supply of new skilled staff. Rosenbauer provides over 120 apprenticeship training positions at its European facilities, giving it an exceptionally high apprenticeship training rate compared with other industrial firms. Most of those who graduate from a technical/industrial apprenticeship can be offered a permanent job. A large proportion of the office trainees can also be kept on.

Percentage of apprentices in Austrian and German workforce

Rosenbauer's extensive further-education and training program permits individualized in-service training for every single employee. It offers everything from courses for personality and team development to foreign languages and management training, and courses with specialist technical and commercial curricula. Rosenbauer works closely with local educational establishments here. Furthermore, the company regularly provides placements for students, and projects for diploma dissertations.

Volunteer involvement

Involvement in a volunteer fire service is held in very high regard at Rosenbauer. Volunteer firefighters make an important contribution to society by placing themselves at the service of the wider community. In so doing, they also uphold the values for which Rosenbauer itself stands.

Promoting health

Rosenbauer is actively promoting a number of measures as part of its in-company preventive healthcare program: one of these is the "health pass", a free preventive medical check-up followed by individual medical consultation. This also includes diagnosis of the support and locomotor system. Another such measure is aimed at helping staff who wish to give up smoking.

Also, the menus on offer at the Leonding site have been designed with a well-balanced diet in mind, and the between-meal snacks sold in the plant have been changed over to healthy products. The sports association, which has been a fixture of company life for decades, offers a wide range of fitness-promoting sports.

The US companies have also climbed aboard the healthy living bandwagon. The focus here is mainly on the increased risk of diabetes caused by being overweight. As well as giving employees tips on how to achieve a healthier and more balanced diet, the US companies have also started a competition aimed at encouraging staff to lose weight.

Ensuring occupational safety

Rosenbauer protects its employees by making continuous improvements to its processes, workplaces and protective gear. The focus here is on accident prevention and occupational health. The company is constantly investing in up-to-date and ergonomically designed tools, work-aids and safety devices. When it comes to the provision of personal protective equipment, it goes beyond what the law requires, for example by providing individually adapted goggles, ear protectors and orthopedic shoes. High priority is also given to collaboration with internal and external safety experts, occupational health physicians, staff representatives and official bodies, and to ensuring compliance with the legal requirements.

Regular, systematic inspection tours and internal 3S (Safety – Set in order – Shine) housekeeping audits are performed in accordance with defined priorities, with all detected issues being improved and remedied at top speed.

A reporting system is used to record accidents and events with reference to standardized criteria. As well as notifiable workplace accidents, "near-miss" accidents are also registered, documented and analyzed in the system, which serves as the basis for improvement actions. The internal performance metric developed to measure this is a "lost working hours rate" (ratio of hours worked to hours lost). Evaluation of recent years' workplace accidents has shown that most of them were caused by insufficiently safety-conscious behavior and a lack of safety awareness on the part of employees.

The high standard of workplace safety at Rosenbauer, as certified to OHSAS 18001, was confirmed once again in the 2012 renewal audit.

Convincing customers with quality

The job fire services do is a highly responsible one. Rosenbauer supports them in this with products that function reliably for years to come.

The three criteria through which the company distinguishes itself from competitors are innovation, functional design and system integration. In the past few years, Rosenbauer has brought a slew of product innovations to market: In 2012, 53% of Rosenbauer International AG's revenues were derived from new products that are no more than five years old.

Fire fighting equipment has to be operational for long times. This is why the company assures the lasting quality of its products by means of systematic quality management. This system is certified to ISO 9001:2008 and was also revalidated in 2012.

Worldwide after-sales support

Reliable products, and equally reliable availability of spare parts, are a key customer requirement. This is why the company's after-sales service operates a worldwide network of service stations and is on call around the clock. Another contribution to sustainability that has been encouraged in recent years is refurbishment: This involves older vehicles being rehabilitated in their entirety, and refitted to the very latest state of the art in terms of engineering and safety.

Continual innovation

Ensuring the safety of firefighters in action is a central concern in product development. The demands being made of fire services are constantly evolving. For us, this means always being willing to innovate in a way that stays closely tuned to what is happening "on the ground". We actively involve customers in the developmental process. In this way, we have created the framework for systematically gearing product development to the specific requirements of fire services.

Regional responsibility

In the regions around its worldwide production locations, Rosenbauer is always one of the leading "anchor" enterprises. This means that even in economically difficult times, the company has an obligation to shoulder responsibility by actively working to sustain and develop local economic structures. Thus it is that vendor networks and long-term co-operative relationships with business partners safeguard very many other jobs in the regions where Rosenbauer operates.

Co-responsibility for society at large

Rosenbauer products serve to protect lives and safeguard property. In so doing, they perform a crucial function for society.

For this reason, Rosenbauer is committed to high ethical values in the conduct of its business as well. The Code of Conduct lays down the cornerstones for responsible, legally compliant conduct on the part of all employees and business associates. It is based on the principles and values enshrined in the mission statement, as expressed in corporate policies, observance of which is mandatory in the conduct of business throughout the world.

Production with high resource efficiency

Continuous improvement of the Group's overall environmental footprint is a declared corporate objective. The framework for this is created by the ISO 14001:2004-certified environmental management system, which reflects all relevant processes in a uniform system of key metrics.

In the production of fire fighting equipment, safety, cost effectiveness and above all resource efficiency take top priority. Environmental criteria are taken into consideration in all key decision-making processes, although the environmental impact from the production processes is generally only limited, as these consist largely of assembly operations. The processes used are the classic ones of mechanical engineering and custom vehicle manufacturing, and of metalworking and plastics processing.

Resource conservation, energy efficiency and comprehensive environmental management are all deeply ingrained in the corporate culture. The company regularly invests in environmental protection measures. These endeavors to unite environmental and economic efficiency are not an end in themselves, but help the Group put itself on a sustainable long-term business footing.

Employees saving energy

Rosenbauer has launched an in-house program at its Austrian facilities that draws attention to a number of practical energy-saving ideas for production and office workplaces. It also offers tips on how to use less energy for getting to and from work, and on general waste avoidance.

Another measure intended to lead to a change in both attitudes and behavior is the fuel-saver courses given to all company-car users and to employees who drive long distances in the course of their work. In addition, E-bike charging stations have been set up at the Leonding site, and private purchases of E-bikes are encouraged by cash grants.

To make it easier for staff to car-pool to work, a platform has been set up in the company's intranet where employees can offer or look for rides.

Integrated Management System (IMS)

The IMS is documented on the company's internal Web-platform as a central instrument for controlling, and for letting employees see quickly which rules apply in any given case. It encompasses quality management to ISO 9001, environmental management to ISO 14001 and safety management, including occupational health and safety, to OHSAS 18001. In the past few months, the energy management system has also been incorporated into the IMS, with ISO 50001 certification to follow in May 2013.

All the main enterprise processes are designed with reference to management criteria, enabling process deviations to be recognized and corrected at an early stage. The interactions and influences of the various processes on quality, environment, workplace safety and energy consumption are displayed in a system of key figures.

Not least, the consistent implementation of the processes, instructions and stipulations laid down in the IMS is reflected in the trend for quality costs: Despite the higher output in 2012, last year's quality costs were kept at the same level as in previous years. As a proportion of overall production costs (including chassis), they came to 1.43%, as against 1.33% in 2011.

The Integrated Management System was certified once again in a renewal audit in the reporting period. All the German and Austrian production locations are certified to ISO 9001:2008 (quality), ISO 14001:2004 (environment) and OHSAS 18001:2007 (occupational safety).





Production

Linares (ESP)




"In our organization, everyone relies on each other, knowing that every single one of us is playing an important role that is essential for the whole group. That's the key to success."

Manuel Garzón, Managing Director
Rosenbauer Española S.A.

Group-wide rules of Conduct

Compliance at Rosenbauer embodies the upholding of statutory provisions and regulatory standards, including the ethical standards and requirements laid down by the company itself.

Compliance is a vital component of corporate integrity, and thus an unshakable cornerstone of Rosenbauer's business. Wherever the company is at work, local laws and own in-house rules – prime among them the Rosenbauer Code of Conduct – are to be strictly observed.

Lasting business success is only possible where it is brought about legally and correctly. Rosenbauer has drawn up rules for business conduct which must be followed by all employees and associates worldwide. The aim is to ensure exemplary quality not only in the company's products and processes, but also in its conduct towards third parties.

Compliance organization

Headed by the Compliance Manager, the Rosenbauer Compliance organization spearheads an enterprise-wide effort focusing on anti-corruption policy, money laundering, tax evasion and competition law. The Compliance Manager reports directly to the Executive Board and regularly informs the Supervisory Board's Audit Committee on the activities that have been undertaken, and on any relevant occurrences. Where necessary, appropriate action is taken, including changes to processes, to prevent the occurrence of damage.

Legal Compliance Officers have been nominated at the Group's various locations, to act as points of contact for receiving, documenting and passing on reports about suspected misconduct, and to handle general compliance inquiries.

A well-regarded firm of attorneys has been appointed to act as ombudsman. Tip-offs about suspected misconduct, and concrete grounds for suspecting that the Rosenbauer Code of Conduct or provisions of criminal law are being breached, can be lodged here anonymously and confidentially. Protection of whistle-blowers is mandatory and – provided that they are not themselves involved in the misconduct – they must not be placed at any disadvantage in terms of labor law.

Compliance System

The Code of Conduct is brought to the attention of all employees, and all relevant sales partners, as a central policy document of the Group. It is, moreover, published on the company's website.

Another important element of the Rosenbauer Compliance System is the rules on gratuities. These provide detailed guidance on such issues as gifts, business entertainment and commissions, and give answers to frequently asked questions.

If compliance breaches are detected, the Compliance System provides for action to be taken on several different levels: At the operational level, any breach should be reversed wherever possible, and the damage it has caused minimized. Depending on the severity of the breach, the action taken at the level of the employee(s) responsible may include a reprimand, a formal warning, demotion or – as the final consequence – dismissal. Quite apart from the internal disciplinary consequences, a compliance breach may also lead to criminal prosecution.

Today compliance at Rosenbauer is established practice. An electronic compliance training and information program (e-learning-tool) was rolled out last year. In addition, regular training courses are held at Group locations for managers and staff from Purchasing and Sales. Refresher and supplementary courses are also given at Sales and sales-representatives' meetings, at Buyers' Days and at the annual international Group Meeting. All relevant information and training literature can be accessed by all staff in the Group-wide intranet.

Business associates and sales partners

Rosenbauer expects its business associates and sales partners to conduct themselves in an unreservedly compliant manner. Anyone appointed to act on Rosenbauer's behalf must fulfil the strict compliance rules.

To forestall any corruption risks, sales partners are given a risk-based integrity check. The expectations that Rosenbauer has regarding the conduct of its partners are explicitly set out in the distribution agreements.

Ongoing review of new and existing sales partners is performed by means of a web-based tool which supports the risk analysis and due-diligence process in connection with business associates and sales partners in corruption-prone regions.

Culture of compliance

On their own, the legal Compliance Officers can be of only limited effect against breaches. Compliance can only become truly efficient if all parties involved – be they employees, business associates or sales partners – share the same attitude, and act by it. For this reason, Rosenbauer requires strict anti-corruption standards from its partners as an integral part of the contractual relationship.

A lastingly effective compliance system needs to undergo continuous onward development if it is to actually realize the potential improvements it identifies, and to be capable of responding to the ever-changing needs of the company's day-to-day business. Ultimately, this amounts to a comprehensive management process that is geared to the long term. Compliance is and will remain as one of the company's core tasks.

At its meetings held during 2012, the Supervisory Board was informed regularly by the Executive Board upon the situation of the company and the progress of its business. The reports hereon given by the Executive Board, together with its reports on important items of business, were approved by the Supervisory Board.

The Supervisory Board met four times for ordinary meetings in the year under review. In addition, regular meetings of the owner representatives on the Supervisory Board took place at which matters of operational and strategic corporate governance were discussed with the Executive Board. The Supervisory Board members attended a total of eleven meetings of the Supervisory Board and of its committees during 2012.

The Audit Committee met in April 2013 to review and prepare the approval of the 2012 financial statement, to draw up a proposal for the appointment of the external auditor and to confer on all matters relating to the Group's financial reporting. A further meeting was held to appraise the Group's internal audit, risk management procedures, internal control system and corporate compliance. The members of the Audit Committee were Alfred Hutterer (Chairman), Rainer Siegel and Rudolf Aichinger.

Both the financial statements and the situation report have been audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. in accordance with statutory provisions.

The final results of the audit have not given reason to any grounds for query. Accordingly, the financial statements and the situation report have been endorsed with an unqualified audit certificate. The auditors' report has been submitted to the members of the Supervisory Board in accordance with §273 Sect. 3 UGB (Austrian Companies Act).

The financial statements and the Group's financial statements as at December 31, 2012 have been approved by the Supervisory Board and are thus established in accordance with §96 Sect. 4 AktG (Austrian Stock Corporation Act). The Supervisory Board concurs with the Executive Board's proposal regarding the distribution of profits and proposes that this proposal be adopted at the Annual General Meeting.

Leonding, April 2013

Alfred Hutterer
Chairman of the Supervisory Board

GROUP SITUATION REPORT 2012

ECONOMIC ENVIRONMENT

World economy

The world economy grew less strongly than expected in 2012. Global GDP growth for the year as a whole was 3.2%, compared to 3.9% in 2011. Once again, the pacemakers and drivers of growth were the countries of Asia and Latin America, with GDP growing fastest in China, by 7.8%.

No rebound in growth is in sight in 2013, either. The risks attendant upon fresh setbacks in the ongoing euro crisis, or excessively deep budget cuts in the USA, are still too great. Analysts are expecting world GDP to grow by around 3.5% again, a prognosis heavily dependent upon economic developments in China. A slowdown in this engine of worldwide growth could even cause the whole global economy to slip into recession. Labor markets in developed countries have been suffering most from the current situation. The growth forecast for 2013 will not be sufficient to put an end to the job crisis in Europe.

North America

The US economy grew by 2.3% in 2012, in line with most analysts' expectations. After a protracted, months-long budget dispute, Democrat and Republican negotiators reached a last-minute year-end deal to avert a fall off the "fiscal cliff". This warded off one of the biggest dangers to the USA's economic prospects at the moment. GDP forecasts remain cautious, however, with growth expected to slow down to between 1.5% and 2.0% in 2013.

Europe

The European Union (EU-27) and the euro zone (EU-17) were still feeling the effects of the financial and economic crisis in 2012. The negative GDP growth of –0.20% for the EU-27 and –0.40% for the EU-17 was significantly worse than analysts had expected at the beginning of the year. The growth prospects for 2013 are also somewhat muted due to the persistent recession in Southern Europe. The continent continues to be confronted with high unemployment, unsteady financial markets, sovereign fiscal risk and low economic growth.

Although a certain stabilization was brought about in the face of Greece's de-facto insolvency and of the sovereign-debt crisis in other Southern European members of the euro zone, the countries affected turned in record negative growth rates in 2012 – minus 6.8% in Greece, minus 3.0% in Portugal and minus 1.5% in Spain. Economists are expecting no significant improvements in GDP growth this year either. At –0.2%, the outlook for the euro zone as a whole remains slightly negative, with Greece (–4.5%), Portugal (–2.2%) and Spain (–1.5%) still mired in recession.

Russia's GDP grew somewhat less vigorously in 2012 than the year before (down to 3.6% from 4.3%), despite the fact that gas and petroleum prices stayed high. By depressing raw-materials prices, a further weakening in the world economy would be likely to hit Russia's insufficiently diversified economy. The Russian Finance Ministry's forecast for 2013 is for GDP growth of 3.7%.

Asia

Asia's emerging economies were once again the locomotives of the world economy in 2012. Despite the fall in demand from Europe, together they notched up GDP growth of 6.6%. Asia's leading role in the global economy will continue unchanged through 2013 as well: According to the International Monetary Fund, China should manage to grow by 8.2% this year. For India, growth of 5.9% is forecast (up from 4.5% in 2012).

DEVELOPMENTS IN THE FIRE FIGHTING SECTOR

International

As a consequence of the financial and economic crisis, worldwide sales volumes of fire fighting vehicles declined from 3 bn € to 2.8 bn €. Compact vehicles (up to 7.5 t) and fire & safety equipment are not included in this figure. The largest sales regions were Europe, the NAFTA countries, Asia and the Middle East.

In most industrial countries, the crucial factor affecting procurement activity is the financial strength of local authorities. In emerging market countries, it is financed out of centrally controlled state budgets, resulting in irregular large-scale procurements which are often influenced by one-time events.

The financial and economic crisis of recent years has left its mark on the world's fire equipment markets. In developed countries, local-authority budget cuts have led to a drop in procurement volumes. Markets in Southern and Eastern Europe have experienced severe contraction, while the Asian markets have managed to stay at their long-term level.

The sector performed well in countries with a greater need for safety products in the wake of natural and terrorist disasters, and in up-and-coming markets that enjoy high resource revenues. Worldwide growth in aviation, and the deployment of larger aircraft, are keeping demand strong for specialty vehicles.

North America

The world's largest single market did not recover in 2012. For the fourth year in a row, sales volumes for municipal fire fighting vehicles were around 30% below the multi-year average. In bigger cities on the East Coast, the market shrank even further, while in rural regions the decline was less severe. Manufacturers who produce almost entirely for the US home market are worse affected by this development than are companies with an international stance.

As with the American economy as a whole, the US fire equipment market will also not be able to develop significantly better in 2013 than in 2012.

Europe

In large parts of Europe, the market for fire fighting products remained at the low level of the previous years. The main reason for this was the worsening budgetary situation of local authorities as a consequence of measures to rein in rising public debt.

In Central and Eastern European countries, this has led to the postponement of vehicle procurement programs. The unfavorable economic outlook makes it likely that the CEE market will remain weak for the foreseeable future.

The market downturn has been steepest in the countries most badly affected by the debt crisis, in Southern and Southeastern Europe. The procurement market has almost completely collapsed in Greece, and countries such as Spain, Italy and Portugal have seen demand shrink by as much as 50%.

In Austria, sales of fire fighting vehicles above 7.5 t were still at the level of last year. No significant change in market volume may be expected for 2013.

In Germany, Europe's biggest vehicle market, sales of municipal fire fighting vehicles increased slightly last year. This may be attributed to increased order placement following the period in 2011 when the anti-trust proceedings made buyers hesitant about placing orders.

Nevertheless, the German market remained hotly contested. The fierce price competition put fire engineering suppliers under pressure, with the result that one of the leading manufacturers had to institute insolvency proceedings in 2011. Moreover, another major competitor started centralizing its pan-European production operations, for in-company reasons. Whether a process of concentration comes about among manufacturers in Germany, and whether the market will continue to recover, remains to be seen.

Russia is one of the world's biggest fire equipment markets. In the past, however, almost all procurement was of locally produced vehicles with a comparatively low technical standard. The widespread fires of recent years have led to a much greater awareness of safety issues, and to intensified efforts to modernize municipal fire services. Procurement of technologically high-quality fire fighting equipment may be expected to continue in the years ahead, albeit in such a way as to incorporate the highest-possible degree of local value-addition.

Asia

The business environment in Asia is still extremely positive, notwithstanding the fact that GDP growth has slowed somewhat of late. The fire equipment markets of China and India are the principal beneficiaries of this favorable economic environment. Only the specialty-vehicle segment in these countries is of any interest to vehicle manufacturers from Europe or the USA, however. The vehicles generally procured by municipal fire services have a very basic level of technical equipment and are produced locally at low cost. For specialty vehicles for big-city, industrial and airport fire services, however, buyers require an international level of technology and quality of which local manufacturers are not capable.

Middle East

Due to heightened safety and security concerns, and to growing urbanization, the Middle East has developed into a major sales region for the international fire equipment sector in recent years. Strong capital spending on municipal fire protection and civil defense may be expected to continue for some years to come. With the building of new international airports and the ongoing expansion of existing ones, another area of high demand is for aircraft rescue fire fighting vehicles.

Other markets

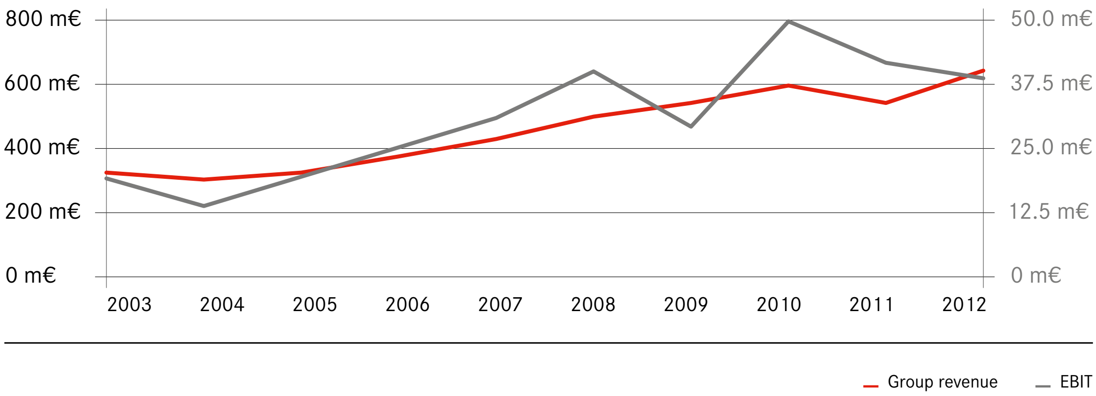
The markets in Latin America and Africa have always had a "spot-market" nature and are characterized by centralized procurement. In countries with abundant natural resources, such as Brazil, Argentina or Venezuela, there is also often demand for technically sophisticated fire fighting vehicles manufactured in Europe or the US. These procurement programs sometimes have leadtimes of several years, which makes them somewhat difficult to forecast.

REVENUES, INCOME AND ORDER SITUATION

Despite the (in some cases severe) downturns affecting fire equipment markets in developed countries, last year the Rosenbauer Group still managed to keep up the growth of recent years. This success owes a great deal to the company's resolutely pursued internationalization policy, its worldwide manufacturing presence, and its technological leadership.

Group revenues surged to 645.1 m€ in 2012 (2011: 541.6 m€), the highest figure in the company's history. This year-on-year rise of 19% was achieved in the face of stagnation in the Group's two main markets, Western Europe and the USA, which were still enduring the consequences of the financial and economic crisis. The growth in revenues is mainly attributable to international export business, led by increased shipments to the Middle East.

Group revenue/EBIT 2003 – 2012

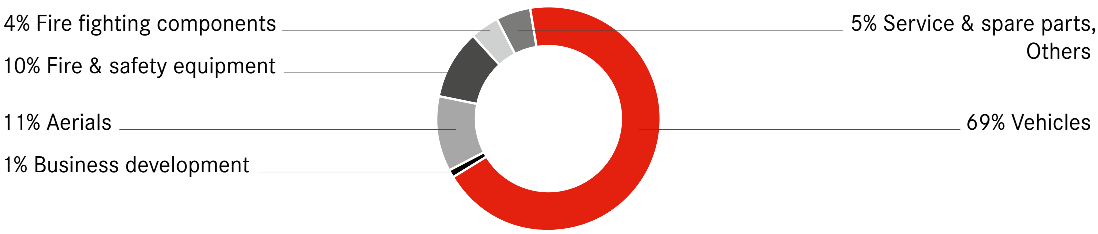


The 90% stake acquired in the Slovenian manufacturer Mettis International d.o.o. towards the end of 2012 was first consolidated on December 1, 2012. It contributed 0.4 m€ to Group revenues (for December 2012) and has since operated under the name of Rosenbauer d.o.o.

The largest contribution to revenues, 429.4 m€, was made by Rosenbauer International AG, a 32% increase on the previous year (2011: 324.2 m€). Its export ratio of 93% (2011: 93%), with shipments to over 100 countries, makes it the most internationally oriented firm in the industry.

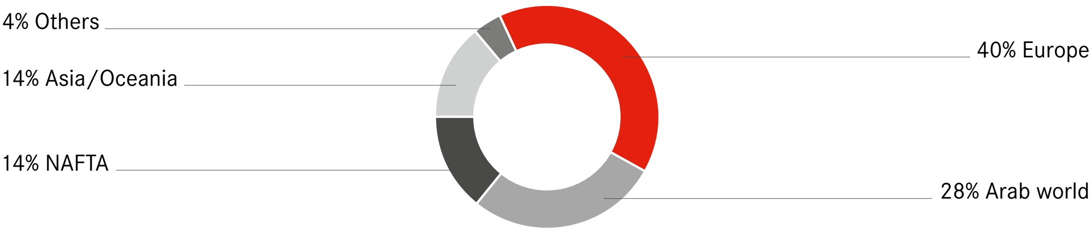
The Group's strongest revenue segment, accounting for 69% (2011: 68%) of revenues, was the "Vehicles" product segment. The "Aerials" segment posted revenues of 71.5 m€ (2011: 68.0 m€), corresponding to an 11% share of total revenues (2011: 13%). Accounting for 10% (2011: 9%) and 4% (2011: 5%) of revenues respectively, "Fire & safety equipment" and "Fire fighting components" were at roughly the same level as the year before. The "Business development" segment posted revenues of 3.2 m€ (2011: 1.7 m€). "Service & spare parts" and "Others" revenues accounted for 5% of the total in 2012 (2011: 5%).

Revenues by product segment 2012



As in previous years, Europe was Rosenbauer's biggest sales region. Around 40% (2011: 45%) of Group revenues, amounting to 255.6 m€ (2011: 241.6 m€), was achieved on these markets. Thanks to the many shipments to Saudi Arabia, the Arab World took second place in the revenue rankings, with 179.2 m€ (2011: 106.0 m€), equating to a 28% (2011: 20%) share. The NAFTA countries follow in third place, with revenues of 93.0 m€ (2011: 100.0 m€), accounting for a 14% (2011: 18%) share. Revenues totaling 87.7 m€ (2011: 60.9 m€) were earned from the Asia and Oceania region, also accounting for a 14% share of Group revenues (2011: 11%). Revenues from other countries came to 4% of the total (2011: 6%).

Revenues by region 2012



Income situation

EBIT in the reporting period came to 38.6 m€ (2011: 41.6 m€), equating to an EBIT margin of 6.0% (2011: 7.7%).

The thinner EBIT margin is largely due to higher start-up costs for the new US chassis Commander, and to ever fiercer price competition on the market – especially in Germany and the USA.

