ANNUAL REPORT 2005

rosenbauer

THE GROUP

ROSENBAUER INTERNATIONAL AG
AUSTRIA

- **Rosenbauer Österreich GmbH** — AUSTRIA — 100%
- **Rosenbauer Management Services GmbH**[1] — 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 New England 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 AG** — SWITZERLAND — 70%
- **SK Fire PTE Ltd.** — SINGAPORE — 100%
  - **Eskay Rosenbauer Sdn Bhd** — BRUNEI — 80%
- **Rosenbauer YongQiang Fire Fighting Vehicles Ltd.**[2] — CHINA — 50%

TRADE/SERVICE

HOLDING/MANAGEMENT

PRODUCTION FACILITY

[1] Formerly Rosenbauer Mode Handels-GmbH;
Disposal of the retail business as at 1 October 2005

[2] Not consolidated

KEY FIGURES

			2005	2004	2003
Company key figures	Revenue	m€	**321.3**	299.4	323.0
	thereof Austria	m€	**43.8**	48.2	49.1
	thereof international	m€	**277.5**	251.2	273.9
	EBIT	m€	**19.6**	13.7	19.2
	EBT	m€	**15.9**	10.5	15.9
	Consolidated profit	m€	**12.0**	11.7	10.6
	Cash flow from operating activities	m€	**21.9**	16.4	2.6
	Investments	m€	**7.9**	5.6	7.4
	Order backlog	m€	**243.1**	226.1	191.8
	Order intake	m€	**377.0**	337.0	300.9
	Employees		**1,407**	1,376	1,313
	thereof international		**722**	665	647
Key balance sheet data	Total assets	m€	**168.8**	161.3	164.7
	Equity[1] in % of total assets		**36.9%**	34.4%	31.1%
	Capital employed (average)	m€	**97.9**	99.1	101.9
	Return on capital employed[2]		**20.1%**	13.8%	18.8%
	Return on equity[1]		**27.0%**	19.7%	31.7%
	Gearing ratio		**38.2%**	45.4%	50.4%
Key stock exchange figures	Highest share price	€	**72.5**	66.5	46.0
	Lowest share price	€	**57.5**	43.6	24.6
	Year-end share price	€	**63.0**	64.0	45.0
	Number of shares	m units	**1.7**	1.7	1.7
	Market capitalisation	m€	**107.1**	108.8	76.5
	Dividend	m€	**3.4**[3]	3.4	2.6
	Dividend per share	€	**2.0**[3]	2.0	1.5
	Dividend yield		**3.2%**	3.1%	3.3%
	Earnings per share	€	**4.1**	5.1	4.0
	Price/earnings ratio		**15.4**	12.5	11.3

[1] Including minority interest and subordinated (mezzanine) capital
[2] Modified according to the international standards as at 1 January 2003
[3] Proposal to Annual General Shareholders' Meeting

For more information on the Rosenbauer share:

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CONTENT

2005

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321.3 m€
Revenue

19.6 m€
EBIT

21.9 m€
Cash flow

36.9 %

Equity ratio

7.9 m€

Investments

3.2 %

Dividend yield

THE COMPANY

The Rosenbauer Group is the world's second-largest manufacturer of fire-service vehicles. With its wide range of municipal fire-fighting vehicles and aerials built to both European and US Standards, its extensive series of air-crash tenders and industrial fire-fighting vehicles, advanced fire-fighting components and fire-safety equipment, Rosenbauer is the industry's "full-liner".

Rosenbauer is the international group with the strongest sales and distribution system for mobile fire protection and civil defence solutions. With its worldwide sales and customer service network, Rosenbauer has a permanent presence in more than 100 countries. Rosenbauer supplies its products to all target groups: Professional and volunteer fire brigades, industrial and airport fire brigades.

The Group's technological leadership is underpinned by a tradition of innovational strength, and by a system of institutionalised development management. Its central know-how lies in complex, custom-built fire-fighting systems and vehicles. All the processes needed in this connection are united under one roof: development and production of all fire-fighting systems, fire-engineering superstructures, and electronic and pneumatic control of the overall system.

Rosenbauer International AG, headquartered in Leonding, Austria, is the Rosenbauer Group's holding company, and derives over 83% of its revenues from exports. As well as being the largest production company in the Group, it is also its worldwide expertise centre for fire-fighting vehicles of the AT series, air-crash tenders and industrial fire-fighting vehicles, and for fire-fighting components.

At the Group's eleven production facilities and six sales companies, its workforce of 1,407 generated revenues of around 320 m€ in the year under review.

Dear Readers;
Numerous positive influences have led to our being able to present a markedly better set of annual accounts for 2005 than our plans had envisaged. Implementation of the strategic decisions that had been taken, coupled with the ongoing efforts to improve both products and processes, made a significant contribution towards the superb 2005 result.

The internationalisation strategy is what underpins our involvement in the USA. Not only did the American companies exceed their targets in 2005, they also played a key rôle in the successful performance of the Group as a whole. A special word of thanks is owed here to the management and all the staff of Rosenbauer America for their commitment and success.

Process optimisation and continuous improvement measures, the cultural transformation process and other organisational measures together had a visibly positive impact on costs – effects which are directly reflected in the result.

At last year's “Interschutz 2005” – the fire industry's premier expo – Rosenbauer's presentation, featuring no fewer than 18 new developments, underlined its standing as the sector's most innovative company and its technological leader. Industry professionals responded enthusiastically to innovations from all areas of Rosenbauer's business. In particular, the newly developed air-crash tender PANTHER impressed visitors with its technology and design. The sheer excellence of this vehicle has already won distinction with the iF design award and red dot award.

There was little or no change in the overall economic conditions last year. While demand in the USA and in international project business remained stable, on European markets it was still somewhat subdued. The upswing that started to become apparent in Western Europe had not gained sufficient impetus to warrant talk of a changed economic climate.

The strong growth in China's economy prompted us to establish Rosenbauer YongQiang. This joint venture produces vehicles for the Chinese market, and began with its first deliveries at the end of 2005. This marked yet another milestone in the unfolding of the Group's internationalisation strategy.

Special attention was given last year to the restructuring of Metz Aerials in Karlsruhe. The employees themselves made a major contribution by agreeing to forego part of their wages and salaries. We were able to complete and make balance-sheet allowance for all the relevant activities last year, with the result that this year, Metz Aerials has been launched – in good shape – into a lastingly positive future. The firm is expected to close the current year in the black.

The enlargement of our range of aerials to include European-Standard-compliant rescue platforms exceeded our expectations. In Germany, in particular, there is a definite trend away from turntable ladders and towards aerial rescue platforms – a trend which our range of platform products caters to very well.

The runaway success of our Leonding-produced PANTHER series and AT municipal vehicles has necessitated extensions to capacity. We are proud to be carrying these out at the Leonding facility, thereby creating additional jobs in Austria. The production operations are to be restructured, all warehousing activities are to be concentrated in a new logistics centre and extra office space is to be built, at a total investment volume of around 7 m€.

2006 marks the 140th anniversary of the company's founding. Ever since the very beginning, Rosenbauer has been majority-owned by the eponymous family, who has always felt a deep sense of obligation towards the company, its staff, and all its stakeholders. To put this commitment clearly on record, the family has contributed 51% of the Rosenbauer shares to a newly incorporated holdings-management company named Rosenbauer Beteiligungsverwaltung GmbH. This move documents the family's long-term interest in the company, creates a clear-cut ownership situation for the future and ensures continuation of the corporate policy that has been so successful hitherto.

Major shareholder CROSS Industries AG withdrew from the company at the beginning of 2006. Its parcel of shares was placed in the market on a broadly dispersed basis, with the result that the free float now comprises 49% of the shares, greatly enhancing the liquidity and attractiveness of the share.

In the same way as for the previous year, the satisfactory course taken by the Group's business in 2005 will allow the General Meeting to propose a dividend of 2.0 € per share, continuing our well-established policy of offering an attractive dividend yield in excess of 3%.

Further growth in revenues and earnings is foreseen for the current year. Order backlog in the Group is most satisfactory, and the projects currently in course of preparation suggest that we can expect an excellent order intake trend. The ongoing process optimisation work is being consistently pursued, and the remodelling of the production facilities at the Leonding site is providing fresh impetus which will also have a positive impact on the results.

May I now take the opportunity of expressing heartfelt thanks to all Rosenbauer employees for their exemplary commitment and hard work. This is the very cornerstone and foundation of the success of which we are so rightly proud.

Julian Wagner

EXECUTIVE BOARD

Julian Wagner
PRESIDENT AND CEO

Business unit Aerials

Born in 1950
Joined Rosenbauer in 1968

Group functions:
Company strategy
Human resources
Social management
Corporate communications
Internal audit

Robert Kastil
MEMBER OF THE EXECUTIVE BOARD
Sector Finances

Born in 1949
Joined Rosenbauer in 1983

Group functions:
Accounting and Controlling
Group finance
Information technology
Risk management
Investor relations

Manfred Schwetz
MEMBER OF THE EXECUTIVE BOARD
Business units
Special vehicles, Fire-safety equipment and USA

Born in 1946
Joined Rosenbauer in 1993

Group functions:
Marketing
International sales
Customer services

Gottfried Brunbauer
MEMBER OF THE EXECUTIVE BOARD
Business units
Municipal vehicles and Fire-fighting components

Born in 1960
Joined Rosenbauer in 1995

Group functions:
Technical Group co-ordination
Logistics
Innovation management
Quality management
Environmental management

The stock-exchange environment. Austria's leading ATX index closed the year on an all-time high, providing an impressive finale to its +51% performance over the year as a whole. 2005 was the fifth year in a row in which the ATX put in a positive performance. Since the end of 2000, the ATX has soared by over 240%, substantially outperforming other international bourses.

Rosenbauer share. The price of the Rosenbauer share last year followed a stable trajectory. The substantial holding built up by CROSS Industries led to an appreciable reduction in the size of the free float during 2005, with a corresponding decrease in trading volumes. The share closed with a price of 63.0 € at year-end 2005.

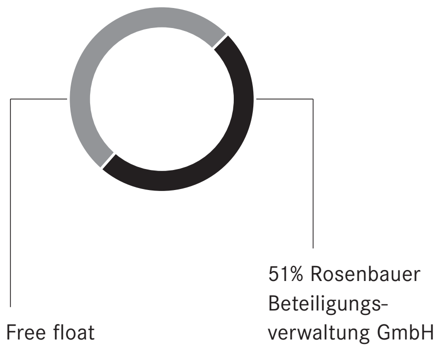
In February 2006, the 28% stake held by CROSS Industries was successfully re-placed with new investors. In the course of an international roadshow, Rosenbauer Management presented the healthy development of the Group's business to investors in Austria, Germany, Great Britain, Switzerland and France. The resultant increase in the free float to 49% has given a significant boost to the liquidity of the share.

Dividend proposal. The Executive Board proposes to the General Meeting that a dividend of 2.0 € per share should be distributed for the financial year 2005 (2004: 2.0 €). The Supervisory Board and the Executive Board are committed to the Rosenbauer share as a dividend-paying stock. This investor-friendly dividend policy is based on Management's confidence that the leading international market position of the Rosenbauer Group can be extended still further in the next few years, hand-in-hand with a consistently positive course of business.

The sum for distribution for 1.7 million non-par-value shares is 3.4 m€ (2004: 3.4 m€). In terms of the share's closing price of 63.0 €, this corresponds to a dividend yield of an attractive 3.2%.

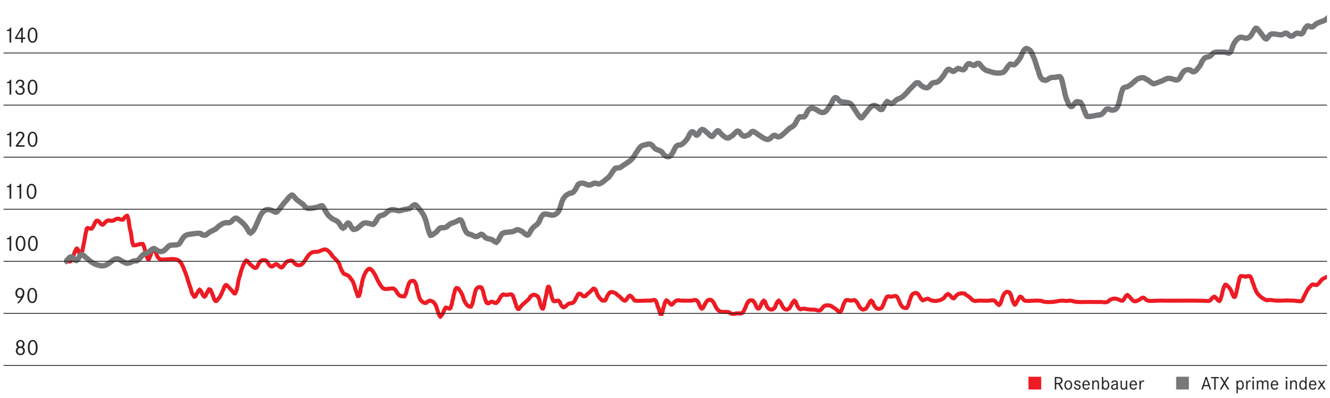
Shareholder structure. Rosenbauer International AG has been quoted in the Vienna Stock Exchange with 1.7 million non-par-value shares (bearer shares) since 1994.

The family shareholders of Rosenbauer International AG last year placed their stakes (51% of the total) into the newly incorporated holdings-management company Rosenbauer Beteiligungsverwaltung GmbH. This contribution of shares supersedes the erstwhile family syndicate agreement. Following the successful reallocation of the stakes formerly held by CROSS Industries in February 2006, the free float is now 49%.



Investor relations. An active information policy, and high reporting transparency, were once more paramount in 2005. Several events were held at the Leonding production site to inform private investors, bank representatives and other interested parties about current developments in the Group, and its latest products. As well as the annual press conferences, in June 2005 we also organised a press trip for trade journalists to the "Interschutz" fire equipment fair held every five years in Hanover, giving national and international media representatives the opportunity to inform themselves on the broad product range of the Rosenbauer Group.

Share-price trend January to December 2005 (index in %)



CORPORATE GOVERNANCE

The Management of Rosenbauer International AG is pledged to uphold the new Austrian Corporate Governance Code as amended in January 2006. The Corporate Governance Code makes an important contribution towards strengthening investors' confidence in the company.

As a listed corporation and company that is active at an international level, Rosenbauer pursues a strategy aimed at sustained long-term growth in the value of the company, and so is in any case acting in line with the Code, and complies with all "C" Rules ("Comply or Explain").

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

Rule 49: Contracts subject to approval. 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 has a considerable economic interest.

Rule 53: Independence of the Supervisory Board. The basic rule is: A member of the Supervisory Board shall be deemed to be independent if the said member does not have any business or personal relations to the company or its Executive Board that constitute a material conflict of interest and therefore have the potential to influence the behaviour of the member. On the basis of this general clause, and pursuant to Rule 53, the Supervisory Board has defined the criteria that constitute independence as follows:

- The Supervisory Board member shall not maintain, or have maintained in the past year, any business relations with the company or any of its subsidiaries to an extent which is of significance for the member concerned. This shall also apply to relationships with companies in which a member of the Supervisory Board has a considerable economic interest.

- The Supervisory Board member shall not, at any time in the previous three years, have acted as auditor of the company or have owned a share in, or been employed by, the auditing firm carrying out the audit.

- The Supervisory Board member shall not be a member of the Executive Board of another company in which a member of the company's Executive Board is, in turn, a Supervisory Board member.

Having regard to the general clause and to the above criteria, the Supervisory Board members Peter Louwerse (Chairman), Hans Hojas (Vice Chairman) and Alfred Hutterer may be deemed to be independent.

Rule 54: Supervisory Board members with a shareholding in excess of 10%. 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%.

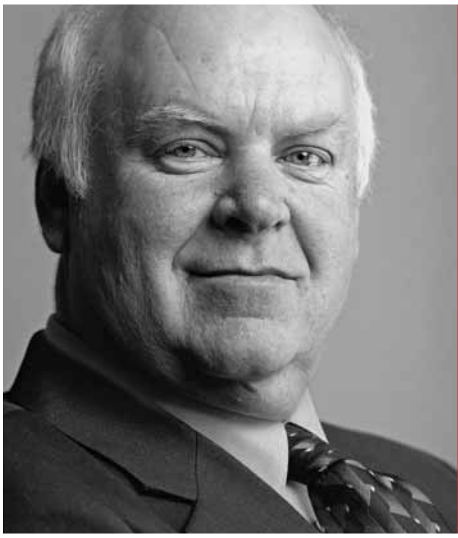
Details of the share

ISIN	AT0000922554
Reuters	RBAV.VI
Bloomberg	ROSB AV
Class of shares	Non-par-value shares made out to bearer
Volume traded in 2005	20,468,035 €
N° of shares traded in 2005	326,136
ATX prime weighting	0.1%

Capital market diary 2006

26 April	Results for the 2005 financial year
23 May	Results for the first quarter of 2006
24 May	Annual General Meeting in Linz
2 June	Ex-dividend day
25 August	Results for the first half of 2006
24 November	Results for the first three quarters of 2006

Success story in the USA. Eleven years ago, Rosenbauer commenced its involvement in the United States. Today, with four production facilities and an 11% market share, the Group is the country's Number 3 fire-engineering supplier.



HAROLD BOER
CEO Rosenbauer America

"2005 was a record year for Rosenbauer America. Net income and order intake for all Rosenbauer America divisions exceeded our goals for 2005. I would like to personally thank everyone for their efforts to make this happen. We do have great optimism for 2006 and now we concentrate our efforts on making 2006 another successful year."

Determined internationalisation. Of an annual world market volume of around 14,000 fire-fighting vehicles, the United States accounts for some 5,000 vehicles, making it the biggest single market in the world. Until its entry as a local manufacturer, Rosenbauer found itself more or less shut out of this market.

The fire-fighting systems and mission tactics used by US fire brigades were – and still are – simply too different to be catered to with European concepts. It was only with local manufacturing operations that it was possible to start tackling this, the world's biggest market. Thanks to its resolutely implemented internationalisation strategy, Rosenbauer has been able to advance its US involvement to the point where today, it can respond to international bid invitations with products from every Standards environment and for every mission philosophy.

