



Press release

25. March, 2008., Győr, Hungary

Rába: after a decade long business relation is the partner of the world's leading agricultural equipment manufacturer John Deere for the next 5 years

With the actually signed long-term contract Rába made again an important strategic step in the field of selling products with high added value. Rába has been a direct supplier of John Deere already for 10 years with complete axles and axle components. The delivered volume has been doubled in the last two years, and during the following years it is expected to grow to a double digit million US-Dollar annual turnover.

The business relationship between the two companies began in 1998 with the development of the Industria Trade Fair Award winning rubber-track tractor axles and Rába is still today the exclusive supplier of the drive axles for Deere's heaviest 9030T 530 HP tractor. The drive axles and later on the axle components (mainly gears) ensured for Rába have steady revenues on the US market.

The sales volume of the period 2005-2006 was doubled to 2007 and for the following years a further growth can be projected. There are more reasons for it. First is naturally Rába's high commitment and achievement, which is being continuously evaluated in terms of quality, delivery, communications, technical support and cost management in the framework of Deere & Company's Achieving Excellence program. Further reasons can be identified in the upturn of the American agricultural equipment market as well as in John Deere successes in that market.

Hungarian Rába Axle Manufacturing Ltd. and the American corporation John Deere – founded 171 years before and headquartered in Moline, Illinois – signed now a new 5 years general supply agreement, which came into force on the first of January 2008. Based on this Rába continues supplying John Deere with complete axles and axle components. Compliance with the growing demand was supported by a successfully realized 50% capacity increase program as well as by technological development steps. The annual revenue with the contracted products will reach a double digit US-Dollar value in the following period. The contract regulates in a complex and mutually satisfactory way the questions of capacities, capacity utilization and cost management.

Company information:

John Deere:

Deere & Company, founded in 1837 (collectively called John Deere), has grown from a one-man blacksmith shop into a corporation that today does business around the world and employs approximately 50,000 people. John Deere consists of four major business segments (agricultural equipment, commercial & consumer equipment, construction & forestry and credit). Its revenue in 2006 was 22.148 billion USD. John Deere stock is traded on the New York Stock Exchange. To see more: www.deere.com

Rába Automotive Holding Plc:

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

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