REPORT ON THE 1ST HALF YEAR 2016

LANDSBERG AM LECH, 3 AUGUST 2016

GLOBAL SUCCESS DRIVEN BY CUSTOMER BENEFITS

CONTENTS

KEY FIGURES

in m EUR

	Q2 2016	Q2 2015	Change absolute	Change in %	1st Half Year 2016	1st Half Year 2015	Change absolute	Change in %
Sales and earnings								
Sales revenues	147.4	135.8	+11.6	+9	283.1	260.5	+22.6	+9
Sales revenues abroad in %	88	88	0	–	87	87	0	–
Cost of sales	55.8	50.4	+5.4	+11	107.6	99.8	+7.8	+8
Gross profit	91.6	85.4	+6.2	+7	175.5	160.7	+14.8	+9
Gross margin in %	62.1	62.9	-0.8	–	62.0	61.7	+0.3	–
Sales and service expenses	38.5	33.2	+5.3	+16	75.4	67.2	+8.2	+12
Research and development expenses	6.3	6.0	+0.3	+5	12.0	11.9	+0.1	+1
General administration expenses	6.3	6.2	+0.1	+2	12.8	12.3	+0.5	+4
Depreciation/Amortisation	2.3	2.1	+0.2	+9	4.6	4.3	+0.3	+7
Earnings before interest and taxes (EBIT)	41.4	38.9	+2.5	+6	73.6	73.9	-0.3	-0
EBIT margin in %	28.1	28.7	-0.6	–	26.0	28.4	-2.4	–
Net income	31.7	29.5	+2.2	+7	56.1	56.1	+0.0	+0
Balance sheet								
Balance sheet total					449.9	397.6	+52.3	+13
Working capital[1]					104.8	98.4	+6.4	+7
Equity					326.9	290.9	+36.0	+12
Equity ratio in %					72.7	73.2	-0.5	–
Cash flow								
Cash flow from operating activities					44.9	53.3	-8.4	-16
Investments					10.5	3.8	+6.7	+179
Free cash flow[2]					34.4	49.5	-15.1	-30
Key figures RATIONAL shares								
Earnings per share (in EUR)					4.94	4.93	+0.01	+0
Quarter-end closing price[3] (in EUR)					416.15	329.45	+86.70	+26
Market capitalisation					4,731.6	3,745.8	+985.8	+26
Employees								
Number of employees as of 30 June					1,625	1,494	+131	+9
Number of employees (average)	1,593	1,489	+104	+7	1,583	1,476	+107	+7
Sales per employee (in kEUR)	92.5	91.2	+1.3	+1	178.8	176.5	+2.3	+1

1) Excluding liquid funds
2) Cash flow from operating activities less investments
3) German stock market

MARKUS PASCHMANN
Chief Sales Officer

Born in 1966, Markus Paschmann has been Chief Sales Officer at RATIONAL since December 2013. Prior to this appointment he had been a member of the Executive Board of SICK AG, a position he had held since 2006. Previously, among other things, he has been head of the Global Business Unit Electronics at the Harting Technology Group and Managing Director of Harting Electronics GmbH. //

DR PETER STADELMANN
Chief Executive Officer

Born in 1965, Dr Peter Stadelmann has been the Chief Executive Officer since January 2014, having joined the Board at RATIONAL in 2012. Prior to this appointment he had spent six years as the operational Managing Director of the Malik Group, having previously spent over 20 years in a variety of managerial functions at the Malik Management Centre St. Gallen. //

PETER WIEDEMANN
Chief Technical Officer

Born in 1959, Peter Wiedemann joined RATIONAL GmbH in 1988 as an engineer. He went on to work as a product manager, supported the development of the American subsidiary, and took over the technical division as a member of the management team in January 1996. He maintained this responsibility when he became a member of the Executive Board in September 1999. //

DR AXEL KAUFMANN
Chief Financial Officer

Born in 1969, Dr Axel Kaufmann joined RATIONAL in October 2015 with a background in international finance and industry. Prior to this he had been Chief Financial Officer and deputy Chief Executive Officer at Koenig & Bauer AG, positions he had held since 2010. Dr Axel Kaufmann had previously spent more than ten years at the Siemens Group and at Nokia Networks as head of finance and in strategy. //

LETTER FROM THE EXECUTIVE BOARD

DEAR SHAREHOLDERS, CUSTOMERS AND BUSINESS PARTNERS,

In the first quarter of 2016, we made use of a legal simplification that allowed us to report on our business performance in a condensed quarterly statement. We will continue to use this format for the first and third quarters, because it is very much in line with RATIONAL's philosophy of concentrating on what is essential. We will present the half-year report in somewhat greater detail. This is to underscore the RATIONAL Group's long-term orientation, which we have already communicated several times, and send this as an important and positive message to you, our valued investors and business partners.

