



AT HOME
IN THE WORLD'S
PROFESSIONAL KITCHENS

Report on the
1st Half Year 2015

Key Figures

in m EUR	2nd Quarter 2015	2nd Quarter 2014	Change absolute	Change in %	1st Half Year 2015	1st Half Year 2014	Change absolute	Change in %
Sales and earnings								
Sales	135.8	122.4	+13.4	+11	260.5	223.2	+37.3	+17
Sales abroad in %	88.0	87.8	+0.1	–	87.3	87.0	+0.3	–
Cost of sales	50.4	48.8	+1.6	+3	99.8	89.1	+10.7	+12
Sales and service expenses	33.2	30.9	+2.3	+8	67.2	60.7	+6.5	+11
Research and development expenses	6.0	4.4	+1.6	+35	11.9	8.7	+3.2	+37
General administration expenses	6.2	5.4	+0.8	+14	12.3	10.7	+1.6	+15
Earnings before interest and taxes (EBIT)	38.9	35.1	+3.8	+11	73.9	55.8	+18.1	+32
Net income	29.5	26.6	+2.9	+11	56.1	42.3	+13.8	+33
Balance sheet								
Balance sheet total					397.6	338.3	+59.3	+18
Working capital ¹⁾					98.4	91.6	+6.8	+7
Equity					290.9	243.0	+47.9	+20
Equity ratio in %					73.2	71.8	+1.4	–
Cash flow								
Cash flow from operating activities					53.3	27.9	25	+91
Investments					3.8	10.2	-6	-63
Free cash flow ²⁾					49.5	17.7	32	+179
Key figures RATIONAL shares								
Earnings per share (in EUR)					4.93	3.72	+1.21	+33
Quarter-end closing price ³⁾ (in EUR)					329.45	236.00	+93.45	+40
Market capitalization					3,745.8	2,683.3	+1062.5	+40
Employees								
Number of employees as of 30 Jun					1,494	1,394	+100	+7
Number of employees (average)	1,489	1,389	+100	+7	1,476	1,387	+89	+6
Sales per employee (in kEUR)	91.2	88.1	+3.1	+4	176.5	160.9	+15.6	+10

¹⁾ Excluding liquid funds

²⁾ Cash flow from operating activities less investments

³⁾ German stock market

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Letter from the Executive Board



Dear Shareholders, Customers and Business Partners,

Once a year, the Universities of Eichstätt-Ingolstadt and Zurich, in cooperation with the Swiss consultancy firm CEAMS, present awards to listed companies who exhibit successful business making. For the fourth time in a row, RATIONAL has received the Corporate Excellence Award as “Best Company in Germany”. The main criteria considered in the rating process were more on the basis of long-term financial indicators, while short-term earnings figures were given less of a weight. The award-winning companies possess many similarities: they are very disciplined in the handling of capital, grow organically and are managed by teams who have collaborated together for several years. These criteria have been applied at RATIONAL for a number of decades and are an integral part of our corporate philosophy. For us, customer benefit – rather than the maximisation of sales revenue and profit – remains at the heart of all our actions.

Our aim is to establish long-term working relationships through our spirit in partnership with our suppliers. To this end, we carry out the RATIONAL supplier certification once a year. As part of this certification programme, our best suppliers receive the “Supplier of the Year” award. In this process, we rate our suppliers using the following criteria: adherence to specified quantities and delivery schedules, parts quality, innovative capability and flexibility. For the award-winning suppliers and their employees, this not only confirms our successful cooperation with them, but also serves as a valuable reference for other customers.

Our latest figures show that our focus on customer benefit is the right approach. The positive development of the first three months continued in the second quarter, which saw growth of 11% and sales revenues of 135.8 million euros. In the six-month period, we thus generated sales revenues of 260.5 million euros, an increase of 17%. The sharp rise in sales revenues is firstly due to North America, where our expectations were exceeded, and secondly, strong business performance in Germany and the rest of Europe also contributed to the encouraging sales growth. In addition, Asia, Latin America and the “Rest of the World” also continued to expand. The FRIMA segment met our expectations, with a growth of 11% in the first six months.

