rosenbauer

ANNUAL REPORT | 2008

ORGANIZATION CHART

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%
    - **General Safety Equipment LLC.** — USA — 100%
    - **Central States Fire Apparatus LLC.** — USA — 100%
    - **RK Aerials LLC.** — USA — 50%
    - **Rosenbauer Motors LLC.** — USA — 100%
- **Rosenbauer Holding GmbH & Co. KG** — GERMANY — 100%
  - **Metz Aerials Management GmbH** — GERMANY — 100%
  - **Metz Aerials GmbH & Co. KG** — GERMANY — 100%
  - **Rosenbauer Feuerwehrtechnik GmbH** — GERMANY — 100%
  - **Rosenbauer Deutschland GmbH** — GERMANY — 100%
- **Rosenbauer Finanzierung GmbH** — GERMANY — 100%
- **Rosenbauer Española S.A.** — SPAIN — 62.11%
- **Rosenbauer Ciansa S.L.**[1] — SPAIN — 50%
- **Rosenbauer AG** — SWITZERLAND — 100%
- **SK Fire PTE Ltd.** — SINGAPORE — 100%
  - **Eskay Rosenbauer Sdn Bhd** — BRUNEI — 80%
- **Rosenbauer South Africa (PTY) Ltd.** — SOUTH AFRICA — 100%

TRADE/SERVICE
HOLDING/MANAGEMENT
PRODUCTION FACILITY

[1] Foundation 2009

KEY FIGURES

			2008	2007	2006
Rosenbauer Group	Revenue	m€	**500.3**	426.1	372.0
	thereof Austria	m€	**54.1**	41.4	40.6
	thereof international	m€	**446.2**	384.7	331.4
	EBIT	m€	**39.9**	30.8	25.1
	EBIT margin		**8.0%**	7.2%	6.8%
	EBT	m€	**32.3**	25.4	22.0
	Consolidated profit	m€	**25.1**	19.9	18.4
	Cash flow from operating activities	m€	**20.4**	24.1	(1.4)
	Investments	m€	**12.2**	7.1	11.2
	Order backlog as at Dec 31	m€	**459.2**	375.4	354.1
	Order intake	m€	**556.7**	458.7	485.9
	Employees (average)		**1,722**	1,593	1,452
	Employees as at Dec 31		**1,795**	1,651	1,517
Key balance sheet data	Total assets	m€	**251.0**	228.8	206.2
	Equity in % of total assets		**36.7%**	31.8%	30.7%
	Capital employed (average)	m€	**139.0**	127.7	111.2
	Return on capital employed		**28.7%**	24.1%	22.6%
	Return on equity		**39.2%**	37.4%	35.1%
	Net debt	m€	**31.3**	30.6	38.7
	Working capital	m€	**77.3**	60.7	49.1
	Gearing ratio		**34.1%**	42.1%	61.1%
Key stock exchange figures[1]	Highest share price	€	**35.4**	39.9	25.0
	Lowest share price	€	**16.6**	24.0	15.4
	Closing price	€	**22.0**	32.8	25.0
	Number of shares				
	before share split	m units	**–**	–	1.7
	after share split	m units	**6.8**	6.8	–
	Market capitalization	m€	**149.6**	223.0	170.0
	Dividend	m€	**5.4**[2]	4.8	4.8
	Dividend per share	€	**0.8**[2]	0.7	0.7
	Dividend yield		**3.6%**	2.1%	2.8%
	Earnings per share	€	**2.9**	2.2	2.0
	Price/earnings ratio		**7.6**	14.9	12.5

[1] 2006 figures were converted pursuant to the share split (4-for-1)
[2] Proposal to Annual General Meeting

For more information on the Rosenbauer share, please contact:
Gerda Königstorfer
Phone: +43 732 6794-568, Fax: +43 732 6794-89
gerda.koenigstorfer@rosenbauer.com, www.rosenbauer.com

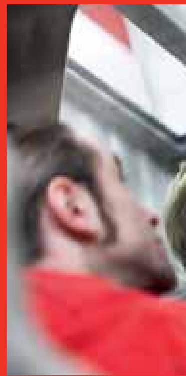
CONTENT

2008

rosenbauer

2 ROSENBAUER WORLDWIDE


ROSENBAUER INTERNATIONAL AG
Leonding, Austria
Neidling, Austria
ROSENBAUER ÖSTERREICH
Leonding, Austria
ROSENBAUER FEUERWEHRTECHNIK
Luckenwalde, Germany
ROSENBAUER DEUTSCHLAND
Passau, Germany
ROSENBAUER OFFICE
Beijing, China
SK FIRE
Singapore
ROSENBAUER SOUTH AFRICA
Halfway House, South Africa
METZ AERIALS
Karlsruhe, Germany
ESKAY ROSENBAUER
Brunei
ROSENBAUER SCHWEIZ
Oberglatt, Switzerland
ROSENBAUER CIANSA
Linares, Spain
ROSENBAUER ESPAÑOLA
Madrid, Spain
PRODUCTION FACILITY
TRADE/SERVICE



ROSENBAUER INTERNATIONAL AG

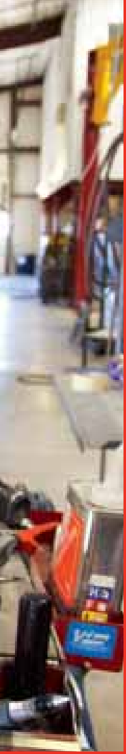
Leonding, Austria


Halterungssystem






FRAGILE
FRAGILE

CENTRAL DIVISION

Lyons, South Dakota, USA





rosenbauer






ABUS 5t

rosenbauer

ROSENBAUER FEUERWEHRTECHNIK

Luckenwalde, Germany









ROSENBAUER INTERNATIONAL AG

Neidling, Austria




ATEMSCHUTZ

















GENERAL DIVISION ROSENBAUER MOTORS

Wyoming, Minnesota, USA


Metz







METZ AERIALS
Karlsruhe, Germany







RK AERIALS

Fremont, Nebraska, USA





AERIALS








The Rosenbauer Group is one of the world's leading manufacturers of fire-fighting vehicles. Rosenbauer is a "full-liner" that supplies the fire-fighting sector with a wide range of products and services. Rosenbauer products are in service in nearly every country in the world. It produces its extensive series of fire-fighting vehicles and aerials in three continents, to both European and US standards. With a workforce of around 1,800, the Group generated revenues of over 500 m€.

Segment

VEHICLES

AERIALS

Profile

VEHICLES

ROSENBAUER
- Production facilities in Europe, the USA and Asia
- World's biggest exporter of fire-fighting vehicles
- The sector's technological and innovational leader

AERIALS

METZ AERIALS
- Advanced manufacturer of aerials, based in Karlsruhe, Germany
- Supplies to clients all over the world

RK AERIALS
- Innovative US standard manufacturer

Spectrum of products & services

VEHICLES
- Municipal fire-fighting vehicles, Aircraft Rescue Fire Fighting (ARFF) vehicles and industrial fire-fighting vehicles to European and US standards

AERIALS
- Turntable ladders and aerial rescue platforms with rescue heights of between 20 m and 56 m
- Turntable ladders and ladder trucks with rescue heights of 60 ft to 109 ft

Key figures

VEHICLES

in m€	2008	2007
Order intake	401.7	312.5
Revenues	352.3	287.1
Segment assets	194.2	168.3
Investments	8.9	4.9

AERIALS

in m€	2008	2007
Order intake	65.6	66.5
Revenues	60.7	55.7
Segment assets	38.0	36.2
Investments	0.6	0.9

FIRE-FIGHTING COMPONENTS

ROSENBAUER

- Leading fire-fighting system supplier
- Individual solutions for complex specifications
- Worldwide partner of super-structure manufacturers

- Built-in pumps and fire-fighting installations, foam proportioning systems and monitors
- Electronic controls for the fire-fighting systems and portable fire pumps

in m€	2008	2007
Order intake	19.3	21.3
Revenues	17.8	19.1
Segment assets	7.5	10.2
Investments	1.1	0.5

FIRE & SAFETY EQUIPMENT

ROSENBAUER

- Full-line supplier of fire & safety equipment
- Rosenbauer products for the most exacting requirements
- International equipment supplier to the fire-fighting sector

- Personal protective equipment (PPE)
- Technical emergency equipment
- Special equipment for chemical and environmental assignments

in m€	2008	2007
Order intake	48.1	37.3
Revenues	45.7	43.5
Segment assets	11.2	10.3
Investments	0.0	0.0

SERVICE & SPARE PARTS, OTHERS

ROSENBAUER

- International service and spares network
- Comprehensive instruction and training program
- A high-caliber partner with 30 years' experience!

- 24-hour service worldwide
- Refurbishment of fire-fighting vehicles
- User, repair and maintenance courses

in m€	2008	2007
Order intake	22.0	21.1
Revenues	23.8	20.7
Segment assets	6.9	5.5
Investments	1.6	0.8

Dear Readers,

The world economy is in the throes of its worst crisis since the end of the Second World War. There seems to be no end to the unremitting flow of bad news. More and more often, parallels are even being drawn with the Great Depression of 80 years ago.

Fire-equipment sector as yet unaffected by economic development

Against this somber backdrop, it gives us particular pleasure to be able to present to you – for the third time in succession – the best year yet in the history of the Rosenbauer Group. There are two principal reasons for this gratifying development: Firstly, the fire-equipment sector is yet unaffected by the economic downturn; and secondly, we are reaping the rewards of the internationalization policy that we have so consistently put into effect in recent years.

After the record year that was 2007, last year saw yet another substantial increase in revenues and earnings. We are very proud to have raised the EBIT margin by nearly a percentage point, to 8.0%, an exceptionally high figure in our industry. Inevitably, this growth has led to a greater need for working capital, and thus to an increase in the balance-sheet total. Despite this, the Group's excellent results made it possible to lift the equity ratio still higher, to 36.7% – a figure which in today's troubled times permits ongoing financing without the slightest difficulty.

Production facilities greatly expanded

With the continued expansion of recent years, very great efforts have been needed to cope with the increased manufacturing volume. We have invested in our infrastructure in both the USA and Austria. Rosenbauer America's facilities in Lyons, South Dakota, and Wyoming, Minnesota, have been greatly expanded. The Austrian production facilities in Leonding and Neidling have also been considerably enlarged, a process which is continuing this year. Without these investments, the growth we achieved in 2008 would not have been possible.

Numerous new product developments

With numerous new product developments and advances to our credit last year, we once again lived up to our claim to be the industry's technological leader. We developed our own 8x8 chassis for the PANTHER Aircraft Rescue Fire Fighting (ARFF) vehicle, with a 1,250 HP engine output, in an upward extension of this series. We adapted our HEROS fire-helmet system to the American NFPA Standard, and had it successfully tested and awarded NFPA-compliant approval, underlining our international orientation in the field of personal protection equipment as well. Another new development is the fire-fighting boot TWISTER, whose revolutionary lacing system makes it a world first. In a joint development with Rosenbauer America for our ARFF series, we brought to market an elevated waterway with a completely novel piercing tool.

The markets developed satisfactorily for Rosenbauer last year. Volumes on our home market in Austria remained fairly constant overall, although we noticed a shift in procurement away from larger vehicles and towards smaller ones. We further consolidated our satisfactory position on the Austrian market last year. Contrary to expectations, the market for municipal vehicles in Germany last year enjoyed an approximately 10% rise in volumes. Due to our consistent pricing policy, our own volumes on this market did not grow to the same extent, but on the other hand we enjoyed an appreciable increase in margins. One pleasing trend in Germany is that this market is increasingly willing to accept not only vehicles made in Luckenwalde, but Austrian-manufactured ones as well.

In the USA, too, the market developed positively in 2008, with increased demand in the second half of the year due to an impending change in the exhaust-emission regulations applying to the carrier chassis of fire-fighting vehicles. Rosenbauer's export markets in the Middle East and Asia were characterized by high demand last year. We succeeded in securing a significant share of this market potential for our company.

Order trend remains positive

The positive trend for Rosenbauer on world markets, and the success of our own activities, led to record order intake of 557 m€. This took year-end order-book levels to another record figure of 459 m€. The pace of incoming orders during the first quarter of this year showed no slowing of this positive trend.

In the light of the 2008 results and of the favorable prospects for 2009, Management intends to propose an increased dividend of 0.80 € per share to the General Meeting. In terms of the year-end share price, this corresponds to a very attractive dividend yield of 3.6%.

Although the Group's business did extremely well in 2008, Rosenbauer was unable to isolate itself entirely from overall economic developments. The turbulence on the stock exchanges also affected the Rosenbauer share. Thanks to the loyalty shown by our shareholders, for which we wish to take this opportunity of voicing our heartfelt thanks, Rosenbauer ranks among the ATX Prime Index's top 2008 performers. In fact, the Rosenbauer share outperformed the leading index last year.

Well prepared for the future

We expect 2009 to bring a continuation of the positive trend in the Group's business. Nevertheless, it cannot be altogether ruled out that the economic crisis will have consequences for the Rosenbauer Group. Our globe-spanning distribution network and intensively nurtured market contacts give us an excellent overview of the worldwide economic health of our sector; we have a local presence in all our markets, and focus our efforts on the requirements and projects that we find there. If we detect signs of demand weakening worldwide, we are well prepared. Especially in Austria, we have flexibilised our capacity to such an extent that we would be able to respond to fluctuations in demand very efficiently and at very short notice. The international reach of our Group makes us relatively independent of regional fluctuations, with the result that even beyond the end of 2009, the outlook is still for a continuation of the Group's positive development.

The success enjoyed by the Rosenbauer Group in recent years is the success of every single one of its employees. I take this opportunity of saluting and thanking them all for their tremendous efforts and commitment. With a team like ours, we are superbly well-prepared for the future.

Yours sincerely,

Julian Wagner

Julian Wagner
President and CEO

Born 1950

Joined Rosenbauer: 1968
Date of first appointment: 1992
End of current period of tenure: 2012

FIELD OF BUSINESS
Aerials and business development

FUNCTIONS WITHIN THE GROUP
Corporate strategy, personnel and social management, corporate communications, internal audit

Manfred Schwetz
Member of the Executive Board

Born 1946

Joined Rosenbauer: 1993
Date of first appointment: 1993
End of current period of tenure: 2011

FIELD OF BUSINESS
Specialty vehicles, Fire & safety equipment and USA

FUNCTIONS WITHIN THE GROUP
Marketing, international sales, customer service

Robert Kastil
Member of the Executive Board

Born 1949

Joined Rosenbauer: 1983
Date of first appointment: 1993
End of current period of tenure: 2013

FIELD OF BUSINESS
Finance

FUNCTIONS WITHIN THE GROUP
Financial accounting and controlling, Group finance, information technology, risk management, internal control system, investor relations

Gottfried Brunbauer
Member of the Executive Board

Born 1960

Joined Rosenbauer: 1995
Date of first appointment: 2000
End of current period of tenure: 2009

FIELD OF BUSINESS
Municipal vehicles and Fire-fighting components

FUNCTIONS WITHIN THE GROUP
Technical Group coordination, logistics, innovation management, quality management, environmental management

2008 on the stock markets

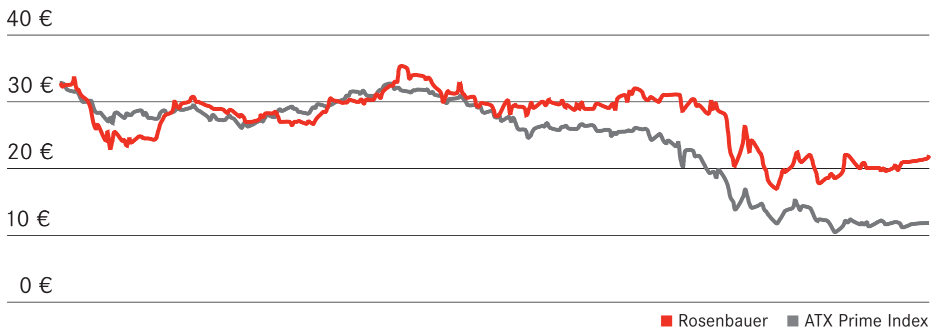
The Austrian stock exchange was also unable to escape the turbulence that buffeted international financial markets last year. After a run of successful years, in 2008 the main market indicators turned negative under the impact of the financial crisis. The leading index ATX suffered heavy losses, especially in the second half of 2008, and finished the year 61.2% down on the previous year-end. Market capitalization also shrank in 2008, from 157.9 bn€ to 51.4 bn€.

The Rosenbauer share

For the first time in several years, the Rosenbauer share exhibited a downward price trend during 2008, and thus one that was very much at variance with the company's fundamental data. After plunging in January 2008, the price started to pick up again in the second quarter, despite the fact that there had been no discernible change in either the economic environment or Rosenbauer's figures. On June 23, 2008 the Rosenbauer share even reached its high-point for the year, more than 35.0 €.

The widespread flight from small-cap stocks pushed the price down to a low of 16.6 € in the second half of the year. Following publication of the Quarterly Report 3/2008 at the end of November 2008, in which yet another record order intake was announced, the price of the Rosenbauer share recovered somewhat by the year-end, closing at 22.0 €. Over the year as a whole, the share price retreated by 32.9% – still a very much better performance than the rest of the market.

Price movements, January to December 2008 (index in €)



Stability of the shareholder structure

Rosenbauer International AG has been listed in the Vienna Stock Exchange's "Prime Market" with non-par-value shares (bearer shares) since 1994. In Germany, it is quoted on the over-the-counter market in Frankfurt, Stuttgart, Munich and Berlin.

51% of the Rosenbauer shares are held by Rosenbauer Beteiligungsverwaltung GmbH, a holdings management company founded by the family shareholders. An institutional investor from Switzerland has held more than 5% of the total capital for several years. A British investor raised its stake back to 5% in the third quarter of 2008. The remaining shares in the free float are held by diverse investors from Austria, Germany, United Kingdom, France, Italy, Switzerland and the USA.

Shareholder structure

Distribution of dividends

The dividend policy of the Rosenbauer Group aims to allow the company to develop in a sustainable, value-enhancing manner. For this reason, the dividend proposed to shareholders at the General Meeting is always one which ensures a reasonable rate of interest on the capital employed, while safeguarding the company's long-range growth perspectives with regard to its future investment needs.

This outlook is also reflected in the Executive and Supervisory Boards' motion proposing a 14% higher dividend of 0.8 € per share (2007: 0.7 €). The sum for distribution for 6.8 million non-par-value shares is thus 5.4 m€ (2007: 4.8 m€). In terms of the share's closing price of 22.0 €, this corresponds to a dividend yield of an attractive 3.6% (assuming a dividend of 0.8 € per share).

Investor relations activities

A candid exchange of information with all players on the capital market continued to be fostered and developed by the investor relations department. The Executive Board explained the company's development and its strategy to institutional investors at roadshows and capital-market conferences in European financial centers. In addition, press conferences, conference calls and meetings with analysts were regularly held.

The investor relations team also made great efforts to foster personal contact with private investors. As well as the General Meeting, a Shareholders' Day was organized in 2008 – the second time this event has been offered. A large number of private investors took this opportunity to be briefed on the progress of the Group's business, and to take a very well-received guided tour of the production facilities in Leonding.

Details of the share

ISIN: AT0000922554
Vienna Stock Exchange listing: Prime Market
Quoted on OTC market: Frankfurt, Stuttgart, Berlin, Munich
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: 79,412,968 € (2007: 137,848,439 €[1])
N° of shares traded: 2,982,102 (2007: 4,224,018[1])
ATX prime weighting: 0.27%

[1] allowance made for share split

Corporate calendar

April 24, 2009	Result for the financial year 2008
May 27, 2009	Publication of Quarterly Report 1/2009
May 29, 2009	General Meeting, to commence at 2 p.m. Festsaal der Wiener Börse (function hall at Vienna Stock Exchange), Wipplingerstrasse 34, A 1010 Vienna
June 8, 2009	Ex-dividend day
August 28, 2009	Publication of Half-year Financial Report 2009
November 20, 2009	Publication of Quarterly Report 3/2009

The Rosenbauer Group has for many years been pursuing a strategy aimed at sustained long-term growth in the value of the company. The Management of the Rosenbauer Group is committed to upholding the Austrian Corporate Governance Code. This corporate governance report refers to the most recent version of the Code, issued in January 2009, although the new legal rules did not come into effect until January 1, 2009. The Corporate Governance Code is an important means of establishing a system of management and control of the company that is accountable and is geared to creating value. It fosters trust among shareholders, investors, customers, employees, suppliers, media representatives and other interested parties.