This effect was compounded by the 3.1 m€ of expense incurred by the termination of the contract with the Brazilian airport operator Infraero Aeroportos. As well as direct costs of 1.6 m€, this figure also includes loss of profit amounting to 1.5 m€. The contract was terminated because of differing interpretations of the tender specification for the aircraft rescue fire fighting vehicles. Rosenbauer America is seeking legal redress.

When the EBIT margin generated from ongoing earnings is considered in isolation from the one-off effects mentioned above, it is of the order of 7%.

The Group's working capital needs were financed mainly on a current basis. The non-current liabilities were underlain by interest-rate adjustment agreements based on 3-month or 6-month rates of interest. The interest expense incurred on all interest-bearing financial liabilities totaled 2.5 m€ in the reporting period (2011: 2.8 m€). The average rate of interest paid was 1.9% (2011: 3.2%).

The production joint venture PA "Fire-fighting special technics" LLC. in Moscow contributed 3.0 m€ to last year's result (2011: 2.0 m€). Rosenbauer raised its shareholding from 34% at 49% in the fourth quarter; the remaining stakes in the company, which continues to be carried "at equity" in the balance sheet, are held by local partners.

The Rosenbauer joint venture Ciansa S.L. in Spain is also reported "at equity". The troubled situation on the Spanish market depressed production-capacity utilization, with a correspondingly negative impact upon the joint venture's earnings, which totaled –0.2 m€.

Taken together, both joint ventures contributed 2.8 m€ to last year's result (2011: 1.7 m€). The profit before income tax (EBT) in the reporting period came to 38.8 m€ (2011: 40.3 m€).

The taxation ratio stood at 17.6% (2011: 20.2%), which was below the corporation tax rate of 25% because the local taxes owed by co-partners are borne by these persons themselves. The stated taxation expense thus amounted to 6.8 m€ (2011: 8.2 m€). After deduction of the taxes on income, the final result for the accounting period comes to 32.0 m€ (2011: 32.1 m€).

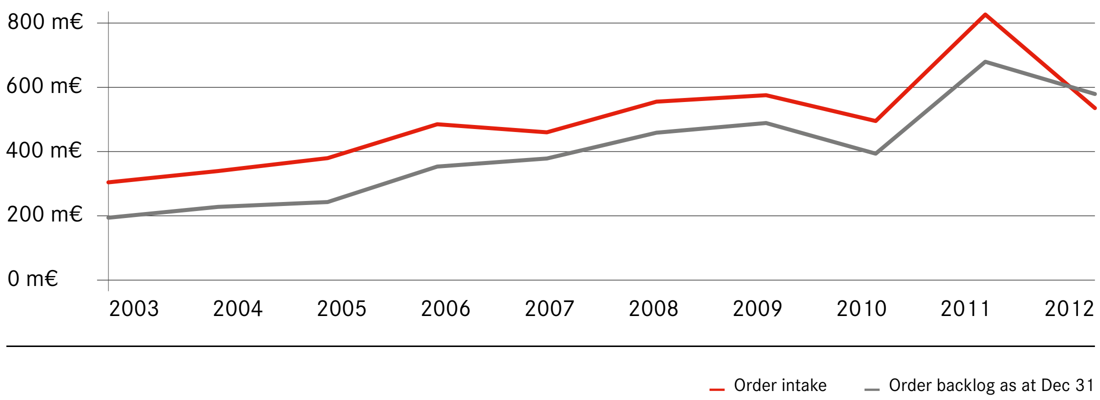
The profit-shares for the non-controlling interests held by the co-partners in Rosenbauer America, in Rosenbauer Española and in the Slovenian firm Rosenbauer d.o.o. (acquired at the end of 2012) came to 1.1 m€ (2011: 4.6 m€). This decrease mainly results from the downturn in sales on the domestic markets concerned. In the USA, the effect was compounded by the cost overruns for series start-up of the custom chassis Commander.

Orders

Last year the Rosenbauer Group took new orders worth 533.2 m€ (2011: 826.8 m€). The previous year's high order-intake figure is largely due to the biggest single order ever taken in the company's history – from Saudi Arabia, with a value of 245.3 m€. Moreover, the formal receipt of orders for a number of international projects was delayed into the first quarter of 2013, meaning that despite the lower headline figure, order intake for the year may be regarded as satisfactory.

The 580.5 m€ reserve of unfilled orders at December 31, 2012 (December 31, 2011: 682.3 m€) will ensure continued good capacity utilization at the Rosenbauer production facilities for 2013.

Order intake/Order backlog 2003 – 2012



FINANCIAL POSITION, ASSET AND CAPITAL STRUCTURE

High level of working capital

The company's strong growth over the past few years has led to a further increase in the balance-sheet total. This rose by 21% over the previous year, reaching 431.4 m € (2011: 357.1 m€). The increase is due to the higher levels of inventories and receivables necessitated by the larger production volumes.

For industry-specific reasons, the balance-sheet structure of the Rosenbauer Group at the year-end is typified by a high level of working capital. This results from the comparatively long turnaround times for fire fighting vehicles, which are generally custom-built.

Ongoing capacity enlargement – especially at the Leonding, Luckenwalde and Minnesota plants – has also led to an increase in the tangible fixed assets. These rose year-on-year from 63.0 m€ to 72.0 m€.



Production Planning and Control

Luckenwalde (GER)



"My team stands out for its massed technical competence and tremendously high commitment, with which it rises to any challenge – no matter how complex – in an innovative, client-centred way. This is our contribution towards convincing customers of the merits of our products, and keeping them satisfied."

Andreas Kuhn, Head of Production Planning and Control
Rosenbauer Deutschland GmbH

As well as the stake held in Rosenbauer Ciansa S.L., the "Joint ventures" item also includes the shareholding in PA "Fire-fighting special technics" LLC. in Moscow, which was increased from 34% to 49% last year. This item also comprises the results from the Russian and Spanish joint ventures. The "Joint ventures" item rose from 4.4 m€ to 9.1 m€.

In line with the higher delivery volumes, inventories increased by 20% to 173.8 m€ (2011: 144.3 m€). This figure includes a large number of chassis that were procured before the balance-sheet date but did not enter production until early in 2013. As well as this, the value of "Production contracts" (i. e. work in progress) rose to 59.9 m€, 13% above the previous year's figure (2011: 53.0 m€).

The increase in total current receivables to 99.7 m€ (2011: 76.7 m€) largely results from shipments made shortly before the balance-sheet date, payment for which was mostly received in the first few months of this year.

Sustainable financing strategy

The Group's financing has, for many years, followed conservative principles which give priority to maintaining assured liquidity and the highest possible equity capitalization. Equity was increased again last year, by 18% to 172.0 m€ (2011: 145.2 m€). Owing to the larger balance-sheet total, the equity ratio decreased slightly, to 39.9% (2011: 40.6%), once again exceeding the long-term goal of an equity ratio above 35%. Given continued organic growth, it should be possible to maintain this target ratio.

The interest-bearing liabilities rose last year to 107.4 m€ (2011: 72.4 m€). They were needed for financing the high production volumes, and also for purchasing the shareholdings in Rosenbauer d.o.o., Slovenia (90%) and in the joint venture in Russia (increase from 34% to 49%). Influenced by the continued growth in the Group's business, current liabilities also rose from 176.7 m€ to 223.7 m€.

The Group's net indebtedness, meaning the balance of interest-bearing liabilities less cash and securities, increased last year to 93.6 m€ (2011: 60.8 m€). This is also reflected in the gearing ratio, which deteriorated to 54.4% (2011: 41.9%).

Higher net cash flow

Net cash flow from operating activities totaled –3.7 m€ last year (2011: –12.8 m€). The change essentially results from the profit before income tax, from the contrary effects of the build-up in inventories and receivables due to the higher transaction volumes, and from changes relating to provisions.

Key profitability figures

		2012	2011	2010
Capital employed (average)	in m€	**266.2**	212.7	179.7
Return on capital employed (ROCE)	in %	**14.5**	19.6	27.6
Return on equity (ROE)	in %	**24.4**	29.4	42.8

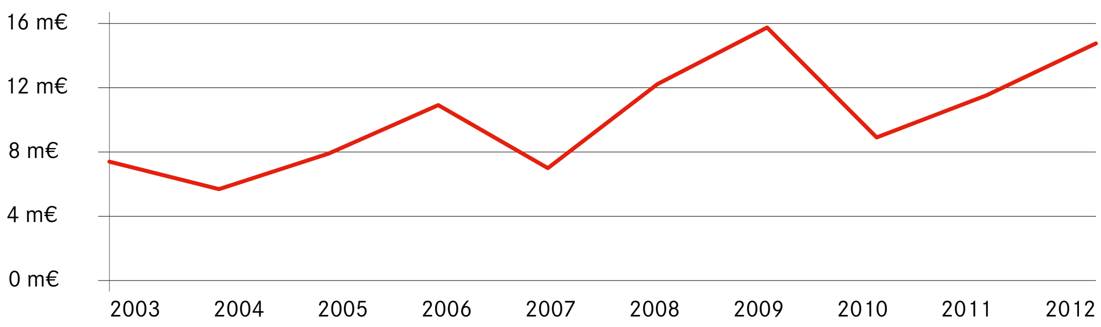
INVESTMENTS

Capital investment increased to 14.7 m€ last year (2011: 11.5 m€), and focused on enlarging and modernizing existing infrastructure.

The largest single part of the year's investments (48%) went on expanding production capacity and on the accompanying improvements in productivity. 38% went on replacement capital investments and on fulfilling official directives, and a further 14% on rationalization measures.

Since 2005, capital investment has been well above the annual depreciation charges, in line with the goal of sustained long-term growth. Owing to this heavier capital spending, depreciation charges in the Rosenbauer Group increased in 2012 to 9.3 m€ (2011: 8.1 m€).

Investments 2003 – 2012



Extensions and upgrades in Leonding

A modernization and expansion program has been underway at Group HQ for several years; 1.8 m€ was invested in this program last year. The main steps taken in 2012 were to create 800 m² of new office space by adding a storey to the customer center, and the rebuilding of the fire & safety equipment shop at the Leonding site. Also, a new tailoring workshop for developing protective apparel was installed in the office wing of the logistics center.

New finishing zone

The new finishing-work building went into operation in Leonding in May 2012. In this building, underbody protection is applied to the fire fighting vehicles, and the paintwork touched-up where necessary. The building has a high-capacity ventilation system and meets the latest environmental standards. This entailed a total investment volume of 2.0 m€, 1.0 m€ of which was incurred in the reporting period.

Robots in the manufacturing operations

A new machine was installed for prefabricating welded assemblies. The machine is equipped with a 6-axis robot plus shuttle table; by allowing welding and tooling-up to take place simultaneously, it enables processing times to be shortened by as much as 50%. Besides this, a new punch-riveting machine has been in operation since early 2012. This rivets non-predrilled sheets together and also includes a 6-axle robot with a shuttle-table device. The investment outlays for both machines totaled 261.0 t€.

Additional assembly capacity

To increase production capacity, a production building with state-of-the-art infrastructure was leased in Traun, near the Leonding site. Pump units and fire fighting vehicles have been assembled here since June 2012, on around 4,500 m² of space. Up to 240 vehicles a year can be assembled in this building in Traun. 0.9 m€ was expended here on adaptations and on production start-up.

An additional assembly building was also leased at the Wyoming site in the USA, for manufacturing the new US chassis Commander, and adapted with an investment volume of 0.5 m€.

Modernization at Luckenwalde

The production facility at Luckenwalde, near Berlin, is also being upgraded in the course of a modernization project spread across several years. Last year new production and storage capacity was created, and extra space on which to relocate the staff car-park. The investment volume for modernizing this site came to 1.1 m€.

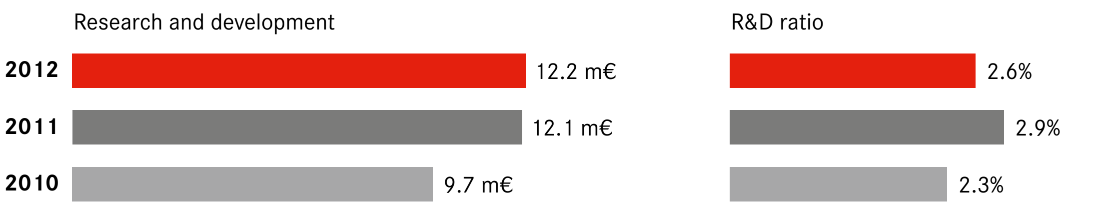
Line production in Karlsruhe

Since the beginning of 2012, turntable ladders and aerial rescue-platforms have been produced at Metz Aerials using assembly-line methods. The changeover to an industrial production process was necessitated by the increased sales volumes and growth prospects. The vehicles are built in eight cycles, with materials provisioning being effected by the "pull"' principle and the assembly line setting the pace for all preceding and subsequent stages. Metz Aerials now has an extremely "lean" production system following the Toyota model. Setting up this system required investments of 0.5 m€.

RESEARCH AND DEVELOPMENT

In 2012, the Rosenbauer Group invested 12.2 m€ (2011: 12.1 m€) in research and development. This amount is equal to 2.6% (2011: 2.9%) of the relevant net sales proceeds from the own production. Around 62% (2011: 64%) of these development costs (7.6 m€, as against 7.8 m€ in 2011) were incurred by Rosenbauer International AG, the Group's center of expertise for municipal and specialty vehicles, fire fighting systems and fire & safety equipment. Research & development costs are not capitalized and so are passed directly, and in their entirety, to the Income Statement.

Research and development/R&D ratio



Series start-up of AT and Commander

One of the Rosenbauer Group's key strategic goals is to consolidate and extend its innovational lead. This also involves transitioning the latest developments into series-production-ready products. 2012 was marked by several such transitioning processes, in both Europe and America.

Some entirely new manufacturing technologies are now being used in the production of the "AT" municipal fire fighting vehicle. One example is the robot-assisted punch riveting process, which creates high-strength joins even on multi-layered materials, without any holes having to be drilled into them first. The new AT is being produced at two locations, in Austria and Germany, bringing greater manufacturing flexibility and greater proximity to customers. There are now country-specific variants for Great Britain, France, Denmark, Australia and China, which, however, also led to higher prototyping costs last year.

Rosenbauer America also accomplished a strategically important transition to full-scale production last year, with its new custom chassis, the Commander. This means that it can now supply US fire services with vehicles in which everything from the chassis to the body to the fire fighting systems and equipment all comes from the same "one-stop shop". All relevant types of US vehicle have now been built on the Commander, covering everything from a straightforward city service truck to a multifunctional "Quint" (a typically American aerial rescue platform that also has fully-fledged fire fighting systems on board).

New RM15 turret

The RM15 is a turret with an output rating of 1,500 l/min. In a "first" for a turret of this class, it comes with electrical flow-rate adjustment and a ChemCore nozzle. For use on municipal vehicles, its height was reduced by 80 mm to make possible a low overall vehicle height. As well as long throw-ranges, with its detachable foam barrel the turret also provides excellent foam values.

FIRE MAX 3 with new functional features

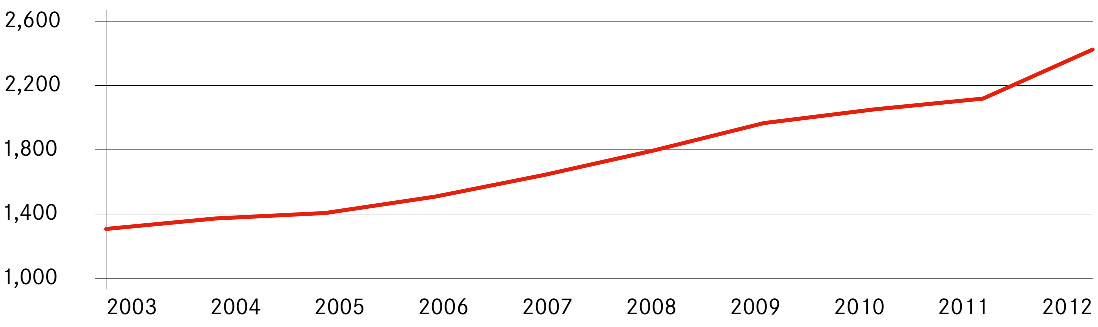
The newly developed turnout suit FIRE MAX 3 stands out for its outstanding heat- and flame-resistance, yet is extremely light in weight and offers high breathability. This means protection, safety and the best-possible wearer comfort on fire fighting missions.

EMPLOYEES

An attractive employer

Continuity in personnel policy and long-term employee retention are values to which Rosenbauer, as a majority family-owned enterprise, attaches the very greatest importance. Teamwork at all levels has played a decisive role in how Rosenbauer has developed to become the sector's leading manufacturer.

Employees worldwide 2003 – 2012



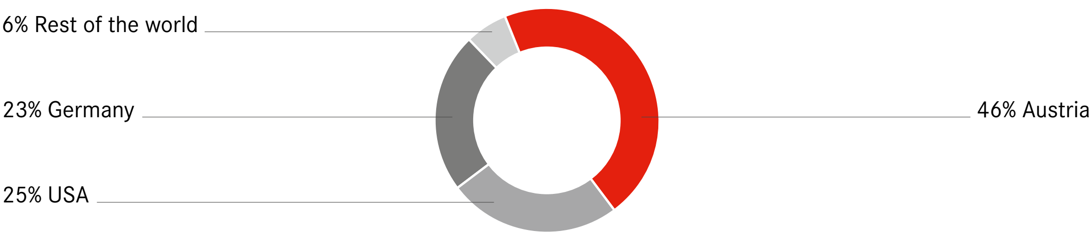
The fact that Rosenbauer is seen as an attractive employer is not just because of its fascinating products but also has a lot to do with the company's culture. Upholding direct contact with staff, a transparent information policy and a social partnership that is lived-out sincerely in practice – these are crucial elements in maintaining an employee-friendly working environment. In addition, the structured remuneration scheme that forms part of the company's salary policy ensures fair, easy-to-understand pay for employees.

Being an enterprise with a long and proud tradition, its corporate strategy is geared to sustainability and long-termism. This steady ethos also safeguards employees' workplaces.

At year-end 2012, the Rosenbauer Group employed a total of 2,432 people, 15% more than the year before (2011: 2,123). Manpower numbers were boosted mainly in the production operations and in production-related areas. The biggest headcount growth was at Rosenbauer Motors in Wyoming (Minnesota) where series production of the new US chassis Commander started up at the beginning of 2012.

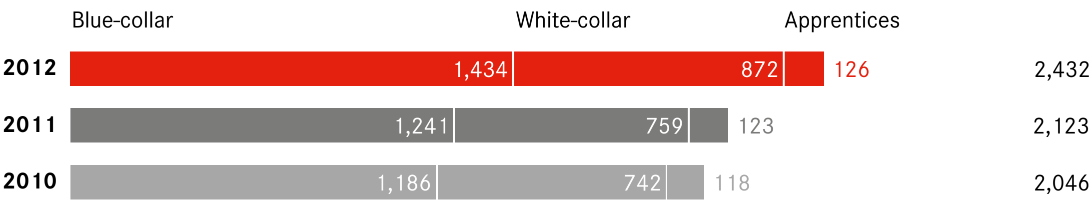
In Austria, the workforce grew by 8% to 1,117 employees, and increased by 20% outside Austria to a total of 1,315. The headcount boost in Austria is intended to help the company fulfill the larger backlog of orders within acceptable delivery times.

Employees by countries 2012



This total breaks down into 1,434 blue-collar staff (2011: 1,241), 872 white-collar staff (2011: 759), and 126 apprentices (2011: 123), 97 of them in Austria. The company created additional employment in Austria and Germany by taking on 279 leased personnel (2011: 233).

Number of employees as at December 31



The average age of Rosenbauer's employees in Austria in 2012 was 35.3 years (blue-collar) and 37.1 years (white-collar). The average length of stay with the firm was 9.8 years for blue-collar staff and 10.5 years for white-collar staff; the low fluctuation rate, despite the increase in the size of the workforce, of 2.5% for white-collar staff and 1.2% for blue-collar staff is another good indicator of the company's stability as an employer.

Vocational and continuing professional training

Foresighted staff development is one of the most important tasks of the company's personnel management. 2012 vocational and in-service training costs totaled 778.0 k€ (2011: 800.0 k€).

Rosenbauer offers its staff a broad spectrum of upskilling opportunities, both in-house and externally. The initial and in-service training program comprises technical and business training courses, and seminars to help staff improve their teamworking, negotiating and interpersonal skills and their proficiency in various languages.

Collaboration with universities and colleges of higher technical education

In the summer of 2012 Rosenbauer gave over 100 young people the opportunity of getting their first experience of the world of work, during vacation placements. Besides this, over 50 students did a mandatory internship with the company as part of their courses at colleges of higher technical education, or wrote their university bachelor, masters or diploma dissertations with us. By offering well-chosen practical projects for students, Rosenbauer builds relationships to potential future employees at an early stage and keeps them in touch with the company.

Apprenticeship training – an investment in the future

Rosenbauer provides more young people with traineeships than its own staffing-needs would warrant. This policy takes account not only of the amount and type of skilled labor likely to be required by the company, but also of the responsibility it has towards society at large to open up career prospects to young people. The company's many trainers work hard to provide its 120-plus apprentices with relevant, practical training that is of high quality and leads to success – which helps explain why there are up to 20 applicants for every vacant apprenticeship position.

Of the 15 apprenticeable professions that can be learnt at Rosenbauer, most are in the industrial and technical fields. The "mechanical engineering technician" apprenticeship had the largest numbers in 2012, followed closely by "mechatronics technician". Among other options, Rosenbauer also trains youngsters to become technical sales representatives and office assistants, IT technicians or draftsmen. After completing their apprenticeships, employees can join a special trainee program to qualify them as "all-round" skilled technicians who can be deployed anywhere in the company.

To enhance motivation, apprentices at the Leonding site are included in the employee profit-sharing scheme. Including them in the company's unified remuneration system in this way underlines the high priority that Rosenbauer gives to next-generation personnel training.

Management development

Among other things, leadership at Rosenbauer means being a positive example, formulating clear goals and priorities, taking time for employees, fostering potential, and being a model of fairness in one's dealings with others. This is the basis of the Rosenbauer leadership culture, which is imparted to up-and-coming managers and project managers during a special training course. The course is offered in several-day-long modules. The modules cover such topics as management style, discussion-leading skills, collaborative processes and "healthy leadership".


Customer Service
Oberglatt (CH)
senbaue

"Our paramount goal is to serve our customers quickly and efficiently, with a capable and motivated service team."

Daniel Dülli, Team Leader
Rosenbauer Schweiz AG

Whereas with trainee managers, the focus is on the acquisition of new knowledge, the training and coaching given to operational managers mainly concentrates on analyzing and developing trainees' existing management styles.

Work-climate index

The "work-climate index" carried out every year once again reported increased employee satisfaction for the year under review. Employees stressed the quality of the working relationships in their respective fields and with their line managers. Managers rated their staff's teamworking and cooperativeness, their quality consciousness and the care they take regarding tidiness, safety and cleanliness, more highly than they had done the year before.

Health and safety at work

Rosenbauer is constantly investing in up-to-date and ergonomically designed tools, work-aids and safety devices, and goes beyond what the law requires when it comes to the provision of personal protective equipment. The status of workplace safety is regularly reviewed in 3S (Safety – Set in order – Shine) audits, and any workplace accidents and "near-miss" accidents are documented and analyzed in accordance with a defined reporting system. The company's OHS policy has been certified to OHSAS 18001 (Occupational Health and Safety Assessment Series) since 2009, as part of its Integrated Management System, and this certification was renewed in 2012.

As part of the in-company preventive healthcare program, all employees can take up the offer of a free medical health check-up. This gives Rosenbauer staff a large number of benefits, ranging from a "health pass" to diagnosis of the support and locomotor system.

CIP and teamwork

CIP and teamwork have become common parts of the corporate culture. They lead to lasting improvements in the operational procedures, and to the widespread conviction that the goal-directed teamwork that characterizes the CIP process also contributes to a better climate in the company. 650 employees were involved in 48 CIP teams in 2012; the ideas of theirs that were put into practice had an annual cost-saving effect of 0.9 m€ (2011: 0.8 m€).

Integration of leased personnel

At year-end 2012, there were 279 leased personnel working for Rosenbauer, 244 of them in Austria. In many respects, they are given equal treatment with members of the core workforce, and can take advantage of a number of fringe benefits, including the in-company healthcare and sports offerings. In recent years, a significant share of the company's needs for new staff has been met from the pool of leased personnel. In the last three years alone, some 144 temporary agency contracts have been turned into open-ended employment contracts.

International exchanges

An international exchange program has been set up to improve international co-operation at all levels. Thus it was that in September, a group of staff from the USA visited the facilities in Austria and Germany to exchange experience and insights from the engineering and production fields. Alongside these regular opportunities to exchange experience, it is also planned to offer more employees out-of-country postings at the Group's worldwide locations.

Thanks to staff

Dealing so successfully with the high workload of 2012 was only possible with the tremendous commitment of the employees. Thanks and appreciation are due to all staff for this. Thanks are also due to the workforce representatives at the Group's companies in Austria and abroad, for their constructive cooperation.

OPPORTUNITY AND RISK MANAGEMENT

Rosenbauer is exposed to various opportunities and risks in the course of its worldwide business activities. Continuous identification, appraisal and controlling of risks are an integral part of the management, planning and controlling process. The risk management system builds on the organizational, reporting and leadership structures that are already in place within the Group and supplements these with specific elements that are needed for proper risk assessment. In essence, it consists of five elements:

- a risk strategy, formulated at length in writing and supplemented by a risk policy
- a defined organizational structure with risk officers in each of the Group's business units and operational units, and a central management officer to give them support
- risk identification and evaluation in the various business units and central units
- the Group's reporting structure, and
- the risk report at business-unit level and at the level of each individual Group company.

Structured risk monitoring

The Group-wide risk strategy defines a structured process that envisages systematic monitoring of the business risks. This enables both the opportunities and the risks to be recognized and assessed at an early stage.

In this process, the risks are identified, analyzed with regard to the probability of their occurrence and to the likely scope of damage, and evaluated. From this, actions are inferred which should be taken to contain or prevent the risk, and/or appropriate hedging instruments can be decided upon where needed. The integrity and efficacy of the risk identification and monitoring processes are addressed in an annual meeting of the Audit Committee.

The immediate responsibility for risk management is borne by the Management of the operational unit in question. This is the level at which risk-related topics are regularly dealt with, and at which the annual risk inventory is carried out. Overall responsibility for operational risk management rests with the Executive Board. The results of the risk inventory are collated by the central risk management team and discussed once a year in the Audit Committee with the Supervisory Board.

