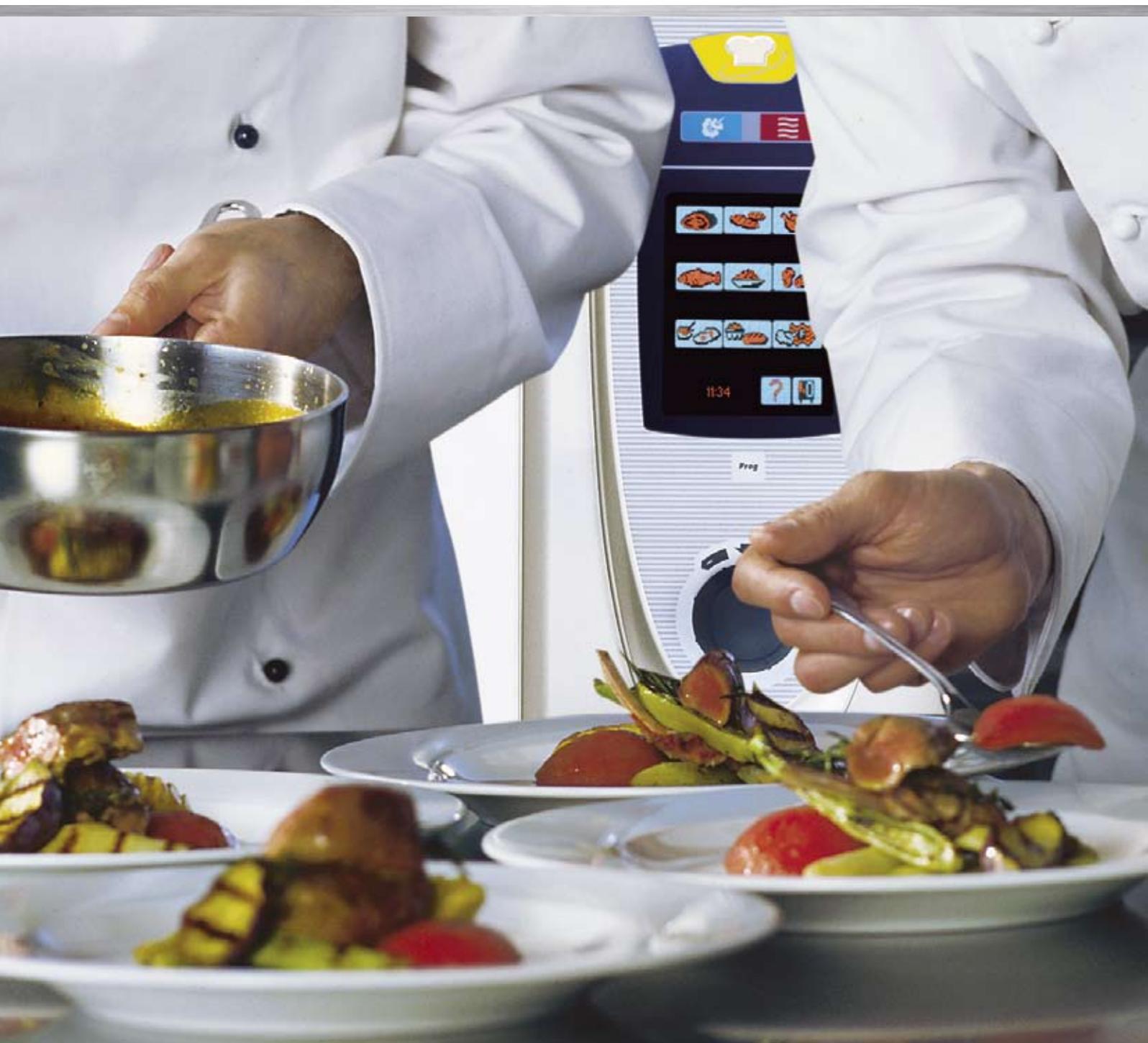


Report on the 1st Quarter 2010



Key Figures

in m EUR	1st Quarter 2010	1st Quarter 2009	Change absolute	Change in %
Sales and earnings				
Sales	72.6	73.3	-0.7	-1
Sales abroad in %	85	85	+/-0	–
Cost of sales	29.8	30.1	-0.3	-1
Sales and service expenses	20.0	21.5	-1.5	-7
Research and development expenses	3.2	3.0	+0.2	+6
General administration expenses	3.9	4.0	-0.1	-3
Earnings before interest and taxes (EBIT)	16.8	15.2	+1.6	+11
Group earnings	12.4	11.1	+1.3	+12
Balance sheet				
Balance sheet total	268.2	204.3	+63.9	+31
Working Capital ¹	55.9	66.2	-10.3	-16
Equity	202.4	144.8	+57.6	+40
Equity ratio in %	75.5	70.9	+4.6	–
Cash flow				
Cash flow from operating activities	9.8	2.5	+7.3	+284
Investments	0.9	1.2	-0.3	-22
Free cash flow ²	8.9	1.3	+7.6	+542
Key figures RATIONAL share				
Earnings per share (in EUR)	1.09	0.98	+0.11	+12
Share price (in EUR) ³	129.80	60.00	+69.80	+116
Market capitalization	1,475.8	682.2	+793.6	+116
Employees				
Number of employees as of March 31	1,025	1,097	-72	-7
Number of employees (average)	1,015	1,109	-94	-8
Sales per employee (in kEUR)	71.5	66.1	+5.4	+8

¹ without liquid funds

² Cash flow from operating activities less investments

³ XETRA-closing share price on the last trading day of the fiscal period

Letter of the Executive Board



A handwritten signature in black ink, appearing to read 'Günter Blaschke'.

Dr. Günter Blaschke

- Chief Executive Officer RATIONAL AG -

Dear Shareholders, Customers and Business Partners,

↳ The global economy is back on track for recovery. Yet the current upturn is still accompanied by numerous uncertainties. In particular, the parlous financial position of certain EU states poses a significant risk at present to sustained economic development in Europe.