It goes without saying that the Rosenbauer Group endeavors to abide in full by the provisions of the Austrian Corporate Governance Code. In addition to the obligatory "L" Rules (legal requirements based on statutory provisions), Rosenbauer also provides the following explanations relating to the "C" Rules, drawing attention to, and outlining the reasons for, any departures from the said Rules.[1)]
The explanations required by the Code are published in the Annual Report and on the corporate website: www.rosenbauer.com

Scope of competence and responsibilities of the Executive Board

"C" Rule 16:

- Julian Wagner, President and CEO
  Born 1950
  Joined Rosenbauer: 1968
  Date of first appointment: 1992; end of current period of tenure: 2012
  Field of business: Aerials and business development
  Functions within the Group: Corporate strategy, personnel and social management, corporate communications, internal audit
  Supervisory board mandates: Member of advisory board of Sieper-Werke GmbH, Germany

- Manfred Schwetz, Member of the Executive Board
  Born 1946
  Joined Rosenbauer: 1993
  Date of first appointment: 1993; end of current period of tenure: 2011
  Field of business: Specialty vehicles, Fire & safety equipment and USA
  Functions within the Group: Marketing, international sales, customer service
  Supervisory board mandates: –

- Robert Kastil, Member of the Executive Board
  Born 1949
  Joined Rosenbauer: 1983
  Date of first appointment: 1993; end of current period of tenure: 2013
  Portfolio: Finance
  Functions within the Group: Financial accounting and controlling, Group finance, information technology, risk management, internal control system, investor relations
  Supervisory board mandates: REFORM-WERKE Bauer & Co GmbH, Austria

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

- Gottfried Brunbauer, Member of the Executive Board
  Born 1960
  Joined Rosenbauer: 1995
  Date of first appointment: 2000; end of current period of tenure: 2009
  Field of business: Municipal vehicles and Fire-fighting components
  Functions within the Group: Technical Group coordination, logistics, innovation management, quality management, environmental management
  Supervisory board mandates: –

Executive Board remuneration report

"C" Rule 30: 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 40% to 60%.

The performance bonus of the Executive Board is determined as a percentage of the Group profit as shown in the Consolidated Income Statement before deduction of tax and minority 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.

A D&O (Directors & Officers) insurance policy is in force for the Group, the costs of which are borne by Rosenbauer International AG.

Remuneration of Executive Board Members

"C" Rule 31: It is the opinion of the Executive Board that the capital market's need for information is adequately served by the disclosures made under "C" Rule 30. It has thus been decided to refrain from publishing details of the fixed and performance-linked remuneration of each individual Member of the Executive Board.

Establishment of committees

"C" Rule 34: An audit committee (of the Supervisory Board) has been established to review and prepare the approval of the annual financial statement, and to draw up a proposal for the appointment of an external auditor. This committee also exercises a consultative function in all matters bearing upon company and Group financial reporting. In a separate meeting, the committee also deals with the activities of the internal auditing unit, with the Group's risk management system, and with its internal control system.

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.

The committees are elected for the period of tenure of their respective members. Each committee chooses a chairman and deputy chairman from among its number.

Meetings of the Supervisory Board

"C" Rule 36: The Supervisory Board met four times 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.

Committees

"C" Rule 39: The audit committee described under "C" Rule 34 met in April 2009 to review and prepare the 2008 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 and risk management procedures. The members of the Audit Committee were Alfred Hutterer (Chairman), Dieter Siegel and Rudolf Aichinger.

Contracts subject to approval

"C" Rule 49: No "contracts subject to approval" as defined in L-Rule ("L" = legally required) n° 48 were in force last year, i.e. contracts with members of the Supervisory Board or with companies in which a member of the Supervisory Board had a considerable economic interest.

Remuneration schedule for members of the Supervisory Board

"C" Rule 51: 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 as shown in the Consolidated Income Statement before deduction of tax and minority interests. This percentage is reduced in line with increases in the consolidated profit.

For the same reasons as those adduced under "C" Rule 31, it has been decided to refrain from publishing details of the fixed and performance-linked remuneration of each individual Member of the Supervisory Board.

Independence of the Supervisory Board

"C" Rule 53: When establishing the criteria for assessing independence, the Supervisory Board follows the guidelines set out in Annex 1 of the Corporate Governance Code. According to these guidelines, the Supervisory Board members Alfred Hutterer (Chairman), Christian Reisinger (Vice 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 elected members of the Supervisory Board 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%.

Periods of tenure of Supervisory Board members Owner representatives

"C" Rule 58:

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

- Christian Reisinger, Vice Chairman (since May 26, 2007)
  Born: 1960
  Date of first appointment: May 25, 2006
  End of current period of tenure: 2011 General Meeting
  Member of Executive Board of Lenzing AG

- Dieter Siegel
  Born: 1964
  Date of first appointment: May 18, 2002
  End of current period of tenure: 2013 General Meeting
  Head of "Steel Europe" Business Unit at RHI AG

- Karl Ozlsberger
  Born: 1948
  Date of first appointment: May 26, 2007
  End of current period of tenure: 2012 General Meeting
  Partner, ROS Consulting GmbH (consultancy)

Periods of tenure of Supervisory Board members Workforce representatives

- Rudolf Aichinger
  Born: 1963
  First delegated: July 17, 2003
  End of current period of tenure: 2012

- Alfred Greslehner
  Born: 1960
  First delegated: December 9, 2004
  End of current period of tenure: 2012

None of the members of the Supervisory Board exercised a supervisory board mandate, or any comparable function, in any other Austrian or foreign stock exchange listed company in 2008.

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.

Insider rules

The aims of the Rosenbauer Group's investor relations work are comprehensive reporting to, and equal treatment of, all market participants. On the basis of the "Compliance Decree for Issuers" published by the Austrian financial market authority FMA, Rosenbauer has implemented a detailed compliance directive. 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.

ECONOMIC ENVIRONMENT

World economy

2008 was marked by the ongoing financial crisis and grossly exaggerated price movements on commodity markets, especially in the oil price. In the second half of the year, the credit crunch gradually started to spill over into the real economy, leading to an abrupt reversal of the inflationary tendencies that had prevailed until then, and to falling raw materials prices.

The prospects for 2009 are grim. The severest financial crisis for over 75 years has stopped the world economy in its tracks, and the USA, Western Europe and Japan have all slid into recession. Many manufacturers, all around the world, have come under pressure and reacted by slashing capacity.

The forecasts for 2009 are still fraught with uncertainty. Much will depend upon how the various economic blocs deal with the financial crisis – the principal agent of the downturn.

North America

After the collapse of more than 20 banks, millions of foreclosures and in the face of automobile manufacturers' last-ditch struggle for survival, the USA is in the throes of a "crisis of historic proportions". Hence the US federal government's decision to pass further economic stimulus packages in addition to the unprecedented bail-outs of ailing financial institutions. With these measures it is endeavoring to get to grips with the mounting crisis and kick-start the economy again. At the same time, the aim is also to avert the impending loss of millions of jobs. Experts are expecting the unemployment rate to rise from 7.2% (December 2008) to 9% by the end of 2009.

The US dollar also reflected developments in the real economy. Whereas it continued to lose in value against the euro in the first half of the year, the US dollar climbed from 1.6 to 1.25 in the third quarter. Among other causes, this massive rise was prompted by the economic crisis in the euro zone.

Europe

In the wake of the financial crisis, which necessitated bank bail-outs on an unprecedented scale, the crisis in the real economy also started to hit Europe in the second half of 2008. Since then, the economic forecasts have repeatedly been revised downwards. Whereas in the middle of 2008 the OECD was still expecting GDP growth of 1 percentage point for the 15 countries in the euro zone, its most recent predictions were for a 1.5% contraction. By the end of 2008, the EU Commission had thus already decided upon a 130 bn€ economic stimulus package to support the economy.

The German economy, and especially its export-orientated industries, moved into recession in late 2008. The Munich-based Ifo Institute's business confidence index fell to 85.5 points, its lowest level since February 1993 – when Germany was also in recession. According to the most recent forecasts, German economic output is set to contract by as much as 3% this year, following real GDP growth of 1.3% in 2008.

Whereas the expectations for German private consumption and the labor market in 2009 tend to be more optimistic, the outlook for the country's exports, which depend much more on the health of the world economy, is for a sharp downturn.

China

China, too, was hit by the worldwide economic crisis in the second half of the year, primarily through a collapse in export sales to the USA and Europe. At the end of 2008, the Chinese authorities responded to this threat with a 4 trillion yuan (470 bn€) economic stimulus. Although 2009 is expected to see a marked slowdown in the growth rate, the forecast 6% to 7% rise in economic output is still far removed from the recessionary trend facing Western industrial nations.

DEVELOPMENTS IN THE FIRE-FIGHTING SECTOR

International

The overall trend of 2008 for the fire-equipment sector was, on balance, one of stable development, despite an increase in regional fluctuations. The critical factor determining the demand and development potential of any particular market or region is the way in which its fire brigades are financed:

In developed regions such as in Western Europe, procurement is financed mainly out of tax revenues. When these decline, a time-lag of between one and two years may be expected before the consequences start to make themselves felt in our sector. In regions that are currently investing heavily in infrastructure projects – often by way of special financing schemes – there is a risk that planned projects may be postponed. On the other hand, in regions whose economies depend mainly on exports of raw materials, procurement behavior is often decoupled from the international economic outlook, being determined largely by the size of such countries' export earnings.

The world market for fire-fighting vehicles with a gross weight of over 7.5 t grew again in 2008; 2007 sales volumes (latest available UN statistics) can be put at around 2,800 m€. Compact vehicles and fire safety equipment are not included in this figure. More than 90% of these vehicles are sold in the NAFTA region, Western Europe, the Middle East and Asia.

In North America, Europe, Russia and Asia, most demand for municipal vehicles is traditionally met by local manufacturers.

North America

In 2008, sales volumes on the world's biggest single market grew by 10% to around 5,100 fire-fighting vehicles. Several US manufacturers had to contend with business difficulties, and lost market share. The repercussions of the general economic crisis and of 2007's market downtrend both led to exacerbated price competition.

Europe

On the German market, Europe's biggest, sales volumes rose 10% year-on-year to around 2,000 new vehicle registrations, the average level of the last five years.

The average age of German fire-fighting vehicles is now 17 years, from which it may be concluded that despite new acquisitions, old vehicles are often not being retired from service. Another indicator of this is the change in the size of the fire-fighting vehicle fleet in Germany as a whole. Between 1987 and 2008, this grew by around 70%, from 45,000 to 76,000 vehicles.

On the hotly contested Eastern European markets, competition intensified still further. Although sophisticated vehicles are still being procured from noted international manufacturers, there is a noticeable trend for simpler fire-fighting vehicles to be sourced from new, local suppliers. In Southern Europe, procurement is still dominated by centralized tendering procedures, which is why these markets mostly have “spot-market” character.

Asia

Asia’s biggest fire-equipment markets are China, India and Japan. Estimated annual sales volumes are some 3,000 vehicles in China and around 1,500 in India. Both markets are dominated by low-priced municipal vehicles with little or no claim to quality or technological sophistication that are mainly produced by local suppliers. For established manufacturers, it is primarily custom vehicles for airports and industrial firms that are of interest, as these call for a level of technology and quality that local suppliers do not offer.

Middle East

The countries of the Middle East have recognized the need to address their infrastructural deficiencies, especially in the field of public safety, and stepped up their capital spending in this segment in recent years. The procurement priorities here were qualitatively and technically sophisticated vehicles of all categories, as well as the entire range of fire safety equipment. In the Middle East, too, the attractiveness of this market segment has drawn in new competitors, increasing the pressure on the established manufacturers.

Other markets

The markets in Latin America and Africa are characterized by spot projects based on central procurement programs, in some cases with lead times of several years. This makes it difficult to forecast developments on these markets.

REVENUES, ORDERS AND INCOME SITUATION

In 2008, for the third time in a row, the Rosenbauer Group achieved record figures for both revenue and income. This success is attributable largely to the strong international position achieved by the company in recent years. By expanding and upgrading its manufacturing capacity in the USA and Austria, Rosenbauer laid the necessary foundation in good time for dealing with the ensuing high production volumes. This enabled it to continue along recent years’ successful growth track.

Revenue trends

Group revenues rose last year to 500.3 m€ (2007: 426.1 m€). At 74.2 m€, the increase in revenues – achieved solely through organic growth – was by far the highest in the company's entire history. This development was driven largely by the export business of Rosenbauer International AG and by the German segment.

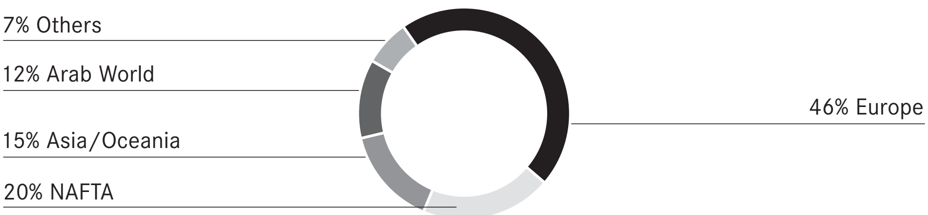
Once again, the biggest revenue earner in 2008 was Rosenbauer International AG, with revenues of 280.1 m€ (2007: 228.7 m€). Its export ratio of 88% (2007: 89%), with shipments to over 100 countries, makes it the most internationally orientated firm in the industry.

The "Vehicles" product segment accounted for the biggest single share (70%) of Group revenues in 2008 (2007: 68%). The "Aerials" segment posted revenues of 60.7 m€ (2007: 55.7 m€), corresponding to a 12% share of total revenues (2007: 13%). Accounting for 9% (2007: 10%) and 4% (2007: 4%) of revenues respectively, "Fire & safety equipment" and "Fire-fighting components" were at roughly the same level as the year before. "Service & spare parts" revenues and "Other revenues" together accounted for 5% of the total in 2008 (2007: 5%).

Revenues by product segments 2008

As in previous years, Europe was once again Rosenbauer's biggest sales region. Around 46% of Group revenues, amounting to 228.0 m€ (2007: 44%/188.8 m€) was achieved on these markets. Thanks to the Group's strong position on the US market, the NAFTA countries – with 100.2 m€ (2007: 97.2 m€) or 20% of the total (2007: 23%) – took second place in the revenue rankings. Following higher shipments to Australia, the Asia and Oceania region took third place, with revenues of 76.4 m€ (2007: 47.5 m€) or 15% of the total (2007: 11%). At 59.5 m€ (2007: 63.9 m€), the Arab World accounted for a 12% share of Group revenues. Revenues from other countries came to 7% of the total (2007: 7%).

Revenues by region 2008

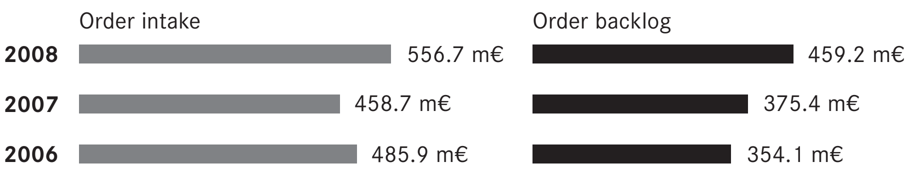


Orders

Order intake in the Rosenbauer Group climbed to 556.7 m€, 98.0 m€ (21%) above the previous year's figure (2007: 458.7 m€). Particularly strong growth was achieved in international and US business.

Thanks to the healthy order intake trend in the final quarter of the previous year, the volume of order backlog at the end of 2008 reached a new record level of 459.2 m€ (2007: 375.4 m€). In consequence, 2009 will see a continuation of the high levels of capacity utilization in the Group's production facilities.

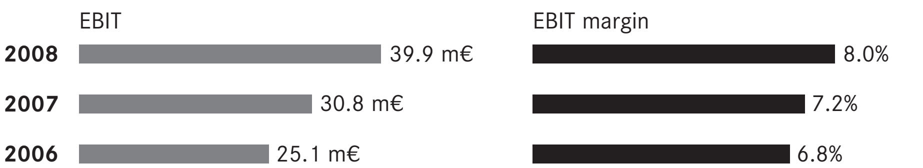
Order intake and order backlog as at December 31



Income situation

Last year's operating result (EBIT) was lifted by 30% to reach the highest figure ever, 39.9 m€ (2007: 30.8 m€). The main earnings drivers were Rosenbauer International AG, with yet another improvement in its export performance, and the US companies. The strategic goal of increasing the EBIT margin year by year was also achieved in 2008, with the EBIT margin improving from 7.2% (2007) to 8.0%.

EBIT and EBIT margin



The Group's strong international position, continued expansion of its international sales organization and the launch of a series of new products all made decisive contributions to the growth trend in 2008. Today more than ever, the Rosenbauer brand stands for innovative products, acknowledged quality and high technical standards.

Despite higher transaction volumes, the finance cost improved from –5.4 m€ to –4.8 m€. The reduction in financing requirements resulted from high cash-flow generation over the course of the year, and from considerably higher customer prepayments. Moreover, the much lower interest rates in the fourth quarter of 2008 helped to lower financing costs at the Group's European locations.

Working-capital finance is effected largely by way of current liabilities, for a significant part of which interest-rate caps were concluded in both Austria and Germany. These caps serve to limit the interest risk by providing protection from rises in interest rates during the term of the cap. The non-current liabilities are underlain by interest-rate adjustment agreements based on the 3-month or 6-month rate of interest. The interest expense incurred on all interest-bearing financial liabilities totaled 3.9 m€ in the reporting period (2007: 4.9 m€). This corresponds to an average interest rate of 6.9% (2007: 6.1%).

In December 2008, a transfer agreement was signed providing for Rosenbauer's stake in the 50% joint venture Rosenbauer YongQiang, established in 2005, to be transferred to the former Chinese partner in 2009. This sale is likely to become effective in the first quarter of 2009. Despite intensive endeavors, it had not proved possible to establish a strong enough foothold on this market with locally produced municipal fire-fighting vehicles. The efforts to convince potential customers that higher quality also warrants a commensurately higher price were, ultimately, insufficiently successful.

In addition, the effects of the economic crisis have intensified the price pressure on the Chinese fire-equipment market still further, meaning that the strategically dictated profit expectations were in any case no longer feasible as long as the joint-venture business model was retained. The disposal of this joint-venture stake for one euro allows the Chinese partner to continue production under a new name, i.e. without using the Rosenbauer brand name. Rosenbauer will of course be continuing its long and successful track record of exporting Austrian and German-made specialty vehicles for airports and industry to China, along with fire-engineering components and aerial appliances.

At December 31, 2008, this joint venture is stated in the consolidated balance sheet as an "asset kept for sale" with a value of 1.0 €. In the consolidated income statement, it is written off at fair value less disposal costs of 2.8 m€ which are shown under "Profits/losses/impairment on joint venture".

Profit before tax (EBT) rose to 32.3 m€ (2007: 25.4 m€). At 22.3%, the taxation ratio remained at the same level as the year before (2007: 21.7%). The stated taxation expense came to 7.2 m€ (2007: 5.5 m€). After deduction of the income taxes, the final Group consolidated profit is up 26.1% at 25.1 m€ (2007: 19.9 m€).

The profit shares for minority stakes held by the co-partners in Rosenbauer America and Rosenbauer Española came to 5.5 m€ (2007: 4.8 m€).