One essential element in the ongoing monitoring of economic risks is the reporting system. Thanks to the consistent implementation of this reporting system, not only any risk-positions, but also opportunities, can be recognized and deliberately responded to, or optimized, at an early stage.

Sectoral and company-specific opportunities and risks

Rosenbauer regularly analyses the relevant sectoral risks and makes use of opportunities by pursuing ongoing innovation, process efficiency enhancement and stepped-up activities in new markets. Future sales opportunities are to be found primarily in countries and regions where natural disasters, terrorist hazards or inadequate infrastructure necessitate greater investment in fire safety equipment.

The budgetary constraints resulting from the financial and economic crisis have made themselves keenly felt in very many fire equipment markets. The result has been that manufacturers serving mainly local markets have seen their sales slide, in some cases very badly. This has hit earnings, curtailing the financial scope for product development work.

For the Rosenbauer Group, on the other hand, as an innovative business with the strongest sales and distribution system in the industry, this development even opens up opportunities to gain additional market share with advanced, highly functional products.

To put its growth on a sustained long-term footing, Rosenbauer has long pursued a determined internationalization strategy. With thirteen production operations on three continents, and a worldwide distribution network, it has achieved a market position which enables it to even out the sales fluctuations taking place in different markets.

Risks for the fire safety business arising from changes in the overall political or legal framework are as good as impossible to hedge against. However, owing to the fact that most purchasers are public-sector clients, order cancellations only ever occur in exceptional cases. Political crises and embargos may temporarily limit access to certain markets.

The annual business plan is derived from the multi-year Group Strategy and comprises a target-catalog for each business unit, to serve as a controlling instrument. This systematic approach enables the company to recognize opportunities and any strategic risks at an early stage.

Operational risks

Manufacturing activities necessitate thorough examination of the risks along the entire value chain. In view of today's ever shorter innovation cycles, increasing importance attaches here to research and development work. The production risks which may occur are continually monitored with reference to a series of key metrics (productivity, assembly and throughput times, production numbers etc.).

The central controlling element in the vehicle manufacturing operations is "concurrent costing", where target/actual comparisons are made in order to monitor the production costs of every single order.

To even out changes in capacity utilization, Rosenbauer increasingly manufactures on a Group-wide basis and also contracts out production orders to external vendors. In the event of a severe downtrend on the market, this keeps the risk of insufficient capacity utilization within manageable bounds. Thanks to the still buoyant order situation, the production facilities are enjoying good capacity utilization in 2013 as well.

Sourcing and procurement risks

The sourcing and procurement risks reside primarily in possible supplier failure, quality problems and price increases. These risks are counteracted by standardizing components and diversifying the supplier pool. In order to ensure that the production operations are kept supplied on schedule and to the requisite quality level, main vendors are regularly audited. This greatly reduces the risk of production outages. The fact that the Group has its own international network of production facilities also helps to minimize operational risks. Supplier risks from possible insolvencies, or from non-delivery by upstream suppliers for compliance reasons, cannot be entirely ruled out, however.

A further procurement risk lies in raw-material and energy prices, both of which rose again last year. Rosenbauer mainly needs aluminum, and locks in a stable purchasing price for itself by means of a long-term purchasing policy. Energy costs, on the other hand, play only a minor role, as production consists largely of assembly operations that need little or no process energy.

Earnings risks

Any earnings risk which might arise as a result of disruption of production operations is covered by appropriate production-outage insurance policies. Adequate insurance cover is also in place for risks in connection with fire, explosion or similar natural perils.

IT risks

The IT risks comprise the risk of network outages and the risk that data could be corrupted or destroyed by operator error, program errors or external influences. These risks are countered by regular investment in hardware and software, by the deployment of virus scanners and firewall systems, and by structured access controls to equipment and data.

Legal risks

The proceedings at the German Federal Cartel Office against several manufacturers of fire fighting vehicles were concluded when official notice of the fines was served in February 2011. Since then, moves have been underway to settle damages under private law. Rosenbauer, the German municipal umbrella organizations and another affected vehicle manufacturer jointly commissioned an independent expert report which has calculated the economic harm done to the local authorities, and drawn up a proposal for settling the damages. In response, Rosenbauer has set aside a provision in the amount of the expected damages settlement. The question of whether any other substantive damages claims by third parties can be enforced and thus have a material impact, and if so, for what amount, is impossible to judge at the present time.

Regarding the turntable-ladder cartel, the municipal umbrella organizations and the manufacturers concerned are preparing to commission an independent expert report to determine the extent of any economic harm incurred and to elaborate an appropriate settlement proposal. The size of any compensation payments which may result from this process is impossible to judge at the present time.

In order to prevent any undesirable developments in future, the compliance rules were tightened last year, and sanctions decided upon for anti-competitive behavior.

In 2012, the Brazilian airport operator Infraero Aeroportos cancelled an order it had placed with Rosenbauer America for the supply of 80 aircraft rescue fire fighting vehicles. It justified this step with reference to a differing interpretation of the vehicle specification. Rosenbauer America is seeking legal redress.

Other than the points addressed above, no other material legal claims by third parties against the Group were extant in the period under review.

Environmental risks

Owing to the nature of the manufacturing operations and to the large number of different suppliers, the environmental risks, and risks in connection with the reliability of raw-materials and energy supplies, are of only minor significance.

Furthermore, the in-company processes are governed by clear environmental standards and work instructions, which are laid down in an environmental management system and regularly examined and refined in internal and external audits to ISO 14001.

Product opportunities and risks

Rosenbauer operates a consistent, rigorous, ISO 9001 compliant quality-management system aimed in part at forestalling product-liability cases, and is certified to the main quality standards. The quality management systems at the Austrian and German facilities and at Rosenbauer South Dakota were reviewed last year by independent auditors, who confirmed their efficiency.

State-of-the-art development methods and ongoing controls and product-quality improvement are further factors contributing towards the reduction of potential risks. Nevertheless, product defects cannot be ruled out altogether. In order to minimize the pecuniary risks which are possible here – particularly in North America – the instrument of product-liability insurance is employed throughout the Group.

In order to be able to offer products with the highest possible customer-benefit, Rosenbauer operates a systematic-innovation management system and works closely with the fire fighting community in its product development effort. A team of experts drawn from Production, Sales and Controlling lays down the basic direction to be followed in the developmental process, drawing on market surveys and profitability considerations in the context of a pre-defined technology roadmap.

Personnel-related opportunities and risks

Rosenbauer sees its employees as a make-or-break factor for attaining its business objectives. A thorough approach to staff development, with institutionalized appraisal interviews and a performance-oriented remuneration system that gives employees a stake in the company's success, are two central instruments for keeping qualified and motivated employees with Rosenbauer. Another positive influence is the healthy corporate culture, rooted as it is in the values of the fire fighting community. Nevertheless, the fluctuation of staff in key positions, and the recruitment and development of staff, may give rise to personnel risks.

Financial risks

In view of the financial and economic crisis – whose effects have still not been fully surmounted – the Group's solid financial basis gives it a great advantage. Thanks to the Group's healthy equity capitalization and resulting creditworthiness, the working-capital and investment financing that it needs has continued to be readily available, without limitations and on equally favorable terms. In order to ensure the greatest possible independence in corporate financing, this latter is arranged with several different banks. Furthermore, Financial Management meets with the Group's bankers once a year for rating-talks from which the Group's position on the financial market is established.

Interest and exchange-rate risks

The international nature of the Group's activities gives rise to interest-rate and currency-related risks which are covered by the use of suitable hedging instruments. A financing directive, which is in force throughout the Group, stipulates which instruments are permitted.

The operational risks are hedged by derivative financial instruments such as foreign-exchange forwards and options, and interest-rate swaps. These transactions are carried out solely to provide hedging against risks, and not for the purposes of trading or speculation. In this connection, we would refer the reader to the explanations in the Notes.

Credit risks

Credit risks from potential payment default are rated as relatively low, as the majority of customers are public-sector purchasers. In the case of deliveries made to countries with higher political and economic risk, use is made of both state and private export guarantee schemes to cover the risks involved.

Overall risk assessment

Rosenbauer considers that it is still well prepared to continue rising to the demands made of it by its market, by the economic environment and in the competitive international arena. Based on the analysis of currently identifiable risks, there are no indications of any risks which might – either singly or in conjunction with other risks – jeopardize the continuance of the Rosenbauer Group. This applies both to the results of already completed business and to activities that are planned or have already been initiated.

INTERNAL CONTROL SYSTEM (ICS)

Group-wide documentation

The Internal Control System consists of systematically designed organizational measures and checks to ensure that rules are followed and to avert the damage that might be caused by e. g. unregulated or wrongful actions. The checks are performed on both a process-related and non-process-related basis, for example by the Internal Auditing unit.

An important cornerstone of the ICS is provided by the corporate policy directives, which are regularly updated. These are augmented by the process flow diagrams in the Management System, which are accompanied, in turn, by a large number of rules and work instructions. At the annual meeting of the Audit Committee, the results of the evaluation of the ICS are submitted to the Supervisory Board for its assessment, and discussed at length. The evaluation takes place as part of the ongoing internal audit, in which the processes are documented and checks are performed to ensure that they are being complied with.

The control environment of the financial reporting process is characterized by a clearly defined organizational and operational structure. All functions are clearly assigned to specific individuals (e. g. in Financial Accounting or Controlling). The employees involved in the financial reporting process possess all requisite skills and qualifications.

Wherever the size (and thus the available resources) of the respective Group company allow, all relevant processes are subject to the double verification principle. The financial accounting systems employed are mainly standard software that is protected from unauthorized access. Key reporting and valuation methods relating to the financial reporting process are stated in a regularly updated Group Accounting Manual, and must be compulsorily implemented by the local units.

Furthermore, the completeness and accuracy of accounting-system data are regularly verified by means of random samples and plausibility checks, performed both manually and with computer assistance. Analytical tests are also carried out regularly by Group-wide Controlling and Treasury. Detailed weekly, monthly and quarterly financial reports are used to identify and analyze any instances in which the earnings and asset position deviates from the targeted figures and from those for the previous year.

As well as the process-oriented framework conditions, this well-developed control and reporting system mainly prescribes workflow-orientated measures that have to be implemented and complied with by all the units concerned. Operational responsibility rests with the respective process owners, while compliance with the Rosenbauer control system is assured by the Internal Auditing unit as part of its periodic audits of the various units.


Sales
Central Europe
Karlsruhe (GER)

“From sales all the way through to dispatch, there is an ongoing exchange of information and close collaboration between all the staff involved, both within the company and beyond. In this way, they can all bring their specialist knowledge to bear, creating synergies from which the customer ultimately benefits.”

Berthold Göltz, Head of Sales Central Europe
Metz Aerials GmbH & Co. KG

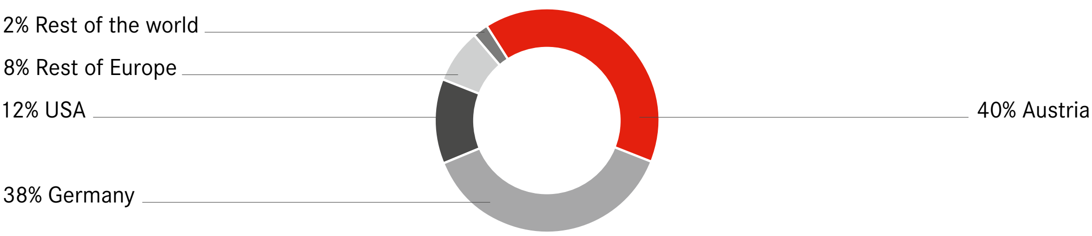
PROCUREMENT, LOGISTICS AND PRODUCTION

Group-wide purchasing volumes of production materials and merchandise in the reporting period totaled 457.5 m€ (2011: 373.5 m€). This corresponds to 71% of Group revenues.

The aim of Rosenbauer purchasing policy is to ensure the most cost-effective availability possible, while having regard to inventory volumes. As a global corporate group, Rosenbauer pools its sourcing requirements across departmental and locational boundaries wherever possible, and taps international purchasing markets.

Given last year's much larger procurement volume, it was a considerable challenge to keep the production operations supplied in a timely manner. In view of the large number of different vendor parts, the quality of the supplier base is a critical success factor. Suppliers are thus evaluated and selected with very great care. Rosenbauer deliberately attaches great importance to a close, partnership-oriented style of working with its suppliers.

Procurement volume of Rosenbauer International AG 2012



Europe: the primary procurement source

86% of Rosenbauer International AG's procurement volume is sourced in Europe, and most of the remainder in the USA. The principal suppliers are from Germany, Austria, and the USA. The biggest single item in the Group's procurement volumes are the chassis for fire fighting vehicles, accounting for around 26% of the total.

The main suppliers of chassis are Daimler and MAN in Europe, and Freightliner, International and Ford in the USA. While fire fighting vehicles in Europe are mostly based on commercial chassis, in the USA around 55% of vehicles are built on custom chassis. These are chassis which are made specifically for fire fighting vehicles. Since 2012, Rosenbauer America now also has its own custom chassis, the Commander, with which it has substantially increased its value-addition.

Chassis are the largest single influence on vehicle production costs, accounting for a 32% share. For Rosenbauer, they generally constitute transitory accounting items. Important suppliers – especially the main chassis manufacturers – have been upgrading their compliance systems in recent years and extending their scope to include internationally active superstructure manufacturers.

Stable cost-calculation basis

The consistent procurement policy that has been followed for many years has made it possible to smooth particularly severe price fluctuations in the purchasing of raw materials. The purchasing prices most likely to affect the production costs are those for aluminum sheets and sections and for plastic components. Rosenbauer continually observes the price-trends concerned, and responds to price fluctuations with a situationally adapted purchasing policy that gives it a stable cost-calculation basis. Multi-year offtake agreements have, for instance, been concluded for electricity, the price of which has surged recently, so as to lock in stable prices for the longer term.

Supplier portal

The new supplier portal was extended and improved last year. Orders run along the entire supply chain automatically via this portal – taking in all aspects from the initial inquiry to the choice of supplier, the order, order confirmation, delivery advice and country of origin declaration, all the way through to the credit advice. The suppliers are directly interfaced with production planning and control system and can find out for themselves about Rosenbauer's upcoming sourcing requirements. This enables them to plan their own production needs more flexibly, and to schedule materials independently using the VMI (Vendor Managed Inventory) function. The portal also greatly reduces the personnel and organizational workload for both parties, and helps to prevent mistakes during order fulfillment.

DISCLOSURE PURSUANT TO §243A SECT. 1 UGB (AUSTRIAN COMPANIES ACT)

- The nominal share capital of Rosenbauer International AG amounts to 13.6 m€ and is divided into 6,800,000 non-par-value bearer shares, each embodying a 2.0 € portion of the nominal share capital. Shareholders do not have the right to demand the issuance of certificates embodying either their shareholdings or any dividend coupons and renewal coupons they may hold. Global share certificates may be issued in accordance with §24 of "Depotgesetz" (Austrian law on securities deposits).

- Rosenbauer Beteiligungsverwaltung GmbH has made the assignment of the shares which it holds in Rosenbauer International AG conditional upon a 75% majority vote. No limitations are otherwise in force regarding the voting rights or the assignment of shares.

- At December 31, 2012, 51% of the shares in Rosenbauer International AG were held by Rosenbauer Beteiligungsverwaltung GmbH. One shareholding partner in Rosenbauer Beteiligungsverwaltung GmbH thereby indirectly holds an 11.85% stake in Rosenbauer International AG.

- To the best of the Company's knowledge, there are no shareholders having special controlling rights.

- Employees who own shares exercise their voting rights directly.

- The Articles of Association of Rosenbauer International AG lay down the provisions for the appointment and dismissal of members of the Board and of the Supervisory Board. The only persons eligible for appointment as Members of the Executive Board are those who have not yet reached the age of 65 at the time of such appointment. The appointment of a person to the Executive Board who has already reached the age of 65 at the time of such appointment shall, however, be permitted if the General Meeting passes a resolution to this effect by a simple majority of the votes cast.

- The only persons eligible for election to the Supervisory Board are those who have not yet reached the age of 70 at the time of such election. The election of a person to the Supervisory Board who has already reached the age of 70 at the time of such election shall, however, be permitted if an appropriate resolution is passed in the General Meeting by a simple majority of the votes cast.

- At the 20th Ordinary General Meeting on May 25, 2012, the resolution adopted on May 21, 2010 providing for a share buyback was rescinded, and instead the Executive Board was authorized to acquire (re-purchase) shares in accordance with § 65 Sect. 1 Clause 8 and Sect. 1b of AktG (the Austrian Stock Corporation Act). The total number of bearer, non-par-value shares in the company that this authorization permits the company to acquire is not to exceed 680,000, including other Rosenbauer shares previously acquired by, and still in the possession of, the company. The authorization is in force from May 25, 2012 up to and including November 24, 2014, i. e. for a period of 30 months. Under the terms of this authorization, the company is permitted to acquire its own shares at a countervalue of at least 20 € and at most 60 €, per non-par-value share.

- The Executive Board is also authorized to redeem the own shares so acquired, with no need for a further resolution of the General Meeting but with the approval of the Supervisory Board. The share buy-back authorization also permits subsidiaries of the Company to purchase its shares. The Executive Board is to exercise its authorization in such a way that its acquisitions of the company's own shares at no time cause the 10% threshold to be breached.

- There are no significant agreements which would come into effect, substantially change or terminate if there should be a change in the controlling interest in the company as a result of a takeover bid.

- No indemnity agreements have been concluded between the company and its Executive and Supervisory Board members or its employees providing for the event of a public takeover bid.

SUPPLEMENTARY REPORT

At the beginning of February 2013 Rosenbauer received another order from the Saudi Arabian Ministry of the Interior, this time to supply fire engineering equipment worth 125.8 m€. 610 vehicles are to be supplied, of various types and for various operational purposes, as are boats and other civil defense equipment.

Most of the vehicles are to be produced at the Rosenbauer plants in Leonding, Lyons (South Dakota) and Linares, Spain. The order volume as a whole is to be fulfilled in several part-deliveries, through until mid-2015. This order will be reported in the order intake for the first quarter of 2013, and will have only a minor effect upon revenues in 2013.

A new service center was set up in France at the beginning of 2013. Based in Chambéry, the new after-sales organization "Metz-Service18" will service fire fighting vehicles nationwide. French fire services have over 150 turntable ladders in service from Metz Aerials alone.

Since the balance-sheet date, no other events of any great significance for the company have occurred which would have led to any change in its asset position, financial status and earnings situation.

DISCLOSURES RELATING TO ANTICIPATED DEVELOPMENTS

Macro-economic trend

World economic growth slowed down appreciably in 2012 and is set to remain weak for the next two years. Once again, if the euro crisis worsens and the Chinese growth engine stalls, not even the risk of a global recession can be ruled out. The largely unanimous expectation among analysts is for global GDP growth of about 3.5% in 2013.

Outlook on the sales markets

As a consequence of the financial and economic crisis, worldwide sales volumes of fire fighting vehicles declined from 3 bn € to 2.8 bn €. In the light of the weak macroeconomic environment, no improvement in the world market for fire fighting vehicles is expected in 2013 either.

In developed country markets, restrictive public sector budgetary policies have led to a continued hesitancy to place orders. Emerging markets, by contrast, present their usual varied picture: while there are already indications of market saturation in several countries, in regions like the Middle East there is still a great need for modernization. This is also reflected in today's extensive arena for project business.

In general, it may be said that at present, the regions investing in fire fighting systems and equipment tend to be those in which there is a heightened awareness of security needs following natural or terrorist disasters, or which are enjoying high revenues from natural-resource extraction. In addition, worldwide growth in air traffic, and the entry into service of larger aircraft, are continuing to create strong demand for specialty vehicles.

How the fire equipment market will develop in the current year basically depends upon the availability of public funding. An exact forecast is difficult to make at the present time. At all events, a large number of international projects are currently in course of preparation.

North America

In the USA, the world's largest single market, sales volumes for municipal fire fighting vehicles stayed around 30% below the several-year average during 2012. In bigger cities on the East Coast, the market shrank even further, while in rural regions the decline was less severe.

Manufacturers who supply their products entirely or mainly to the US home market have come under pressure in some cases. Nothing about this situation is likely to change this year either, particularly as there is still no meaningful recovery in sight for the economy as a whole.

Rosenbauer America, by contrast, can make up for some of the revenues that have been lost on its home market with international contracts. These will continue to have an impact upon earnings until well into 2015, ensuring a high level of capacity utilization at the American production facilities.

Europe

2012 saw the postponement of pending vehicle procurements in many European countries due to scaled-back budgets. As economic expectations are not improving, it is reasonable to suppose that the European market will remain weak for the foreseeable future.

The countries most badly affected by the debt crisis, in Southern and Southeastern Europe, are those that suffered the steepest downturns. Particularly in Greece, Spain and Portugal, fire engineering suppliers will be contending with a severely contracted market in 2013.

In Austria, sales of fire fighting vehicles above 7.5 t were still at the level of last year. No significant change in market volume may be expected for 2013.

In Germany, Europe's biggest vehicle market, sales of municipal fire fighting vehicles increased slightly last year. This may be attributed to increased order placement following the period in 2011 when buyers had been hesitant about placing orders as a result of the anti-trust proceedings. This positive trend is expected to continue in 2013.

Russia is one of the world's biggest fire equipment markets, on which procurement volumes have even risen slightly of late. Over the next few years, more funds have been budgeted for procuring technologically sophisticated fire fighting equipment, while aiming at the highest-possible degree of local value-addition.

International export business

Especially in emerging markets, the international arena for project business shows a welcome reversal of the pattern now found in Western industrial nations. The sector is growing mainly in countries with a heightened awareness of security needs, and in emerging markets that are stepping up their infrastructure investments. Although the pace of GDP growth has slowed slightly, Asian fire equipment markets – prime among them those in China and India – are still benefiting from the benign macroeconomic environment. The ongoing urbanization taking place in these countries will necessitate further investment in safety systems and fire protection in 2013 as well.

Due to high safety awareness and the systematic modernization of its fire fighting and civil defense capabilities, the Middle East has developed into a major sales region in recent years. Since the process of transformation is not yet complete, the high level of capital spending on fire protection and civil defense may be expected to continue.

Latin America and Africa are spot markets characterized by irregular central procurement. As such projects often have leadtimes of several years, they are difficult or impossible to forecast. With their wealth of natural resources, countries such as Brazil, Argentina and Venezuela are seen as promising future markets.

Rosenbauer has been strengthening its international after-sales service since the beginning of 2013. The recently established Customer Service segment pursues a Group-wide approach and aims to build up the company's worldwide service business in a lasting manner, and to further enhance customer satisfaction.

Rosenbauer keeps a close watch on developments in the various fire equipment markets, so that it can seize sales opportunities at an early stage. Sales efforts are then stepped up in those countries or regions in which greater procurement volume has been identified. Not least, this also strengthens the Rosenbauer Group's global presence and consolidates its leading position in this highly competitive sector.

At the time of writing of this report, Rosenbauer has a high volume of international projects in course of preparation, and an excellent reserve of unfilled orders. This latter assures basic capacity utilization at the production facilities through until mid-2014.

Innovations and new products

Rosenbauer invests in R&D countercyclically, and is continually increasing the resources it makes available for this end. The goal it pursues here is to meet firefighters' requirements ever more precisely, and to have a permanent presence on the markets with new products. Ultimately, this great willingness to innovate also cements the Group's position as the technological leader of the international fire equipment sector.

Investments and production capacity

The Rosenbauer Group's medium-term corporate strategy envisages further organic growth through until 2015. This applies to all product and business segments, and calls for additional capacity, especially in the production field, where it will make the company better equipped to handle major orders. Rosenbauer is thus continuing to invest in upgrading and modernizing its facilities, and will be implementing capacity-boosting measures in 2013 as well.

A recent step taken in this direction is the leasing of an additional production location near the Leonding main plant. This new plant will provide an extra 15,000 m² of industrial building space and 4,900 m² of office space, on a 52,000 m² plot. This represents an addition of around 60% to the existing production space at the Leonding main plant. As part of a production-space planning process being carried out across all facilities, the production areas have also been restructured. In future, aircraft rescue fire fighting vehicles, prime among them the top-of-the-range model PANTHER, and the municipal vehicle AT will be made in the new plant. This new production facility is planned to be gradually put into service from the third quarter of 2013 onwards.

A new building is also being added at the Neidling site. With around 9,400 m² of floorspace, it will be used primarily for component fabrication and profile machining, as well as to provide extra storage space.

Other investment outlays relate to the expansion of the international service center at the Leonding site, and additional production space at the Luckenwalde facility.

The investment volume for 2013 will thus be well above the figure in previous years, with a focus on further capacity build-out in Austria.

Financial and liquidity position

The high volume of orders on hand, and the resulting higher levels of work in progress, have necessitated the provision of additional financing facilities, which have been arranged with several different banks. Recent years' healthy earnings have made it possible to further improve the Group's financing situation, as also documented by its high equity ratio.

The Group's financing strategy adheres to conservative principles and gives absolute priority to assuring liquidity and the highest possible equity capitalization.

Revenue and earnings situation

Rosenbauer will be able to stay on the growth track of recent years in 2013. The large reserve of unfilled orders, the good outlook for project business and the expansion of its production capacity should all permit further growth. These fundamentals lead Management to expect that the company may break the 700 m€ revenue barrier this year.

The high level of investment in the company's future, and the ever fiercer price competition on the market, are weighing on the EBIT margin. The additions to production space, and an optimization program launched in the main production zones at the Leonding site in 2012, will counter this margin trend. Management is aiming here for an improvement upon the EBIT margin of 6.0% attained in 2012.

High technological know-how and innovational strength, combined with decades of experience in the fire fighting field, are the basis for the Group's continued growth. The Group's customers choose Rosenbauer because they know that they can rely on its high quality and high technical capability.


Logistics and Purchasing
Wyoming (MN, USA)

"I enjoy being able to grow along with Rosenbauer Minnesota. With the support of my team we are able to handle any logistics challenge presented to us."

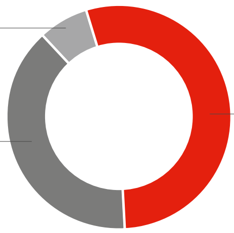
Laura LeTourneau, Head of Logistics and Purchasing
Rosenbauer Minnesota, LLC.

