



Report on the  
1st Quarter 2012

# Key Figures

in m EUR	1st Quarter 2012	1st Quarter 2011	Change absolute	Change in %
<b>Sales and earnings</b>				
Sales	96.9	88.0	+8.9	+10
Sales abroad in %	86	85	+1	–
Cost of sales	39.4	34.3	+5.1	+15
Sales and service expenses	26.9	24.8	+2.1	+8
Research and development expenses	3.3	3.4	-0.1	-4
General administration expenses	4.4	4.3	+0.1	+1
Earnings before interest and taxes (EBIT)	22.9	20.3	+2.6	+13
Group earnings	17.2	15.3	+1.9	+13
<b>Balance sheet</b>				
Balance sheet total	289.9	310.2	-20.3	-7
Working capital <sup>1)</sup>	77.2	64.9	+12.3	+19
Equity	224.0	245.3	-21.3	-9
Equity ratio in %	77	79	-2	–
<b>Cash flow</b>				
Cash flow from operating activities	12.9	6.1	+6.8	+113
Investments	1.5	0.9	+0.6	+67
Free cash flow <sup>2)</sup>	11.4	5.2	+6.2	+121
<b>Key figures RATIONAL shares</b>				
Earnings per share (in EUR)	1.51	1.35	+0.16	+13
Quarter-end closing price <sup>3)</sup> (in EUR)	174.70	163.71	+10.99	+7
Market capitalization	1,986.3	1,861.4	+124.9	+7
<b>Employees</b>				
Number of employees as of Mar. 31	1,257	1,137	+120	+11
Number of employees (average)	1,253	1,117	+136	+12
Sales per employee (in kEUR)	77.4	78.8	-1.4	-2

<sup>1)</sup> Excluding liquid funds

<sup>2)</sup> Cash flow from operating activities less investments

<sup>3)</sup> German stock market

# Letter from the Executive Board



Dear Shareholders, Customers and Business Partners,

The highly successful global product launch of the SelfCookingCenter® whiteefficiency® and the VarioCooking Center MULTIFICIENCY® has allowed us to further extend our competitive lead and significantly increase the attractiveness of our products from the customer's perspective. At the same time, we have once more positioned ourselves as a pioneer in the industry in terms of the important future issues of resource efficiency and sustainability – an integral part of our holistic approach to business.

International awards for the quality of the business, our products and services, as well as for sustainability and resource efficiency, bear impressive testimony to this. Thus, in the autumn of 2011, we received the “Gold Innovation Award” and the “Green Excellence Award” at Milan's HOST international trade fair. In February 2012, we were awarded the “Grünes Band” for sustainability in the catering and food service market at the INTERGASTRA trade show in Stuttgart. In addition, in March this year, we received the “Best of Market 2012” award in the Cooking Technology category at INTERNORGA in Hamburg.

Thanks in particular to our new products and the increased sales and marketing effort around the globe, as well as to the continuing stable economic environment, we have been able to further sustain our double-digit growth path in the first quarter of 2012.

Against this backdrop, we are also expecting sales and profit growth of around 10% for 2012 as a whole.

**Dr. Günter Blaschke**  
Chief Executive Officer

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# Management Report

## Economic Report

Better prospects for growth, diminishing risks

The global economy is still on course for growth. Following the recent gradual downgrading of growth forecasts by economic experts, economists rate the existing risks of an economic crash as now much less even than at the end of 2011. Nevertheless, the uncertainties remain regarding the highly indebted, industrialised countries. Experts in economic research institutes are assuming a growth rate of 1.7% in 2012 for the industrialised nations. Global economic growth should be 3.5% and in the long run should return to the long-term average figure of around 4%. The biggest contributors to growth are still likely to be the emerging economies, primarily China and India with GDP growth of around 8%.