The demand for our products has further stabilised in recent months. Group-wide sales stood at 72.6 million euros in the first quarter of the year under review, on a par with the figure for the same quarter the previous year, which had been positively impacted by special factors.

The overall positive trend for our business should continue to gain strength over the coming months. We therefore are still forecasting that in 2010 we will manage to turn the corner and are likely to return to stable growth.

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Management Report

Economic Report

Economic recovery continues

↳ The recovery in the global economy is resulting in a steadily improving mood among companies and consumers. By the first quarter of 2010 the ifo global business climate index was almost back at the levels we saw prior to the economic crisis. Although the current business situation of many companies is not as yet perceived as especially positive, there is great optimism about future prospects in particular. The halt in the downward slide of the GfK consumer climate index is evidence of renewed confidence on the part of consumers. Nonetheless, there are still worries about the financial situation of certain countries in the euro zone and the continued fragility of the banking system.

Net Assets, Financial Position and Results of Operations

Sales on previous year's levels

↳ In the first quarter RATIONAL posted sales of 72.6 million euros, and thus reach the previous year's level (73.3 million euros). This development reflects a further stabilisation in our customers' investment activities. A seasonally unusual concentration of large orders in the first quarter of 2009 must be taken into account in comparison with the previous year. If the effect of this is eliminated, we would have grown significantly in the first quarter. The currency effect in the first quarter was relatively positive, in particular the improvement in Pound sterling, the Canadian dollar and the Swedish krona.

