



Quarterly Report Q1 2009



At a glance

Thousands of euros	1 st Quarter 2009	1 st Quarter 2008	Change
Sales	73,317	79,529	-8%
Sales abroad as a percentage of sales	85%	85%	+/-0%-Pts.
Cost of sales	30,121	31,533	-4%
as a percentage of sales	41.1%	39.6%	
Sales and service expenses	21,473	22,598	-5%
as a percentage of sales	29.3%	28.4%	
Research and development expenses	2,991	2,973	+1%
as a percentage of sales	4.1%	3.7%	
General administration expenses	4,021	3,898	+3%
as a percentage of sales	5.5%	4.9%	
EBIT – earnings before interest and taxes	15,205	18,733	-19%
as a percentage of sales	20.7%	23.6%	
EBT – earnings before taxes	15,214	19,029	-20%
as a percentage of sales	20.8%	23.9%	
Group earnings	11,119	13,925	-20%
as a percentage of sales	15.2%	17.5%	
per share in euros	0.98	1.22	
Cash flow from operating activities	2,546	10,860	-77%
per share in euros	0.22	0.96	
Balance sheet total	204,317	193,158	+6%
Equity	144,813	137,555	+5%
as a percentage of the balance sheet total	70.9%	71.2%	
Working capital (without liquid funds)	66,212	63,119	+5%
as a percentage of sales	90.3%	79.4%	
Employees (as an annual average)	1,109	1,039	+7%
Sales per employee	66.1	76.5	-14%

Management Report

Dear Shareholders,
Dear Business Partners,

Many thanks for your interest in RATIONAL AG.

This report sets out information on the business performance in the first quarter of 2009, along with the outlook for the further development of the company during fiscal year 2009.

Economic report

Most severe post-war recession

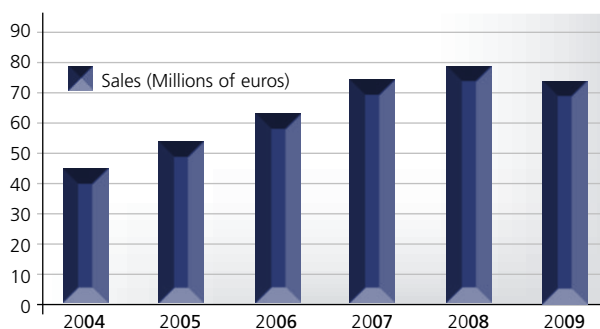
The economy is currently undergoing the harshest recession since the Great Depression of 1929. The German industry, with its emphasis on exports, was especially hit hard in the first quarter of 2009 by the global reluctance to buy or invest. The macro-economic prognoses for the development in the foreseeable future still reveal no light at the end of the tunnel. In fact, the opposite is true, since banks and economic research institutes are still regularly adjusting their growth expectations downwards. At present, the most pessimistic estimates are showing a negative growth of 7.0 percent for Germany (Source: Consensus Forecasts April 2009) and a negative 1.3 percent for the global economy (Source: IMF).

Net assets, financial position and results of operations

Modest decline in sales

In the first quarter of 2009, RATIONAL posted sales of 73.3 million euros (previous year 79.5 million euros). This equates to a modest decline of 8 percent compared to the previous year. The main reason for this is the uncertainty felt by many customers about future economic trends and the associated general reluctance to invest.

The high currency fluctuations in the first quarter of 2009 compared to the previous year offset one another for the most part. The negative development of the Pound sterling, the Polish zloty, the Swedish krona and the Canadian dollar were offset by the rise in value of the US dollar and the Japanese yen.