FINANCIAL POSITION, ASSET AND CAPITAL STRUCTURE

The Rosenbauer Group has not been appreciably affected by the consequences of the current financial and economic crisis. The Group's financing strategy has, for many years, followed conservative principles which give priority to maintaining assured liquidity and the highest possible equity capitalization.

Despite having effected several major acquisitions since going public in 1994, Rosenbauer has never stated any goodwill in its consolidated balance sheet. There is thus no risk of any impairment in the value of goodwill.

Maintenance of the Group's great financial strength is assured by its lasting, long-term business relationships with several banks – all of which enjoy excellent ratings. The annual rating-talks and candid dialogue that take place between Rosenbauer and its bankers together underline the Group's good financial standing and constitute an important means of ensuring liquidity. In spite of its recent organic growth, the Group continues to have access to financing facilities greatly in excess of the amounts likely to be needed.

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 turnaround times, lasting several months, for the vehicle contracts currently under manufacture.

The rise in the balance-sheet total to 251.0 m€ (2007: 228.8 m€) was essentially due to the Group's organic growth. Owing to the additions to capacity made at the Leonding, Neidling, Lyons and Wyoming facilities, the investments in 2008 rose from 7.1 m€ to 12.2 m€, considerably in excess of the routine depreciation charges of 5.4 m€ (2007: 5.1 m€).

The figure for inventories was down on the previous year, at 84.9 m€ (2007: 102.2 m€). This decrease is attributable to higher shipments at the year-end, and to the fact that a larger proportion of the inventories than the previous year were stated as production contracts due to their higher degree of completion (2008: 48.1 m€, 2007: 24.4 m€). Owing to high shipment volumes in the fourth quarter of 2008, the current receivables rose by 33% to 63.5 m€ (2007: 47.7 m€).

The Group's equity capitalization was raised still further in 2008, increasing by 27% to 92.0 m€ (2007: 72.7 m€). This increase may be attributed to the renewed improvement in the Group result. It means that despite the higher balance-sheet total, the Group's equity ratio improved from 31.8% to 36.7%, more than meeting the long-term goal of a 35% equity ratio.

The interest-bearing liabilities needed for financing the high production volumes were reduced from 37.1 m€ to 32.7 m€, largely because of higher prepayments from customers. At 120.3 m€ (2007: 119.8 m€), current debt remained at the same level as the year before.

Despite increased funding, at the end of 2008 the Group's net indebtedness – meaning the balance of interest-bearing liabilities less cash and securities – was 31.3 m€, i.e. still in the same dimension as the previous year (2007: 30.6 m€). The gearing ratio of 34.1% (2007: 42.1%) reached a figure which underlines the sound financial basis of the Group.

Net cash flow from operating activities totaled 20.4 m€ last year (2007: 24.1 m€). The decrease is essentially due to the higher amounts that were paid in tax.

Key profitability figures		2008	2007	2006
Capital employed (average)	in m€	139.0	127.7	111.2
Return on capital employed (ROCE)	in %	28.7	24.1	22.6
Return on equity (ROE)	in %	39.2	37.4	35.1

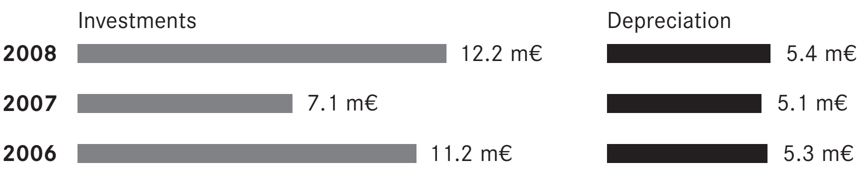
INVESTMENTS

The investments made in 2008 took their cue from the company's strong growth and were thus essentially focused on additions to production capacity. Measures were taken to increase the manufacturing volumes at the production locations in Leonding and Neidling (Austria), Luckenwalde (Germany), Lyons and Wyoming (USA).

Investments totaling 12.2 m€ were made 2008 (2007: 7.1 m€). The lion's share of these was accounted for by the further enlargement of production capacity and accompanying improvements in productivity (52%), while 35% went on replacement investments and implementing official directives, and 13% on rationalization measures.

Since 2005, investment has been well above the annual depreciation charges, in line with the goal of strengthening growth. Depreciation in the Rosenbauer Group came to 5.4 m€ in 2008 (2007: 5.1 m€).

Investments and depreciation



Capacity build-out at the Leonding facility

Following the extensions made to the facility in 2005 and 2006, continued high capacity utilization at the Leonding main plant has made it necessary to move ahead with the next phase in the enlargement program. In September 2008, work began on putting up an additional production building and a new service and customer center, covering 2,760 m². Starting in the third quarter of 2009, it will be possible to build up to an extra 150 modularly designed vehicles a year, on four new assembly lines.

Designed on state-of-the-art lines, the new service and acceptance-inspection zone will boast five spacious handover bays, enabling vehicles to be presented and given their acceptance inspections free of all outside disturbance.

This new building was erected on the land previously occupied by the staff car-park. Instead, a neighboring plot of land has been leased and a new car-park built on it for employees, with around 30% more parking spaces.

The overall investment volume for these facility enlargements will be around 6.0 m€, 3.2 m€ of which had already been incurred before the end of the reporting period.

Investments in the production facilities at Leonding

The increase in order volumes necessitated the acquisition of two highly automated machines. A new machining and milling center was installed in the mechanical fabrication shop; this machine is around 40% more efficient and more versatile than its predecessor model from 1992. Also, because of the greater use being made of aluminium components fabricated from laser-cut and folded sheets, an additional laser-cutting center, with automated sheet-metal feed, was acquired. These investments together came to 1.8 m€ in the year under review.

Extensions to the Neidling facility

The Neidling plant in Lower Austria is the center of expertise for producing vehicles weighing up to 11 t, interior superstructure components such as swing-out shelves and equipment compartments, and many different holding-fixture systems for on-board equipment. Commenced in 2007, the expansion program is being tackled in several phases. In 2008, a production building was extended, adding 2,100 m^2 of new space and boosting Neidling's capacity by as much as 50%. The investment volume in 2008 totaled 2.5 m€.

Remodeling of the Luckenwalde site

The production facility at Luckenwalde, near Berlin, manufactures municipal vehicles for the German market, and vehicles for worldwide export. In 2008, the infrastructure at this plant was remodeled with a view to optimizing the workflows, for an investment outlay of 0.6 m€. Also, the vehicle handover area was modernized and enlarged, and the service and repair capacities were expanded.

Extensions to the Lyons facility

Located in Lyons, South Dakota, Central Division produces municipal vehicles for the US market and for worldwide export. The steady rise in Rosenbauer's market share in the USA has necessitated further expansion of production capacity. In 2008, a new production building, a customer center and new offices with around 3,000 m^2 of floor space were built. The total investment came to 2.2 m€.

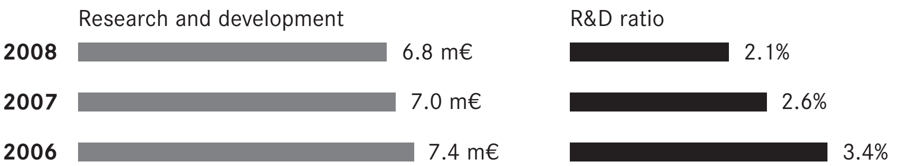
Extensions to the Wyoming facility

The growth in business with ARFF (Aircraft Rescue Fire Fighting) vehicles last year made it necessary to expand manufacturing capacity at the Wyoming, Minnesota, plant as well. This was achieved by leasing a neighboring production building with around 5,000 m^2 of floor space, and adapting it at an investment outlay of 0.7 m€. Rosenbauer Motors' chassis have been produced in the new building since the third quarter of 2008. These chassis are destined for the on-site superstructure fabrication operations in Wyoming, and for Austrian production of PANTHER ARFF. Superstructure fabrication and assembly of the PANTHER are also carried out in the new building.

RESEARCH AND DEVELOPMENT

The Rosenbauer Group invested 6.8 m€ in research and development in 2008 (2007: 7.0 m€). This amount is equal to 2.1% (2007: 2.6%) of the relevant net sales proceeds from our own production. Around 75% (2007: 66%) of these development costs (5.1 m€, as against 4.6 m€ in 2007) were incurred by Rosenbauer International AG, the Group's center of expertise for specialty vehicles, fire-fighting components and fire safety equipment.

Research and development/R&D ratio



Rosenbauer is regarded as the sector's innovation leader. The basis for its permanent development effort is a strong innovation management system. In order to provide systematic support for innovation throughout the Group, innovation teams have been set up at several locations to generate ideas in a structured way, review their feasibility and evaluate the economic benefits. The best innovations are then selected and pushed ahead by project teams until they are ready to go into serial production.

Innovation management at Rosenbauer is greatly enriched by the involvement of the many employees who are themselves active members of volunteer fire brigades and who input their practical experience directly into our development work. This ensures that every new product is not only technically right up to date, but also meets firefighters' specific requirements in a practice-oriented way. The following innovations were unveiled in 2008:

New PANTHER flagship

To cater to the demand for even more powerful, higher-capacity ARFF vehicles, Rosenbauer has developed an even bigger chassis for the PANTHER 8x8. Strengthened axles and a number of further optimizations have permitted an increase in the tank capacity. Building on the proven concept of this already very successful PANTHER model, the approach taken was to locate two environment-friendly (Euro-4) driving engines at the rear of the vehicle. These propel it from 0 to 80 km/h, via two automatic transmissions, in just 23 seconds. The two driving engines are linked to one another by way of a special gear unit, and the power is distributed to all four axles. During fire-fighting operations, the engines are separated so that one of them continues to supply the power train while the other powers the pump installation.
With this innovative ARFF vehicle – the biggest in the world – Rosenbauer has consolidated its position as the technological leader yet again.

TWISTER – the new fire-fighting boot

Rosenbauer launched its new fire-fighting boot TWISTER in mid-October 2008. The special thing about the TWISTER is its absolutely novel closure system: The boot is closed not by tying shoelaces but by means of a high-tensile-strength special-steel cable. This steel lace cable is routed around rugged lace-guides and fixed to a spool inside a rotary knob. Simply by pulling out this knob, the user can instantly loosen the boot closure, enabling him to slip in and out of the boot very quickly and easily. Thanks to its new closure system, the new fire-fighting boot provides unequalled wearer comfort.

HEROS-XT helmet system for the US market

The HEROS-XT is the only European-manufactured fire helmet to have been developed and certified in accordance with the US Standard (NFPA). The new helmet is based on the internationally successful HEROS-xtreme helmet system, and its unique polyamide/fiberglass helmet shell makes it extremely resistant to heat. With this innovative development, Rosenbauer has opened up some promising new market opportunities.

STINGER – US high-reach extended turret (HRET)

The new STINGER HRET (High-Reach Extended Turret) has been specially developed for deployment against aircraft fires. The centerpiece of the STINGER is a piercing lance equipped with an extinguishing nozzle. The lance is hydraulically fired through the skin of the aircraft fuselage, permitting precisely targeted discharge of the extinguishant inside the aircraft. The positions where the fuselage skin can be penetrated to achieve the best extinguishing effect can be pre-programmed anywhere on the aircraft. The STINGER was a Group-wide development by RK Aerials and Rosenbauer International AG.

SUSTAINABILITY

Recent developments on the worldwide financial markets, and the effects these have had on the real economy, have shown only too clearly what consequences can result from short-termist corporate decision-making.

The sort of thinking that only goes as far as the next quarter's results has no place in the Rosenbauer business ethos. Rather, it is sustainability-oriented Management decisions, and a deliberately exercised responsibility towards all stakeholders and to society at large, that are regarded as the cornerstones of future success.

As a globally active Group in the field of mobile fire protection and civil defense solutions, Rosenbauer makes sure that its actions are informed by economic, environmental and social criteria. In the Rosenbauer Group's mission statement, responsibility towards customers, employees, society and the environment is the bedrock of all the enterprise does.

Responsibility towards customers

Long-lived products, and equally long-lived availability of spare parts, are a key customer requirement. This is why Rosenbauer after-sales service operates a worldwide network of service stations and is on call around the clock. Another contribution to sustainability 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.

Fire-engineering equipment has to function reliably for years and decades on end, which is why Rosenbauer ensures the sustained, lasting quality of its products by means of systematic in-house quality management. The quality management system is certified to EN ISO 9001:2000 and is lived out in practice at Rosenbauer as a dynamic process.

The demands being made of fire brigades are constantly evolving. For us, this means a permanent innovation effort. This stays closely tuned to what is happening "on the ground". By institutionalizing innovation management, we have created the framework for systematically gearing product development to the specific requirements of the fire brigades.

Responsibility towards employees

Management's responsibility towards employees is laid down in writing in the Group's leadership principles: We deal with one another in a consistent, honest and fair-minded way.

Developing and producing cutting-edge technology is only possible when employees unstintingly contribute their talent, creativity and commitment in equal measure. This attitude is stimulated and fostered by continual development of the corporate culture and by the creation of a positive working climate within the company.

Among the special priorities of personnel management are staff development and supervision, and issues related to health and safety at work.

To encourage staff development, an extensive further-education and training program is offered, ranging from personality development, foreign languages and teamwork all the way through to specialist technical and commercial curricula.

Compared with other industrial firms, Rosenbauer has an exceptionally high apprenticeship training rate, offering over 100 young people the opportunity of full-time vocational training at its European locations. This thorough vocational education assures a steady supply of new talent and is an effective countermeasure to the shortage of skilled labor. Many young employees stay with the company after finishing their apprenticeships.

Involvement in a volunteer fire brigade is a hiring criterion that we are always very happy to see when recruiting new employees. With their practical real-life experience, the firemen in our own ranks make a vital contribution towards translating customers' requirements into high-performing products. By being at the service of the wider community, they also stand for continuity of the values that make Rosenbauer special.

In the field of preventive health care, Rosenbauer offers a broad portfolio of benefits: With its seven different types of sport, the Rosenbauer sports association – a fixture of company life for decades – promotes employees' fitness, and with it their health and well-being. As well as all this, there are also vaccination campaigns against influenza, and grants towards the cost of vaccinations against Central European tick-borne encephalitis. By offering support seminars for staff who want to give up smoking, and by making its Leonding and Neidling plants alcohol-free zones, Rosenbauer is making a meaningful contribution towards ensuring a healthy working environment.

Rosenbauer provides its staff with modern apparel, tools and protective devices, always in accordance with the latest safety standards, so as to ensure their on-the-job safety. Regular, systematic inspection tours and internal 3S housekeeping audits serve to continually enhance safety, orderliness and cleanliness throughout the entire company. These inspections are carried out in accordance with defined priorities, with outstanding points being listed and subsequently improved upon. Continuous optimization of the assembly workplaces is another contribution towards raising workplace safety.

Responsibility towards society at large

Rosenbauer manufactures products for fire brigades all over the world, whose "raison d'être" is of course to save lives and safeguard property.

Rosenbauer employs a high proportion of skilled people at its production locations, making it an important employer in the regions concerned. Rosenbauer has built up a network of subcontracting enterprises in the districts surrounding its production plants, and agreed long-term co-operative ventures with the partners involved. In so doing, Rosenbauer is also playing an active role in creating and sustaining regional economic structures.

Responsibility for the environment

Resource conservation, energy efficiency and comprehensive environmental management are all firmly anchored in the Rosenbauer corporate culture. The technologies used in production are mainly the classic processes of mechanical engineering and custom vehicle manufacturing, and of metalworking and plastics processing. As the activities involved are primarily assembly work, the impact on the environment is comparatively limited.

ENVIRONMENTAL MANAGEMENT

Continuous improvement of the Group's environmental balance sheet is another declared aim. The ISO 14001 certified environmental management system is, in turn, part-and-parcel of an integrated management system. By expressing all environmental and workplace safety processes in terms of a uniform system of key figures, the environmental management system (UMS, to give it its German initials) gives us the framework for continual improvement of the Group's overall environmental footprint. As a global-playing manufacturing and trading enterprise, the Rosenbauer Group sees environmental protection as the basis for sustainable economic activity.

Lowering paint-shop emissions

Solvent-based paint systems are still required in the manufacturing of fire-fighting vehicles. Water-based paints have only limited usability, because foam-based extinguishants contain substances that can dissolve water-based paint finishes. By continuously optimizing the painting processes, Rosenbauer is nevertheless managing to reduce the solvent content ever further, thus helping to minimize the impact on the environment.

Multi-year building rehabilitation program

At both the Neidling and Leonding production locations, a multi-year program of building rehabilitation has been commenced with the aim of enhancing the buildings' energy efficiency by renewing their roofs and windows and improving their insulation.

QUALITY MANAGEMENT

The quality management system (QMS) is a central controlling instrument at Rosenbauer. All the main enterprise processes have been designed with reference to quality criteria, enabling process deviations to be recognized and corrected at an early stage.

Not least, the consistent implementation of this quality policy is reflected in the Group's quality costs: Despite the high output and the large number of new products, it even proved possible to reduce these costs slightly in 2008. As a proportion of overall production costs (not including chassis), they came to 1.90% in 2008, as against 1.94% the year before.

Cross-disciplinary management system

The Rosenbauer Group management system is uniformly structured, and documented on the company's internal web platform as a central tool for controlling and for letting employees see quickly which rules apply in any given case. It consists of the QMS (quality management system), the UMS (environmental management system) and a new OHSAS 18001:2007-compliant occupational health and safety management system which is to be certified for the first time in 2009. The impact of the various processes on quality, the environment and workplace safety are displayed in a system of key figures.

In the course of a combined compliance audit in 2008, the cross-disciplinary Rosenbauer management system was re-certified, namely for the Leonding, Neidling, Graz, Telfs, Karlsruhe, Passau and Luckenwalde sites on the basis of EN ISO 9001:2000 and (in the case of the Austrian sites) also to the environmental standard EN ISO 14001:2004.

RISK MANAGEMENT

In view of the growing international business operations of the Rosenbauer Group, timely detection of risks, and implementation of the counter-measures evolved in response, are a key component of corporate governance. With this in mind, the aim of opportunity and risk management at Rosenbauer is to ensure that the risks taken on are reasonable and manageable, and are dealt with in a responsible manner.

Principles of risk-management

The basic principles and procedures of the risk-management system are laid down in a Group-wide risk strategy. The functionality and effectiveness of the Group's risk detection and risk monitoring are examined at the annual meeting of the Audit Committee.

The risk management system essentially 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. Continuous identification, appraisal and controlling of risks are thus an integral part of the management, planning and controlling process. In essence, the risk management system consists of five elements:

- a written risk strategy, supplemented by a risk policy,
- a central risk management officer, supported by risk officers in each of the Group's business units and operational units,
- risk detection and evaluation in each separate corporate area or entity,
- the Group's reporting structure, both within and between corporate areas and entities, and
- the risk report at business-unit level and at the level of each individual Group company.

The immediate responsibility for risk management lies with 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 with the Supervisory Board once a year.

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. Operational implementation of the risk-management system is effected by the Internal Auditing unit.

Internal control system (ICS)

The Amendment Act on Corporate Law (URÄG) 2008 adopted the 8th EU Directive into Austrian law. Under this legislation, capital-market orientated companies are henceforth obliged to include in their Group situation report not only an outline of their risk management systems, but also of the main features of their internal control system (ICS) with regard to the financial reporting process.

Rosenbauer is thus working on documenting its main internal controls, and will be submitting this documentation to the Audit Committee for review early in 2010.

Sectoral and company-specific risks

The relevant risk map for Rosenbauer is characterized by a growing intensity of competition in the fire-equipment sector, the recessionary developments taking place in the world economy, and above all, by the resulting spending power of public-sector budgets. Further influencing factors are the threats of terrorism and natural disasters, and the inadequate infrastructure found in many upwardly aspiring regions.

The fire-equipment sector had not yet been affected by the spreading financial and economic crisis by the end of 2008. As a basic rule, developments on individual fire-equipment markets will depend upon how financial resources are made available for the procurement of vehicles and fire safety equipment in the respective market.