In addition to the regional business, which is performing very well as a whole, we have increasingly focussed on small and medium-sized local chain customers. We have identified growing market potential in this area. The enhancement and differentiation in the sales process for these types of customers which started in 2014, are having an effect on our business and have led to positive developments in many regions.

Given our business performance to date, we can confirm our previous forecast of continued positive sales revenues and earnings performance for financial year 2015.

Dr Peter Stadelmann
CEO of RATIONAL AG

Management Report

Economic Report

Economic conditions

The growth forecast for the world economy for 2015 has been revised slightly downwards to 3.2% (previously: 3.4%). The adjustment to the global growth forecast is primarily attributable to a lowering of the US forecast by 1.1 percentage points to 2.2%. In Russia, by contrast, the forecast has been improved from -5.2% to -3.2% because of a relatively quiet phase in Eastern Ukraine and the rise in oil prices this year. The outlook for Latin America has worsened to +0.2%, driven in particular by Brazil's performance. The growth forecast for Japan has been increased slightly by 0.1 percentage points to 1.1%. The growth rates that experts expect for Asia excluding Japan (6.4%) and the Euro-zone (1.4%) have remained unchanged. Overall, Greece, the unrest in the Middle East and the planned increase in the Fed's key interest rate in the United States are the main factors contributing to the continuing uncertainty of global economic development (source: Deutsche Bank, July 2015).

Net assets, financial position and results of operations

Sales revenues grow by 17% in the first six months

After an excellent start into the first quarter, our sales revenues were also up in the second quarter, increasing by 11%. In total, we generated sales revenues of 260.5 million euros in the first six months (previous year: 223.2 million euros), which is equivalent to year-on-year growth of 17%. In addition to the generally sound business performance, the sharp rise is also due to the slow start to the comparative period in 2014. Currency effects also had a positive impact on sales revenues. In particular, the US dollar and pound sterling strengthened against the euro.

Adjusted for the positive currency effect, the sales growth stands at 12%.

The growth drivers of business in the year to date included our domestic market Germany, where growth was 14%, and the rest of Europe, where sales increased by 6%. Poor business in Russia was again offset by good performance in other European countries.

In the Americas, sales revenues were up 48% (30% after exchange rate adjustments) compared with the previous year. Especially the USA, Mexico and Brazil recorded positive performance. Apart from the positive business performance, the particularly sharp rise in sales is also attributable to the comparably slow start to 2014, which had been impacted by the weak chain business at that time.

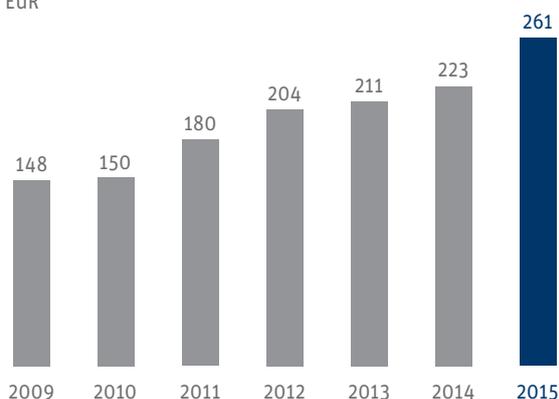
Asia's performance in the first half of 2015 was extremely positive, with sales growth reaching 34%. All regions contributed to this result with positive sales performance, although the weaker prior year period also has to be taken into account.

Sales revenues in the "Rest of the world" region grew by 10% year-on-year in the six-month period.

The FRIMA segment is in line with our expectations, with a growth of 15% in the second quarter and, therefore, a growth rate of 11% after six months.

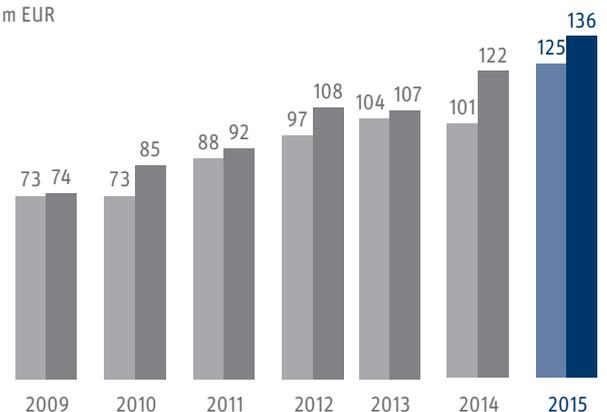
Sales revenues in the 1st Half Year

in m EUR



Sales revenues in the 1st and 2nd quarters

in m EUR



■ Sales revenues Q1 ■ Sales revenues Q2

62% gross margin, 28% EBIT margin

In the first half of 2015, we generated a gross profit of 160.7 million euros (previous year: 134.1 million euros). The gross margin of 62% exceeded the previous year's high level of 60%.