## Business Conditions and General Situation

Positive mood in the mass-catering sector in Germany

Germany's GGKA trade association for catering and professional kitchen equipment announced the results of its current sales and economy survey of the dealers belonging to the association at the INTERNORGA trade show in Hamburg this March. In 2011, all participating members posted sales growth. In the case of machines and large appliances in particular, this was powerfully endorsed by double-digit rates of growth. For 2012 too, the mood among German mass-catering dealers remains optimistic.

High acceptance of the new products around the world

In autumn 2011, we rolled out the new SelfCookingCenter® whiteefficiency® and the new VarioCooking Center MULTIFICIENCY® worldwide. Dealers, customers and the trade press were enthusiastic about the products' improved features in terms of cooking results, user friendliness and resource efficiency. This is also recognized by the numerous awards for the high quality, technology and performance of our new product lines and the high quality of service. Over and above this, our products – as well as RATIONAL as a company – obtains top marks regarding sustainability and resource efficiency.

Against this overall positive backdrop our business development, too, has made correspondingly good progress.

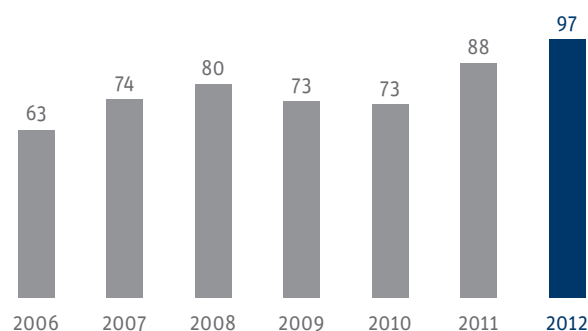
## Net Assets, Financial Position and Results of Operations

10% rise in sales – global growth

In the first quarter of 2012, sales rose 10% to 96.9 million euros (previous year 88.0 million euros). The main driver for growth was the Americas. Here, sales were up by 39% compared to the previous year, and in Asia by 15%. Germany and the rest of Europe have seen sales increases in the first three months of 7% and 10% respectively. Only in the regions brought together under "Rest of the world" did the volume of sales decline.

### Sales in the 1st quarter

in m EUR



Gross profit grow by 7%

Gross profit from sales stood at 57.6 million euros in the first quarter of 2012 (previous year 53.7 million euros). This equates to growth of 7%. The gross margin was 59% (previous year 61%) and so was again slightly above the level for the second half of 2011.

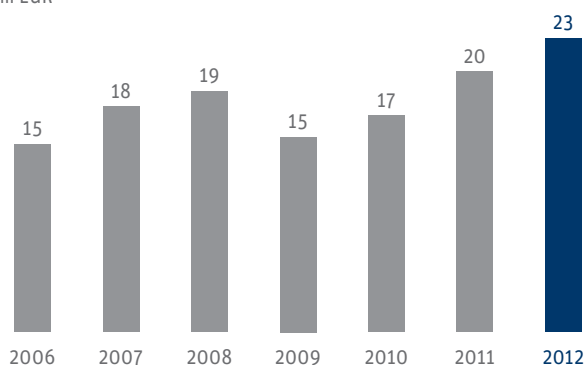
**EBIT 13% up on previous year – 24% EBIT margin**

Operating costs, consisting of research and development, sales and service as well as general administration, rose well below average in the first quarter by 6% compared to the previous year, to 34.5 million euros (previous year 32.5 million euros).

In consequence, earnings before interest and taxes (EBIT) after three months stand at 22.9 million euros and hence are 13% up on the previous year (20.3 million euros). The EBIT margin improved to 24% (previous year 23%). Earnings after tax rose in comparison to the same quarter last year by 13%, from 15.3 million euros to 17.2 million euros.

**EBIT in the 1st quarter**

in m EUR

**77% equity ratio – High level of cash funds**

As at March 31, 2012 the equity ratio is 77% (previous year 79%). Liquid funds amount to 131.9 million euros (previous year 167.3 million euros) and thus represent 45% (previous year 54%) of the balance sheet total. Even after the distribution of dividends proposed by the Executive Board and Supervisory Board amounting to 62.5 million euros in May this year, both the equity ratio and cash funds will still be at a relatively high level. Thus, the company has sufficient liquidity to fund future growth and has reserves available for unexpected economic developments.

