



Senses



FOCUS **ON THE ESSENTIALS**

Report on the
1st Half Year 2014

Key Figures

in m EUR	2nd Quarter 2014	2nd Quarter 2013	Change absolute	Change in %	1st Half Year 2014	1st Half Year 2013	Change absolute	Change in %
Sales and earnings								
Sales	122.4	106.8	+15.6	+15	223.2	210.8	+12.4	+6
Sales abroad in %	87.8	87.5	+0.3	-	87.0	87.2	-0.2	-
Cost of sales	48.8	42.5	+6.3	+15	89.1	84.4	+4.7	+6
Sales and service expenses	30.9	27.4	+3.5	+13	60.7	55.7	+5.0	+9
Research and development expenses	4.4	3.9	+0.5	+12	8.7	7.8	+0.9	+12
General administration expenses	5.4	5.0	+0.4	+9	10.7	10.2	+0.5	+5
Earnings before interest and taxes (EBIT)	35.1	25.9	+9.2	+36	55.8	50.6	+5.2	+10
Group earnings	26.6	19.6	+7.0	+36	42.3	38.2	+4.1	+11
Balance sheet								
Balance sheet total					338.3	297.2	+41.1	+14
Working capital ¹⁾					91.6	76.9	+14.7	+19
Equity					243.0	210.3	+32.7	+16
Equity ratio in %					71.8	70.8	+1.0	-
Cash flow								
Cash flow from operating activities					27.9	37.2	-9.3	-25
Investments					10.2	6.0	+4.2	+70
Free cash flow ²⁾					17.7	31.2	-13.5	-43
Key figures RATIONAL shares								
Earnings per share (in EUR)					3.72	3.36	+0.36	+11
Quarter-end closing price ³⁾ (in EUR)					236.00	256.80	-20.80	-8
Market capitalization					2,683.3	2,919.8	-236.5	-8
Employees								
Number of employees as of 30 Jun					1,394	1,312	+82	+6
Number of employees (average)	1,389	1,312	+77	+6	1,387	1,307	+80	+6
Sales per employee (in kEUR)	88.1	81.4	+6.7	+8	160.9	161.3	-0.4	+/-0

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,

“We offer the people working in commercial kitchens the most beneficial solution to their thermal cooking tasks”. That’s the first sentence of our RATIONAL philosophy, on which all employees around the world base their day-to-day actions. Further evidence of this is provided by our latest innovation: the SelfCookingCenter® 5 Senses.

With this, we have once again succeeded in improving the interplay between chef and combi-steamer. The SelfCookingCenter® 5 Senses is the only combi-steamer to feature 5 senses. It senses, recognises, thinks ahead, learns from the chef and even communicates with him. Customers especially like the way it displays what it is currently doing and why it adjusts settings, to be sure of achieving precisely the desired results.

Since the launch in May, over 130 product presentations have been held worldwide, attended by more than 3,000 people. Here we had the opportunity to demonstrate the paramount role that customer benefit plays at RATIONAL. All customers with the predecessor SelfCookingCenter® whiteefficiency® model can upgrade it using a free software update. This means up to 90,000 customers can share in our latest developments in cooking research. This is how we keep our promise to offer our customers maximum benefit throughout the life of the product.

After a somewhat weak start in the first quarter, we achieved significant sales growth of 15% in the next three months, meaning that in the first half of this year we posted growth of 6%. Germany and Europe were major elements in this achievement. The overseas markets are still performing less well than expected. The FRIMA segment experienced very good growth of 23% in the first six months.

In Europe, the measures initiated last year to boost sales activities have proved successful, enabling us to grow by 8% in Germany in the first six months and by 16% in the rest of Europe. In the Americas and Asia, sales were down on last year. Although the ongoing business in both regions performed well, this is not enough to balance out partner and chain business, which is down compared to last year, nor the negative currency effects.

Given the continuing positive forecasts for the global economy and our current business performance, we can confirm our forecast for fiscal year 2014 of continued positive sales and earnings development.