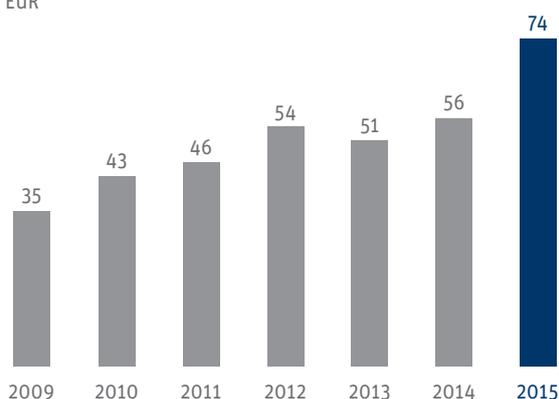
Operating expenses rose by 14%, or 11.3 million euros, compared with the first six months of 2014, to 91.5 million euros (previous year: 80.2 million euros). The rise was largely attributable to the Sales and Service division, which saw a rise of 11% to 67.2 million euros (previous year: 60.7 million euros). Investments were above all made in expanding sales capacities. In addition, we invested 11.9 million euros in research and development in the first six months, 37% more than in the previous year (8.7 million euros). A total of 12.3 million euros was spent on Administration in the first six months (previous year: 10.7 million euros). This represents an increase of 15%.

Translation effects on our foreign currency positions in other operating expenses and income had a positive impact on our EBIT (earnings before interest and taxes). This led to an increase of 4.6 million euros in six-month earnings. In the first six months of the previous year, the corresponding effect had been +2.3 million euros.

EBIT stood at 73.9 million euros, 32% up on the previous year (55.8 million euros). The EBIT margin was 28% after six months (previous year: 25%). After exchange rate adjustments, EBIT was 8.6 million euros (+16%) up on the previous year, while the EBIT margin of 25% was on the same level as in the prior-year period.

EBIT in the 1st Half Year

in m EUR

**73% equity ratio – high liquidity**

At 73% (previous year: 72%) on 30 June 2015, the equity ratio was at its usual high level. Liquid funds, at 196.3 million euros (previous year: 148.1 million euros), represented 49% of total assets (previous year: 44%). Even after the dividend payment, a high level of liquidity is available to the company to finance growth from its own resources.

Cash flow

In the first half of 2015, our cash flow from operating activities was 53.3 million euros, significantly up on the previous year (27.9 million euros). The increase is mainly due to higher payments received from customers, an increase in provisions and a smaller increase in trade receivables.

The cash flow from investing activities includes investments in property, plant and equipment and in intangible assets. Since the new service parts centre in Landsberg was completed in 2014 and no major investments have been made so far in 2015, the net cash used in investing activities is relatively low compared with the previous year. In the first six months, this amounted to 3.8 million euros, 6.4 million euros down on the previous year.

The cash flow from financing activities reflects the dividend of 77.3 million euros distributed in May 2015 and stands at -79.9 million euros as at the end of the six-month period (previous year: -70.3 million euros).

Segments**RATIONAL**

The RATIONAL segment, which represents the production and sale of the SelfCookingCenter® 5 Senses and the CombiMaster® Plus, increased its sales revenues in the first six months by 17% to 246.2 million euros (2014: 210.7 million euros). Segment earnings amounted to 72.0 million euros, 32% up on the previous year (54.4 million euros).

FRIMA

FRIMA produces and markets the VarioCooking Center MULTIFICIENCY®. Segment sales revenues in the first six months were 16.0 million euros (2014: 14.4 million euros), 11% up on the previous year. Segment earnings amounted to 2.0 million euros, an increase of 33% compared with the previous year (1.5 million euros).