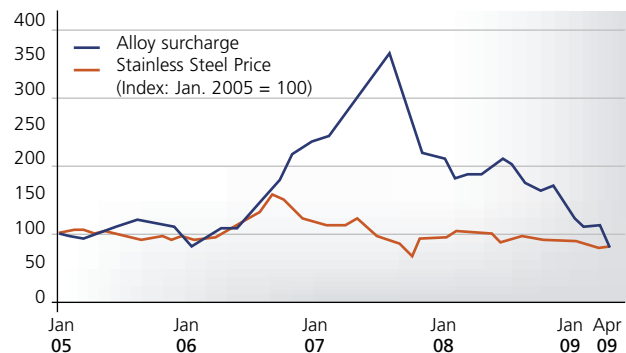


Asia on course for growth despite the crisis

In the current global crisis, the international nature of our company is yet again an advantage. Serious slumps in individual markets are offset at least in part by growth in others. Even within Europe, the picture is far from uniform. While some markets, such as Spain and Russia, are severely affected by the downturn, the trends in other countries are relatively stable, or even positive. The situation in Asia is particularly gratifying. Last year's successful growth pattern continued in the first quarter of 2009 with a rise of 8 percent.

Gross margin yield at previous year's level

The general fall in raw material prices brought some relief to the cost of sales. Cost increases for the new CareControl system – which offers additional customer benefit at no extra price – were as a result almost completely offset. At 30.1 million euros in the first quarter, the figure for cost of sales was approximately 4 percent below that of the previous year (31.5 million euros). The gross margin yield of 58.9 percent was close to the figure for the previous year (60.4 percent).



Lower costs thanks to flexible capacity alignment

In response to the anticipated fall in sales, RATIONAL has flexibly aligned its costs and capacities to the current environment in all divisions of the company in the past quarter. This has affected production as well as sales and administration. In the first quarter of 2009 RATIONAL employed 1,109 people (previous year 1,039), of whom 460 were outside Germany (previous year 439).

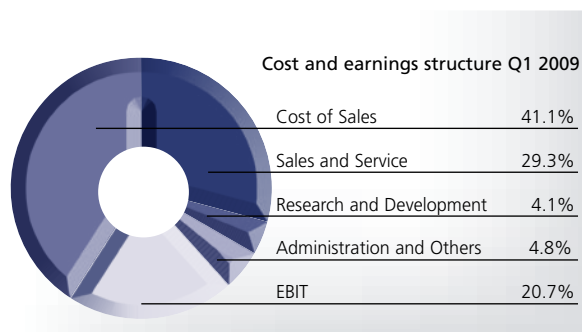
In markets particularly severely hit by the crisis, the sales structures have been cut back correspondingly. Together with savings in non-personnel costs, it was possible to reduce sales and service costs by 5 percent in the first quarter of 2009 to 21.5 million euros (previous year 22.6 million euros).

General administration costs stand at 4.0 million euros, slightly above the previous year's figure of 3.9 million euros. One reason for this is specific special expenses for the strategic development of qualified future leadership from employees within our own ranks.

Research and development hold a special importance for RATIONAL. They safeguard our technology lead over our competitors and, hence, our outstanding market position.

At 3.0 million euros, or around 4 percent of sales, research and development costs are at the same level in the first quarter of 2009 as in the previous year.

Overall, the total operating expenditure in the first quarter fell by 1.0 million euros or 3 percent compared to the previous year. These are the first effects of the general measures taken to cut costs, the impact of which will become even more apparent in the coming months.



21 percent EBIT margin

Cost reductions, efficiency increases and the positive effects of lower raw material prices could not completely offset the absolute fall in gross margin, resulting in the fall of EBIT by 3.5 million euros, or around 19 percent, to 15.2 million euros (previous year 18.7 million euros). Nonetheless, the EBIT margin of 21 percent is still at a relatively high level. Group profits of 11.1 million euros in the first three months are also 2.8 million euros or 20 percent below the previous year's figure of 13.9 million euros.

Liquidity at 57.5 million euros

A positive operating cash flow of 2.5 million euros (previous year 10.9 million euros) was achieved in the first quarter. On an annual basis, this represents a fall of around 8.4 million euros. This can be attributed firstly to the lower profits and secondly, in particular, to the sharp fall in trade accounts payable on March 31, 2009 as a result of early payment discounts being actively exploited.