SEGMENT REPORTING

OPERATING SEGMENTS (BY REGION)

The reports on the regional Segments are broken down by Group company locations rather than by sales markets. This means that the segment reporting refers to the revenues and results earned by the individual companies both on their respective local market and from export sales.

Breakdown of the Group revenue 2012



Austria

The Austrian segment is made up of Rosenbauer International AG, most of whose revenues are earned from export sales, and the sales company Rosenbauer Österreich GmbH.

The Austrian segment achieved a sizeable increase in revenues in 2012, lifting them by 33% to 446.9 m€ (2011: 337.2 m€). The rise is largely due to increased shipments to the Arab world. This segment's EBIT came to 30.0 m€ last year (2011: 25.5 m€), an increase of around 18%. The EBIT margin stood at 6.7% (2011: 7.6%).

Rosenbauer International

Rosenbauer International is the parent company of the Group. With manufacturing facilities in Leonding, Traun and Neidling, it is also its biggest production company. Group Headquarters is located in Leonding, which is also the center of expertise for municipal vehicles, industrial and aircraft rescue fire fighting vehicles, as well as for fire ighting components and fire & safety equipment. Rosenbauer's line of "AT" (Advanced Technology) municipal fire fighting vehicles is also developed and produced here, mainly for sale on the fire equipment markets of Europe and Asia.

Owing to the high manufacturing volumes, an additional production facility was started up in 2012 in Traun, around 10 km from the Leonding main plant. Series vehicles for export markets, and pump- and superstructure modules, have been produced in this 4,500 m² building since the middle of last year.

The Neidling/St. Pölten production site is the center of expertise for compact vehicles with a gross weight of up to approximately 11 t. Neidling is also responsible for developing and manufacturing interior fitting components and holding-fixture systems, mainly for delivery to the other European Group companies.

The revenues of Rosenbauer International rose by 32% in 2012, to 429.4 m€ (2011: 324.2 m€). Overall, 93% (2011: 93%) of Rosenbauer International's revenues were earned from export sales.

Production capacity at the Leonding, Traun and Neidling plants was fully utilized in the reporting period, particularly with export orders. To help fulfill the large manufacturing volume, Rosenbauer International AG also had an average of over 240 leased staff working for it.

Rosenbauer Österreich

Rosenbauer Österreich, also headquartered in Leonding, is the sales and service company for the Austrian market. The company sells fire fighting vehicles and equipment, and operates service establishments in Leonding, Neidling, Telfs and Graz. With the exception of aerial appliances, vehicles for the Austrian market are made at the Leonding and Neidling production plants.

Revenues at Rosenbauer Österreich climbed last year from 37.3 m€ to 45.9 m€. The increase is due to strong demand for the municipal fire fighting vehicle AT, although volume on the Austrian market as a whole was still relatively low in comparison with the multi-year average.

Segment key figures Austria

		2012	2011	2010
Revenues	in m€	**446.9**	337.2	363.3
EBIT	in m€	**30.0**	25.5	33.7
Investments	in m€	**10.9**	6.5	5.6
Employees (average)		**1,066**	994	920

USA

The US segment consists of the holding company Rosenbauer America, LLC. and of the Wyoming (Minnesota), Lyons (South Dakota) and Fremont (Nebraska) production locations.

The US segment was unable to escape the weakness of its domestic market in 2012, although it managed to counter this development with export sales and also benefited from a positive effect on foreign currency translation. Last year's revenues of 144.8 m€ thus came in slightly above those for the previous year (2011: 136.2 m€). The EBIT figure of 3.2 m€ (2011: 9.0 m€) was depressed to the tune of 7.8 m€ by higher start-up costs for the new US chassis Commander, and by the cancellation of an order that had been placed by Infraero Aeroportos of Brazil.

In the USA, the world's biggest single market, sales volumes in 2012 were around 30% below the several-year average, for the fourth year in a row. The market shrank by as much as around 40% in the bigger cities on the East Coast, although in rural regions the decline was less severe.

Rosenbauer is now the second-largest manufacturer of fire fighting vehicles in the United States. This is a resounding endorsement of the Group's US involvement, initiated as part of its internationalization strategy back in 1995.

Rosenbauer Minnesota

Based in Wyoming (Minnesota), Rosenbauer Minnesota produces industrial fire fighting vehicles, aircraft rescue fire fighting vehicles, and customized municipal vehicles for professional and volunteer fire services. The company works mainly in the field of specialty vehicles, which it supplies both to its home market and to US-oriented international markets. Last year the company posted revenues of 50.8 m€ (2011: 43.3 m€).

Rosenbauer South Dakota

Rosenbauer South Dakota is located in Lyons (South Dakota), and produces fire fighting vehicles for all fields of use. The great strength of this company lies in industrial fabrication. Its main clients are volunteer fire services in the USA. Over the past few years, the company has also made a determined push into exports and now ships to countries that order vehicles to US standards.

Revenues decreased to 76.5 m€ last year (2011: 79.4 m€). The company's stepped-up export business went some way towards offsetting the decline in revenues from its home market.

Rosenbauer Aerials

Rosenbauer Aerials, headquartered in Fremont (Nebraska) produces hydraulic turntable ladders and ladder trucks to US standards. These are supplied both to the Group's US companies and to other superstructure manufacturers in the USA. It also makes elevated waterways with "piercing tools" which are installed on aircraft rescue and industrial fire fighting vehicles in Leonding and Minnesota. Rosenbauer Aerials posted revenues of 8.8 m€ last year (2011: 8.4 m€).

Rosenbauer Motors

Rosenbauer Motors produces chassis for the PANTHER aircraft rescue fire fighting vehicle, and the new Commander chassis for US municipal fire service vehicles, at the Rosenbauer Minnesota plant in Wyoming (Minnesota). Series production of the custom chassis started at the beginning of 2012; only one year later, the 500th chassis had already been ordered. These are supplied exclusively to the Group's own superstructure fabrication operations in the USA and Austria. The expansion in the company's business swelled its revenues to 33.0 m€ (2011: 15.4 m€).

Segment key figures USA

		2012	2011	2010
Revenues	in m€	**144.8**	136.2	155.7
EBIT	in m€	**3.2**	9.0	15.2
Investments	in m€	**1.3**	2.0	1.2
Employees (average)		**574**	529	525

Germany

The German segment consists of two companies: Metz Aerials GmbH & Co. KG, Karlsruhe, and Rosenbauer Deutschland GmbH, headquartered in Luckenwalde.

Rosenbauer Deutschland manufactures municipal fire fighting vehicles of the AT and ES series at the Luckenwalde plant, and also supplies its domestic market with industrial and aircraft rescue fire fighting vehicles, fire safety equipment, fire fighting components and stationary fire fighting installations.

Revenues in the German segment came to 157.9 m€ last year (2011: 149.3 m€). The harsh price competition pushed EBIT down to 3.6 m€ (2011: 4.5 m€).

Germany is Europe's biggest vehicle market. Sales of municipal fire fighting vehicles rose slightly in the reporting period. This may be attributed to increased order placement compared to 2011, the year when the market was unsettled by the anti-trust proceedings and so tended to be hesitant about purchasing.

The adverse market conditions and fierce price competition have put the German fire equipment industry under pressure. One of the leading manufacturers was forced to institute insolvency proceedings in 2011. For in-company reasons, another competitor began to centralize its pan-European production operations in 2012. Whether a process of concentration comes about among manufacturers in Germany, and whether the market will continue to recover, remains to be seen. With production facilities in Karlsruhe and Luckenwalde (near Berlin), Austria, Switzerland, Slovenia and Spain, Rosenbauer is well positioned in Europe.

Metz Aerials

Metz Aerials, Karlsruhe, is the European center of expertise for aerial appliances. The company produces fully automated hydraulic turntable ladders and aerial rescue-platforms for rescue heights of between 20 and 62 meters. Metz Aerials posted revenues of 69.5 m€ last year (2011: 63.3 m€).

Rosenbauer Deutschland

Headquartered in Luckenwalde, Rosenbauer Deutschland produces fire fighting vehicles to DIN/EU standard, and distributes not only fire & safety equipment and fire fighting components but also specialty vehicles produced at the Leonding plant.

Luckenwalde also produces vehicles, superstructure modules and PANTHER cabs for Rosenbauer International AG. The company's revenues totaled 89.2 m€ (2011: 91.7 m€).

Segment key figures Germany

		2012	2011	2010
Revenues	in m€	**157.9**	149.3	161.2
EBIT	in m€	**3.6**	4.5	4.8
Investments	in m€	**2.2**	2.6	1.9
Employees (average)		**538**	489	485

Rest of Europe

The "Rest of Europe" segment consists of the companies Rosenbauer Española S.A., Rosenbauer Schweiz AG, and Rosenbauer d.o.o. in Slovenia.

This segment's revenues came to 26.6 m€ last year (2011: 23.8 m€ – without Rosenbauer d.o.o, which was only consolidated from December 1, 2012). Its EBIT totaled 842.4 k€ (2011: 1,667.0 k€).

Rosenbauer Española

Rosenbauer Española operates from Madrid, serving markets in Spain, Northwest Africa and parts of Latin America. Its product line encompasses municipal vehicles, forest fire fighting vehicles, and industrial and aircraft rescue fire fighting vehicles.

Fire engineering suppliers in Spain had another very difficult year in 2012 because of the budgetary crisis. Rosenbauer Española was able to compensate for most of the collapse on its home market with exports. In so doing, it kept its revenues at the same level as the previous year (2012: 8.5 m€; 2011: 8.9 m€).

The vehicles are made in the production joint venture Rosenbauer Ciansa, in which the Managing Director of Rosenbauer Española and Rosenbauer International each hold a 50% stake. The joint-venture company is carried "at equity" in the balance sheet and so does not feature in the segment reporting scheme.

Rosenbauer Schweiz

Rosenbauer Schweiz is the sales and service organization for the Swiss market, and is based in Oberglatt, near Zurich. It offers the entire line of Rosenbauer products, as well as aerial work platforms of various heights.

Increased shipments of fire fighting vehicles and turntable ladders last year lifted the Swiss segment's revenues once again, from 14.9 m€ (2011) to 17.7 m€.

Rosenbauer Slovenia

A 90% shareholding was acquired in the Slovenian manufacturer Mettis International d.o.o. in late 2012, and first consolidated as of December 1, 2012. The company has since operated under the name of Rosenbauer. At its plant in Gornja Radgona, near Maribor in Slovenia, the company's workforce of 60 manufactures fire fighting vehicles for local markets, superstructures for custom vehicles, and crew-cabs for fire fighting vehicles.

In the relevant reporting period (December 2012) it generated revenues of 0.4 m€. Its EBIT for this period came to –0.2 m€.

Segment key figures Rest of Europe

		2012	2011	2010
Revenues	in m€	**26.6**	23.8	23.4
EBIT	in m€	**0.8**	1.7	1.2
Investments	in m€	**0.2**	0.2	0.1
Employees (average)		**103**	36	35

Asia

The Asian segment comprises S.K. Rosenbauer Pte. Ltd. in Singapore and Eskay Rosenbauer Sdn Bhd in Brunei. Last year's revenues of 13.4 m€ were at roughly the same level as the previous year's (2011: 12.6 m€). At 1.0 m€ (2011: 0.9 m€), EBIT held steady at the same level as the year before.

S.K. Rosenbauer produces fire fighting vehicles and superstructures for aerial appliances that are supplied to Hong Kong, Singapore and neighboring countries. Its 2012 revenues came to 12.8 m€ (2011: 11.9 m€). Eskay Rosenbauer distributes fire fighting vehicles on its local market, and posted revenues of 0.6 m€ last year (2011: 2.0 m€).

During the reporting period, Rosenbauer expanded its presence in Asia by establishing a new service center in Manila.

Segment key figures Asia

		2012	2011	2010
Revenues	in m€	**13.4**	12.6	19.4
EBIT	in m€	**1.0**	0.9	1.9
Investments	in m€	**0.1**	0.3	0.1
Employees (average)		**47**	44	49

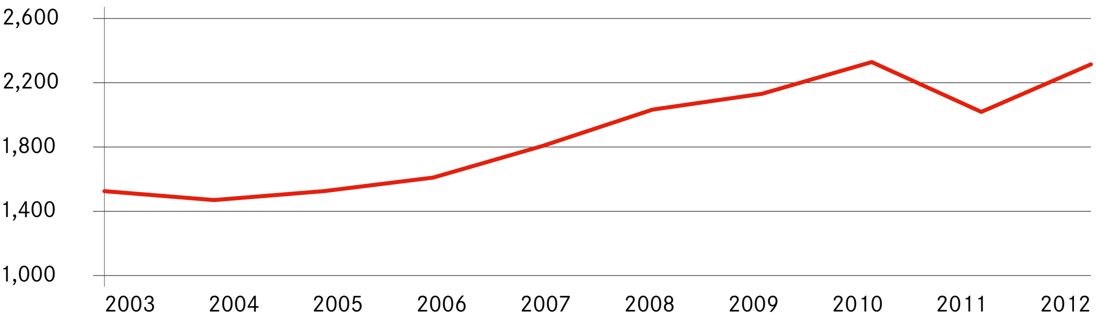
INFORMATION ON BUSINESS UNITS (BY PRODUCT)

Vehicles

Rosenbauer produces all types of fire fighting vehicle, to both European and US standards. These two “Standards environments” differ significantly. The most visible expression of this is the very different design of the typical vehicle. While European fire fighting vehicles are very compactly built, US vehicles tend to be much larger and heavier.

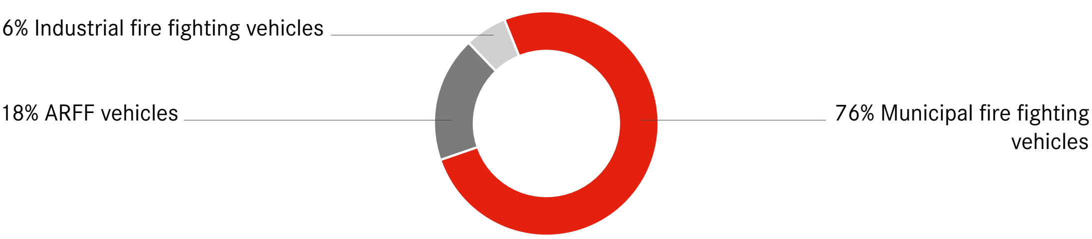
In much of Europe, the extinguishing systems used are also very different from those prevalent in the USA. Many European fire services rely on combined normal- and high-pressure extinguishing systems (from 10 to 40 bar), whereas in the USA the use of high-pressure systems in fire fighting is not very widespread. Owing to the different mission tactics and building structures in the USA, American firefighters tend to use normal-pressure pumps with high delivery rates.

Vehicles delivered 2003 – 2012



Fire fighting vehicles are categorized as municipal, aircraft rescue or industrial fire fighting vehicles. The market for municipal vehicles is generally characterized by replacement procurement, especially in developed countries. Average vehicle service life is between 15 and 25 years, depending on how intensively the vehicles are used: whereas volunteer fire services usually keep their vehicles for 20 to 25 years, the vehicles in service with professional, industrial and airport fire services need replacing much sooner. Service lives of up to 15 years are the rule here.

Vehicle revenues by category 2012



Rosenbauer manufactures fire fighting vehicles in Austria, the USA, Germany, Russia, Spain, Slovenia and Singapore. The Group’s largest manufacturing facilities are in Leonding, Austria, and Lyons (South Dakota) in the USA. In 2012, the biggest markets in terms of volume were Saudi Arabia, the USA and Germany.

With revenues of 443.0 m€ (2011: 370.0 m€), the "Vehicles" product segment last year accounted for the biggest single share of Group revenues (69%, as against 68% in 2011). Rosenbauer shipped a total of 2,297 vehicles last year (2011: 2,013 vehicles).

Segment key figures Vehicles

		2012	2011	2010
Order intake	in m€	**347.8**	618.4	340.9
Revenues	in m€	**443.0**	370.0	423.8
Investments	in m€	**10.3**	7.1	5.8

Aerials

Aerial appliances are mainly deployed by fire services for rescuing people from great heights, but also on fire fighting and technical missions. A distinction is made between turntable ladders and aerial rescue-platforms. The latter are also suitable for technical assignments and so are often used as dual-purpose appliances.

The "Aerials" product segment encompasses both of these categories. The center of expertise for ladders and platforms built to EU standards is Metz Aerials in Karlsruhe. US standard appliances are manufactured by Rosenbauer Aerials in Fremont (Nebraska). In addition, other manufacturers' equipment was delivered by the parent company in Leonding and by the subsidiaries in Singapore and Switzerland.

Aerials were responsible for revenues of 71.5 m€ in 2012 (2011: 68.0 m€), accounting for an 11% (2011: 13%) share of Group revenues.

Segment key figures Aerials

		2012	2011	2010
Order intake	in m€	**68.7**	86.3	56.0
Revenues	in m€	**71.5**	68.0	65.7
Investments	in m€	**1.0**	1.3	1.0

Fire fighting components

Developing and manufacturing fire fighting systems and components is one of Rosenbauer's core areas of expertise. This is a field in which the company has more than 100 years of experience. Many other vehicle manufacturers have to buy in these "centerpieces" of their vehicles, and only a very few produce their own fire fighting components.

The "Fire fighting components" product segment encompasses pumps and pump units, portable fire pumps, proportioning systems, turrets and their electronic control systems. This segment also includes mobile compressed-air foam extinguishing systems (POLY and CAF systems), from portable fire extinguishers all the way up to compressed-air foaming installations, of every output class, that are fitted in vehicles, motorcycles or quads. Rosenbauer develops and produces the entire line of fire fighting components at its Leonding plant. These are supplied to the Group companies, selected superstructure manufacturers and end-customers. Long-term partnership agreements are in place with these independent superstructure manufacturers. They make it possible to reach markets which would otherwise be wholly or largely inaccessible to international vehicle business.

Rosenbauer is increasingly acting as a system supplier to external superstructure-building partners. They are supplied with complete, ready-to-install systems or pump modules which comprise not only a pump but are also equipped with an electronic control system, foam proportioning system and the hoseline system complete with all connectors.

A total of 2,088 truck-mounted fire pumps (2011: 1,685), 1,281 pump units (2011: 1,108), 1,460 turrets (2011: 1,228) and 955 portable fire pumps (2011: 1,053) were produced in 2012.

With revenues of 22.6 m€ (2011: 24.9 m€), "Fire fighting components" accounted for 4% (2011: 5%) of total Group revenues. The pump units, fire fighting systems and components installed on Rosenbauer-produced vehicles are included in the revenues of the "Vehicles" segment.

Segment key figures Fire fighting components

		2012	2011	2010
Order intake	in m€	**23.8**	24.5	21.2
Revenues	in m€	**22.6**	24.9	18.9
Investments	in m€	**1.0**	0.7	0.8

Fire & safety equipment

Rosenbauer offers the fire fighting sector a complete range of fire & safety equipment for every type of mission. Its offerings range from personal protective equipment (PPE), to technical emergency equipment, to special equipment for dealing with the aftermath of hazmat accidents and environmental disasters.

In addition to this standard range, over the last few years Rosenbauer has also launched an innovative line of its own such products. These are all positioned in the very top quality segment and stand out for their high reliability, functional design and good price/performance ratio. Rosenbauer's globe-spanning sales organization enables high sales numbers to be reached, permitting economically viable industrial-scale production. The main revenue-drivers among these Rosenbauer-developed products are personal protective equipment (helmets, turnout suits, boots etc.), submersible pumps, generators, O-branch pipes and high-performance ventilators. Own-label items already generate more than 35% of all Fire & safety equipment revenues, with most of these in-house developments being less than five years old.

The "Fire & safety equipment" product segment generated revenues of 66.7 m€ in 2012 (2011: 47.8 m€), accounting for a 10% share of Group revenues (2011: 9%).

Segment key figures Fire & safety equipment

		2012	2011	2010
Order intake	in m€	**54.6**	66.6	45.9
Revenues	in m€	**66.7**	47.8	57.1
Investments	in m€	**0.1**	0.1	0.2

Business development

This segment pools all new business ideas and fields of business which will open up growth opportunities for the Group outside its core fields of business. Firstly, it taps into Rosenbauer's fund of in-house expertise to set up stationary fire fighting installations. These protect persons, rooms and buildings that are at high risk of fire and that require the deployment of custom fire fighting installations using highly efficient extinguishing technologies. Rosenbauer has already deployed such installations in e. g. motorway tunnels, aircraft hangars, paint-shops, recycling plants and biomass-fired power stations, and on conveyor systems and offshore helidecks.

The second pillar of the "Business development" segment is telematics. Rosenbauer supplies fire services with solutions for professional information management: EMEREC supports them directly during missions; service4fire with error monitoring and vehicle maintenance.

Another task performed by this segment is to look for new lines of business that build upon existing core competences. The aim is that these will generate extra growth in the years ahead, while ensuring that the solid financial basis of the Group is maintained.

The "Business development" segment generated 2012 revenues of 3.2 m€ (2011: 1.7 m€).

Segment key figures Business development

		2012	2011	2010
Order intake	in m€	**4.1**	3.1	0.8
Revenues	in m€	**3.2**	1.7	1.3
Investments	in m€	**0.1**	0.0	0.0

Service & spare parts

Posting 2012 revenues of 35.4 m€ (2011: 28.0 m€), the "Service & spare parts" field accounted for 5% of the total (2011: 5%). Despite its small share of overall Group revenues, this is nevertheless a strategically important area of business for the Group.

The comparatively low revenues generated by this segment are due to the fact that the bulk of the service and repair work is carried out by Rosenbauer service partners, operating in over 100 countries. Alongside these external service partners, Rosenbauer also has service locations of its own, such as the support base established at the beginning of 2013 in Manila in the Philippines.

Stretched budgets in many countries mean that refurbishment – i. e. the technical modernization of existing fire fighting vehicles – is becoming an increasingly important area of business. In order to better exploit this opportunity, a special Refurbishment Program has been developed, ranging from total overhaul of the fire fighting systems all the way through to completely new vehicle superstructures.

Other revenues

The "Other revenues" have no causal connection with the ordinary activities of the Group and are thus not directly attributable to any one product segment. They do not, as a rule, have any significant influence on the corporate result, and last year amounted to 2.7 m€ (2011: 1.2 m€).

Segment key figures Service & spare parts and Other revenues

		2012	2011	2010
Order intake	in m€	**34.2**	27.9	32.1
Revenues	in m€	**38.1**	29.2	28.9
Investments	in m€	**2.2**	2.3	1.1

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2012

ASSETS	Notes	Dec 31, 2012 in k€	Dec 31, 2011 in k€
A. Non-current assets			
I. Tangible assets	(D.1.)	71,974.8	62,966.0
II. Intangible assets	(D.1.)	1,808.9	941.1
III. Securities	(D.2.)	197.6	137.1
IV. Joint ventures	(D.3.)	9,052.0	4,370.7
V. Receivables	(D.4.)	35.3	75.3
VI. Deferred tax assets	(D.5.)	1,321.8	3,174.5
		84,390.4	**71,664.7**
B. Current assets			
I. Inventories	(D.6.)	173,807.7	144,313.8
II. Production contracts	(D.7.)	59,889.2	52,985.5
III. Receivables	(D.8.)	98,112.5	76,279.0
IV. Income-tax receivables	(D.8.)	1,588.0	436.6
V. Cash on hand and in banks, checks	(D.9.)	13,608.7	11,457.6
		347,006.1	**285,472.5**
Total assets		**431,396.5**	**357,137.2**

EQUITY AND LIABILITIES	Notes	Dec 31, 2012 in k€	Dec 31, 2011 in k€
A. Equity			
I. Share capital	(D.10.)	13,600.0	13,600.0
II. Additional paid-in capital	(D.10.)	23,703.4	23,703.4
III. Other reserves	(D.10.)	3,744.2	(2,684.0)
IV. Accumulated results	(D.10.)	113,553.6	90,681.3
Equity attributable to shareholders of the parent company		**154,601.2**	**125,300.7**
V. Non-controlling interests	(D.11.)	17,438.6	19,858.3
		172,039.8	**145,159.0**
B. Non-current liabilities			
I. Non-current interest-bearing liabilities	(D.12.)	10,843.8	11,031.3
II. Other non-current liabilities	(D.13.)	2,719.2	3,199.8
III. Non-current provisions	(D.14.)	20,956.5	20,340.2
IV. Deferred income tax liabilities	(D.5.)	1,141.5	729.1
		35,661.0	**35,300.4**
C. Current liabilities			
I. Current interest-bearing liabilities	(D.15.)	96,515.9	61,400.9
II. Prepayments received		26,607.5	17,650.8
III. Accounts payable-trade	(D.16.)	45,304.7	44,653.6
IV. Other current liabilities	(D.17.)	43,617.5	40,933.9
V. Provisions for taxes	(D.18.)	925.7	310.5
VI. Other provisions	(D.18.)	10,724.4	11,728.1
		223,695.7	**176,677.8**
Total equity and liabilities		**431,396.5**	**357,137.2**

CONSOLIDATED INCOME STATEMENT 2012

		Notes	2012 in k€	2011 in k€
1.	Revenues	(D.19.)	645,146.0	541,598.9
2.	Other income	(D.20.)	5,351.1	10,822.7
3.	Change in inventory, finished products and work in progress		25,568.6	(6,091.4)
4.	Costs of goods sold	(D.6.)	(453,012.0)	(344,190.2)
5.	Personnel expenses	(D.21.)	(127,924.9)	(113,795.1)
6.	Depreciation on intangible and tangible assets		(9,341.0)	(8,065.3)
7.	Other expenses	(D.22.)	(47,144.8)	(38,681.6)
8.	**Operating result (EBIT) before result of joint ventures**		**38,643.0**	**41,598.0**
9.	Financial expenses	(D.23.)	(3,755.1)	(3,886.4)
10.	Financial income	(D.24.)	1,038.1	844.5
11.	Results of joint ventures	(D.3.)	2,850.9	1,742.4
12.	**Profit before income tax (EBT)**		**38,776.9**	**40,298.5**
13.	Income tax	(D.25.)	(6,817.5)	(8,151.2)
14.	**Net profit for the period**		**31,959.4**	**32,147.3**
	thereof:			
	– *Non-controlling interests*		*1,075.4*	*4,577.2*
	– *Shareholders of parent company*		*30,884.0*	*27,570.1*
	Average number of shares issued	(D.34.)	6,800,000	6,800,000
	Basic earnings per share	(D.34.)	€ 4.54	€ 4.05
	Diluted earnings per share	(D.34.)	€ 4.54	€ 4.05

