



Key figures	Thousands of euros		9 Months 2008	9 Months 2007	Change	3 rd Quarter 2008	3 rd Quarter 2007	Change
	Sales	249,743	235,626	+6%	81,184	81,705	-1%	
Sales abroad as a percentage of sales	85%	85%	+/- 0%-pts.	84%	85%	- 1%-pt.		
Cost of sales	101,141	96,445	+5%	34,401	33,679	+2%		
as a percentage of sales	40.5%	40.9%		42.4%	41.2%			
Gross profit	148,602	139,181	+7%	46,783	48,026	-3%		
as a percentage of sales	59.5%	59.1%		57.6%	58.8%			
Sales and service expenses	65,242	57,505	+13%	20,748	18,689	+11%		
as a percentage of sales	26.1%	24.4%		25.6%	22.9%			
Research and development expenses	9,534	8,660	+10%	3,370	3,024	+11%		
as a percentage of sales	3.8%	3.7%		4.2%	3.7%			
General administration expenses	12,024	11,740	+2%	3,985	4,021	-1%		
as a percentage of sales	4.8%	5.0%		4.9%	4.9%			
EBIT – earnings before interest and taxes	62,507	60,515	+3%	19,854	21,865	-9%		
as a percentage of sales	25.0%	25.7%		24.5%	26.8%			
EBT – earnings before taxes	62,876	60,949	+3%	19,783	21,941	-10%		
as a percentage of sales	25.2%	25.9%		24.4%	26.9%			
Group earnings	46,239	39,379	+17%	14,630	14,428	+1%		
as a percentage of sales	18.5%	16.7%		18.0%	17.7%			
per share in euros	4.07	3.46		1.29	1.27			
Cash flow from operating activities	53,332	39,487	+35%					
per share in euros	4.69	3.47						
Balance sheet total	191,902	145,956	+31%					
Equity as a percentage of the balance sheet total	118,793	102,895	+15%					
	61.9%	70.5%						
Working capital (without liquid funds)	69,444	64,072	+8%					
as a percentage of sales	27.8%	27.2%						
Employees (as an annual average)	1,081	957	+13%	1,096	978	+12%		
Sales per employee	231.0	246.2	-6%	74.1	83.5	-11%		

Dear Shareholders,
Dear Business Partners,

Many thanks for your interest in RATIONAL AG.

With the following report we would like to inform you about the last 9 months of business performance of RATIONAL AG, as well as provide you with an outlook on the further development of the company during fiscal year 2008.

I Economic report

Downturn in the global economy

The global economy is currently undergoing a downswing. Almost all industrialized countries may be on the brink of a recession. Even the emerging economies are likely to show signs of weakness. The burst of inflation caused by global prices for raw materials, the corrections in real estate markets and the dramatically worsening crisis in financial markets in recent months are significant factors in this downturn. What is more, the strong euro has put pressure on exports. Growth forecasts by various organizations are continuously being revised downwards and exhibit major uncertainties as regards the next 12 months.

Sales growth up 6 percent

In the first 9 months of 2008, RATIONAL achieved sales of 249.7 million euros (previous year 235.6 million euros). This is equivalent to growth of 6 percent. If negative currency effects are eliminated, sales are up by 9 percent. With a rise in sales of 25 percent, growth in Asia has, as expected, been particularly strong, and now accounts for 12 percent of group sales (previous year 10 percent). In the Americas too, above-average growth of 18 percent was achieved if currency fluctuations are excluded. In Europe, the market where sales are at their strongest, sales growth stood at 5 percent after excluding negative currency effects.

In the 3rd quarter of 2008, sales of 81.2 million euros in total were merely on par with the previous year's figure (81.7 million euros). We consider the main reason for this development to be the huge uncertainty resulting from the global financial crisis and the consequent generally manifested reluctance to invest.

EBIT growth up 3 percent / Group Earnings up 17 percent

For the first nine months of 2008, EBIT is 62.5 million euros compared to 60.5 million euros in the previous year. This equates to a growth of 3 percent. The EBIT margin is 25.0 percent compared to 25.7 percent in 2007.

Due to the lack of sales growth, EBIT fell in the 3rd quarter from 21.9 million euros in 2007 to 19.9 million euros in the current year. Nevertheless, thanks to the fall in raw material prices and selective efficiency increases throughout the company, an EBIT margin of 24.5 percent could be achieved.