Cash flows from investment activities of 6.1 million euros are comprised of investments in tangible assets (1.1 million euros) and fixed-term deposit investments (5.0 million euros).

Cash funds, including fixed-term deposits, stood at 57.5 million euros on March 31, 2009, compared to 57.1 million euros as of December 31, 2008.

It is precisely in economically difficult times that professional accounts receivable management is of particular importance. RATIONAL safeguards its accounts receivables by way of globally effective credit insurance. Including receivables from the public sector and those secured by letters of credit, around 85 percent of our outstanding accounts are insured at the end of March. Taking into account sales tax effects, approximately 93 percent of our receivables are for the most part free of risk.

71 percent equity ratio

With an equity ratio of 71 percent (previous year 71 percent) and an equity-to-fixed-assets ratio of 233 percent (previous year 310 percent), RATIONAL has an extremely sound asset structure. This guarantees adequate room for manoeuvre, flexibility and considerable independence in all commercial decisions, even when financial markets are under pressure.

„Quality First“

For the new year 2009, RATIONAL took “Quality First” as its motto. This basic principle stands for the continuous improvement of the quality of the company. Besides selective personnel development, optimization of all processes and the removal of existing weaknesses, this also means the flexible alignment of costs to current business trends. We are taking advantage of the crisis to strengthen the entire corporate organization on a long-term basis and thus to create the best conditions for coming out of it stronger than ever.

American Innovation Award for CareControl

On February 18, 2009, America's National Restaurant Association announced the winners of the famous Kitchen Innovations (KI) Award for 2009. The Association was founded in 1919 and is the leading trade association for restaurants in the US, with over 380,000 restaurants.

The award is presented to selected companies which offer the hotel and restaurant industry innovative solutions for productivity increases, water or energy savings, rationalization of preparation and cooking times as well as optimum use of space and functionality in the production environment.

The honour this year went to RATIONAL for the innovative CareControl function in the SelfCooking Center®. Because the system automatically recognizes the degree of soiling and, itself, calculates the ideal cleaning and care process, energy and working time are saved, environment is protected and limescale is prevented from building up in the steam generator right from the onset.

VarioCooking Center® delights its owners



“We produce considerably more now with the VarioCooking Center® in the same time as we used to do using several appliances. The investment in the VarioCooking Center® will have paid for itself within a year thanks to these savings. Long may this continue!”

Meyer Butchers, Nuremberg

“Our top priority is the highest quality of products and of service.”

Meyer Butchers in Nuremberg is a traditional outfit with a reputation for excellent sausage and butchery products that extends well beyond the city itself. This butcher’s business in Nuremberg in Franconia has been in family ownership since 1961. It has now passed to the second generation, and at present is run by Gerhard Meyer.

“Our top priority is the highest quality of products and of service”, says proprietor Gerhard Meyer. “Every single day we strive to live up to this motto and we were the first in Franconia to be awarded “Five Star Butcher” status.”

The VarioCooking Center® features technology that offers a host of benefits to butchers, snack operations and party services which make day-to-day work much easier.



Risk report

RATIONAL has a global risk management system, which ensures that risks are detected and analysed at an early stage and that appropriate corrective measures are taken. Because no one knows what else will happen to the world economy in the course of the global recession, there is great uncertainty on the part of market players, and for RATIONAL, too, this represents a risk never before encountered in this form. Beyond that, there are no changes to the statement of risks provided in the last group financial statements.

Outlook

Reports in the financial press are dominated by increasingly negative economic forecasts, global rescue actions by individual countries and a steadily worsening mood on the part of businesses and consumers. Most economists regard the prospect of a sustained recovery in 2010 as fairly unlikely at present.