Dr Peter Stadelmann
CEO of RATIONAL AG

Management Report

Economic Report

Economic conditions

Global economy continues on course for growth

The estimated growth in global economic output of 3.3% for 2014 is still on course. In North America experts are assuming growth of over 2%, and of around 2% in Europe. The prospects for Japan have improved significantly, with a growth rate of 1.2%. For Asia excluding Japan a rise in economic output of 6.4% is forecast. In contrast, expectations for Latin America have been cut to 1.6% due to a slow-down in current industrial growth and a fall in investment demand. Because of the crisis in Ukraine, the estimate for Russia has been downgraded compared to December 2013, from 2.4% to 0.8%. (Source: Deutsche Bank, July 2014)

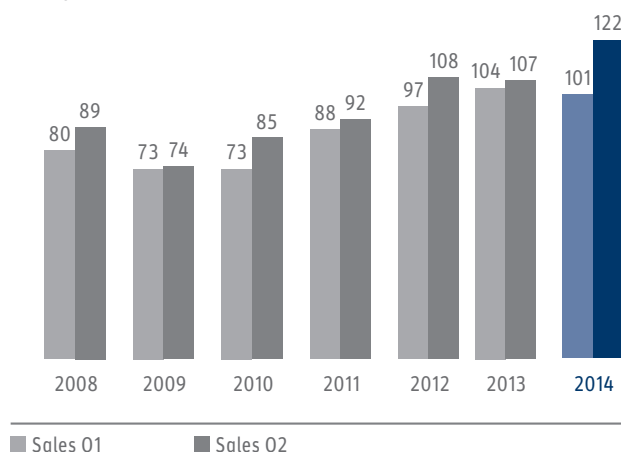
Net assets, financial position and results of operations

Sales grow by 6% in the first six months

Because of growth of 15% compared to the previous year in the second quarter, our sales in the first six months rose by 6% to 223.2 million euros (2013: 210.8 million euros). After exchange rate adjustments, sales growth in the first six months stood at 8%, and in the second quarter at 17%.

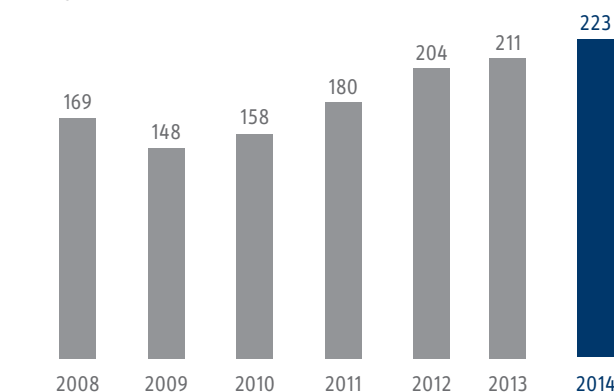
Sales in the 1st and 2nd quarters

in m EUR



Sales in the 1st Half Year

in m EUR



The situation in Europe is satisfactory. The measures initiated last year to selectively expand sales activities have been effective, enabling us to grow by 8% in Germany in the first six months and by 16% in the rest of Europe. FRIMA, with significant growth of 23%, likewise posted a positive performance, one factor in which was the launch of the new VarioCookingCenter MULTIFICIENCY® table-top unit.

Sales in the Americas and Asia regions were 9% and 17% respectively, down on last year after six months. Adjusted for negative currency effects, the fall in the Americas was 3% and in Asia 14%. Whereas after exchange rate adjustments regional ongoing business posted mid-single-digit growth in the Americas and double-digit growth in Asia, in both regions we are down on last year's figures in partner and chain business, which experience greater volatility.

Thanks to a sizeable chain order, the „Rest of the World“ region was able to post growth in sales of 52% in the second quarter against previous year. In the first six months, this resulted in a rise of 20% compared to previous year.