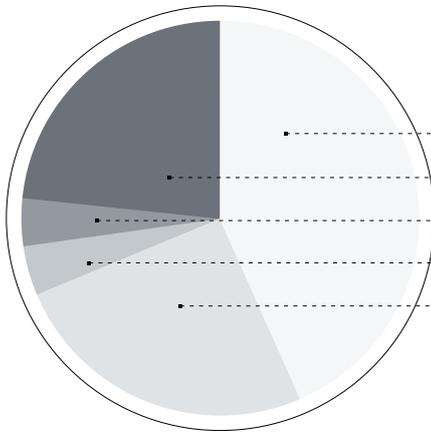
Significant recovery in Europe and the Americas

↳ One welcome sign is the improving trend in Europe and the Americas. In Europe excluding Germany sales revenues were up by 4%. In the Americas sales grew by no less than 12%. In Germany, the biggest individual market, business has stabilised at the previous year's level, while in Asia, as a result of the special seasonal factors in the first quarter of 2009, we were faced with a 23% fall. But this special factor too will level out again in the coming months.



EBIT up by 11%

↳ In the first quarter of 2010 gross yield was 42.8 million euros, comparable to the previous year's figure (43.2 million euros). Thanks to lower costs and further increases in efficiency, EBIT rose by 1.6 million euros or 11% to 16.8 million euros compared to last year's figure of 15.2 million euros. The EBIT margin of 23.2% is well above the previous year's figure of 20.7%. Earnings after taxes quote at 12.4 million euros, likewise 12% up on the previous year.



Cost and earnings structure	1st Quarter 2010	1st Quarter 2009
Cost of Sales	41.0%	41.1%
Sales and Service	27.5%	29.3%
Research and Development	4.4%	4.1%
Administration and Others	3.9%	4.8%
EBIT	23.2%	20.7%

135.7 million euros in cash and cash equivalents

↳ Cash flow from operational business was 9.8 million euros in the first quarter of 2010 (previous year 2.5 million euros). This rise can be ascribed both to higher earnings and to positive effects in working capital. On March 31, 2010 RATIONAL had liquid funds of 135.7 million euros, equal to around 50% of the balance sheet total.

Equity ratio rises to 75%

↳ The equity ratio further increased from 71% in the previous year to 75% on March 31, 2010. RATIONAL has an extremely sound financing structure and so is well placed to face the macro-economic risks that still exist.

RATIONAL AG's general meeting of shareholders resolved on April 21, 2010 to distribute a dividend of 3.50 euros per share. Based on the share price of 118.50 euros on December 31, 2009, the dividend yield is thus about 3%. With a distribution of 40 million euros in total or a payout ratio of almost 60%, also shareholders are participating in the company's success.



FROM LEFT TO RIGHT

Annemarie Heinrichsdobler (Chief Editor GVmanager),
Michael Fuchs (Managing Director RATIONAL Deutschland),
Dr. Günter Blaschke

Employees

Successful training at RATIONAL

↳ Skills training for future employees is an important element for success within the bounds of the long-term development relating to the quality and to the personnel structure of the company. In the first quarter of this year eight employees successfully completed their training at RATIONAL. All were offered promising positions in the company. RATIONAL is currently training 38 employees as industrial managers, mechatronics engineers and industrial mechanics, as well as IT specialists, media designers and chefs.

Non-financial Performance Indicators

RATIONAL is Number One in the professional kitchens sector

↳ In a poll involving 1,250 customers, RATIONAL was voted Number One in the professional kitchens sector. RATIONAL took first place for best quality, for best service and for best price/performance ratio. The extensive study conducted by trade magazine GVmanager assessed a total of 293 companies in the Food, Technology, Equipment and Drinks fields. The CEO of RATIONAL AG, Dr. Günter Blaschke, accepted the award at the Intergastra trade fair and was delighted with this striking acknowledgement of the great efforts RATIONAL has made to offer customers maximum benefit. The award not only confirms the work put in but also acts as a spur to continue along this road to success in future.



RATIONAL live at the Soccer World Cup in South Africa

↳ The host nation for the 2010 World Cup is making meticulous preparations for this major soccer event in June. In Durban, one of the World Cup venues, an innovative new stadium was being built. The outstanding feature of this stadium is two large steel arcs, which span the entire length of its roof at a height of 100 metres. The stadium provides seating for 70,000 fans and will be in the spotlight during the semi-finals, when two teams will be competing for a place in the final. But maximum quality and innovation are not confined to the stadium's external façade. The kitchens and catering area have been fitted out with 39 RATIONAL SelfCooking Centers®. Thus soccer fans can be served top-quality food at half-time, rapidly and free from stress, as well as before and after the match.