To ensure its sustained long-term growth, Rosenbauer has resolutely pursued its internationalization strategy; alongside its nine production locations in three continents, it has built up a worldwide distribution network. In this way, it has achieved a market position which enables it to even out sales fluctuations taking place in different markets.

Risks for the fire safety business arising from changes in the overall political or legal conditions are, as a rule, unavoidable. Political crises and embargos may prevent access to certain markets.

The annual business plan is derived from the multi-year Group strategy and comprises a target-catalogue for each business unit, to serve as a controlling instrument. This systematic approach enables us to discern – and then largely avoid – any strategic risks at an early stage.

The economic crisis may be expected to spill over into the fire-equipment sector after a certain time-lag, intensifying competition still further. This heightened competition will raise the pressure on margins. Rosenbauer is countering this margin risk by continuously bringing out new developments, by offering modular product concepts and by undertaking ongoing process-efficiency enhancement.

Operational risks

Our manufacturing activities call for thorough examination of the risks along the entire value chain. In view of today's ever shorter innovation cycles, increasing importance attaches to research and development work.

Precautionary measures have already been defined in case there is a steep drop in production volumes as a consequence of the current economic crisis. If necessary, these measures can be taken at short notice:

Firstly, by scaling back the use of temporary staff, the number of production hours worked can be reduced without any permanent staff having to be laid off. Further cuts in total production hours can be cushioned by backsourcing previously outsourced job orders. In the event of a severe downtrend on the market, these measures should make it possible to keep the risk of insufficient capacity utilization within manageable bounds.

Risk minimization on the procurement side is accomplished by ongoing observation of the relevant markets, by care in the negotiating and drafting of contracts, and by appropriate safeguards. In order to ensure that the production operations are kept supplied on schedule and to the requisite quality level, our main vendors are continuously 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, although supplier risks arising from possible insolvencies in the wake of the current economic crisis cannot entirely be ruled out.

Demand for raw materials on world markets slumped during the second half of 2008, ushering in a massive drop in the prices of raw materials. Being primarily an assembly company, Rosenbauer needs little or no process energy, meaning that energy supply shortfalls play only a minor role.

Moreover, 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 costs arising in connection with fire, explosion or similar natural perils.

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

No significant legal claims or litigation risks were extant in the reporting period. Sufficient provisions are made where applicable, as a precaution against any litigation risks.

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

Product risks

Rosenbauer lives out a consistent, rigorous quality management system aimed in part at forestalling product-liability cases. Despite continuous improvements and product-quality control, liability cases cannot be ruled out altogether. In order to minimize the pecuniary risk which is possible here – particularly in North America – the instrument of product-liability insurance is employed throughout the Group.

Personnel risks

Personnel risks essentially result from the fluctuation of staff in key positions, and from the recruitment, development and shedding of staff. A thorough approach to staff development, with institutionalized appraisal interviews and a performance-oriented remuneration system, are the central instruments at Rosenbauer for keeping qualified and motivated employees with the company.

Financial risks

The Group's financial strength, meaning its ability to ensure liquidity, is critically important – even more so against the backdrop of a financial crisis. In view of the Group's healthy equity capitalization and its resulting creditworthiness, Management considers it unlikely that the current trends on the capital markets and in interest levels will give rise to any serious impairment of its financial capacity.

In order to ensure the greatest possible independence in our corporate financing, this latter is arranged with several different banks, all such financial transactions being carried out with top-rated credit institutions only. 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 are countered by regular, thorough monitoring of a bundle of influencing factors, and by the use of appropriate hedging instruments. The operational risks arising from interest and currency exchange rate movements 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 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 non-OECD countries, use is generally made of both state and private export guarantee schemes to cover the political risks encountered in such cases.

Overall risk assessment

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. Rosenbauer considers itself well prepared to continue rising to the demands made of the company by its market and by its competitors in future.

Although the impact of the global financial and economic crisis on the fire-equipment sector is hard to estimate, it is reasonable to assume that it will lead to a slowdown in the rate of order-intake growth in 2009.

PROCUREMENT MANAGEMENT

In the procurement field, Rosenbauer further intensified its close, partnership-oriented working relationships with its suppliers. Group-wide purchasing volumes of production materials and merchandise totaled 346.9 m€ (2007: 312.3 m€). This corresponds to 69% of Group revenues and is attributable to the large proportion of items which, in our industry, are typically bought in from external vendors.

Procurement volumes of Rosenbauer International AG 2008

92% 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 28% of the total. For fire-fighting vehicles built on commercial chassis, Daimler Benz and MAN are the principal European suppliers, while Freightliner, International and Ford are the main American ones. In the USA around 37% of the fire-fighting vehicles manufactured are built on customized chassis, meaning chassis which are made for fire-fighting vehicles only. The chassis for the PANTHER 4x4 and 6x6 ARFF vehicles are mainly manufactured at the Group subsidiary Rosenbauer Motors in Wyoming, Minnesota.

A substantial increase in Group-wide output was achieved last year. Despite the great construction activity taking place at most of the Group's facilities in Europe and the USA, most vehicles were still handed over to customers on schedule. One of the main reasons for this achievement was that procurement management was able to keep the production operations supplied smoothly, although certain suppliers, especially chassis manufacturers, were still struggling with capacity bottlenecks.

The economic crisis is certain to have consequences for the fire-equipment sector's suppliers in 2009 as well. Rosenbauer's international procurement management is thus focusing more on developing relationships with additional suppliers, so as to be better able to deal with short-notice supplier failure.

Raw materials prices

Energy was more expensive than ever before in 2008. Nevertheless, Rosenbauer succeeded in ensuring energy supplies to all its production locations, and in containing the increase in costs. The energy cost indices had fallen again by the end of 2008, with the result that energy prices are expected to be at the level of previous years in 2009.

The prices of key raw materials and vendor-supplied items – prime among them aluminium for the superstructure and plastics for use in tanks and fairings – rose massively until the autumn. For some years now, a consistent procurement policy has been employed for purchasing aluminium, and this has succeeded in smoothing out particularly severe price peaks.

In the final quarter of 2008 there was a dramatic downward reversal in raw materials prices. The international CRB (Commodity Research Bureau) index slumped by around 50% from its peak in the space of just a few months.

Owing to the long lead times that are typical of our industry, this development occurred too late to have any effect on procurement costs in 2008. If it continues, however, corresponding cost reductions may be expected in 2009.

EMPLOYEES

As a largely family-owned enterprise, Rosenbauer emphasizes continuity and long-standing working relationships in its personnel policy as well.

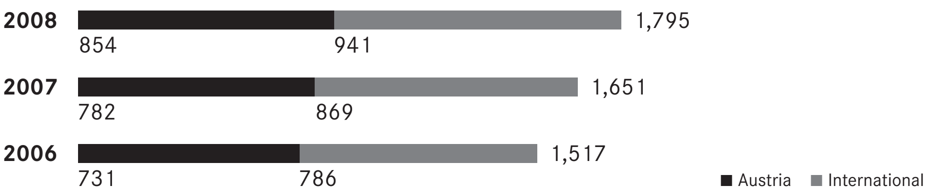
The Rosenbauer corporate culture embodies the same values as those that characterize the fire-fighting community itself: helpfulness, comradeship and "good-as-our-word" reliability. The spirit of mutual trust that characterizes interpersonal dealings in the firm is one reason why employees identify with the company so strongly. It was, not least, teamwork at all levels that enabled Rosenbauer to fulfill the ambitious 2008 delivery program so successfully, even under intense deadline pressure.

At year-end 2008, the Rosenbauer Group employed a total of 1,795 people, 144 more than the year before (2007: 1,651). Manpower numbers were boosted mainly in the production operations and in production-related areas. In Austria, the workforce grew by 9% to 854 employees, and increased by 8% outside Austria to a total of 941.

This total breaks down into 1,040 (2007: 975) blue-collar staff, 649 (2007: 574) white-collar staff and 106 (2007: 102) apprentices (80 of them in Austria). The company also created additional employment in Austria and Germany by taking on 189 (2007: 130) leased personnel.

The average age of Rosenbauer's employees in Austria in 2008 was 37.6 years (blue-collar) and 38.5 years (white-collar). The average length of stay with the firm was 12.4 years for blue-collar staff and 13.3 years for white-collar staff; the low fluctuation rate of 2.2% (blue-collar) and 3.4% (white-collar) is another good indicator of the stability of the company.

Number of employees



Employees by region 2008

Induction program for new employees

Thanks to the gratifying growth that has taken place in the Group in recent years, there has been a correspondingly large increase in its headcount. To help integrate the many fresh hires as speedily as possible, a standardized induction program has been developed for new employees in Austria. With the aid of systematic checklists, they are familiarized with the company and put through enterprise- and job-specific training courses to bring them up to the required level of knowledge.

Vocational and continuing professional training

Employee skilling is a central plank of personnel management in the Rosenbauer Group. Expenditure on vocational and in-service training in the Group rose to 557.0 k€ last year, almost twice the figure for the previous year (2007: 362.0 k€).

A major focus of the educational program in 2008 was training courses relating to the introduction of the new project management system. This is based on a set of uniform, practice-oriented project management tools for achieving structured project processing that takes account of the interfaces to other processes, workflows and procedures. This new project management system will be employed in future on all larger projects in the organizational and infrastructure fields, as well as on client projects and development projects.

Year by year, the Rosenbauer training catalogue also offers a wide range of in-house and outside continuing professional development offerings. These cover everything from languages to technical training, safety, IT, teamwork and leadership.

Assured supply of new talent

Rosenbauer trains a large number of apprentices every year, assuring itself of a steady stream of skilled staff for the future. At its Austrian locations alone, 80 apprentices were in full-time vocational training in 2008, and the number of apprenticeships is set to be increased by 15% in 2009.

Rosenbauer trains young people in many different trades – as mechanical engineering technicians, mechatronics technicians, electrical plant engineers, machining technicians, design engineers, technical sales representatives, office assistants, IT technicians and purchasers, to name but a few. After completing their apprenticeships, young employees can join a special trainee program to qualify as “all-purpose” skilled technicians.

In the increasing competition for the best employees, Rosenbauer has created a good starting position for itself. While many other companies were having great difficulty in finding suitably skilled workers, Rosenbauer was able to take its pick from among a large number of applicants. Among the aspects that its staff rate so highly are the company’s renowned innovational capability, its broad product range and its modern employee remuneration system. This latter assures every employee of a bonus, the size of which depends on the company’s earnings and the individual’s performance.

New leadership principles

New leadership principles were drawn up last year to complement the company’s mission statement and corporate policy. In these, Rosenbauer Management have laid down in writing the principles by which the company is to be led and that are to govern all its dealings with staff. One crucial principle is that of systematic staff development, as part of which goals are agreed in the annual appraisal interview and then the extent to which these goals have been attained is jointly evaluated. To ascertain the quality of interpersonal dealings in the company and provide a reference mark for employee satisfaction, an annual “climate index” is drawn up on the basis of the feedback provided in the appraisal interviews, to help us all “see how we’re doing”. The scope for structuring one’s work independently, and the good working relationships with line managers and colleagues, scored particularly high marks here.

The Rosenbauer Group’s leading position in international fire-fighting vehicle business owes most to the tremendous commitment of its staff. They deserve thanks for their outstanding performance in 2008, a year that was characterized by an exceptionally high workload. Our thanks are also due to the workforce representatives at the Group’s companies in Austria and abroad, for their constructive co-operation.

DISCLOSURE PURSUANT TO §243a 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.

A 51% stake in Rosenbauer International AG is held by Rosenbauer Beteiligungsverwaltung GmbH. No limitations are in force regarding the voting rights or the assignment of shares. 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. The employees exercise their voting rights directly.

§7 Sect. 3 and §9 Sect. 4 of the Articles of Association of Rosenbauer International AG lay down the provisions for the appointment and dismissal of members of the Executive and Supervisory Boards. 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 the General Meeting passes an appropriate resolution by a simple majority of the votes cast.

There is no authorized capital at the present time. At the 16th Annual General Meeting, the resolution adopted on May 25, 2007 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 Clauses 4 and 8 of AktG (the Austrian Stock Corporation Act) by the following resolution: "The General Meeting hereby authorizes the Executive Board to acquire non-par-value bearer shares of Rosenbauer International AG, with the number of such shares (to be) acquired being limited, as a proportion of the nominal share capital, to max. 10% of the said share capital. This authorization shall be valid for a period of 30 months from the date of this resolution that is until November 30, 2010."

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 January 2009 a new company named Rosenbauer Ciansa S.L. was jointly established by Rosenbauer International AG and the co-owner and Managing Director of Rosenbauer Española. The new production company is based in Linares, 300 km south of Madrid, with each of the two owners holding a 50% stake. All Spanish production will take place at the new company. The existing production location, which was 100% owned by the Spanish partner, will be closed down. Building work for the new facility will be commencing in the spring of 2009, with commissioning planned for early 2010. Rosenbauer International AG contributed 1.5 m€ of initial share capital to the new production company.

At the end of January 2009, Rosenbauer International AG won an order from the General Authority of Civil Aviation (GACA – the company operating Saudi Arabia's airports) to supply a total of 220 fire-fighting and rescue vehicles. The contract value is for around 100 m€, making this the biggest single order in Rosenbauer's history.

The shipments are to comprise many different fire-fighting and rescue vehicles and a comprehensive assortment of personal protective equipment. The vehicles will be manufactured largely at the Austrian production locations, while the hydraulic aerial appliances are to be produced at the Group's 100% subsidiary Metz Aerials. The mini pumpers will be produced at Rosenbauer America's Central Division. The vehicles are to be supplied and commissioned in several tranches by the end of 2012.

DISCLOSURES RELATING TO ANTICIPATED DEVELOPMENTS

Macroeconomic trend

The unfolding global financial crisis has shaken the international banking system to the core. This has gone hand in hand with a serious loss of confidence and credibility. The financial crisis is having grave consequences for the real economy, where the markets for goods and services are being very adversely affected. A number of major countries will deal with a recession scenario in 2009.

The growth markets of Asia, Central and Eastern Europe and South America will not be spared by this development either; here too, growth will slow markedly in 2009.

Outlook on the sales markets

Against the background of the international economic crisis, uncertainty is mounting as to how the situation will develop on the fire equipment sector's main sales markets. More sizeable procurements are often based on long-term financing; in times, such as these, of financial and banking crises, such financing may no longer be feasible or may have to be postponed. In developed regions such as Western Europe and the USA, procurement is financed mainly from tax revenues. When these decline, a time-lag of between one and two years may be expected before the consequences start to make themselves felt in our sector.

In the Rosenbauer Group, the volume of international project business currently being worked on indicates that 2009 is likely to see an inflow of new orders on a scale similar to that in each of the two – excellent – previous years. In the light of overall economic developments, it is not yet possible to make any reliable predictions as to how markets are likely to fare in 2010.

North America

Rosenbauer America experienced a rise in order intake during the year under review. The last quarter of 2008 saw a particularly strong rise in orders, due to the forthcoming introduction of new emissions standards in the USA.

For 2009, the US Management expects that its beefed-up dealer network will enable it to gain further market share, which should go some way towards offsetting any fall-off in the overall market volume.

Europe

For three main reasons – EU infrastructure programs to boost the sagging economy, the long-term nature of major procurement projects, and the time-lag before effects are normally felt in the fire safety business – the market volume in 2009 may be expected to be of comparable size to previous years. Nevertheless, it must be expected that there will be financing-related procurement delays in certain markets, especially in the CEE countries.

In Europe's biggest market, Germany, municipal-vehicle business notched up 10% year-on-year growth in 2008. In view of already planned infrastructural procurement, and of the elections due to be held in 2009, no fall-off in order placement is expected this year either. In the field of specialty fire-fighting vehicles, too, the sector's cyclical dependency is being lessened by the long-term procurement and expansion programs underway at several airports. The impact of the economic crisis is particularly apparent in the steel and automobile industries, where most capital investment projects have been put on hold.

International export business

Asia and the Arab countries, the Group's two main export regions, have exhibited vigorous growth in recent years.

The expansion programs at international airports in these regions have led to a continuation of the strong demand for high-performance ARFF vehicles. A further factor is the ICAO's (International Civil Aviation Organization's) stepped-up monitoring of compliance with the international safety regulations, which necessitates additional investment outlays and/or replacement procurement regardless of the state of the economy.

Procurement activity in the municipal fire safety business is mainly funded from public-sector budgets and, for larger procurement projects, by special financing schemes. In view of the financial and economic crisis, it is reasonable to expect delays in the release of budgeted funds, and financing-related postponements, on certain markets, and this may lead to considerable fluctuations in the order intake, especially in 2010.

In order to compensate for the effects of such fluctuations, Rosenbauer is making a determined push to boost its international sales efforts in markets which may be expected to offer higher future procurement potential. This measure is further strengthening the global presence of the Rosenbauer Group and extending its leading competitive position.

Due to the strength of the large number of projects in course of preparation, and of the stepped-up sales efforts, the Group's international export business is expected to bring in a high level of incoming orders in 2009, despite the consequences of the financial and economic crisis.

Investments and production capacity

The program to expand the Group's manufacturing capacity which began in 2008 will be pursued with undiminished vigor in 2009. The planned investment outlays of around 12 m€ will be considerably more than the probable depreciation charges during the same period.

This program of investment focuses on expanding capacity at the Leonding and Neidling facilities in Austria. Extra assembly lines will be built here for vehicle production, as will be improved customer and service zones. In Spain, the present production location is to be closed down and replaced by a new purpose-built production facility elsewhere.

The extra manufacturing capacity – especially in Austria – will also entail further growth in employee numbers. In the first instance, the new positions will be filled by apprentices who trained with Rosenbauer. Over and above this, the extra manpower requirements will be covered by giving permanent positions to leased staff.

Financial and liquidity position

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

In spite of its organic growth and high investment volumes, the Rosenbauer Group is able to finance itself on an assured basis, having access to financing facilities greatly in excess of the amounts likely to be needed.

Revenue and income situation

Management is expecting a continuation of the past few years' trend through 2009 as well. On the basis of the large volume of order backlog, the positive development in the Group's revenues and EBIT may be expected to continue.

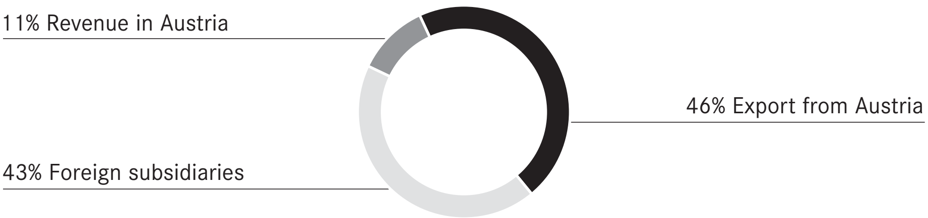
The Group's customers choose Rosenbauer because they know that they can rely on its high quality and high technical capability. It is this technical know-how and innovational strength, combined with decades of experience in the fire-fighting field that are the basis for the Group's continued growth.

SEGMENT DEVELOPMENT

REGIONAL DEVELOPMENT

The reports on the regional segments are broken down by Group-company location rather than by sales market. This means that the segment reports refer 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 2008



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 lifted its revenues by 24% in 2008 to 300.9 m€ (2007: 243.2 m€) on the back of the strong growth in the export business of Rosenbauer International AG. EBIT also rose, by 44% to 22.6 m€ (2007: 15.7 m€).

Rosenbauer International

With manufacturing facilities in Leonding and Neidling, Rosenbauer International AG is the Group's largest production company. The Leonding plant is its center of expertise for industrial fire-fighting and ARFF vehicles, fire-fighting components and fire safety equipment. Rosenbauer's line of "AT" (Aluminium Technology Superstructure) municipal fire-fighting vehicles is also developed and produced in Leonding, mainly for sale on the sophisticated fire equipment markets of Central Europe.

