



Interim Report 1/2011

OUR KNOW-HOW FOR YOUR SAFETY

Key figures Nabaltec Group

as of 31 March 2011

in EUR million	03/31/2011 (IFRS)	03/31/2010 (IFRS)	Change
Revenues			
Total revenues	35.3	24.4	44.7%
thereof:			
Functional Fillers	24.1	16.6	45.2%
Technical Ceramics	11.2	7.8	43.6%
Foreign share (%)	70.3	69.5	
Employees* (number of persons)	376	348	8.0%
Earnings			
EBITDA	5.9	2.8	110.7%
EBIT	3.9	0.9	333.3%
Consolidated result after taxes**	1.6	-0.3	
Earnings per share (EUR)**	0.20	-0.03	
Financial position			
Cash flow from operating activities	8.6	5.5	56.4%
Cash flow from investing activities	-1.7	-1.8	-5.6%
Assets, equity and liabilities	03/31/2011	12/31/2010	
Total assets	166.9	166.0	0.5%
Equity	44.0	42.1	4.5%
Non-current assets	108.5	110.6	-1.9%
Current assets	58.4	55.4	5.4%

* on the reporting date, including trainees

** after non-controlling interests

CONTENT



TO OUR SHAREHOLDERS

Management board foreword.....	5
Nabaltec share and bond.....	7

GROUP INTERIM MANAGEMENT REPORT

Course of business.....	10
Employees.....	12
Subsequent events.....	12
Risk report.....	12
Outlook.....	13

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated statement of comprehensive income.....	16
Consolidated statement of financial position.....	18
Consolidated statement of cash flows.....	20
Consolidated statement of changes in equity.....	22
Segment reporting.....	24
Notes.....	25
Financial calendar, contact and imprint.....	27

TO OUR SHAREHOLDERS



Ladies and Gentlemen,

Nabaltec AG has another successful quarter behind it. Revenues in the first quarter of 2011 were up 45% from the first quarter of last year and up 14% from the former high, set in the fourth quarter of 2010. Strong demand growth was once again observed in all regions and product segments.

This very strong performance came as no surprise to us, as the drivers in our markets are intact. In 2010, our revenues grew by 54.2% over the year as a whole, as revenue growth accelerated over the course of the year and broke all former records. This positive trend continued in the first quarter of 2011. There are several reasons for this:

- The markets are continuing to develop favorably: eco-friendly halogen-free flame retardants are on the rise all over the world, and a sustained uptrend has been demonstrated in technical ceramics as well.
- Our market positioning and strategy, focusing on quality, reliable supply and segments with attractive margins, have been an unqualified success.
- We have successfully implemented measures to accomplish our goals with respect to earnings as well.

In addition to our revenue growth, we regard the improvement in our earnings as a positive development in the right direction. Our EBIT margin crossed the 10% line in the first quarter, climbing to 11.0% of total performance, and is now very close to our medium-term targets. In absolute terms, EBIT has more than quadrupled, climbing to EUR 3.9 million. Even the „bottom line“ after taxes and non-controlling interests, showed clear improvement after the first three months of the year, rising to EUR 1.6 million. This represents an improvement of EUR 1.9 million, since the same number in the first quarter of last year showed a net loss of EUR 0.3 million.

The prerequisites for continued growth still appear to be stable and intact. Incoming orders continue to be strong, and were once again significantly higher than revenues in the first quarter. Our current orders on hand give us a high degree of certainty with respect to planning for all of 2011. We are currently holding to our 2011 forecast, and we expect revenue growth in the low double digits. We expect earnings before interest and taxes (EBIT) to improve above-average than revenues in 2011.

The entire sector, not just Nabaltec AG, is benefiting from the strong state of the market, and necessary price adjustments may be implemented in order to reflect the high quality of Nabaltec's products.

At the same time, we are continuing to prepare the ground for further growth. Investment projects which were planned for 2012, e.g. construction of the eighth line of fine precipitated hydroxides, have been moved up. Nabaltec is also constantly investing in process optimization. There is still room for further growth for our new products, additives and boehmites, especially if our boehmite encounters dynamically growing market demand. But here as well, we will remain true to our strategy of developing and making available the highest-quality products in the market in cooperation with key customers. After all, our goal is to develop a lasting and outstanding market position based on our current status as a pioneer in the use of boehmite for polymer processing. We are aided in this path by our strengths and specialized know-how, as well as our total commitment to quality and reliability. In the additives business as well, we are focused on developing the unique features of our CAHC products even more and on establishing ourselves permanently as the preferred eco-friendly alternative for customers looking to replace stabilizers in plastics which are harmful for the environment.