We don't think in quarters, but rather in years or decades. We do not seek quick profits or short-term rapid growth. We are forward-looking, focused on customer benefit and long-term success, and we use the resources available to us with this in mind.

Success to us means the success of our customers. The prime objective of our company and of our employees is to provide our customers with the best possible benefit. We can only claim to have achieved sustainable success if we have lightened our customers' workloads in the thermal kitchen environment or if we have helped them make lasting improvements to their cooking results.

By investing in a SelfCookingCenter® or VarioCooking Center®, our customers acquire not only an appliance, but also enter into a partnership that will last for many years, one based on mutual trust and continuous support provided by a comprehensive service package. This long-term, trust-based partnership with our customers, employees, suppliers, and trade and service partners provides a solid basis for the sustainable, successful development of RATIONAL, along with stability and security for all involved.

For this reason, I am extremely pleased that, in the first half of 2016, we were able to continue the same positive performance that we've had in recent years, which means that more and more customers can be supported in their work. With an increase in sales revenues of almost 9% and a consistently high EBIT margin of 27% after exchange rate adjustments, our performance is on target.

Based on this, we concur with the already issued forecast for 2016, which predicts continued growth in sales volume, sales revenues and EBIT.

Dr Peter Stadelmann
CEO of RATIONAL AG

A TASTE OF ICELAND IN A UNIQUE SETTING

LAVA Restaurant combines modern design with the wild spirit of Icelandic nature. Built into a stunning lava cliff, with views over the lagoon, it is an unforgettable setting for a relaxed lunch, a family dinner or a romantic evening meal. LAVA Restaurant's team have an international perspective, with the chefs regularly seeking inspiration by spending time at Michelin-star restaurants in New York, London and Paris. Head chefs Þráinn Freyr Vigfússon, Viktor Örn Andrésson and Ingi Þórarinn Friðriksson lead a team focused on providing a wonderful dining experience. Þráinn and Viktor are both members of the Icelandic culinary team, with Þráinn captaining the team. Furthermore, Viktor was voted Iceland's Chef of the Year in 2013 and the Nordic Chef of the Year in 2014.

"Because of its importance and accuracy, the SelfCookingCenter® ensures that nothing leaves the kitchen without first being perfected."

INGI ÞÓRARINN FRIÐRIKSSON, HEAD CHEF

HIGHLIGHTS

- Formed in 1976
- Recognised as one of the 25 wonders of the world today
- Famous for contemporary cuisine with Icelandic ingredients, three restaurants – two of which situated right by the lagoon – and one bistro
- 5-star hotel to open in 2017
- 300 seated for meals in the restaurant every day

HIGHEST PERFORMANCE WITH MINIMUM STRESS.

IN THE FIELD

THE RATIONAL SOLUTION

Before implementing the RATIONAL SelfCookingCenter®, the kitchen used traditional cooking methods, which limited the capacity and performance. As a result, there was lower production, lower quality, and stress among the staff. But using SelfCookingCenter® allows the chef to be in charge of the precision of the cooking process, and the increased capacity of the SelfCookingCenter® opens up a world of possibilities. With this higher level of performance and lower level of stress in the kitchen, it is no surprise that RATIONAL units have become a valued part of the restaurant. At LAVA at the Blue Lagoon, they strive to serve up high quality food and a good experience.

APPLICATIONS

Overnight cooking, baking, sous-vide, roasting, boiling, catering

DIVERSE AND EFFICIENT

RATIONAL covers 100% of the restaurant dishes.

Kinds of food and dishes that can be prepared with RATIONAL equipment:

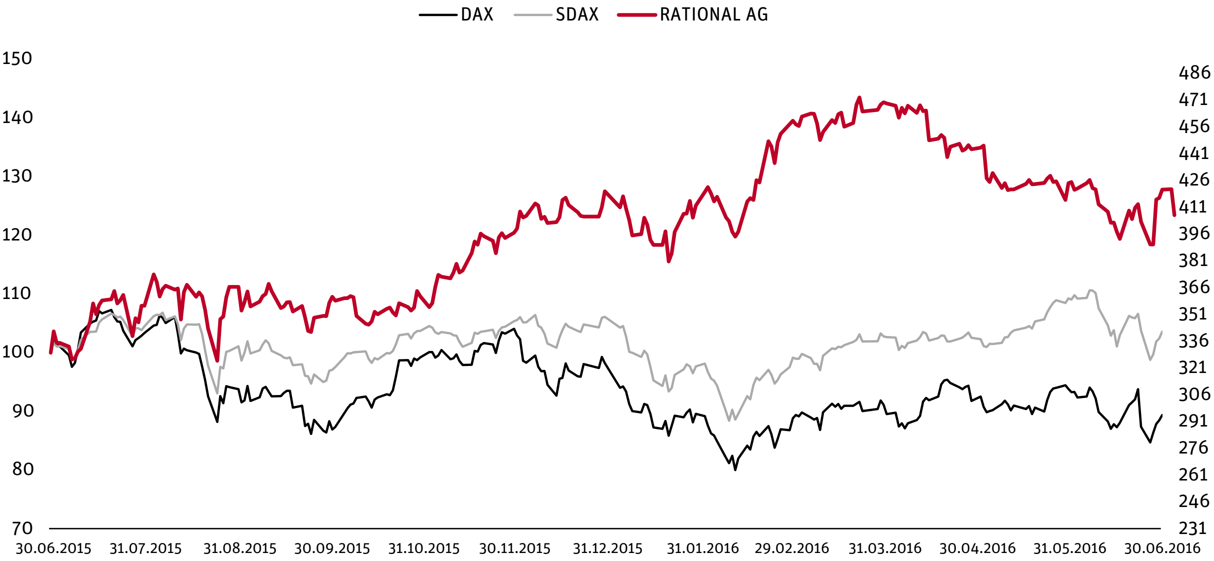
- Lamb filet
- Beef tenderloin
- Cakes
- Fish
- Lobster
- Chicken
- Pastry
- Bread
- Vegetables

“The SelfCookingCenter® has revolutionised the way we prepare food.”

RATIONAL SHARES

PERFORMANCE OF RATIONAL SHARES IN THE LAST 12 MONTHS

Status: As at 30 June 2016



RATIONAL share price retreats slightly after new all-time high

The performance of RATIONAL shares was mixed in the first half of 2016. After significant increases in 2015, to 419.90 euros on 31 December 2015, the share price continued to make strong gains, reaching a new all-time high of 482.25 euros on 23 March 2016.

Following the publication of our business figures for 2015 and the first quarter of 2016, our analysts have revised their price targets for RATIONAL shares. Their fair price is currently estimated at around 420 to 430 euros. The closing price on 30 June 2016 was 416.15 euros. This gave the company a market capitalisation of 4.7 billion euros. As of 30 June 2016, the share price had risen by almost 20% a year on average since the IPO. Including the dividends distributed, this equates to an average annual return of 23%.

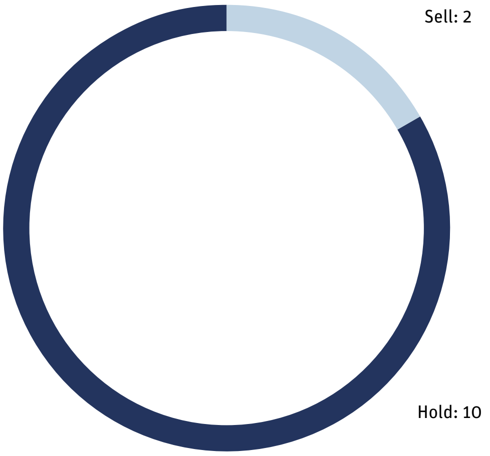
Analysts' ratings

At the balance sheet date, 12 banks published detailed analyses and investment recommendations for RATIONAL shares. The analysts are convinced of the company's high quality and exceptional earnings 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.

INVESTMENT RECOMMENDATIONS FOR RATIONAL SHARES

Status: As at 27 July 2016



General Meeting of Shareholders 2015

Around 600 shareholders and guests again took the opportunity to attend the General Meeting on 4 May 2016 to hear about the business performance of their company. After the presentations by the Executive Board, which were followed by a general debate, all items on the agenda that were put to a vote were adopted. This included the appropriation of unappropriated profits, so that after the General Meeting a dividend of 7.50 euros per share was distributed. This equates to an overall distribution of 85.3 million euros and a dividend yield of around 1.8% based on the closing price at the date of the General Meeting (dividend record date).