Group earnings rose significantly in the first 9 months by 17 percent to 46.2 million euros (previous year 39.4 million euros). In addition to the rise in EBIT, this can in particular be traced back to the much reduced tax rate.

Operating cashflow up 35 percent

Operating cashflow grew in the first 9 months of 2008 by 13.8 million euros to 53.3 million euros (previous year 39.5 million euros). This growth of 35 percent is the result of increased operating income, the lower tax rate and improvements in working capital.

Cashflow from investment activities of 25.8 million euros reflects the investments in the new third plant plus the expansion and technological upgrading of machinery. Cashflow from financing activities includes in particular the dividend of 51.2 million euros distributed in May.

Cash funds at September 30, 2008 stand at 45.4 million euros compared to 32.2 million euros at the same time the previous year.

Sound asset structure

With an equity ratio of 62 percent (previous year 70 percent) and an equity-assets ratio of 185 percent, RATIONAL has an extremely sound asset structure. This guarantees latitude and considerable independence even when financial markets are under great pressure.



The new *limescale free* SelfCooking Center® from RATIONAL – Intelligent care for maximum operational reliability and environmental protection, with no increase in price

The new CareControl System automatically detects the current level of soiling and the general care requirements of the SelfCooking Center® and calculates - just in time - the ideal cleaning process in every case. As a result, the consumption of chemicals, water and energy is reduced, which is better for the environment.

Special scale-dissolving ingredients contained in the care tabs prevent limescale building up in the first place. Maximum operational reliability – even without expensive water softeners or time-consuming descaling – is guaranteed at all times. Thanks to intelligent cleaning the SelfCooking Center® with CareControl is kept hygienic, clean and sparkling - virtually overnight.

Alan Bird from "The Ivy" restaurant in London, UK, has this to say: "With our combi-steamer a technician had to come out to change and descale the water filter at least four times a year. The service costs for water filters and descaling the combi-steamer alone cost us around 900 euros a year, sometimes even more. Our new SelfCooking Center® with CareControl is completely reliable, fault-free and doesn't require constant descaling."

SelfCooking Center® – The World's First CareControl



Intelligent care for maximum operational reliability



Easily biodegradable to OECD 301B



2-year warranty for all appliances

Innovative care products extend the service life of the SelfCooking Center®. The entire system is continuously cleaned and maintained, not simply the cooking cabinet.

So it goes consequently that with immediate effect RATIONAL is to offer a 2-year warranty for all appliances. This all-round worry-free package means optimal planned security for customers, with calculable costs.

New third plant in Landsberg already in full operation

After a construction phase lasting just around a year, production in the new third plant in Landsberg went live at the start of July 2008.

A total of 24 million euros was invested in the new plant. This was the biggest individual investment in RATIONAL's corporate history and has created a new platform for future economies of scale and targeted productivity improvements.

The design of the new plant was inspired by the latest ideas on process optimization, workplace layout and security. The process chain, from delivery, assembly and testing to packaging and shipping, has been optimized, the distances covered by employees have been significantly reduced. Assembly capacity has been expanded by 50 percent to at least 60,000 appliances a year thanks to the new plant.

Timely and open provision of information

Members of the board of RATIONAL AG represented the company at numerous roadshows in Europe and the US in the third quarter of 2008. Shareholders, analysts and interested parties were also impressed by the sustained corporate quality at the company's headquarters in Landsberg. Most analysts are currently recommending buying RATIONAL AG shares.

I Risk report

Opportunities and risks

RATIONAL has a global risk management system, which ensures that opportunities and risks are detected and analysed at an early stage and that appropriate corrective measures are taken. The effects of the financial market crisis on the real economy, and the buying resistance this is causing over and above a normal recession, represents also for RATIONAL a new risk not previously encountered in this form.

New plant in Landsberg already in full operation



I Prospects

Revenue and profit forecast for 2008

The large rationalization and cost reduction effect and, correspondingly, the short time RATIONAL appliances take to pay for themselves make using RATIONAL technology especially attractive even in economically challenging times.

In order to specifically aid the development of the business, it has been decided to further expand the sales capacities in the principal markets of the world, given the high available free market potential of around 75 percent of the 2.5 million professional kitchens worldwide.

We are also expecting additional positive effects on the development of the business from the launch of the new limescale free SelfCooking Center® with CareControl and the introduction of the 2-year warranty for all RATIONAL and FRIMA appliances.

Because, firstly, of the current difficult economic environment overall and secondly, of the additional anticyclical sales and marketing activities, we expect total sales of around 355 million euros, EBIT of 93 million euros and group earnings of 68 million euros in fiscal 2008.