We have recently received clear confirmation for this strategy from external experts, as Nabaltec was chosen as a „Country Representative“ for the European Business Awards, a renowned Europe-wide prize which honors business excellence, best practice and innovation.

Yours,



Johannes Heckmann
Member of the Board



Gerhard Witzany
Member of the Board

Nabaltec share and bond

Performance of Nabaltec share

(in EUR, XETRA)



Key data for Nabaltec share

(all data refers to XETRA)

	Q1/2011	2010
Number of shares	8,000,000	8,000,000
Market capitalization (cutoff date, in EUR million)	62.40	56.80
Average price (in EUR)	7.51	5.15
High (in EUR)	8.20	7.78
Low (in EUR)	6.60	3.70
Closing price (cutoff date, in EUR)	7.80	7.10
Average daily turnover (in shares)	8,746	8,648
Earnings per share* (in EUR)	0.20	0.22

* after non-controlling interests

Nabaltec share was able to continue its successful performance, closing the first quarter of 2011 up 9.9%. This performance was considerably better than that of the relevant indices, the SDAX (down 0.6%) and the specialty chemicals sector index (up 1.3%). The share's performance in the reporting quarter was clearly divided into two phases: after reaching a high of EUR 8.20 in January, the share price then declined, dropping to a low of EUR 6.60 at the end of February. However, certainly by the time the preliminary results

for Financial Year 2010 were published at the start of March, the obvious uncertainty among investors gave way to an enduring sense of confidence, and Nabaltec share was trading at EUR 7.80 at the end of the quarter. The average daily trading volume for Nabaltec share in XETRA was 8,746 shares from January through March 2011.

Earnings per share after non-controlling interests showed strong growth in the first quarter, climbing from EUR –0.03 in the first quarter of 2010 to EUR 0.20 in the first three months of 2011 (EPS on 31 December 2010 were EUR 0.22).

This clear improvement in earnings has been recognized by analysts. In its most recent study, dated 20 April 2011, VEM Aktienbank once again rated Nabaltec share a "buy" and raised its price target from EUR 8.60 to EUR 12.00. Hauck & Aufhäuser began following Nabaltec in 2011. In its first detailed study on the company, dated 14 April 2011, Nabaltec share was rated a "buy" with a price target of EUR 17.10.

As of 31 December 2010, the majority of the 8,000,000 non-par-value shares were still held by the Heckmann and Witzany families, with the Heckmann family holding 32.9% of the capital stock and the Witzany family holding 29.8%. The residual shares (37.3%) are in free float.

Trading of Nabaltec AG's first corporate bond issue, which is listed on the Bondm (mid-cap) segment of the Stuttgart Stock Exchange, was stable at above 100 in the first three months of 2011, closing at a price of 102.35.

Data for Nabaltec bond

ISIN (International Security Identification Number)	DE000A1EWL99
Volume	EUR 30,000,000.00
Annual yield	6.50%
Coupon payments	annual, on 15 October
Term	5 years, from 15 October 2010 through 14 October 2015
Amortization rate	100%
Units	EUR 1,000.00
Listing	Bondm segment, Stuttgart Stock Exchange

GROUP INTERIM MANAGEMENT REPORT

as of 31 March 2011





Course of business

Nabaltec's dynamic growth continued in the first quarter of 2011 over all regions and product segments. Nabaltec posted record highs in the reporting quarter in terms of revenues and earnings, as the growth spurt which began at the start of 2010 continued.

Consolidated revenues were up 44.7% in the first quarter of 2011, from EUR 24.4 million to EUR 35.3 million. In addition to price effects, the positive revenue trend is attributable to sustained demand growth.