Rosenbauer America. The foundation for the success of Rosenbauer America is a fine, long-standing partnership with three well-established, medium-sized manufacturers of fire-fighting superstructures. The first such co-operative relationship was started back in 1995, with General Safety. It was with this Minnesota based producer of sophisticated municipal fire-fighting vehicles and special-purpose vehicles for airports and industry that Rosenbauer first broke into the US market.

Only three years later, Rosenbauer joined forces with Central States in Lyons, South Dakota, a highly successful manufacturer of municipal fire-fighting vehicles. The Central Division has since become the second-biggest facility in the Group. With the competitive fire-fighting vehicles manufactured here, the Central Division covers not only the local market but also US-dominated export markets.

The US product range was rounded off by the stake acquired in the turntable-ladder manufacturer RK Aerials in Nebraska in 2000. The Aerials Division manufactures only turntable ladders to NFPA Standards.

In-company chassis fabrication. In 2003, production of chassis for the PANTHER air-crash tender started up at Rosenbauer Motors in Wyoming, Minnesota. With this move, Rosenbauer insourced a key technology, further lengthening its value chain in the manufacture of fire-fighting vehicles. The chassis produced in Minnesota are used in the PANTHER production operations in both the USA and Austria.

"Ready to serve". To better communicate the Group's international reach and innovational strength to the fire-fighting sector, the "Rosenbauer America" brand was unveiled in 2004. All the US companies have since shared this one brand, and the same advertising slogan: "Ready to serve". Rosenbauer America is represented coast-to-coast in the USA by an experienced dealership network.

Global presence. The success enjoyed by the US companies goes way beyond America's borders. In recent years, the US sales company Rosenbauer America has scored important export successes with customers who specify vehicles to US Standards. The top clients here were fire brigades in Saudi Arabia, and considerable numbers of vehicles were also shipped to Central and South America.

Fascinating firetrucks. American vehicles have an appeal that is all their own. Part of this is to do with what, to European eyes, are their unusual constructions and dimensions. The other reason why these vehicles exercise such a fascination is the firetrucks' extraordinary design.

Alongside straightforward vehicles on series chassis, many volunteer fire brigades boast attention-grabbing vehicles on chrome-laden custom chassis featuring all manner of "bells and whistles". With their gaudy paintwork, intricate logos and lettering and any symbols, these vehicles are absolutely unmistakable.

ECONOMIC ENVIRONMENT

Stable world economy. The world economy put up a decidedly robust performance in 2005, continuing to grow at a healthy 4.0% clip – despite natural disasters and the threat of terror. Not even the high oil price was able to jeopardise the good economic climate.

Among the factors pointing towards a continuation of this dynamic trend are the improved composition of the components of US growth and, above all, the clearly visible upswing in Japan and the encouraging forecasts for the euro zone. The rude health of the world economy is all the more remarkable when one considers that despite rising petroleum prices, there have not so far been any worrying inflationary indicators.

Robust growth in the USA. The US economy grew by 3.6% in 2005. Roughly comparable growth (of 3.0% to 3.5%) is also forecast for 2006, although the past months' interest-rate rises, and a weakening propensity to consume, have slowed the trend somewhat. The main impetus for growth in 2006 is expected to come from reconstruction activity in the wake of the two hurricanes Katrina and Wilma. Rising employment payrolls, and the fact that the trade deficit is shrinking again for the first time in two years, should also help to keep the economy on a steady course.

Dollar emerges from period of weakness. In the last few years, the structural imbalances of the US economy have led to a massive depreciation of the dollar against the euro. In 2005, the US dollar started rising again for the first time, doing so by more than 10%. The key factor underlying this development was huge capital inflows, due firstly to the higher interest levels and secondly to the increased demand for dollars with which to procure raw materials – especially petroleum.

Activity picks up in Europe. At around 1.3%, euro-area economic growth last year lagged some way behind the growth of the world economy as a whole. The economic climate was hampered above all by the failure to undertake energetic structural reforms, and by high unemployment. During the closing months of 2005, however, there was an appreciable quickening in the pace of the economy in the euro area, suggesting that economic growth may reach 2.0% in 2006.

Better mood in Germany. Economic growth in Germany has been almost entirely export-driven in recent years. Since the third quarter of 2005, domestic demand has been starting to stir once again. The value-added tax hike scheduled for the beginning of 2007 is likely to give an extra medium-term boost to growth on the domestic market. If the new German government succeeds in carrying out the necessary reforms, and above all in fostering a new sense of confidence, there is every prospect of a sustained recovery in private consumption, and thus of the domestic economy.

China – market of the future. China is rapidly establishing itself as one of the most important mainsprings of global economic growth. The country notched up 2005 GDP growth of 9.2% (World Bank figure) and is looking for a further increase of around 8% this year. The Chinese central bank has also raised the prospect of an improvement in exchange-rate policy and of a basically stable rate of exchange in 2006.

DEVELOPMENTS IN THE FIRE-FIGHTING SECTOR

Good overall parameters. The positive course taken by the world economy last year created good fundamentals for the fire equipment sector as well. In total, the world market takes delivery of fire-fighting vehicles worth around 2,200 m€ every year. Fire-safety equipment is not included in this volume, more than 90% of which goes to the NAFTA region, Western Europe, the Middle East and Central, South and East Asia.

Traditionally, demand in North America, Europe, Russia and Central Asia has mainly been met by local manufacturers. A trend towards local value creation has also become increasingly apparent in Southeast Asia in recent years.

North America at a high level. In this, the sector's biggest single market, demand continued at a high level in 2005. In particular, the precautions being taken against terror attacks and other catastrophes gave a boost to investment in safety equipment, helped by federally funded subsidies for procurement budgets. The sale of American LaFrance to a private-equity investor, and the consolidation of production locations that this move is expected to trigger, have caused a shift in the competitive landscape in the USA.

Mixed picture in Europe. In Europe, the competitive environment stayed unchanged in 2005. Despite stagnant demand, the major manufacturers have not scaled back their capacity. What is more, competition is being heated up still further by the entry of new suppliers from former Eastern European countries – especially Poland and the Czech Republic.

In Central Europe, demand is still stagnating as a consequence of years of budgetary restraint. This is particularly true of Germany, the sector's biggest European market. There is a prospect of the situation on this market gradually improving over the next few years. For instance, the forecasts for the domestic economy point to an improvement in public-sector finances. Moreover, it has been decided to allocate a significant share of the additional receipts from the planned VAT increase to municipal budgets.

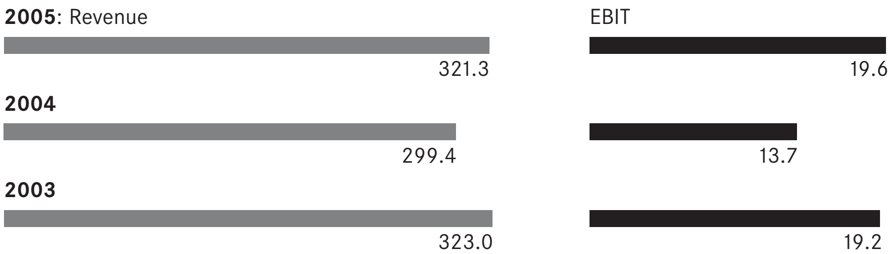
Demand in Eastern European countries is developing very satisfactorily, helped in some cases by European Union infrastructure grants enabling the countries concerned to replace their fire-fighting vehicles and equipment. In Southern Europe, on the other hand, centralised tendering procedures are on the rise, increasingly giving these markets "spot" character.

Revival in Asia. Demand in the markets of Southeast Asia is becoming increasingly lively, with ever-more importance attached to local value creation. This is particularly true of the Chinese fire equipment market, which last year upheld its position as Asia's leading growth market. Newly introduced certification rules – for both imported and locally manufactured products – have led to a rise in quality standards.

Great need for safety products in the Middle East. The heightened awareness of security needs in the region has prompted lively demand for fire protection equipment over the past few years. It is reasonable to suppose that this trend will continue unabated; the rise in the oil price has certainly provided the countries concerned with the necessary financial means.

Spot markets difficult to forecast. The markets in Latin America and Africa are very much characterised by spot projects which are influenced by central procurement programmes and so are difficult to make forecasts about.

Revenue and EBIT trends (in m€)



PANTHER 8X8

Vehicle for the 21st century. With its eight powered wheels, 40-tonne operational weight, 14,500 litre extinguishant payload and top speed of 140 km/h, the Panther 8x8 is the air-crash tender for aeroplanes the size of an Airbus A380. This top-of-the-range model is built on the new 1,000 HP MAN chassis.

Technologically, this fire-fighting giant is geared to meet the ever-more exacting demands of airport operations. This means that it is even quicker and nimbler than its predecessor, can be loaded with even more extinguishant and equipment because of its higher axle weights, and is easier than ever to operate thanks to its electronic control concept.

It also stands out for its innovative styling language, which stresses such attributes as reliability, safety, power and dynamism. At the beginning of 2006, Rosenbauer won the internationally renowned iF design and red dot awards for the Panther, the top-line model of air-crash tender.

REVENUES, ORDERS AND EARNINGS SITUATION

Group revenues at a high level. Group revenues rose last year to 321.3 m€ (2004: 299.4 m€). Part of the increase in revenues is attributable to the US companies, which achieved growth both on the US market and in export business. Another, very significant contribution to revenue growth was made by the Group's Spanish company.

Unlike in previous years where the Group's revenues were hit by the slump in the value of the US dollar, in 2005 the impact of dollar conversion was positive, to the tune of around 5.1 m€.

Once again, the biggest revenue earner in 2005 was Rosenbauer International AG, with revenues of 155.2 m€ (2004: 155.9 m€). It is not only the biggest production company in the Group, but also – with a 2005 export ratio of 83% (2004: 82%) – the biggest exporter in the sector.

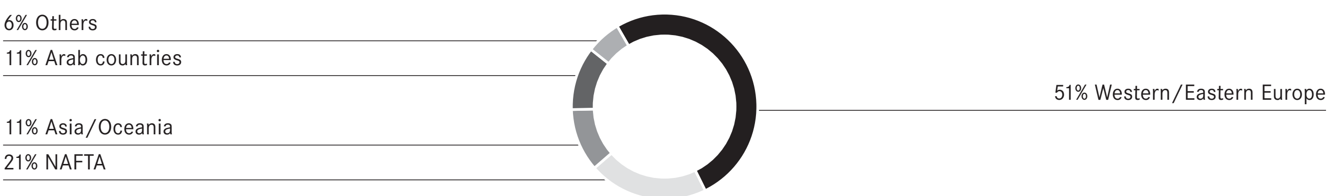
Well-balanced distribution of revenues. The "Vehicles" product segment accounted for the biggest single share (63%) of Group revenues in 2005 (2004: 59%). The "Aerials" segment posted revenues of 35.8 m€ (2004: 44.4 m€), corresponding to an 11% share of total revenues (2004: 15%). Accounting for 11% (2004: 11%) and 5% (2004: 6%) of revenues respectively, "Fire-safety equipment" and "Fire-fighting components" were at roughly the same level as the year before. The revenues from "Service & spare parts" accounted for 4% of the total in 2005, as against 5% in 2004.

Europe still biggest region by revenues. As in previous years, Western and Eastern Europe were once again Rosenbauer's biggest sales regions in 2005. Around 51% of Group revenues, amounting to 163.1 m€ (2004: 58%; 172.6 m€) was achieved on these markets. Thanks to the growth on the US market, the NAFTA countries – with 68.1 m€ (2004: 51.3 m€) or 21% of the total (2004: 17%) – took second place in the revenue rankings. They were followed by Asia and Oceania with 34.6 m€ (2004: 31.6 m€) and by the Arab World with 35.5 m€ (2004: 28.6 m€).

Excellent order situation. At 377.0 m€ (2004: 337.0 m€), the volume of new orders taken by the Group in 2005 was well above the level of the past two years. In the current financial year, this has led to a gratifyingly high degree of capacity utilisation, especially at the production facilities in Austria and the USA.

The order backlog at the year-end, 243.1 m€, was also well above the previous year's level (226.1 m€).

Revenues by region 2005



Improved earnings situation. Cost advantages resulting from larger contracts, and an excellent result in the USA, were the two main success factors underlying the 43% rise in the operating result (EBIT) to 19.6 m€ (2004: 13.7 m€).

This increase in the size of the Group's result was achieved in spite of the 3.6 m€ of restructuring outlays incurred at Metz Aerials. The biggest contribution to the improvement in the consolidated profit was earned by the US companies (see the segment reports for more details).

The net figure of 3.3 m€ resulting from financial expenses and income was little changed from the year before (2004: 3.2 m€). The profit before tax (EBT) rose to 15.9 m€ (2004: 10.5 m€).

The positive previous-year taxes on income figure of 1.2 m€ was due to the fact that a deferred tax receivable of 2.4 m€ was recorded in the accounts. This was primarily attributable to the tax loss carryforward assumed from Germany (80% of 11.1 m€).

In the period under review, this one-off effect no longer applies, and the −3.9 m€ of taxes on income shown in the accounts (2004: 1.2 m€) largely corresponds once again to the tax burden ascertained in the current year. The consolidated profit rose to 12.0 m€ (2004: 11.7 m€).

Due to the large share of the 2005 result accounted for by Rosenbauer America, in which the US co-partners hold a 50% stake, the minority interest in the result increased to 5.0 m€ (2004: 2.9 m€).

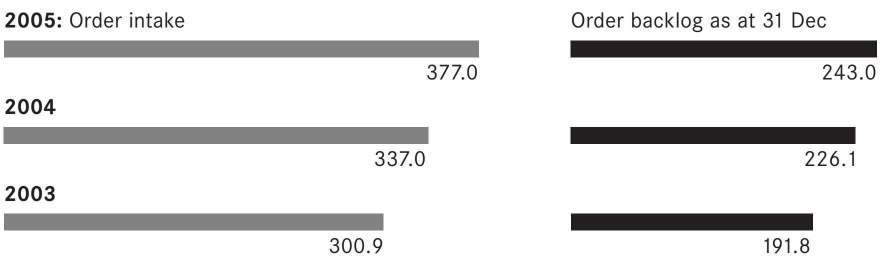
FINANCIAL POSITION, ASSET AND CAPITAL STRUCTURE

For industry-specific reasons, the balance-sheet structure of the Rosenbauer Group at the year-end is characterised by a high proportion of current assets. This results from the turnaround times, lasting several months, for the vehicle contracts that are currently under manufacture. The financial position and asset situation of the Group improved still further in 2005.

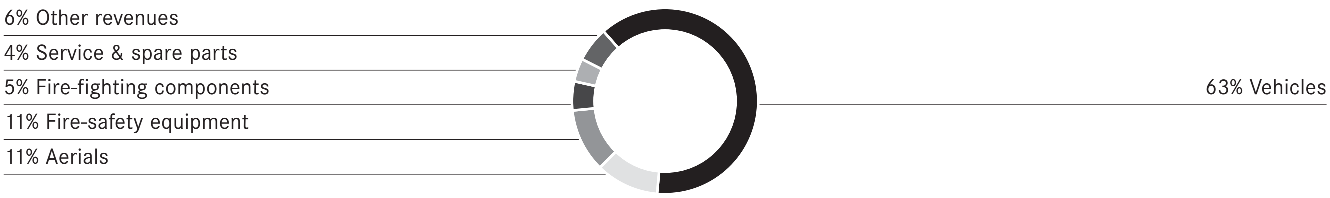
The Group's balance-sheet total grew to 168.8 m€ last year (2004: 161.3 m€), largely on the back of the higher revenues and investments in non-current assets.

The total amount invested in the 2005 financial year came to 7.8 m€ (2004: 5.6 m€). Owing to the building of the new logistics centre in Leonding, this amount exceeded the annual amortisation charges.

Order intake/backlog (in m€)



Revenues by product segment 2005



The 6.7 m€ of deferred tax assets (2004: 7.2 m€) is slightly down on the previous year's figure.

Although there was a slight rise in inventories compared to the previous year, to 57.1 m€ (from 56.4 m€ in 2004), a programme of active trade receivables management was successful in keeping the current receivables (42.7 m€) at roughly the same level as the previous year, despite the 7.3% increase in revenues.

Equity capitalisation – including subordinated (mezzanine) capital – was substantially increased, from 55.5 m€ to 62.2 m€. Analogously, the Group's equity ratio (including subordinated mezzanine capital) climbed from 34.4% to 36.9%.

The interest-bearing liabilities (not including subordinated mezzanine capital) decreased substantially, from a total of 25.2 m€ (2004) to 18.2 m€. Although long-term interest-bearing liabilities rose by 3.1 m€, for term-related reasons, the favourable earnings situation enabled the short-term interest-bearing liabilities to be slashed by over 40%.

Due to the mainly revenue-driven increase in the trade accounts payable, and to higher other current liabilities and other provisions, the 81.1 m€ figure for total current liabilities has decreased only slightly (2004: 82.8 m€).

Thanks to the higher equity ratio, the gearing (ratio of net indebtedness to equity including subordinated mezzanine capital) at the year-end improved from 45.4% (2004) to 38.2%.

The net cash-flow from operating activities rose last year to 22.0 m€ (2004: 16.4 m€). This improvement is mainly attributable to the markedly higher result.

INVESTMENTS

Enlarging worldwide capacity. Investments totalling 7.7 m€ were made in the tangible non-current assets of the Group during the year under review (2004: 5.2 m€). Of this, the lion's share was accounted for by additions to capacity (65.5%), while 29.6% went on replacement capital investments and fulfilling official directives, and 4.9% on rationalisation measures. A major capital investment focus in 2005 was the two-year upgrading programme for Leonding, the Group's biggest production location. Other significant investment projects included the establishment of a production facility in China, and enlargements to production capacity at the US companies.

New logistics centre. Capacity utilisation at the Leonding facility has been rising continually over the past few years (+22% since 2003), and is set to remain at a high level. For this reason, work began at the end of 2004 on an upgrading programme to extend the production facilities at the Leonding site.

To this end a new logistics centre with a total area of 5,500 m^2 was built in the year under review. Among other things, this now houses a high rack warehouse, a 600 m^2 packing zone and the small-parts store. A parking deck with 110 car-parking spaces for employees was also built at the same time. The ground-breaking ceremony for the new logistics centre was in August 2005, with completion scheduled for the first half of 2006.

Once the move into the new building has been accomplished in spring 2006, the former storage areas will start being used to extend the production facilities. The total costs will run to 6.4 m€, 2.9 m€ of which was expended during the period under review.