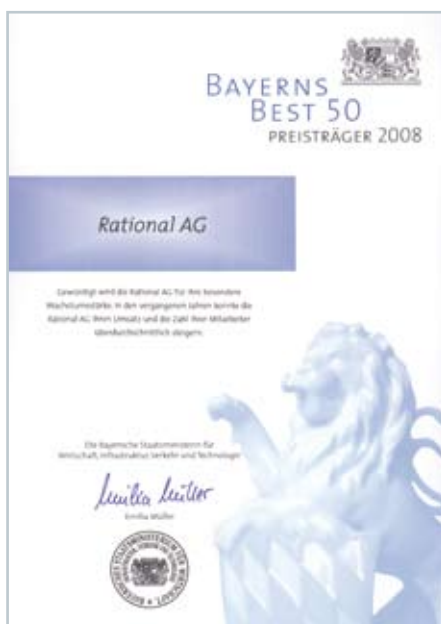
Landsberg am Lech, November 3, 2008

RATIONAL AG
The Executive Board

RATIONAL – Bavaria's Best 50



from left to right: Ralf Broschulat (member of the executive board, Ernst & Young AG, Wirtschaftsprüfungsgesellschaft), Peter Wiedemann (CTO, RATIONAL AG), Franz Ehelechner (RATIONAL AG), Dr. Günter Blaschke (CEO, RATIONAL AG), Emilia Müller (Bavarian Minister of Economic Affairs, Infrastructure, Transport and Technology)



RATIONAL AG once again honoured for top-class entrepreneurial performance

At a formal ceremony in Munich's Residence on July 30, 2008, the "BAVARIA'S BEST 50" award was presented by Emilia Müller, Bavarian Minister of Economic Affairs, Infrastructure, Transport and Technology. RATIONAL AG was honoured for its overall entrepreneurial performance but above all for continuous growth and for creating new high-skill jobs.

Income Statement RATIONAL Group

Thousands of euros	9 Months 2008	9 Months 2007	3 rd Quarter 2008	3 rd Quarter 2007
Sales	249,743	235,626	81,184	81,705
Cost of sales	-101,141	-96,445	-34,401	-33,679
Gross profit	148,602	139,181	46,783	48,026
Sales and service expenses	-65,242	-57,505	-20,748	-18,689
Research and development expenses	-9,534	-8,660	-3,370	-3,024
General administration expenses	-12,024	-11,740	-3,985	-4,021
Other operating income	6,211	3,113	2,641	1,517
Other operating expenses	-5,506	-3,874	-1,467	-1,944
Earnings before interest and taxes (EBIT)	62,507	60,515	19,854	21,865
Financial results	369	434	-71	76
Earnings before taxes (EBT)	62,876	60,949	19,783	21,941
Taxes on income	-16,637	-21,570	-5,153	-7,513
Group earnings	46,239	39,379	14,630	14,428
Retained earnings brought forward	34,266	24,276	65,875	49,227
Retained earnings	80,505	63,655	80,505	63,655

	9 Months 2008	9 Months 2007	3 rd Quarter 2008	3 rd Quarter 2007
Average number of shares (undiluted)	11,370,000	11,370,000	11,370,000	11,370,000
Earnings per share (undiluted) in euros relating to the consolidated results and the number of shares	4.07	3.46	1.29	1.27
Average number of shares (diluted)	11,370,000	11,370,000	11,370,000	11,370,000
Earnings per share (diluted) in euros relating to the consolidated results and the number of shares	4.07	3.46	1.29	1.27

		Thousands of euros	Sep. 30, 2008	Sep. 30, 2007	Dec. 31, 2007
Balance Sheet RATIONAL Group Assets	Long-term assets		64,111	37,340	40,268
	Intangible assets		1,755	1,607	1,732
	Property, plant and equipment		59,334	32,097	36,097
	Financial assets		218	218	218
	Other long-term assets		281	257	248
	Deferred tax assets		2,523	3,161	1,973
	Short-term assets		127,791	108,616	147,154
	Inventories		20,769	18,916	18,638
	Trade receivables		54,586	55,354	61,393
	Other short-term assets		7,037	2,154	4,828
	Deposits with maturities of more than 3 months		16,000	4,000	17,000
	Cash and cash equivalents		29,399	28,192	45,295
	Balance sheet total		191,902	145,956	187,422