**High operating cashflow**

In the first quarter, we generated an operating cashflow of 12.9 million euros (previous year 6.1 million euros). The marked increase compared to the first quarter last year is due not only to the high group earnings (1.9 million euros), but in particular to the successful reduction in trade receivables (4.7 million euros).

**VarioCooking Center MULTIFICIENCY®****grows disproportionally strong**

Our subsidiary FRIMA, which produces and markets the VarioCooking Center MULTIFICIENCY®, made a significant contribution to group growth thanks to an above average increase in sales of 38% in the first quarter. Excluding the VarioCooking Center MULTIFICIENCY®, RATIONAL's business grows 9%.

The VarioCooking Center MULTIFICIENCY® has been on the market since 2005 and is in a very early stage of market development. For this reason, the contribution to profits of the VarioCooking Center MULTIFICIENCY® is still neutral to date.

## Employees

### Top training results

Highly-skilled employees are vital for the future viability of our business. After all, no business in the world can be better than its employees. Against this backdrop we have committed ourselves to skilled vocational training with the aim of subsequently taking on our apprentices. Sixteen apprentices successfully completed their vocational training at the start of this year. Three candidates performed outstandingly well, and were awarded the Bavarian State Prize.

## Non-financial Performance Indicators

### European Business Award “Ruban D´Honneur”

RATIONAL has been awarded the prestigious “Ruban D´Honneur 2011” at the European Business Awards. Some 15,000 prominent European companies were competing for the sought-after accolade. The European Business Awards have been presented annually since 2007 and are awarded to companies for outstanding innovative strength, financial success and sustainability. We won through against a field of top-quality entrants in the “Company of the year with a turnover over 150 million euros” category. RATIONAL won the award on account of its notable innovation strategy, its sound growth and its leading market position.

### “BEST of Market 2012”

At the INTERNORGA international trade show in Hamburg in March 2012 the trade magazines “GVmanager”, “24 Stunden Gastlichkeit” and “FIRST CLASS” presented the “BEST of Market 2012” readers’ award. It is based on the results of a representative survey of market and purchasing behaviour across the 2012 catering and food service market. Out of 400 manufacturers, RATIONAL came top of a poll of 2,381 decision-makers from the hotel business, catering and communal catering in the Cooking Technology category. The criteria assessed were the price/performance ratio, product quality and service.

### “Grünes Band” for sustainability

In February 2012 RATIONAL won the “Grünes Band” for sustainability in the catering and food service market in the Energy category. The “Grünes Band” is awarded at the INTERGASTRA trade fair in Stuttgart for integrated concepts which emphasize ecological aspects as well as business success.

## Risk Report

RATIONAL’s global risk management system makes every effort to ensure that risks are detected and analysed early on and that appropriate corrective measures are taken where necessary. The existing uncertainties as regards developments in the global economy continue to represent an uncertainty factor. There are, however, no significant changes to the statement of risks given in the last group financial statements.

## Outlook

Economic forecasters at Deutsche Bank are assuming global economic growth of 3.5% and 3.9% for 2012 and 2013 respectively.

Thanks to our large global market potential, the successful rollout of our two new innovative generations of products, the stable economic forecast for 2012 and the positive business development in the first quarter, we are expecting 10% growth in sales and profits for fiscal 2012.