60% gross margin, 25% EBIT margin

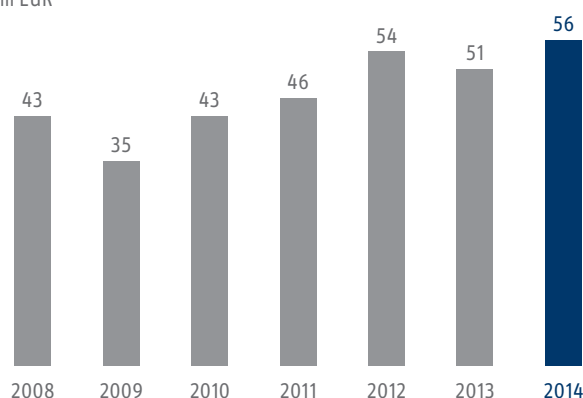
In the first six months of 2014, gross earnings from sales rose proportionately to sales to 134.1 million euros (2013: 126.4 million euros). At 60%, the gross margin remained at a high level.

Operating costs rose compared to the first six months of 2013 by 6.5 million euros to 80.2 million euros (2013: 73.6 million euros). The rise was in essence attributable to the Sales and Service divisions, which saw a rise of 9% to 60.7 million euros (2013: 55.7 million euros). Investments were made here in new employees, more customer activities and the market launch of the SelfCookingCenter® 5 Senses. In addition, we increased investment in research and development by 12% to a total of 8.7 million euros (2013: 7.8 million euros). Furthermore, the valuation of our foreign currency receivables and liabilities in other operating expenses and income improved earnings by 2.3 million euros, whereas in contrast this effect had a negative impact of 1.8 million euros in the previous year.

EBIT (earnings before interest and taxes) stood at 55.8 million euros, 10% up on the previous year (2013: 50.6 million euros). An EBIT margin of 25% was achieved after six months (2013: 24%).

EBIT in the 1st Half Year

in m EUR



72% equity ratio – High liquidity

At 72% on 30 June 2014 (2013: 71%), the equity ratio was at its customary high level. Liquid funds at 148.1 million euros (2013: 132.3 million euros) represent 44% of the balance sheet total (2013: 45%). The company thus has sufficient liquid funds available to finance growth from its own resources. Furthermore, we also have high liquidity reserves even after the dividend payout.

Cashflow

In the first six months of 2014 we posted an operating cash flow of 27.9 million euros (2013: 37.2 million euros). The fall compared to last year was essentially due to higher tax payments.

The cash flow from investment activities includes, among other things, investments in intangible assets and property, plant and equipment. In the first six months, these amounted to 10.2 million euros, 4.2 million euros up on the previous year. The main reason is the construction of the new service centre in Landsberg, which went live in July. Furthermore, long-term deposits fell by 65.0 million euros.

The cash flow from financing activities essentially reflects the dividend of 68.2 million euros distributed in May and stands at -70.3 million euros (2013: -65.1 million euros).

Segments

RATIONAL

The RATIONAL segment, which covers the production and sale of the SelfCookingCenter® 5 Senses and the CombiMaster® Plus, grew its sales in the first six months by 5% to 210.7 million euros (2013: 201.0 million euros). Segment earnings stood at 54.4 million euros (2013: 50.2 million euros).

May saw the global launch of the SelfCookingCenter® 5 Senses, which replaced the SelfCookingCenter® whiteefficiency®.

With the SelfCookingCenter® 5 Senses, chefs have an appliance that they can trust to interpret their wishes reliably and with the utmost precision. It is the only smart cooking system that senses, recognises, thinks ahead, learns from the chef and even communicates with him. So the chef always knows exactly what the unit is doing and why it is making changes in order to achieve the desired results. This innovation creates transparency and trust in the defined cooking processes and thus ensures that the unit's intelligence is exploited even further.

In addition, the applications for Indian, Chinese, Japanese and Latin American cuisines have been significantly upgraded. Many new features have also been added to the unit's baking function, so that in appearance and taste bakery products match the quality of goods produced by a baker. Every baking application is always fully in tune with the needs of the dough. The SelfCookingCenter® 5 Senses can now handle all standard international bakery products.