Risk Report

↳ As a global company, RATIONAL employs a risk management system worldwide to ensure that risks are identified and analysed at an early stage and to enable the best possible appropriate corrective action to be taken. The uncertainties that still remain as regards a lasting economic recovery in the global economy also continue to pose a risk for RATIONAL. However, there are no significant changes to the statement of risks given in the last group financial statements.

Outlook

↳ RATIONAL has put everything in place for success in 2010. The Company has superior products, very good customer loyalty, a sound business model, and an excellent underlying financial position. However, risks remain as regards future worldwide economic trends, and we have no influence over these.

Against this backdrop, we again expect modest growth in sales for 2010. There are no changes compared to the expectations outlined in the last group financial statements.

Landsberg am Lech, May 3, 2010

RATIONAL AG

- The Executive Board -

RATIONAL's 450,000th Appliance goes to Japan

↳ On March 18, 2010 the **450,000th** unit left RATIONAL AG's assembly plant. The customer for this SelfCooking Center® series unit, which will be used to provide university students with top-quality food, was **COOP in Japan**.

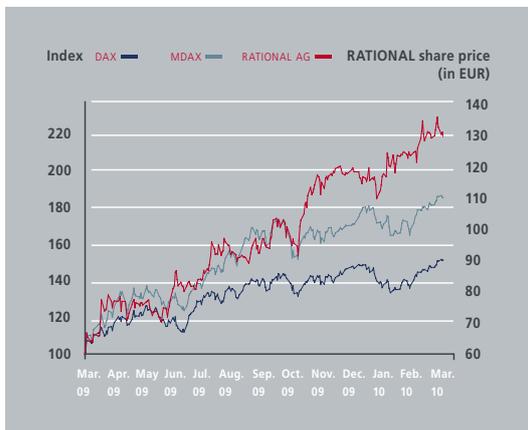
In recent months COOP has developed a completely new catering strategy, the Campus Cooking System for universities. **The key element of this strategy is the SelfCooking Center® from RATIONAL.**

"We run over 200 university refectories in Japan. The SelfCooking Center® not only enables us to work economically, but also gives us enormous flexibility and top-quality food," says Tamotsu Yokoyama, Senior Manager at the Tokyo Business Association of University COOP.



FROM LEFT TO RIGHT
Peter Wiedemann, Max Haslinger, Thomas Frank, Christian Dörrich, Christian Wieser, Christoph Kneiβl,
Daniel Schäffler, Jerczy Kaczmarczyk, Thomas Stütz, Roland Jahn, Ina Gerster, Axel Roddewig

RATIONAL Share

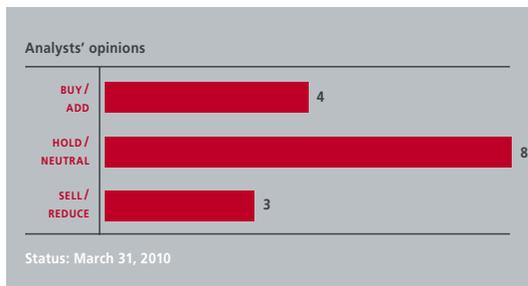


RATIONAL shares outstrip the market

↳ Since the lows in spring 2009 stock markets have moved in just one direction: Up! The DAX and MDAX, Germany's main share indices, gained 51% and 84% respectively over the last twelve months. The price of RATIONAL shares rose by 116%, well above the figure for the market as a whole. On March 31, 2010 RATIONAL's share was being quoted at 130 euros.