Landsberg am Lech, May 4, 2012

## RATIONAL AG

The Executive Board

# RATIONAL Shares

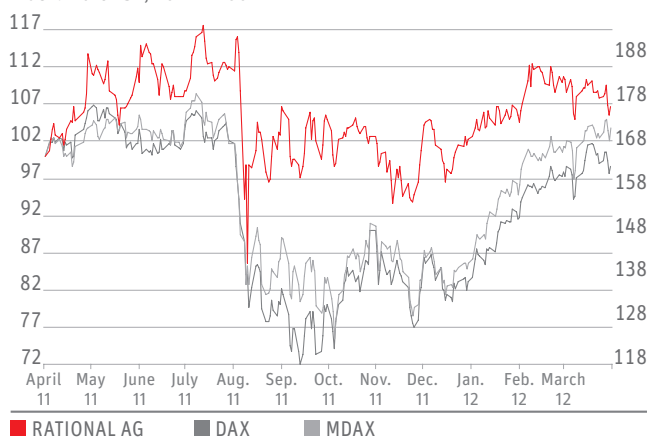
## RATIONAL shares – sideward movement at high level

Since the start of the year, RATIONAL shares have risen by 4%. Prices have moved in a relatively narrow band between approximately 170 euros and 185 euros. The DAX and MDAX, the relevant comparative indices, each rose by around 20% in the same period.

Viewed over 12 months, the share price is up by 7%. Together with the dividend distribution of 9 euros per share last May, the total yield is 12% and hence has outpaced the DAX (-1%) and MDAX (+4%).

## Performance of RATIONAL shares in the last 12 months

Index: March 31, 2011 = 100



## Dividend of 5.50 euros proposed

The Executive Board and Supervisory Board propose to the General Meeting of Shareholders to distribute a dividend of 5.50 euros per share for fiscal year 2011. A total of 62.5 million euros has been set aside for the distribution in May 2012. The dividend yield is 3.1% (in respect of the closing price on March 31, 2012).

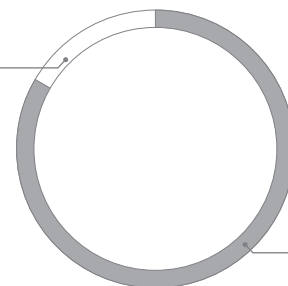
## Analysts' ratings

Currently 12 institutes publish detailed analyses of RATIONAL AG. All equity analysts are impressed by the quality of RATIONAL as a company and its extraordinary earnings power. Most analysts rate the assessment of our shares at the current price level as fair and so recommend holding the shares.

Interested investors can find the latest ratings plus investment recommendations under Investor Relations/Analysts' Ratings at [www.rational-online.com](http://www.rational-online.com).

## Analysts' ratings

Sell/Reduce: 2



Hold/Neutral: 10

Status: March 31, 2012

## Capital market communication

The demand for information on the capital markets is especially high in times of stock market turbulence. In response to this demand, we have committed ourselves to making financial information available openly and transparently at all times to both institutional market players and private investors. On January 16, 2012, for example, we published an ad-hoc report containing preliminary figures on our sales revenue and EBIT (earnings before interest and taxes) for fiscal year 2011. On March 27, we announced our detailed business figures for 2011 and published the annual report. On the same day, the Executive Board was available to answer questions from numerous representatives of the capital market and the press at the balance sheet press conference in Munich and the analysts' conference in Frankfurt am Main.

To satisfy the high levels of interest by investors, the company's Executive Board attended numerous investment conferences and road shows in the first quarter of 2012. In addition, many investors took the opportunity to find out more in individual meetings with the Executive Board at the company's headquarters in Landsberg. The positive development in the share price is due in no small measure to this prompt, transparent and trusting financial communication.

# Statement of Comprehensive Income

For the period January 1 - March 31

kEUR	1st Quarter 2012	1st Quarter 2011
Sales	96,923	88,003
Cost of sales	-39,351	-34,299
<b>Gross profit</b>	<b>57,572</b>	<b>53,704</b>
Sales and service expenses	-26,873	-24,780
Research and development expenses	-3,276	-3,400
General administration expenses	-4,390	-4,348
Other operating income	1,276	923
Other operating expenses	-1,440	-1,836
<b>Earnings before interest and taxes (EBIT)</b>	<b>22,869</b>	<b>20,263</b>
Interest and similar income	300	370
Interest and similar expenses	-229	-255
<b>Earnings from ordinary activities (EBT)</b>	<b>22,940</b>	<b>20,378</b>
Taxes on income	-5,721	-5,085
<b>Group earnings</b>	<b>17,219</b>	<b>15,293</b>
Differences from currency translation	-147	-248
<b>Total comprehensive income</b>	<b>17,072</b>	<b>15,045</b>
Average number of shares (undiluted / diluted)	11,370,000	11,370,000
Earnings per share (undiluted / diluted) in euros relating to the group earnings and the number of shares	1.51	1.35