Key profitability figures

		2005	2004	2003
Capital employed (average)	in m€	**97.9**	99.1	101.9
Return on capital employed[1]	ROCE in %	**20.1**	13.8	18.8
Return on equity[2]	ROE in %	**27.0**	19.7	31.5
Return on sales	ROS in %	**4.9**	3.5	4.9

[1] Modified according to the international standards as at 1 January 2003
[2] Including minority interest and subordinated (mezzanine) capital

Customer service centre modernised. The new zoning plan has also allowed more space to be given to After-Sales Service and Quality Assurance. New premises, including an up-to-date training room, have been fitted out for both departments on around 600 m^2 of space. The R&D electronics unit has also been provided with new office and laboratory space. A total of 750.0 k€ was invested in modernising the customer service centre and building new office premises in 2005.

Joint venture in China. The second focus of last year's capital investments was on setting up the joint venture Rosenbauer YongQiang Fire Fighting Vehicles Ltd. in the Chinese province of Guangdong. This joint venture, in which Rosenbauer holds a 50% stake, was established with our local partner Dongguan YongQiang Vehicles Manufacturing Co. Chinese regulations stipulate that foreign partners in joint ventures in the vehicle production sector may not hold more than a 50% stake.

Completed in May 2005, the new facility has 15,000 m^2 of production and office space. Production got underway in the third quarter of 2005, and the first vehicles were handed over to the Chinese customers before the end of the year.

The project is planned to take place in two phases, for which a total investment volume of around 6.4 m€ has been budgeted. Of this, 5.0 m€ was invested in non-current assets in 2005. In the year under review, consolidation was effected using the at equity method.

Chassis production expanded. In late 2003, production of chassis for the PANTHER 4x4 and 6x6 series was commenced at the newly incorporated company Rosenbauer Motors in Wyoming, Minnesota. Surging demand for these top-line models of air-crash tender made it necessary to create extra logistics space. A new warehousing and processing building costing 200.0 k€ was thus built in Wyoming in 2005, with 1,100 m^2 of useable floor-space.

RESEARCH AND DEVELOPMENT

Rosenbauer at "The Red Rooster". The Rosenbauer Group invested 5.8 m€ in research and development in 2005 (2004: 6.3 m€). This amount is equal to 2.9% (2004: 3.5%) of the relevant net sales proceeds from our own production. 74.1% (2004: 72.4%) of these development costs (4.3 m€, as against 4.6 m€ in 2004) were incurred by Rosenbauer International AG, the Group's centre of expertise for special-purpose vehicles and firefighting systems.

The first few months of 2005 were marked by especially intensive development work in the run-up to Europe's biggest fire equipment fair that June. No fewer than 18 new developments, from all product segments, were unveiled by Rosenbauer at "Interschutz – The Red Rooster" in Hanover, once again underlining the company's innovational strength and its claim to technological leadership in the sector.

Developed entirely afresh in terms of both engineering and design, the new PANTHER models drew a particularly enthusiastic response from the trade public. The other new developments such as the high-temperature resistant helmet system HEROS-xtreme or the electronically controlled balanced pressure foam proportioning system DIGIDOS 24 were also very well received.

The seedbed for these new products was provided by the innovation management system that has been built up in recent years. It not only bundles the available in-house capabilities but also stays in continuous touch with users, enabling it to develop products that exactly match their needs.

Safety in extreme situations. The HEROS helmet system ranks among the very best and most comfortable fire-helmets there are. Based on its 15 years' experience in the fire-helmet field, and in full compliance with the new draft Standard EN 443:2005, Rosenbauer has developed a totally new helmet system – HEROS-xtreme. The design won a nomination for the 2005 Austrian State Prize for Design.

A wealth of ingenious details make the HEROS-xtreme one of the best anywhere in the world: Its exceptionally high strength and impact resistance give the wearer protection even at extreme temperatures. The integrated LED helmet lamp, a "world first" for a fire-helmet, can simply be detached and used as a hand-held lamp.

At the same time, the helmet's inside fittings and the two visors were also redeveloped from scratch. The prominent comfort cushioning prevents pressure spots, even when the helmet is worn for hours at a stretch. The innovative walkie-talkie set uses a gaiter microphone to pick up the speech sound signals, which it transmits by radio to the command post.

Brand-new PANTHER. The aim of redeveloping the two PANTHER series 8x8 and 6x6 was to make the vehicles technologically ready for the ever-more exacting demands of airport operations. This means that the new vehicles are even quicker and nimbler than their predecessors, can be loaded with even more extinguishing agents and equipment because of their higher axle weights, are easier than ever to operate thanks to their electronic control concept, and already meet future exhaust-emission regulations.

They also stand out for their innovative styling language, which stresses such attributes as reliability, safety, power and dynamism. Developed in collaboration with Spirit Design, the design has, incidentally, been distinguished by the award of the internationally coveted quality seals iF design award and red dot award.

The 8x8 model is built on the new 1,000 HP rear-engined MAN chassis with an Allison automatic transmission, and the 6x6 model on the 705 HP rear-engined chassis produced by Rosenbauer Motors in the USA. Despite its operational weight of 40 tonnes, including a 14,500 l payload of extinguishing agents, the PANTHER's eight individually driven wheels whisk it up to a top speed of 140 km/h.

The cab of the new PANTHER has a panoramic windscreen made of laminated safety glass, and transparent doors. The front and side panes extend a long way up and down, giving the driver an unobstructed wide-angle view of his surroundings. The electric swing-forward doors close automatically once a speed of 5 km/h has been reached.

The ergonomically shaped instrument panel permits genuine "one-man operation" of all the fire-fighting and vehicle systems. The basis for this is the LOGIC CONTROL SYSTEM (LCS) electronic control concept. Another highlight of the development effort is the flap lids of the equipment lockers, which can now be opened pneumatically – from the cab.

More safety for US fire-fighters. A relatively high number of firemen suffer fatal accidents in the USA every year. This fact has prompted the International Association of Fire Chiefs (IAFC) to call upon the manufacturers to do everything possible to improve safety for firemen in action. Rosenbauer America has responded by developing its TechDrive 05 safety concept. TechDrive 05 sets great store by functional design and a large number of new equipment features to make fire-fighting vehicles and aerial appliances more ergonomical and safer.

Even better protected. The new draft of European Standard EN 443 has imposed vastly more stringent test conditions on fire-helmets. The testing temperature for the mechanical resistance of the helmet shell, for instance, has been raised from below 100° C to 250° C. The change to the applicable Standards gave Rosenbauer the opportunity, and the challenge, of re-engineering the helmet so as to substantially improve its safety, handling, functionality, wearer comfort and design.

On the new HEROS-xtreme, the required resistance of the helmet shell is achieved by using a newly developed GFP composite material. This material marries unmatched temperature resistance to excellent impact strength.

At the same time, the helmet's inside fittings, visors, detachable LED helmet lamp and bone-conduction walkie-talkie set were also redeveloped from scratch. The walkie-talkie set picks up speech directly from the helmet-wearer's head and transmits it by radio to the command post. This eliminates the influence of the loud ambient noise.

Unlike the thermosetting plastics that have been usual hitherto, the materials used here are fully recyclable and free of pollutant emissions – even at the temperatures likely to be encountered on the fireground. The HEROS-xtreme had the distinction of being nominated for the Austrian State Prize for Design in 2005.

Pump output mightily enhanced. The new FOX gives Rosenbauer the most powerful and by far the lightest portable fire-pump in its class. For the first time the FOX is now operated via the all-electronic Rosenbauer LOGIC CONTROL SYSTEM (LCS). This has enabled the new FOX to be equipped with extra features like an automatic pump pressure governor, automatic thermal cut-off and a cavitation alarm.

The FOX runs on the same air-cooled 2-cylinder flat-twin engine that also powers the new BMW GS1200 motorbike. The more powerful engine has now also enabled the next higher pump output category of 1,600 l/min at 10 bar and 1,000 l/min at 15 bar to be reached.

NH 55 built-in pump for the US market. The combined normal/high-pressure pump NH 55 has been specially developed for the US market, where high pump delivery rates are also required from municipal fire-fighting vehicles. It manages a pump output of 5,500 l/min at 10 bar, making it the most powerful unit in its category. Special pump bearings achieve noise isolation, and thus an appreciable reduction in noise levels.

The all-electronic Rosenbauer pump control and back-lit control panel also treat US firemen to a radically new ergonomical operating concept.

More electricity, less weight. The newly developed RS 14 generator is the world's most powerful portable fire-fighting generating set that does not exceed the dimensions specified by DIN, and which can thus readily be substituted for existing, much less powerful generators. The generator is operated by way of an advanced touch-panel based on the innovative Rosenbauer LOGIC CONTROL SYSTEM (LCS). The 14 kVA of power put out by the generator is used for operating floodlighting installations or electrical mission equipment. To make life easier for firemen using the RS 14 as a portable generator, its basic frame is made of high-strength aluminium, cutting six kilogrammes off its weight.

ENVIRONMENTAL MANAGEMENT

Improved environmental "balance sheet". The Rosenbauer Group is a manufacturing and distribution business whose activities span the globe. Resource conservation, energy efficiency and comprehensive environmental management are the essential maxims of all business activities and decision-making. We attach huge importance to continuous improvement of our "environmental balance sheet".

More efficient usage of energy. The programme launched several years ago to optimise the energy inputs at the Leonding site was completed in 2005. In the course of this, the approach to energy management was completely redesigned, and the existing power control system was modernised. The installation of a heat recovery system has made for a very substantial reduction in CO_2 emissions, more efficient use of energy and – particularly in view of the upward trend in energy costs – annual savings of over 50 k€.

QUALITY MANAGEMENT

Quality as a safety factor. Every life-saving appliance must fulfil the very highest quality requirements – not least because the personal safety of the mission personnel themselves also depends on it. Rosenbauer assures this quality level by way of a Group-wide quality management system which is centrally anchored in the company's organisation as a controlling instrument. This enables the entire internal order-processing workflow to be designed with reference to quality criteria, so that any process deviations can be recognised and corrected at an early stage in the process chain.

Not least, the consistent implementation of this quality policy is reflected in the Group's quality costs: Despite the high capacity utilisation and the large number of new products in 2005, the ratio of these costs to overall production costs was still kept at the same low level as the year before. The current quality-cost ratio is 2.04% for the 2005 financial year, as against 1.95% for 2004.

Controlling with reference to key figures. The basis for Rosenbauer's quality and safety-conscious approach to all it does is the quality and environmental policy derived from the Group's mission statement. Also derived from this policy, the management system sets out the structure and documentation of all of the company's significant processes and procedural rules.

Documented in the intranet, the management system comprises the QMS (quality management) and UMS (environmental management), together with the guidelines for workplace safety and the hygiene directive. The impact of the various processes on quality, environment and workplace safety is displayed in a uniform system of key figures.

At the last compliance audit for the Leonding, Neidling, Karlsruhe and Luckenwalde sites in June 2005, the Rosenbauer management system was certified on the basis of EN ISO 9001:2000 and (in the case of the Austrian sites) to the environmental standard EN ISO 14001.

China certification passed. In the autumn of 2005, Rosenbauer became the first European company from the fire equipment sector to undergo Chinese CCC certification. Recent legal regulations provide that all fire-fighting products intended for the Chinese market have to bear the China Compulsory Certificate (CCC), regardless of whether they are imported or produced in the country. This certification was performed by representatives of the Chinese CCC authorities directly in Leonding, and has to be renewed every 18 months.

RISK MANAGEMENT

Consistent risk monitoring. Risk management is a vital, integral part of all decision-making and business processes in the Rosenbauer Group. Overall responsibility for operational risk management lies with the Executive Board, which reports to the Supervisory Board in the context of the audit committee.

Essentially, risks are seen as potential deviations from the corporate objectives, and the term "risk" therefore encompasses not only the possibility of a loss but also the failure to seize potential opportunities or a chance of additional profit.

Rosenbauer began years ago to actively control its business risks with a view to putting the Group's success on a firm long-term footing. To this end, the Group's risk-policy principles have been defined and integrated in the Rosenbauer management system.

The most important risk monitoring instrument is the planning and controlling process. Thanks to the consistent reporting system, not only any risk positions, but also opportunities, can be recognised and deliberately responded to, or optimised, at an early stage.

Strategic risks. The annual business plan, made on a revolving basis for a three-year period, essentially derives from the Group strategy. A target-catalogue, broken down into the different areas of business, serves as a controlling instrument here. This systematic approach enables us to discern – and then largely avoid – any strategic risks at an early stage.

Competition-related risks. The competitive environment in the fire equipment sector has been fierce for many years now. International tenders are now attracting both the large, noted suppliers and many smaller local vehicle-bodywork firms. Due to the fact that most procurement needs are put out to tender, and that the majority of the customers are public-sector purchasers, the pressure on margins is increased still further. Rosenbauer rises to these challenges with innovative products, and with its ability to keep its prices in line with the market by means of ongoing process optimisation.

Operational risks. Given the sheer breadth of the spectrum of vendor parts, procurement management plays a vital rôle. 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 minimise operational risks.

Excess production capacity can have a negative impact on both overheads and margins. For this reason, capacity is analysed as part of the annual planning process, and adjusted where necessary by means of relevant measures. Moreover, any earnings risk which might arise as a result of disruption of production operations is covered by appropriate production-outage insurance policies.

With the exception of a damages claim in connection with the insolvency of the Group's Dutch company Rosenbauer BV in 2000, no significant legal claims or litigation risks are extant. Sufficient provisions have been made 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. To prevent product-liability cases, Rosenbauer abides by a rigorous quality management system. However, despite continuous improvements and product-quality control, liability cases cannot be ruled out altogether. In order to minimise the pecuniary risk which is possible here – particularly in North America – the instrument of product-liability insurance is employed throughout the Group.

Risks in the human resources field. A thorough approach to staff development, with institutionalised appraisal interviews and a performance-oriented remuneration system, are the central instruments at Rosenbauer for keeping qualified and motivated employees with the company. A high degree of specialist fire-fighting knowledge is a crucial factor in client-orientated production. The comparatively low fluctuation rate the company has enjoyed in recent years owes a great deal to its successful utilisation of human resources policy instruments.

Financial risks. The Group's credit standing, and with it the safeguarding of liquidity, are of critical importance. For this reason, Financial Management has analysed the Group's risk position in even greater depth in recent years, as a basis for jointly determining the corporate rating in collaboration with the Group's bankers.

Due to the fact that the great majority of clients are from the public sector, the risk of non-payment may be regarded as very limited. In the case of deliveries made to non-OECD countries, use is generally made of state export guarantee schemes to cover the political risks encountered in these cases.

To limit and control interest and exchange-rate risks, derivative financial instruments are used as well as classic futures contracts. In this connection, we would refer the reader to the explanations in the Notes.

Market risks. Given that the number of fire brigades generally remains constant, demand may also be expected to remain stable over the long term. However, budget-related fluctuations will occur every so often, in some cases persisting for several years at a time.

Risks for the fire-safety business arising from changes in the overall political or legal conditions are not normally ones against which it is possible to obtain insurance. In some European countries, for example, changes in the taxes payable on fire-insurance policies can affect the entire financing basis of fire brigades.

With its consistently implemented internationalisation strategy and international distribution network, Rosenbauer has achieved better risk diversification, and thus risk minimisation.

UBHEJANE

Developed for off-road deployment. The UBHEJANE is a highly functional bush fire-fighting vehicle for combating forest and veld fires. Its innovative, Rosenbauer-developed, superstructure concept is designed for the very greatest ease of handling and maintenance.

The rugged tubular-frame construction is ideal for off-road deployment. The open jump-seats at either side enable the crew to tackle blazes on the move, and the rollover bar protects them from branches and rocks. Thanks to the scope it offers for installing various different fire-fighting systems (e.g. CAFS, UHPS, etc.), and with a constructional design that is tailored to the customers' needs, this vehicle concept is an excellent value-for-money solution.

PROCUREMENT MANAGEMENT

High purchasing volume. Last year, the Group's purchasing volume for production materials, capital goods and merchandise came to 213.0 m€ (2004: 196.5 m€). This corresponds to 66% of Group revenues and is attributable to the large proportion of items that are typically bought in from outside vendors in our industry. 88.7% of Rosenbauer International AG's procurement volume is sourced in Europe, and most of the remainder in the USA.

Strengthening strategic procurement. Selecting and developing suitable suppliers, building long-term vendor relationships, and making increasing use of framework supply agreements are all crucially important factors for successful procurement management. In order to pursue these tasks more intensively, the job of placing routine call-offs has been transferred to the operative order-transaction teams, thereby freeing up resources in the strategic purchasing field.

Mainly local procurement. The production companies in the USA and Germany cover the majority of their purchasing requirements on their respective local procurement markets. The biggest single item in the Group's procurement volumes are the chassis for fire-fighting vehicles, accounting for 33.0% of the total. The principal chassis suppliers are from Germany, Austria, Sweden and the USA. The chassis for the PANTHER 4x4 and 6x6 air-crash tenders are manufactured at the Group subsidiary Rosenbauer Motors in Wyoming, Minnesota.

EMPLOYEES

Success factor N° 1. Many Rosenbauer employees are active members of volunteer fire brigades. Their practical fireground experience is invaluable to the company. Between them, they spend thousands of manhours at the service of the community. To give just one example, US employees were involved in relief efforts following hurricanes Katrina and Wilma last year. And in the chaotic aftermath of this past winter's heavy snowfalls, employees from Leonding were given paid leave to help out for days on end.

Employees who use their "own" products as volunteer firemen identify very strongly indeed with the product and the company. The springboard for this is the key sentence of our mission statement: "In the field of mobile fire protection and civil defence solutions, we are determined to be the best group of companies in the world."

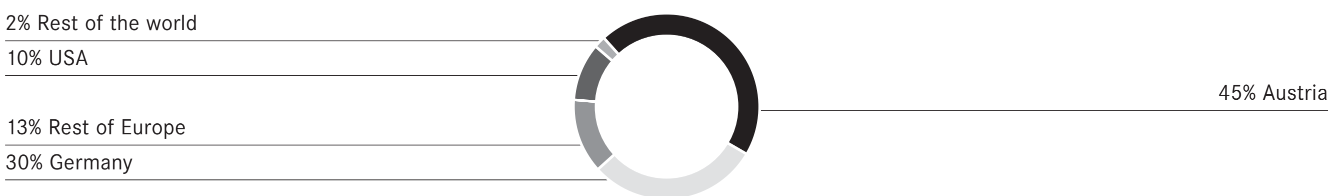
A benchmark of stability. At year-end 2005, a total of 1,407 persons were employed in the Rosenbauer Group, 722 of them in Austria and 685 elsewhere (corresponding figures for 2004: 1,376, 711 and 665 respectively). This total breaks down into 796 (2004: 778) blue-collar staff, 529 (2004: 513) white-collar staff and 82 (2004: 85) apprentices (54 of them in Austria).