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

Revenues at Rosenbauer International AG by rose by more than 22% last year to 280.1 m€ (2007: 228.7 m€). This growth is mainly attributable to increased exports. Overall, 88% of Rosenbauer International AG's revenues were earned from export sales.

Thanks to the high volume of orders, both the Leonding and Neidling production facilities are still working to capacity. For this reason, expansion programs to increase production capacity have been initiated at both locations, and will be completed in 2009.

Rosenbauer Österreich

Rosenbauer Österreich GmbH, 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 the aerial appliances, the vehicles are manufactured at the Leonding and Neidling plants.

Larger market volume, and better availability of chassis due to the new models brought out by chassis manufacturers the year before, led to a sizeable increase in revenues at Rosenbauer Österreich GmbH, taking them from 41.4 m€ (2007) to 54.1 m€, an increase of 31%. By systematically extending and upgrading its service activities, and with its innovative product policy, Rosenbauer Österreich was able to strengthen its position on the market still further.

Segment key figures Austria		2008	2007
Revenues	in m€	300.9	243.2
EBIT	in m€	22.6	15.7
Investments	in m€	9.2	4.5
Employees (average)		811	753

USA

The US segment consists of the holding company Rosenbauer America LLC. and of the operational divisions General Division, Central Division, Rosenbauer Aerials Division and Rosenbauer Motors.

The US segment managed to grow its revenues to 122.1 m€ in 2008 (from 119.5 m€ in 2007). With combined EBIT of 10.3 m€ (2007: 9.2 m€), the US companies succeeded once again in bettering the previous year's result. This is mainly due to process optimization at the production locations, to the enlarged and increasingly successful dealer network, and to high-yield export orders.

Rosenbauer was able to continue gaining market share in the US – the world's largest single market – in 2008, a process aided by the business difficulties of several competitors. Rosenbauer is now the second-largest manufacturer of fire-fighting vehicles in the USA. This is impressive confirmation of its involvement in the USA, which dates back to 1995.

General Division

General Division, based in Wyoming, Minnesota, produces industrial fire-fighting and ARFF vehicles, and customized municipal vehicles for professional and volunteer fire departments. The company is active on both the US market and selected export markets.

The growth in business with ARFF vehicles last year made it necessary to expand manufacturing capacity at the Wyoming plant. To this end, General Division leased a neighboring production building with around 5,000 m^2 of floor space. The production of the PANTHER has been housed in the new building since the third quarter of 2008. Assembling of the PANTHER chassis is also carried out in this building, both for General Division's own superstructure fabrication operations and for the Austrian production facilities.

Thanks to its strong position in specialty vehicles, General Division managed to buck the general downtrend on its market and increase its revenues in 2008, from 31.7 m€ to 38.3 m€.

Central Division

Central Division is located in Lyons, South Dakota, and produces fire-fighting vehicles for all fields of use. The great strength of this company lies in the industrial fabrication of its vehicles. Its main clients are volunteer fire departments in the USA. Over the past few years, Central Division has also made a determined push into exports, and now supplies vehicles to countries where US Standards are preferred.

The continual rise in Central Division's market share made it necessary to expand production capacity here as well. In 2008, a new production building, a customer center and new office space were built, with a total footprint of 3,000 m². After the various extensions carried out over the past few years, Central Division's premises now have a total floor area (incl. administration rooms) of 13,000 m², making it the second-largest production facility in the Group in terms of floor space.

Last year Central Division once again posted higher revenues, of 74.8 m€ (2007: 73.2 m€), providing further confirmation of its good strategic orientation.

Rosenbauer Aerials Division

Rosenbauer Aerials Division, 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. The company posted revenues of 6.5 m€ last year (2007: 6.5 m€).

Rosenbauer Motors

Rosenbauer Motors produces chassis for the PANTHER ARFF vehicle at the General Division plant in Wyoming, Minnesota. These are supplied exclusively to the Group's own superstructure fabrication operations in the USA and Austria. Owing to the high demand for this "hit model", Rosenbauer Motors enlarged the production area in 2008 by leasing an extra production building. 2008 revenues came to 12.1 m€ (2007: 15.3 m€).

Segment key figures USA		2008	2007
Revenues	in m€	122.1	119.5
EBIT	in m€	10.3	9.2
Investments	in m€	1.6	1.0
Employees (average)		451	417

Germany

At 114.8 m€, 2008 revenues in the German segment as a whole were 25% up on the previous year (2007: 92.2 m€). This improvement is mainly due to Rosenbauer Deutschland's much enhanced business with specialty vehicles and "Aluminium Technology" municipal vehicles, and to the larger volume of international shipments made by Metz Aerials and Rosenbauer Feuerwehrtechnik. EBIT in the German segment rose last year to 4.7 m€ (2007: 2.8 m€).

Metz Aerials

Metz Aerials GmbH & Co. KG, Karlsruhe, is the European center of expertise for aerial appliances. The company produces fully automated, hydraulic turntable ladders and truck-mounted elevating platforms for operational heights of between 20 and 56 meters. Metz Aerials boosted its revenues by over 12% in 2008, to 55.3 m€ (2007: 49.3 m€). This increase in revenues resulted from more numerous international sales of aerial appliances.

Rosenbauer Feuerwehrtechnik

Rosenbauer Feuerwehrtechnik GmbH produces fire-fighting vehicles to DIN/EU Standards. The company delivers the "ES" (EuroSystem) series to customers the world over, as well as supplying vehicles and superstructure modules to the parent company in Austria. With eight externally run service locations, and another two of its own, it assures nationwide coverage of the German municipal market. In 2008, the higher piece numbers it was producing for Rosenbauer International AG lifted its revenues to 38.8 m€ (from 30.9 m€ in 2007).

Rosenbauer Deutschland

Rosenbauer Deutschland GmbH is the sales and service company for industrial fire-fighting and ARFF vehicles on the German market. These vehicles are manufactured by Rosenbauer International AG at its Leonding plant. The company also supplies "AT" (Aluminium Technology) and "CL" (CompactLine) municipal vehicles to German clients. The sales company increased its revenues from 12.3 m€ (2007) to 21.6 m€ in 2008.

Segment key figures Germany		**2008**	**2007**
Revenues	in m€	114.8	92.2
EBIT	in m€	4.7	2.8
Investments	in m€	1.3	1.5
Employees (average)		396	360

Spain

At 23.9 m€, the Spanish segment achieved lower revenues in 2008 than it had done the year before (2007: 28.9 m€). The decrease in revenues is due to reduced export shipments and to the weaker Spanish market. In consequence, the company posted EBIT of only 1.0 m€ (2007: 2.3 m€).

Rosenbauer Española S.A. is headquartered in Madrid. Its product line encompasses municipal vehicles, forest fire-fighting vehicles, and industrial fire-fighting vehicles and ARFF vehicles on series chassis.

At the beginning of January 2009 a new company named Rosenbauer Ciansa S.L. was jointly established by Rosenbauer International AG and the co-owner and Managing Director of Rosenbauer Española. The new production company is based in Linares, 300 km south of Madrid, with each of the two owners holding a 50% stake. All Spanish production will take place at the new company, and the existing production location, which was 100% owned by the Spanish partner, will be closed down. Building work for the new plant will be commencing in the spring of 2009, with commissioning planned for early 2010. Rosenbauer International AG contributed 1.5 m€ of initial share capital to the new production company.

Segment key figures Spain		2008	2007
Revenues	in m€	23.9	28.9
EBIT	in m€	1.0	2.3
Investments	in m€	0.0	0.1
Employees (average)		16	14

Switzerland

Rosenbauer AG, Switzerland 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.

In 2008 the Swiss segment saw an increase in EBIT, from 217.2 k€ (2007) to 838.5 k€, on revenues of 9.9 m€ (2007: 6.5 m€). This improvement is attributable to the higher revenues and to positive foreign-currency translation effects.

Segment key figures Switzerland		2008	2007
Revenues	in m€	9.9	6.5
EBIT	in m€	0.8	0.2
Investments	in m€	0.0	0.0
Employees (average)		16	15

Asia

Two companies make up the Asian segment: SK Fire PTE Ltd., Singapore and Eskay Rosenbauer Sdn Bhd, Brunei. This segment posted 2008 EBIT of 937.0 k€ (2007: 976.9 k€) on revenues of 8.8 m€ (2007: 11.6 m€).

SK Fire produces fire-fighting vehicles and superstructures for aerial appliances that are supplied to Hong Kong, Singapore and neighboring countries. Revenues at SK Fire totaled 8.6 m€ in 2008 (2007: 11.6 m€); the firm was unable to achieve a repeat of the high level reached the previous year. Eskay Rosenbauer distributes fire-fighting vehicles on its local market, and posted revenues of 1.5 m€ last year (2007: 0.0 m€).

Segment key figures Asia		2008	2007
Revenues	in m€	8.8	11.6
EBIT	in m€	0.9	1.0
Investments	in m€	0.0	0.0
Employees (average)		32	34

PRODUCT SEGMENTS

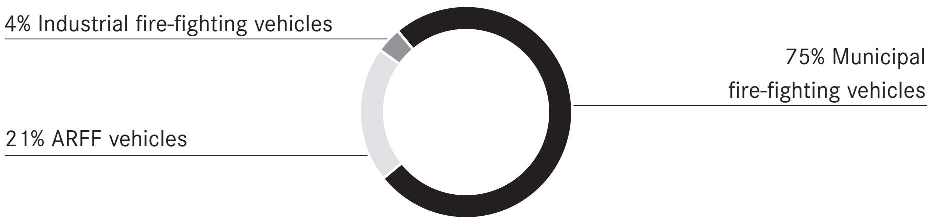
Vehicles

With revenues of 352.3 m€ (2007: 287.1 m€), the “Vehicles” product segment last year accounted for the biggest single share (70%) of Group revenues. Its record 2008 revenues mean that this segment had grown by more than 20% over the previous year. The expansion of international export business and rising revenues on the home markets in Austria and the USA were the key drivers of this development. The Rosenbauer Group shipped a worldwide total of 2,018 vehicles in 2008 (2007: 1,789).

Vehicles supplied

The main categories of fire-fighting vehicle are municipal fire-fighting vehicles, ARFF vehicles and industrial fire-fighting vehicles. The Group’s production facilities are located in Austria, the USA, Germany, Spain and Singapore. Its biggest manufacturing operations are Rosenbauer International AG in Austria, and Central Division in the USA. The core markets for Rosenbauer’s vehicle business in 2008 were the USA, Germany and Austria.

Vehicle revenues by category 2008



Rosenbauer produces all types of fire-fighting vehicles, to both European and US Standards. These two “Standards environments” differ widely in many regards: The chassis are designed to meet highly divergent specifications, and so are completely different, not only visually and technically but also – and especially – in terms of their dimensions and weight. Whereas in Europe, combined normal and high-pressure extinguishing systems (from 10 to 40 bars) are in widespread use, in the USA the use of high-pressure systems in fire-fighting is rather uncommon. As there are also major differences in the typical building structures and thus in the fire-fighting tactics, in the USA it is standard practice to use normal-pressure pumps with a substantially higher delivery rate than in Europe.

Segment key figures Vehicles		2008	2007
Order intake	in m€	401.7	312.5
Revenues	in m€	352.3	287.1
Investments	in m€	8.9	4.9

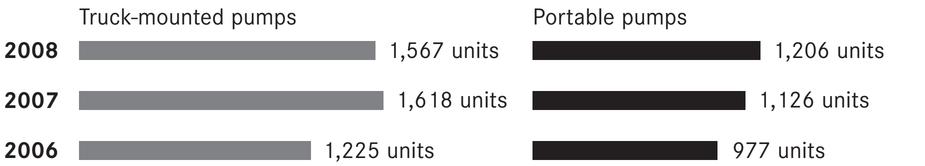
Fire-fighting components

With revenues of 17.8 m€ (2007: 19.1 m€), "Fire-fighting components" accounted for 4% (2007: 4%) of total Group revenues. The pump units, fire-fighting systems and components installed on the vehicles produced by Group companies are included in the revenues of the "Vehicles" segment.

Among Rosenbauer's core areas of expertise are the development and manufacture of fire-fighting systems and components. Indeed, Rosenbauer can look back on more than 100 years' experience in the field. 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, foam proportioning systems, turrets and their electronic control systems. This segment also includes mobile and stationary foam extinguishing installations (POLY and CAF systems). 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. A total of 1,567 truck-mounted fire pump sets (2007: 1,618), 724 pump units (2007: 784), 959 turrets (2007: 741) and 1,206 portable fire pumps (2007: 1,126) were produced in 2008.

Number of pumps and portable fire pumps produced



Segment key figures Fire-fighting components		2008	2007
Order intake	in m€	19.3	21.3
Revenues	in m€	17.8	19.1
Investments	in m€	1.1	0.5

Fire & safety equipment

The "Fire & safety equipment" product segment generated revenues of 45.7 m€ in 2008 (2007: 43.5 m€), accounting for a 9% share of Group revenues (2007: 10%).

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

As well as the standard range of products to be expected of a fire-equipment retailer, in recent years Rosenbauer has also developed its own line of innovative products that stand out for their high quality, functional design and good price/performance ratio. Its globe-spanning sales organization enables high sales numbers to be reached, permitting economically viable industrial-scale production. The proportion of 2008 "Fire & safety equipment" revenues accounted for by our own products came to 30%, with 50% of these in-house developments being less than five years old.

Segment key figures Fire & safety equipment		2008	2007
Order intake	in m€	48.1	37.3
Revenues	in m€	45.7	43.5
Investments	in m€	0.0	0.0

Aerials

Aerials were responsible for revenues of 60.7 m€ in 2008 (2007: 55.7 m€), accounting for a 12% (2007: 13%) share of Group revenues. This increase in revenues resulted from stronger sales in the Group's international business.
The "Aerials" product segment encompasses turntable ladders and hydraulic rescue platforms. The center of expertise for European Standard aerial appliances is Metz Aerials in Karlsruhe. US Standard appliances are manufactured at Rosenbauer Aerials Division in Fremont, Nebraska.

The bulk of revenues in this segment was accounted for by turntable ladders and aerial rescue-platforms produced by Metz Aerials, and by the Rosenbauer Aerials Division in the USA. Other manufacturers' equipment was supplied by the parent company in Leonding and by the subsidiaries in Singapore and Switzerland.

Segment key figures Aerials		2008	2007
Order intake	in m€	65.6	66.5
Revenues	in m€	60.7	55.7
Investments	in m€	0.6	0.9

Service & spare parts

Posting 2008 revenues of 20.8 m€ (2007: 18.7 m€), the "Service & spare parts" field accounted for 4% of the total (2007: 4%). Despite the small percentage that it contributes to overall Group revenues, this is nevertheless a strategically important area of business for the Group.
The comparatively low revenues generated by the "Service & spare parts" business is 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.

The tight budgets for fire services 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 3.0 m€ (2007: 2.0 m€).

Segment key figures Service & spare parts and Other revenues		2008	2007
Order intake	in m€	22.0	21.1
Revenues	in m€	23.8	20.7
Investments	in m€	1.6	0.8

At its meetings held during 2008, 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 13 meetings of the Supervisory Board and of its committees during 2008.

The Audit Committee met in April 2009 to review and prepare the approval of the annual financial statements 2008, to draw up a proposal for the appointment of an external auditor, and for deliberations in all matters bearing upon company and Group financial reporting. In a separate meeting the committee also dealt with the activities of the internal auditing units and with the Groups's risk management system. The members of the Audit Committee were Alfred Hutterer (Chairman), Dieter Siegel and Rudolf Aichinger.

Both the financial statements and the situation report have been audited by Ernst & Young Wirtschaftsprüfungsgesellschaft mbH 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, 2008 have been approved by the Supervisory Board and are thus established in accordance with §125 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 Shareholders' Meeting.

Leonding, April 2009

Alfred Hutterer
Chairman of the Supervisory Board

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2008

ASSETS	Notes	Dec 31, 2008 in k€	Dec 31, 2007 in k€
A. Non-current assets			
I. Tangible asset	(D.1)	48,478.2	41,253.1
II. Intangible assets	(D.1)	328.4	370.5
III. Securities	(D.2)	169.2	213.6
IV. Joint venture	(D.3)	0.0	2,447.7
V. Receivables	(D.4)	1,818.7	1,370.9
VI. Deferred tax assets	(D.5)	2,598.2	2,582.1
		53,392.7	**48,237.9**
B. Current assets			
I. Inventories	(D.6)	84,858.1	102,175.3
II. Production contracts	(D.7)	48,115.3	24,386.7
III. Receivables	(D.8)	63,467.5	47,674.7
IV. Cash on hand and in banks, checks	(D.9)	1,199.8	6,314.5
V. Asset kept for sale	(D.3)	0.0	0.0
		197,640.7	**180,551.2**
Total assets		**251,033.4**	**228,789.1**

EQUITY AND LIABILITIES	Notes	Dec 31, 2008 in k€	Dec 31, 2007 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)	1,263.1	(549.9)
IV. Accumulated results	(D.10)	40,485.1	24,876.4
		79,051.6	61,629.9
V. Minority interest	(D.11)	12,977.9	11,026.8
		92,029.5	**72,656.7**
B. Non-current liabilites			
I. Non-current interest-bearing liabilities	(D.12)	15,065.0	13,533.2
II. Other non-current liabilities	(D.13)	1,743.1	1,997.0
III. Non-current provisions	(D.14)	20,406.7	20,107.0
IV. Deferred income tax liabilities	(D.5)	1,478.0	660.4
		38,692.8	**36,297.6**
C. Current liabilities			
I. Current interest-bearing liabilities	(D.15)	17,640.7	23,571.4
II. Prepayments received		24,959.2	22,159.6
III. Accounts payable-trade	(D.16)	35,801.0	31,417.4
IV. Other current liabilities	(D.17)	29,977.2	30,685.3
V. Provisions for taxes	(D.18)	1,021.2	1,143.5
VI. Other provisions	(D.18)	10,911.8	10,857.6
		120,311.1	**119,834.8**
Total equity and liabilities		**251,033.4**	**228,789.1**

		Notes	2008 in k€	2007 in k€
1.	Revenues	(D.19)	500,349.3	426,128.3
2.	Other income	(D.20)	3,364.2	4,706.9
3.	Change in inventory, finished products and work in progress		(18,216.7)	18,008.3
4.	Costs of goods sold		(318,324.6)	(301,519.3)
5.	Personnel expenses	(D.21)	(90,779.0)	(83,287.7)
6.	Depreciation on intangible and tangible assets		(5,415.9)	(5,136.3)
7.	Other expenses	(D.22)	(31,089.0)	(28,069.4)
8.	**Operating result (EBIT) before result of joint venture**		**39,888.3**	**30,830.8**
9.	Financial expenses	(D.23)	(5,938.5)	(6,369.6)
10.	Financial income	(D.24)	1,109.4	967.7
11.	Profits/losses/impairment on joint venture	(D.3)	(2,770.0)	4.8
12.	**Profit before tax (EBT)**		**32,289.2**	**25,433.7**
13.	Income taxes	(D.25)	(7,221.0)	(5,505.8)
14.	**Consolidated profit**		**25,068.2**	**19,927.9**
	thereof			
	– profits on minority interest		5,533.6	4,787.5
	– profits shareholders of parent company		19,534.6	15,140.4
	Average number of shares issued	(D.33)	6,800,000.0	6,800,000.0
	Basic earnings per share	(D.33)	2.87 €	2.23 €
	Diluted earnings per share	(D.33)	2.87 €	2.23 €

2008

in k€	Share capital	Additional paid-in capital	Currency translation	Re-evaluation reserve	Hedging reserve
			Attributable to shareholders in the parent company		
			Other reserves		
As at Jan 1, 2008	**13,600.0**	**23,703.4**	**(1,112.1)**	**(8.2)**	**570.4**
Currency differences	0.0	0.0	136.9	0.0	0.0
Securities valuation	0.0	0.0	0.0	(4.8)	0.0
Hedging transactions valuation	0.0	0.0	0.0	0.0	2,239.6
Taxes offset directly against equity	0.0	0.0	0.0	1.2	(559.9)
Total income and expense for the year recognized directly in equity	**0.0**	**0.0**	**136.9**	**(3.6)**	**1,679.7**
Consolidated profit	0.0	0.0	0.0	0.0	0.0
Total income and expense for the year	**0.0**	**0.0**	**136.9**	**(3.6)**	**1,679.7**
Dividend	0.0	0.0	0.0	0.0	0.0
As at Dec 31, 2008	**13,600.0**	**23,703.4**	**(975.2)**	**(11.8)**	**2,250.1**