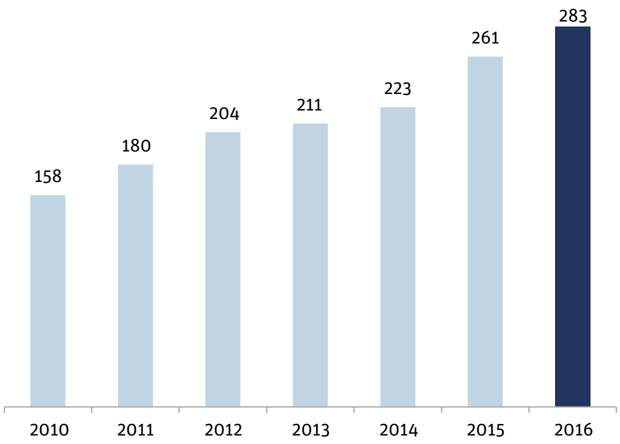
MANAGEMENT REPORT

ECONOMIC REPORT

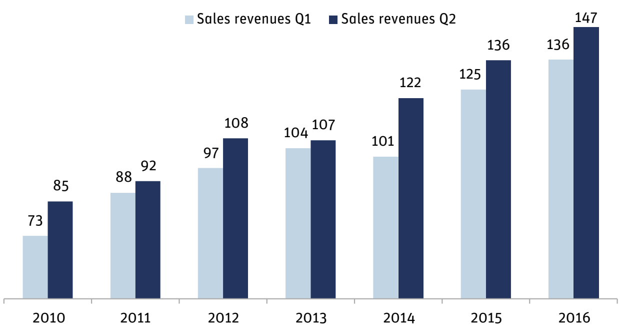
3% growth in the global economy

The estimated growth in global economic output for 2016 has been adjusted slightly downwards to 3.2%. The poor economic growth is attributable to the lacklustre performance of the so-called BRIC countries, with the exception of India. After growth in economic output in emerging countries rose to 4.0% in the previous year, economic growth was expected to increase only slightly in 2016, by 0.1 percentage points to 4.1%. Uncertainty has arisen from, among other factors, the continuing transformation of the Chinese economy, which is to be based more widely on consumption and services in the future. In addition, many industrialised countries are still grappling with the after-effects of the financial crisis and the increase in public and in some cases also private debt levels. Nevertheless, the economic growth prospects for industrialised countries are relatively stable at 1.9% (previous year: 1.9%). The forecasts for global economic output in the USA (2.4%), Japan (0.5%) and the eurozone (1.5%) have remained virtually unchanged compared with the previous year. For the UK, the forecast has been cut to 1.9% (previous year: 2.2%). The UK's decision to leave the EU and the resulting political and economic uncertainty are dampening global growth prospects. (Source: Warburg, July 2016.)

SALES REVENUES IN THE 1ST HALF YEAR (in m EUR)



SALES REVENUES IN THE 1ST AND 2ND QUARTERS (in m EUR)



NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Sales revenues up 9% in the first six months

After a good start in the first quarter of 2016, RATIONAL AG's successful business performance continued in the second quarter, with sales revenues up by 9%. In total, sales revenues amounted to 283.1 million euros in the first six months (previous year: 260.5 million euros), which is an increase of 9% compared to the previous year.

As already described in the Q1 report, the foreign currencies of relevance to RATIONAL fell on average against the euro compared to the previous year. Accordingly, sales revenues were negatively impacted by fluctuations in exchange rates. In the second quarter, the weakness of the pound sterling was one of the factors contributing to this effect. After exchange rate adjustments, sales revenues growth after six months stood at 11%.

Europe and America as growth drivers

The main drivers of business growth to date have been the European markets and the Americas.

In particular, our home market of Germany delivered impressive growth of 14%. The penetration of this market is being driven at an accelerating pace by orders from an increasing number of new customers, such as supermarkets or bakeries, and we have gained further market share in the area of combi-steamers. FRIMA also expanded in Germany, growing by as much as 34%.

In the rest of Europe, growth is due in particular to a recovery in the Russian market, positive business performance by FRIMA in France, and further consolidation of our good market position in the Netherlands. Overall, sales revenues in the rest of Europe were up by 8% (11% after exchange rate adjustments) compared to the previous year. Despite the fact that it still accounts for a relatively low share of total sales revenues, the FRIMA VarioCooking Center® was able to make a significant contribution to our success in Europe with an increase of 28%. One reason for this was the market launch of our new, larger table-top unit, the VarioCooking Center® 112L, in February 2016.

In the Americas region, our important market of the USA was the strongest growth driver with an increase in sales revenues of 18% compared to the previous year. In particular, business with small customers was again very successful. Growth in the region was also fuelled by business in Canada. In total, the Americas region saw an increase in sales revenues of 15% (19% after exchange rate adjustments).

After six months, sales revenues in the Asia region were up 3% compared to the previous year. While sales revenues in Japan were particularly good, the growth rate in China was significantly slower than in the previous year. One of the reasons was a base effect in the first half of 2015, when China delivered especially strong growth rates.

Sales revenues in the “Rest of the world” region were down slightly in the first half of 2016, recording a year-on-year decline of 1%.