Once again, weak indicators of a slight recovery in the tense situation are apparent. Although the ifo institute sees no prospect of the situation bottoming out as yet, it, nonetheless, feels the rate of decline will slow down. The expectations element of the ifo-index rose in April for the fourth time in a row, thus holding out some hope of a possible recovery. The ZEW economic barometer saw a surprisingly strong rise in April, the first time it has been positive since July 2007.

Because of the mixed messages being put out by experts and indicators alike in regards to the expected economic trends, it is still not possible to make a serious forecast of business performance in the current year. Nonetheless, business trends in the first quarter give us some grounds for optimism that our decline in sales may even off at a moderate level in the current fiscal year.

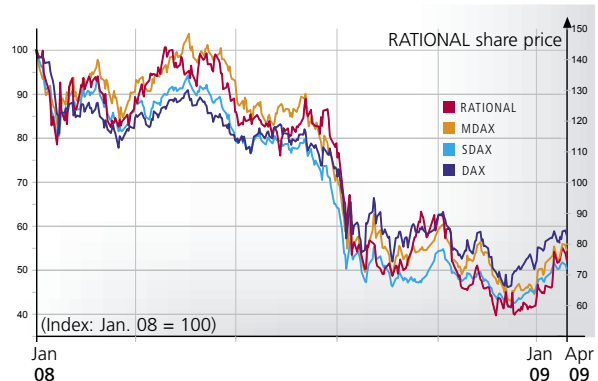
Landsberg am Lech, April 29, 2009

RATIONAL AG
The Executive Board

RATIONAL SHARES

Share price development

In the wake of the economic crisis, share prices on the international capital markets have fallen sharply. The DAX and MDAX have virtually halved since early 2008. RATIONAL shares have not been immune to these fluctuations, and on April 28, 2009 were to close at 75.00 euros.



RATIONAL on the MDAX

Since the going public in 2000, RATIONAL shares have been quoted on the SDAX (or the SMAX). On March 23, 2009, they were switched to the MDAX. The main criteria for this were the market capitalization and order book sales. Shares are not listed on the MDAX unless they are among the 60 biggest stocks below the DAX regarding these criteria. For us, inclusion in the MDAX is a further confirmation of the high quality of the company and of investors' confidence in RATIONAL. The MDAX listing will promote awareness of RATIONAL and will encourage international and institutional investors to focus even more on RATIONAL shares.

Analysts' classifications

Because of the considerable uncertainty in the international capital markets, analysts' forecasts have also become more cautious and more pessimistic. The profit forecasts for RATIONAL are no longer at the levels of previous years. Analysts continue to assess the overall corporate structure, the sound business model and the high earning power of the company as particularly positive. In regards to economic trends and their effects on RATIONAL, there are now, in addition to numerous recommendations to buy, recommendations just to hold on to the shares, or even to sell them.

Timely and open provision of information

The buoyant interest in RATIONAL shares has once again been underlined by the large number of people attending the balance sheet press conference in Munich and the DVFA analysts' conference in Frankfurt on the occasion of the publication of the 2008 annual results on March 26, 2009. The Executive Board of RATIONAL AG also introduced the company to numerous prospects in the first quarter of 2009 at roadshows and in individual meetings at the company's headquarter in Landsberg.

Quarterly Statement

Statement of Comprehensive Income

Thousands of euros	1 st Quarter 2009	1 st Quarter 2008
Sales	73,317	79,529
Cost of sales	-30,121	-31,533
Gross Profit	43,196	47,996
Sales and service expenses	-21,473	-22,598
Research and development expenses	-2,991	-2,973
General administration expenses	-4,021	-3,898
Other operating income	2,983	2,588
Other operating expenses	-2,489	-2,382
Earnings before interest and taxes (EBIT)	15,205	18,733
Financial results	9	296
Earnings from ordinary activities (EBT)	15,214	19,029
Taxes on income	-4,095	-5,104
Group earnings	11,119	13,925
Differences from currency conversion	137	-358
Total comprehensive income	11,256	13,567
Average number of shares (undiluted / diluted)	11,370,000	11,370,000
Earnings per share (undiluted / diluted) in euros relating to the group earnings results and the number of shares	0.98	1.22