# Balance Sheet

## Assets

kEUR	March 31, 2012	March 31, 2011	Dec. 31, 2011
<b>Non-current assets</b>	<b>57,700</b>	<b>58,421</b>	<b>58,237</b>
Intangible assets	1,218	1,085	1,257
Property, plant and equipment	52,363	53,372	52,414
Financial assets	0	50	0
Other non-current assets	179	230	206
Deferred tax assets	3,940	3,684	4,360
<b>Current assets</b>	<b>232,235</b>	<b>251,787</b>	<b>224,952</b>
Inventories	24,585	21,019	24,739
Trade receivables	66,937	58,454	71,685
Other current assets	8,855	5,055	7,760
Deposits with maturities of more than 3 months	63,400	97,800	50,400
Cash and cash equivalents	68,458	69,459	70,368
<b>Balance sheet total</b>	<b>289,935</b>	<b>310,208</b>	<b>283,189</b>

## Equity and Liabilities

kEUR	March 31, 2012	March 31, 2011	Dec. 31, 2011
<b>Equity</b>	<b>223,987</b>	<b>245,311</b>	<b>206,915</b>
Subscribed capital	11,370	11,370	11,370
Capital reserves	28,058	28,058	28,058
Retained earnings	186,028	207,687	168,809
Other components of equity	-1,469	-1,804	-1,322
<b>Non-current liabilities</b>	<b>19,851</b>	<b>22,353</b>	<b>19,860</b>
Provisions for pensions	669	689	681
Other non-current provisions	2,000	3,147	1,949
Non-current loans	17,182	18,517	17,230
<b>Current liabilities</b>	<b>46,097</b>	<b>42,544</b>	<b>56,414</b>
Liabilities for current tax	2,050	5,711	3,238
Current provisions	18,791	14,428	19,849
Current portion of non-current loans	1,763	2,176	1,766
Trade payables	11,034	8,316	10,085
Other current liabilities	12,459	11,913	21,476
<b>Liabilities</b>	<b>65,948</b>	<b>64,897</b>	<b>76,274</b>
<b>Balance sheet total</b>	<b>289,935</b>	<b>310,208</b>	<b>283,189</b>

# Cash Flow Statement

For the period January 1 - March 31

kEUR	1st Quarter 2012	1st Quarter 2011
Earnings from ordinary activities	22,940	20,378
<b>Cash flow from operating activities</b>	<b>12,915</b>	<b>6,057</b>
Changes of fixed deposits with maturities of more than 3 months	-13,000	18,100
Cash flow from other investing activities	-1,407	-698
<b>Cash flow from investing activities</b>	<b>-14,407</b>	<b>17,402</b>
<b>Cash flow from financing activities</b>	<b>-280</b>	<b>-1,070</b>
<b>Net changes in cash and cash equivalents</b>	<b>-1,772</b>	<b>22,389</b>
Changes in cash from exchange rate changes	-138	-167
<b>Change in cash funds</b>	<b>-1,910</b>	<b>22,222</b>
Cash and cash equivalents on Jan. 1	70,368	47,237
Cash and cash equivalents on Mar. 31	68,458	69,459