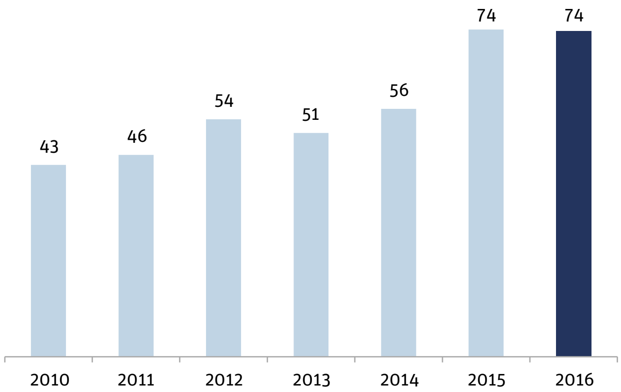
Gross margin of 62%

In the first half of 2016, we generated gross profit of 175.5 million euros (previous year: 160.7 million euros), which is an increase of 9% compared to the previous year. At 62% (previous year: 62%), the gross margin was at the same high level as in the previous year. This was primarily attributable to the constant efficiency gains in manufacturing, as well as continuing positive contributions from commodity price movements.

Currency-adjusted EBIT margin of 27%

EBIT (earnings before interest and taxes) stood at 73.6 million euros, virtually unchanged from the previous year (73.9 million euros). The EBIT margin was 26% after six months (previous year: 28%). While currency effects on sales revenues and operating costs still had a significant positive effect on EBIT and the EBIT margin in the previous year, this effect was reversed in the first half of 2016 when it turned into a negative impact on EBIT and the EBIT margin. As reported above, the impact was mainly felt in the first quarter of 2016.

EBIT IN THE 1ST HALF YEAR (in m EUR)



Operating costs rose in line with sales revenues by 9%, compared to the previous year, to 100.1 million euros (previous year: 91.5 million euros). After exchange rate adjustments, the increase was 11%.

The increase in operating costs was largely attributable to sales and service, which saw a rise of 12% to 75.4 million euros (previous year: 67.2 million euros). Further investments were made here in the global sales and service organisation. Administration expenses rose by 4% and were 12.8 million euros after six months (previous year: 12.3 million euros). Research and development costs remained virtually unchanged after six months, at 12.0 million euros (previous year: 11.9 million euros). That is mainly attributable to capitalisation of development expenses to an amount of 1.4 million euros in the past six months. No development services were capitalised in the first half of the previous year. After adjusting for this effect, development expenses increased by 13%.

Translation effects on our foreign currency positions in other operating expenses and income had a negative impact on our EBIT after six months. This was due in particular to the decline of the pound sterling against the euro, driven by the UK's decision to leave the EU. The translation effects reduced earnings by 1.8 million euros. In the first six months of the previous year, there was a positive effect of 4.6 million euros. Adjusted for this measurement effect, RATIONAL generated an EBIT margin of 27% in both 2015 and 2016.

Net earnings for the period reached 56.1 million euros after six months, exactly the same as in the previous year. The tax ratio was virtually unchanged at 24%.

73% equity ratio

At 73% (previous year: 73%) on 30 June 2016, the equity ratio was at its customary high level. Cash and cash equivalents, at 205.2 million euros (previous year: 196.3 million euros), represented around 46% of total assets (previous year: 49%).

45 million euros in operating cash flow

In the first six months of the current fiscal year, cash flow from operating activities was 44.9 million euros, 8.4 million euros down on the previous year (53.3 million euros). The decline was primarily due to an increase in inventories and higher tax payments than in the previous year.

The cash flow from investing activities includes investments in property, plant and equipment and in intangible assets. In the first six months, these amounted to 10.5 million euros, 6.7 million euros up on the previous year. This increase is primarily attributable to the rebuilding and renovation measures at the Landsberg location and in Wittenheim (FRIMA), as well as the capitalisation of development costs.

The cash flow from financing activities essentially reflects the dividend of 85.3 million euros distributed in May 2016 (previous year: 77.3 million euros).

SEGMENTS

RATIONAL

The RATIONAL segment, which represents the production and sale of the SelfCookingCenter® 5 Senses and the CombiMaster® Plus, grew its sales revenues in the first six months of the current fiscal year by 7% to 264.6 million euros (previous year: 246.2 million euros). Segment earnings, which were negatively impacted by the currency effects described above, amounted to 71.2 million euros, down 1% from the previous year (72.0 million euros).

FRIMA

FRIMA produces and markets the VarioCooking Center MULTIFICIENCY®. Segment sales revenues in the first six months of the current fiscal year were 20.4 million euros, 27% up on the previous year (16.0 million euros). Segment earnings amounted to 2.4 million euros, 20% higher than in the previous year (2.0 million euros). One major driver of the positive trend is the market launch of the VarioCooking Center® 112L in February 2016. Currency effects have to date only played a minor role at FRIMA.

EMPLOYEES

95 new employees in the first six months

Around 150 new posts are to be created worldwide in fiscal year 2016. One particular focus is on further expansion of the global sales and service organisations. 95 new employees were already added in the first half of 2016, almost half of them in Germany. Most of the new jobs are in sales and sales-related functions.