The average age of the staff at the Austrian Rosenbauer locations is 35.9 years (blue-collar) and 37.5 years (white-collar), and the average length of stay with the firm is 13.6/14.6 years for blue/white-collar staff respectively. The fluctuation rate of 3.2% (blue-collar) and 11.0% (white-collar) is another good indicator of the stability of the company.

Systematic career advancement for junior staff. Expenditure on initial and in-service training in the Group came to 327.3 k€ last year (2004: 300.2 k€). Alongside external vocational training measures, numerous internal training courses and sessions were held once again during 2005. As well as this, there are over 80 youngsters doing their apprenticeships at the Group's European locations. Intensive training was given to apprenticeship instructors from all fields in a special training course held in 2005.

Emphasis was also placed on developing and advancing the junior managers, in particular by putting them through training sessions aimed at enhancing their communicational and presentational skills. Furthermore,

Procurement volumes of Rosenbauer International AG 2005



240 employees took part in training events to promote team development. As part of the Group's international vocational and in-service training effort, a number of young employees have been sent on out-of-country assignments to gain necessary career qualifications and experience. In 2005, for instance, IT specialists, design engineers and project managers were sent to the USA, Germany and China.

Health and wellbeing programme. Activities in the sports and health field have always had high priority in the company. 2005 was no exception, with the Group's biggest location – the Leonding plant – being declared an alcohol-free zone. Since April 2005, alcoholic beverages have no longer been served at this location – not even to visitors.

Launched in 2004 to teach and practise health-promoting measures, the "Generation 50+" campaign was continued in 2005. In response to the high degree of acceptance that it has found among employees, the campaign was extended downwards to the 45+ age group in 2005.

Another contribution to health and well-being is made by the Rosenbauer sports association. Its seven constituent clubs have been a fixture of company life for decades, helping the Austrian employees to keep fit and active.

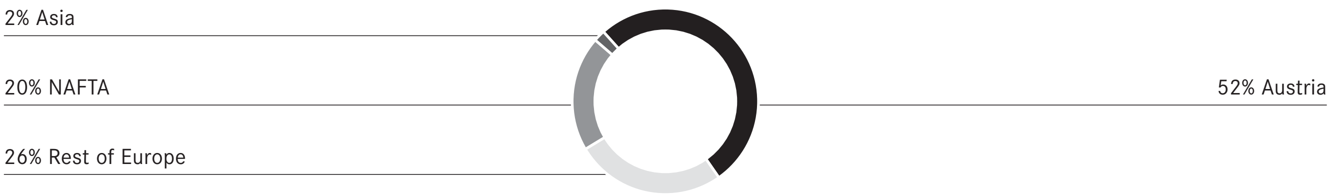
CIP and teamwork. At Rosenbauer, CIP stands not only for Continuous Improvement Process, but also for Cultural Innovation Process. The aim is to bring about constant improvements at all operational levels. The number of employees involved in CIP at Leonding was increased by 170 last year, to a total of 420. The 35 teams active in this field in 2005 came up with ideas and improvement suggestions that yield annual benefits worth 240.0 k€.

Positive climate. At the Austrian facilities, annual appraisal interviews are conducted with employees, systematically dealing with such issues as job satisfaction, motivation, teamworking quality and career development. As part of this interview process, a wide-ranging employee satisfaction survey was carried out last year. All in all, this painted a highly positive picture of employees' attitudes. Respondents gave especially high marks to the scope given them for working independently, to the effective style of collaboration with colleagues and superiors, and to the pleasant working atmosphere.

Thanks for dedicated hard work. 2005 was the year of "Interschutz", the world's biggest fire equipment fair, which takes place in Germany every five years. Rosenbauer used this expo to give an impressive showcasing of itself as the leading manufacturer in the sector. A special word of thanks is due here to all staff for the round-the-clock commitment and hard work that made this expo success possible. Our thanks are due in equal measure to the workforce representatives in the Group's companies in Austria and abroad, for their constructive co-operation.

Number of employees

Employees by region 2005



SUSTAINABILITY

Commitment to sustainability. Rosenbauer is a globally active Group that concentrates on mobile fire protection and civil defence solutions. The products manufactured by the Group make a significant contribution towards saving human lives and safeguarding property.

Its industrial expertise, strategic leadership and process-oriented quality management system create added value for the company and its shareholders. The Group's mission statement lays down a harmonious policy of balance between the interests of the owners, the enterprise and the employees. Further growth is to be generated by developing core competences. This will permit environmentally conscious innovations to be developed and new jobs to be created.

At the service of the community. In its corporate mission statement, Rosenbauer expressly commits itself to fair and respectful dealings with its business associates, suppliers and employees. Serving as they do both for fire protection and civil defence and also for saving human life, its products serve the socially valuable purpose of safety.

In terms of communications, the employees are the central stakeholders. The corporate culture is being continually worked at and improved (CIP). Interpersonal dealings in the firm are characterised by mutual respect and recognition. The many in-company sporting opportunities also help to foster a positive corporate climate in which employees can feel at ease.

Involvement in a volunteer fire brigade is an important criterion in the selection of new employees. Many Rosenbauer employees are active volunteer firemen. They are not only a crucial factor when it comes to translating fire brigades' practical requirements into high-performing products; they also volunteer thousands of hours of their time to help in the aftermath of disasters.

Jobs of the future. At its European facilities, Rosenbauer offers over 80 young people the opportunity of full-time vocational training. Compared with other industrial firms, this gives Rosenbauer an unusually high apprenticeship training rate. During their training, apprentices spend time in all relevant areas of the company; most of them then stay on with the firm for the long term.

By sourcing from a number of smaller subcontracting enterprises, the Group plays an active rôle in creating and sustaining regional economic structures.

High meaningful benefit to the customer. The many and varied tasks tackled by fire brigades necessitate a high degree of individualisation when it comes to designing customised products. This means that our client-orientation is always focused firmly on specific needs.

With its worldwide network of service points, Rosenbauer always has a presence on the market. The extreme durability and high reliability of the products is another aspect from which customers derive significant benefit. With regard to sustainability, an important rôle is played by the Group's refurbishment offerings. These involve older vehicles being rehabilitated from the ground up, and refitted to the very latest state of the art.

Reliability under all conceivable mission conditions is a key requirement for fire-fighting equipment, and is assured by means of optimised quality. The quality management system is certified to EN ISO 9001:2000 and is lived out in practice at Rosenbauer as a dynamic process.

The mission conditions under which fire brigades have to operate have changed greatly in the last few years. By institutionalising innovation management, we have created the framework for gearing product development even more effectively to the specific requirements of the fire brigades.

With the presentation of no fewer than 18 innovations at the "Interschutz" international fire equipment fair, Rosenbauer once again upheld its pioneering technical rôle in the industry.

Improved environmental situation. Resource conservation, energy efficiency and comprehensive environmental management are vital components of all actions and decisions taken in the company. 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. 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 environmental impact is comparatively limited.

SUPPLEMENTARY REPORT

Since the balance-sheet date, no events of any significance have occurred which would have warranted a different presentation of the asset position, financial status and earnings situation.

OUTLOOK

Full capacity utilisation in 2006. Two success factors characterised the 2005 financial year: The buoyant developments on extra-European fire equipment markets and the superb performance of the American subsidiaries. International order intake also developed positively in 2005, ensuring high capacity utilisation at the main production plants for some time to come.

The European market remains extremely competitive. The large number of suppliers, and demand that has been stagnating for years, have led to intense competitive pressure and thus to reduced earnings.

In Germany, Europe's biggest single market, sales of fire-fighting vehicles have been stagnant for years as a consequence of the country's restrictive budgetary policies. There is a prospect of gradual improvement in the market situation over the next few years. The latest forecasts for the domestic economy, for instance, point to an improvement in the outlook for public-sector finances.

Turnaround at Metz Aerials. Last year's scaling-back of capacity at the aerials manufacturer Metz Aerials in Karlsruhe has led to a significant improvement in the cost structure. This has paved the way for Metz to get back in the black in the current year (2006) and to start making a positive contribution to the Group result again.

Expanding production. The new logistics centre will start to have a positive impact on manufacturing capacity at Leonding from the second half of the year, if not before. The space freed-up once the new building is ready for occupancy will be used to enlarge the production facilities.

Boosting market shares. With an 11% market share, Rosenbauer has moved up to be the third-largest manufacturer in the USA after a mere ten years. The buoyant order intake for municipal fire-fighting vehicles holds out the prospect of upping this market share still further in 2006.

The strong increase in the oil price, coupled with heightened security concerns, have turned the Arab world into a very important sales market indeed for fire-safety equipment. In recent years, Rosenbauer has stepped-up its Middle East sales activities accordingly, and is confident of being able to continue the last few years' run of successes in 2006.

Well set-up in China. The Chinese fire equipment market proved to be Asia's leading growth market in 2005 as well. The rapid development of China's economy makes it reasonable to expect the correspondingly high growth in fire protection investments to continue. In order to be able to cater to this demand with high-grade products containing a substantial degree of local value-addition, Rosenbauer has set up a production joint venture. Having started up in 2005, production at the new facility is now in full swing during the current year and there is already a satisfactory volume of orders on hand.

Further improvement in the result. The earnings goal was achieved in 2005, with EBT equal to around 5.0% of Group revenues. In the light of the positive impact of the reorganisation of the Karlsruhe facility, of the continued growth of the Group's business in the USA, and of the lively demand on international markets, Management expects 2006 to bring a pronounced increase in the Group's revenues and earnings.

FOX

“Press START – Engage the pump – Into action!” Using a portable fire-pump couldn’t be any easier. With its powerful output of 1,600 l/min at 10 bar, low weight of only 167 kg and extraordinary ease of operation, the FOX is a truly top-class portable fire-pump.

The intelligent control system of the BMW flat-twin engine ensures safe, dependable operation in any scenario: freezing cold, tropical heat, or even at great elevations. The piston priming pump can handle even badly contaminated water for hours at a stretch. For the first time the FOX portable fire-pump is that it is now operated via the all-electronic LCS control system. This has enabled it to be equipped with extra features like an automatic pump pressure governor, automatic thermal cut-off and a cavitation alarm.

REGIONAL DEVELOPMENT

AUSTRIA

Austria continues at a high level. The Austrian segment comprises the parent company Rosenbauer International AG, the sales company Rosenbauer Österreich GmbH and (until September 2005) Rosenbauer Mode Handels-GmbH.

At 155.2 m€, year-2005 revenues at Rosenbauer International AG, the Group's biggest production company, remained at the same level as the previous year's (2004: 155.9 m€).

Last year the sales company Rosenbauer Österreich GmbH successfully launched the new Compact Line (CL), a series of municipal fire-fighting vehicles in the 3.5 to 10.0 tonne volume segment. The vehicles boast a much higher payload capacity than their predecessors, a far roomier crew-cab, and electrical large-area roller shutters. Owing to the even stiffer competition in municipal vehicle business, the company posted a slight decrease in revenues to 43.8 m€ (2004: 46.5 m€).

For strategic reasons, the operational business of Rosenbauer Mode Handels-GmbH was disposed of with effect from 1 October 2005, to a company that has been operating in the fashion sector for many years. This well-established fashion store is now being continued under a new name, and its employees were all kept on. Its revenues in its abbreviated financial year (1–9/2005) came to 1.4 m€ (1–12/2004: 1.7 m€).

On revenues of 172.0 m€ (2004: 174.0 m€), the Austrian segment last year made a operating result (EBIT) of 10.0 m€ (2004: 6.0 m€).

AMERICA

Record result in the USA. The US company Rosenbauer America, with its four divisions General Division, Central Division, RK Aerials and Rosenbauer Motors, last year wrote another chapter in the ongoing success story of the past few years.

The US market is the biggest single market in the world. Since entering the American market in 1995, Rosenbauer has continually increased its market share so that by 2005, with around 11% of the market, it had grown to become the third-largest manufacturer of fire-fighting vehicles in the United States.

General Division edged its revenues up from 19.1 m€ (2004) to 19.7 m€ in the year under review. This Division manufactures mainly custom fire-fighting vehicles for airports and municipalities, and is active on both the US market and selected export markets.

Central Division can look back on an outstandingly good year. As well as winning a major order from the US Army for 170 vehicles, the Division was successful in expanding its business on the local market still further. Central Division last year posted revenues of 70.2 m€, a rise of more than 50% over the previous year (2004: 45.7 m€).

RK Aerials produces US Standard hydraulic turntable ladders and ladder trucks. 2005 saw a further increase in the numbers of aerial appliances sold. These are supplied both to the Group's US companies and to other superstructure manufacturers in the USA. This Division achieved revenues of 4.0 m€ last year (2004: 3.4 m€).

Revenues and EBIT of the regional segments

	Revenue			EBIT		
	2005	2004	2003	**2005**	2004	2003
	m€	m€	m€	**k€**	k€	k€
Austria	**172.0**	174.0	190.3	**9,960.9**	6,037.5	8,741.6
America	**97.8**	66.7	71.5	**8,562.3**	5,397.2	6,313.5
Germany	**72.6**	76.6	71.2	**2,873.0**[1]	124.1	(20.3)
Spain	**16.7**	10.4	22.7	**817.4**	428.3	2,974.2
Switzerland	**7.3**	7.3	8.7	**396.8**	291.6	402.3
Asia	**7.0**	8.8	10.9	**413.6**	650.0	997.6
Consolidation	**(52.1)**	(44.4)	(52.3)	**(3,394.7)**	745.8	(222.3)
Rosenbauer Group	**321.3**	**299.4**	**323.0**	**19,629.3**	**13,674.5**	**19,186.6**

[1] Including grant of the Rosenbauer International AG in favor of Metz Aerials GmbH & Co. KG in the amount of 3.6 m€

Rosenbauer Motors produces chassis for PANTHER air-crash tenders, exclusively for the Group's own superstructure fabrication operations in the USA and Austria. Due to the high inflow of new orders for the PANTHER, 2005 revenues soared to 7.7 m€ (2004: 1.1 m€).

The US segment last year posted record EBIT of 8.6 m€ (2004: 5.4 m€) on revenues of 97.8 m€ (2004: 66.7 m€). This success provides eloquent confirmation of the strategy pursued jointly with our partners on the American market.

GERMANY

Improved competitiveness. In Germany, Europe's biggest single market, sales of fire-fighting vehicles have been stagnant for years as a consequence of the country's restrictive budgetary policies.

Metz Aerials, a manufacturer of aerials to DIN Standard, responded in 2005 by tautening its organisational structure in Karlsruhe and bringing its capacity into line with the market situation. This exercise delivered very substantial savings in both material costs and administrative personnel costs. With a view to boosting competitiveness, a start was made at the same time on performing a value appraisal of the products; this is expected to result in yet more cost-savings.

Owing to the non-recurrence of major orders, Metz Aerials' 2005 revenues came to 34.1 m€ (2004: 37.6 m€). A positive result is expected for 2006, on account of the more favourable cost structure.

At Rosenbauer Feuerwehrtechnik GmbH (a manufacturer of fire-fighting vehicles for municipalities), the 2005 revenues of 27.3 m€ remained at the same level as the previous year (2004: 26.1 m€).

The sales company Rosenbauer Deutschland GmbH posted 2005 revenues of 11.4 m€ (2004: 13.5 m€). It supplies the German market with Austrian-manufactured industrial fire-fighting vehicles and air-crash tenders.

At 72.6 m€, year-2005 revenues in the German segment fell short of the previous year's level (2004: 76.6 m€) as a result of the non-recurrence of certain export shipments. Despite the persistently adverse market conditions, the EBIT figure of 2.9 m€ (2004: 0.1 m€) marked another improvement over the previous year, although the negative result at Metz Aerials (as influenced by restructuring) was borne by Rosenbauer International AG as a grant in the amount of 3.6 m€.

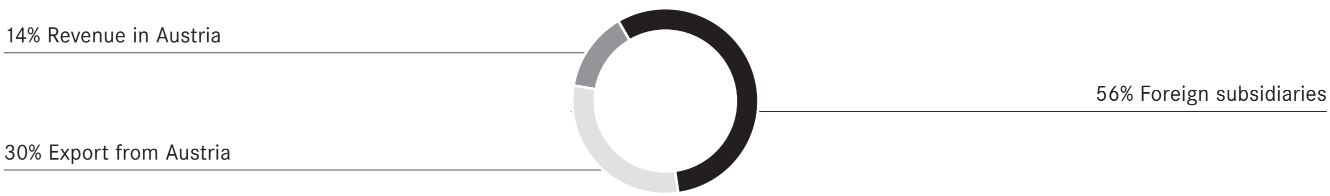
SPAIN

Success on the local market. The Spanish Group company managed to increase its revenues and result yet again in 2005, doing so almost entirely on the competitive domestic market, without any significant export business. The company posted EBIT of 817.4 k€ (2004: 428.3 k€) on revenues of 16.7 m€ (2004: 10.4 m€).

Shipments under the 2004 order placed by Spanish airport and air-traffic control operator AENA for 26 PANTHER 8x8 and 6x6 vehicles were commenced in 2005 and will be completed in 2006.

Several times in recent years, Rosenbauer Española has handled sizeable export orders, mostly to South America. The projects currently being prepared indicate that there are good prospects of the Spanish Group company executing some major export orders again during 2006.

Breakdown of the Group revenue 2005



SWITZERLAND

Stepped-up competition. The sales company Rosenbauer AG, based in Oberglatt, held its own last year despite the intensified competition on the market, achieving EBIT of 396.8 k€ (2004: 291.6 k€) on revenues of 7.3 m€ (2004: 7.3 m€).

ASIA

Southeast Asian base. The Asian segment is made up of SK Fire PTE Ltd. in Singapore and the newly established company Eskay Rosenbauer Sdn Bhd in Brunei. Supplying fire-fighting vehicles and aerials from its own production facilities to Hong Kong, Singapore and neighbouring countries, SK Fire generated revenues of 7.0 m€ (2004: 8.8 m€). Eskay Rosenbauer distributes fire-fighting vehicles on the local market, and posted revenues of 558.4 k€ last year (2004: 0.0 k€).