Both divisions posted growth over the first quarter of last year, with revenues in the "Functional Fillers" division up 45.2% in the reporting quarter and revenues in the "Technical Ceramics" division up 43.6%. Revenues in the „Functional Fillers“ division increased from EUR 16.6 million to EUR 24.1 million, driven above all by the outstanding growth in fine precipitated hydroxides, i.e. eco-friendly flame retardant fillers, e.g. for the wire & cable industry. Meanwhile, the "Technical Ceramics" division continued its very strong development, with revenues increasing from EUR 7.8 million to EUR 11.2.

From a regional perspective, Nabaltec's US business continued to grow. This was true both for the flame retardant fillers manufactured in the US by the Nashtec joint venture and for the products of the "Technical Ceramics" division. At the same time, international growth was very broad-based and sustained, as revenues were up by at least 40% over the first quarter of last year in all regions.

Nabaltec's total performance was up 52.4% in the first three months of the year, to EUR 35.5 million. This can be attributed to the strong revenue growth in the first quarter of 2011 as well as a slight increase in inventories of finished and unfinished products. Inventories decreased in the first quarter of last year.

Cost of materials in the first quarter of 2011 was 51.8% of total performance. The cost of materials ratio was 54.1% last year. This improvement is attributable to a relative increase in high added-value products. Nabaltec's gross profit margin in the reporting quarter was 48.7%, slightly higher than the value of 48.5% in the first quarter of last year (as a percentage of total performance).



Personnel expenses increased from EUR 4.2 million to EUR 5.2 million. The figure for the first quarter of last year reflects the impact of the reduction in working hours and salaries and wages. The personnel expense ratio (as a percentage of total performance) improved sharply as a result of the very strong revenue growth, from 18.0% to 14.6%, as the number of employees increased from 348 to 376.

Other operating expenses were determined by freight costs, which increase along with sales. At the same time, cost-cutting measures had a lasting impact, so that other operating expenses as a percentage of total performance fell from 18.0% to 17.2% relative to the first quarter of last year.

Results in the first quarter of 2011 were not affected by extraordinary factors and one-time effects.

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved from EUR 2.8 million in the first quarter of 2010 to EUR 5.9 million in the reporting quarter, and Nabaltec's EBITDA margin (EBITDA as a percentage of total performance) increased from 12.0% to 16.6%. As was the case for revenues, earnings were once again very strong in both divisions, in terms of both EBITDA and operating

result (EBIT). Consolidated EBIT in the reporting quarter amounted to EUR 3.9 million, up from EUR 0.9 million in the first quarter of last year. The EBIT margin was for the first time in the double digits, 11.0% (EBIT as a percentage of total performance), up from 3.9%. The disproportionately high improvement in operating result is attributable above all to Nabaltec's ability to develop products with especially high added value, as the long-term product strategy of focusing on high-quality and concentration on specialty products has had the desired effect.

The change in financial result was due above all to the EUR 30.0 million corporate bond issue, which was launched in October 2010 with a coupon rate of 6.50%. Weighed down by the interest expenses in connection with this bond issue, financial result changed from EUR –1.1 million to EUR –1.6 million.

Result from ordinary operations turned positive, improving from EUR –0.2 million to EUR 2.3 million. After taxes and non-controlling interests, consolidated result for the period for the first quarter was EUR 1.6 million, and earnings per share were EUR 0.20 in the reporting quarter, up from EUR –0.03 in the first quarter of last year.



Nabaltec had a net cash flow from operating activities of EUR 8.6 million in the first quarter of 2011. This was EUR 3.1 million (56.4%) higher than the first quarter of last year, when cash flow from operating activities was EUR 5.5 million. This increase was attributable above all to the significant improvement in earnings. The cash outflow for investments was EUR 1.7 million, nearly as high as the year before, when the outflow was EUR 1.8 million. The focus of investment activities was on measures to further optimize processes in all areas. Cash flow from financing activities was affected above all by the increased amortization of long-term financial debt relative to the first quarter of last year. As a result, the outflow from financing activities increased from EUR 1.9 million to EUR 3.4 million.

Nabaltec Group's cash and cash equivalents amounted to EUR 22.4 million on 31 March 2011.

Nabaltec Group's balance sheet shows only slight changes relative to its position on 31 December 2010. Total assets have increased slightly, by 0.5%. Non-current assets decreased slightly in the first quarter of 2011, by 1.9%, while current assets increased by 5.4%, due primarily to an increase in liquid funds and trade receivables. At the same time, inventories fell by around EUR 3.0 million in the reporting quarter.