OUTLOOK

Outlook confirmed

A large majority of customers of RATIONAL and FRIMA are so satisfied with the products and services that they would be happy to purchase them again at any time and also recommend them to friends and colleagues. This has once again been confirmed by a TNS survey conducted in six countries. Taking this into consideration, along with the still very high market potential and the generally optimistic forecasts for the global economy, the Executive Board of RATIONAL AG believes the company is well positioned for continued growth.

In view of that, as well as the development in the sales regions to date, the Executive Board confirms the growth forecast for fiscal year 2016 given in the Annual Report 2015.

REPORT ON OPPORTUNITIES AND RISKS

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 with respect to the development of the global economy continue to represent a level of uncertainty 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, 27 July 2016

RATIONAL AG
The Executive Board

STATEMENT OF COMPREHENSIVE INCOME RATIONAL GROUP

FOR THE PERIOD 1 JANUARY – 30 JUNE

in kEUR

	Q2 2016	Q2 2015	1st Half Year 2016	1st Half Year 2015
Sales revenues	147,405	135,781	283,060	260,527
Cost of sales	-55,813	-50,361	-107,571	-99,846
Gross profit	**91,592**	**85,420**	**175,489**	**160,681**
Sales and service expenses	-38,492	-33,185	-75,372	-67,235
Research and development expenses	-6,256	-5,974	-11,968	-11,900
General administration expenses	-6,296	-6,159	-12,775	-12,331
Other operating income	3,469	1,028	5,825	8,994
Other operating expenses	-2,584	-2,199	-7,597	-4,275
Earnings before interest and taxes (EBIT)	**41,433**	**38,931**	**73,602**	**73,934**
Interest and similar income	115	150	241	296
Interest and similar expenses	-210	-255	-428	-500
Earnings from ordinary activities (EBT)	**41,338**	**38,826**	**73,415**	**73,730**
Income taxes	-9,678	-9,280	-17,276	-17,622
Net income	**31,660**	**29,546**	**56,139**	**56,108**
Items that may be reclassified to profit and loss in the future				
Differences from currency translation	229	-309	-76	1,428
Other comprehensive income	**229**	**-309**	**-76**	**1,428**
Total comprehensive income	**31,889**	**29,237**	**56,063**	**57,536**
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	2.78	2.60	4.94	4.93

BALANCE SHEET RATIONAL GROUP

ASSETS

in kEUR

	30.06.2016	30.06.2015	31.12.2015
Non-current assets	105,705	**75,878**	**87,316**
Intangible assets	6,979	2,008	5,444
Property, plant and equipment	78,197	66,643	73,696
Financial assets	0	0	0
Other non-current assets	13,072	2,033	2,052
Deferred tax assets	7,457	5,194	6,124
Current assets	**344,223**	**321,688**	**395,385**
Inventories	35,322	30,250	30,949
Trade receivables	88,158	84,244	89,613
Other current assets	15,546	10,914	7,801
Deposits with maturities of more than 3 months	88,957	70,000	110,900
Cash and cash equivalents	116,240	126,280	156,122
Balance sheet total	**449,928**	**397,566**	**482,701**

EQUITY AND LIABILITIES

in kEUR

	30.06.2016	30.06.2015	31.12.2015
Equity	**326,895**	**290,892**	**356,107**
Subscribed capital	11,370	11,370	11,370
Capital reserves	28,058	28,058	28,058
Retained earnings	289,174	252,629	318,310
Other components of equity	-1,707	-1,165	-1,631
Non-current liabilities	**34,674**	**28,835**	**32,330**
Provisions for pensions	2,571	783	2,597
Other non-current provisions	7,189	3,442	6,730
Non-current liabilities to banks	23,134	24,018	21,769
Deferred tax liabilities	860	0	471
Other non-current liabilities	920	592	763
Current liabilities	**88,359**	**77,839**	**94,264**
Current income tax liabilities	8,806	9,973	9,860
Current provisions	37,759	32,219	36,885
Current liabilities to banks	7,576	6,488	6,666
Trade accounts payable	13,873	13,157	14,681
Other current liabilities	20,345	16,002	26,172
Liabilities	**123,033**	**106,674**	**126,594**
Balance sheet total	**449,928**	**397,566**	**482,701**