On revenues of 7.0 m€ (2004: 8.8 m€), the Asian segment last year made a operating result (EBIT) of 413.6 k€ (2004: 650.0 k€).

PRODUCT SEGMENTS

VEHICLES

More vehicles shipped. The "Vehicles" product segment accounted for the biggest single share (63%) of Group revenues in 2005 (2004: 59%). All in all, 1,513 vehicles (2004: 1,459) were delivered. 77% (2004: 86%) of vehicle sales revenues were from municipal vehicles, 19% (2004: 11%) from air-crash tenders and 4% (2004: 3%) from industrial vehicles.

Rosenbauer develops, manufactures and distributes municipal and special fire-fighting vehicles for industrial firms and airports. Its main production facilities are located in Austria, the USA, Germany, Spain, Singapore and – since mid-2005 – also in China. The largest manufacturers in the Group are Rosenbauer International AG in Austria, and the Central Division in the USA.

Production start-up in China. At the beginning of 2005, the joint venture Rosenbauer YongQiang was established with a local partner in Guangdong Province. Completed in May 2005, the new facility has 15,000 m^2 of production and office space. Production got underway in the third quarter of 2005, and the first vehicles were handed over to the Chinese customers before the end of the year.

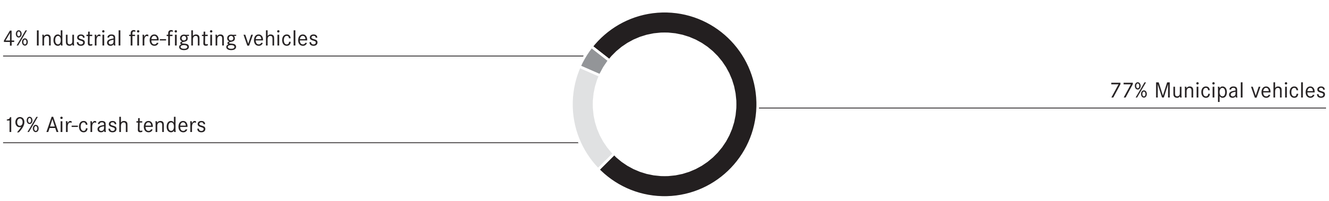
The main markets for the Group's vehicle business in 2005 were the USA, Austria and Germany.

FIRE-FIGHTING COMPONENTS

Situation unchanged with fire-fighting components. With a share of 5% (2004: 6%), "Fire-fighting components" account for only a comparatively

Vehicles supplied (in units)

Vehicles by category 2005



small proportion of the Group's overall revenues. However, it should be remembered here that an amount of 14.5 m€ (2004: 14.0 m€) relating to pump units intended for installation aboard vehicles in Leonding, and to shipments of fire-fighting systems and components to Group companies, is not included in the figure for this product segment.

The "Fire-fighting components" product segment provides the "hearts" of the fire-fighting vehicles, such as water-hydraulic pumps and pump units, portable fire-pumps, foam proportioning systems and monitors, as well as their electronic control systems, complete with the relevant system engineering. These are developed and produced at the Leonding plant and dispatched from there all over the world, to the Group companies and to selected superstructure manufacturers. In 2005, Rosenbauer produced a total of 1,314 built-in pump units (2004: 1,281) and 669 portable fire-pumps (2004: 1,049).

FIRE-SAFETY EQUIPMENT

Equipment revenues up. The Rosenbauer "Fire-safety equipment" product segment offers fire brigades a complete assortment of equipment for every type of mission. This range includes anything from personal protection equipment (PPE), to technical emergency equipment, to special equipment for dealing with the aftermath of haz-mat accidents and environmental disasters. With revenues of 34.6 m€ (2004: 33.3 m€), this segment accounted for an 11% share of Group revenues in 2005 (2004: 11%).

AERIALS

At a low level. Revenues of 35.8 m€ were achieved with aerials in 2005 (2004: 44.4 m€), accounting for an 11% (2004: 15%) share of Group revenues.

The "Aerials" product segment encompasses turntable ladders and hydraulic rescue platforms. The centre of expertise for European Standard vehicles is Metz Aerials GmbH, Karlsruhe, while US Standard vehicles are manufactured at RK Aerials in Nebraska.

The bulk of revenues in this segment was accounted for by turntable ladders produced by Metz Aerials and by the RK Aerials. Other manufacturers' equipment was supplied by the parent company in Leonding and by the subsidiaries in Singapore and Switzerland.

SERVICE & SPARE PARTS

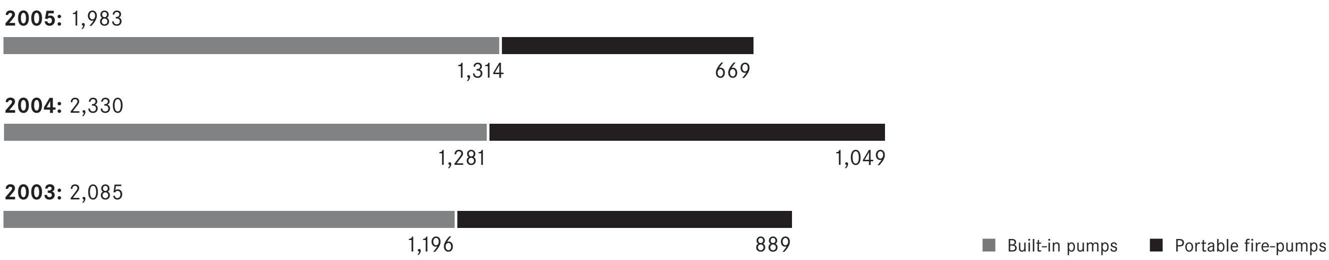
Focus on refurbishment. The "Service and spare parts" field accounted for 4% of total revenues in 2005 (2004: 5%). Despite the small percentage that it contributes to overall Group revenues, this is nevertheless a strategically important area of business for the Group.

The reduced budgets available to fire brigades in many countries mean that refurbishment – e.g. the technical modernisation of existing fire-fighting vehicles – is becoming an increasingly important area of business. In order to better exploit this opportunity, a special "refurbishment" programme has been developed, ranging from total overhaul of the fire-fighting systems all the way through to completely new vehicle superstructures.

OTHER REVENUES

Other revenues. These revenues relate mainly to transitory items such as shipping and commission revenues, and thus do not normally have any direct impact on the operating result.

Pumps produced (built-in pumps, portable fire-pumps; in units)




CHATTANOOGA FIRE-RESCUE

CENTRAL WITH 75' ROSENBAUER AERIAL

One size does not fit all. Rear and mid mount models ranging from 50 to 109 feet in two, three and four sections are available. Aerial controls are mounted at both the turntable and at the pump control panel. Wireless remote and tip controls are also available.

Mountings for roof ladders and stokes baskets are available on the base or fly section. The aluminium waterway has a capacity of 100 GPM minimum flowing at 90 degrees. It can be pinned to either the fly section or the mid section for rescue operations with a simple easy to use latch.

The aerial has a rated tip capacity of 500 lbs while flowing water at any elevation fully extended. The manual outrigger controls are standard with electric controls and auto levelling available as an option. Aerial models and designs are certified by an independent third party structural engineer.

REPORT OF THE SUPERVISORY BOARD

At its meetings held during 2005, 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 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 17 meetings of the Supervisory Board and of its committees during 2005. Two of these meetings took place at subsidiaries away from Leonding.

The Audit Committee met in April 2005 to review and prepare the annual accounts, to draw up both a proposal for the appointment of the External Auditor and a suitable motion to be put to the General Meeting, and for deliberations in all matters relating to the Group’s financial reporting. A second meeting of the Audit Committee was given over to an appraisal of the Group’s risk-management system. The members of the Audit Committee were Peter Louwerse (Chairman), Dieter Siegel and Rudolf Aichinger.

Both the financial statement 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 statement 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 Para 3 of the Austrian Commercial Code.

The financial statement and the Group’s financial statement per 31 December 2005 have been approved by the Supervisory Board and is thus established in accordance with § 125 of AktG (the Companies Act). The Supervisory Board concurs with the Executive Board’s proposal regarding the distribution of profits and proposes that this proposal be adopted at the Annual General Meeting.

Leonding, April 2006

Peter Louwerse
Chairman of the Supervisory Board

CONSOLIDATED FINANCIAL STATEMENTS 2005
ROSENBAUER GROUP

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005

ASSETS	Note N°	31 Dec 2005 in k€	31 Dec 2004 in k€
A. Non-current assets			
I. Tangible assets	(1)	34,393.1	30,631.3
II. Intangible assets	(1)	628.0	1,109.2
III. Investments in associated companies	(2)	0.0	0.0
IV. Securities	(2)	1,601.0	2,671.6
V. Financial assets reported according to the equity method	(3)	2,135.3	0.0
VI. Receivables	(7)	2,226.3	1,154.0
VII. Deferred tax assets	(4)	6,671.5	7,194.0
		47,655.2	**42,760.1**
B. Current assets			
I. Inventories	(5)	57,058.4	56,354.7
II. Production contracts	(6)	13,779.5	12,041.4
III. Receivables	(7)	42,712.9	42,722.7
IV. Cash and short-term deposits	(8)	7,596.6	7,381.4
		121,147.4	**118,500.2**
Total assets		**168,802.6**	**161,260.3**

EQUITY AND LIABILITIES	Note N°	31 Dec 2005 in k€	31 Dec 2004 in k€
A. Equity			
I. Share capital	(9)	12,359.0	12,359.0
II. Capital reserves	(9)	24,944.4	24,944.4
III. Other reserves	(9)	132.9	(733.8)
IV. Accumulated results	(9)	5,317.6	1,683.8
		42,753.9	38,253.4
V. Minority interest	(10)	11,991.2	9,724.2
		54,745.1	**47,977.6**
B. Subordinated (mezzanine) capital	(11)	**7,488.2**	**7,476.5**
C. Other non-current liabilities			
I. Non-current, interest-bearing liabilities	(12)	5,199.1	2,099.0
II. Other non-current liabilities	(13)	950.8	1,129.3
III. Non-current provisions	(14)	18,911.2	19,048.9
IV. Deferred income tax liabilities	(4)	391.5	693.0
		25,452.6	**22,970.2**
D. Current liabilities			
I. Current, interest-bearing liabilities	(15)	12,969.3	23,118.8
II. Advance payments received		11,054.1	12,856.9
III. Trade accounts payable	(16)	18,295.4	15,171.5
IV. Other current liabilities	(17)	23,978.7	20,666.6
V. Provisions for taxes	(18)	543.7	448.3
VI. Other provisions	(18)	14,275.5	10,573.9
		81,116.7	**82,836.0**
Total equity and liabilities		**168,802.6**	**161,260.3**

CONSOLIDATED INCOME STATEMENT 2005

		Note N°	2005 in k€	2004 in k€
1.	Revenue	(19)	321,335.5	299,444.3
2.	Other income	(20)	4,024.8	3,413.7
3.	Change in inventories of finished goods and work in progress		4,497.5	5,728.7
4.	Expenses for materials and services		(206,177.0)	(194,988.2)
5.	Personnel expenses	(31)	(71,619.0)	(69,875.7)
6.	Depreciation on intangible and tangible assets		(4,771.5)	(4,732.2)
7.	Goodwill impairment	(1)	(136.2)	0.0
8.	Other expenses	(21)	(27,524.8)	(25,316.1)
9.	**Operating result (EBIT)**		**19,629.3**	**13,674.5**
10.	Financing expenses	(22)	(4,415.7)	(4,352.6)
11.	Financial gains	(23)	1,138.6	1,168.8
12.	Profits/losses on joint ventures	(3)	(471.8)	0.0
13.	**Profit before tax (EBT)**		**15,880.4**	**10,490.7**
14.	Taxes on income	(24)	(3,854.3)	1,195.4
15.	**Consolidated profit**		**12,026.1**	**11,686.1**
	thereof			
	– profits/losses on minority interest		4,992.3	2,944.6
	– profits/losses parent company		7,033.8	8,741.5
	Average number of shares issued	(32)	1,700,000	1,700,000
	Basic earnings per share	(32)	4.14 €	5.14 €
	Diluted earnings per share	(32)	4.14 €	5.14 €

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

in k€	Share capital	Capital reserves	Currency translation	Re-evaluation reserve	Hedging reserve
	Attributable to shareholders in the parent company				
			Other reserves		
As at 1 Jan 2005	12,359.0	24,944.4	(923.0)	36.0	153.2
Currency differences	0.0	0.0	1,240.0	0.0	0.0
Securities valuation	0.0	0.0	0.0	75.4	0.0
Hedging transactions valuation	0.0	0.0	0.0	0.0	(510.1)
Taxes offset directly against equity	0.0	0.0	0.0	(27.9)	89.3
Total income and expense for the year recognised directly in equity	**12,359.0**	**24,944.4**	**317.0**	**83.5**	**(267.6)**
Consolidated profit	0.0	0.0	0.0	0.0	0.0
Total income and expense for the year	**12,359.0**	**24,944.4**	**317.0**	**83.5**	**(267.6)**
Dividend for 2004	0.0	0.0	0.0	0.0	0.0
As at 31 Dec 2005	**12,359.0**	**24,944.4**	**317.0**	**83.5**	**(267.6)**

in k€	Share capital	Capital reserves	Currency translation	Re-evaluation reserve	Hedging reserve
	Attributable to shareholders in the parent company				
			Other reserves		
As at 1 Jan 2004	12,359.0	17,253.9	(742.2)	24.2	1,183.5
Reclassification (Note N° 9)	0.0	7,690.5	0.0	0.0	0.0
Currency differences	0.0	0.0	(180.8)	0.0	0.0
Securities valuation	0.0	0.0	0.0	23.8	0.0
Hedging transactions valuation	0.0	0.0	0.0	0.0	(979.2)
Taxes offset directly against equity	0.0	0.0	0.0	(12.0)	(51.1)
Total income and expense for the year recognised directly in equity	**12,359.0**	**24,944.4**	**(923.0)**	**36.0**	**153.2**
Consolidated profit	0.0	0.0	0.0	0.0	0.0
Total income and expense for the year	**12,359.0**	**24,944.4**	**(923.0)**	**36.0**	**153.2**
Dividend for 2003	0.0	0.0	0.0	0.0	0.0
As at 31 Dec 2004	**12,359.0**	**24,944.4**	**(923.0)**	**36.0**	**153.2**

Accumulated results	Subtotal	Minority interest	Equity
1,683.8	38,253.4	9,724.2	47,977.6
0.0	1,240.0	923.2	2,163.2
0.0	75.4	0.0	75.4
0.0	(510.1)	0.0	(510.1)
0.0	61.4	0.0	61.4
1,683.8	**39,120.1**	**10,647.4**	**49,767.5**
7,033.8	7,033.8	4,992.3	12,026.1
8,717.6	**46,153.9**	**15,639.7**	**61,793.6**
(3,400.0)	(3,400.0)	(3,648.5)	(7,048.5)
5,317.6	**42,753.9**	**11,991.2**	**54,745.1**

Accumulated results	Subtotal	Minority interest	Equity
3,182.8	33,261.2	10,457.9	43,719.1
(7,690.5)	0.0	0.0	0.0
0.0	(180.8)	(426.4)	(607.2)
0.0	23.8	0.0	23.8
0.0	(979.2)	0.0	(979.2)
0.0	(63.1)	0.0	(63.1)
(4,507.7)	**32,061.9**	**10,031.5**	**42,093.4**
8,741.5	8,741.5	2,944.6	11,686.1
4,233.8	**40,803.4**	**12,976.1**	**53,779.5**
(2,550.0)	(2,550.0)	(3,251.9)	(5,801.9)
1,683.8	**38,253.4**	**9,724.2**	**47,977.6**

CONSOLIDATED CASH FLOW STATEMENT

		Note N°	2005 in k€	2004 in k€
	Profit before tax (EBT)		15,880.4	10,490.7
+	Depreciation		4,907.7	4,772.1
–	Gains from the reversal of investment grants		(87.5)	(87.5)
+	Losses from at equity valuation		377.0	0.0
+/–	Other non-cash expenses/income		198.6	0.0
–/+	Gains/losses from the disposal of tangible assets, intangible assets and securities		(52.4)	(56.1)
+	Interest expenses		3,495.9	3,353.5
–	Interest income		(923.9)	(1,048.8)
–/+	Unrealised gains/losses from currency translation		(586.1)	(1,694.6)
+/–	Change in inventories		(703.7)	(519.3)
+/–	Change in trade accounts receivable and production contracts		(485.1)	5,528.9
+/–	Change in other receivables		(1,185.4)	507.3
+/–	Change in trade accounts payable/ advance payments received		1,321.1	(1,171.8)
+/–	Change in other liabilities		1,693.7	2,397.6
+/–	Change in provisions (excluding income tax deferrals)		3,563.9	(1,340.2)
=	**Cash earnings**		**27,414.2**	**21,131.8**
–	Interest paid	(25)	(2,974.0)	(3,221.0)
+	Interest received	(25)	832.0	764.2
–	Income tax paid		(3,356.0)	(2,233.3)
=	**Net cash flow from operating activities**		**21,916.2**	**16,441.7**
–	Payments from the purchase of (interests in) subsidiaries/ joint ventures, less purchased cash and cash equivalents	(25)	(1,583.4)	(64.2)
–	Payments from the purchase of tangible and intangible assets and securities		(8,099.9)	(5,647.3)
+	Proceeds from the sale of tangible and intangible assets and securities		1,607.2	1,594.9
=	**Net cash flow from investing activities**		**(8,076.1)**	**(4,116.6)**
–	Dividends paid	(25)	(3,400.0)	(2,550.0)
–	Dividends paid to minority interest		(3,648.5)	(3,251.9)
+	Proceeds from interest-bearing liabilities		11,770.7	12,972.2
–	Repayment of interest-bearing liabilities		(18,821.1)	(19,295.3)
=	**Net cash flow from financing activities**		**(14,098.9)**	**(12,125.0)**
	Net change in cash and cash equivalents		**(258.8)**	**200.1**
+	Cash and cash equivalents at the beginning of the period		7,381.4	7,347.8
+/–	Adjustment from currency translation		474.0	(166.5)
=	**Cash and cash equivalents at the end of the period**	(25)	**7,596.6**	**7,381.4**