On the liabilities side of the balance sheet, Nabaltec's equity ratio increased slightly, from 25.4% on 31 December 2010 to 26.4% on 31 March 2011. Non-current liabilities decreased in line with the scheduled amortization payment on 31 March 2011, while current liabilities rose as a result of an increase in other liabilities.

Employees

As of the reporting date, 31 March 2011, Nabaltec Group had 376 employees, including trainees. On the same date last year, the Group had 348 employees. The trainee ratio increased from 10.6% to 11.7%.

Subsequent events

No significant events occurred after the balance sheet date with an impact on the financial, earnings and liquidity position.

Risk report

In the first quarter of 2011, there were no significant changes to the risk situation described in the 2010 group management report.



Outlook

Nabaltec estimates that revenue growth will be in the low double digits for 2011 as a whole, and will be concentrated in the „Functional Fillers“ division. Continuing to develop the new product segments, additives and boehmite, will be a central task, and revenues in the “Technical Ceramics” division are also expected to grow.

Incoming orders exceeded revenues by EUR 5.4 million in the first quarter. As a result, orders on hand increased from EUR 53.3 million at the end of last year to EUR 58.7 million. These orders will provide the groundwork for continued stable growth in the year 2011. By way of comparison, orders on hand were just EUR 12.0 million on 31 March 2010.

The long-term trend of growing demand for halogen-free flame retardant fillers, and particularly aluminum hydroxide, remains intact. The revision of fire safety regulations worldwide will provide a boost. New independent market studies estimate that global demand will grow at a rate of 6.5% a year through 2014 (based on ATH; source: The Freedonia Group, Inc.). The refractory market for specialty oxides and reactive aluminum oxides is determined by demand in the steel industry. Market experts expect an annual

growth rate of 5% through 2012 for refractory products and around 3% for technical ceramics.

Nabaltec expects its EBIT to improve above-average than revenues, as is reflected in the EBIT margin of 11.0% (relative to total performance) in the first quarter of 2011.

Nabaltec is currently taking a series of measures to optimize limiting process steps. In addition, investments in additional capacity are currently being planned or implemented in both the “Functional Fillers” and “Technical Ceramics” divisions. This will allow Nabaltec to grow at a substantially faster pace than the market and the industry in 2011 as well.

Otherwise, the statements made in the forecast report of the 2010 group management report remain in effect.

Schwandorf, 13 May 2011

The Management Board

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

as of 31 March 2011





Consolidated statement of comprehensive income

for the period from 1 January 2011 through 31 March 2011

in EUR '000	01/01/ – 03/31/2011	01/01/ – 03/31/2010
Revenue	35,308	24,350
Changes in unfinished and finished products	140	-1,129
Other own services capitalized	65	33
Total performance	35,513	23,254
Other operating income	213	591
Cost of materials	-18,427	-12,576
Gross profit	17,299	11,269
Personnel expenses	-5,249	-4,211
Depreciation and amortization	-1,988	-1,915
Other operating expenses	-6,132	-4,218
Operating result (EBIT)	3,930	925
Interest and similar income	139	30
Interest and similar expenses	-1,787	-1,121
Result from ordinary operations (EBT)	2,282	-166
Income taxes	-410	-136
Consolidated result after taxes	1,872	-302
thereof attributable to		
Shareholders of the parent company	1,602	-272
Non-controlling interests	270	-30
Consolidated result after taxes	1,872	-302
Earnings per share (in EUR)	0.20	-0.03

in EUR '000	01/01/ – 03/31/2011	01/01/ – 03/31/2010
Consolidated result after taxes	1,872	– 302
Foreign Currency Translation (after taxes)	–134	53
Net Result from Hedge Accounting (after taxes)	128	–78
Other result	–6	–25
thereof attributable to		
Shareholders of the parent company	–266	272
Non-controlling interests	260	–297
Comprehensive income	1,866	–327
thereof attributable to		
Shareholders of the parent company	1,336	0
Non-controlling interests	530	–327