FRIMA

FRIMA produces and markets the VarioCookingCenter MULTIFICIENCY®. Segment sales in the first six months were 14.4 million euros (2013: 11.7 million euros), some 23% up on last year. Segment earnings stood at 1.5 million euros (2013: 0.4 million euros).

Corporate Social Responsibility

Employees

Expansion of sales capacities

The selective expansion to boost sales capacities which was begun last year continued in the first six months. In the last twelve months, we have taken on 62 people in sales and marketing. The regions of Europe, Asia and Latin America have been strengthened in particular.

With a total of 82 new hires in the last 12 months, some 1,394 people (2013: 1,312) were employed around the world as of 30 June 2014, 786 of whom are in Germany (2013: 768).

Social responsibility

RATIONAL donates SelfCookingCenter® whiteefficiency®

On 11 March 2011, the town of Yamada in Japan was severely damaged by a tsunami. To help the town, the Oranda-jima Foundation built a childcare facility, which was completed in May 2014. RATIONAL supported this project in the shape of a SelfCookingCenter® whiteefficiency® for the kitchen. The inauguration ceremony took place on 24 May 2014 in the Oranda-jima House in Yamada. The facility will be used in future to provide care for children, including those traumatised by the tsunami.

Qualitative Strengths

RATIONAL wins prizes for sustainability

In February 2014, RATIONAL and FRIMA won the “Grünes Band” for sustainability in the catering and food service market. While RATIONAL received the award in the “Fair Trade/Social Responsibility” category, FRIMA’s win came in the “Energy” category. The “Grünes Band” is awarded at the INTERGASTRA trade fair in Stuttgart for integrated concepts which take account of ecological aspects as well as business success. INTERGASTRA, with some 100,000 m² of exhibition space, is one of the most important trade fairs for catering and the hotel industry in Europe.

Furthermore, the RATIONAL units were awarded the world-renowned “Energy Star” by the US Environmental Protection Agency (EPA). This makes RATIONAL the first company to offer a full range of combi-steamer models that are allowed to bear the Energy Star. To qualify for the award, the combi-steamers underwent a gruelling series of tests in which they had to achieve reference values that are higher than for conventional hot-air appliances and steam cookers. The Energy Star indicates to companies and consumers that the products in question will save them electricity and money, thereby actively helping to protect the environment.

RATIONAL has always attached particular importance to treating the environment in a responsible manner. To impact on the environment as little as possible, the resource efficiency of our products and their production are being continuously improved. This starts in product development, and continues through to environmentally certified production and a system of sales logistics, right through to the recovery of old appliances. In particular, resource efficiency applies to the day-to-day use of the appliances in the kitchen. And it is precisely here that our technology achieves the biggest savings. Thanks to the long-term reduction in the consumption of raw materials, energy, water and chemicals used for cleaning, the environment is additionally protected.

Corporate Excellence Award 2014

For the third time in a row, RATIONAL has this year once again been awarded with the Corporate Excellence Award as “Best Company in Germany”. This award is presented each year by consultants CE Asset Management AG (CEAMS) in collaboration with the universities of Zurich and Ingolstadt-Eichstätt. To find the winner, some 1,400 listed European companies are analysed and evaluated on quantity and quality criteria.

Outlook, Opportunities and Risk Report

Outlook

Our superior products are highly appreciated by our customers around the globe. In conjunction with the large market potential and the positive forecasts for the global economy, we are ideally placed to further continue our growth. Contrary to our forecast in the annual report, we experienced negative currency effects on sales in the first half of 2014. However, we believe this negative effect is set to lessen somewhat over the course of fiscal year 2014.

Against this backdrop and because of the increase in our sales activities we can confirm our forecast of continued positive sales and earnings development in fiscal year 2014.

Opportunities 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, 25 July 2014

RATIONAL AG

The Executive Board

RATIONAL Shares

Volatile first six months

After some volatility in the RATIONAL share price in the first weeks of the year, the price fell by around 10% with the publication of the first quarter's financial statements. Since then the share price has been on a slight upward trend. On 30 June 2014 it closed at 236 euros. This gave a market capitalisation of 2.7 billion euros.