CASH FLOW STATEMENT RATIONAL GROUP

FOR THE PERIOD 1 JANUARY – 30 JUNE

in kEUR

	Q2 2016	Q2 2015	1st Half Year 2016	1st Half Year 2015
Earnings from ordinary activities	41,338	38,826	73,415	73,730
Cash flow from operating activities	**36,700**	**40,006**	**44,945**	**53,251**
Changes of fixed deposits with maturities of more than 3 months	37,594	69,000	10,943	49,000
Cash flow from other investing activities	-6,414	-1,853	-10,277	-3,391
Cash flow from investing activities	**31,180**	**67,147**	**666**	**45,609**
Cash flow from financing activities	**-84,324**	**-78,668**	**-85,678**	**-79,942**
Net changes in cash and cash equivalents			**-40,067**	**18,918**
Changes in cash from exchange rate fluctuations			185	960
Change in cash funds			**-39,882**	**19,878**
Cash and cash equivalents on 1 Jan			**156,122**	**106,402**
Cash and cash equivalents on 30 Jun			**116,240**	**126,280**

STATEMENT OF CHANGES IN EQUITY RATIONAL GROUP

in kEUR

	Subscribed capital	Capital reserves	Retained earnings	Other components of equity	Total
Balance on 1 Jan 2016	11,370	28,058	318,310	-1,631	356,107
Dividend	–	–	-85,275	–	-85,275
Total comprehensive income	–	–	56,139	-76	56,063
Balance on 30 Jun 2016	11,370	28,058	289,174	-1,707	326,895
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

OPERATING SEGMENTS RATIONAL GROUP

in kEUR

2nd Quarter 2016	RATIONAL	FRIMA	Total of Segments	Reconciliation	Group
External sales revenues	136.965	10.440	147.405	0	147.405
Intercompany sales revenues	500	464	964	-964	–
Segment sales revenues	137.465	10.904	148.369	-964	147.405
Segment EBIT	**39.926**	**1.501**	**41.427**	**6**	**41.433**
Financial result	–	–	–	–	-95
Earnings before taxes	**–**	**–**	**–**	**–**	**41.338**

2nd Quarter 2015	RATIONAL	FRIMA	Total of Segments	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 EBIT	**37.208**	**1.563**	**38.771**	**160**	**38.931**
Financial result	–	–	–	–	-105
Earnings before taxes	**–**	**–**	**–**	**–**	**38.826**

1st Half Year 2016	RATIONAL	FRIMA	Total of Segments	Reconciliation	Group
External sales revenues	263.583	19.477	283.060	0	283.060
Intercompany sales revenues	1.028	908	1.936	-1.936	–
Segment sales revenues	264.611	20.385	284.996	-1.936	283.060
Segment EBIT	**71.185**	**2.385**	**73.570**	**32**	**73.602**
Financial result	–	–	–	–	-187
Earnings before taxes	**–**	**–**	**–**	**–**	**73.415**

1st Half Year 2015	RATIONAL	FRIMA	Total of Segments	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 EBIT	**72.019**	**1.989**	**74.008**	**-74**	**73.934**
Financial result	–	–	–	–	-204
Earnings before taxes	**–**	**–**	**–**	**–**	**73.730**

NOTES

Sales by region[1]

in kEUR

	Q2 2016	% of total	Y-o-y-change in %	Q2 2015	% of total
Germany	17.343	12	+6	16.355	12
Europe (excluding Germany)	73.802	50	+7	68.700	51
Americas	30.096	20	+14	26.385	19
Asia	18.022	12	+12	16.121	12
Rest of the world[2]	8.142	6	-1	8.220	6
Total	**147.405**	**100**	**+9**	**135.781**	**100**

	1st Half Year 2016	% of total	Y-o-y-change in %	1st Half Year 2015	% of total
Germany	37.831	13	+14	33.124	13
Europe (excluding Germany)	141.283	50	+8	131.221	50
Americas	54.821	20	+15	47.827	18
Asia	34.491	12	+3	33.609	13
Rest of the world[2]	14.634	5	-1	14.746	6
Total	**283.060**	**100**	**+9**	**260.527**	**100**

[1] Revenue by customer location
[2] Australia, New Zealand, Near/Middle East, Africa

Basis of preparation

The consolidated semi-annual report has been prepared in accordance with the International Financial Reporting Standards (IFRSs), as adopted in the EU. The rules of International Accounting Standard (IAS) 34 on condensed financial statements were applied.

As at the start of the fiscal 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 interim financial statements:

- Annual Improvements to IFRSs 2010 – 2012
- Amendments to IAS 19,
  "Employee Benefits – Employee Contributions"
- Amendments to IAS 1,
  "Presentation of Financial Statements –
  Disclosure Initiative"
- Amendments to IFRS 11
  "Joint Arrangements –
  Acquisition of an Interest in a Joint Operation"
- Amendments to IAS 16
  "Property, Plant and Equipment"
  and IAS 38 "Intangible Assets" concerning the clarification of acceptable methods of depreciation and amortisation
- Amendments to IAS 27
  "Separate Financial Statements – Equity Method in Separate Financial Statements"
- Amendments to IAS 16
  "Property, Plant and Equipment" and IAS 41 "Agriculture" concerning bearer plants
- Annual Improvements to IFRSs 2012 – 2014

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

Scope of consolidation

On 30 June 2016, the scope of consolidation of RATIONAL AG included the parent company RATIONAL AG as well as eight German and 24 foreign subsidiaries.