Consolidated statement of financial position

as of 31 March 2011

ASSETS

in EUR '000	03/31/2011	03/31/2010
Non-current assets	108,531	110,559
Intangible assets		
Concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets (including advance payments)	267	216
Property, plant and equipment	107,046	109,033
Land, leasehold rights and buildings on non-owned land	29,520	30,132
Technical equipment, plant and machinery	72,758	73,107
Other fixtures, fittings and equipment	2,222	2,315
Advance payments and plant and machinery under construction	2,546	3,479
Deffered tax assets	1,218	1,310
Current assets	58,399	55,439
Inventories	18,403	21,415
Raw materials and supplies	9,429	12,546
Unfinished goods	359	393
Finished products and merchandise	8,615	8,476
Trade receivables and other assets	17,634	15,067
Trade receivables	4,314	1,612
Income tax claims	274	169
Other assets	13,046	13,286
Cash and cash equivalents	22,362	18,957
Total Assets	166,930	165,998

EQUITY & LIABILITIES

in EUR '000	03/31/2011	03/31/2010
Equity	44,003	42,137
Subscribed capital	8,000	8,000
Capital reserve	29,764	29,764
Earnings reserves	9,711	9,711
Profit/loss carried forward	-793	-2,572
Consolidated result after taxes	1,602	1,779
Accumulated other comprehensive result	-842	-576
Non-controlling interests	-3,439	-3,969
Non-current liabilities	87,392	89,377
Retirement benefit obligation	13,289	13,053
Other provisions	354	354
Financial liabilities arising from corporate bonds	28,744	28,694
Payables to banks	37,031	39,609
Profit participation capital	4,957	4,951
Liabilities from finance lease	0	0
Deferred tax liabilities	3,017	2,716
Other liabilities	0	0
Current liabilities	35,535	34,484
Income tax payable	16	16
Other provisions	395	424
Payables to banks	7,957	8,332
Trade payables	11,722	11,244
Liabilities from finance lease	129	319
Other liabilities	15,316	14,149
Total equity & liabilities	166,930	165,998

Consolidated statement of cash flows

for the period from 1 January 2011 to 31 March 2011

in EUR '000	01/01/ – 03/31/2011	01/01/ – 03/31/2010
Cash flow from operating activities		
Period profit before taxes	2,282	-166
+ Depreciation and amortization	1,988	1,915
-/+ Gain/loss from asset disposals	-3	0
- Interest income	-139	-30
+ Interest expenses	1,787	1,121
Operating profit before working capital changes	5,915	2,840
+/- Increase/decrease in provisions	62	187
-/+ Increase/decrease in trade receivables and other assets not attributable to investing or financing activity	-2,462	-3,149
+/- Decrease/increase in inventories	3,011	4,009
+/- Increase/decrease in trade payables and other liabilities, not attributable to investment or financing activity	2,194	1,746
Cash flow from operating activities before taxes	8,720	5,633
- Income taxes paid	-123	-117
Net cash generated by operating activities	8,597	5,516

in EUR '000	01/01/ – 03/31/2011	01/01/ – 03/31/2010
Cash flow from investing activities		
+ Cash received from disposals of property, plant and equipment	4	0
– Cash paid for purchases in property, plant and equipment	–1,640	–1,796
– Cash paid for investments in intangible assets	–67	–3
Net cash used in investing activities	–1,703	–1,799
Cash flow from financing activities		
– Cash rendered for payment of financial loans	–2,319	–742
– Cash rendered for liabilities from finance lease	–190	–229
– Interest paid	–1,016	–1,002
+ Interest received	107	30
Net cash generated by financing activities	–3,418	–1,943
Net change in cash and cash equivalents	3,476	1,774
Effects of exchange rate changes on the balance of cash held in foreign currencies	–71	10
Cash and cash equivalents at the beginning of the year	18,957	497
Cash and cash equivalents at the end of the year	22,362	2,281

Consolidated statement of changes in equity

for the period from 1 January 2011 to 31 March 2011

Equity attributable to shareholders of Nabaltec AG

in EUR '000	Subscribed Capital	Capital reserve	Earnings reserves
Balance per 01/01/2010	8,000	29,764	9,707
Consolidation adjustment Nashtec LLC*	–	–	4
Foreign currency translation	–	–	–
Net gains from hedge accounting	–	–	–
Other gains/losses	–	–	–
Profit/loss for the period after taxes	–	–	–
Consolidated profit for the period	–	–	–
Balance per 03/31/2010	8,000	29,764	9,711
Foreign currency translation	–	–	–
Net gains from hedge accounting	–	–	–
Other gains/losses	–	–	–
Profit/loss for the period after taxes	–	–	–
Consolidated profit for the period	–	–	–
Balance per 12/31/2010	8,000	29,764	9,711
Foreign currency translation	–	–	–
Net gains from hedge accounting	–	–	–
Other gains/losses	–	–	–
Profit/loss for the period after taxes	–	–	–
Consolidated profit for the period	–	–	–
Balance per 03/31/2011	8,000	29,764	9,711