SCHEDULE OF PROVISIONS

in k€	As at 31 Dec 2004	Currency differences	As at 1 Jan 2005	Allocations	Consumption	Reversals	As at 31 Dec 2005
Short-term							
Personnel provisions	2,465.9	0.0	2,465.9	2,865.1	(1,729.1)	(176.4)	3,425.5
Provisions for warrenties	3,762.6	89.6	3,852.2	4,976.7	(3,777.5)	(74.7)	4,976.7
Contract loss provisions	1,367.2	(0.5)	1,366.7	2,004.2	(1,366.8)	0.0	2,004.1
Provision for income taxes	448.3	28.3	476.6	433.4	(366.3)	0.0	543.7
Other provisions	2,978.2	(0.5)	2,977.7	2,020.8	(690.1)	(439.2)	3,869.2
	11,022.2	**116.9**	**11,139.1**	**12,300.2**	**(7,929.8)**	**(690.3)**	**14,819.2**
Long-term							
Provisions for long-service bonuses	1,895.7	0.0	1,895.7	399.0	(317.2)	0.0	1,977.5
Other long-term provisions	801.5	0.0	801.5	0.0	(304.0)	(58.0)	439.5
	2,697.2	**0.0**	**2,697.2**	**399.0**	**(621.2)**	**(58.0)**	**2,417.0**
Total	**13,719.4**	**116.9**	**13,836.3**	**12,699.2**	**(8,551.0)**	**(748.3)**	**17,236.2**

MOVEMENT IN THE CONSOLIDATED ASSETS AS AT 31 DECEMBER 2005

in k€	Cost of acquisition or production					
	As at 1 Jan 2005	Currency differences	Additions	Disposals	Adjustment	As at 31 Dec 2005
I. Tangible assets						
1. Land and buildings						
a) Land value	2,780.6	26.2	0.0	0.0	0.0	2,806.8
b) Office and plant buildings	22,322.0	618.7	1,189.3	14.9	92.2	24,207.3
c) Outside facilities	1,769.8	0.0	170.2	4.3	0.0	1,935.7
d) Investments in non-owned buildings	2,065.5	0.0	134.7	57.1	0.0	2,143.1
2. Undeveloped land	1,967.6	0.0	0.0	0.0	0.0	1,967.6
3. Technical equipment and machinery	14,922.6	314.1	852.2	99.5	0.0	15,989.4
4. Other plant and office equipment	22,257.9	174.0	2,352.1	1,465.9	49.9	23,368.0
5. Advance payments made, construction in progress	142.1	0.0	2,972.0	0.0	(142.1)	2,972.0
	68,228.1	**1,133.0**	**7,670.5**	**1,641.7**	**0.0**	**75,389.9**
II. Intangible assets						
1. Rights	3,625.5	12.0	216.5	387.7	0.0	3,466.3
2. Goodwill	1,378.9	0.0	0.0	1,378.9	0.0	0.0
	5,004.4	**12.0**	**216.5**	**1,766.6**	**0.0**	**3,466.3**
III. Investments in associated companies	**44.0**	**6.7**	**0.0**	**50.7**	**0.0**	**0.0**
IV. Securities	**3,679.5**	**0.0**	**212.9**	**1,747.6**	**0.0**	**2,144.8**
V. Financial assets recognised at equity	**0.0**	**0.0**	**2,135.3**	**0.0**	**0.0**	**2,135.3**
	76,956.0	**1,151.7**	**10,235.2**	**5,206.6**	**0.0**	**83,136.3**

Accumulated depreciation							Net carrying values	
As at 1 Jan 2005	Currency differences	Additions	Value imp. IAS 36	Disposals	Adjustment	As at 31 Dec 2005	As at 31 Dec 2005	As at 31 Dec 2004
10.5	0.0	1.7	0.0	0.0	0.0	12.2	2,794.6	2,770.1
9,644.4	202.6	841.1	0.0	8.3	0.0	10,679.8	13,527.5	12,677.6
1,341.4	0.0	71.6	0.0	0.6	0.0	1,412.4	523.3	428.4
1,063.4	0.0	197.9	0.0	54.8	0.0	1,206.5	936.6	1,002.1
0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,967.6	1,967.6
10,302.6	221.8	910.9	0.0	54.8	0.0	11,380.5	4,608.9	4,620.0
15,234.5	135.8	2,240.3	0.0	1,305.2	0.0	16,305.4	7,062.6	7,023.4
0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,972.0	142.1
37,596.8	**560.2**	**4,263.5**	**0.0**	**1,423.7**	**0.0**	**40,996.8**	**34,393.1**	**30,631.3**
2,652.5	11.2	508.0	0.0	333.4	0.0	2,838.3	628.0	973.0
1,242.7	0.0	0.0	136.2	1,378.9	0.0	0.0	0.0	136.2
3,895.2	**11.2**	**508.0**	**136.2**	**1,712.3**	**0.0**	**2,838.3**	**628.0**	**1,109.2**
44.0	**6.7**	**0.0**	**0.0**	**50.7**	**0.0**	**0.0**	**0.0**	**0.0**
1,007.9	**0.0**	**0.0**	**0.0**	**464.1**	**0.0**	**543.8**	**1,601.0**	**2,671.6**
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**2,135.3**	**0.0**
42,543.9	**578.1**	**4,771.5**	**136.2**	**3,650.8**	**0.0**	**44,378.9**	**38,757.4**	**34,412.1**

MOVEMENT IN THE CONSOLIDATED ASSETS AS AT 31 DECEMBER 2004

in k€	As at 1 Jan 2004	Currency differences	Additions	Disposals	Adjustment	As at 31 Dec 2004
	Cost of acquisition or production					
I. Tangible assets						
1. Land and buildings						
a) Land value	2,664.7	(10.5)	121.2	0.0	5.2	2,780.6
b) Office and plant buildings	21,605.9	(265.9)	987.7	0.0	(5.7)	22,322.0
c) Outside facilities	1,551.7	0.0	218.1	0.0	0.0	1,769.8
d) Investments in non-owned buildings	2,016.3	0.0	202.8	153.6	0.0	2,065.5
2. Undeveloped land	1,967.6	0.0	0.0	0.0	0.0	1,967.6
3. Technical equipment and machinery	12,899.7	(196.0)	1,165.6	425.7	1,479.0	14,922.6
4. Other plant and office equipment	21,612.2	(174.1)	2,360.8	1,748.7	207.7	22,257.9
5. Advance payments made, construction in progress	1,705.4	0.0	126.2	3.3	(1,686.2)	142.1
	66,023.5	**(646.5)**	**5,182.4**	**2,331.3**	**0.0**	**68,228.1**
II. Intangible assets						
1. Rights	5,639.3	(6.3)	449.5	2,457.0	0.0	3,625.5
2. Goodwill	1,890.2	0.0	0.0	511.3	0.0	1,378.9
	7,529.5	**(6.3)**	**449.5**	**2,968.3**	**0.0**	**5,004.4**
III. Investments in associated companies	**114.5**	**(4.0)**	**0.0**	**66.5**	**0.0**	**44.0**
IV. Securities	**5,192.4**	**0.0**	**73.9**	**1,586.8**	**0.0**	**3,679.5**
V. Financial assets recognised at equity	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	78,859.9	**(656.8)**	**5,705.8**	**6,952.9**	**0.0**	**76,956.0**

Accumulated depreciation							Net carrying values	
As at 1 Jan 2004	Currency differences	Additions	Value imp. IAS 36	Disposals	Adjustment	As at 31 Dec 2004	As at 31 Dec 2004	As at 31 Dec 2003
0.0	0.0	1.7	0.0	0.0	8.8	10.5	2,770.1	2,664.7
8,899.9	(57.6)	806.8	0.0	0.0	(4.7)	9,644.4	12,677.6	12,706.0
1,282.1	0.0	59.3	0.0	0.0	0.0	1,341.4	428.4	269.6
1,047.9	0.0	166.4	0.0	150.9	0.0	1,063.4	1,002.1	968.4
0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,967.6	1,967.6
10,144.9	(147.7)	879.0	0.0	397.1	(176.5)	10,302.6	4,620.0	2,754.8
14,564.7	(152.9)	2,189.2	0.0	1,538.9	172.4	15,234.5	7,023.4	7,047.5
0.0	0.0	0.0	0.0	0.0	0.0	0.0	142.1	1,705.4
35,939.5	**(358.2)**	**4,102.4**	**0.0**	**2,086.9**	**0.0**	**37,596.8**	**30,631.3**	**30,084.0**
4,622.7	(5.7)	490.3	0.0	2,454.8	0.0	2,652.5	973.0	1,016.6
1,614.5	0.0	139.5	0.0	511.3	0.0	1,242.7	136.2	275.7
6,237.2	**(5.7)**	**629.8**	**0.0**	**2,966.1**	**0.0**	**3,895.2**	**1,109.2**	**1,292.3**
4.9	**(0.8)**	**39.9**	**0.0**	**0.0**	**0.0**	**44.0**	**0.0**	**109.6**
1,330.0	**0.0**	**0.0**	**0.0**	**322.1**	**0.0**	**1,007.9**	**2,671.6**	**3,862.4**
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
43,511.6	**(364.7)**	**4,772.1**	**0.0**	**5,375.1**	**0.0**	**42,543.9**	**34,412.1**	**35,348.3**

SEGMENT REPORTING

PRIMARY SEGMENT FOR 2005

in k€	Austria	America	Germany
External revenue	141,603.4	87,750.6	63,485.4
Internal revenue	30,420.5	10,080.3	9,163.5
Total revenue	**172,023.9**	**97,830.9**	**72,648.9**
Operating result (EBIT)	9,960.9	8,562.3	2,873.0[1]
Finance result	(2,448.5)[1]	(88.9)	(1,822.6)
Segment assets	101,008.3	28,973.1	31,532.7
Segment liabilities	53,719.2	13,525.9	36,358.1
Investments	6,275.2	827.6	696.5
Depreciation	3,146.3	521.2	916.9
Other non-cash income/expenses	663.4	0.0	76.5
Share of results from at equity investments	0.0	0.0	0.0
Employees	722	286	337

[1] Including grant of the Rosenbauer International AG in favor of Metz Aerials GmbH & Co. KG in the amount of 3.6 m€

PRIMARY SEGMENT FOR 2004

in k€	Austria	America	Germany
External revenue	150,567.0	57,757.4	65,484.3
Internal revenue	23,423.0	8,954.3	11,109.6
Total revenue	**173,990.0**	**66,711.7**	**76,593.9**
Operating result (EBIT)	6,037.5	5,397.2	124.1
Finance result	1,716.8	33.6	(1,556.6)
Segment assets	97,069.7	20,298.2	37,828.7
Segment liabilities	61,184.6	7,799.9	32,743.2
Investments	4,113.7	519.5	890.7
Depreciation	3,087.8	441.9	873.6
Other non-cash income/expenses	240.9	0.0	68.6
Share of results from at equity investments	0.0	0.0	0.0
Employees	711	254	356

SECONDARY SEGMENT

	Revenue	
in m€	2005	2004
Vehicles	202.7	175.5
Fire-fighting components	14.4	17.5
Equipment	34.6	33.3
Aerials	35.8	44.4
Services/spare parts	13.9	13.9
Other sales	19.9	14.8
Consolidation	0.0	0.0
Group	**321.3**	**299.4**

Spain	Switzerland	Asia	Consolidation	Group
14,174.0	7,339.7	6,982.4	0.0	321,335.5
2,486.7	0.0	7.7	(52,158.7)	0.0
16,660.7	**7,339.7**	**6,990.1**	**(52,158.7)**	**321,335.5**
817.4	396.8	413.6	(3,394.7)	19,629.3
89.0	17.3	(17.1)	993.7	(3,277.1)
12,747.1	4,523.6	4,651.8	(32,638.4)	150,798.2
12,926.1	1,772.9	1,405.7	(32,242.1)	87,465.8
9.6	41.4	36.7	0.0	7,887.0
39.5	168.8	115.0	0.0	4,907.7
(60.6)	0.0	0.0	0.0	679.3
0.0	0.0	(471.8)	0.0	(471.8)
14	15	33	0	1,407

Spain	Switzerland	Asia	Consolidation	Group
9,558.1	7,327.5	8,750.0	0.0	299,444.3
818.4	0.0	17.1	(44,322.4)	0.0
10,376.5	**7,327.5**	**8,767.1**	**(44,322.4)**	**299,444.3**
428.3	291.6	650.0	745.8	13,674.5
(72.6)	68.6	(14.2)	(3,359.4)	(3,183.8)
8,029.5	5,237.4	2,976.3	(27,426.5)	144,013.3
6,014.9	3,098.1	1,312.9	(30,607.5)	81,546.1
29.8	44.7	33.5	0.0	5,631.9
40.5	177.8	110.6	0.0	4,732.2
125.6	0.0	0.0	0.0	435.1
0.0	0.0	0.0	0.0	0.0
12	15	28	0	1,376

Segment assets		Investments	
2005	2004	2005	2004
113.1	102.1	1.7	3.5
5.7	6.2	0.6	0.5
5.6	6.1	0.6	0.1
22.4	29.0	0.5	0.5
0.3	0.7	0.0	0.0
12.0	8.7	4.5	1.0
(8.3)	(8.8)	0.0	0.0
150.8	**144.0**	**7.9**	**5.6**

A. GENERAL REMARKS

1. General information

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 extinguishing systems and the equipping of both vehicles and their crews. The Group head office is located at Paschinger Strasse 90, A-4060 Leonding, Austria. The company is noted at the Linz Provincial Court under the company register number FN 78543 f.

These consolidated financial statements for Rosenbauer International AG and its subsidiaries correspond with the International Financial Reporting Standards (IFRSs), as applied in the EU and are to be approved for publication by the Supervisory Board, which will probably convene in April 2006.

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

2. Main effects of new accounting standards

In general, the accounting and valuation methods applied in 2005 correspond with those employed in the preceding year. In addition, the Group utilised new/revised standards, which are binding for the financial year commencing 1 January 2005.

The following amended standards replace earlier versions: IAS 1 (Presentation of Financial Statements), IAS 2 (Inventories), IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), IAS 17 (Leases), IAS 21 (The Effects of Changes in Foreign Currency Exchange Rates), IAS 24 (Related Parties Disclosures), IAS 27 (Consolidated and Separate Financial Statements), IAS 28 (Investments in Associates), IAS 31 (Interest in Joint Ventures), IAS 33 (Earnings per Share) and IAS 40 (Investment Property).

Changes to the accounting and valuation methods also derive from the application of IFRS 3, which has replaced IAS 22 (Business Combinations). One effect is that goodwill purchased within the framework of a company merger may no longer be subjected to scheduled depreciation, but must undergo an impairment test on a yearly basis.

The effect of IFRS 5 (Non Current Assets Held for Sale and Discontinued Operations), which is to be applied to the financial year commencing on 1 January 2005, was examined.

This standard states that assets held for sale are to be reported with the lower of the carrying or market value, less the sale expenses. In addition, the standard regulates the conditions under which a segment can be reported as discontinued business and how subsidiaries purchased with the intention of sale are to be reported in the balance sheet. The application of IFRS 5 had no effects on 2005.

The amendment to IAS 19 (Employee Benefits) created an additional right of selection, which permits the immediate employment of actuarial gains and losses from performance-related personnel obligations outside the income statement in the form of a statement of changes in equity. This alteration applies to financial years beginning on or after 1 January 2006. The Rosenbauer Group did not put this right of selection to premature use.

The amendment to IAS 39 (Financial Instruments: Recognition and Measurement) regarding the application of the fair value option for financial assets, which applies to financial years beginning on or after 1 January 2006, was also not put to premature use by the Rosenbauer Group.

Furthermore, IFRS 7 (Financial Instruments: Disclosure), which extends the scope of reporting on financial instruments and applies to financial years beginning on or after 1 January 2007, was again not put to premature use.

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 exerts 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. Accordingly, subject to the application of IAS 27, the scope of consolidation includes two domestic and 17 international companies, which are under the legal and effective control of Rosenbauer International AG.

The initial inclusion of a subsidiary takes place at the point in time when control over the assets and business activities of the company actually passes to the respective parent company. All the subsidiaries included are fully consolidated.

The Eskay Rosenbauer Sdn Bhd company in Brunei was initially consolidated on 28 March 2005.

A joint venture is a contractual agreement, in which two or more parties undertake an economic activity, which is 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 carrying 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 26 August 2005, one joint venture (Rosenbauer YongQiang Fire Fighting Vehicles Ltd., China) is included in the consolidated financial statements.

	Number of fully consolidated companies	Number of companies consolidated at equity
1 Jan 2005	19	0
Acquisitions	0	0
Additions	1	1
Disposals	0	0
Mergers	0	0
31 Dec 2005	**20**	**1**

Foundations	Date	Business activities
Eskay Rosenbauer Sdn Bhd, Brunei	28 Mar 2005	Sale of fire-fighting vehicles
Rosenbauer YongQiang Fire Fighting Vehicles Ltd., China	26 Aug 2005	Production and sale of fire-fighting vehicles

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 recognised immediately in the income statement. Minority interests in the equity and the results of companies controlled by the parent company are reported separately in the consolidated financial statements. 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.

3. Currency translation

The annual financial statements of the companies included in the consolidated financial statements reporting in foreign currencies, are translated into euros 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 organisational 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 liabilities items in the current and preceding year, as well as translation differences between the consolidated balance sheet and the consolidated income statement, are recognised 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 2,163.2 k€ (value reported in the consolidated statements of changes in equity table) are recognised at fair value in the income statement under equity.

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

	Closing rate		Annual mean rate	
in €	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
100 US dollars	84.5309	73.2601	80.3229	76.1760
100 Swiss francs	64.3418	64.7878	64.6223	64.4745
100 Singapore dollars	50.7743	44.8632	48.2659	45.7666
100 Brunei dollars	50.7743	44.8632	48.2659	45.7666
100 Chinese renminbi	10.4753	8.8483	9.8077	9.2009

C. REPORTING AND VALUATION METHODS

The principle of uniform reporting and valuation is maintained by a directive, which applies throughout the Group. Compliance with these accounting and valuation principles is examined and confirmed by the auditors of the individual financial statements.