Customer benefit as our overriding corporate goal

Success confirmed by numerous awards

Receiving awards is a particularly great honour for RATIONAL as they confirm that we have achieved our overriding corporate goal of providing maximum customer benefit through our products and services. For example, in the USA, the RATIONAL SelfCookingCenter® 5 Senses received the coveted “Kitchen Innovations Award”, which is presented once a year by one of the largest gastronomic associations, the US National Restaurant Association. The SelfCookingCenter® 5 Senses convinced internationally recognised nutrition advisers, as well as, chefs and design experts, especially in terms of energy efficiency, speed and intelligence. In addition, RATIONAL in Germany came first in the combi-steamer category of the “BEST of Market Award” and was, thus, again rated best manufacturer. The quality, service and value for money of more than 800 companies was rated by decision-makers from the hotel and catering industry, as well as, from community and school nutrition programmes, which thus form part of our customer groups.

The new customer benefit workshop

Customer benefit and concentration are important core components of the RATIONAL philosophy. One of the keys to success is that all our employees in the company have a deep understanding of the needs of their internal and external customers, and always do their utmost to resolve problems and eliminate constraints affecting their customers. For this reason, RATIONAL will in 2015 and 2016 implement customer benefit workshops with its employees across all processes. At these half-day events, the constraints affecting each customer will be determined, feedback will be requested and solutions will be developed. This is one of many initiatives we use to keep our employees aware of our most precious asset, customer benefit, in their day-to-day activities.

Corporate social responsibility: employees and human resources development

Expansion of sales capacities

In the first half of 2015, we selectively expanded our workforce in order to boost sales capacities. In the past six months, we created a total of 70 new jobs, including 25 in sales and marketing in the Europe, Asia and North America regions.

As at 30 June 2015, 1,494 people were employed worldwide (previous year: 1,394), 845 of whom were in Germany (previous year: 786).

School holiday childcare programme proves popular

Since 2013, the RATIONAL school holiday childcare programme has been an established part of how many children of employees spend their holidays. This year’s programme was again a resounding success. The children enjoy the varied programme, which includes many fun activities. A special highlight is, visiting their parents at work on a “RATIONAL day”. Many employees are delighted with this facility and have repeatedly taken up the offer. The holiday programme is another contribution to a healthy work-life balance at RATIONAL.

Girls’ Day 2015

Once a year, RATIONAL hosts the Girls’ Day. This career orientation day is supported by the Federal Ministry of Education and Research and the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth. It gives school girls the opportunity to get a feel for technical and trade professions. On 23 April 2015, the girls were invited to gather valuable practical experience at various workstations within RATIONAL – e.g. at the workbench and on machine tools in the training workshop – which is intended to help them make their future career choices. The initiative is aimed at increasing the proportion of female employees in so-called “male professions”. For RATIONAL, Girls’ Day, which is a country-wide event, is a good opportunity for female succession planning.

Social responsibility

United Against Waste

As a partner in the “United Against Waste” initiative, RATIONAL is taking targeted action against food waste. RATIONAL conducts research on an ongoing basis into new technologies so that commercial kitchens can work even more efficiently and only produce the quantities they actually need. For example, using the Finishing® system, the dishes are pre-cooked and chilled, and only finished off once ordered. As nothing can burn or overcook in RATIONAL appliances, less food waste is produced during meal preparation. Intelligent technologies help reduce the amount of raw materials used significantly. In addition, the measures extend to the Company’s own employees. As part of the “United Against Waste” initiative, RATIONAL’s employees in Landsberg have been called on to order their snacks and meals a day in advance in future so that leftover food waste can be avoided. In addition to greater efficiency and higher earnings, this also encourages each individual to take responsibility.

Outlook, opportunities and risk report

Outlook report

Our products are superior in the eyes of customers and are highly appreciated by them around the globe. In conjunction with the large market potential and the predominantly positive forecasts for the global economy, we are ideally positioned to keep on growing in the future.

In view of that, as well as the development in the sales regions to date, we can confirm the growth forecast for financial year 2015 which we presented in the Annual Report 2014.

Opportunity and risk report

RATIONAL uses a global risk management system which ensures that risks are identified at an early stage and provides support for the appropriate corrective measures to be taken. The existing risks in respect of the development of the global economy continue to represent an uncertainty factor for the development of the business. There are no significant changes to the report on risks and opportunities set out in the last consolidated financial statements.