PRESENTATION OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2012 in k€	2011 in k€
Net profit for the period		**31,959.4**	**32,147.3**
Profits/losses from foreign currency translation		(153.1)	1,624.6
Profits/losses from currency translation joint ventures	(D.3.)	330.4	(206.6)
Profits/losses from available-for-sale-securities			
Change in unrealized profits/losses		9.0	(12.1)
– *thereof deferred income tax*		*6.1*	*3.1*
Profits/losses from cash flow hedge	(D.29.b)		
Change in unrealized profits/losses		4,978.8	(7,765.1)
– *thereof deferred income tax*		*(1,244.7)*	*1,941.3*
Realized profits/losses		2,742.1	(677.6)
– *thereof deferred income tax*		*(685.5)*	*169.4*
Other comprehensive income		**5,983.1**	**(4,923.0)**
Total comprehensive income after income tax		**37,942.5**	**27,224.3**
thereof:			
– *Non-controlling interests*		*630.3*	*5,107.6*
– *Shareholders of parent company*		*37,312.2*	*22,116.7*

2012 in k€	Notes	Share capital	Additional paid-in capital	Attributable to shareholders Other reserves Currency translation	Re-evaluation reserve
As at Jan 1, 2012		**13,600.0**	**23,703.4**	**2,290.4**	**(9.2)**
Other comprehensive income		0.0	0.0	622.4	15.1
Net profit for the period		0.0	0.0	0.0	0.0
Total comprehensive income		**0.0**	**0.0**	**622.4**	**15.1**
Acquisition of subsidiary	(B.1.)	0.0	0.0	0.0	0.0
Partial disposal of an investment in a subsidiary while control is retained	(D.11.)	0.0	0.0	0.0	0.0
Dividend	(D.11.)	0.0	0.0	0.0	0.0
As at Dec 31, 2012		**13,600.0**	**23,703.4**	**2,912.8**	**5.9**

2011 in k€	Notes	Share capital	Additional paid-in capital	Attributable to shareholders Other reserves Currency translation	Re-evaluation reserve
As at Jan 1, 2011		**13,600.0**	**23,703.4**	**1,402.8**	**(0.2)**
Other comprehensive income		0.0	0.0	887.6	(9.0)
Net profit for the period		0.0	0.0	0.0	0.0
Total comprehensive income		**0.0**	**0.0**	**887.6**	**(9.0)**
Partial disposal of an investment in a subsidiary while control is retained	(D.11.)	0.0	0.0	0.0	0.0
Dividend	(D.11.)	0.0	0.0	0.0	0.0
As at Dec 31, 2011		**13,600.0**	**23,703.4**	**2,290.4**	**(9.2)**

in the parent company

Hedging reserve	Accumulated results	Subtotal	Non-controlling interests	Group equity
(4,965.2)	**90,681.3**	**125,300.7**	**19,858.3**	**145,159.0**
5,790.7	0.0	6,428.2	(445.1)	5,983.1
0.0	30,884.0	30,884.0	1,075.4	31,959.4
5,790.7	**30,884.0**	**37,312.2**	**630.3**	**37,942.5**
0.0	0.0	0.0	151.2	151.2
0.0	148.3	148.3	148.3	296.6
0.0	(8,160.0)	(8,160.0)	(3,349.5)	(11,509.5)
825.5	**113,553.6**	**154,601.2**	**17,438.6**	**172,039.8**

in the parent company

Hedging reserve	Accumulated results	Subtotal	Non-controlling interests	Group equity
1,366.8	**71,136.5**	**111,209.3**	**18,122.3**	**129,331.6**
(6,332.0)	0.0	(5,453.4)	530.4	(4,923.0)
0.0	27,570.1	27,570.1	4,577.2	32,147.3
(6,332.0)	**27,570.1**	**22,116.7**	**5,107.6**	**27,224.3**
0.0	134.7	134.7	319.0	453.7
0.0	(8,160.0)	(8,160.0)	(3,690.6)	(11,850.6)
(4,965.2)	**90,681.3**	**125,300.7**	**19,858.3**	**145,159.0**

		Notes	2012 in k€	2011 in k€
	Profit before income tax		38,776.9	40,298.5
±	Depreciation/Write-ups		9,341.0	7,968.3
–	Gains from the reversal of investment grants		0.0	(46.5)
±	Losses/Gains from joint ventures		(2,850.9)	(1,742.4)
±	Expenses/Income from valuation of financial instruments		(318.7)	(23.3)
–	Gains from the retirement of tangible assets, intangible assets and securities	(D.20.)	(89.4)	(125.4)
+	Interest expenses	(D.23.)	2,745.7	2,934.0
–	Interest and securities income	(D.24.)	(1,038.1)	(844.5)
±	Unrealized gains/losses from currency translation		(266.8)	1,263.3
±	Change in inventories		(28,739.0)	(24,321.4)
±	Change in accounts receivable-trade and production contracts	(D.7., D.8.)	(19,844.6)	(26,810.7)
±	Change in other receivables		(6,184.4)	1,065.7
±	Change in accounts payable-trade and prepayments received		7,952.6	17,189.1
±	Change in other liabilities		6,171.4	(2,037.5)
±	Change in provisions (excluding income tax deferrals)		(439.8)	(16,660.2)
	Cash earnings		**5,215.9**	**(1,893.0)**
–	Interest paid	(D.23.)	(2,706.7)	(2,934.0)
+	Interest received and income of securities	(D.24.)	1,035.8	844.5
+	Dividend received of joint ventures	(D.3.)	0.0	804.2
–	Income tax paid		(7,214.6)	(9,664.2)
	Net cash flow from operating activities		**(3,669.6)**	**(12,842.5)**
–	Payments from increase in share capital joint ventures	(D.3.)	(1,500.0)	(1.5)
–	Payments made in connection with acquisition of subsidiary less acquired liquid funds	(B.1.)	(1,923.5)	0.0
–	Payments from the purchase of tangible and intangible assets and securities	(D.26.)	(14,051.0)	(10,907.9)
+	Proceeds from the sale of tangible and intangible assets and securities		551.9	296.2
	Net cash flow from investing activities		**(16,922.6)**	**(10,613.2)**
+	Partial disposal of an investment in a subsidiary while control is retained	(D.11.)	296.6	453.7
–	Dividends paid	(D.26.)	(8,160.0)	(8,160.0)
–	Dividends paid to non-controlling interests	(D.11.)	(3,349.5)	(3,690.6)
+	Proceeds from interest-bearing liabilities		95,176.1	60,815.4
–	Repayment of interest-bearing liabilities		(61,400.9)	(25,174.3)
	Net cash flow from financing liabilities		**22,562.3**	**24,244.2**
	Net change in cash on hands and in banks, checks		1,970.1	788.5
+	Cash on hand and in banks, checks at the beginning of the period	(D.9.)	11,457.6	10,540.5
±	Adjustment from currency translation		181.0	128.6
	Cash on hand and in banks, checks at the end of the period	(D.9.)	**13,608.7**	**11,457.6**

SCHEDULE OF PROVISIONS

2012 in k€	As at Jan 1, 2012	Currency differences	Allocation	Con- sumption	Reversal	Com- pounding	As at Dec 31, 2012
Current							
Personnel provisions	310.8	0.0	233.1	(295.9)	(3.0)	0.0	245.0
Provisions for warranties	7,389.5	(39.8)	7,330.9	(7,143.8)	(205.9)	0.0	7,330.9
Contract loss provisions	714.4	1.0	252.2	(292.4)	(423.0)	0.0	252.2
Provisions for income tax	310.5	6.1	840.8	(231.7)	0.0	0.0	925.7
Other provisions	3,313.4	(3.1)	1,158.3	(726.8)	(845.5)	0.0	2,896.3
	12,038.6	**(35.8)**	**9,815.3**	**(8,690.6)**	**(1,477.4)**	**0.0**	**11,650.1**
Non-current							
Provisions for long-service bonuses	1,965.0	0.0	544.4	(190.8)	0.0	94.4	2,413.0
Other non-current provisions	109.0	0.0	0.0	0.0	(46.5)	0.0	62.5
	2,074.0	**0.0**	**544.4**	**(190.8)**	**(46.5)**	**94.4**	**2,475.5**
	14,112.6	**(35.8)**	**10,359.7**	**(8,881.4)**	**(1,523.9)**	**94.4**	**14,125.6**

2011 in k€	As at Jan 1, 2011	Currency differences	Allocation	Con- sumption	Reversal	Com- pounding	As at Dec 31, 2011
Current							
Personnel provisions	321.6	0.0	298.9	(306.9)	(2.8)	0.0	310.8
Provisions for warranties	8,955.6	93.7	7,389.5	(8,642.6)	(406.7)	0.0	7,389.5
Contract loss provisions	2,448.1	0.5	714.4	(1,176.0)	(1,272.6)	0.0	714.4
Provisions for income tax	2,309.6	6.6	305.5	(2,203.1)	(108.1)	0.0	310.5
Other provisions	15,256.2	4.4	1,336.3	(13,087.3)	(196.2)	0.0	3,313.4
	29,291.1	**105.2**	**10,044.6**	**(25,415.9)**	**(1,986.4)**	**0.0**	**12,038.6**
Non-current							
Provisions for long-service bonuses	1,954.8	0.0	15.7	(89.3)	0.0	83.8	1,965.0
Other non-current provisions	115.9	0.0	0.0	(1.4)	(5.5)	0.0	109.0
	2,070.7	**0.0**	**15.7**	**(90.7)**	**(5.5)**	**83.8**	**2,074.0**
	31,361.8	**105.2**	**10,060.3**	**(25,506.6)**	**(1,991.9)**	**83.8**	**14,112.6**

The schedule of provisions for severance payments and pensions is contained under the item D.14. “Non-current provisions” in the Notes.

2012 in k€	Cost of acquisition or production As at Jan 1, 2012	Currency differences	Acquisition of sub-sidiary	Additions	Disposals	Adjust-ments	As at Dec 31, 2012
I. Tangible assets							
1. Land and buildings							
a) Land value	3,557.8	0.9	1,644.3	265.7	0.0	0.0	5,468.7
b) Office and plant buildings	49,651.0	(14.8)	2,129.0	3,088.0	7.7	284.2	55,129.7
c) Outside facilities	4,027.6	0.0	0.0	375.4	19.3	0.0	4,383.7
d) Investments in non-owned buildings	3,250.3	(6.9)	0.0	419.3	36.3	0.0	3,626.4
2. Undeveloped land	2,659.0	0.0	0.0	771.1	0.0	0.0	3,430.1
3. Technical equipment and machinery	23,351.2	(65.0)	388.3	3,197.2	1,199.2	1,121.9	26,794.4
4. Other equipment, furniture and fixtures	39,118.4	5.2	21.9	4,929.4	1,619.0	130.0	42,585.9
5. Prepayments and construction in progress	1,778.3	0.0	0.0	1,119.8	238.9	(1,536.1)	1,123.1
	127,393.6	**(80.6)**	**4,183.5**	**14,165.9**	**3,120.4**	**0.0**	**142,542.0**
II. Intangible assets							
1. Rights	4,000.0	(1.7)	9.8	574.6	61.0	0.0	4,521.7
2. Goodwill	0.0	0.0	813.6	0.0	0.0	0.0	813.6
	4,000.0	**(1.7)**	**823.4**	**574.6**	**61.0**	**0.0**	**5,335.3**
III. Securities	**435.3**	**0.0**	**0.0**	**60.5**	**0.0**	**0.0**	**495.8**
IV. Joint ventures	**4,370.7**	**330.4**	**0.0**	**4,350.9**	**0.0**	**0.0**	**9,052.0**
	136,199.6	**248.1**	**5,006.9**	**19,151.9**	**3,181.4**	**0.0**	**157,425.1**

Accumulated depreciation						Net book value	
As at Jan 1, 2012	Currency differences	Additions	Write-ups	Disposals	As at Dec 31, 2012	As at Dec 31, 2012	As at Dec 31, 2011
22.6	0.0	1.7	0.0	0.0	24.3	5,444.4	3,535.2
19,679.3	28.4	1,893.3	0.0	4.3	21,596.7	33,533.0	29,971.7
2,169.9	0.0	284.9	0.0	12.3	2,442.5	1,941.2	1,857.7
2,120.5	(2.7)	204.5	0.0	36.3	2,286.0	1,340.4	1,129.8
0.0	0.0	0.0	0.0	0.0	0.0	3,430.1	2,659.0
14,965.2	(38.7)	1,958.5	0.0	1,164.3	15,720.7	11,073.7	8,386.0
25,470.1	(0.5)	4,468.2	0.0	1,440.8	28,497.0	14,088.9	13,648.3
0.0	0.0	0.0	0.0	0.0	0.0	1,123.1	1,778.3
64,427.6	**(13.5)**	**8,811.1**	**0.0**	**2,658.0**	**70,567.2**	**71,974.8**	**62,966.0**
3,058.9	(1.5)	529.9	0.0	60.9	3,526.4	995.3	941.1
0.0	0.0	0.0	0.0	0.0	0.0	813.6	0.0
3,058.9	**(1.5)**	**529.9**	**0.0**	**60.9**	**3,526.4**	**1,808.9**	**941.1**
298.2	**0.0**	**0.0**	**0.0**	**0.0**	**298.2**	**197.6**	**137.1**
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**9,052.0**	**4,370.7**
67,784.7	**(15.0)**	**9,341.0**	**0.0**	**2,718.9**	**74,391.8**	**83,033.3**	**68,414.9**

2011 in k€	Cost of acquisition or production As at Jan 1, 2011	Currency differences	Acquisition of sub- sidiary	Additions	Disposals	Adjust- ments	As at Dec 31, 2011
I. Tangible assets							
1. Land and buildings							
a) Land value	3,526.8	31.0	0.0	0.0	0.0	0.0	3,557.8
b) Office and plant buildings	47,336.1	451.1	0.0	1,699.0	0.0	164.8	49,651.0
c) Outside facilities	4,020.5	0.0	0.0	14.0	6.9	0.0	4,027.6
d) Investments in non-owned buildings	2,943.3	6.3	0.0	302.1	1.4	0.0	3,250.3
2. Undeveloped land	2,659.0	0.0	0.0	0.0	0.0	0.0	2,659.0
3. Technical equipment and machinery	21,435.3	132.5	0.0	2,142.2	358.8	0.0	23,351.2
4. Other equipment, furniture and fixtures	36,319.6	65.3	0.0	5,128.7	2,438.9	43.7	39,118.4
5. Prepayments and construction in progress	223.9	0.0	0.0	1,775.2	12.3	(208.5)	1,778.3
	118,464.5	**686.2**	**0.0**	**11,061.2**	**2,818.3**	**0.0**	**127,393.6**
II. Intangible assets							
1. Rights	4,530.6	2.3	0.0	483.8	1,016.7	0.0	4,000.0
2. Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	4,530.6	**2.3**	**0.0**	**483.8**	**1,016.7**	**0.0**	**4,000.0**
III. Securities	**391.7**	**0.0**	**0.0**	**62.9**	**19.3**	**0.0**	**435.3**
IV. Joint ventures	**3,637.6**	**(206.6)**	**0.0**	**1,743.9**	**804.2**	**0.0**	**4,370.7**
	127,024.4	**481.9**	**0.0**	**13,351.8**	**4,658.5**	**0.0**	**136,199.6**

Accumulated depreciation						Net book value	
As at Jan 1, 2011	Currency differences	Additions	Write-ups	Disposals	As at Dec 31, 2011	As at Dec 31, 2011	As at Dec 31, 2010
20.9	0.0	1.7	0.0	0.0	22.6	3,535.2	3,505.9
17,726.4	252.4	1,700.5	0.0	0.0	19,679.3	29,971.7	29,609.7
2,006.1	0.0	264.6	97.0	3.8	2,169.9	1,857.7	2,014.4
1,993.8	3.1	125.0	0.0	1.4	2,120.5	1,129.8	949.5
0.0	0.0	0.0	0.0	0.0	0.0	2,659.0	2,659.0
13,703.3	125.3	1,489.4	0.0	352.8	14,965.2	8,386.0	7,732.0
23,662.2	72.4	4,044.5	0.0	2,309.0	25,470.1	13,648.3	12,657.4
0.0	0.0	0.0	0.0	0.0	0.0	1,778.3	223.9
59,112.7	**453.2**	**7,625.7**	**97.0**	**2,667.0**	**64,427.6**	**62,966.0**	**59,351.8**
3,633.2	2.6	439.6	0.0	1,016.5	3,058.9	941.1	897.4
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3,633.2	**2.6**	**439.6**	**0.0**	**1,016.5**	**3,058.9**	**941.1**	**897.4**
286.1	**0.0**	**12.1**	**0.0**	**0.0**	**298.2**	**137.1**	**105.6**
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4,370.7**	**3,637.6**
63,032.0	**455.8**	**8,077.4**	**97.0**	**3,683.5**	**67,784.7**	**68,414.9**	**63,992.4**

OPERATING SEGMENTS 2012[1)]

in k€	Austria	USA	Germany	Rest of Europe	Asia	Con-solidation	Group
External revenue	395,053.8	104,998.4	109,883.4	24,047.5	11,162.9	0.0	645,146.0
Internal revenue	51,834.5	39,833.7	47,989.3	2,571.6	2,225.2	(144,454.3)	0.0
Total revenue	**446,888.3**	**144,832.1**	**157,872.7**	**26,619.1**	**13,388.1**	**(144,454.3)**	**645,146.0**
Operating result (EBIT) before result of joint ventures	29,974.9	3,176.5	3,553.0	842.4	1,044.0	52.2	38,643.0
Segment assets	249,039.1	84,728.5	80,623.8	28,013.3	12,041.5	(48,043.4)	406,402.8
Segment liabilities	100,087.2	33,293.4	42,779.1	18,908.4	3,912.5	(49,050.8)	149,929.8
Investments	10,949.3	1,317.9	2,171.1	184.4	117.8	0.0	14,740.5
Depreciation	6,214.9	1,083.6	1,436.9	350.3	255.3	0.0	9,341.0
Results of joint ventures	2,850.9	0.0	0.0	0.0	0.0	0.0	2,850.9
Book value joint ventures	9,052.0	0.0	0.0	0.0	0.0	0.0	9,052.0
Employees (average)	1,066	574	538	103	47	0	2,328

OPERATING SEGMENTS 2011[1)]

in k€	Austria	USA	Germany	Rest of Europe	Asia	Con-solidation	Group
External revenue	280,948.7	119,767.9	105,228.2	23,189.9	12,464.2	0.0	541,598.9
Internal revenue	56,289.2	16,406.3	44,109.0	636.9	97.1	(117,538.5)	0.0
Total revenue	**337,237.9**	**136,174.2**	**149,337.2**	**23,826.8**	**12,561.3**	**(117,538.5)**	**541,598.9**
Operating result (EBIT) before result of joint ventures	25,521.2	8,959.6	4,515.3	1,667.0	875.9	59.0	41,598.0
Segment assets	210,665.2	61,231.9	70,131.7	14,940.0	5,845.9	(24,817.5)	337,997.2
Segment liabilities	101,448.2	18,156.3	31,411.8	9,253.6	2,395.1	(24,158.6)	138,506.4
Investments	6,474.9	1,997.8	2,617.1	170.4	284.8	0.0	11,545.0
Depreciation	5,479.3	821.2	1,194.9	369.6	200.3	0.0	8,065.3
Results of joint ventures	1,742.4	0.0	0.0	0.0	0.0	0.0	1,742.4
Book value joint ventures	4,370.7	0.0	0.0	0.0	0.0	0.0	4,370.7
Employees (average)	994	529	489	36	44	0	2,092

[1)] The segment report refers to the revenues and results earned by the individual segments both on their respective local market and from export sales.

INFORMATION ON BUSINESS UNITS

	Revenues		Segment assets		Investments	
in m€	2012	2011	2012	2011	2012	2011
Vehicles	443.0	370.0	335.5	267.5	10.3	7.1
Aerials	71.5	68.0	47.0	45.4	1.0	1.3
Fire fighting components	22.6	24.9	11.7	13.1	1.0	0.7
Fire & safety equipment	66.7	47.8	17.3	12.5	0.1	0.1
Business development	3.2	1.7	1.0	0.8	0.1	0.0
Service & spare parts	35.4	28.0	1.0	1.9	0.1	0.1
Others	2.7	1.2	8.0	7.1	2.1	2.2
Consolidation	0.0	0.0	(15.1)	(10.3)	0.0	0.0
Group	**645.1**	**541.6**	**406.4**	**338.0**	**14.7**	**11.5**

A. GENERAL REMARKS

1. General information and basis of preparation

The Rosenbauer Group is an internationally active corporation with an Austria-based parent company, Rosenbauer International AG. Its main focus is on the production of fire fighting vehicles, the development and manufacture of fire fighting components and the equipping of both vehicles and their crews. The Group head office is located at Paschinger Strasse 90, 4060 Leonding, Austria. The company is registered at the Linz Provincial Court under the company register number FN 78543 f.

These consolidated financial statements for Rosenbauer International AG and its subsidiaries for the financial year 2012 comply with the International Financial Reporting Standards (IFRS) as accepted in the European Union and are expected to be submitted by the Executive Board to the Supervisory Board in April 2013 and thereby approved for publication.

The consolidated financial statements are prepared in thousands of euro (k€) and unless expressly stated, this also applies to the figures quoted in the Notes.

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, derivative financial instruments and available-for-sale investments, which have been measured at fair value. The book values of recognized assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

2. Main effects of new accounting standards

In general, the accounting and valuation methods applied in 2012 correspond to those employed in the preceding year.

The following new, revised or amended IASB Standards and IFRIC interpretations have no relevance to the consolidated financial statements of Rosenbauer International AG:

Standards/Interpretations	Mandatory implemetation	Endorsement status
IAS 12: Income Taxes – Recovery of Underlying Assets (Issued: December 2010)	January 1, 2012	endorsed December 2012
IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Issued: December 2010)	July 1, 2011	endorsed December 2012
IFRS 7: Financial Instruments: Disclosures – Enhanced Derecognition (Issued: October 2010)	July 1, 2011	endorsed November 2011

3. Future changes in reporting and valuation methods due to new accounting standards

As well as the standards and interpretations already applied by the Group, at the time when these financial statements were approved for publication the following standards and interpretations had been issued but were not yet mandatorily applicable. The Group intends to apply these new or amended standards from the date stipulated for their mandatory entry into force.

The IASB issued amendments to IAS 1 in June 2011 which will lead to changes in how the statement of comprehensive income is presented. Individual constituents of the "Other comprehensive income" that will be reclassified into the "Net profit for the period" in future periods are disclosed separately from those which will not be reclassified into the "Net profit for the period" in future periods. The new Standard is mandatory for annual periods beginning on or after July 1, 2012.

The IASB issued amendments to IAS 19 "Employee Benefits" in June 2011, the main effect of which will be significant changes to the accounting for post-employment benefits. The elimination of certain options and smoothing mechanisms is intended to ensure that the full net commitment from defined-benefit plans will henceforth be disclosed in the balance sheet. This means that actuarial gains and losses will be recognized immediately, and in full, in "Other comprehensive income". Likewise, non-vested past service costs must be recognized immediately in profit or loss. The disclosure requirements in connection with defined-benefit plans have also been broadened. The new Standard is mandatory for annual periods beginning on or after January 1, 2013. Due to the abolition of the corridor approach, retroactive application will increase the "Provisions for severance compensation" by 4,661.9 k€ and the "Provisions for pensions" by 1,035.2 k€, to the detriment of "Other comprehensive income".

In May 2011, the IASB issued three new standards dealing with the treatment of subsidiaries, joint arrangements and the disclosure of interests held in other entities. IFRS 10 "Consolidated Financial Statements" includes a new and more thorough definition of the term "control", with the intention of creating a uniform basis for determining whether an entity should be included within the consolidated financial statements of the parent company. Under this new concept, an entity is deemed to have "control" if it possesses decision-making powers over the relevant processes, if it generates variable returns from the subsidiary, and if it has the ability to affect these returns by the exercise of its decision-making powers. What remains in IAS 27 is limited to rules on how to account for interests held in subsidiaries in separate financial statements.

The new Standard IFRS 11 "Joint Arrangements" supersedes IAS 31. It governs the accounting treatment of joint operations and joint ventures. In future, joint ventures will have to be included in the consolidated financial statements using the equity method in accordance with IAS 28; proportionate consolidation is no longer an option. Rosenbauer already accounts for joint ventures by the equity method.

IFRS 12 contains the disclosure requirements relating to an entity's interests in subsidiaries, joint arrangements and associates, which continue to be accounted for in accordance with IAS 28. The disclosures are considerably more extensive than those hitherto prescribed by IAS 27, 28 and 31.

These new standards are mandatory in the EU for annual periods beginning on or after January 1, 2014.

The effects of Standards IFRS 10 to 12 are currently being examined in detail but will in any case lead to considerably more extensive disclosures in the Notes.

The following Standards and Interpretations are not expected to have any material impact upon the consolidated financial statements of Rosenbauer International AG.

Standards/Interpretations	Mandatory implementation
IFRS 1: Government Loans (Issued: March 2012)	January 1, 2013
IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities (Issued: December 2011)	January 1, 2013
IFRS 9: Financial Instruments: Classification and Measurement (Issued: November 2009)	January 1, 2015
IFRS 13: Fair Value Measurement (Issued: May 2011)	January 1, 2013
IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine (Issued: September 2011)	January 1, 2013
IAS 28: Investments in Associates and Joint Ventures (Issued: May 2011)	January 1, 2013
IAS 32: Offsetting Financial Assets and Financial Liabilities (Issued: December 2011)	January 1, 2014
Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) (Issued: June 2012)	January 1, 2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (Issued: October 2012)	January 1, 2014
Improvements to IFRS 2009–2011 (Issued: May 2012)	January 1, 2013

B. CONSOLIDATION PRINCIPLES

1. Scope of consolidation

The companies included within the scope of consolidation are reported in the subsidiaries table (see item D.32. "Related party disclosure").

Subsidiaries are defined as companies over which the parent company has the power to exert a dominant influence with regard to financial and business policy. A dominant influence is given when the parent company holds more than half of the voting rights in a company. A dominant influence is also given when due to an agreement between one shareholder and others; the possibility exists to dispose over more than half of the voting rights.

For all subsidiaries over which the parent company holds directly or indirectly not more than half of the voting rights, there exists the contractual possibility of exerting a dominant influence.