Assets

Tangible assets are valued at the cost of acquisition or production, less scheduled depreciation, accumulated value impairment, or the lower attainable amount (Note: real estate is not subject to scheduled depreciation). Scheduled 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 scheduled depreciation is employed:

Office and plant buildings	2.00% – 20.00%
Technical equipment and machinery	10.00% – 25.00%
Other plant and office equipment	10.00% – 33.33%

The residual carrying values and service life are examined on each balance-sheet date and adjusted where required.

Leased assets, for which in the main all the risks and chances derived from the possession of an asset are transferred (finance leasing), as well as property and/or buildings, which are retained for the purpose of obtaining rent or value added, are not of material importance. Interest on loans for assets, the production or acquisition of which covers an extended period, is not capitalised.

Construction in progress amounting to 2,972.0 k€ are reported in the movement in the consolidated assets table. In the main, this amount relates to a new logistics centre in Austria, which will become operational in 2006.

Public funding (investment grants) is recognised as a liabilities item under “Other liabilities” and reversed according to the service life of the asset. Further details are contained under item D.1.

With the exception of goodwill, **intangible assets** are valued at the cost of acquisition less scheduled linear depreciation. The rates of depreciation lie between 25.0% and 33.3%. Goodwill and intangible assets with an undefined service life are not subject to scheduled linear depreciation, but are submitted to an annual impairment test. In cases where an asset may be impaired, all other intangible assets are subjected to examination and if necessary written down to the attainable amount.

Pursuant to IAS 38 (Intangible Assets), research costs cannot be capitalised and are thus reported in their entirety in the income statement (2005: 5,771 k€; 2004: 6,297 k€). Development costs may only be capitalised, when the prerequisite conditions exist in accordance with IAS 38.

In the case of asset **impairments** where the recoverable amount (which corresponds with the higher of the cash value or the value in use), or the net selling price is below the respective carrying 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 exist, then 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 form a CGU.

Loans and receivables are valued at amortised cost. Profits and losses are reported under the result for the period, when the loans and receivables are written off or are impaired. Receivables in foreign currency are valued at the mean exchange rate on the balance-sheet date.

In general, **derivative financial instruments** relating to hedge accounting are reported at market value on a fair value basis in line with the hedge accounting stipulations of IAS 39 (Financial Instruments). Should the hedge prove ineffective, recognition in the income statement occurs. Financial assets are recognised using settlement date accounting. Removal from the balance sheet takes place when the power of disposition is lost. Hedging policy, as well as the financial instruments existent on the balance-sheet date are described in detail under item 27 “Risk management”.

Where not fully included in the consolidated financial statements, or valued at equity, **investments** are valued at the cost of acquisition less impairment where applicable. Investment development is shown in the movement in the consolidated assets table on pages 48 to 51.

Securities fall into the available for sale category and are carried at fair value, whereby the changes in fair value are recognised in the income statement under equity. Interest bearing loans are carried at the cost of acquisition, which in the case of non-interest bearing securities, corresponds with the cash value. The securities reported in the consolidated financial statements are largely used for the mandatory cover of severance payments and pensions.

Deferred tax assets are to be carried for all temporary differences between the value 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. Asset-side tax deferrals on loss carryovers are formed to the extent to which consumption within a determinable period can be anticipated. The calculation of the tax deferral is based on the standard national income tax rate at the date of the probable reversal of the value difference.

Inventories are valued at the cost of acquisition or production, or at the lower net realisable 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.

Long-term production contracts, which allow a reliable profit estimate, are valued at pro rata selling prices taking into account a reasonable risk deduction (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, then 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 recognised as an expense.

The capitalisation of **trade account and other receivables** takes place at the cost of acquisition. Value impairments are taken into account in accordance with IAS 39.

The cash and cash equivalents reported under the item "**cash and short-term deposits**", such as cash and bank balances are valued at the market value on the reporting date.

Monetary items are translated 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. Currency differences derived from the translation of monetary items are recognised in the income statement.

Liabilities

a) PROVISIONS FOR SEVERANCE PAYMENTS AND PENSIONS

Under national law, in the case of dismissal or upon attainment of retirement age, employees of Austrian corporations are entitled to a one-off severance payment. The amount of this payment is dependent on the number of years of service and 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 4.5% p.a. (2004: 5.5% p.a.) and a dynamic rate of 3.5% p.a. (2004: 3.5% p.a.) for future increases in remuneration.

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 retirement age for women is 59 and 64 for men (2004: 57 for women and 62 for men).

In addition, fluctuation deductions in line with the number of years of service were also taken into account. These amount to 5% in the first year of service, 2% in the second year and 0.25% in the third to fifth year. Appropriate provisions calculated on the basis of actuarial principles counterbalance payment obligations. The provision for performance-related pension schemes reported in the balance sheet corresponds with the cash value of the performance-related liability (DBO) on the balance-sheet date, adjusted by accumulated unrecognised actuarial gains and losses and unrecognised 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. Current pensions are paid fourteen times annually, whereby a transitional widow/widower regulation amounting to 50% is partly employed.

The pensions obligation is established on the basis on the following parameters:

	Interest rate	Remuneration increase	Pension increase
Austria	4.5%	3.5%	3.0%
Germany	4.5%	1.5%	1.5% – 3.5%

Apart from the performance-related system, workers in Austria, who entered employment after 1 January 2003, have access to a contribution-related pensions 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 item 31 "Personnel expenses, corporate bodies and employees"). Accordingly, the creation of a provision for these employees is unnecessary.

b) OTHER NON-CURRENT/CURRENT LIABILITIES

The other provisions carried under the non-current and current liabilities cover all the risks recognisable up to the reporting date derived from uncertain liabilities and are recognised to an amount determined as the most probable in a careful examination of the facts. Liabilities are reported at the cost of acquisition. Liabilities in foreign currency are valued at the mean foreign exchange rate on the reporting date. In accordance with IAS 20, long-term funding provided by research support funds, which contains an interest subsidy, is treated as public funding, whereby the interest advantage does not require qualification.

Income

The proceeds from the sale of products and goods are realised at the point in time at which the risks and chances are transferred to the purchaser. Gains on interest are realised 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. Income realisation for long-term orders going beyond the reporting date occurs 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 payables, the other liabilities on the reporting date and income and expenses for the period under review. The actual, future values can 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 carrying values of assets and liabilities in the coming financial year, are explained subsequently.

The Group checks for the value impairment of existing goodwill at least once annually. Estimates are made of the probable future cash flow from the cash generating units to which the goodwill is allocated. In addition, an appropriate interest rate (2005: 5.7%) is selected in order to determine the cash value of this cash flow. During the past financial year, the last two goodwill values were subjected to an impairment test and entirely written-off. Additional information is contained under the item D.1. "Tangible and intangible assets".

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, national first class industrial bonds. The balance-sheet provision as at 31 December 2005 amounted to 11,752.3 k€ for severance payments and 4,741.9 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 item 14. “Long-term provisions”.

The basis for the capitalisation of asset-side tax deferrals 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 capitalised. The amount of the non-capitalised loss carryforwards is reported under item 4. “Deferred tax assets”.

Changes in presentation

During the current financial year, the income statement was drawn up in a different manner. Immaterial sub-totals were omitted and material items shown separately.

In the figures for the preceding year, income from the reversal of provisions to an amount of 924.2 k€ was reallocated to “Other expenses” and 147.7 k€ to “Personnel expenses”.

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 48 to 51. The tangible assets contain no rented goods or real estate held as a financial investment.

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

in k€	31 Dec 2005	31 Dec 2004
In the following year	1,560.2	1,667.8
In the following 5 years	4,971.5	3,924.3
Over 5 years	4,617.9	4,794.0

Payments from operative leasing agreements, which are carried in the result for the period amounted to 1,585.4 k€ (2004: 1,604.2 k€).

As at 31 December 2005, the order liability for tangible assets in the Group amounted to 212.5 k€ (2004: 42.6 k€). During the 2005 financial year, no extraordinary depreciation was undertaken on tangible assets (2004: 0.0 k€). There were also no write-ups (2004: 0.0 k€).

Public subsidies granted for investments in tangible assets. As at 31 December 2005, a subsidy of 494.8 k€ (2004: 582.3 k€) is reported on the liabilities-side under “Other liabilities”. The subsidies are not to be repaid.

Tangible assets of 2,573.7 k€ were pledged as hedging for liabilities (2004: 0.0 k€). There are no limitations with regard to rights of disposal.

The intangible assets contain software licences and rights to the value of 628.0 k€ (2004: 973.0 k€). The goodwill of 136.2 k€ at year-end was subjected to an impairment test pursuant to IAS 36. The value impairment amounted to 136.2 k€ and is reported under a separate item in the income statement. As in 2005, the entire goodwill was subject to value impairment, which is reported in the movement in consolidated assets table under the acquisition/production costs as a disposal. Goodwill development can be seen in the movement in the consolidated assets table on pages 48 to 51.

2. Investments/securities

Following the conclusion of liquidation in 2005, the investment in Emergency Vehicle Service LLC., Colorado, USA was reported in the movement in the consolidated assets schedule as a disposal.

The securities reported in the consolidated financial statements to the value of 1,601.0 k€ (2004: 2,671.6 k€) mainly serve to provide the mandatory cover for severance payments and pensions.

3. Investments in associated companies reported at equity

The newly founded joint venture in China (Rosenbauer YongQiang Fire Fighting Vehicles Ltd.) was reported in the consolidated financial statements at equity as follows:

Development of the value of the investment

in k€	2005
1 Jan 2005	0.0
Capital payment	2,597.0
Share of loss/profit	(471.8)
Currency differences	10.1
Dividends	0.0
Other equity changes	0.0
31 Dec 2005	**2,135.3**

Financial information

in k€	31 Dec 2005
Non-current assets	2,304.9
Current assets	2,481.3
Non-current liabilities	0.0
Current liabilities	2,650.9
Income	225.2
Expenses	697.0
Loss	(471.8)

4. Deferred tax assets

The differences between the values in the consolidated tax and IFRS balance sheets derives from the following difference amounts or deferred taxes:

	2005		2004	
in k€	Asset-side	Liabilities-side	Asset-side	Liabilities-side
Open one-seventh depreciation purs. § 12 (3) Austrian Corporation Tax Act	1,979.6	0.0	2,920.8	0.0
Foreign exchange forwards and securities (recognised at fair value in equity)	91.9	30.5	51.2	114.3
Foreign exchange forwards and securities (recognised in the income statement)	148.6	79.3	0.0	0.0
Receivables	35.6	40.5	234.2	57.8
Production contracts	0.0	689.7	0.0	585.7
Loss carryforwards	2,971.7	0.0	2,365.3	0.0
Other reserves	192.5	214.4	233.4	227.0
Other provisions and payables	1,909.3	1.5	1,852.2	0.0
Others	376.1	369.4	354.0	525.3
Asset-side/liabilities-side deferred tax assets	**7,705.3**	**1,425.3**	**8,011.1**	**1,510.1**
Netting of asset-side and liabilities-side deferred tax assets	(1,033.8)	(1,033.8)	(817.1)	(817.1)
	6,671.5	**391.5**	**7,194.0**	**693.0**

In accordance with IAS 12.39, no deferred taxes are reported in the balance sheet for differences resulting from investments in subsidiaries. Asset-side tax deferrals are made for loss carryforwards in the Austrian segment totalling 1,429.1 k€ (2004: 2,365.3 k€). Asset-side tax deferrals of 2,455.3 k€ (2004: 3,019.3 k€) are not reported as their effectiveness as definitive tax relief is insufficiently secured.

5. Inventories

in k€	31 Dec 2005	31 Dec 2004
Raw materials and supplies	26,887.2	23,612.7
Work in progress	20,186.1	13,025.7
Finished goods	8,217.3	18,196.4
Goods in transit	1,593.5	981.0
Advance payments made	174.3	538.9
	57,058.4	**56,354.7**

The inventories contain accumulated value impairments amounting to 4,774.7 k€ (2004: 3,628.8 k€). The amount of the value impairment in the current year is included in the income statement under “Expenses for materials and services”. There were no value write-ups in the current financial year (2004: 0.0 k€) and no inventories were pledged as hedging for liabilities. The carrying value of the inventories reported at accompanying market value minus sales expenses, corresponds with the reported balance-sheet figures.

6. Production contracts

in k€	31 Dec 2005	31 Dec 2004
Production contracts		
costs up to the balance-sheet date	13,259.8	12,214.8
gains up to the balance-sheet date	2,858.2	2,606.4
advance payments received	(2,338.5)	(2,779.8)
	13,779.5	**12,041.4**

All production contracts have a residual period of less than one year. There was no material withholding.

7. Receivables

in k€	31 Dec 2005	31 Dec 2004
Trade accounts receivable	38,000.2	39,252.6
Other receivables	6,939.0	4,624.1
	44,939.2	**43,876.7**

The trade accounts receivable for 2005 contain receivables of 40.0 k€ with a period to maturity of between one and five years (2004: 89.0 k€). In 2005, the other receivables with a period to maturity of between one and five years totalled 2,186.3 k€ (2004: 1,065.0 k€). As in the preceding year, in 2005 there are no receivables with a period to maturity in excess of five years.

As at 31 December 2005, the value impairments on the trade accounts receivable, as well as other receivables totalled 1,252.0 k€ (2004: 2,906.3 k€). The value impairments are reported as other expenses.

8. Cash and short-term deposits

in k€	31 Dec 2005	31 Dec 2004
Cash, bank balances	**7,596.6**	**7,381.4**

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

9. Equity

Rosenbauer Group share capital comprises 1,700,000 non-par value shares. At the 13th Ordinary General Shareholders' Meeting, a resolution was passed concerning the prolongation of the authorisation to purchase (repurchase) company shares in accordance with § 65 Para 1 Clause 8 Austrian Stock Corporation Act by a further 18 months up to 3 December 2006. In addition, § 9 Para 2 of the corporate articles were amended to now read, "The Supervisory Board consists of four members elected by the General Shareholders' Meeting, as well as two employee representatives delegated in accordance with the stipulations of the Austrian Labour Constitution Act."

The capital reserve derives from the new shares issued in 1994 via the Vienna Stock Exchange and constitutes a committed capital reserve, which is not available for the payment of dividends.

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 recognised 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 increase in the revaluation reserve as compared to the preceding year results from the part of the available for sale valuation of securities recognised at fair value. The change in the hedging reserve derives from the fair value valuation of currency futures subject to IAS 39.

In 2004, the amounts carried forward prior to 2004 from the accumulated results to the capital reserves for the purpose of reporting the net profit of the Group managing company in the consolidated financial statements were reallocated in the accumulated results in the reporting of movements in Group equity.

Details concerning the reserves can be obtained from the consolidated statements of changes in equity table.

10. Minority interest

The item “Minority interest” contains the interests of third parties in the equity of Group subsidiaries. In 2005, 3,648.5 k€ (2004: 3,251.9 k€) was distributed among minority shareholders in Group subsidiaries. Third party shareholders exist with regard to the following subsidiaries:

	2005	2004
Rosenbauer AG, Oberglatt, Switzerland	30.0%	30.0%
Rosenbauer Española S.A., Madrid, Spain	37.9%	37.9%
Rosenbauer America LLC., Lyons, USA	50.0%	50.0%
RK Aerials LLC., Fremont, USA	75.0%	75.0%
Eskay Rosenbauer Sdn Bhd, Brunei	20.0%	–

11. Subordinated (mezzanine) capital

The subordinated (mezzanine) capital of 7,488.2 k€ (2004: 7,476.5 k€) (including deferred issue costs of 11.8 k€ (2004: 23.5 k€) resulted from the capital paid in for an indefinite period amounting to 7,500.0 k€. The subordinated (mezzanine) capital can be terminated both by the holder and by Rosenbauer subject to compliance with a period of notice of six months prior to the end of the calendar year, however by 31 December 2009, at the earliest. In the case of a liquidation or termination by the company, an average intrinsic value increase of 0.4% p.a. on the paid-in capital is to be repaid. From 1 January 2006, an intrinsic value increase of 0.5% is applied in the case of the attainment of a defined result. No corporate or voting rights are linked to the profit sharing rights. The profit sharing rights are subordinated to those of the remaining company creditors.

The profit-sharing rights guarantee a share of 33.3% in the net profit for the year of Rosenbauer International AG in Leonding. The share is restricted to 0.25% points over the minimum interest rate. A share of a loss for the year also exists to the extent that profit-sharing rights are not covered by the uncommitted capital and free revenue reserves of Rosenbauer International AG. The minimum interest rate amounts to 1.5% above the known, given 3-month EURIBOR and is limited in an economic sense by a collar with an interest range of 3.25% to 5.0%.

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 in item 27 “Risk management”.

in k€	31 Dec 2005	31 Dec 2004
Liabilities to banks and the Austrian Research Promotion Fund		
thereof with a period to maturity of 1 to 5 years	5,199.1	1,308.3
thereof with a period to maturity of over 5 years	0.0	790.7
	5,199.1	**2,099.0**

13. Other non-current liabilities

in k€	31 Dec 2005	31 Dec 2004
Other non-current liabilities		
thereof with a period to maturity of 1 to 5 years	335.4	0.0
thereof with a period to maturity of over 5 years	615.4	1,129.3
	950.8	**1,129.3**

In 2005, the non-current liabilities mainly relate to export financing.

14. Long-term 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 are structured as follows:

in k€	2005	2004
Cash value of the obligation	12,271.8	11,938.7
Not yet recognised actuarial gains/losses	519.5	328.0
Provision reported as at 31 Dec	**11,752.3**	**11,610.7**

As the corridor was not exceeded (10% of the obligation value) no actuarial profit/loss calculation was recognised.

in k€	2005	2004
Provision as at 1 Jan	11,610.7	10,794.0
Service expense	610.7	631.3
Interest expense	665.8	650.7
Recognised actuarial gains/losses	0.0	0.0
Ongoing payments	(1,134.9)	(465.3)
Provision as at 31 Dec	**11,752.3**	**11,610.7**

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 are structured as follows:

in k€	2005	2004
Cash value of the obligation	5,311.2	4,790.9
Not yet recognised actuarial gains/losses	569.3	49.9
Provision reported as at 31 Dec	**4,741.9**	**4,741.0**

As the corridor was not exceeded (10% of the obligation value) no distribution was necessary.

in k€	2005	2004
Provision as at 1 Jan	4,741.0	4,597.1
Service expense	32.7	31.6
Interest expense	254.0	300.8
Recognised actuarial gains/losses	0.0	88.3
Ongoing payments	(285.8)	(276.8)
Provision as at 31 Dec	**4,741.9**	**4,741.0**

c) OTHER LONG-TERM PROVISIONS

in k€	31 Dec 2005	31 Dec 2004
Provisions for long-service bonuses	1,977.5	1,895.7
Other long-term provisions	439.5	801.5
	2,417.0	**2,697.2**

The long-term provisions for 2005 are contained in the schedule of provisions on page 47.