2007

in k€	Share capital	Additional paid-in capital	Currency translation	Re-evaluation reserve	Hedging reserve
			Attributable to shareholders in the parent company		
			Other reserves		
As at Jan 1, 2007	**12,359.0**	**24,944.4**	**(341.2)**	**0.0**	**486.0**
Currency differences	0.0	0.0	(784.2)	0.0	0.0
Total amounts of joint venture recognized directly in equity	0.0	0.0	13.3	0.0	0.0
Securities valuation	0.0	0.0	0.0	(10.3)	0.0
Hedging transactions valuation	0.0	0.0	0.0	0.0	112.6
Taxes offset directly against equity	0.0	0.0	0.0	2.1	(28.2)
Total income and expense for the year recognized directly in equity	**0.0**	**0.0**	**(770.9)**	**(8.2)**	**84.4**
Consolidated profit	0.0	0.0	0.0	0.0	0.0
Total income and expense for the year	**0.0**	**0.0**	**(770.9)**	**(8.2)**	**84.4**
Increase in share capital from company funds	1,241.0	(1,241.0)	0.0	0.0	0.0
Dividend	0.0	0.0	0.0	0.0	0.0
As at Dec 31, 2007	**13,600.0**	**23,703.4**	**(1,112.1)**	**(8.2)**	**570.4**

Accumulated results	Subtotal	Minority interest	Equity
24,876.4	**61,629.9**	**11,026.8**	**72,656.7**
834.1	971.0	593.0	1,564.0
0.0	(4.8)	0.0	(4.8)
0.0	2,239.6	0.0	2,239.6
0.0	(558.7)	0.0	(558.7)
834.1	**2,647.1**	**593.0**	**3,240.1**
19,534.6	19,534.6	5,533.6	25,068.2
20,386.7	**22,181.7**	**6,126.6**	**28,308.3**
(4,760.0)	(4,760.0)	(4,175.5)	(8,935.5)
40,485.1	**79,051.6**	**12,977.9**	**92,029.5**

Accumulated results	Subtotal	Minority interest	Equity
15,039.0	**52,487.2**	**10,884.4**	**63,371.6**
(542.9)	(1,327.1)	(814.4)	(2,141.5)
(0.1)	13.2	0.0	13.2
0.0	(10.3)	0.0	(10.3)
0.0	112.6	0.0	112.6
0.0	(26.1)	0.0	(26.1)
(543.0)	**(1,237.7)**	**(814.4)**	**(2,052.1)**
15,140.4	15,140.4	4,787.5	19,927.9
14,597.4	**13,902.7**	**3,973.1**	**17,875.8**
0.0	0.0	0.0	0.0
(4,760.0)	(4,760.0)	(3,830.7)	(8,590.7)
24,876.4	**61,629.9**	**11,026.8**	**72,656.7**

		Notes	2008 in k€	2007 in k€
	Profit before tax		32,289.2	25,433.7
+	Depreciation		5,415.9	5,136.3
–	Gains from the reversal of investment grants		(87.5)	(87.5)
±	Gains/losses from joint venture		2,770.0	(4.8)
±	Expenses/Income from valuation of financial instruments		498.0	(328.4)
–	Gains from the retirement of tangible assets, intangible assets and securities		(103.5)	(145.3)
+	Interest expenses		4,981.8	5,490.9
–	Interest income		(1,109.4)	(958.1)
±	Unrealized gains/losses from currency translation		780.0	(1,470.1)
±	Change in inventories		17,317.2	(21,315.0)
±	Change in accounts receivable-trade and production contracts		(35,223.9)	(1,579.6)
±	Change in other receivables		(1,997.8)	126.1
±	Change in accounts payable-trade and prepayments received		7,183.2	12,611.4
±	Change in other liabilities		(2,355.4)	6,178.7
±	Change in provisions (excluding income tax deferrals)		353.9	(54.4)
=	**Cash earnings**		**30,711.7**	**29,033.9**
–	Interest paid	(D.26)	(4,821.9)	(5,685.0)
+	Interest received	(D.26)	1,700.7	786.0
+	Income tax received		0.0	2,249.0
–	Income tax paid		(7,150.6)	(2,237.0)
=	**Net cash flow from operating activities**		**20,439.9**	**24,146.9**
–	Payments from the purchase of (interests in) subsidiaries less purchased cash on hand and in banks, checks and from increase in share capital joint venture	(D.26)	(322.3)	(429.0)
–	Payments from the purchase of tangible and intangible assets and securities		(12,262.1)	(7,125.6)
+	Proceeds from the sale of tangible and intangible assets and securities		305.3	166.0
=	**Net cash flow from investing activities**		**(12,279.1)**	**(7,388.6)**
–	Dividends paid	(D.26)	(4,760.0)	(4,760.0)
–	Dividends paid to minority interest		(4,175.5)	(3,830.7)
+	Proceeds from interest-bearing liabilities		19,172.5	23,343.4
–	Repayment of interest-bearing liabilities		(23,571.4)	(29,091.8)
=	**Net cash flow from financing liabilities**		**(13,334.4)**	**(14,339.1)**
	Net change in cash on hands and in banks, checks		(5,173.6)	2,419.2
+	Cash on hand and in banks, checks at the beginning of the period		6,314.5	3,945.6
±	Adjustment from currency translation		58.9	(50.3)
	Cash on hand and in banks, checks at the end of the period	(D.26)	**1,199.8**	**6,314.5**

2008

in k€	As at Jan 1, 2008	Currency differences	Allocation	Consumption	Reversal	As at Dec 31, 2008
Current						
Personnel provisions	546.1	0.0	144.9	(134.0)	0.0	557.0
Provisions for warranties	6,710.8	73.7	6,937.3	(6,294.2)	(490.2)	6,937.4
Contract loss provisions	1,430.7	0.0	1,276.0	(1,206.7)	(224.0)	1,276.0
Provisions for income taxes	1,143.5	16.3	935.3	(1,016.7)	(57.2)	1,021.2
Other provisions	2,170.0	6.4	1,576.2	(587.7)	(1,023.5)	2,141.4
	12,001.1	**96.4**	**10,869.7**	**(9,239.3)**	**(1,794.9)**	**11,933.0**
Non-current						
Provisions for long-service bonuses	1,957.0	0.0	176.7	0.0	0.0	2,133.7
Other non-current provisions	162.0	0.0	0.0	0.0	(14.0)	148.0
	2,119.0	**0.0**	**176.7**	**0.0**	**(14.0)**	**2,281.7**
	14,120.1	**96.4**	**11,046.4**	**(9,239.3)**	**(1,808.9)**	**14,214.7**

2007

in k€	As at Jan 1, 2007	Currency differences	Allocation	Consumption	Reversal	As at Dec 31, 2007
Current						
Personnel provisions	542.1	0.0	100.0	(96.0)	0.0	546.1
Provisions for warranties	5,412.3	(99.6)	6,710.8	(5,196.2)	(116.5)	6,710.8
Contract loss provisions	1,396.7	0.0	1,430.7	(828.3)	(568.4)	1,430.7
Provisions for income taxes	517.5	(20.3)	1,093.6	(447.3)	0.0	1,143.5
Other provisions	4,279.5	(16.0)	555.5	(2,259.9)	(389.1)	2,170.0
	12,148.1	**(135.9)**	**9,890.6**	**(8,827.7)**	**(1,074.0)**	**12,001.1**
Non-current						
Provisions for long-service bonuses	1,969.3	0.0	4.3	(16.0)	(0.6)	1,957.0
Other non-current provisions	153.0	0.0	12.0	(3.0)	0.0	162.0
	2,122.3	**0.0**	**16.3**	**(19.0)**	**(0.6)**	**2,119.0**
	14,270.4	**(135.9)**	**9,906.9**	**(8,846.7)**	**(1,074.6)**	**14,120.1**

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

MOVEMENT IN THE CONSOLIDATED ASSETS

2008

in k€	As at Jan 1, 2008	Currency differences	Additions	Disposals	Adjustments	As at Dec 31, 2008
	Cost of acquisition or production					
I. Tangible assets						
1. Land and buildings						
a) Land value	2,906.8	76.5	0.0	0.0	0.0	2,983.3
b) Office and plant buildings	31,358.8	807.9	3,638.4	36.9	314.0	36,082.2
c) Outside facilities	2,976.5	0.0	772.8	306.6	0.0	3,442.7
d) Investments in non-owned buildings	2,446.0	5.5	44.8	30.7	0.0	2,465.6
2. Undeveloped land	2,595.0	0.0	0.0	0.0	0.0	2,595.0
3. Technical equipment and machinery	16,319.2	139.2	1,847.8	874.7	496.6	17,928.1
4. Other equipment, furniture and fixtures	26,870.3	107.6	3,812.9	1,773.8	304.1	29,321.1
5. Prepayments and construction in progress	1,098.7	18.9	1,914.7	0.0	(1,114.7)	1,917.6
	86,571.3	**1,155.6**	**12,031.4**	**3,022.7**	**0.0**	**96,735.6**
II. Intangible assets						
Rights	**3,746.9**	**4.2**	**177.8**	**52.7**	**0.0**	**3,876.2**
III. Securities	**527.3**	**0.0**	**52.9**	**112.5**	**0.0**	**467.7**
IV. Joint venture	**2,447.7**	**0.0**	**322.3**	**0.0**	**0.0**	**2,770.0**
	93,293.2	**1,159.8**	**12,584.4**	**3,187.9**	**0.0**	**103,849.5**

2007

in k€	As at Jan 1, 2007	Currency differences	Additions	Disposals	Adjustments	As at Dec 31, 2007
	Cost of acquisition or production					
I. Tangible assets						
1. Land and buildings						
a) Land value	2,803.5	(37.7)	141.0	0.0	0.0	2,906.8
b) Office and plant buildings	31,076.6	(658.7)	1,021.3	80.4	0.0	31,358.8
c) Outside facilities	2,916.3	0.0	71.5	11.3	0.0	2,976.5
d) Investments in non-owned buildings	2,332.0	(13.6)	144.2	16.6	0.0	2,446.0
2. Undeveloped land	1,967.6	0.0	627.4	0.0	0.0	2,595.0
3. Technical equipment and machinery	16,644.5	(266.8)	735.2	793.7	0.0	16,319.2
4. Other equipment, furniture and fixtures	25,467.2	(121.2)	3,131.4	1,632.7	25.6	26,870.3
5. Prepayments and construction in progress	25.6	0.0	1,098.7	0.0	(25.6)	1,098.7
	83,233.3	**(1,098.0)**	**6,970.7**	**2,534.7**	**0.0**	**86,571.3**
II. Intangible assets						
Rights	**3,753.9**	**(8.5)**	**135.6**	**134.1**	**0.0**	**3,746.9**
III. Securities	**508.0**	**0.0**	**19.3**	**0.0**	**0.0**	**527.3**
IV. Joint venture	**2,014.0**	**(0.1)**	**433.8**	**0.0**	**0.0**	**2,447.7**
	89,509.2	**(1,106.6)**	**7,559.4**	**2,668.8**	**0.0**	**93,293.2**

Accumulated depreciation					Net book value	
As at Jan 1, 2008	Currency differences	Additions	Disposals	As at Dec 31, 2008	As at Dec 31, 2008	As at Dec 31, 2007
15.8	0.0	1.7	0.0	17.5	2,965.8	2,891.0
12,157.3	450.2	1,172.0	20.6	13,758.9	22,323.3	19,201.5
1,663.5	0.0	204.2	306.6	1,561.1	1,881.6	1,313.0
1,547.5	1.1	178.9	30.0	1,697.5	768.1	898.5
0.0	0.0	0.0	0.0	0.0	2,595.0	2,595.0
11,832.8	106.9	986.2	874.7	12,051.2	5,876.9	4,486.4
18,101.3	100.9	2,652.9	1,683.9	19,171.2	10,149.9	8,769.0
0.0	0.0	0.0	0.0	0.0	1,917.6	1,098.7
45,318.2	**659.1**	**5,195.9**	**2,915.8**	**48,257.4**	**48,478.2**	**41,253.1**
3,376.4	**4.1**	**220.0**	**52.7**	**3,547.8**	**328.4**	**370.5**
313.7	**0.0**	**2.4**	**17.6**	**298.5**	**169.2**	**213.6**
0.0	**0.0**	**2,770.0**	**0.0**	**2,770.0**	**0.0**	**2,447.7**
49,008.3	**663.2**	**8,188.3**	**2,986.1**	**54,873.7**	**48,975.8**	**44,284.9**

Accumulated depreciation					Net book value	
As at Jan 1, 2007	Currency differences	Additions	Disposals	As at Dec 31, 2007	As at Dec 31, 2007	As at Dec 31, 2006
14.0	0.0	1.8	0.0	15.8	2,891.0	2,789.5
11,418.9	(277.0)	1,090.0	74.6	12,157.3	19,201.5	19,657.7
1,510.4	0.0	164.4	11.3	1,663.5	1,313.0	1,405.9
1,386.8	(1.5)	178.7	16.5	1,547.5	898.5	945.2
0.0	0.0	0.0	0.0	0.0	2,595.0	1,967.6
11,883.9	(193.8)	936.2	793.5	11,832.8	4,486.4	4,760.6
17,288.2	(85.2)	2,517.6	1,619.3	18,101.3	8,769.0	8,179.0
0.0	0.0	0.0	0.0	0.0	1,098.7	25.6
43,502.2	**(557.5)**	**4,888.7**	**2,515.2**	**45,318.2**	**41,253.1**	**39,731.1**
3,270.3	**(8.6)**	**247.6**	**132.9**	**3,376.4**	**370.5**	**483.6**
305.5	**0.0**	**8.2**	**0.0**	**313.7**	**213.6**	**202.5**
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**2,447.7**	**2,014.0**
47,078.0	**(566.1)**	**5,144.5**	**2,648.1**	**49,008.3**	**44,284.9**	**42,431.2**

PRIMARY SEGMENT FOR 2008[1)]

in k€	Austria	USA	Germany
External revenue	263,760.4	111,833.5	89,366.1
Internal revenue	37,139.2	10,299.9	25,424.1
Total revenue	**300,899.6**	**122,133.4**	**114,790.2**
Operating result (EBIT) before result of joint venture	22,590.8	10,285.7	4,712.6
Segment assets	164,588.5	47,803.1	48,403.8
Segment liabilities	84,982.2	17,332.9	42,704.1
Investments	9,231.2	1,574.2	1,317.3
Depreciation	3,715.4	498.5	935.5
Other non-cash income/expenses	113.7	(1,212.1)	734.0
Impairment of joint venture	(2,770.0)	0.0	0.0
Book value joint venture	0.0	0.0	0.0
Employees (average)	811	451	396

PRIMARY SEGMENT FOR 2007[1)]

in k€	Austria	USA	Germany
External revenue	203,876.8	103,796.4	74,148.3
Internal revenue	39,289.6	15,683.9	18,028.2
Total revenue	**243,166.4**	**119,480.3**	**92,176.5**
Operating result (EBIT) before result of joint venture	15,662.0	9,177.7	2,764.8
Segment assets	134,463.1	48,001.7	46,603.2
Segment liabilities	74,744.9	16,167.9	46,595.1
Investments	4,524.9	951.2	1,521.8
Depreciation	3,508.0	465.4	913.1
Other non-cash income/expenses	(862.5)	0.0	579.3
Result of joint venture	4.8	0.0	0.0
Book value joint venture	2,447.7	0.0	0.0
Employees (average)	753	417	360

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

SECONDARY SEGMENT

	Revenues	
in m€	2008	2007
Vehicles	352.3	287.1
Fire-fighting components	17.8	19.1
Fire & safety equipment	45.7	43.5
Aerials	60.7	55.7
Service & spare parts	20.8	18.7
Others	3.0	2.0
Consolidation	0.0	0.0
Group	**500.3**	**426.1**

Spain	Switzerland	Asia	Consolidation	Group
16,913.8	9,796.1	8,679.4	0.0	500,349.3
6,977.5	90.7	126.9	(80,058.3)	0.0
23,891.3	**9,886.8**	**8,806.3**	**(80,058.3)**	**500,349.3**
1,033.8	838.5	937.0	(510.1)	39,888.3
9,779.4	5,283.2	4,229.9	(33,021.7)	247,066.2
9,007.9	1,477.0	993.5	(32,698.6)	123,799.0
15.2	30.8	40.5	0.0	12,209.2
35.1	139.1	92.3	0.0	5,415.9
0.0	0.0	0.0	0.0	(364.4)
0.0	0.0	0.0	0.0	(2,770.0)
0.0	0.0	0.0	0.0	0.0
16	16	32	0	1,722

Spain	Switzerland	Asia	Consolidation	Group
26,272.1	6,471.5	11,563.2	0.0	426,128.3
2,661.2	72.6	9.3	(75,744.8)	0.0
28,933.3	**6,544.1**	**11,572.5**	**(75,744.8)**	**426,128.3**
2,258.9	217.2	976.9	(226.7)	30,830.8
18,628.4	5,313.0	6,185.3	(41,963.5)	217,231.2
16,194.9	3,050.7	1,282.4	(40,812.1)	117,223.8
52.1	10.8	45.5	0.0	7,106.3
37.2	125.6	87.0	0.0	5,136.3
0.0	0.0	0.0	0.0	(283.2)
0.0	0.0	0.0	0.0	4.8
0.0	0.0	0.0	0.0	2,447.7
14	15	34	0	1,593

Segment asset		Investments	
2008	2007	2008	2007
194.2	168.3	8.9	4.9
7.5	10.2	1.1	0.5
11.2	10.3	0.0	0.0
38.0	36.2	0.6	0.9
0.5	0.2	0.0	0.0
6.4	5.3	1.6	0.8
(10.7)	(13.3)	0.0	0.0
247.1	**217.2**	**12.2**	**7.1**

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 2008 comply with the International Financial Reporting Standards (IFRS) as accepted in the European Union and are to be approved for publication by the Supervisory Board, which is scheduled to convene in April 2009.

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 2008 correspond to those employed in the preceding year. In addition, the Group utilized new/revised standards.

IFRIC 11 (Inter-Group Transactions and Transactions with Own Shares Pursuant to IFRS 2), which was published in November 2006, deals with the question of how IFRS 2 is to be applied to share-based payment transactions under which company equity instruments or the equity instruments of another company within the Group are allowed. IFRIC 11 is to be used initially for financial years commencing on or after March 1, 2007 and has no effect on the consolidated financial statements, as the related IFRS 2 is not used within the Group.

In July 2007, IFRIC 14 was issued (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction), which is to be employed for financial years commencing on or after January 1, 2008. This interpretation regulates how the asset ceiling stipulation is to be applied to planned assets which exceed the level of pension obligations. The use of this interpretation has no impact upon the Group's asset, financial and income situation.

In October 2008, the IASB issued amendments to IAS 39 permitting entities to reclassify certain financial instruments out of the "Fair value through profit or loss" category and into other categories in which they are measured at amortized cost alongside an impairment test. This amendment applies retrospectively from July 1, 2008. It is not expected to have any impact upon the asset, financial and income situation of the Group.

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:

In May 2008, amendments were issued to two standards, IFRS 1 and IAS 27, changing the way in which the cost of an investment in a subsidiary, jointly controlled entity or associate is determined upon first-time adoption of IFRS. These amendments will apply for annual periods beginning on or after January 1, 2009. They are not expected to have any impact upon the asset, financial and income situation of the Group.