Since the IPO the share price has risen by 18% a year on average. Including the dividends distributed, this equates to an average annual yield of 21%.

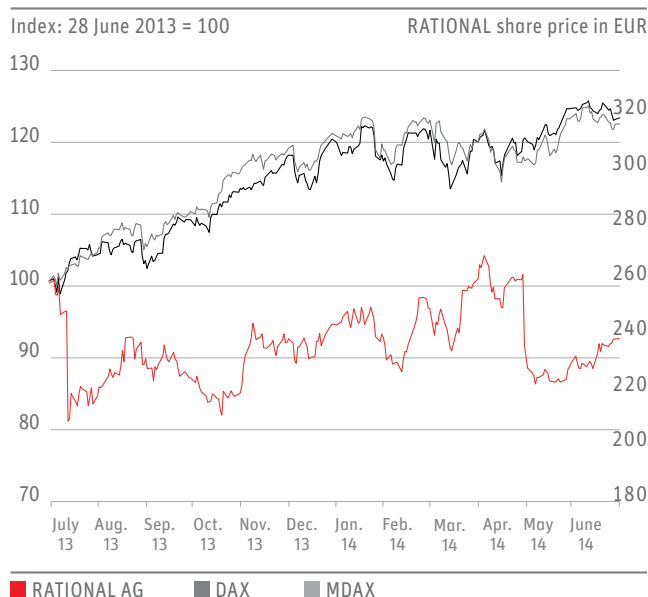
Analysts' ratings

At the balance sheet date, 16 banks published detailed analyses and investment recommendations for RATIONAL shares. The analysts are convinced of the company's high quality and exceptional earning power.

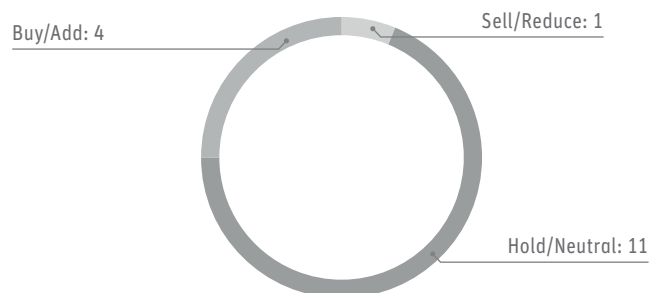
The majority of analysts rate the company's shares at the present price level as fair and hence recommend holding them.

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 2014

Historical development of RATIONAL shares and relevant benchmark indices on 30 June 2014

	YTD	1 year	3 year	5 year	Since the IPO
RATIONAL AG (share price development)	-2%	-8%	+33%	+195%	+926%
RATIONAL AG (incl. dividends) ¹⁾	0%	-6%	+44%	+245%	+1,457%
DAX 30	+3%	+24%	+33%	+104%	+24%
MDAX	+1%	+23%	+54%	+192%	+294%

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

General Meeting of Shareholders 2014

Around 600 shareholders and guests again took the opportunity to attend the General Meeting on 30 April 2014 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 by a large majority. This included the use of the net retained profits, so that after the General Meeting a dividend of 6.00 euros per share was distributed. This equates to an overall distribution of 68.2 million euros and a yield of around 2.5% in respect of the 2013 closing price.