First place for quality of investor relations

↳ In its seventh "Best Investor Relations in Germany (BIRD)" survey, investors' magazine BÖRSE Online asked 1,700 private investors to assess how satisfied they were with the investor relations (IR) work of the companies concerned. Besides the question of whether the information provided was up-to-date, the main criteria were credibility, comprehensibility and ease of contacting the IR department. The quality of the IR homepage and of the financial report were also assessed. RATIONAL AG took an excellent fifth place in the overall ranking of Germany's 160 largest listed joint stock companies.



Analysts' opinions

↳ Analysts' current sales and profit forecasts remain high as a result of the continued positive assessment of business prospects. Analysts view the overall corporate structure, the sound business model and the high earning power of the company particularly positively. Because of the very good rise in the share price in recent months, the past as well as the latest price forecasts of many analysts have already been reached. At present most analysts recommend holding or buying the shares.

Great interest by investors in RATIONAL

↳ The buoyant interest in RATIONAL shares has once again been underlined by the large numbers 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 2009 annual results on March 11, 2010. The Executive Board of RATIONAL AG also presented the company to numerous prospects in the first quarter of 2010 at investment conferences and roadshows and in individual meetings at the company's headquarters in Landsberg.

Quarterly Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

kEUR	1st Quarter 2010	1st Quarter 2009
Sales	72,621	73,317
Cost of sales	-29,794	-30,121
Gross profit	42,827	43,196
Sales and service expenses	-19,951	-21,473
Research and development expenses	-3,160	-2,991
General administration expenses	-3,901	-4,021
Other operating income	2,158	2,983
Other operating expenses	-1,131	-2,489
Earnings before interest and taxes (EBIT)	16,842	15,205
Financial results	-199	9
Earnings from ordinary activities (EBT)	16,643	15,214
Taxes on income	-4,202	-4,095
Group earnings	12,441	11,119
Differences from currency conversion	229	137
Total comprehensive income	12,670	11,256
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	1.09	0.98

BALANCE SHEET**ASSETS**

kEUR	Mar. 31, 2010	Mar. 31, 2009	Dec. 31, 2009
Long-term assets	60,168	65,500	60,670
Intangible assets	1,134	1,720	1,259
Property, plant and equipment	55,615	60,480	56,321
Financial assets	50	50	50
Other long-term assets	233	264	222
Deferred tax assets	3,136	2,986	2,818
Short-term assets	208,062	138,817	204,991
Inventories	18,344	20,586	17,822
Trade receivables	48,782	55,299	51,434
Other short-term assets	5,247	5,386	4,106
Deposits with maturities of more than 3 months	77,000	30,000	96,000
Cash and cash equivalents	58,689	27,546	35,629
Balance sheet total	268,230	204,317	265,661

EQUITY AND LIABILITIES

kEUR	Mar. 31, 2010	Mar. 31, 2009	Dec. 31, 2009
Equity	202,420	144,813	189,750
Subscribed capital	11,370	11,370	11,370
Capital reserves	28,058	28,058	28,058
Retained earnings	164,837	107,580	152,396
Other components of equity	-1,845	-2,195	-2,074
Long-term liabilities	21,627	24,702	22,437
Provisions for pensions	678	606	688
Non-current loans	20,694	23,016	21,284
Other long-term liabilities	255	1,080	465
Short-term liabilities	44,183	34,802	53,474
Liabilities for current tax	3,654	711	4,564
Short-term provisions	16,433	15,699	18,784
Current portion of non-current loans	2,322	2,218	2,354
Liabilities to banks	4,000	-	8,000
Trade accounts payable	7,533	6,344	6,963
Other short-term liabilities	10,241	9,830	12,809
Liabilities	65,810	59,504	75,911
Balance sheet total	268,230	204,317	265,661