Landsberg am Lech, 31 July 2015

RATIONAL AG
The Executive Board

RATIONAL Shares

Volatile first six months

After a sharp upward trend at the beginning of 2015, RATIONAL shares were subject to some fluctuations. On publication of the first quarter's financial statements, the share price rose by about 9%. On 3 June 2015, it reached its highest level to date, at 369.25 euros. After that, it followed the general stock market trend in a slight downward movement. On 30 June 2015, the shares closed at 329.45 euros, resulting in a market capitalisation of 3.7 billion euros.

Since the IPO, the share price has risen by 19% a year on average. Including the dividends distributed, this equates to an average annual return of 22%.

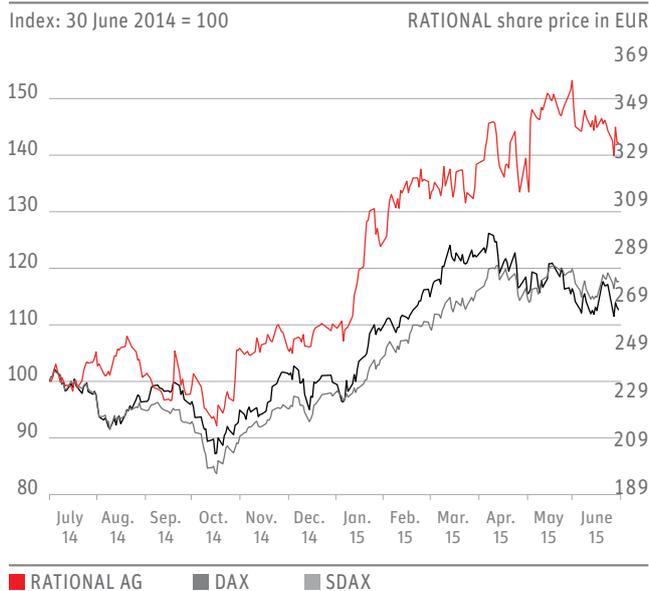
Analysts' ratings

At the balance sheet date, 14 banks published detailed analyses and investment recommendations for RATIONAL shares. The analysts are convinced of the Company's high quality and exceptional earning power.

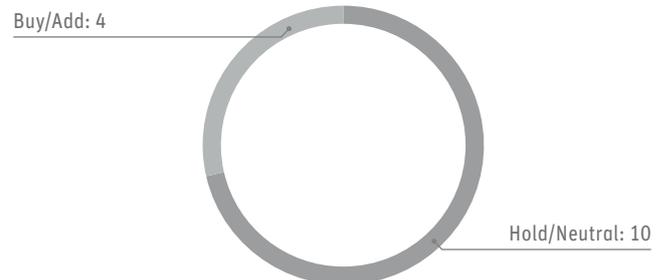
The majority of analysts rate the Company's shares at the present price level as fair and, hence, recommend holding them.

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

Performance of RATIONAL shares in the last 12 months



Analysts' ratings



Status: 30 June 2015

Historical development of RATIONAL shares and relevant benchmark indices on 30 June 2015

	YTD	1 year	3 years	5 years	Since the IPO
RATIONAL AG (share price development)	+20%	+21%	+78%	+147%	+1,255%
RATIONAL AG (incl. dividends) ¹⁾	+20%	+24%	+94%	+189%	+1,957%
DAX 30	+22%	+25%	+72%	+94%	+50%
SDAX	+17%	+17%	+61%	+116%	+165%

¹⁾ Assumption: Reinvestment of dividends at the opening price of the ex-dividend date

General Meeting of Shareholders 2015

Around 700 shareholders and guests again took the opportunity to attend the General Meeting on 29 April 2015 to hear about the business performance of their company. After the presentations by the Executive Board, which was followed by a general debate, all items on the agenda that were put to the vote were adopted. This included the appropriation of retained earnings, so that after the General Meeting a dividend of 6.80 euros per share was distributed. This equates to an overall distribution of 77.3 million euros and a dividend yield of around 2.2% based on the closing price at the date of the General Meeting (ex-dividend date).