Statement of Comprehensive Income

For the period January 1 January - 30 June

kEUR	2nd Quarter 2014	2nd Quarter 2013	1st Half Year 2014	1st Half Year 2013
Sales	122,394	106,842	223,237	210,831
Cost of sales	-48,775	-42,470	-89,126	-84,384
Gross profit	73,619	64,372	134,111	126,447
Sales and service expenses	-30,853	-27,394	-60,745	-55,689
Research and development expenses	-4,416	-3,936	-8,713	-7,798
General administration expenses	-5,418	-4,991	-10,713	-10,157
Other operating income	2,828	633	3,811	2,202
Other operating expenses	-656	-2,820	-1,920	-4,448
Earnings before interest and taxes (EBIT)	35,104	25,864	55,831	50,557
Interest and similar income	151	106	294	237
Interest and similar expenses	-347	-249	-618	-490
Earnings from ordinary activities (EBT)	34,908	25,721	55,507	50,304
Income taxes	-8,327	-6,165	-13,232	-12,062
Net income	26,581	19,556	42,275	38,242
Items that may be reclassified to profit and loss in the future:				
Differences from currency translation	228	-280	101	-512
Other comprehensive income	228	-280	101	-512
Total comprehensive income	26,809	19,276	42,376	37,730
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	2.34	1.72	3.72	3.36

Balance Sheet

Assets

kEUR	30 Jun 2014	30 Jun 2013	31 Dec 2013
Non-current assets	73,563	63,723	66,893
Intangible assets	1,713	1,679	1,671
Property, plant and equipment	65,341	56,918	59,201
Financial assets	0	0	0
Other non-current assets	1,246	333	1,120
Deferred tax assets	5,263	4,793	4,901
Current assets	264,748	233,511	310,402
Inventories	27,954	26,886	27,169
Trade receivables	77,803	67,751	75,863
Other current assets	10,894	6,537	7,249
Deposits with maturities of more than 3 months	31,000	55,000	96,000
Cash and cash equivalents	117,097	77,337	104,121
Balance Sheetsumme	338,311	297,234	377,295

Equity and Liabilities

kEUR	30 Jun 2014	30 Jun 2013	31 Dec 2013
Equity	243,002	210,314	268,846
Subscribed capital	11,370	11,370	11,370
Capital reserves	28,058	28,058	28,058
Retained earnings	206,049	172,992	231,994
Other components of equity	-2,475	-2,106	-2,576
Non-current liabilities	32,646	25,414	34,882
Provisions for pensions	755	770	780
Other non-current provisions	3,104	2,357	2,963
Non-current liabilities to banks	28,787	22,287	31,139
Current liabilities	62,663	61,506	73,567
Current income tax liabilities	3,781	5,510	11,097
Current provisions	28,366	28,325	26,766
Current liabilities to banks	4,093	3,200	3,236
Trade accounts payable	11,628	11,616	11,995
Other current liabilities	14,795	12,855	20,473
Liabilities	95,309	86,920	108,449
Balance sheet total	338,311	297,234	377,295

Cash Flow Statement

For the period 1 January - 30 June

kEUR	1st Half Year 2014	1st Half Year 2013
Earnings from ordinary activities	55,507	50,304
Cash flow from operating activities	27,928	37,164
Changes of fixed deposits with maturities of more than 3 months	65,000	25,000
Cash flow from other investing activities	-9,783	-5,687
Cash flow from investing activities	55,217	19,313
Cash flow from financing activities	-70,333	-65,100
Net changes in cash and cash equivalents	12,812	-8,623
Changes in cash from exchange rate fluctuations	164	-460
Change in cash funds	12,976	-9,083
Cash and cash equivalents on 1 Jan	104,121	86,420
Cash and cash equivalents on 30 Jun	117,097	77,337

Statement of Changes in Equity

kEUR	Subscribed capital	Capital reserves	Retained earnings	Other components of equity	Total
Balance on 1 Jan 2013	11,370	28,058	199,559	-1,594	237,393
Dividend	–	–	-64,809	–	-64,809
Total comprehensive income	–	–	38,242	-512	37,730
Balance on 30 Jun 2013	11,370	28,058	172,992	-2,106	210,314
Balance on 1 Jan 2014	11,370	28,058	231,994	-2,576	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 region¹⁾

kEUR	1st Half Year 2014	% of total	Y-o-y-change in %	1st Half Year 2013	% of total
Germany	29,087	13	+8	27,018	13
Europe (excluding Germany)	123,102	55	+16	106,315	50
Americas	32,242	15	-9	35,579	17
Asia	25,395	11	-17	30,766	15
Rest of the world ²⁾	13,411	6	+20	11,153	5
Total	223,237	100	+6	210,831	100