Balance Sheet

Assets <small>Thousands of euros</small>	March 31, 2009	March 31, 2008	Dec. 31, 2008
Long-term assets	65,500	46,608	66,291
Intangible assets	1,720	1,709	1,861
Property, plant and equipment	60,480	42,453	61,195
Financial assets	50	218	50
Other long-term assets	264	254	268
Deferred tax assets	2,986	1,974	2,917
Short-term assets	138,817	146,550	142,719
Inventories	20,586	19,711	20,564
Trade receivables	55,299	55,288	57,659
Other short-term assets	5,386	6,799	7,386
Deposits with maturities of more than 3 months	30,000	8,000	25,000
Cash and cash equivalents	27,546	56,752	32,110
Balance sheet total	204,317	193,158	209,010

Equity and Liabilities <small>Thousands of euros</small>	March 31, 2009	March 31, 2008	Dec. 31, 2008
Equity	144,813	137,555	133,557
Subscribed capital	11,370	11,370	11,370
Capital reserves	25,863	26,315	25,726
Revenue reserves	514	514	514
Retained earnings	107,066	99,356	95,947
Long-term liabilities	24,702	19,396	25,474
Provision for pensions	606	609	614
Non-current loans	23,016	16,924	23,580
Other long-term liabilities	1,080	1,863	1,280
Short-term liabilities	34,802	36,207	49,979
Liabilities for current tax	711	2,708	3,264
Short-term provisions	15,699	13,737	18,233
Current portion of non-current loans	2,218	866	2,204
Trade accounts payable	6,344	9,577	10,935
Other short-term liabilities	9,830	9,319	15,343
Liabilities	59,504	55,603	75,453
Balance sheet total	204,317	193,158	209,010

Quarterly Statement

Statement of Changes in Equity

Thousands of euros	Subscribed capital	Capital reserve	thereof: non-realised	Revenue reserves	Retained earnings	Total
Balance on Jan. 1, 2008	11,370	26,673	-4,137	514	85,431	123,988
Dividend	-	-	-	-	-	-
Total comprehensive income	-	-358	-358	-	13,925	13,567
Balance on Mar. 31, 2008	11,370	26,315	-4,495	514	99,356	137,555
Balance on Jan. 1, 2009	11,370	25,726	-5,084	514	95,947	133,557
Dividend	-	-	-	-	-	-
Total comprehensive income	-	137	137	-	11,119	11,256
Balance on Mar. 31, 2009	11,370	25,863	-4,947	514	107,066	144,813

Cash Flow Statement

Thousands of euros	1 st Quarter 2009	1 st Quarter 2008
Earnings from ordinary activities	15,214	19,029
Cash flow from operating activities	2,546	10,860
Changes in cash funds including fixed deposits	-5,000	9,000
Cash flow from other investing activities	-1,085	-7,497
Cash flow from investing activities	-6,085	1,503
Cash flow from financing activities	-1,069	-637
Net changes in cash and cash equivalents	-4,608	11,726
Changes in cash from exchange rate changes	44	-269
Change in cash funds	-4,564	11,457
Cash and cash equivalents on January 1	32,110	45,295
Cash and cash equivalents on March 31	27,546	56,752
Deposits with maturities of more than 3 months on March 31	30,000	8,000
Cash funds including fixed deposits on March 31	57,546	64,752

Sales

Thousands of euros	1 st Quarter 2009	% of total	1 st Quarter 2008	% of total
Germany	11,156	15%	12,127	15%
Europe (excluding Germany)	36,677	50%	42,738	54%
Americas	8,865	12%	10,242	13%
Asia	11,510	16%	10,689	13%
Rest of the world	5,109	7%	3,733	5%
Total	73,317	100%	79,529	100%