15. Current interest-bearing liabilities

Apart from production and investment loans, this item also includes the ongoing account overdrafts as at 31 December of the respective reporting date. Details concerning the financial liabilities are contained under item 27. “Risk management”.

16. Trade accounts payable

in k€	31 Dec 2005	31 Dec 2004
Trade accounts payable	18,295.4	15,171.5
Bills payable	0.0	0.0
	18,295.4	**15,171.5**

All trade accounts payable mature within a year.

17. Other current liabilities

in k€	31 Dec 2005	31 Dec 2004
Tax liabilities	3,413.5	554.6
Liabilities derived from social security contributions	1,186.0	780.9
Other liabilities	19,379.2	19,331.1
	23,978.7	**20,666.6**

The overwhelming majority of the other liabilities consist of commission obligations to international commercial agents and the wages, salaries and charges paid in January 2006.

18. Other short-term provisions

in k€	31 Dec 2005	31 Dec 2004
Tax provisions	543.7	448.3
Short-term provisions	14,275.5	10,573.9
	14,819.2	**11,022.2**

The other provisions contain cover for guarantees and risks in the sales area, as well as provisions from the personnel area. The remaining short- and medium-term provisions for 2005 are contained in the schedule of provisions on page 47.

19. Revenue

Sales revenues derive mainly from the completion of orders. Information concerning the revenue structure is contained in the product segment sections and segment reporting in the Notes.

20. Other income

in k€	31 Dec 2005	31 Dec 2004
Income from the disposal of assets	52.4	56.1
Own work capitalised	56.1	107.1
Other income	3,916.3	3,250.5
	4,024.8	**3,413.7**

Other income largely consists of cost transfers to third parties.

21. Other expenses

in k€	31 Dec 2005	31 Dec 2004
Taxes other than taxes on income	197.2	201.1
Administrative expenses	16,219.4	16,901.6
Marketing and sales expenses	11,108.2	8,213.4
	27,524.8	**25,316.1**

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.

22. Financial expenses

in k€	31 Dec 2005	31 Dec 2004
Interest and other expenses	(3,495.9)	(3,401.4)
Interest on long-term personnel provisions	(919.8)	(951.2)
	(4,415.7)	**(4,352.6)**

23. Financial income

in k€	31 Dec 2005	31 Dec 2004
Income on securities	90.1	120.0
Gains from the disposal of securities	124.6	0.0
Other interest and similar income	923.9	1,048.8
	1,138.6	**1,168.8**

24. Taxes on income

in k€	2005	2004
Expense for current income tax	3,508.8	1,729.0
Change in deferred income tax	345.5	(2,924.4)
	3,854.3	**(1,195.4)**

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

in k€	2005	2004
Profit before income tax	15,880.4	10,490.7
thereof 25% (2004: 34%) calculated income tax expense	3,970.1	3,566.8
Permanent differences	735.4	928.9
Effect of differing tax rates	719.3	(195.8)
Effect of tax rate change	(122.0)	1,278.9
Consumption of unaccounted for loss carryforwards	0.0	(695.7)
Tax relief on limited companies[1]	(1,183.9)	(937.3)
Change in temporary differences, for which no deferred taxes are reported	0.0	(2,824.3)
Capitalised loss carryforwards, for which no deferred taxes had previously been reported	(1,429.1)	(2,365.3)
Taxes from previous years, with holding taxes, minimum tax	1,164.5	48.4
Effective tax income (–)/expense (+)	**3,854.3**	**(1,195.4)**

[1] Taxes relating to minority shareholders

25. Consolidated cash flow statement

The consolidated cash flow statement was prepared according to the indirect method. The finance funds consist entirely of cash in hand and bank balances. Interest received and paid is reported as part of current business activities. Dividend payments are reported as part of financing activities. In 2005, capital contributions of 1,583.4 k€ were made for the newly founded joint venture in China. There were no material non-cash transactions. More detailed information is contained in the consolidated cash flow statement on page 46.

26. Segment reporting

The development of Group companies takes special priority in internal reporting. For this reason, primary segment reporting is in line with the location of the Rosenbauer Group companies and secondary reporting according to product segments.

Clearing prices between the segments are based on comparable, standard market conditions. The numerical presentation of the segments is available from the primary and secondary segment tables for the years 2004 and 2005 on pages 52 to 53.

27. 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 unrecognised 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 earnings position of the Group.

Financial instruments form one important area of risk hedging. Financial instruments are cash business procedures based on civil law contracts. In accordance with IAS 32 these include original financial instruments such as receivables, trade accounts payable, 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. Both categories of financial instrument are reported on subsequently.

Due to daily or short-term maturity, the fair value of cash and short-term deposits, current receivables and payables largely corresponds with the carrying 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 1,601.0 k€ (2004: 2,671.6 k€).

a) CREDIT RISK

In the case of assets falling into this financial instrument category, the amounts reported also represent the maximum credit-worthiness and loss risk. As a result of the customer structure and the credit risk hedging policy, the receivables risk can be regarded as negligible.

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-AG.

Receivables from customers outside the EU 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-AG (risk insurance inside the OECD).

b) INTEREST RATE RISK

Interest and interest change risks relate primarily to payables 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. A reduction in interest rate risk and earnings optimisation are possible by means of constant surveillance of interest trends and a resulting regrouping of the securities portfolio.

Long-term payables to banks consist of subordinated (mezzanine) capital and loans for various investments in operative business. Interest rates are hedged in the medium-term by means of combined interest cap, interest floor, or interest swap instruments.

c) FOREIGN EXCHANGE RISK

In the case of securities carried under the consolidated non-current assets, investments take place 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 assets side derive from trade accounts receivable in US dollars from international customers. In the majority of markets, invoicing takes place in euros. On the liabilities side, with the exception of trade accounts payable, 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 trade accounts payable in US dollars.

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 combined interest cap, interest floor, or interest swap instruments. These are initially reported at market value on the date of the conclusion of the contract and then re-valued with market values.

The changes in value of the instruments used as a cash flow hedge are recognised under equity and reported separately in the movements in Group equity table. The contribution to profit of the hedge is recognised in the income statement as of the date of the realisation of the underlying transaction.

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

On the reporting date, the Rosenbauer Group had the following list of hedging transactions running.

	Nominal value		Fair value	
in 1,000	Currency	31 Dec 2005	Currency	31 Dec 2005
Hedging recognised in the income statement				
Currency future	SGD	3,047.8	SGD	(20.1)
Currency future	CHF	2,583.0	CHF	48.8
Currency future	USD	1,369.9	USD	(71.1)
Currency future	€	1,249.7	€	(58.3)
Currency future	€	1,021.0	€	(49.6)
Currency future	€	3,186.1	€	(10.8)
Interest instrument	€	13,000.0	€	(39.3)
Interest instrument	€	4,000.0	€	(1.7)
Hedging recognised at fair value in equity				
Currency future	€	13,720.3	€	(284.9)
Interest instrument	€	8,000.0	€	2.5
Interest instrument	€	15,000.0	€	(74.5)

e) LIQUIDITY RISK

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 breakdown of interest-bearing liabilities as at 31 December 2005.

in 1,000	Currency	Loan 31 Dec 2005	Final maturity	Interest in %	31 Dec 2005 in k€	31 Dec 2004 in k€
Current, interest-bearing liabilities						
Production financing	SGD	4,047	2006	Sibor +1%	2,054.6	365.0
Production financing	€	1,500	2006	2.900	1,500.0	0.0
Investment loan	USD	0	2005	2.750	0.0	2,930.4
Production financing	€	0	2005	5.600	0.0	3,000.0
Production financing	€	0	2005	4.600	0.0	4,000.0
Production financing	€	0	2005	3.150	0.0	3,900.0
Production financing	€	0	2005	2.960	0.0	2,000.0
Production financing	€	1,700	2006	2.900	1,700.0	0.0
Production financing	€	2,087	2006	3.400	2,087.1	0.0
Production financing	CHF	1,500	2006	0.250	965.1	0.0
Investment loan	€	96	2006	6.830	95.9	0.0
Investment loan	€	95	2006	4.000	94.5	0.0
Investment loan	€	174	2006	1.500	174.4	0.0
Overdrafts					4,297.7	6,923.4
Total					**12,969.3**	**23,118.8**

in 1,000	Currency	Loan 31 Dec 2005	Final maturity	Interest in %	31 Dec 2005 in k€	31 Dec 2004 in k€
Non-current, interest-bearing liabilities						
Research promotion fund	€	180.0	2007	2.500	180.0	180.0
Research promotion fund	€	382.4	2008	2.000	382.4	214.0
Investment loan	€	0.0	2006	4.000	0.0	94.5
Production financing	€	1,078.0	2010	6.830	1,078.5	1,174.5
Investment loan	USD	1,900.0	2010	4.380	1,606.1	0.0
Investment loan	€	262.0	2008	1.500	261.6	436.0
Investment loan	USD	2,000.0	2007	5.000	1,690.5	0.0
Total					**5,199.1**	**2,099.0**
Interest-bearing liabilities					**18,168.4**	**25,217.8**

Of the non-current, interest-bearing loans, 2,140.8 k€ mature in one-two years, 565.5 k€ in two-three years, 95.9 k€ in three-four years and 2,396.9 k€ in four-five years. The carrying values reported largely correspond with the market values. The entire interest-bearing financial liabilities amount to 18,168.4 k€ (2004: 25,217.8 k€). The interest on interest-bearing liabilities amounted to 1,980.2 k€ (2004: 2,199.9 k€), which represented an average of 6.5% (2004: 5.2%).

28. Events after the balance-sheet date

There were no material events up to the preparation of the consolidated financial statements.

29. Contingent liabilities and commitments

Rosenbauer International Aktiengesellschaft made no commitments to third parties. In addition, there were no contingent liabilities, which could lead to material liabilities.

30. Business transactions with closely associated persons

The following transactions took place with closely associated persons. The purchases of goods relate in particular to vehicle deliveries by a Spanish company, the owner of which is related to the management of the recipient Spanish subsidiary. The loan was provided to an American subsidiary by an executive manager. The rental agreement relates to the use of a property and was agreed between the manager and an American company.

in k€	31 Dec 2005	31 Dec 2004
Sale of goods	20.8	11.6
Purchase of goods	2,833.4	2,056.9
Loan from closely associated persons	1,014.4	0.0
Rental agreement	970.9	414.5

The personnel expenses relating to closely associated persons are contained in the following item.

31. Personnel expenses, corporate bodies and employees

in k€	2005	2004
Wages	28,039.3	27,609.6
Salaries	28,569.9	28,434.3
Expenses for severance payments and pensions	1,976.0	1,079.1
Expenses for the company employee pension fund	67.0	46.5
Expenses for mandatory social security payments as well as wage-related taxes and obligatory contributions	12,143.8	11,851.6
Other social security payments	823.0	854.6
	71,619.0	**69,875.7**

The salaries of the members of the Rosenbauer International AG Executive Board in 2005 amounted to 2,533.4 k€ (2004: 2,163.1 k€) and consisted of a basic salary (2005: 982.4 k€; 2004: 978.5 k€), fees (2005: 1,383.0 k€; 2004: 1,016.6 k€) and rights for the creation of independent retirement and dependant provisions (2005: 168.0 k€; 2004: 168.0 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 profit of the income statement prior to income tax and "Minority interest", whereby the percentage is gradually reduced in line with improvements in the consolidated profit. Following the end of service, Executive Board members receive a severance payment amounting to the entire salary for one year. The expenses for severance payments and pensions in 2005 were structured as follows:

in k€	2005	2004
Members of the Executive Board, managing directors and senior executives	315.7	1,123.1
Other employees	1,727.3	2.5
	2,043.0	**1,125.6**

Average number of employees	2005	2004
Blue-collar	796	778
White-collar	529	513
Apprentices	82	85
	1,407	**1,376**

32. 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 dilutory effect in circulation during the past financial year, the diluted earnings per share correspond with the basic earnings per share. The calculation takes the following form:

	2005	2004
Consolidated profit minus minority interest	7,033.8 k€	8,741.5 k€
Average number of shares issued	1,700,000 units	1,700,000 units
Basic earnings per share	4.14 €/share	5.14 €/share
Diluted earnings per share	4.14 €/share	5.14 €/share

33. Proposal for the distribution of profits

The individual financial statements of the company prepared according to Austrian accounting law (HGB) provide the basis for the proposal for the distribution of profits.

A net profit of 3,530,427.84 € 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 2.0 € (2004: 2.0 €) per share (3,400,000.0 € for 1,700,000 ordinary shares). The carryforward to new account: 130,427.84 €.

34. Corporate bodies

SUPERVISORY BOARD

- Peter Louwerse (Chairman)
  Initial appointment: 28 August 1992
  End of current term: General Shareholders' Meeting 2008
- Hans Hojas (Vice Chairman)
  Initial appointment: 10 June 1994
  End of current term: General Shareholders' Meeting 2008
- Dieter Siegel
  Initial appointment: 18 May 2002
  End of current term: General Shareholders' Meeting 2008
- Alfred Hutterer
  Initial appointment: 24 May 2003
  End of current term: General Shareholders' Meeting 2008

In the 2005 financial year, the Supervisory Board received emoluments of 159.9 k€ (2004: 145.8 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", whereby the percentage is 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, 24 March 2006

The Executive Board

Wagner Schwetz Kastil Brunbauer

SUBSIDIARIES

	Currency	Equity in 1,000	Holding[1] in %	Result[2] in 1,000	Type of consolidation
Rosenbauer Österreich GmbH, Austria, Leonding	€	2,951	100	0[3]	FC
Rosenbauer Mode Handels-GmbH, Austria, Linz	€	78	100	(36)	FC
Rosenbauer Holding GmbH & Co. KG, Germany, Karlsruhe	€	6,045	100	428	FC
Rosenbauer Deutschland GmbH, Germany, Passau	€	768	100	97	FC
Rosenbauer Feuerwehrtechnik GmbH, Germany, Luckenwalde	€	4,207	100	174	FC
Metz Aerials Management GmbH, Germany, Karlsruhe	€	22	100	1	FC
Metz Aerials GmbH & Co. KG, Germany, Karlsruhe	€	3,176	100	13	FC
Rosenbauer Finanzierung GmbH, Germany, Passau	€	37	100	31	FC
Rosenbauer AG, Switzerland, Oberglatt	CHF	3,769	70	481	FC
Rosenbauer Española S.A., Spain, Madrid	€	2,851	62.11	538	FC
G.C.I. Saval Kronenburg S.A., Spain, Huesca[4]	€	481	100	0	NC
General Safety Equipment LLC., USA, Minnesota[5]	USD	12,353	50	1,549	FC
Central States Fire Apparatus LLC., USA, South Dakota[5]	USD	42,938	50	10,043	FC
Rosenbauer Holdings Inc., USA, South Dakota	USD	12,543	100	3,188	FC
Rosenbauer America LLC., USA, South Dakota[5]	USD	63,964	50	10,598	FC
RK Aerials LLC., USA, Nebraska[5]	USD	4,857	25	563	FC
Rosenbauer New England LLC., USA, South Dakota[5]	USD	47	50	(111)	FC
Rosenbauer Motors LLC., USA, Minnesota[5]	USD	93	50	153	FC
SK Fire PTE Ltd., Singapore	SGD	4,945	100	715	FC
Rosenbauer YongQiang Fire Fighting Vehicles Ltd., China, Dongguan	CNY	40,768	50	(7,688)	AE
Eskay Rosenbauer Sdn Bhd, Brunei	BND	(4)	80	(28)	FC

[1] Direct interest
[2] Profit/loss for the year after movements in the reserves
[3] Profit transfer agreement with Rosenbauer International AG
[4] In liquidation
[5] Deciding vote right with Rosenbauer International AG

FC = fully consolidated companies
NC = non-consolidated companies
AE = at equity consolidated companies

AUDITOR'S REPORT

"We have audited the consolidated financial statements of Rosenbauer International Aktiengesellschaft, Leonding, for the fiscal year from 1 January 2005 to 31 December 2005. The Company's management is responsible for the preparation and the content of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and for the preparation of the management report for the Group in accordance with Austrian regulations. Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to state whether the management report for the Group is in accordance with the consolidated financial statements.

We conducted our audit in accordance with laws and regulations applicable in Austria and International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement and whether we can state that the management report for the Group is in accordance with the consolidated financial statements. In determining of audit procedures we considered our knowledge of the business, the economic and legal environment of the Group as well as the expected occurrence of errors. An audit involves procedures to obtain evidence about amounts and other disclosures in the consolidated financial statements predominantly on a sample basis. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements are in accordance with legal requirements and present fairly, in all material respects, the financial position of the Group as of 31 December 2005, and of the results of its operations and its cash flows for the fiscal year from 1 January 2005 to 31 December 2005 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The management report for the Group is in accordance with the consolidated financial statements."

Vienna, 24 March 2006

ERNST & YOUNG

Wirtschaftsprüfungsgesellschaft mbH

Gerhard Schwartz m.p.	Elisabeth Scholz m.p.
(Chartered Accountant)	(Chartered 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.

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GLOSSARY

Order intake/order backlog
Including shipping and commission revenues

Capital employed
Equity plus interest-bearing outside capital minus interest-bearing assets

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

EBIT
Operating result

EBIT margin
EBIT divided by revenues

EBT
Profit before tax

Employees
Average size of the workforce during the period under review

Equity
Share capital plus capital and other reserves, accumulated results, minority interest and subordinated (mezzanine) capital

Gearing ratio (in %)
Interest-bearing outside capital divided by the interest-bearing total capital

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

Interest-bearing total capital
Interest-bearing outside capital plus equity

Investments
Additions to tangible and intangible assets

Market capitalisation
Share price at year-end multiplied by the number of shares issued

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

Return on capital employed (in %)
EBIT divided by the average balance-sheet total

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

Return on sales
EBT divided by revenues

Subordinated (mezzanine) capital
Indefinitely paid-up capital. The profit-sharing rights are subordinated to those of the company's remaining creditors and can be terminated no sooner than per 31 December 2009. The profit-sharing rights do not confer any corporate or voting rights.

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