In January 2008, an amendment was issued to IFRS 2 clarifying the definition of "vesting conditions" and stipulating the accounting treatment to be applied when a grant of equity instruments is cancelled. This amendment will apply for annual periods beginning on or after January 1, 2009. It is not expected to have any impact upon the asset, financial and income situation of the Group.

In November 2006, IFRS 8 (Operating Segments) was issued, which will replace IAS 14 (Segment Reporting), the standard previously employed for segment reporting. The change foresees that the segment information to be disclosed will derive from the relevant information used for the internal assessment of segment performance. This standard is to be used initially for financial years commencing on or after January 1, 2009. Its implications for the presentation of information are currently being assessed.

In November 2006, IFRIC 12 was issued, addressing the balance-sheet treatment of service concession arrangements by the private-sector operators involved, to account for the obligations they undertake and the rights they receive. It is not expected to have any impact upon the asset, financial and income situation of the Group.

In June 2007, IFRIC issued the IFRIC 13 (Customer Loyalty Programmes) for the accounting limitations of expenses and the reporting of income derived from customer loyalty programs. This interpretation is to be used initially for financial years commencing on or after July 1, 2008. It is not expected to have any impact upon the asset, financial and income situation of the Group.

In September 2007, a revised version of IAS 1 (presentation of financial statements) was issued. IAS 1 came into effect for annual periods beginning on or after January 1, 2009. This standard requires changes in a company's equity resulting from transactions with owners in their capacity as equity investors to be presented separately from other changes in its equity. Moreover, the standard also introduces a statement of the comprehensive income for a period, in which all the items of income and expense recognized in the Income Statement, and all components of other comprehensive income recognized directly in equity, are presented either in a single statement of comprehensive income or in two related statements (a separate income statement followed by a statement of comprehensive income). Its implications for the presentation of information are currently being assessed.

In April 2007, a revision of IAS 23 was issued, effective for annual periods beginning on or after January 1, 2009. The revised IAS 23 requires that borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset must be capitalized. Its implications for the asset, financial and income situation are currently being assessed.

In February 2008, amendments were issued to IAS 32 setting out ways in which certain financial instruments not hitherto classed as equity can now be recognized in equity. These amendments will apply for annual periods beginning on or after January 1, 2009. They are not expected to have any impact upon the asset, financial and income situation of the Group.

In May 2008, IASB published its first "Annual Improvement Project", a collection of amendments designed to change various IFRS standards. The primary objective of this omnibus standard is to eliminate inconsistencies and to clarify wordings. As a basic rule, this standard is effective for annual periods beginning on or after January 1, 2009; in addition, however, there are separate transitional provisions for each standard covered. The implications for the asset, financial and income situation are currently being assessed.

B. CONSOLIDATION PRINCIPLES

1. Scope of consolidation

The companies included within the scope of consolidation are reported in the subsidiaries table.

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 2 domestic and 17 international companies, 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.

Since August 26, 2005 the consolidated financial statements have included a joint venture (Rosenbauer YongQiang Fire Fighting Vehicles Ltd., China) as an "at equity" consolidated company. In December 2008, a transfer agreement was signed providing for Rosenbauer's stake in the 50% joint venture to be transferred to the former Chinese partner in 2009. At December 31, 2008, this joint venture is stated in the consolidated balance sheet as an "asset kept for sale" with a value of 1.0 €.

	Number of fully consolidated companies		Number of companies consolidated at equity	
	2008	2007	2008	2007
As at January 1	20	20	1	1
Acquisitions	0	0	0	0
Foundations	0	0	0	0
Disposals	0	0	1	0
Mergers	0	0	0	0
As at December 31	**20**	**20**	**0**	**1**

2. Methods of consolidation

Capital consolidation of the subsidiaries taken over takes place on the basis of the purchase method through the netting of the acquisition costs of the acquired interests against pro rata equity at the time of purchase.

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. As at December 31, 2008, no goodwill existed. 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.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is netted against reserves.

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 at fair value in the income statement under equity.

The translation difference derived from the adjustment of equity as compared to initial consolidation is netted against the Group reserves. During the year under review, reporting date translation differences of 1,564.0 k€ (2007: –2,141.5 k€) are recognized at fair value in the income statement under equity.

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

	Closing rate		Mean annual rate	
in €	Dec 31, 2008	Dec 31, 2007	Dec 31, 2008	Dec 31, 2007
100 US dollar	71.1744	67.9348	67.6685	72.8637
100 Swiss franc	67.2721	60.4230	63.0651	60.8334
100 Singapore dollar	49.5050	47.3037	48.1016	48.4422
100 Brunei dollar	49.5050	47.3037	48.1016	48.4422
100 Chinese renminbi	10.3359	9.3058	9.7345	9.5898
100 South African rand	7.6046	10.0010	8.3534	10.3711

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:

Office and plant buildings	2.00% – 10.00%
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, 2008 and 2007 there were no leased assets for which in the main all the risks and opportunities derived from the possession of an asset are transferred (finance leasing), and there were also no investment properties retained for the purpose of obtaining rent or value added. Borrowing costs are recognized as an expense when incurred.

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”.

Pursuant to IAS 38 (Intangible Assets), research costs cannot be capitalized and are thus reported in their entirety in the income statement (2008: 6,817.7 k€; 2007: 7,038.0 k€). Development costs may only be capitalized if the prerequisite conditions exist in accordance with IAS 38. As at December 31, 2008 no development costs are capitalized (2007: 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. Assets are written off when the contractual rights to the cash flow relating to the respective asset expire or cease.

If the recoverable amount for an asset cannot be identified, the asset is included in a Cash Generating Unit (CGU) 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.

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.

In general, **derivative financial instruments** relating to hedge accounting are reported at fair value in line with the hedge accounting stipulations of IAS 39 (Financial Instruments). 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, are described in detail under the item D.29. “Risk management”.

Securities fall into the available-for-sale category. After initial measurement, available-for-sale financial assets are measured at fair value with unrealized gains or losses being recognized directly in equity in the net unrealized gains reserve. When the investment is disposed of, the cumulative gain or loss previously recorded in equity is recognized in the income statement. If a financial asset kept for sale is impaired, the cumulative loss previously recognized directly in equity is then recognized in profit or loss. Interest earned or paid on the investments is reported as interest income or expense using the effective interest rate.

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 directly in equity is recognized in equity 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 6.0% p.a. (2007: 5.0% p.a.) and a dynamic rate of 4.0% p.a. (2007: 3.5% 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 amounts 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	
	2008	2007	2008	2007	2008	2007
Austria	6.0%	5.0%	3.5%	3.5%	3.0%	3.0%
Germany	6.0%	5.0%	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”. Details are contained in the Notes under the item D.21. “Personnel expenses and employees”. Accordingly, there is no obligation to create a provision for these 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.

Liabilities are reported at the cost of acquisition (corresponds to the fair value). 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. Where the grant relates to an asset, it is set up as deferred income, released to the income statement over the expected life of the relevant asset by equal annual installments. Further details are given under the items D.1. and D.29. “Risk management”.

In accordance with IAS 20, long-term funding provided by research support funds, which contains an interest subsidy, is treated as public funding, and for this reason the interest advantage does not require qualification.

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 borrowings that provide a hedge against a net investment in a foreign entity.

Income

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.

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, 2008 amounted to 13,501.8 k€ (2007: 13,352.5 k€) for severance payments and 4,623.2 k€ (2007: 4,635.4 k€) for pensions. The present values of the respective benefit obligations at December 31 were 14,140.1 k€ for severance payments and 4,375.3 k€ for pensions. A reduction of the discount rate from 6% to 5% would result in present values, for the respective benefit obligations, of 15,495.1 k€ for severance payments and of 4,870.5 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. The amount of the non-capitalized loss carryforwards is reported under the item D.5. “Deferred tax assets”.

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 on pages 70 to 71. As in the preceding year, the tangible assets contain no rented goods or 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, 2008	Dec 31, 2007
In the following year	1,443.4	1,259.7
In the following 1 to 5 years	5,297.1	4,174.9
Over 5 years	2,261.8	2,124.9

Payments from operative leasing agreements which are carried in the result for the period amounted to 1,384.6 k€ (2007: 1,232.4 k€).

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

As at December 31, 2008, the order liability for tangible assets in the Group amounted to 4,304.2 k€ (2007: 1,585.1 k€). During the 2008 financial year, no impairments were undertaken on tangible and intangible assets (2007: 0.0 k€). There were also no write-ups (2007: 0.0 k€).

Public subsidies were granted for investments in tangible assets. As at December 31, 2008, a subsidy of 232.3 k€ (2007: 319.8 k€) is reported on the liabilities-side under “Other liabilities”. The subsidies are not to be repaid.

Construction in progress amounting to 1,917.6 k€ (2007: 1,098.7 k€) is reported in the movement in the consolidated assets table. In the main this relates to capacity enlargements (construction of a production hall and an acceptance-inspection hall in Austria), which will become operational in 2009.

No tangible assets were pledged as hedging for liabilities (2007: 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 328.4 k€ (2007: 370.5 k€). The depreciation of the financial year 2008 amounted to 220.0 k€ (2007: 247.6 k€). As at December 31, 2008 there is no goodwill as in the preceding year.

2. Securities

The securities reported in the consolidated financial statements in the amount of 169.2 k€ (2007: 213.6 k€) are in the available-for-sale category.

3. Joint venture

In December 2008, a transfer agreement was signed providing for Rosenbauer’s stake in the 50% joint venture Rosenbauer YongQiang Fire Fighting Vehicles Ltd. to be transferred to the former Chinese partner in 2009, for 1.0 €. This sale is likely to become effective in the first quarter of 2009. At December 31, 2008, this joint venture is stated in the consolidated balance sheet as an “asset kept for sale” with a value of 1.0 €. The consolidated income statement shows a write-off, at fair value less disposal costs, of 2,770.0 k€.

4. Non-current receivables

in k€	Dec 31, 2008	Dec 31, 2007
Other receivables	1,818.7	1,370.9

In 2008, the other receivables with a period to maturity of between one and five years totaled 1,818.7 k€ (2007: 1,264.2 k€). Other receivables with a period to maturity in excess of five years totaled 0.0 k€ (2007: 106.7 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:

in k€	Deferred tax assets/liabilities 2008 Asset-side	2008 Liabilities-side	2007 Asset-side	2007 Liabilities-side
Open one-seventh depreciation pursuant to §12 (3) Austrian Corporation Income Tax Act (KStG)	833.3	0.0	316.5	0.0
Foreign exchange forwards, securities (recognized at fair value in equity)	328.0	1,081.0	2.9	195.1
Foreign exchange forwards, securities (recognized in the income statement)	206.8	310.2	9.5	235.3
Valuation differences of receivables	23.5	47.9	57.8	38.2
Profit recognition from production contracts	0.0	1,234.2	0.0	658.2
Loss carryforwards	0.0	0.0	559.8	0.0
Special tax allowances	0.0	200.8	0.0	204.3
Valuation differences of other provisions and liabilities	2,509.2	0.0	2,307.3	0.0
Others	306.2	212.7	268.6	269.6
Asset-side/Liabilities-side deferred tax	**4,207.0**	**3,086.8**	**3,522.4**	**1,600.7**
Netting of asset-side and liabilities-side deferred tax	(1,608.8)	(1,608.8)	(940.3)	(940.3)
	2,598.2	**1,478.0**	**2,582.1**	**660.4**

Asset-side tax deferrals of 1,332.0 k€ (2007: 1,158.2 k€) for loss carryforwards are not reported as their effectiveness as definitive tax relief is insufficiently secured.

6. Inventories

in k€	Dec 31, 2008	Dec 31, 2007
Raw materials and supplies	27,690.6	25,040.5
Chassis	21,461.7	25,024.6
Work in progress	17,607.9	33,410.7
Finished goods	12,522.1	12,047.3
Goods in transit	4,235.8	4,787.7
Prepayments made	1,340.0	1,864.5
	84,858.1	**102,175.3**

The inventories contain accumulated value impairments amounting to 4,429.8 k€ (2007: 4,596.7 k€). The amount of 1,126.3 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 (2007: 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, 2008	Dec 31, 2007
Production contracts		
– costs up to the balance-sheet date	49,883.5	25,321.3
– gains up to the balance-sheet date	5,547.6	3,151.4
– prepayments received	(7,315.8)	(4,086.0)
	48,115.3	**24,386.7**

All production contracts have a residual period of less than one year. Sales revenues include income from production contracts in the amount of 25,994.8 k€ (2007: 1,895.0 k€).

8. Current receivables

in k€	Dec 31, 2008	Dec 31, 2007
Accounts receivable-trade	53,902.5	42,761.4
Receivables from financial instruments	5,480.8	1,665.8
Receivables from taxes	1,896.1	672.5
Other receivables	2,188.1	2,575.0
	63,467.5	**47,674.7**

As at December 31, 2008, the value impairments on the accounts receivable-trade, as well as other receivables totaled 956.0 k€ (2007: 729.1 k€). An amount of 648.4 k€ in value impairments for 2008 is reported under "Other expenses". These refer entirely to specific bad-debt provisions.

The value impairments on receivables relate exclusively to the accounts receivables-trade reported under the current receivables. No impairments occurred with regard to other financial instruments.

in k€	2008	2007
Value impairments as at January 1	729.1	1,015.5
Allocations	648.4	400.9
Consumption	(357.2)	(361.1)
Reversals	(64.3)	(326.2)
Value impairments as at December 31	**956.0**	**729.1**

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, 2008	Dec 31, 2007
Expenses for the writing-off of receivables	206.9	423.3
Income from the entry of written-off receivables	0.0	2.5

9. Cash on hand and in banks, checks

in k€	Dec 31, 2008	Dec 31, 2007
Cash on hand and in banks, check	1,199.8	6,314.5

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

10. Equity

At the 16th Annual General Meeting, it was resolved to rescind the resolution passed by the General Meeting on May 25, 2007 authorizing the Executive Board to (re-)purchase the Company's own shares. Instead, a resolution was adopted authorizing the Executive Board to (re-)purchase the Company's own shares in accordance with §65 Sect. 1 Clauses 4 and 8 of AktG (Austrian Stock Corporation Act), for a period of 30 months.

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 recognized at fair value derived 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 consolidated statements of changes in equity table on pages 66 to 67.

11. Minority interest

The item “Minority interest” contains the interest of third parties in the equity of Group subsidiaries. In 2008, 4,175.5 k€ (2007: 3,830.7 k€) was distributed among minority shareholders in Group subsidiaries. Third party shareholders exist with regard to the following subsidiaries:

	2008	2007
Rosenbauer Española S.A., Spain, Madrid	37.89%	37.89%
Rosenbauer America LLC., USA, Lyons	50.00%	50.00%
Eskay Rosenbauer Sdn Bhd, Brunei	20.00%	20.00%

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, 2008	Dec 31, 2007
Liabilities to banks and the Austrian Research Promotion Fund	15,065.0	13,533.2

13. Other non-current liabilities

in k€	Dec 31, 2008	Dec 31, 2007
Other non-current liabilities	1,743.1	1,997.0

In 2008, 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€	2008	2007
Cash value of the obligation	14,140.1	14,350.2
Not yet recognized actuarial losses	638.3	997.7
Provision as at December 31	**13,501.8**	**13,352.5**

in k€	2008	2007
Provision as at January 1	13,352.5	12,501.7
Service expense	648.7	646.0
Interest expense	722.1	648.8
Recognized actuarial losses	4.1	4.0
Ongoing payments	(1,225.6)	(448.0)
Provision as at December 31	**13,501.8**	**13,352.5**

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

in k€	2008	2007	2006	2005	2004
Cash value of the obligation as at December 31	14,140.1	14,350.2	13,398.2	12,271.8	11,938.7

The experience-related adjustments of the cash value of the obligation in 2008 amounted to –3.9% (2007: –3.0%; 2006: –5.6%).

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€	2008	2007
Cash value of the obligation	4,375.3	4,834.8
Not yet recognized actuarial gains/losses	(247.9)	199.3
Provision as at December 31	**4,623.2**	**4,635.5**

in k€	2008	2007
Provision as at January 1	4,635.5	4,764.4
Service expense	33.6	37.5
Interest expense	234.6	229.9
Recognized actuarial gains	(8.7)	(127.2)
Ongoing payments	(271.8)	(269.1)
Provision as at December 31	**4,623.2**	**4,635.5**

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

in k€	2008	2007	2006	2005	2004
Cash value of the obligation as at December 31	4,375.3	4,834.8	4,979.1	5,311.2	4,790.9

The experience-related adjustments of the cash value of the obligation in 2008 amounted to 0.4% (2007: 0.0%; 2006: 4.8%).

c) OTHER NON-CURRENT PROVISIONS

in k€	Dec 31, 2008	Dec 31, 2007
Provisions for long-service bonuses	2,133.7	1,957.0
Other non-current provisions	148.0	162.0
	2,281.7	**2,119.0**

The change in non-current provisions for 2008 under the item c) is contained in the schedule of provisions on page 69.

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 35,801.0 k€ (2007: 31,417.4 k€) mature within one year.

17. Other current liabilities

in k€	Dec 31, 2008	Dec 31, 2007
Tax liabilities	2,288.8	3,068.8
Liabilities from social security contributions	1,018.0	902.4
Liabilities from financial instruments	2,118.7	45.5
Other liabilities	24,551.7	26,668.6
	29,977.2	**30,685.3**

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 2008 are contained in the schedule of provisions on page 69.

19. Revenues

Sales 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 on pages 72 to 73.

20. Other income

in k€	2008	2007
Income from retirement of tangible and intangible assets	103.5	145.3
Own work capitalized	61.7	157.1
Costs passed on to third parties	705.2	977.4
Public subsidies	559.4	708.0
Rental income and income from insurance policies	535.3	294.4
Gains on exchange	393.4	1,076.4
Sundry	1,005.7	1,348.3
	3,364.2	**4,706.9**

21. Personnel expenses and employees

in k€	2008	2007
Wages	37,413.1	35,396.0
Salaries	36,056.0	32,001.2
Expenses for severance payments and pensions	1,078.9	1,285.0
Expenses for the company employee pension fund	169.0	116.2
Expenses for mandatory social security payments as well as wage-related taxes and obligatory contributions	14,562.1	13,266.2
Other social security expenses	1,499.9	1,223.1
	90,779.0	**83,287.7**

Average number of employees

	2008	2007
Blue-collar	1,005	944
White-collar	626	564
Apprentices	91	85
	1,722	**1,593**

22. Other expenses

in k€	2008	2007
Taxes other than income taxes	318.1	254.2
Administrative expenses	17,828.9	15,900.2
Marketing and sales expenses	12,942.0	11,915.0
	31,089.0	**28,069.4**

As in the preceding year, 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 2008 total 172.5 k€ (2007: 263.9 k€).

23. Financial expenses

in k€	2008	2007
Interest and other expenses	4,981.8	5,490.9
Interest on non-current personnel provisions	956.7	878.7
	5,938.5	**6,369.6**

24. Financial income

in k€	2008	2007
Income on securities	9.2	9.6
Other interest and similar income	1,100.2	958.1
	1,109.4	**967.7**

25. Income taxes

in k€	2008	2007
Expense for current income tax	6,980.3	2,239.9
Change in deferred income tax	240.7	3,265.9
	7,221.0	**5,505.8**

The reasons for the difference between the calculated income tax expense and effective tax expense in the Group are as follows:

in k€	2008	2007
Profit before income tax	32,289.2	25,433.7
thereof 25% (2007: 25%) calculated income tax expense	8,072.3	6,358.4
Permanent differences	(357.4)	(548.9)
Effect of differing tax rates	661.1	509.1
Effect of tax rate change	(1.3)	102.8
Consumption of unaccounted loss carryforwards	(17.0)	(112.9)
Reversal of no longer applicable assets	0.0	891.9
Tax relief on limited companies[1]	(1,389.0)	(1,055.6)
Reversal of/Capitalized loss carryforwards, which no deferred taxes had previously been reported	173.7	(498.0)
Taxes from previous years, withholding taxes, minimum taxes	78.6	(141.0)
Effective tax income (–)/expense (+)	**7,221.0**	**5,505.8**

[1] Taxes relating to minority interest

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. There were no material non-cash transactions under investing and financing activities.