		Thousands of euros	Sep. 30, 2008	Sep. 30, 2007	Dec. 31, 2007
Balance Sheet RATIONAL Group Equity and liabilities	Equity		118,793	102,895	123,988
	Subscribed capital		11,370	11,370	11,370
	Capital reserves		26,404	27,356	26,673
	Revenue reserves		514	514	514
	Retained earnings		80,505	63,655	85,431
	Long-term liabilities		25,005	3,920	19,813
	Provision for pensions		593	682	617
	Non-current loans		22,935	1,000	17,144
	Other long-term liabilities		1,477	2,238	2,052
	Short-term liabilities		48,104	39,141	43,621
	Liabilities for current tax		3,499	1,486	3,646
	Short-term provisions		26,150	22,053	19,424
	Current portion of non-current loans		1,660	-	856
	Liabilities to banks		2,653	2,445	-
	Trade accounts payable		7,849	9,759	9,292
	Other short-term liabilities		6,293	3,398	10,403
	Liabilities		73,109	43,061	63,434
	Balance sheet total		191,902	145,956	187,422

Statement of Changes in Equity RATIONAL Group

Thousands of euros	Subscribed capital	Capital reserve	thereof: non-realised	Revenue reserves	Retained earnings	Total
Balance at Jan. 1, 2007	11,370	27,018	-3,792	514	66,914	105,816
Differences from currency conversion	-	338	338	-	-	338
Other changes	-	-	-	-	-	-
Income statement for the period taken directly to equity	-	338	338	-	-	338
Group earnings	-	-	-	-	39,379	39,379
Total of profit and expense items recorded in the period under review	-	338	338	-	39,379	39,717
Dividends	-	-	-	-	-42,638	-42,638
Balance at Sep. 30, 2007	11,370	27,356	-3,454	514	63,655	102,895
Balance at Jan. 1, 2008	11,370	26,673	-4,137	514	85,431	123,988
Differences from currency conversion	-	-269	-269	-	-	-269
Other changes	-	-	-	-	-	-
Income statement for the period taken directly to equity	-	-269	-269	-	-	-269
Group earnings	-	-	-	-	46,239	46,239
Total of profit and expense items recorded in the period under review	-	-269	-269	-	46,239	45,970
Dividends	-	-	-	-	-51,165	-51,165
Balance at Sep. 30, 2008	11,370	26,404	-4,406	514	80,505	118,793

Cash Flow Statement RATIONAL Group

Thousands of euros	9 Months 2008	9 Months 2007
Earnings from ordinary activities	62,876	60,949
Cash flow from operating activities	53,332	39,487
Cash flow from investing activities	-25,847	-11,679
Cash flow from financing activities	-43,301	-40,149
Changes in cash from exchange rate changes	-80	-50
Change in cash funds	-15,896	-12,391
Cash and cash equivalents on January 1	45,295	40,583
Cash and cash equivalents on September 30	29,399	28,192

Sales	Thousands of euros	9 Months 2008		9 Months 2007	
Germany		37,781	15%	35,338	15%
Europe (excluding Germany)		135,690	54%	132,946	56%
Americas		34,709	14%	32,061	14%
Asia		28,641	12%	22,866	10%
Rest of the world		12,922	5%	12,415	5%
Total		249,743	100%	235,626	100%

The sales per region are shown according to customer location.

Segment reporting 9 Months 2008 Thousands of euros	Activities of the subsidiaries in:				Activities of the parent company	Total for segments	Reconcil.	Group
	Germany	Europe excl. Germany	Americas	Asia				
External sales	36,713	161,933	26,600	7,541	16,956	249,743	-	249,743
vs. previous year	+5%	+7%	-1%	+14%	+6%	+6%	-	+6%
share	15%	65%	10%	3%	7%	100%	-	100%
Intercompany sales	-	3,210	-	-	163,640	166,850	-166,850	-
Segment sales	36,713	165,143	26,600	7,541	180,596	416,593	-166,850	249,743
vs. previous year	+5%	+8%	-1%	+14%	+4%	+5%	-	+6%
Segment result	-508	+12,365	-501	-234	+51,560	+62,682	-175	+62,507
vs. previous year	-1,464	-1,267	-1,322	+12	+5,767	+1,726	+266	+1,992