Statement of Comprehensive Income

For the period January 1 January - 30 June

kEUR	2nd Quarter 2015	2nd Quarter 2014	1st Half Year 2015	1st Half Year 2014
Sales revenues	135,781	122,394	260,527	223,237
Cost of sales	-50,361	-48,775	-99,846	-89,126
Gross profit	85,420	73,619	160,681	134,111
Sales and service expenses	-33,185	-30,853	-67,235	-60,745
Research and development expenses	-5,974	-4,416	-11,900	-8,713
General administration expenses	-6,159	-5,418	-12,331	-10,713
Other operating income	1,028	2,828	8,994	3,811
Other operating expenses	-2,199	-656	-4,275	-1,920
Earnings before interest and taxes (EBIT)	38,931	35,104	73,934	55,831
Interest and similar income	150	151	296	294
Interest and similar expenses	-255	-347	-500	-618
Earnings from ordinary activities (EBT)	38,826	34,908	73,730	55,507
Income taxes	-9,280	-8,327	-17,622	-13,232
Net income	29,546	26,581	56,108	42,275
Items that may be reclassified to profit and loss in the future:				
Differences from currency translation	-309	228	1,428	101
Other comprehensive income	-309	228	1,428	101
Total comprehensive income	29,237	26,809	57,536	42,376
Average number of shares (undiluted / diluted)	11,370,000	11,370,000	11,370,000	11,370,000
Earnings per share (undiluted / diluted) in euros relating to the net income and the number of shares	2.60	2.34	4.93	3.72

Balance Sheet

Assets

kEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014
Non-current assets	75,878	73,563	75,943
Intangible assets	2,008	1,713	2,232
Property, plant and equipment	66,643	65,341	66,747
Financial assets	0	0	0
Other non-current assets	2,033	1,246	1,954
Deferred tax assets	5,194	5,263	5,010
Current assets	321,688	264,748	347,455
Inventories	30,250	27,954	30,289
Trade receivables	84,244	77,803	82,902
Other current assets	10,914	10,894	8,862
Deposits with maturities of more than 3 months	70,000	31,000	119,000
Cash and cash equivalents	126,280	117,097	106,402
Balance sheet total	397,566	338,311	423,398

Equity and Liabilities

kEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014
Equity	290,892	243,002	310,672
Subscribed capital	11,370	11,370	11,370
Capital reserves	28,058	28,058	28,058
Retained earnings	252,629	206,049	273,837
Other components of equity	-1,165	-2,475	-2,593
Non-current liabilities	28,835	32,646	31,151
Provisions for pensions	783	755	807
Other non-current provisions	4,034	3,104	3,930
Non-current liabilities to banks	24,018	28,787	26,414
Current liabilities	77,839	62,663	81,575
Current income tax liabilities	9,973	3,781	8,988
Current provisions	32,219	28,366	31,087
Current liabilities to banks	6,488	4,093	6,218
Trade accounts payable	13,157	11,628	12,403
Other current liabilities	16,002	14,795	22,879
Liabilities	106,674	95,309	112,726
Balance sheet total	397,566	338,311	423,398

Cash Flow Statement

For the period 1 January - 30 June

kEUR	2nd Quarter 2015	2nd Quarter 2014	1st Half-Year 2015	1st Half-Year 2014
Earnings from ordinary activities	38,826	34,908	73,730	55,507
Cash flow from operating activities	40,006	28,747	53,251	27,928
Changes of fixed deposits with maturities of more than 3 months	69,000	62,000	49,000	65,000
Cash flow from other investing activities	-1,853	-5,818	-3,391	-9,783
Cash flow from investing activities	67,147	56,182	45,609	55,217
Cash flow from financing activities	-78,668	-69,271	-79,942	-70,333
Net changes in cash and cash equivalents			18,918	12,812
Changes in cash from exchange rate fluctuations			960	164
Change in cash funds			19,878	12,976
Cash and cash equivalents on 1 Jan			106,402	104,121
Cash and cash equivalents on 30 Jun			126,280	117,097