At the beginning of 2008, a capital contribution of 322.3 k€ was made for the joint venture which had been established in China in 2005. In December 2008, a transfer agreement was signed providing for Rosenbauer's stake in the 50% joint venture Rosenbauer YongQiang Fire Fighting Vehicles Ltd. to be transferred to the former Chinese partner in 2009, for 1.0 €. This transaction had not given rise to any cashflow-relevant consequences by December 31, 2008.

27. Segment reporting

The development of Group companies takes particularly high priority in internal reporting. For this reason, the primary segment reporting is in terms of where the assets of the Rosenbauer Group companies concerned are located and the secondary reporting is according to product segments.

Transfer prices between the segments are at arm's length.

Segment reporting refers to sales revenues and operating results, which are achieved by every single segment on local as well as export markets. Segment assets and segment liabilities only relate to those operating assets and liabilities that are used by a segment for its operational activity. Not included are interest-bearing assets and liabilities.

Group revenues for the year in the amount of 500.3 m€ (2007: 426.1 m€) break down into Western and Eastern Europe (228.0 m€; 2007: 188.8 m€), NAFTA countries (100.2 m€; 2007: 97.2 m€), Asia and Oceania (76.4 m€; 2007: 47.5 m€), the Arab World (59.5 m€; 2007: 63.9 m€), and other countries (36.2 m€; 2007: 28.7 m€).

The numerical presentation of the segments is available from the primary and secondary segment tables for the years 2007 and 2008 on pages 72 to 73.

28. Capital management

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 30% 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.

Furthermore, capital is monitored by means of the gearing ratio, which describes the relationship of net debt to equity.

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 cashflow. 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. Banks largely administer the securities reported under non-current assets within the scope of portfolio management. On the reporting date, the securities were allocated a fair value of 169.2 k€ (2007: 213.6 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 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 European Union, 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 “Österreichische Kreditversicherungs Coface 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 “Österreichische Kontrollbank AG” (risk insurance outside the OECD) and “Österreichische Kreditversicherungs Coface 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 2008						
Accounts receivable-trade	53,902.5	41,296.7	7,214.0	1,823.2	2,852.2	716.4
Other receivables (current and non-current)	4,006.8	4,006.8	0.0	0.0	0.0	0.0
	57,909.3	**45,303.5**	**7,214.0**	**1,823.2**	**2,852.2**	**716.4**
Receivables 2007						
Accounts receivable-trade	42,761.4	28,936.1	10,012.4	2,981.8	689.9	141.2
Other receivables (current and non-current)	3,945.9	3,945.9	0.0	0.0	0.0	0.0
	46,707.3	**32,882.0**	**10,012.4**	**2,981.8**	**689.9**	**141.2**

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) 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 300 k€ lower or higher result.

c) 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 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.

		Impact on profit before tax		Impact on equity	
in k€	Price trend	2008	2007	2008	2007
US dollar	+10%	(872.6)	(317.9)	(10,409.0)	(3,197.2)
	–10%	872.6	317.9	8,914.4	3,056.8
Singapore dollar	+10%	(2.8)	0.2	30.8	(166.6)
	–10%	2.8	(0.2)	(30.8)	166.6
Swiss franc	+10%	2.6	14.3	63.1	129.0
	–10%	(2.6)	(14.3)	(63.1)	(129.0)

d) 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, 2008	Dec 31, 2007	Dec 31, 2008	Dec 31, 2007
Currency futures	31,301.0	6,892.3	379.9	613.9
Interest instruments	22,206.7	22,414.5	(18.0)	246.0

The 379.9 k€ (2007: 613.9 k€) fair value of the foreign-exchange forwards at the closing date is made up of 1,252.4 k€ (2007: 633.4 k€) of derivatives with a positive fair value and 872.5 k€ (2007: 19.5 k€) of derivatives with a negative fair value. The –18.0 k€ (2007: 246.0 k€) fair value of the interest-rate swaps at the closing date is made up of 28.3 k€ (2007: 260.5 k€) of derivatives with a positive fair value and 46.3 k€ (2007: 14.5 k€) of derivatives with a negative fair value.

Derivative financial instruments not recognized in the income statement

Derivatives that meet the requirements for hedge accounting pursuant to IAS 39 are employed exclusively as hedging instruments for the hedging of future cash flow and are reported separately in the consolidated statements of changes in equity. 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, 2008	Dec 31, 2007	Dec 31, 2008	Dec 31, 2007
Currency futures	99,533.8	14,459.7	3,000.2	760.4

The 3,000.2 k€ (2007: 760.4 k€) fair value of the foreign-exchange forwards at the closing date is made up of 4,312.1 k€ (2007: 772.0 k€) of derivatives with a positive fair value and 1,311.9 k€ (2007: 11.6 k€) of derivatives with a negative fair value.

In the 2008 financial year 352.3 k€ (2007: 568.6 k€) was transferred from the equity to the income statement.

e) 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, 2008, as well as the structure of the accounts payables-trade and other liabilities.

The entire interest-bearing financial liabilities amount to 32,705.7 k€ (2007: 37,104.6 k€). The interest on interest-bearing liabilities amounts to 3,944.5 k€ (2007: 4,897.9 k€), which represented an average of 6.9% (2007: 6.1%). 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, 2008	Final maturity	Interest in %	Interest variable/fixed	Dec 31, 2008 in k€	Dec 31, 2007 in k€
Interest-bearing liabilities							
Production financing	SGD	1,856	2009	Sibor+1.25	variable	918.6	2,396.6
Production financing	USD	5,150	2009	2.250	variable	3,665.5	5,434.8
Production financing	USD	0	2008	7.250	variable	0.0	2,717.4
Production financing	USD	3,719	2009	1.750	variable	2,646.6	3,376.5
Production financing	USD	0	2008	6.500	variable	0.0	3.0
Production financing	USD	1,000	2009	2.185	variable	711.7	1,019.0
Production financing	USD	0	2008	5.581	variable	0.0	339.7
Production financing	CHF	500	2009	2.000	fixed	336.4	0.0
Production financing	€	0	2008	5.900	variable	0.0	1,000.0
Production financing	€	692	2009	4.240	variable	692.0	0.0
Production financing	€	393	2009	Euribor+0.65	variable	393.2	74.6
Production financing	€	96	2009	6.830	fixed	95.9	95.9
Research promotion fund	€	0	2008	2.000	fixed	0.0	382.4
Investment loan	€	0	2008	1.500	fixed	0.0	87.2
Loans on overdraft	€					8,180.8	6,644.3
Current total						**17,640.7**	**23,571.4**
Production financing	USD	0	2028	6.500	variable	0.0	268.7
Production financing	€	791	2010	6.830	fixed	790.9	886.8
Investment loan	€	498	2012	5.850	fixed	498.0	0.0
Investment loan	€	929	2012	5.250	fixed	929.1	0.0
Investment loan	USD	4,000	2010	1.950	variable	2,847.0	2,377.7
Investment loan	€	10,000	2011	3.470	variable	10,000.0	10,000.0
Non-current total						**15,065.0**	**13,533.2**
Interest-bearing liabilities						**32,705.7**	**37,104.6**

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)							
2008	34,388.8	18,391.2	4,573.8	10,838.8	585.0	0.0	0.0
2007	40,985.5	25,354.6	845.3	3,842.8	10,551.4	23.9	367.5
Accounts payable-trade							
2008	35,801.0	35,801.0	0.0	0.0	0.0	0.0	0.0
2007	31,417.4	31,417.4	0.0	0.0	0.0	0.0	0.0
Other liabilities (current and non-current)							
2008	31,720.3	29,977.2	202.6	202.6	202.6	202.6	932.7
2007	32,682.3	30,685.3	138.5	138.5	138.5	138.3	1,443.2

f) 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, 2008						
Securities	169.2	0.0	169.2	0.0	169.2	0.0
Receivables	65,286.2	57,909.3	4,312.1	1,168.7	63,390.1	1,896.1
Cash on hand and in banks, checks	1,199.8	1,199.8	0.0	0.0	1,199.8	0.0
Interest-bearing liabilities	32,705.7	32,705.7	0.0	0.0	32,705.7	0.0
Accounts payable-trade	35,801.0	35,801.0	0.0	0.0	35,801.0	0.0
Other liabilities	31,720.3	26,294.8	1,311.9	806.8	28,413.5	3,306.8
December 31, 2007						
Securities	213.6	0.0	213.6	0.0	213.6	0.0
Receivables	49,045.6	46,707.3	771.9	893.9	48,373.1	672.5
Cash on hand and in banks, checks	6,314.5	6,314.5	0.0	0.0	6,314.5	0.0
Interest-bearing liabilities	37,104.6	37,104.6	0.0	0.0	37,104.6	0.0
Accounts payable-trade	31,417.4	31,417.4	0.0	0.0	31,417.4	0.0
Other liabilities	32,682.3	28,665.6	11.5	34.0	28,711.1	3,971.2

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

in k€	Book value	Loans and receivables	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, 2008							
Securities	169.2	0.0	169.2	0.0	0.0	169.2	0.0
Receivables	65,286.2	57,909.3	0.0	4,312.1	1,168.7	63,390.1	1,896.1
Cash on hand and in banks, checks	1,199.8	1,199.8	0.0	0.0	0.0	1,199.8	0.0
Interest-bearing liabilities	32,705.7	32,705.7	0.0	0.0	0.0	32,705.7	0.0
Accounts payable-trade	35,801.0	35,801.0	0.0	0.0	0.0	35,801.0	0.0
Other liabilities	31,720.3	26,294.8	0.0	1,311.9	806.8	28,413.5	3,306.8
December 31, 2007							
Securities	213.6	0.0	213.6	0.0	0.0	213.6	0.0
Receivables	49,045.6	46,707.3	0.0	771.9	893.9	48,373.1	672.5
Cash on hand and in banks, checks	6,314.5	6,314.5	0.0	0.0	0.0	6,314.5	0.0
Interest-bearing liabilities	37,104.6	37,104.6	0.0	0.0	0.0	37,104.6	0.0
Accounts payable-trade	31,417.4	31,417.4	0.0	0.0	0.0	31,417.4	0.0
Other liabilities	32,682.3	28,665.6	0.0	11.5	34.0	28,711.1	3,971.2

g) NET RESULTS BY EVALUATION CATEGORY

in k€	Interest	Impairment	Foreign currency translation	Net results
December 31, 2008				
Loans and receivables	(3,881.6)	(584.1)	160.8	(4,304.9)
Available-for-sale financial investments	9.2	0.0	0.0	9.2
	(3,872.4)	**(584.1)**	**160.8**	**(4,295.7)**
December 31, 2007				
Loans and receivables	(4,532.8)	286.4	812.5	(3,433.9)
Available-for-sale financial investments	9.6	0.0	0.0	9.6
	(4,523.2)	**286.4**	**812.5**	**(3,424.3)**

The item “Loans and receivables” subsumes the net results of “Receivables”, “Cash on hand and in banks, checks”, “Interest-bearing liabilities”, “Accounts payable-trade” and “Other liabilities”.

30. Events after the balance-sheet date

At the beginning of January 2009 a new company named Rosenbauer Ciansa S.L. was jointly established by Rosenbauer International AG and the co-owner and Managing Director of Rosenbauer Española. The new production company is based in Linares, 300 km south of Madrid, with each of the two owners holding a 50% stake. All Spanish production will take place at the new company. The existing production location, which was 100% owned by the Spanish partner, will be closed down. Building work for the new facility will be commencing in the spring of 2009, with commissioning planned for early 2010. Rosenbauer International AG contributed 1.5 m€ of initial share capital to the new production company.

At the end of January 2009, Rosenbauer International AG won an order from the General Authority of Civil Aviation (GACA – the company operating Saudi Arabia’s airports) to supply a total of 220 fire-fighting and rescue vehicles. The contract value is for around 100 m€, making this the biggest single order in Rosenbauer’s history.

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	Holding[1]	Result[2]	Type of consolidation
Rosenbauer Österreich GmbH, Austria, Leonding	€	2,951	100%	0[3]	FC
Rosenbauer Management Services GmbH, Austria, Leonding	€	85	100%	3	FC
Rosenbauer Holding GmbH & Co. KG, Germany, Karlsruhe	€	5,979	100%	(7)	FC
Rosenbauer Deutschland GmbH, Germany, Passau	€	1,331	100%	660	FC
Rosenbauer Feuerwehrtechnik GmbH, Germany, Luckenwalde	€	5,142	100%	1,074	FC
Metz Aerials Management GmbH, Germany, Karlsruhe	€	26	100%	1	FC
Metz Aerials GmbH & Co. KG, Germany, Karlsruhe	€	5,621	100%	1,002	FC
Rosenbauer Finanzierung GmbH, Germany, Passau	€	41	100%	1	FC
Rosenbauer AG, Switzerland, Oberglatt	CHF	4,626	100%	1,054	FC
Rosenbauer Española S.A., Spain, Madrid	€	3,191	62.11%	559	FC
General Safety Equipment LLC.[4], USA, Minnesota	USD	7,242	50%	2,785	FC
Central States Fire Apparatus LLC.[4], USA, South Dakota	USD	17,960	50%	11,656	FC
Rosenbauer Holdings Inc., USA, South Dakota	USD	19,802	100%	4,597	FC
Rosenbauer America LLC.[4], USA, South Dakota	USD	41,071	50%	14,297	FC
RK Aerials LLC.[4], USA, Nebraska	USD	2,222	25%	1,315	FC
Rosenbauer Motors LLC.[4], USA, Minnesota	USD	1,103	50%	737	FC
SK Fire PTE Ltd., Singapore	SGD	6,923	100%	1,757	FC
Eskay Rosenbauer Sdn Bhd, Brunei	BND	54	80%	141	FC
Rosenbauer South Africa (PTY) Ltd., South Africa, Halfway House	ZAR	(72)	100%	(300)	FC

[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

The following transactions took place with closely associated persons. In particular, the reported purchases of goods relate to the supply of vehicles of a Spanish production company to the Spanish subsidiary, the manager of which subsidiary is also a member of the management of the Spanish production company. The rental agreement relates to the use of a property and was agreed between the manager and an American company. The one concerning an office in Beijing in 2007 was agreed between the manager of the joint venture (since disposed of) and Rosenbauer International AG.

in k€	Dec 31, 2008	Dec 31, 2007
Sale of goods	42.9	53.7
Purchase of goods	3,789.3	2,314.9
Receivables	0.0	9.5
Liabilities	1,714.1	1,017.7
Rental agreement for land	1,053.8	823.0
Rental agreement for office	0.0	90.2

The salaries of the members of the Rosenbauer International AG Executive Board in 2008 amounted to 3,335.8 k€ (2007: 2,974.9 k€) and consisted of a basic salary (2008: 1,125.2 k€; 2007: 1,053.8 k€), fees (2008: 2,017.4 k€; 2007: 1,740.5 k€) and rights for the creation of independent retirement and dependant provisions (2008: 193.2 k€; 2007: 180.6 k€). Provisions for severance payments of the Executive Board total 2,421.4 k€ as at December 31, 2008 (2007: 2,048.3 k€). Total expenses of the members of the Executive Board which consist of salaries and changes in provisions for severance payments amounted to 3,708.9 k€ in the financial year 2008 (2007: 3,300.1 k€). Following the termination of an employment relationship, there are no future burdens on the company resulting from company pension scheme contributions for Executive Board members.

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. Earnings per share

The earnings per share are calculated on the basis of IAS 33 (Earnings per Share) by dividing the consolidated profit minus minority interest 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:

		2008	2007
Consolidated profit minus minority interest	k€	19,534.6	15,140.4
Average number of shares issued	units	6,800,000	6,800,000
Basic earnings per share	€/share	2.87	2.23
Diluted earnings per share	€/share	2.87	2.23

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

34. Proposal for the distribution of profits

The individual 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 5,624,253.34 € is reported in the individual financial statements of Rosenbauer International AG. The Executive Board proposes to distribute this net profit through the payment of a dividend p.a. of 0.8 € (2007: 0.7 €) per share. The carryforward to new account is 184,253.34 €.

35. Corporate bodies

SUPERVISORY BOARD

- Alfred Hutterer (Chairman)
  Initial appointment: May 24, 2003
  End of current term: Annual General Meeting 2013

- Christian Reisinger (Vice Chairman)
  Initial appointment: May 25, 2006
  End of current term: Annual General Meeting 2011

- Dieter Siegel
  Initial appointment: May 18, 2002
  End of current term: Annual General Meeting 2013

- Karl Ozlsberger
  Initial appointment: May 26, 2007
  End of current term: Annual General Meeting 2012

In the 2008 financial year, the Supervisory Board received emoluments of 202.3 k€ (2007: 184.3 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 minority interest, the said percentage being gradually reduced in line with improvements in the consolidated profit.

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

EXECUTIVE BOARD

- Julian Wagner
  President and CEO

- Manfred Schwetz
  Member of the Executive Board

- Robert Kastil
  Member of the Executive Board

- Gottfried Brunbauer
  Member of the Executive Board

Leonding, March 20, 2009

Wagner Schwetz Kastil Brunbauer

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ROSENBAUER INTERNATIONAL Aktiengesellschaft, Leonding, for the financial year from January 1, 2008 to December 31, 2008. These consolidated financial statements comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended December 31, 2008, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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 in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 basis for our audit opinion.

OPINION

Our audit did not give rise to any objections. Based on the results of our audit in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as of December 31, 2008, and of its financial performance and its cash flows for the financial year from January 1 to December 31, 2008 in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Laws and regulations applicable in Austria require us to perform audit procedures whether the consolidated management report is consistent with the consolidated financial statements and whether the other disclosures made in the consolidated management report do not give rise to misconception of the position of the group.

In our opinion, the consolidated management report for the group is consistent with the consolidated financial statements.

Vienna, March 20, 2009

ERNST & YOUNG
Wirtschaftsprüfungsgesellschaft m.b.H.

Gerhard Schwartz m.p.	Johanna Hobelsberger-Gruber m.p.
Certified Public Accountant	Certified Public Accountant

On disclosure or reproduction of the financial statements all consolidated accounts in a form (e.g. shortened and/or translated into other language) differing from the confirmed setting, the auditor's opinion may neither be quoted nor referred to without approval.

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

Earnings per share: Consolidated profit minus minority interest divided by the number of shares

EBIT (Earnings before interest and tax): Operating result

EBIT margin: EBIT divided by revenues

EBT (Earnings before taxes): Profit before tax

Equity: Share capital plus capital and other reserves, accumulated results and minority interest

Gearing ratio in %: Net debt divided by the equity

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

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

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

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

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

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

Working capital: Current assets less current liabilities

IMPRINT

Owned and published by
Rosenbauer International AG
Paschinger Strasse 90, 4060 Leonding, Austria

Information
Rosenbauer International AG
Investor Relations
Gerda Königstorfer
Phone: +43 732 6794-568
Fax: +43 732 6794-94568
E-mail: gerda.koenigstorfer@rosenbauer.com
Website: www.rosenbauer.com

Concept
Rosenbauer International AG

Layout
Filleins, Vienna

Detail design
Kreativstudio Marchesani, Vienna

Photos
C-STUMMER fotografie, Linz

This Annual Report also contains judgements and statements relating to the future that we have reached on the basis of all the information available to us at the present time. These forward-looking statements are usually circumscribed by terms such as “expect”, “estimate”, “plan”, “anticipate” etc. We would draw readers’ attention to the fact that due to many very diverse factors, the circumstances actually encountered – and thus the results which actually occur – may differ from the expectations outlined in this report.

Minimal arithmetical differences may arise from the application of commercial rounding to individual items and percentages in the Rosenbauer Annual Report.

The English translation of the Rosenbauer Annual Report is for convenience.
Only the German text is binding.

www.rosenbauer.com