Operating Segments

1 st Quarter 2009 Thousands of euros	Activities of the subsidiaries in:				Activities of the parent company	Total for segments	Reconcil.	Group
	Germany	Europe excl. Germany	Americas	Asia				
External sales	11,070	46,946	7,247	3,775	4,279	73,317	-	73,317
vs. previous year	- 6%	- 10%	+ 5%	+ 42%	- 31%	- 8%	-	- 8%
% of total	15%	64%	10%	5%	6%	100%	-	100%
Intercompany sales	-	877	-	-	47,961	48,838	-48,838	-
Segment sales	11,070	47,823	7,247	3,775	52,240	122,155	-48,838	73,317
vs. previous year	- 6%	- 10%	+ 5%	+ 42%	- 13%	- 9%	-	- 8%
Segment result	- 850	1,371	- 387	319	14,861	15,314	- 109	15,205
Financial result								9
Earnings before taxes								15,214

1 st Quarter 2008 Thousands of euros	Activities of the subsidiaries in:				Activities of the parent company	Total for segments	Reconcil.	Group
	Germany	Europe excl. Germany	Americas	Asia				
External sales	11,838	51,936	6,876	2,660	6,219	79,529	-	79,529
% of total	15%	65%	9%	3%	8%	100%	-	100%
Intercompany sales	-	1,099	-	-	53,556	54,655	-54,655	-
Segment sales	11,838	53,035	6,876	2,660	59,775	134,184	-54,655	79,529
Segment result	-1,032	2,854	-971	-68	18,113	18,896	-163	18,733
Financial result								296
Earnings before taxes								19,029

Notes

Basis of Preparation

The group quarterly report was drawn up in line with the principles of the International Financial Reporting Standards (IFRS). With the exception of the changes set out below, the same assessment and balance sheet methods were used as in the last group closing statements. The rules in IAS 34 on condensed financial statements were applied in this case.

The revised IAS 1 standard (presentation of financial statements (revised 2007)) replaces the version of IAS 1 in force to date and is mandatory for fiscal years beginning on or after January 1, 2009. The revision of IAS 1 includes changes in the presentation of the profit and loss account and the equity change account compared to the last group closing statements.

The IFRS 8 standard (operating segments) is mandatory for fiscal years beginning on or after January 1, 2009 and replaces the IAS 14 standard on segment reporting.

Basis of Consolidation

On March 31, 2009 RATIONAL AG's consolidated group includes, besides the parent company RATIONAL AG, five German and eighteen foreign subsidiaries. Compared to March 31, 2008, the subsidiaries RATIONAL RUS OOO, based in Moscow, and RATIONAL Brasil Comércio E Distribuição De Sistemas De Cocção LTDA., based in São Paulo, have been added to the consolidated group. There were no changes to the composition of the consolidated group compared to the balance sheet date of December 31, 2008.

Operating Segments

RATIONAL groups the subsidiaries based in the various regions into the business segments. This corresponds to the management approach laid down in IFRS 8. Business segments are organization units, for which information is passed to the management in order to measure success and allocate resources. There are no significant changes compared to the segmentation undertaken in line with IAS 14 for the last group closing statements. Comparative figures considered in the segment results in the previous year have been eliminated in the present closing statements in application of IFRS 8.36.

Besides Germany, Europe excluding Germany, Americas and Asia segments, the fifth segment covers the work of the parent company (including LechMetall Landsberg GmbH, RATIONAL Technical Services GmbH and RATIONAL Komponenten GmbH). This segment represents the development, production and supply of products to subsidiaries and the provision of services. In addition, the parent company makes supplies to OEM customers around the world. The effects arising from the consolidation operations are reflected in the reconciliation column.

Associated Businesses and Persons

In the first 3 months of 2009 no significant transactions occurred with companies or individuals in any way associated with RATIONAL AG.

DVFA Result

The DVFA result on March 31, 2009 corresponds to the profit per share as per IAS/IFRS in the statement of comprehensive income.