Accordingly, subject to the application of IAS 27, the scope of consolidation includes two domestic and 16 international companies further to the parent company, which are under the legal and effective control of Rosenbauer International AG.

A subsidiary will first be consolidated from the point in time at which the parent company has the power to exert a dominant influence over the assets and the business of this subsidiary. All the subsidiaries included are fully consolidated.

A joint venture is a contractual agreement in which two or more parties undertake an economic activity subject to shared management. The equity method is applied to the investment for inclusion in the balance sheet and it is initially reported at the cost of acquisition. Subsequently, the book value of the investment rises or falls in accordance with the results of the joint venture company. The share of the Group in the profits and losses of the joint venture from the date of purchase are contained in the income statement.

The production joint venture established with Russian partners in Moscow (PA "Fire-fighting special technics" LLC., in which Rosenbauer holds a 49% stake), and the joint venture established in Spain with the co-owner and Managing Director of Rosenbauer Española (Rosenbauer Ciansa S.L., in which Rosenbauer has a 50% stake), were both reported applying the equity accounting method.

In 2011 Rosenbauer Deutschland GmbH and Rosenbauer Feuerwehrtechnik GmbH were amalgamated into Rosenbauer Deutschland GmbH. The new company is headquartered at Luckenwalde, near Berlin. The aim of this merger was to put Rosenbauer onto a more efficient footing on the German market by joining together its previously separate sales and service organizations.

As a further step to slim down the Group's structure, as well as for reasons of economic efficiency, the German corporation Rosenbauer Holding GmbH & Co. KG was folded into Rosenbauer International AG in 2011. The German corporation was formally deleted from the Register of Companies in 2012.

	Number of fully consolidated companies		Number of companies consolidated at equity	
	2012	2011	2012	2011
As at January 1	19	20	2	2
Acquisitions	1	0	0	0
Deletions	1	0	0	0
Mergers	0	1	0	0
As at December 31	**19**	**19**	**2**	**2**

Acquisitions in 2012

The purchase agreement for 90% of the shares in a Slovenian manufacturer was signed on November 30, 2012. The company was first consolidated as at December 1, 2012 and operates under the name of Rosenbauer d.o.o.

On the basis of the computed present values, the purchase price breaks down at the acquisition date as follows:

in k€	2012
Purchase price paid in cash	2,000.0
Liabilities added to purchase price	63.0
Deferred purchase-price consideration	137.0
Total purchase price	**2,200.0**

Total net assets acquired	1,540.4
Pro-rated net assets (90%)	1,386.4
Non-controlling interests (10%) valued with reference to the pro-rated net assets	154.0
Goodwill	813.6

The goodwill arising in the course of this acquisition essentially reflects the benefits expected from the extension of the market, and from synergies with other Group companies.

The valuation of the purchase-price breakdown is final, and the goodwill arising here is not useable for tax purposes. The goodwill has been allocated to the “Rest of Europe” Cash Generating Unit (CGU).

The net assets acquired, totalling 1,540.4 k€, break down as follows:

in k€	2012
Non-current assets	
Tangible assets	4,183.5
Intangible assets	9.8
	4,193.3
Current assets	
Inventories	754.9
Receivables	722.4
Cash on hand and in banks, cheques	76.5
	1,553.8
Non-current liabilities	
Non-current provisions	52.4
	52.4
Current liabilities	
Current interest-paying liabilities	1,152.3
Trade accounts payable	905.2
Other current liabilities	2,096.8
	4,154.3
Total net assets acquired	**1,540.4**

The fair value of the receivables totals 722.4 k€. The gross amount of the receivables also comes to 722.4 k€. None of the “trade accounts receivable” was impaired, and all contractually defined receivables are expected to be collectible

The net cash flow from the acquisition breaks down as follows:

in k€	2012
Net cash flow from investment activity	
Purchase price paid in cash	2,000.0
Minus cash on hand and in banks, cheques	76.5
Net cash flow from the acquisition	**1,923.5**

If the transaction had taken place as at January 1, 2012, the Group result would have been as follows:

in k€	2012
Revenues	649,800.3
Post-tax earnings	31,717.8
Earnings per share	4.50 €

In the month of December, the newly acquired company Rosenbauer d.o.o. posted revenues of 389.5 k€ and post-tax earnings of –154.2 k€.

2. Methods of consolidation

Business combinations are reported using the purchase accounting method. The costs of the entity acquired are recorded as the total of, firstly, the consideration given, recognized at the fair value obtaining at the acquisition date, and, secondly, of the non-controlling interests in the entity acquired. For every business combination, the acquirer measures the non-controlling interests in the acquired entity either at fair value or as the proportionate interest of the said NCIs in the net identifiable assets of the acquired entity. Costs incurred for effecting the business combination are recognized in "Other expenses".

Following a repeat assessment of identifiable assets, liabilities and contingent liabilities, in accordance with IFRS 3, a liabilities side difference is recognized immediately in the income statement. The goodwill derived from a purchase price allocation is not depreciated annually, but subjected to a value impairment test at the end of each year. The annual financial statements of the companies included in the consolidated financial statements are drawn up on the basis of uniform accounting and valuation standards. The individual financial statements of the companies included are prepared on the closing date of the consolidated financial statements. All receivables and liabilities, expenses and income derived from clearing between companies included in the scope of consolidation are eliminated. Interim results derived from asset transfers within the Group are also eliminated.

Non-controlling interests represent the proportion of the result and of the net assets which is not attributable to the Group, as all non-controlling interests existing in the Group were recognized at their pro-rata share of the remeasured net assets (partial goodwill method). Non-controlling interests are shown separately in the consolidated income statement and the consolidated balance sheet. In the consolidated balance sheet they are recognized under equity, separately from the equity attributable to the owners of the parent entity. The acquisition of non-controlling interests is reported as an equity transaction. In this case, the difference between the purchase price and the book value of the acquired proportion of the net assets is offset against accumulated results.

3. Currency translation

The annual financial statements of the companies included in the consolidated financial statements reporting in foreign currencies are translated into euro using the functional currency concept in accordance with IAS 21. In the case of all companies, the functional currency in which they complete their independent financial, business and organizational activities is the respective national currency. Therefore, all assets and debts are translated at the respective mean exchange rate on the balance-sheet date, expenses and income at mean annual rates.

Differences between the currency translation of asset and liability items in the current and preceding year, as well as translation differences between the consolidated balance sheet and the consolidated income statement, are recognized in the other comprehensive income.

The translation difference derived from the adjustment of equity as compared to initial consolidation is netted against Group reserves in the other comprehensive income. In the year under review, cut-off date translation dfferences of 177.3 k€ (2011: 1,418.0 k€) were allocated to the other comprehensive income.

The exchange rates established for currency translation demonstrate the following shifts:

	Closing rate		Mean annual rate	
in €	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
100 US dollar	75.9129	77.4054	77.4603	71.4264
100 Swiss franc	82.8844	82.1085	83.0254	81.0844
100 Singapore dollar	62.0540	59.4884	62.0724	56.9943
100 Brunei dollar	62.0540	59.4884	62.0724	56.9943
100 South African rand	8.9127	9.5438	9.4875	9.9077
100 Russian rouble	2.4850	2.3978	2.4923	2.4383

C. REPORTING AND VALUATION METHODS

The principle of uniform reporting and valuation is maintained by a directive which applies throughout the Group.

Assets

Tangible assets are valued at the cost of acquisition or production, less depreciation, accumulated value impairment, or the lower attainable amount. Depreciation is calculated using the linear method and takes place at the time an asset becomes operational. The cost of acquisition or production derives from the amount of cash or cash equivalents paid for the acquisition or production, or from the market value or other form of payment at the time of acquisition or production.

The following rates of depreciation are employed:

Plant buildings and other buildings	3.00% – 10.00%
Office buildings	2.00% – 4.00%
Technical equipment and machinery	10.00% – 25.00%
Other equipment, furniture and fixtures	10.00% – 33.33%

The residual book values, the depreciation method and useful life are examined on each balance-sheet date and adjusted where required.

As at December 31, 2012 and 2011 there were no investment properties retained for the purpose of obtaining rent or value added. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Group capitalizes borrowing costs for all eligible assets where construction was commenced on or after January 1, 2009. No main construction project was started since January 1, 2009. The Group continues to expense borrowing costs relating to construction projects that commenced prior to January 2009.

Intangible assets are valued at the cost of acquisition less depreciation. The rates of depreciation lie between 25.0% and 33.3%. Intangible assets with an undefined useful life are not subject to depreciation, but are submitted to an annual impairment test as at December 31. Depending on every single case, the examination will be implemented for every single asset or at the Cash Generating Unit level. Intangible assets with indefinite useful lives are tested for impairment annually as of December 31. Depreciation for intangible assets is included under the item "Depreciation on intangible and tangible assets".

Goodwill as defined in IFRS 3 is not systematically amortized, but is subjected to impairment review annually and whenever an impairment indicator has been identified. For the purpose of impairment review, goodwill is allocated to Cash Generating Units. The key criterion determining whether a production unit qualifies as a CGU is its technical and business independence for generating cash flows. The amount of any impairment loss needing to be recognized by a Cash Generating Unit is computed by comparing the carrying amount of the book value (including the allocated goodwill) to the higher of the net selling price and the "value in use". The "value in use" is computed as the present value of the relevant future cash inflows and outflows, based on the data from medium-range corporate planning. The discount rate is derived from the company's weighted cost of capital. If the amount so determined is less than the book value, an impairment loss in the amount of this difference must be recognized, primarily on goodwill. Any necessary impairment losses greater than the amount of the goodwill are to be spread across the remaining assets of the Cash Generating Units in proportion to the book value.

Impairment review is conducted for all of the company's capitalized goodwill. If the non-controlling interests were present-valued when an entity was acquired, impairment losses are to be apportioned among the various groups of partners. These losses are apportioned in accordance with the same formula as that by which the earnings of the subsidiary under consideration are distributed among the partners, provided that this subsidiary itself constitutes a Cash generating Unit to which goodwill has been attributed.

Once goodwill has been written-off because of an impairment loss, IFRS 3 prohibits any reversal of this write-off.

Pursuant to IAS 38 (Intangible Assets), research costs cannot be capitalized and are thus reported in their entirety in the income statement (2012: 12,226.0 k€; 2011: 12,093.0 k€). Development costs may only be capitalized if the prerequisite conditions exist in accordance with IAS 38. As at December 31, 2012 no development costs are capitalized (2011: 0.0 k€).

In the case of asset **impairments** other than financial assets where the recoverable amount (which corresponds to the higher of the cash value or the value in use), or the net selling price is below the respective book value, an impairment of the recoverable amount takes place in accordance with IAS 36 (Impairment of Assets). If the reasons for an impairment undertaken in the preceding year no longer apply a corresponding write-up is made. Tangible and intangible assets are deleted from the accounts either when the assets are retired or when no further economic benefit is expected to result from their sale or continued use.

If the recoverable amount for an asset cannot be identified, the asset is included in a Cash Generating Unit and subjected to an impairment test, whereby as a rule, the value in use is used as the recoverable amount. In the Rosenbauer Group, each of the legally autonomous company units constitutes a CGU.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In this case, the book value of the assets is increased to its recoverable amount. That increased amount cannot exceed the book value that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

The Group assesses at each balance-sheet date whether a **financial asset or group of financial assets** is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's book value and the present value of estimated future cash flows (excluding expected future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i. e. the effective interest rate computed at initial recognition). The book value of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in the income statement.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and this group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is – or continues to be – recognized, are not included in a collective assessment of impairment.

A **financial asset** (or, where applicable a part of a financial asset or part of a group of similar financial assets) is written-off when any of the following three conditions applies:

a) the rights to receive cash flows from the asset have expired;
b) the Group retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a pass through arrangement (IAS 39.19);
c) the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Upon initial recognition, financial assets are designated at fair value.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and receivables are valued at amortized cost using the effective interest method, less allowance for impairment. Profits and losses are reported under the result for the period, in which the loans and receivables are written-off or are impaired. Receivables in foreign currency are valued at the mean exchange rate obtaining on the balance-sheet date.

As required by the hedge-accounting rules of IAS 39 (Financial Instruments), **derivative financial instruments** are generally recorded at present value in the other comprehensive income, if the financial instruments in question relate to a hedge item shown in the balance sheet. Profits and losses arising from changes in the fair value of derivative financial instruments during the financial year that do not fulfill the criteria for balance-sheet treatment as a hedge, and any ineffective component of an otherwise effective hedging instrument, are immediately recognized in profit or loss. Removal from the balance sheet takes place when the power of disposition is lost. Derivatives with a positive fair value at the closing date are shown under "Current receivables", and those with a negative fair value under "Other current liabilities". Hedging policy, as well as the financial instruments existent on the balance-sheet date, is described in detail under the item D.29. "Risk management".

Securities are assigned to the "available for sale" category. Upon initial recognition, available-for-sale financial assets are measured at fair value, with any unrealized gains or losses being recorded in the other comprehensive income, in the unrealized gains reserve. When financial investments are disposed of, the cumulative gain or loss previously recorded in the revaluation reserve by way of other comprehensive income is reposted to the income statement. If an available-for-sale financial asset is impaired, the cumulative loss previously recorded in the revaluation reserve by way of other comprehensive income is recognized in the income statement. Interest earned from, or paid on, financial investments is reported as interest income or interest expense.

Accounts receivable-trade are measured at amortized cost. Where objective indications exist, value impairments are taken into account in accordance with IAS 39. Impaired debts are written-off when they are assessed as uncollectible. Other receivables are generally valued at the continued costs of acquisition. In addition to other receivables, they consist of both derivative hedge-related financial instruments, and derivative financial instruments for which hedge accounting is inapplicable.

The **cash and cash equivalents** reported under the item "Cash on hand and in banks, checks", such as cash and bank balances are valued at the current value on the reporting date.

The **fair value of financial assets** which are traded on organized markets is determined by the market price (quotation) on the balance-sheet date.

Deferred **tax assets** are to be carried for all taxable temporary differences between the values in the IFRS consolidated balance sheet and the taxation value. In accordance with IAS 12, these deferrals are calculated using the balance-sheet liability method. Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit.

Furthermore, no deferred income tax liabilities are recognized in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized in the other comprehensive income is recognized in the other comprehensive income and not in the income statement.

Asset-side tax deferrals on loss carryforwards are formed to the extent to which consumption within a determinable period can be anticipated.

The book value of deferred income tax assets is reviewed at each balance-sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance-sheet date and are recognized to the extent that is has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured with reference to the tax rates which may be expected to apply in the period in which the underlying asset is realized or the underlying debt is discharged.

The tax rates and tax laws used to compute the amount are those that are in force of the balance-sheet date.

Inventories are valued at the cost of acquisition or production or at the lower net realizable value (market price) on the reporting date. The calculation of the cost of acquisition or production for identical assets takes place using the weighted average cost method or similar procedures. Production costs only include directly attributable expenses and pro rata overheads subject to the assumption of a normal use of capacity. Interest for loans is not reported.

Production contracts which allow a reliable profit estimate are valued at pro rata selling prices (percentage of completion method). The estimate of progress is made according to the ratio of actual costs to anticipated overall expenditure (cost to cost). Should a reliable profit estimate for a production contract not be possible, the order proceeds are only to be reported to the amount of the order costs which can probably be recovered. If it is likely that the entire order costs will exceed the entire order proceeds, then the anticipated loss is immediately recognized as an expense.

Liabilities

a) PENSIONS AND OTHER POST EMPLOYMENT BENEFITS

Under national law, in the case of dismissal or upon attainment of retirement age, employees of Austrian corporations whose employment commenced by December 31, 2002 are entitled to a one-off severance payment. The amount of this payment is dependent on the number of years' service and the remuneration at the time of severance. The provisions for severance payments are calculated in a uniform manner on the reporting date using the project unit credit method, an interest rate of 3.5% p.a. (2011: 5.1% p.a.) and a dynamic rate of 4.0% p.a. (2011: 4.0% p.a.) for future increases in remuneration. If the balance of the accumulated non-recognized actuarial gains and losses at the end of the previous reporting period exceeds 10% of the cash value of the obligation (corridor method), this excess has to be allocated by the expected average remaining working lives of the employees participating in that plan.

Past service cost has to be recognized over the period until the benefits concerned are vested. As long as benefits concerned are vested immediately after introduction of or change in a pension plan, past service cost has to be recognized immediately in the income statement.

Apart from invalidity and mortality rates (basis: Pagler & Pagler actuarial tables) and the end of the employment relationship upon attainment of the age of retirement, an annual rate of 1.5% is applied for premature terminations of employment with a severance payment entitlement. The calculation is based on the individual age of retirement according to the Austrian pension reform in regard of a gradual approach of the age of retirement.

In addition, fluctuation deductions in line with the number of years of service were also taken into account. These amount to 5% in the first year of service, 2% in the second year and 0.25% in the third to fifth year. Appropriate provisions calculated on the basis of actuarial principles counterbalance payment obligations. The provision for performance-related pension schemes reported in the balance sheet corresponds with the present value of the defined benefit obligation (DBO) on the balance-sheet date, adjusted by accumulated unrecognized actuarial gains and losses and unrecognized service expenses requiring subsequent offsetting.

In the case of existing pension entitlements established within the framework of company agreements, payments are calculated on the basis of the eligible years of service in the form of a fixed annual amount. This fixed sum is modified upon retirement according to pensionable individual income. Current pensions are subject to regular examination with regard to indexing and are paid fourteen times annually.

The pension obligation is determined on the basis of the following parameters:

	Interest rate		Remuneration increase		Pension increase	
	2012	2011	2012	2011	2012	2011
Austria	3.5%	5.1%	4.0%	4.0%	3.5%	3.5%
Germany	3.5%	5.1%	1.5%	1.5%	1.5%	1.5%

Apart from the performance-related system, employees in Austria who entered employment from January 1, 2003 onward have access to a contribution-related pension scheme. A mandatory amount of 1.53% of gross remuneration is to be paid into an employee pension fund, which is reported under “Personnel expenses”. In Germany, contributions totaling 2,013.9 k€ (2011: 1,928.4 k€) were paid in to the German pension insurance system, which constitutes a contribution-related pension scheme. As there are no other obligations over and above these contribution payments, there is also no need for provisioning (i. e. same situation as in Austria). Details are contained in the Notes under the item D.21. “Personnel expenses and employees”.

b) OTHER NON-CURRENT/CURRENT LIABILITIES

The other **provisions** carried under the non-current and current liabilities cover all the risks recognizable up to the reporting date derived from uncertain liabilities and are recognized to an amount determined as the most probable following careful examination of the facts.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The **provisions for long-service bonuses** are calculated in a uniform manner on the reporting date using the projected unit credit method, an interest rate 3.5% p.a. (2011: 5.1% p.a.) and a dynamic rate of 4.0% p.a. (2011: 4.0%) for further increase in remunerations. In addition, fluctuation deductions in line with the number of years of service were also taken into account. These amounts to 5% in the first year of service, 2% in the second year and 0.25% in the third to fifth year. Apart from invalidity and mortality rates (basis: Pagler & Pagler actuarial tables) and the end of the employment relationship upon attainment of the age of retirement, an annual rate of 1.5% (2011: 1.5%) is applied for premature terminations of employment with a severance payment entitlement.

At the first time **liabilities** are reported at the cost of acquisition (corresponds to the fair value). Subsequent measurement is effected at amortized cost in accordance with the effective interest-rate method. Liabilities in foreign currency are valued at the mean foreign exchange rate on the balance-sheet date.

A **financial liability** is written-off when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a write-off of the original liability and the recognition of a new liability, and the difference in the respective book values, are recognized in the income statement.

Government grants are recognized where there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government grants relating to an asset are recognized in the consolidated balance sheet as deferred income. This deferred income is included in "Other liabilities" and is recognized in profit or loss in equal annual installments over the expected useful life of the asset in question.

For long-term funding which is provided by research support funds and contains an interest subsidy, the interest advantage is quantified by juxtaposing the amount received and the discounted amount.

Foreign currency translation

Monetary items in foreign currencies are translated into the functional currency on the balance-sheet date at the exchange rate on the closing date. Non-monetary items reported according to the cost of acquisition method are reported unchanged at the exchange rate on the date of initial booking. Non-monetary items that are recognized at fair value in a foreign currency are translated at the exchange rate obtaining at the time when such fair value was determined. Currency differences derived from the translation of monetary items are recognized in the income statement. All differences are taken to profit or loss with the exception of differences on foreign currency liabilities that provide a hedge against a net investment in a foreign entity.

Income realization

The proceeds from the sale of products and goods are realized at the point in time at which the risks and opportunities are transferred to the purchaser. Gains on interest are realized on a pro rata temporis basis taking into account the effective interest on the asset. Dividends are reported with the origination of a legal entitlement. Rental income is recognized on a straight line basis over the lease terms. Income realization for long-term orders going beyond the balance-sheet date is effected subject to the percentage of completion method.

Estimates

To a certain extent, the compilation of the consolidated financial statements requires the use of estimates and assumptions, which can influence the values reported for assets and liabilities, the other liabilities on the balance-sheet date and income and expenses for the period under review. The effective future values may deviate from the estimates.

The most important future-related assumptions, which could result in significant risk in the form of a material adjustment of the book values of assets and liabilities in the coming financial year, are explained below.

In the case of the receivables, certain assumptions have to be made regarding the likelihood of non-payment (details please see the items D.4. “Non-current receivables” and D.8. “Current Receivables”).

The amount of the provision made for warranties is the present value of the best possible estimate, based on empirical values, of the likely total of these costs (2012: 7,330.9 k€; 2011: 7,389.5 k€).

The proceedings at the German Federal Cartel Office against several manufacturers of fire fighting vehicles were concluded when official notice of the fines was served in February 2011. Since then, moves have been underway to settle damages under private law. Rosenbauer, the German municipal umbrella organizations and another affected vehicle manufacturer jointly commissioned an independent expert report which has calculated the economic harm done to the local authorities, and drawn up a proposal for settling the damages. In response, Rosenbauer has set aside a provision in the amount of the expected damages settlement. The question of whether any other substantive damages claims by third parties can be enforced and thus have a material impact, and if so, for what amount, is impossible to judge at the present time.

Regarding the turntable-ladder cartel, the municipal umbrella organizations and the manufacturers concerned are preparing to commission an independent expert report to determine the extent of any economic harm incurred and to elaborate an appropriate settlement proposal. The size of any compensation payments which may result from this process is impossible to judge at the present time.

The Rosenbauer Group employs actuarial tables for the calculation of provisions for pensions. The calculations are based on assumptions concerning the discount rate, as well as increases in wages, salaries and pensions. The discount rate is oriented towards specific, first class industrial bonds. The balance-sheet provision as at December 31, 2012 amounted to 14,053.5 k€ (2011: 13,716.6 k€) for severance payments and 4,427.5 k€ (2011: 4,549.6 k€) for pensions. The present values of the respective benefit obligations at December 31 were 18,715.4 k€ (2011: 16,204.6 k€) for severance payments and 5,462.7 k€ (2011: 4,502.1 k€) for pensions. A reduction of the discount rate from 3.5% to 3.0% would result in present values, for the respective benefit obligations, of 19,611.6 k€ for severance payments and of 5,812.6 k€ for pensions. An increase of the discount rate from 3.5% to 4.0% would result in present values, for the respective benefit obligations, of 17,749.3 k€ for severance payments and of 5,172.6 k€ for pensions.

More detailed information concerning the provision for pensions is contained in the description of the accounting and valuation methods, as well as the calculations contained under the item D.14. “Non-current provisions”.

The basis for the capitalization of deferred tax assets is provided by both the business plans of the subsidiaries and tax planning calculations. If, on the basis of these forecasts, an existing loss carryforward will not be consumed within an appropriate period of three to five years, this loss carryforward is not capitalized. Deferred tax assets of loss carryforwards of 1,345.8 k€ (2011: 275.3 k€) were capitalized in 2012. In 2012, there were no loss carryforwards for which no deferred tax assets had been recognized on the grounds of insufficient certainty regarding their effectiveness as definitive tax relief (2011: 0.0 k€).

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

D. NOTES TO THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

1. Tangible and intangible assets

The assets combined in the consolidated balance sheet and the related movements are shown in the movement in the consolidated assets table. As in the preceding year, the tangible assets contain no real estate held as a financial investment.

The future expenses from operating leasing contracts, which involve only tangible assets, were structured as follows:

in k€	Dec 31, 2012	Dec 31, 2011
In the following year	2,341.9	1,819.7
In the following 1 to 5 years	8,007.3	6,566.6
Over 5 years	6,989.2	7,987.3

Payments from operative leasing agreements which are carried in the result for the period amounted to 2,110.7 k€ (2011: 1,760.7 k€). The operating leasing contracts essentially relate to rental agreements for real property and machinery.

The tangible assets held under finance leasing arrangements break down as follows:

in k€	Dec 31, 2012	Dec 31, 2011
Value of developed land	1,420.2	0.0
Business and factory premises	988.9	0.0
Technical equipment and machinery	277.1	0.0
	2,686.2	**0.0**

The respective leasing liabilities are disclosed under “Other current liabilities”, broken down by maturities.

As at December 31, 2012, the order liability for tangible assets in the Group amounted to 1,802.8 k€ (2011: 3,073.7 k€). During the 2012 financial year, no impairments were undertaken on tangible and intangible assets (2011: 0.0 k€). No write-ups were made in 2012 (2011: 97.0 k€). The write-ups have been recognized in “Other income”.

Construction in progress amounting to 1,123.1 k€ (2011: 1,778.3 k€) is reported in the movement in the consolidated assets table.

No tangible assets were pledged as hedging for liabilities (2011: 0.0 k€). There are no limitations with regard to rights of disposal.

The intangible assets contain software licenses and rights in the amount of 995.3 k€ (2011: 941.1 k€). The depreciation of the financial year 2012 amounted to 529.9 k€ (2011: 439.6 k€).

2. Securities

The securities reported in the consolidated financial statements in the amount of 197.6 k€ (2011: 137.1 k€) are in the available-for-sale category. These securities are fixed-interest bank and corporate bonds.

3. Joint ventures

The production joint venture established with Russian partners in Moscow (PA “Fire-fighting special technics” LLC., in which Rosenbauer holds a 49% stake), and the joint venture established in Spain with the co-owner and Managing Director of Rosenbauer Española (Rosenbauer Ciansa S.L., in which Rosenbauer has a 50% stake), were both reported applying the equity accounting method.

The following tables contain a summary of the financial information on the Group's equity interest in both joint ventures.