The change compared to 30 June 2015 and the balance sheet date (31 December 2015) is the result of a subsidiary being set up at the company's location in Landsberg am Lech. The newly established RATIONAL F&E GmbH is a wholly owned subsidiary of RATIONAL AG

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.

in kEUR

	Financial instrument according to IFRS 7	Fair value hierarchy	Book value 30 Jun 2016	Fair value 30 Jun 2016	Book value 31 Dec 2015	Fair value 31 Dec 2015
Assets						
Financial assets	yes		0		0	
Miscellaneous non-current assets			13,072		2,052	
Miscellaneous assets	yes	Level 2	796	796	688	688
Deposits with residual time of more than 12 months	yes	Level 2	11,000	10,904	–	–
Other miscellaneous non-current assets	no		1,276		1,364	
Trade receivables	yes		88,158		89,613	
Miscellaneous current assets			15,546		7,801	
Derivatives not in a hedging relationship	yes	Level 2	653	653	9	9
Miscellaneous assets	yes		256		341	
Other miscellaneous current assets	no		14,637		7,451	
Deposits with maturities of more than 3 months	yes	Level 2	88,957	88,795	110,900	110,924
Cash and cash equivalents	yes		116,240		156,122	
Liabilities						
Non-current liabilities to banks	yes	Level 2	23,134	25,608	21,769	24,094
Current liabilities to banks	yes		7,576	7,652	6,666	6,735
Trade accounts payables	yes		13,873		14,681	
Miscellaneous current liabilities			20,345		26,172	
Derivatives not in a hedging relationship	yes	Level 2	669	669	–	–
Miscellaneous liabilities	yes		1,407		7,292	
Other miscellaneous current liabilities	no		18,269		18,880	

If no fair value is quoted for a financial instrument in the above table, the specified carrying amount of the financial instrument is a reasonable approximation of its fair value. That is the case in particular with current financial instruments with maturities of less than one year. Exceptions are derivative financial instruments, deposits with a maturity of more than three months, and the current portion of liabilities to banks, for which a fair value is calculated.

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

Notes to the consolidated statement of comprehensive income

In the first six months, research and development costs included research and development expenses that are not capitalised in the amount of 11,968 thousand euros (previous year: 11,900 thousand euros). An amount of 1,420 thousand euros (previous year 0 thousand euros) was recognised as an intangible asset in the first six months. Since the intangible asset has not yet been completed, amortisation of the capitalised development costs amounted to 0 thousand euros in the six-month period (previous year: 0 thousand euros).

Other operating income includes exchange gains of 5,188 thousand euros (previous year: 7,954 thousand euros). Other operating expenses include exchange losses of 6,978 thousand euros (previous year: 3,368 thousand euros). The differences from currency translation amounted to -76 thousand euros (previous year: 1,428 thousand euros).

Notes to the consolidated balance sheet

Intangible assets included capitalised development costs of 4,298 thousand euros as at the balance sheet date (previous year: 0 thousand euros). The "other non-current assets" item included long-term fixed-term deposits in the amount of 11,000 thousand euros (previous year: 0 thousand euros).

Business segments

The Group is exclusively involved in the thermal preparation of food 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 cooking is carried out in liquid or with direct contact heat. Both segments include the functions of development, manufacturing, sales and service, as well as administration.

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

The reconciliation column essentially reflects the effects of consolidation. In addition, differences between the figures presented to management in the context of internal reporting and the externally reported figures are included there.

Related parties

In the first six months of 2016, no significant transactions occurred with companies or individuals in any way related to RATIONAL AG.

STATEMENT OF RESPONSIBILITY

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, 27 July 2016

RATIONAL AG
The Executive Board

Dr Peter Stadelmann
Chief Executive Officer

Dr Axel Kaufmann
Chief Financial Officer

Peter Wiedemann
Chief Technical Officer

Markus Paschmann
Chief Sales Officer

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DISCLAIMER

This half year report contains forward-looking statements that are based on assumptions and expectations at the time the statement is published.

They are subject to risks and uncertainties and the actual results may differ significantly from those in the forward-looking statements.

Many of these risks and uncertainties are determined by factors that are outside the influence of RATIONAL AG and cannot be assessed reliably at present.

They include future market conditions and economic trends, the actions of other market players, and legal and political decisions.

RATIONAL AG is also not obligated to publish revisions to these forward-looking statements in order to reflect events or circumstances that have occurred after they were published.