* see the notes regarding consolidation group within the abridged consolidated notes

Profit carried forward	Accumulated other comprehensive result	Total	Non-controlling interests	Consolidated equity
-2,527	-898	44,046	-4,003	40,043
-45	-	-41	41	0
-	315	315	-262	53
-	-43	-43	-35	-78
-	272	272	-297	-25
-272	-	-272	-30	-302
-272	272	0	-327	-327
-2,844	-626	44,005	-4,289	39,716
-	45	45	-27	18
-	5	5	5	10
-	50	50	-22	28
2,051	-	2,051	342	2,393
2,051	50	2,101	320	2,421
-793	-576	46,106	-3,969	42,137
-	-331	-331	197	-134
-	65	65	63	128
-	-266	-266	260	-6
1,602	-	1,602	270	1,872
1,602	-266	1,336	530	1,866
809	-842	47,442	-3,439	44,003

Segment reporting

The operative segments are consistent with the business divisions of the Nabaltec Group. The risks as well as internal organization and reporting structure are mainly determined by the differentiation of the products.

Business segments

Nabaltec is divided into two business segments, “Functional Fillers” and “Technical Ceramics”. Each segment represents a strategic business division, the products and markets of which differ from those of the other.

The “Functional Fillers” segment produces and distributes non-halogenated flame retardant fillers for the plastics and the cable & wire industry as well as additives.

The “Technical Ceramics” segment produces and distributes ceramic raw material and ceramic bodies for numerous applications in technical ceramics as well as the refractory industry.

Period from 1 January 2011 to 31 March 2011

in EUR '000	Functional Fillers	Technical Ceramics	Nabaltec Group
Revenues			
Third party revenue	24,136	11,172	35,308
Segment result			
EBITDA	4,209	1,709	5,918
EBIT	2,770	1,160	3,930

Period from 1 January 2010 to 31 March 2010

in EUR '000	Functional Fillers	Technical Ceramics	Nabaltec Group
Revenues			
Third party revenue	16,579	7,771	24,350
Segment result			
EBITDA	1,883	957	2,840
EBIT	501	424	925

Abridged consolidated notes to the interim report

to the Interim Report from 1 January 2011 to 31 March 2011

1. General information

Nabaltec AG, based in Schwandorf, Germany¹, was founded under the name Nabaltec GmbH, with its registered head office in Schwandorf (registered in the Commercial Register of the Amberg Local Court under HRB 3920) by virtue of Articles of Incorporation dated 14 December 1994. It acquired the specialty alumina division of VAW aluminium AG in 1995. The Company was converted to a stock corporation in 2006.

According to Section 2 of the Articles of Association, Nabaltec AG's business activities include the development, manufacturing and distribution of highly specialized products based on mineral raw materials, particular on the basis of aluminum hydroxide and aluminum oxide.

The shares of Nabaltec AG are listed in the Open Market (Entry Standard) segment of the Frankfurt Stock Exchange since 24 November 2006.

2. Basis of preparation

The consolidated financial statements of Nabaltec AG as of 31 March 2011 were prepared with due regard to all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and of the Standing Interpretations Committee (SIC) recognized by the European Union and applicable to the financial year.

The interim financial statements of Nabaltec AG for the period from 1 January to 31 March 2011 were prepared in conformance with IAS 34, "Interim Financial Reporting", as a shorter financial report. The shorter financial statements do not contain all information prescribed for the financial statements of the financial year and should be read in conjunction with the consolidated financial statements as at 31 December 2010.

The interim financial statements encompass the period from 1 January 2011 to 31 March 2011.

The consolidated financial statements are prepared in euro (EUR). Unless stipulated otherwise, all values are rounded up or down to the nearest thousand euro (EUR thousand) in accordance with the commercial rounding practice. Please note that differences can result from the use of rounded amounts and percentages.