# Statement of Changes in Equity

kEUR	Subscribed capital	Capital reserves	Retained earnings	Differences from currency translation	Total
<b>Balance on Jan. 1, 2011</b>	<b>11,370</b>	<b>28,058</b>	<b>192,394</b>	<b>-1,556</b>	<b>230,266</b>
Dividend	-	-	-	-	-
Total comprehensive income	-	-	15,293	-248	15,045
<b>Balance on Mar. 31, 2011</b>	<b>11,370</b>	<b>28,058</b>	<b>207,687</b>	<b>-1,804</b>	<b>245,311</b>
<b>Balance on Jan. 1, 2012</b>	<b>11,370</b>	<b>28,058</b>	<b>168,809</b>	<b>-1,322</b>	<b>206,915</b>
Dividend	-	-	-	-	-
Total comprehensive income	-	-	17,219	-147	17,072
<b>Balance on Mar. 31, 2012</b>	<b>11,370</b>	<b>28,058</b>	<b>186,028</b>	<b>-1,469</b>	<b>223,987</b>

# Notes

## Sales by region <sup>1)</sup>

kEUR	1st Quarter 2012	% of total	1st Quarter 2011	% of total
Germany	13,883	14	12,943	15
Europe (excluding Germany)	49,352	51	45,037	51
Americas	15,265	16	10,990	13
Asia	14,337	15	12,496	14
Rest of the world <sup>2)</sup>	4,086	4	6,537	7
<b>Total</b>	<b>96,923</b>	<b>100</b>	<b>88,003</b>	<b>100</b>

<sup>1)</sup> Revenue by customer location

<sup>2)</sup> Australia, New Zealand, Near/Middle East, Africa

## Operating segments

### 1st Quarter 2012

kEUR	RATIONAL	FRIMA	Total of segments	Reconciliation	Group
External sales	91,559	5,364	96,923	–	96,923
Intercompany sales	426	457	883	-883	–
Segment sales	91,985	5,821	97,806	-883	96,923
<b>Segment result</b>	<b>22,875</b>	<b>15</b>	<b>22,890</b>	<b>-21</b>	<b>22,869</b>
Financial result	–	–	–	–	71
<b>Earnings before taxes</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>22,940</b>

### 1st Quarter 2011

kEUR	RATIONAL	FRIMA	Total of segments	Reconciliation	Group
External sales	84,124	3,879	88,003	–	88,003
Intercompany sales	298	351	649	-649	–
Segment sales	84,422	4,230	88,652	-649	88,003
<b>Segment result</b>	<b>20,394</b>	<b>-135</b>	<b>20,259</b>	<b>4</b>	<b>20,263</b>
Financial result	–	–	–	–	115
<b>Earnings before taxes</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>20,378</b>

**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.

The amended standard IFRS 7 "Financial instruments: Disclosures: Transfer of Financial Assets" has to be applied for the first time. The change has no effect on the present interim closing statements of RATIONAL AG.

**Consolidated companies**

On March 31, 2012, RATIONAL AG's consolidated group includes, besides the parent company RATIONAL AG, six German and 19 foreign subsidiaries. The composition of the consolidated group has not changed compared to the balance sheet date of December 31, 2011 and has not changed significantly compared to March 31, 2011.

**Operating segments**

The group is exclusively active in the field of the thermal preparation of food in professional kitchens. The group's reporting structure for management purposes was reorganised in fiscal 2012 and is geared to the RATIONAL and FRIMA brands. RATIONAL concentrates on cooking processes in which heat is transferred via steam, hot air or a combination of the two. FRIMA focuses on cooking applications in which food is cooked in liquid or with direct contact heat. Both segments encompass the functions of development, manufacturing and sales. The information on the segments from last year has been updated accordingly.

Segment sales include both sales from third parties and intercompany sales generated between Group companies across the segments. Intercompany sales are always based on arm's length prices. The segment profit is equivalent to the profit before interest and taxes of the respective segments. Also included in this, besides the segment sales, are all segment expenses except for taxes on earnings and the financial result.

The reconciliation column reflects the effects of consolidation.

**Associated companies and persons**

In the first quarter of 2012, there were no significant transactions with companies or people associated with RATIONAL AG in any way whatsoever.





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