Statement of Changes in Equity

kEUR	Subscribed capital	Capital reserves	Retained earnings	Other components of equity	Total
Balance on 1 Jan 2015	11,370	28,058	273,837	-2,593	310,672
Dividend	-	-	-77,316	-	-77,316
Total comprehensive income	-	-	56,108	1,428	57,536
Balance on 30 Jun 2015	11,370	28,058	252,629	-1,165	290,892
Balance on 1 Jan 2014	11,370	28,058	231,994	-2,475	268,846
Dividend	-	-	-68,220	-	-68,220
Total comprehensive income	-	-	42,275	101	42,376
Balance on 30 Jun 2014	11,370	28,058	206,049	-2,475	243,002

Notes

Sales by region ¹⁾

kEUR	2nd Quarter 2015	% of total	Y-o-y-change in %	2nd Quarter 2014	% of total
Germany	16,355	12	+10	14,877	12
Europe (excluding Germany)	68,700	51	+2	67,261	55
Americas	26,385	19	+38	19,070	16
Asia	16,121	12	+28	12,599	10
Rest of the world ²⁾	8,220	6	-4	8,587	7
Total	135,781	100	+11	122,394	100

kEUR	1st Half-Year 2015	% of total	Y-o-y-change in %	1st Half-Year 2014	% of total
Germany	33,124	13	+14	29,087	13
Europe (excluding Germany)	131,221	50	+7	123,102	55
Americas	47,827	18	+48	32,242	15
Asia	33,609	13	+32	25,395	11
Rest of the world ²⁾	14,746	6	+10	13,411	6
Total	260,527	100	+17	223,237	100

¹⁾ Revenue by customer location

²⁾ Australia, New Zealand, Near/Middle East, Africa

Operating segments**2nd Quarter 2015**

kEUR	RATIONAL	FRIMA	Total	Reconciliation	Group
External sales revenues	127,404	8,385	135,789	-8	135,781
Intercompany sales revenues	448	446	894	-894	-
Segment sales revenues	127,852	8,831	136,683	-902	135,781
Segment result	37,208	1,563	38,771	160	38,931
Financial result	-	-	-	-	-105
Earnings before taxes	-	-	-	-	38,826

2nd Quarter 2014

kEUR	RATIONAL	FRIMA	Total	Reconciliation	Group
External sales revenues	115,279	7,112	122,391	3	122,394
Intercompany sales revenues	425	535	960	-960	-
Segment sales revenues	115,704	7,647	123,351	-957	122,394
Segment result	33,896	1,222	35,118	-14	35,104
Financial result	-	-	-	-	-196
Earnings before taxes	-	-	-	-	34,908

1st Half Year 2015

kEUR	RATIONAL	FRIMA	Total	Reconciliation	Group
External sales revenues	245,268	15,259	260,527	0	260,527
Intercompany sales revenues	927	774	1,701	-1,701	-
Segment sales revenues	246,195	16,033	262,228	-1,701	260,527
Segment result	72,019	1,989	74,008	-74	73,934
Financial result	-	-	-	-	-204
Earnings before taxes	-	-	-	-	73,730

1st Half Year 2014

kEUR	RATIONAL	FRIMA	Total	Reconciliation	Group
External sales revenues	209,832	13,401	223,233	4	223,237
Intercompany sales revenues	870	1,040	1,910	-1,910	-
Segment sales revenues	210,702	14,441	225,143	-1,906	223,237
Segment result	54,429	1,507	55,936	-105	55,831
Financial result	-	-	-	-	-324
Earnings before taxes	-	-	-	-	55,507

Fundamental accounting principles

The consolidated quarterly report has been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted in the EU. The same accounting and valuation policies were used as in the last consolidated financial statements. The IAS 34 rules on condensed financial statements were applied.

As at the start of the financial year, the following new or amended standards which were not applied voluntarily in previous years entered into force. These standards have little or no significant impact on the present consolidated quarterly report:

- > IFRIC 21 “Levies”
- > Improvements to IFRS 2011 – 2013

This consolidated half-year report was neither audited in accordance with section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

Consolidated companies

On 30 June 2015, the scope of consolidation of RATIONAL AG included the parent company RATIONAL AG as well as seven German and 24 foreign subsidiaries.

The change compared with the balance sheet date (31 December 2014) is the result of the establishment of a subsidiary in Singapore in February 2015 and of a sales company in Turkey in May 2015. The share capital for each transaction was paid in during the second quarter of 2015; it amounted to 50 thousand Singapore dollars and 6,000 thousand Turkish lira respectively.