Changes in value of equity interest of joint venture Russia:

in k€	2012	2011
As at January 1	3,165.0	2,140.1
Capital payment	1,500.0	0.0
Share of gains/losses	3,044.7	2,035.7
Dividend	0.0	(804.2)
Currency differences	330.4	(206.6)
As at December 31	**8,040.1**	**3,165.0**

Rosenbauer increased its stake in the production joint venture PA "Fire-fighting special technics" LLC. in Moscow from 34% to 49% in the fourth quarter of 2012; the remaining interests are held by local partners. The purchase price for the increase was 1,500 k€.

Changes in value of equity interest of joint venture Spain:

in k€	2012	2011
As at January 1	1,205.7	1,497.5
Capital payment	0.0	1.5
Share of gains/losses	(193.8)	(293.3)
As at December 31	**1,011.9**	**1,205.7**

Group's share of the assets and debts, and earnings and expenses, of the joint venture in Russia:

in k€	2012	2011
Non-current assets	147.9	108.0
Current assets	11,636.9	7,318.7
Current liabilities	3,744.7	4,261.7
Revenues	32,976.9	24,493.1
Expenses	29,932.2	22,457.4

Group's share of the assets and debts, and earnings and expenses, of the joint venture in Spain:

in k€	2012	2011
Non-current assets	3,349.5	3,256.5
Current assets	888.5	1,108.6
Non-current liabilities	1,876.6	2,112.2
Current liabilities	1,349.5	1,047.2
Revenues	873.3	498.9
Expenses	1,067.1	792.2

4. Non-current receivables

in k€	Dec 31, 2012	Dec 31, 2011
Other liabilities	35.3	75.3

The other receivables with a period to maturity of between one and five years totaled 35.3 k€ (2011: 75.3 k€). Other receivables with a period to maturity in excess of five years totaled 0.0 k€ (2011: 0.0 k€).

5. Deferred tax

Differences between the values in the consolidated tax and IFRS balance sheets derive from the following difference amounts or deferred taxes:

	2012		2011	
	Deferred tax assets/liabilities		Deferred tax assets/liabilities	
in k€	Asset-side	Liabilities-side	Asset-side	Liabilities-side
Open one-seventh depreciation pursuant to §12 (3) Austrian Corporation Income Tax Act (KStG)	267.8	0.0	393.8	0.0
Foreign exchange forwards, securities (recognized at fair value in equity)	322.4	599.5	1,883.8	225.6
Foreign exchange forwards, securities (recognized in the income statement)	58.2	83.6	115.2	58.2
Valuation differences of receivables	0.0	88.0	0.0	85.0
Profit recognition from production contracts	0.0	1,706.8	0.0	542.1
Special tax allowances	188.2	648.6	0.0	638.7
Valuation differences of other provisions and liabilities	1,850.3	0.0	1,708.2	349.6
Capitalized loss carryforwards	332.0	0.0	82.6	0.0
Others	289.8	1.9	203.9	42.9
Asset-side/Liabilities-side deferred tax	**3,308.7**	**3,128.4**	**4,387.5**	**1,942.1**
Netting of asset-side and liabilities-side deferred tax	(1,986.9)	(1,986.9)	(1,213.0)	(1,213.0)
	1,321.8	**1,141.5**	**3,174.5**	**729.1**

1,348.8 k€ (2011: 275.3 k€) of deferred tax assets on loss carryforwards are reported in the balance sheet as at December 31, 2012. In 2012, there were no loss carryforwards for which no deferred tax assets had been recognized on the grounds of insufficient certainty regarding their effectiveness as definitive tax relief (2011: 0.0 k€). Deferred tax liabilities amounting to 2,104.4 k€, arising from the difference between the tax value of equity interest and net assets as per IFRS financial statements, have not been recognized, as the parent entity has the ability to control the timing with which the temporary differences are realized, and these are in any case unlikely to reverse in the foreseeable future.

6. Inventories

in k€	Dec 31, 2012	Dec 31, 2011
Raw materials and supplies	56,898.2	51,912.6
Chassis	41,222.1	26,646.8
Work in progress	34,642.9	29,784.0
Finished goods and goods for resale	34,599.9	26,921.5
Goods in transit	3,434.3	5,673.1
Prepayments made	3,010.3	3,375.8
	173,807.7	**144,313.8**

The inventories contain accumulated value impairments amounting to 7,800.7 k€ (2011: 7,159.4 k€). The amount of 2,179.2 k€ (2011: 1,973.5 k€) concerning the value impairment in the current year is included in the income statement under costs of goods sold. There were no value write-ups in the current financial year (2011: 0.0 k€) and no inventories were pledged as hedging for liabilities. The balance-sheet value of the inventories reported corresponds with the lower of value at the cost of acquisition or production and net selling price.

7. Production contracts

in k€	Dec 31, 2012	Dec 31, 2011
Production contracts		
– costs up to the balance-sheet date	54,870.5	55,241.2
– gains up to the balance-sheet date	12,287.9	7,476.9
– prepayments received	(7,269.2)	(9,732.6)
	59,889.2	**52,985.5**

Depending on the degree of completion, the "Production contracts" include vehicle superstructures and chassis. All production contracts have a residual period of less than one year. Sales revenues include income from production contracts in the amount of 67,158.4 k€ (2011: 62,718.1 k€).

8. Current receivables

in k€	Dec 31, 2012	Dec 31, 2011
Accounts receivable-trade	81,464.4	67,869.7
Receivables from derivates	2,695.9	1,076.4
Income-tax receivables	1,588.0	436.6
Receivables from other taxes	6,308.5	3,021.6
Other receivables	7,643.7	4,311.3
	99,700.5	**76,715.6**

The value impairments on receivables relate exclusively to the accounts receivables-trade reported under the current receivables. An amount of 36.3 k€ (2011: 113.2 k€) in value impairments for 2012 is reported under other expenses. These refer entirely to specific bad-debt provisions. No impairments occurred with regard to other financial instruments.

in k€	2012	2011
Value impairments as at January 1	1,091.7	1,923.4
Allocations	36.3	113.2
Consumption	(79.2)	(33.8)
Reversals	(516.6)	(911.1)
Value impairments as at December 31	**532.2**	**1,091.7**

The following table shows the expenses for the complete write-off of receivables as bad debts, as well as income from the entry of written-off receivables.

in k€	Dec 31, 2012	Dec 31, 2011
Expenses for the write-off of receivables	78.6	1.7

9. Cash on hand and in banks, checks

in k€	Dec 31, 2012	Dec 31, 2011
Bank balances	13,395.0	11,226.6
Cash and short-term deposits	213.7	231.0
	13,608.7	**11,457.6**

On the reporting date, there were no drawing restrictions on the amounts carried under this item.

10. Equity

The 20th Annual General Meeting of Rosenbauer International AG on May 25, 2012 approved the proposed dividend of 1.2 € per share.

The additional paid-in capital derives from the new shares issued in 1994 via the Vienna Stock Exchange and constitutes a committed additional paid-in capital which is not available for the payment of dividends. The individual financial statements of the company prepared according to Austrian Companies Act (UGB) provide the basis for the proposal for the distribution of profits.

The item “Other reserves” contains the offset item for currency translation, the revaluation and hedging reserves. The offset item for currency translation carries the difference from the adjustment of equity as compared to initial consolidation. In addition, this item also contains the differences from currency translations relating to asset and liability items, as compared to the translation of the preceding year, as well as translation differences between the consolidated balance sheet and income statement.

The change in the hedging reserve derives from the fair value valuation of currency futures subject to IAS 39. Details concerning the reserves can be obtained from the Changes in equity table.

11. Non-controlling interests

Non-controlling interests contains with regard to the following subsidiaries:

	2012	2011
Rosenbauer Española S.A., Spain, Madrid	37.89%	37.89%
Rosenbauer America, LLC., USA, South Dakota	50.00%	50.00%
Rosenbauer Minnesota, LLC., USA, Minnesota	50.00%	50.00%
Rosenbauer South Dakota, LLC., USA, South Dakota	50.00%	50.00%
Rosenbauer Motors, LLC., USA, Minnesota	57.50%	55.00%
Rosenbauer Aerials, LLC., USA, Nebraska	75.00%	75.00%
Eskay Rosenbauer Sdn Bhd, Brunei	20.00%	20.00%
Rosenbauer d.o.o., Slovenia, Radgona	10.00%	–

A 5% stake in the American company Rosenbauer Motors was sold in 2012, at a price of 296.6 k€. This partial disposal did not result in loss of control. The change in the relative shareholding may be seen from the item D.32. “Related-party disclosures”.

In 2012, 3,349.5 k€ (2011: 3,690.6 k€) were distributed among minority shareholders in Group subsidiaries.

12. Non-current interest-bearing liabilities

This item contains all interest-bearing liabilities to banks and the Austrian Research Promotion Fund with a remaining period to maturity of over one year. Details concerning financial liabilities are contained under the item D.29. “Risk management”.

in k€	Dec 31, 2012	Dec 31, 2011
Liabilities to banks and the Austrian Promotion Fund Research	10,843.8	11,031.3

13. Other non-current liabilities

in k€	Dec 31, 2012	Dec 31, 2011
Other non-current liabilities	2,719.2	3,199.8

In 2012 and 2011, the non-current liabilities mainly relate to export financing.

14. Non-current provisions

a) PROVISIONS FOR SEVERANCE PAYMENTS

Details concerning the provisions for severance payments are contained in the description of the accounting and valuation methods. The transfer of cash values to the provisions for severance payments reported in the consolidated balance sheet is structured as follows:

in k€	2012	2011
Cash value of the obligation	18,715.4	16,204.6
Not yet recognized actuarial losses	(4,661.9)	(2,488.0)
Provisions as at December 31	**14,053.5**	**13,716.6**

in k€	2012	2011
Provisions as at January 1	13,716.6	15,087.2
Service expense	782.0	757.9
Interest expense	792.1	740.8
Recognized actuarial losses	63.0	27.7
Ongoing payments	(1,300.2)	(2,897.0)
Provisions as at December 31	**14,053.5**	**13,716.6**

The cash value of the obligation for the current year as well as the preceding years is structured as follows:

in k€	2012	2011	2010	2009	2008
Cash value of the obligation as at December 31	18,715.4	16,204.6	16,525.7	15,466.3	14,140.1
Experience-related adjustments	1.8%	(8.1%)	5.0%	(1.2%)	(3.9%)

b) PROVISIONS FOR PENSIONS

Details concerning the provisions for pensions are contained in the description of the accounting and valuation methods. The transfer of cash values to the provisions for pensions reported in the consolidated balance sheet is structured as follows:

in k€	2012	2011
Cash value of the obligation	5,462.7	4,502.1
Not yet recognized actuarial gains/losses	(1,035.2)	47.5
Provisions as at December 31	**4,427.5**	**4,549.6**

in k€	2012	2011
Provisions as at January 1	4,549.6	4,589.1
Service expense	26.6	31.5
Interest expense	217.4	211.6
Recognized actuarial gains	(69.8)	0.0
Ongoing payments	(296.3)	(282.6)
Provisions as at December 31	**4,427.5**	**4,549.6**

The cash value of the obligation for the current year as well as the preceding years is structured as follows:

in k€	2012	2011	2010	2009	2008
Cash value of the obligation as at December 31	5,462.7	4,502.1	4,950.0	4,666.2	4,375.3
Experience-related adjustments	2.5%	(2.8%)	(3.8%)	0.6%	0.4%

c) OTHER NON-CURRENT PROVISIONS

in k€	Dec 31, 2012	Dec 31, 2011
Provisions for long-service bonuses	2,413.0	1,965.0
Other non-current provisions	62.5	109.0
	2,475.5	**2,074.0**

The change in non-current provisions for 2012 under the item c) is contained in the schedule of provisions.

15. Current interest-bearing liabilities

Apart from production and investment loans, this item also includes the ongoing account overdrafts as at December 31 of the respective balance-sheet date. Details concerning the financial liabilities are contained under the item D.29. “Risk management”.

16. Accounts payable-trade

All accounts payable-trade in the amount of 45,304.7 k€ (2011: 44,653.6 k€) mature within one year.

17. Other current liabilities

in k€	Dec 31, 2012	Dec 31, 2011
Tax liabilities	4,061.9	2,148.3
Liabilities from social security contributions	1,532.6	1,365.9
Liabilities from derivates	1,494.5	7,914.7
Other liabilities	36,528.5	29,505.0
	43,617.5	**40,933.9**

The overwhelming majority of the other liabilities consist of commission obligations to international commercial agents and personnel obligations.

18. Other provisions

The other provisions contain cover for guarantees and risks in the sales area, as well as provisions from the personnel area. The remaining current provisions for 2012 are contained in the schedule of provisions.

19. Revenues

Revenues derive mainly from the completion of orders. Information concerning the revenue structure is contained in the product segment sections as well as in the segment reporting under the item D.27. “Segment reporting”.

20. Other income

in k€	2012	2011
Income from retirement of tangible and intangible assets	89.4	125.4
Own work capitalized	157.4	61.8
Costs passed on to third parties	1,289.2	929.3
Public subsidies	650.6	685.5
Rental income and income from insurance policies	392.4	635.9
Dísposal of value impairments	516.6	911.1
Gains on exchange	933.8	5,079.9
Sundry	1,321.7	2,393.8
	5,351.1	**10,822.7**

The “Other income” includes licensing income, releases of value adjustments, releases of investment grants and damages claims.

21. Personnel expenses and employees

in k€	2012	2011
Wages	53,562.3	45,248.4
Salaries	50,346.8	46,582.6
Expenses for severance payments and pensions	999.1	1,242.6
Expenses for the company employee pension fund	419.3	332.1
Expenses for mandatory social security payments as well as wage-related taxes and obligatory contributions	20,577.4	18,577.1
Other social security expenses	2,020.0	1,812.3
	127,924.9	**113,795.1**

Average number of employees

	2012	2011
Blue-collar	1,377	1,224
White-collar	837	756
Apprentices	114	112
	2,328	**2,092**

22. Other expenses

in k€	2012	2011
Taxes other than income taxes	535.1	507.6
Administrative expenses	29,848.8	21,836.3
Marketing and sales expenses	16,760.9	16,337.7
	47,144.8	**38,681.6**

This item consists of maintenance, legal, auditing and consulting costs, external services, expenses for events, rents and leases, as well as the cost of the marketing and sales department.

The exchange-rate differences recognized in profit or loss in 2012 total 2.2 k€ (2011: 58.4 k€).

23. Financial expenses

in k€	2012	2011
Interest and other expenses	2,745.6	2,934.0
Interest on non-current personnel provisions	1,009.5	952.4
	3,755.1	**3,886.4**

The item “Interest and other expenses” contains the change in the fair value of the derivative financial instruments recognized in the income statement; this change in value amounted to 72.7 k€ (2011: 28.9 k€).

24. Financial income

in k€	2012	2011
Income on securities	9.6	6.1
Other interest and similar income	1,028.5	838.4
	1,038.1	**844.5**

The item “Other interest and similar income” contains the change in the fair value of the derivative financial instruments recognized in the income statement; this change in value amounted to 110.8 k€ (2011: 26.0 k€).

25. Income tax

in k€	2012	2011
Expense for current income tax	6,425.2	8,152.9
Change in deferred income tax	392.3	(1.7)
	6,817.5	**8,151.2**

The reasons for the difference between the calculated income tax expense and effective tax expense in the Group are explained in the following table.

in k€	2012	2011
Profit before income tax	*38.776,9*	*40.298,5*
thereof 25% (2011: 25%) calculated income tax expense	9.694,2	10.074,6
Tax relief on limited companies[1]	(610,5)	(1.534,5)
Effect of differing tax rates	331,8	1.040,2
Permanent differences[2]	(1.141,7)	(602,8)
Consumption of unaccounted loss carryforwards	(494,9)	(685,5)
Taxes from previous years	(841,1)	0,0
Withholding taxes, minimum taxes	(120,3)	(140,8)
Effective tax income (–)/expense (+)	**6.817,5**	**8.151,2**

[1] Taxes relating to non-controlling interests
[2] Tax relief due to the joint venture in Russia

26. Consolidated cash flow statement

The consolidated cash flow statement was prepared according to the indirect method. The finance funds consist entirely of cash on hand and in banks, checks. Interest received and paid is reported as part of current business activities. Dividend payments are reported as part of financing activities. The additions to intangible and fixed assets include a non-cash item of 750.0 k€ (2011: 700.0 k€) which was accounted for in the consolidated cash flow statement.

27. Segment reporting

IFRS 8 (Operating Segments) requires operating segments to be identified, and segment information to be disclosed, on the same basis as that used in the entities internal controlling and management reporting. This result in information being presented in a manner which corresponds to the entity's internal reporting, as required by the "management approach" principle.

The development of Group companies takes particularly high priority in internal reporting. For this reason, the presentation of the operating segment reporting is in terms of where the assets of the Rosenbauer Group companies concerned are located. The following areas have been defined, in line with the internal Management Information System: Austria, USA, Germany, Slovenia, Spain, Switzerland, and Asia. In order to create the mandatorily reportable operating segments referred to above, the operating segments Slovenia, Spain and Switzerland have been amalgamated in the new Operating Segment "Rest of Europe". Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income tax are managed on a group basis and are not allocated to operating segments. Transfer prices between the segments are at arm's length.

Segment reporting refers to revenues and operating results achieved by every single segment on local as well as export markets. For the purposes of consolidation, earnings from transactions with other segments have been eliminated. Segment assets and segment liabilities only relate to those operating assets and liabilities that are used by a segment for its operational activity. Goodwill, deferred taxes, securities, bank balances and short-term deposits, and joint venture assets of 24,993.7 k€ (2011: 19,139.9 k€), are not included in the segment assets, as these assets are controlled at Group level. Interest-bearing liabilities, deferred taxes and tax provisions totaling 109,426.9 k€ (2011: 73,471.8 k€) are not included in the segment liabilities, as these liabilities are controlled at Group level.

In terms of where the respective clients are headquartered, the Group's revenues for the year 2012 in the amount of 645.1 m€ (2011: 541.6 m€) break down into Western and Eastern Europe (255.6 m€; 2011: 241.6 m€), the Arab world (179.2 m€; 2011: 106.0 m€), NAFTA countries (93.0 m€; 2011: 100.0 m€), Asia and Oceania (87.7 m€; 2011: 60.9 m€), and other countries (29.6 m€; 2011: 33.1 m€).

The numerical presentation of the segments is available from the "Operating segments" and "Information on business units" tables for the years 2012 and 2011.

28. Capital management

The basis for capital management in the Rosenbauer Group is considered to be the capital made available by equity and credit investors.

The primary objective of Group capital management is to ensure that a high credit rating and solid equity ratio are maintained in order to support business activities. The aim is a minimum equity ratio of 35% by means of long-term capital planning on a rolling basis. This planning is coordinated with dividend and investment policy and is an important instrument for the annual rating discussions with the financing banks.

In addition, total balance-sheet management also serves to optimize the equity ratio which, together with the continuous surveillance of production stocks and accounts receivable-trade, ensures the optimization of committed current assets. The equity ratio is calculated as the percentage of the balance-sheet total comprised by equity; in 2012, it was 39.9% (2011: 40.6%).

Furthermore, capital is monitored by means of the gearing ratio, which describes the relationship of net debt to equity. A band lying between 20% and 40% has been laid down as the long-term aim for the gearing ratio. Due to the increased interest-bearing liabilities, the gearing ratio reached 54.4% in 2012 (2011: 41.9%). The company will seek to improve the gearing ratio in 2013.

29. Risk management

As a global player, the Rosenbauer Group is inevitably subject to price, interest and exchange rate risks. It is company policy to closely monitor risk positions, counteract internally the market development of existing risks to the greatest extent possible, steer net items towards an optimum result, and where necessary, undertake hedging. The aim of currency risk hedging is the creation of a secure calculation basis for production contracts.

Overall evaluation: No material new or previously unrecognized risks resulted from the yearly evaluation of Group companies. In addition, on the basis of current information, there are no individual, existential risks that could have a decisive effect on the asset, financial and income situation of the Group.

Financial instruments form one important area of risk hedging. Financial instruments are contract-based transactions with an impact upon cash flow. In accordance with IFRS 7 these include primary financial instruments such as receivables, accounts payable-trade, financial receivables and liabilities. On the other hand, there are also derivative financial instruments which are used as hedging transactions against the risks derived from exchange and interest rate shifts. The following section reports on both primary and derivative financial instruments.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Due to daily or short-term maturity, the fair value of cash on hand and in banks, current receivables and liabilities largely corresponds to the book value. On the reporting date, the securities were allocated a fair value of 197.6 k€ (2011: 137.1 k€).

a) CREDIT RISK

As a result of the customer structure and the credit risk hedging policy, the receivables risk may be regarded as negligible. In addition, all customers wishing to conclude business with the Group on a credit basis must undergo a creditworthiness examination. Receivables are also constantly monitored, in order that the Group is not subject to material default risk. The reported values in the balance sheet relating to receivables (for details please see the items D.4. and D.8.) simultaneously represent the maximum credit risk and thus the risk of default. The book values reported largely correspond to the market values.

Within the EU, receivables largely relate to local government legal entities. Where private business recipients of lower or unknown creditworthiness are involved, receivables are insured, e. g. in Austria via “Prisma Kreditversicherungs AG”.

Receivables from customers outside the European Union with low creditworthiness, including governmental clients, are insured by means of documentary credits or bank guarantees. If required, alternative and also cumulative insurance is concluded with a state insurance company. In Austria this takes place via “Oesterreichische Kontrollbank AG” (risk insurance outside the OECD) and “Prisma Kreditversicherungs AG” (risk insurance inside the OECD).

The analysis of past due, not impaired trade and other receivables as at December 31 shows the following:

in k€	Total	Neither impaired nor past due	Not impaired, but past due Within 90 days	91–180 days	181–360 days	Over 360 days
Receivables 2012						
Accounts receivable-trade	81,464.4	46,953.4	21,496.7	9,157.4	2,617.7	1,239.2
Other receivables (current and non-current)	7,679.0	7,679.0	0.0	0.0	0.0	0.0
	89,143.4	**54,632.4**	**21,496.7**	**9,157.4**	**2,617.7**	**1,239.2**
Receivables 2011						
Accounts receivable-trade	67,869.7	50,033.7	13,594.5	1,633.4	1,737.7	870.4
Other receivables (current and non-current)	4,386.6	4,386.6	0.0	0.0	0.0	0.0
	72,256.3	**54,420.3**	**13,594.5**	**1,633.4**	**1,737.7**	**870.4**

On the closing date, neither impaired nor past due trade and other receivables showed indications that the debtors would default on their payment obligations.

b) MARKET RISK

Interest rate risk
Interest and interest change risks relate primarily to liabilities with a period to maturity of over a year.

In the case of assets, an interest change risk only applies to the securities carried in the financial assets. On the balance-sheet date, the securities were allocated to their fair value. A reduction in interest rate risk and earnings optimization is possible by means of constant surveillance of interest trends and a resulting regrouping of the securities portfolio.

Non-current liabilities to banks consist of loans for various investments in operative business. Interest rates are hedged in the medium-term by means of interest cap instruments. However, longer-term negative price changes could have a negative effect on the income situation. A change in the interest rate of ± 1% with regard to the credit portfolio on the closing date would have led to a 933.8 k€ (2011: 581.2 k€) lower or higher result and equity.

Foreign exchange risk
In the case of securities carried under the consolidated non-current assets, investments are effected almost entirely in the local currency of the Group company involved. Consequently, there is no foreign exchange risk in this connection.

Virtually all of the foreign exchange risks on the asset side derive from US dollar trade accounts receivable from international customers. In the majority of markets, invoicing takes place in euro. On the liabilities side, with the exception of accounts payable-trade, there are no foreign exchange risks of note, as ongoing financing of operative business takes place in the local currency of the respective company involved. Possible foreign exchange risks from short-term peaks are borne by the company. Apart from hedging using derivative financial instruments, further hedging derives from naturally closed items which, for example, are counterbalanced by accounts payable-trade in US dollars.

The following table shows the sensitivity of the consolidated result before income tax (due to changes in the fair value of the monetary assets and debts) and Group equity (due to changes in the fair value of currency future contracts), as opposed to a reasonable assessment of a generally possible exchange rate change relating to currencies of major relevance to the Group. All other variables remain constant.

	Price trend	Impact on profit before tax		Impact on equity	
in k€		2012	2011	2012	2011
US dollar	+10%	638.8	273.5	(20,980.9)	(43,943.0)
	–10%	(638.8)	(273.5)	19,382.6	22,062.3
Singapore dollar	+10%	(127.1)	(2.3)	345.4	322.8
	–10%	127.1	2.3	(345.4)	(322.8)
Swiss franc	+10%	(291.5)	0.3	(46.1)	479.3
	–10%	291.5	(0.3)	46.1	(479.3)

Derivative financial instruments
Hedging of interest and foreign exchange risks is carried out by means of derivative financial instruments such as currency futures and interest cap instruments. These are initially reported at market value on the date of the conclusion of the contract and then revalued with market values.

Derivative financial instruments recognized in the income statement

From a business perspective some transactions represent hedging, but fail to fulfill the hedge accounting requirements pursuant to IAS 39. The fair value changes of these financial instruments are recognized immediately in the income statement.

	Nominal value		Fair value	
in k€	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Currency futures	35,299.0	33,105.9	99.2	(242.9)
Interest instruments	15,500.0	13,000.0	1.5	24.9

The 99.2 k€ (2011: –242.9 k€) fair value of the foreign-exchange forwards at the closing date is made up of 304.3 k€ (2011: 148.1 k€) of derivatives with a positive fair value and 205.1 k€ (2011: 391.0 k€) of derivatives with a negative fair value. The 1.5 k€ (2011: 24.9 k€) fair value of the interest-rate swaps at the closing date is made up of 1.5 k€ (2011: 26.0 k€) of derivatives with a positive fair value and 0.0 k€ (2011: 1.1 k€) of derivatives with a negative fair value.

Hedging instruments

Derivatives which meet the hedge-accounting requirements of IAS 39 are employed solely as hedging instruments for safeguarding future cash flows (i.e. as cash flow hedges) and are stated separately under the other comprehensive income in the consolidated statement of comprehensive income. The income contribution of the hedge transaction was recognized in the income statement upon realization of the underlying transaction.

	Nominal value		Fair value	
in k€	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Currency futures	228,092.7	312,207.9	1,100.7	(6,620.3)

The 1,100.7 k€ (2011: –6.620.3 k€) fair value of the foreign-exchange forwards at the closing date is made up of 2,390.1 k€ (2011: 902.3 k€) of derivatives with a positive fair value and 1,289.4 k€ (2011: 7,522.6 k€) of derivatives with a negative fair value.