Segment reporting 9 Months 2007 Thousands of euros	Activities of the subsidiaries in:				Activities of the parent company	Total for segments	Reconcil.	Group
	Germany	Europe excl. Germany	Americas	Asia				
External sales	34,977	151,175	26,792	6,627	16,055	235,626	-	235,626
share	15%	64%	11%	3%	7%	100%	-	100%
Intercompany sales	-	1,953	-	-	157,748	159,701	-159,701	-
Segment sales	34,977	153,128	26,792	6,627	173,803	395,327	-159,701	235,626
Segment result	956	13,632	821	-246	45,793	60,956	-441	60,515

I Segment reporting

RATIONAL's activities are focused on one business segment: the development, production and sale of appliances for the thermal preparation of food in mass-catering kitchens. It does not currently carry any other significant independent product lines that would be reported as segments internally. For this reason, the primary and only segment reporting format is geographical. RATIONAL brings the subsidiaries based in the various regions together in the segments. This complies with the definition of segments by the location of the company's assets under IAS 14.13.

Besides Germany, Europe excluding Germany, Americas and Asia segments, the fifth segment covers the work of the parent company (including LechMetall Landsberg GmbH, RATIONAL Technical Services GmbH and RATIONAL Komponenten GmbH). This segment represents the development, manufacture and supply of products to subsidiaries as well as supplies of goods and services to OEM customers. The newly founded company "RATIONAL RUS OOO" has been added to the Europe segment, and the new "RATIONAL Brasil Comércio E Distribuição De Sistemas De Cocção LTDA." to the Americas segment. The effects arising from the consolidation operations are reflected in the reconciliation column.

I Accounting principles

The group quarterly report was prepared 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.

I Consolidated companies

On September 30, 2008, RATIONAL AG's consolidated group includes, beyond the parent company RATIONAL AG, five German and eighteen foreign subsidiaries. On September 30, 2008, for the first time, the newly founded sales companies "RATIONAL RUS OOO", based in Moscow, with an equity capital of 5,750,000 Russian roubles, and "RATIONAL Brasil Comércio E Distribuição De Sistemas De Cocção LTDA.", based in São Paulo, with an equity capital of 380,000 Brazilian reals, have been included in the consolidated group. Both companies are wholly-owned holdings of RATIONAL International AG and as of September 30, 2008 had not yet started operations. There have been no further changes to the composition of the consolidated group compared to September 30, 2007 and the balance sheet date of December 31, 2007.

I Associated companies and persons

In the first 9 months of 2008 no significant transactions occurred with companies or individuals in any way associated with RATIONAL AG.

I DVFA result

The DVFA result on September 30, 2008 corresponds to the profit per share as per IAS or IFRS in the profit and loss account.

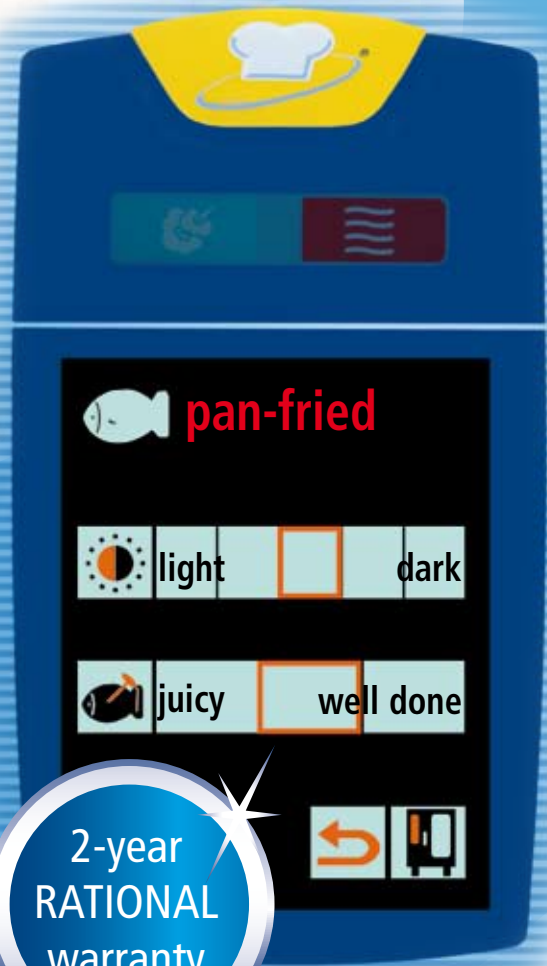
The only SelfCooking Center®

Always
limescale free*



Now everything turns out perfect.

Anything. Any size. Any batch.
Just as I want it.
Every time.



2-year
RATIONAL
warranty

RATIONAL

Time for the essentials.