Compared with 30 June 2015, three foreign subsidiaries were added to the scope of consolidation. In addition to the subsidiaries in Singapore and Turkey, a subsidiary was established in Colombia in December 2014. The share capital of 80,000 thousand Colombian pesos was paid in in the first quarter of 2015.

Notes on financial instruments

The following table shows the carrying amounts and fair values of financial instruments. With the exception of derivative financial instruments, which are recognised at fair value, these instruments are carried at amortised cost in the balance sheet.

Because of the short maturities, it is assumed that for reasons of simplicity the fair values are equivalent to the carrying amounts for trade receivables, other current assets, cash and cash equivalents, trade payables and other current liabilities.

kEUR	Fair value hierarchy	Book value 30 Jun 2015	Fair value 30 Jun 2015	Book value 31 Dec 2014	Fair value 31 Dec 2014
Assets					
Trade receivables		84,244		82,902	
Other financial assets					
Other current assets		422		532	
Other non-current assets		835	833	635	632
Derivatives not in a hedging relationship	Level 2	122	122	873	873
Deposits with maturities of more than 3 months		70,000	69,950	119,000	119,096
Cash and cash equivalents		126,280		106,402	
Financial assets		0	0	0	0
Liabilities					
Trade accounts payable		13,157		12,403	
Other financial liabilities					
Other current liabilities		1,435		7,608	
Derivatives not in a hedging relationship	Level 2	190	190	0	0
Liabilities from loans		30,506	31,367	32,632	34,448

During the reporting period, there were no reclassifications between the fair value hierarchy levels. If circumstances occur which require the items to be classified differently, the financial instruments will be reclassified at the end of the reporting period.

For the assessment of the fair value of derivatives, the valuations, with zero impact on credit rating of the respective counterparty bank for the measurement date in question will be used, supplemented by the credit risk of the contracting party or RATIONAL. The banks measure fair value on the basis of market data available as of the measurement date using recognised mathematical methods (discounted cash flow method for forwards and swaps, the Black-Scholes method for options). To take account of the credit risk, RATIONAL uses the value of the respective contracting party's credit default swap or for the own credit risk an interest curve corresponding to the average value of corporate bonds with a comparable credit-rating after deduction of the money market rate.

Notes on the Statement of Comprehensive Income

Other operating income includes exchange gains of 7,954 thousand euros (previous year: 3,050 thousand euros). Other operating expenses include exchange losses of 3,368 thousand euros (previous year: 789 thousand euros). In the first half of 2015, 11,900 thousand euros (previous year: 8,713 thousand euros) was spent on research and development in order to secure and expand our technology leadership for the long term. The differences from currency translation within the equity amount to 1,428 thousand euros (previous year: 101 thousand euros) due to sharp fluctuations in exchange rates.

Notes on the consolidated Balance Sheet

The year-on-year rise in current tax liabilities results from comparatively lower income tax payments on account and the generally positive business performance.

Operating segments

The Group is exclusively concerned with the thermal food preparation in professional kitchens. The reporting structure of the Group is geared to the RATIONAL and FRIMA brands. RATIONAL concentrates on cooking processes in which heat is transferred by means of 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 include departments with responsibility for research and development, manufacturing, sales and service, as well as administration.

Segment sales include both sales from third parties and intercompany sales generated between Group companies across the segments. Intercompany sales and revenue are always based on arm's length prices. Segment results correspond to earnings before interest and taxes of the respective segments. Besides segment sales, this includes all segment expenses except for income taxes and the financial result.

The reconciliation column mainly reflects the effects of consolidation. In addition, differences between the internal reports submitted to management and the externally reported figures are included.

Related parties

In the first half year of 2015, no significant transactions occurred with companies or individuals in any way related to RATIONAL AG.

Responsibility Statement

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Landsberg am Lech, 31 July 2015

RATIONAL AG
The Executive Board



Dr. Peter Stadelmann
Chief Executive Officer



Erich Baumgärtner
Chief Financial Officer



Peter Wiedemann
Chief Technical Officer



Markus Paschmann
Chief Sales Officer



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