¹⁾ Revenue by customer location

²⁾ Australien, Neuseeland, Naher/Mittlerer Osten, Afrika

Operating segments

1st Half Year 2014

kEUR	RATIONAL	FRIMA	Total of segments	Reconciliation	Group
External sales	209,832	13,401	223,233	4	223,237
Intercompany sales	870	1,040	1,910	-1,910	–
Segment sales	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

1st Half Year 2013

kEUR	RATIONAL	FRIMA	Total of segments	Reconciliation	Group
External sales	200,111	10,732	210,843	-12	210,831
Intercompany sales	929	970	1,899	-1,899	–
Segment sales	201,040	11,702	212,742	-1,911	210,831
Segment result	50,202	424	50,626	-69	50,557
Financial result	–	–	–	–	-253
Earnings before taxes	–	–	–	–	50,304

Fundamental accounting principles

The consolidated half-year report has been prepared in compliance with the International Financial Reporting Standards (IFRS). The same accounting and valuation methods were used as in the last consolidated financial statements. The IAS 34 rules on interim financial reporting were applied.

With the start of the fiscal year the following new or amended standards which were not applied voluntarily in previous years entered into force. These have little or no significant impact on the present consolidated half-year report:

- > Amendment to IAS 32 “Financial instruments: presentation - offsetting financial assets and financial liabilities”
- > Amendment to IAS 36 “Impairment of assets – recoverable amount of disclosures for non-financial assets”
- > Amendment to IAS 39 “Financial instruments: recognition and measurement – novation of derivatives and continuation of hedge accounting”
- > Amendment to IAS 27 “Separate financial statements”
- > Amendment to IAS 28 “Investments in associates and joint ventures
- > IFRS 10 “Consolidated financial statements”
- > IFRS 11 “Joint arrangements”
- > IFRS 12 “Disclosure of interest in other entities”
- > Amendment to IFRS 10 “Consolidated financial statements”, IFRS 11 “Joint arrangements” and IFRS 12 “Disclosure of interests in other entities”: transition guidance
- > Amendment to IFRS 10 “Consolidated financial statements”, IFRS 12 “Disclosure of interests in other entities”, IAS 27 “Separate financial statements”: investment entities

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

Consolidated companies

On 30 June 2014 seven domestic and 21 foreign subsidiaries, in addition to RATIONAL AG as the parent company, were included in the interim financial statements. The consolidated group has not changed compared to the balance sheet dates on 31 December 2013 and 30 June 2013.

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 accounts payable and other current liabilities.

kEUR	Fair-Value-hierarchy	Book value 30 Jun 2014	Fair value 30 Jun 2014	Book value 31 Dec 2013	Fair value 31 Dec 2013
Assets					
Trade receivables		77,803		75,863	
Other financial assets					
Other current assets		487		735	
Other non-current assets		251	249	86	85
Derivatives not in a hedging relationship	Level 2	62	62	53	53
Deposits with maturities of more than 3 months		31,000	30,958	96,000	96,088
Cash and cash equivalents		117,097		104,121	
Financial assets		0	0	0	0
Liabilities					
Trade accounts payable		11,628		11,995	
Other financial liabilities					
Other current liabilities		1,181		6,580	
Derivatives not in a hedging relationship	Level 2	179	179	54	54
Liabilities from loans		32,880	35,744	34,375	36,503

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 foreign exchange rate gains of 3,050 thousand euros (2013: 1,698 thousand euros). Other operating expenses include foreign exchange rate losses of 789 thousand euros (2013: 3,450 thousand euros).

Notes on the Consolidated Balance Sheet

Compared to 31 December 2013 advance payments of VAT and corporation tax resulted in a rise in other current assets.

The fall in liabilities for current tax compared to 31 December 2013 results from tax payments for the current and previous years.

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 2014, 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, 25 July 2014

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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