The presentation in the balance sheet differentiates between current and non-current assets and liabilities, some of which are broken down further by their respective maturities in the notes to the financial statements.

The statement of comprehensive income has been prepared in accordance with the total expenditure format.

The interim financial statements have not been audited or reviewed by the auditor.

Consolidation group

The consolidated group of Nabaltec AG as at 31 March 2011 did not change compared to the consolidated financial statements as at 31 December 2010 or the first quarter of financial year 2010. The consolidated financial statements encompass the financial statements of Nabaltec AG, Schwandorf, as parent company, and its subsidiary Nashtec LLC, Texas (USA). Nashtec L.P. was founded as a joint venture with Sherwin Alumina in 2005.

New accounting provisions

All accounting and valuation methods used in the preparation of the abridged financial statements correspond to the methods applied in the most recent consolidated financial statements as at 31 December 2010.

¹ Nabaltec AG, Alustraße 50–52, 92421 Schwandorf, Germany

In addition to the Standards and Interpretations used on 31 December 2010, the following Standards and Interpretations were used for the first time, and had no impact on the interim financial statements:

- the revised IAS 24, “Related Party Disclosures”;
- changes to IAS 32, “Financial Instruments: Presentation”;
- changes arising from the “Annual Improvements Project” 2008-2010 (AIP);
- changes to IFRIC 14, “IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”;
- IFRIC 19: “Extinguishing Financial Liabilities with Equity Instruments”.

3. Notes to the consolidated statement of comprehensive income

Revenue

We refer to the segment reports with respect to the revenue by product area. Information on revenue performance may be found in the management report.

4. Notes to the consolidated balance sheet

Property, plant and equipment

The additions to property, plant and equipment in the first three months of 2011 were the result of investments, primarily in technical equipment and machinery for further process optimization in all areas.

Shareholders' equity

The change in the shareholders' equity of Nabaltec AG is presented in the consolidated statement of changes in equity.

The item “minority shares” represents shares in the shareholders' equity of Nashtec LLC, Texas (USA), formerly Nashtec L.P. Because IFRS 3, “Business Combinations” and IAS 27, “Consolidated and Separate Financial Statements under IFRS”, which were amended in 2008, were previously applied in the consolidated financial statements as at 31 December 2008, negative minority shares were disclosed in both the consolidated statement of comprehensive income and in the shareholders' equity.

Current and non-current liabilities

Liabilities to banks

Liabilities to banks largely entail long-term credits borrowed at standard market interest rates. The market value corresponds to the book value.

5. Other disclosures

Other financial obligations

Contingent Liabilities and legal liability relations

As of the cutoff date, there were no contingent liabilities, legal liability relations or other legal disputes for which provisions had not been previously made.

Related party transactions

The group of related persons and enterprises did not change compared to the consolidated financial statements as at 31 December 2010.

No transactions with related persons and enterprises took place in the first three months of 2011. Such transactions are conducted at standard market prices and conditions.

Significant events after the balance sheet date

No significant events were registered after the balance sheet date.

Schwandorf, 13 May 2011

The Management Board

Financial calendar

9 June 2011	Annual General Meeting
23 August 2011	Interim Report 2/2011
15 October 2011	Corporate bond: annual interest payment
29 November 2011	Interim Report 3/2011

Contact

Heidi Wiendl**Nabaltec** AG

Alustraße 50 – 52

92421 Schwandorf

Phone: +49 9431 53-202

Fax: +49 9431 53-260

E-mail: InvestorRelations@nabaltec.de**Frank Ostermair**

Better Orange IR & HV AG

Haidelweg 48

81241 Munich

Phone: +49 89 8896906-14

Fax: +49 89 8896906-66

E-mail: info@better-orange.de

Imprint

Publisher**Nabaltec** AG

Alustraße 50 – 52

92421 Schwandorf

Phone: +49 9431 53-202

Fax: +49 9431 53-260

E-mail: info@nabaltec.dewww.nabaltec.de**Text, concept & realization**

better value, Munich/Berlin



Nabaltec AG
Alustraße 50 – 52
92421 Schwandorf
Germany
Phone: +49 9431 53-0
Fax: +49 9431 53-260
www.nabaltec.de