CASH FLOW STATEMENT

kEUR	1st Quarter 2010	1st Quarter 2009
Earnings from ordinary activities	16,643	15,214
Cash flow from operating activities	9,781	2,546
Changes in non-current fixed deposits	19,000	-5,000
Cash flow from other investing activities	-743	-1,085
Cash flow from investing activities	18,257	-6,085
Cash flow from financing activities	-5,189	-1,069
Net changes in cash and cash equivalents	22,849	-4,608
Changes in cash from exchange rate changes	211	44
Change in cash funds	23,060	-4,564
Cash and cash equivalents on January 1	35,629	32,110
Cash and cash equivalents on March 31	58,689	27,546
Deposits with maturities of more than 3 months on March 31	77,000	30,000
Cash funds including deposits on March 31	135,689	57,546

STATEMENT OF CHANGES IN EQUITY

kEUR	Subscribed capital	Capital reserves	Retained earnings	Differences from currency conversion	Total
Balance on Jan. 1, 2009	11,370	28,058	96,461	-2,332	133,557
Dividend	-	-	-	-	-
Total comprehensive income	-	-	11,119	137	11,256
Balance on Mar. 31, 2009	11,370	28,058	107,580	-2,195	144,813
Balance on Jan. 1, 2010	11,370	28,058	152,396	-2,074	189,750
Dividend	-	-	-	-	-
Total comprehensive income	-	-	12,441	229	12,670
Balance on Mar. 31, 2010	11,370	28,058	164,837	-1,845	202,420

Notes

SALES BY REGION

kEUR	1st Quarter 2010	% of total	1st Quarter 2009	% of total
Germany	11,079	15	11,156	15
Europe (excluding Germany)	38,302	53	36,677	50
Americas	9,948	14	8,865	12
Asia	8,841	12	11,510	16
Rest of the world	4,451	6	5,109	7
Total	72,621	100	73,317	100

OPERATING SEGMENTS

1st Quarter 2010 kEUR	Activities of the subsidiaries in				Activities of the parent company	Total of segments	Reconciliation	Group
	Germany	Europe excl. Germany	Americas	Asia				
External sales	10,894	45,262	7,997	4,106	4,362	72,621	-	72,621
Intercompany sales	-	2,919	-	-	45,279	48,198	-48,198	-
Segment sales	10,894	48,181	7,997	4,106	49,641	120,819	-48,198	72,621
Segment result	-623	4,311	-238	368	13,876	17,694	-852	16,842
Financial result								-199
Earnings before taxes								16,643

1st Quarter 2009 kEUR	Activities of the subsidiaries in				Activities of the parent company	Total of segments	Reconciliation	Group
	Germany	Europe excl. Germany	Americas	Asia				
External sales	11,070	46,946	7,247	3,775	4,279	73,317	-	73,317
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
Segment result	-850	1,371	-387	319	14,861	15,314	-109	15,205
Financial result								9
Earnings before taxes								15,214

Fundamental accounting principles

↳ The group quarterly report was drawn up in line with the principles of the International Financial Reporting Standards (IFRS). The same valuation and balance sheet methods have therefore been applied as in the group's last financial statements. The rules in IAS 34 on condensed financial statements were applied in this case.

Consolidated companies

↳ On March 31, 2010 RATIONAL AG's consolidated group includes, besides the parent company RATIONAL AG, five German and nineteen foreign subsidiaries. Compared to March 31, 2009, the London-based subsidiary FRIMA UK has been included in the consolidated group. There were no changes to the composition of the consolidated group compared to the balance sheet date of December 31, 2009.

Operating segments

↳ In its operating segments, RATIONAL combines the subsidiaries located in the different regions. This corresponds to the internal reporting structure and thus the management approach laid down in IFRS 8. Operating segments are organisational units for which information is passed to management in order to measure success and allocate resources. Besides the 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, manufacture and supply of products to subsidiaries as well as supplies of goods and services to OEM customers. The effects arising from the consolidation operations are reflected in the reconciliation column.

Associated companies and persons

↳ In the first 3 months of 2010 no significant transactions occurred with companies or individuals in any way associated with RATIONAL AG.

DVFA result

↳ The DVFA result on March 31, 2010 corresponds to the profit per share as per IAS or IFRS in the profit and loss account.

RATIONAL AG

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