In the 2012 financial year –2,742.1 k€ (2011: 677.6 k€) were transferred from the other comprehensive income to the net profit for the period.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

– Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
– Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
– Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Level 1		Level 2		Level 3	
in k€	2012	2011	2012	2011	2012	2011
Derivative financial instruments without securement						
Positive fair value	0.0	0.0	304.3	148.1	0.0	0.0
Negative fair value	0.0	0.0	205.1	391.0	0.0	0.0
Derivative financial instruments with securement						
Positive fair value	0.0	0.0	2,390.1	902.3	0.0	0.0
Negative fair value	0.0	0.0	1,289.4	7,522.6	0.0	0.0

in k€	Level 1 2012	Level 1 2011	Level 2 2012	Level 2 2011	Level 3 2012	Level 3 2011
Interest instruments						
Positive fair value	0.0	0.0	1.5	26.0	0.0	0.0
Negative fair value	0.0	0.0	0.0	1.1	0.0	0.0
Available-for-sale instruments						
Positive fair value	197.6	137.1	0.0	0.0	0.0	0.0
Negative fair value	0.0	0.0	0.0	0.0	0.0	0.0

c) LIQUIDITY RISK

Liquidity risk consists of the risk that due liabilities cannot be settled as scheduled. Group liquidity is secured by appropriate liquidity planning at the beginning of the year, sufficient financial assets with a maturity of less than one year and short-term credit lines. The following table shows the structure of interest-bearing financial liabilities as at December 31, 2012, as well as the structure of the accounts payables-trade and other liabilities.

The entire interest-bearing financial liabilities amount to 107,359.7 k€ (2011: 72,432.2 k€). The interest on interest-bearing liabilities amounts to 2,504.6 k€ (2011: 2,803.3 k€), which represented an average of 1.9% (2011: 3.2%). The book values reported largely correspond to the market values. As the ancillary costs relating to the financial liabilities listed in the table at nominal interest rates are low, the nominal interest rate corresponds to the effective interest rate, whereby there are no effects on the assets, financial and income situation.

Non-current variable interest-bearing liabilities are based on interest agreements which are, in turn, based on 3-month or 6-month Euribor/US-Libor rate.

in 1,000	Currency	Loan Dec 31, 2012	Final maturity	Interest in %	Interest variable/fixed	Dec 31, 2012 in k€	Dec 31, 2011 in k€
Interest-bearing liabilities							
Production financing	SGD	6,089	2013	Sibor+1.5	variable	3,778.5	1,417.6
Production financing	USD	20,510	2013	2.500	variable	15,569.4	3,922.2
Production financing	USD	6,000	2013	1.563	variable	4,554.8	4,644.3
Production financing	€	7,500	2013	1.587	variable	7,500.0	5,000.0
Production financing	€	98	2013	5.000	variable	97.9	174.9
Production financing	€	12,950	2013	1.500	fixed	12,950.0	9,161.4
Investment loand	€	0	2012	5.850	fixed	0.0	398.0
Investment loand	€	188	2013	5.250	fixed	187.5	187.5
Loans on overdraft	€					51,877.8	36,495.0
Current total						**96,515.9**	**61,400.9**
Investment loand	€	10,000	2014	1.763	variable	10,000.0	10,000.0
Investment loand	€	750	2017	5.250	fixed	750.0	750.0
Investment loand	€	94	2018	5.250	fixed	93.8	281.3
Non-current total						**10,843.8**	**11,031.3**
Total						**107,359.7**	**72,432.2**

Maturity pattern

in k€	Total	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Interest-bearing liabilities (current and non-current)							
2012	108,680.0	97,605.8	10,376.1	199.8	199.8	199.8	98.7
2011	73,814.1	62,635.2	448.9	10,209.6	209.6	14.8	296.0
Accounts payable-trade							
2012	45,304.7	45,304.7	0.0	0.0	0.0	0.0	0.0
2011	44,653.6	44,653.6	0.0	0.0	0.0	0.0	0.0
Other liabilities (current and non-current)							
2012	46,336.7	43,526.4	21.3	21.3	21.3	21.3	2,725.1
2011	44,133.7	41,063.5	85.0	85.0	85.0	85.0	2,730.2

d) TRANSFER OF THE BOOK VALUES PURSUANT TO IAS 39

The transfer of the book values per classes pursuant to IAS 39 is as follows:

in k€	Book value	At amortized costs	At fair value through equity	At fair value through income statement	Fair value of financial instruments	No financial instrument
December 31, 2012						
Securities	197.6	0.0	197.6	0.0	197.6	0.0
Receivables	99,735.8	89,143.4	2,390.1	305.8	91,839.3	7,896.5
Cash on hand and in banks, checks	13,608.7	13,608.7	0.0	0.0	13,608.7	0.0
Interest-bearing liabilities	107,359.7	107,359.7	0.0	0.0	107,359.7	0.0
Accounts payable-trade	45,304.7	45,304.7	0.0	0.0	45,304.7	0.0
Other liabilities	46,336.7	39,247.7	1,289.4	205.1	40,742.2	5,594.5
December 31, 2011						
Securities	137.1	0.0	137.1	0.0	137.1	0.0
Receivables	76,790.9	72,256.3	902.3	174.1	73,332.7	3,458.2
Cash on hand and in banks, checks	11,457.6	11,457.6	0.0	0.0	11,457.6	0.0
Interest-bearing liabilities	72,432.2	72,432.2	0.0	0.0	72,432.2	0.0
Accounts payable-trade	44,653.6	44,653.6	0.0	0.0	44,653.6	0.0
Other liabilities	44,133.7	32,704.8	7,522.6	392.1	40,619.5	3,514.2

The transfer of the book values per category pursuant to IAS 39 is as follows:

in k€	Book value	Loans and receivables	At amortized costs	Available-for-sale financial instruments	Derivatives relating to hedge accounting	At fair value through income statement	Fair value of financial instruments	No financial instrument
December 31, 2012								
Securities	197.6	0.0	0.0	197.6	0.0	0.0	197.6	0.0
Receivables	99,735.8	89,143.4	0.0	0.0	2,390.1	305.8	91,839.3	7,896.5
Cash on hand and in banks, checks	13,608.7	13,608.7	0.0	0.0	0.0		13,608.7	0.0
Interest-bearing liabilities	107,359.7	0.0	107,359.7	0.0	0.0		107,359.7	0.0
Accounts payable-trade	45,304.7	0.0	45,304.7	0.0	0.0		45,304.7	0.0
Other liabilities	46,336.7	0.0	39,247.7	0.0	1,289.4	205.1	40,742.2	5,594.5
December 31, 2011								
Securities	137.1	0.0	0.0	137.1	0.0	0.0	137.1	0.0
Receivables	76,790.9	72,256.3			902.3	174.1	73,332.7	3,458.2
Cash on hand and in banks, checks	11,457.6	11,457.6	0.0	0.0	0.0	0.0	11,457.6	0.0
Interest-bearing liabilities	72,432.2	0.0	72,432.2	0.0	0.0	0.0	72,432.2	0.0
Accounts payable-trade	44,653.6	0.0	44,653.6	0.0	0.0	0.0	44,653.6	0.0
Other liabilities	44,133.7	0.0	32,704.8	0.0	7,522.6	392.1	40,619.5	3,514.2

e) NET RESULTS BY EVALUATION CATEGORY

in k€	Interest	Impairment	Foreign currency translation	Derecognition of receivables	Net results
December 31, 2012					
Loans and receivables	1,028.5	480.3	931.6	78.6	2,519.0
Liabilities at amortized cost	(2,745.6)	0.0	0.0	0.0	(2,745.6)
Available-for-sale financial investments	9.6	0.0	0.0	0.0	9.6
	(1,707.5)	**480.3**	**931.6**	**78.6**	**(217.0)**
December 31, 2011					
Loans and receivables	838.4	797.9	5,031.1	1.7	6,669.1
Liabilities at amortized cost	(2,934.0)	0.0	0.0	0.0	(2,934.0)
Available-for-sale financial investments	6.1	0.0	0.0	0.0	6.1
	(2,089.5)	**797.9**	**5,031.1**	**1.7**	**3,741.2**

The Loans and receivables item subsumes the net results of receivables and short-term deposits, while the Liabilities at amortized cost item is made up of interest-bearing liabilities, trade accounts payable and other liabilities.

30. Events after the balance-sheet date

No events of any great significance for the company have occurred since the balance-sheet date of December 31, 2012 which would have led to any change in its asset, financial and income situation.

31. Contingent liabilities and commitments

Rosenbauer International AG made no commitments to third parties other than Group companies. In addition, there were no contingent liabilities which could lead to material liabilities.

32. Related party disclosures

SUBSIDIARIES in 1,000	Currency	Equity	Interest[1)]	Result[2)]	Type of consolidation
Rosenbauer Österreich GmbH, Austria, Leonding	€	2,951	100%	0[3)]	FC
Rosenbauer Management Services GmbH, Austria, Leonding	€	84	100%	(1)	FC
Rosenbauer Deutschland GmbH, Germany, Luckenwalde	€	9,971	100%	110	FC
Metz Aerials Management GmbH, Germany, Karlsruhe	€	31	100%	1	FC
Metz Aerials GmbH & Co. KG, Germany, Karlsruhe	€	8,556	100%	1,385	FC
Rosenbauer Finanzierung GmbH, Germany, Passau	€	39	100%	(5)	FC
Rosenbauer d.o.o., Slovenia, Radgona	€	1,386	90%	(154)	FC
Rosenbauer Schweiz AG, Switzerland, Oberglatt	€	5,638	100%	1,095	FC
Rosenbauer Española S.A., Spain, Madrid	€	2,512	62.11%	(333)	FC
Rosenbauer Ciansa S.L., Spain, Linares	€	2,024	50%	(388)	AE
Rosenbauer Minnesota, LLC.[4)], USA, Minnesota	€	7,410	50%	617	FC
Rosenbauer South Dakota, LLC.[4)], USA, South Dakota	€	22,437	50%	6,724	FC
Rosenbauer Holdings Inc., USA, South Dakota	€	17,471	100%	1,083	FC
Rosenbauer America, LLC.[4)], USA, South Dakota	€	36,918	50%	2,834	FC
Rosenbauer Aerials, LLC.[4)], USA, Nebraska	€	3,367	25%	1,141	FC
Rosenbauer Motors, LLC.[4)], USA, Minnesota	€	(3,759)	42.5%	(4,320)	FC
S.K. Rosenbauer Pte. Ltd., Singapore	€	6,825	100%	974	FC

SUBSIDIARIES in 1,000	Currency	Equity	Interest[1]	Result[2]	Type of consolidation
Eskay Rosenbauer Sdn Bhd, Brunei	€	56	80%	(82)	FC
Rosenbauer South Africa (Pty.) Ltd., South Africa, Halfway House	€	189	100%	77	FC
PA “Fire-fighting special technics” LLC., Russia, Moscow	€	16,408	49%	6,214	AE

[1] Direct interest
[2] Profit/loss for the year after movements in the reserves
[3] Profit transfer agreement with Rosenbauer International AG
[4] Casting role of Rosenbauer International AG

FC = Fully consolidated company
AE = At equity consolidated company

The values of the above table have been calculated according to national financial reporting standards.

The following transactions took place with closely associated persons. In particular, the reported purchases of goods relate to the supply of vehicles of the Spanish joint venture Rosenbauer Ciansa S.L. to the Spanish subsidiary, the manager of which subsidiary is also a 50% owner of the Spanish joint venture.

The receivables relate to loans extended to American minority shareholders. The rental agreement relates to the use of a property land was agreed between the manager and an American company.

	Joint ventures		Management	
in k€	2012	2011	2012	2011
Sale of goods	4.0	5.3	0.0	0.0
Purchase of goods	1,681.8	1,013.4	0.0	0.0
Liabilities	1,113.2	548.3	0.0	0.0
Receivables	0.0	0.0	666.6	428.8
Rental agreement for land	0.0	0.0	153.3	156.3

The emoluments of the members of the Executive Board of Rosenbauer International AG in 2012 totaled 2,583.7 k€ (2011: 6,714.4 k€) and comprised the following components: basic salary (2012: 903.3 k€; 2011: 1,428.5 k€), performance bonus (2012: 1,525.0 k€; 2011: 2,743.4 k€) and pay components earmarked for making independent provision for old-age and surviving dependants (2012: 155.4 k€; 2011: 245.7 k€). In 2011 2,296.8 k€ severance payments wer made. The provision for severance payments to members of the Executive Board amounted to 1,585.0 k€ (2011: 1,218.4 k€) at December 31, 2012. The total benefits accorded to members of the Executive Board in 2012, consisting of emoluments, severance payments and changes in the provision for severance payments, came to 2,950.3 k€ (2011: 5,002.8 k€). Following any cessation of the employer/employee relationship, the company will not be burdened by any subsequent contributions to the company pension scheme on behalf of the Executive Board Member concerned.

Fees are calculated as a percentage of the consolidated income statement result prior to income tax and minority interest, the percentage being gradually reduced in line with improvements in the consolidated profit.

33. Audit fee

A total of 147.4 k€ (2011: 122.0 k€) was incurred for services performed by the Group auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. in the 2012 financial year. Of this amount, 120.7 k€ (2011: 119.8k€) was for the audit and 26.7 k€ (2011: 2.2 k€) for other services. No other assurance services or tax advisory services were rendered.

34. Earnings per share

The earnings per share are calculated on the basis of IAS 33 (Earnings per Share) by dividing the net profit for the period minus non-controlling interests by the number of shares issued. As there were no "ordinary shares with a potentially dilutor effect" in circulation during the past financial year, the "diluted earnings per share" correspond to the "basic earnings per share".

The calculation takes the following form:

		2012	2011
Net profit for the period minus non-controlling interests	in k€	30,884.0	27,570.1
Average number of shares issued units	units	6,800,000	6,800,000
Basic earnings per share	€/share	4.54	4.05
Diluted earnings per share	€/share	4.54	4.05

Between the balance-sheet date and the preparation of the consolidated financial statements, there were no transactions with potential ordinary shares.

35. Proposal for the distribution of profits

The separate financial statements of the company prepared according to the Austrian Companies Act (UGB) provide the basis for the proposal for the distribution of profits. A net profit of 8,304,433.94 € is reported in the separate financial statements of Rosenbauer International AG.

The Executive Board proposes to distribute this net profit through the payment of a dividend p.a. of 1,2 € (2011: 1.2 €) per share (8,160,000.00 € for 6,800,000 shares). The carryforward to new account is 144,433.94 €.

36. Corporate bodies

SUPERVISORY BOARD

- Alfred Hutterer (Chairman)
  Date of first appointment: May 24, 2003
  End of current period of tenure:
  2013 Annual General Meeting

- Christian Reisinger (Deputy Chairman)
  Date of first appointment: May 25, 2006
  End of current period of tenure:
  2016 Annual General Meeting

- Karl Ozlsberger
  Date of first appointment: May 26, 2007
  End of current period of tenure:
  2017 Annual General Meeting

- Rainer Siegel
  Date of first appointment: May 29, 2009
  End of current period of tenure:
  2014 Annual General Meeting

In the 2012 financial year, the Supervisory Board received emoluments of 216.8 k€ (2011: 220.5 k€).

Emoluments to the Supervisory Board consist of a fixed amount and a variable sum. The latter is calculated as a percentage of the consolidated profit in the income statement prior to income tax and non-controlling interests, the said percentage being gradually reduced in line with improvements in the consolidated profit.

Works Council delegates to the Supervisory Board:
- Rudolf Aichinger
- Alfred Greslehner

EXECUTIVE BOARD

- Dieter Siegel
  Chairman of the Executive Board, CEO

- Gottfried Brunbauer
  Member of the Executive Board, CTO

- Robert Kastil
  Member of the Executive Board, CFO

- Günter Kitzmüller
  Member of the Executive Board (since February 1, 2013)

Leonding, March 22, 2013

Dieter Siegel
Chairman of the Executive Board CEO

Gottfried Brunbauer
Member of the Executive Board, CTO

Robert Kastil
Member of the Executive Board, CFO

Günter Kitzmüller
Member of the Executive Board
(since February 1, 2013)

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Rosenbauer International AG, Leonding, for the fiscal year from January 1, 2012 to December 31, 2012. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended December 31, 2012, and the notes.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND FOR THE ACCOUNTING SYSTEM

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY AND DESCRIPTION OF TYPE AND SCOPE OF THE STATUTORY AUDIT

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Accounting Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

OPINION

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2012 and of its financial performance and its cash flows for the fiscal year from January 1, 2012 to December 31, 2012 in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the consolidated Management Report

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the consolidated management report is consistent with the consolidated financial statements and whether the disclosures pursuant to §243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the consolidated management report is consistent with the consolidated financial statements. The disclosures pursuant to §243a UGB (Austrian Commercial Code) are appropriate.

Linz, March 22, 2013

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Erich Lehner, MA	Gerhard Schwartz, MA
Certified Auditor	Certified Auditor

In the event that these financial statements are published or distributed in any form other than that audited (the unabridged German version), such as abridged versions or translations into other languages, our audit opinion may not be cited or reference made to our audit without our prior approval.

STATEMENT OF ALL LEGAL REPRESENTATIVES

PURSUANT TO §82 SECT. 4 CLAUSE 3 OF THE AUSTRIAN STOCK EXCHANGE ACT (“BÖRSEGESETZ”)

We confirm to the best of our knowledge that the 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 the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Leonding, March 22, 2013

Dieter Siegel
CEO
Business units:
Fire & safety equipment
Specialty vehicles and USA

Gottfried Brunbauer
CTO
Business units:
Municipal vehicles, Aerials,
Fire fighting components
and Customer service

Robert Kastil
CFO
Business unit:
Business development
(unitil March 18, 2013)

Günter Kitzmüller
Member of the Executive Board
(since February 1, 2013)
Business unit:
Business development
(since March 19, 2013)

A

AT (Advanced Technology): Municipal fire fighting vehicle, weighing from 10 to 20 tonnes, for Central European countries and selected advanced export markets

ATX: Austrian Traded Index, price index of the Vienna Stock Exchange

B

Balance-sheet total: The sum of all assets

C

Capital employed: Equity plus interest-bearing liabilities outside capital less interest-bearing assets

Cash flow: The terms "cash flow" and "net cash flow" are used synonymously

CIP: Continual improvement process

Commander: US commercial chassis for municipal fire fighting vehicles

Compliance: Consensus with laws, rules and regulations

Combined normal and high pressure fire pumps: These are pumps which can simultaneously discharge extinguishants at normal pressure (10 bar) and high pressure (40 bar)

Corporate Governance: Rules of conduct aimed at ensuring that companies are responsibly run and controlled, as set out in the Austrian Corporate Governance Code

CSR: Corporate Social Responsibilty, is a form of corporate self-regulation integrated into a business model to be in compliance within the spirit of law, ethical standards, and international norms

D

Derivatives: Financial instruments whose price is "derived" from an underlying market instrument

E

Earnings per share: Consolidated profit minus non-controlling interests divided by the number of shares

EBIT (Earnings before interest and tax): Operating profit

EBIT margin: EBIT divided by revenues

EBT (Earnings before tax): Profit before income taxes

Equity: Share capital plus capital and other reserves, accumulated results and non-controlling interests

Equity ratio: Equity divided by the balance-sheet total

EMEREC: Mobile information management system for emergency forces; information and communication directly at the operation scene

F

Fair value: The actual value attributable to an asset or liability at a cut-off date

Financial standing: The creditworthiness of a borrower

Foam proportioning system: This system adds foam compounds to the water so as to enhance the extinguishing effect

G

GDP: Gross domestic product, the market value of all officially recognized final goods and services produced within a country in a year

Gearing ratio in %: Net debt divided by equity

H

Hedging: Risk management measures taken in order to limit or avoid adverse changes in the market level of interest rates, foreign-exchange rates, quoted values or raw-materials prices

High performance ventilator: Fire fighting equipment used to clear smoke from smoke-filled spaces or tunnels

I

Interest-bearing outside capital: Non-current and current interest-bearing liabilities

Interest-bearing capital: Equity plus interest-bearing liabilities less cash and short-term deposits less securities

Investments: Additions to tangible and intangible assets

ISO: ISO certification furnishes proof that an enterprise has introduced the respective management standard (ISO 9001, ISO 14001, ISO 50001 or OHSAS 18001) and fulfilled its requirements; certification is issued for a limited time only

J

Joint venture: A business undertaking run jointly by at least two partners

M

Market capitalization: Share price at year-end multiplied with the number of shares issued

N

Net debt: Interest-bearing liabilities less cash and short-term deposits less securities

P

PANTHER: An airport rescue fire fighting vehicle that meets the various international requirements.

Piercing tool: Fire fighting lance for punching through e. g. the external skin of an aircraft fuselage and immediately combating fire inside the cabin

POLY-CAF system: Mobile stand-alone extinguishing unit for producing compressed air foam

Portable pump: Portable pump with its own drive motor for water delivery

Present value: Value, at the beginning of the term (i. e. at time 0) of a monetary amount expected at a certain time in the future

Price/earnings per share: Share price at year-end divided by the earnings per share

R

Rating: Standardized assessment of creditworthiness, i. e. of the likelihood of non-payment or of delayed payment

Refurbishment: Rehabilitation of older vehicles

ROCE in % (Return on capital employed): EBIT divided by the average capital employed

ROE in % (Return on equity): EBT divided by average equity

S

service4fire.com: Fleet management and service support – through vehicle operating data transmitted by cellular radio

T

Telematics: The interplay of communication networks (as the basis for information transmittal) and IT (for processing this information)

W

Working Capital: Current assets less current liabilities

Rosenbauer Group		2012	2011	2010
Revenue	m€	**645.1**	541.6	595.7
thereof Austria	m€	**47.0**	38.5	42.8
thereof international	m€	**598.1**	503.1	552.9
EBIT	m€	**38.6**	41.6	49.7
EBIT margin		**6.0%**	7.7%	8.3%
EBT	m€	**38.8**	40.3	49.1
Consolidated profit	m€	**32.0**	32.1	40.0
Cash flow from operating activities	m€	**(3.7)**	(12.8)	34.8
Investments	m€	**14.7**	11.5	8.9
Order backlog as at December 31	m€	**580.5**	682.3	394.5
Order intake	m€	**533.2**	826.8	496.9
Employees (average)		**2,328**	2,092	2,014
thereof Austria		**1,066**	994	920
thereof international		**1,262**	1,098	1,094

Key balance sheet data				
Total assets	m€	**431.4**	357.1	301.6
Equity in % of total assets		**39.9%**	40.6%	42.9%
Capital employed	m€	**266.2**	212.7	179.7
Return on capital employed		**14.5%**	19.6%	27.6%
Return on equity		**24.4%**	29.4%	42.8%
Net debt	m€	**93.6**	60.8	26.1
Working capital	m€	**123.3**	108.8	100.2
Gearing ratio		**54.4%**	41.9%	20.2%

Key stock exchange figures[1]				
Highest share price	€	**46.5**	41.5	39.8
Lowest share price	€	**35.0**	26.0	28.4
Closing price	€	**46.1**	36.3	37.5
Market capitalization	m€	**313.1**	246.8	255.0
Dividend	m€	**8.2**[2]	8.2	8.2
Dividend per share	€	**1.2**[2]	1.2	1.2
Dividend yield		**2.6%**	3.3%	3.2%
Earnings per share	€	**4.5**	4.1	4.7
Price/earnings ratio		**10.2**	8.9	8.0

[1] Due to better comparability, 2003–2006 figures were converted persuant to the share split (4-for-1) of the year 2007

[2] Proposal to Annual General Meeting

2009	2008	2007	2006	2005	2004	2003
541.8	500.3	426.1	372.0	321.3	299.4	323.0
53.7	54.1	41.4	40.6	43.8	48.2	49.1
488.1	446.2	384.7	331.4	277.5	251.2	273.9
29.4	39.9	30.8	25.1	19.6	13.7	19.2
5.4%	8.0%	7.2%	6.8%	6.1%	4.6%	5.9%
26.4	32.3	25.4	22.0	15.9	10.5	15.9
17.6	25.1	19.9	18.4	12.0	11.7	10.6
17.5	20.4	24.1	(1.4)	21.9	16.3	2.6
15.8	12.2	7.1	11.2	7.9	5.6	7.4
487.2	459.2	375.4	354.1	243.1	226.1	191.8
575.9	556.7	458.7	485.9	377.0	337.0	300.9
1,895	1,722	1,593	1,452	1,407	1,376	1,313
883	811	753	710	722	711	666
1,012	911	840	742	685	665	647

306.8	251.0	228.8	206.2	168.8	161.3	164.7
32.5%	36.7%	31.8%	30.7%	36.9%	34.4%	31.1%
159.8	139.0	127.7	111.2	97.9	99.1	102.0
18.4%	28.7%	24.1%	22.6%	20.1%	13.8%	18.8%
27.6%	39.2%	37.4%	35.1%	27.0%	19.7%	31.7%
41.8	31.3	30.6	38.7	9.0	15.2	21.4
75.0	77.3	60.7	49.1	40.0	35.7	34.4
41.9%	34.1%	42.1%	61.1%	14.4%	27.3%	41.9%

32.5	35.4	39.9	25.0	18.1	16.6	11.5
18.0	16.6	24.0	15.4	14.4	10.9	6.2
29.0	22.0	32.8	25.0	15.8	16.0	11.3
197.2	149.6	223.0	170.0	107.1	108.8	76.5
5.4	5.4	4.8	4.8	3.4	3.4	2.6
0.8	0.8	0.7	0.7	0.5	0.5	0.4
2.8%	3.6%	2.1%	2.8%	3.2%	3.1%	3.3%
1.5	2.9	2.2	2.0	1.0	1.3	1.0
19.3	7.6	14.9	12.5	15.4	12.5	11.3

Owned and published by
Rosenbauer International AG
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Concept
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Layout and photographic concept
Filleins, Vienna

Typesetting and final artwork
marchesani_kreativstudio, Vienna

Photos
C-STUMMER fotografie
Keith LaPour

UW 878
Printed on Claro matt paper by Fairdrucker GmbH, Purkersdorf
The company is PEFC-certified and has printed this product on paper from documented sustainable-forestry sources. Printing was carried out in accordance with the Austrian Low-Pollution Printing Products directive (UZ 24).