



FLAME RETARDANT

SUBSTANTIAL

SUSTAINABLE
INNOVATIVE

SAFE
REFRACTORY

INTERIM REPORT 1/2012

OUR KNOW-HOW FOR YOUR SAFETY

Nabaltec

KEY FIGURES NABALTEC GROUP

AS OF 31 MARCH 2012

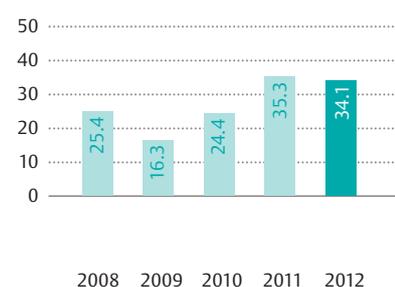
(in EUR million)

	03/31/2012 (IFRS)	03/31/2011 (IFRS)	Change
Revenues			
Total revenues	34.1	35.3	-3.4%
thereof			
Functional Fillers	23.2	24.1	-3.7%
Technical Ceramics	10.9	11.2	-2.7%
Foreign share (%)	68.0	70.3	
Employees* (number of persons)	397	376	5.6%
Earnings			
EBITDA	4.9	5.9	-16.9%
EBIT	2.8	3.9	-28.2%
Consolidated result after taxes**	0.8	1.6	-50.0%
Earnings per share (EUR)**	0.10	0.20	-50.0%
Financial position			
Cash flow from operating activities	6.3	8.6	-26.7%
Cash flow from investing activities	-3.9	-1.7	129.4%
Assets, equity and liabilities			
	03/31/2012	12/31/2011	
Total assets	164.5	165.4	-0.5%
Equity	47.9	46.9	2.1%
Non-current assets	117.8	117.5	0.3%
Current assets	46.7	47.9	-2.5%

* on the reporting date, including trainees

** after non-controlling interests

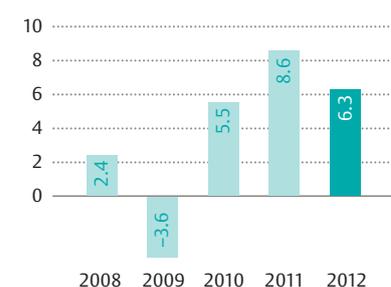
REVENUES AS OF 03/31 (in EUR million)



EBIT AS OF 03/31 (in EUR million)



CASH FLOW FROM OPERATING ACTIVITIES AS OF 03/31 (in EUR million)



INTERNATIONAL
SUSTAINED GROWTH
HIGH-QUALITY
ALUMINUM HYDROXIDE-BASED AND ALUMINUM OXIDE-BASED
SPECIALTY PRODUCTS

NABALTEC IS ONE OF THE LEADING INTERNATIONAL MANUFACTURERS OF FUNCTIONAL FILLERS, CERAMIC RAW MATERIALS AND CERAMIC BODIES. AS THE WORLD'S ONLY SUPPLIER OF FINE PRECIPITATED ALUMINUM HYDROXIDE, WE MAINTAIN PRODUCTION SITES IN THE TWO KEY MARKETS, EUROPE AND THE US (SCHWANDORF AND KELHEIM, GERMANY, AND CORPUS CHRISTI, USA).

NABALTEC SERVES HIGHLY SPECIALIZED MARKETS WORLDWIDE AND ITS EXPORT RATIO IS ABOUT 70%. WE WORK WITH AROUND 70 AGENCIES WORLDWIDE AND SUPPLY OUR PRODUCTS TO ABOUT 60 COUNTRIES.

NABALTEC WORLDWIDE



NABALTEC MAINTAINS A GLOBAL PRESENCE,
WITH LOCATIONS IN GERMANY AND THE US
AND A NETWORK OF INTERNATIONAL AGENCIES

□ Locations ■ Agencies

BUSINESS DIVISIONS

THE ORGANIZATION OF THE COMPANY INTO TWO INDEPENDENT BUSINESS DIVISIONS IS THE BASIS FOR MEETING THE INDIVIDUAL REQUIREMENTS OF OUR CUSTOMERS. WE ARE AMONG THE LEADING SUPPLIERS WORLDWIDE IN EACH OF OUR TWO DIVISIONS. KNOW-HOW, EXPERIENCE AND THE IMPLEMENTATION OF COMPLEX PROCESSES: THESE ARE THE FOUNDATIONS FOR OUR PRODUCTS, WHICH ARE DEVELOPED AND MANUFACTURED TO MEET HIGHLY SPECIFIC REQUIREMENTS.



APPLICATIONS

THE RANGE OF APPLICATIONS FOR NABALTEC PRODUCTS IS EXTREMELY DIVERSE. THEY ARE PREFERRED WHENEVER UTMOST QUALITY, SAFETY, ECO-FRIENDLINESS AND DURABILITY ARE REQUIRED.

1. FLAME RETARDANTS/FLAME RETARDANT FILLERS

- eco-friendly aluminum hydroxide as a halogen-free flame retardant;
- fume-reducing, non-toxic and efficient flame retardant;
- used e.g. for cables in tunnels and airports;
- eco-friendly aluminum monohydrate (boehmite) with high thermo-stability, e.g. for flame retardant, heavy metal-free printed circuit boards;
- ACTILOX® CAHC as a synergistic flame retardant, e.g. in combination with zinc borate;

2. ADDITIVES

- materials for eco-friendly polymer stabilizers, e.g. as co-stabilizers in PVC products (especially window profiles);
- process additives for energy-efficient compounding, e.g. the extrusion of mineral-filled cable compounds;

3. ENVIRONMENTAL TECHNOLOGY

- aluminum hydroxide as a raw material for the efficient elimination of fumes in power plants;
- boehmite as a raw material in alternative energy storage, e.g. lithium ion batteries;
- boehmite as a functional raw material in catalyzers, e.g. as a selective adsorbent for heavy metals;

4. CERAMIC RAW MATERIALS

- Aluminum oxide and sintered mullite;
- high melting point, electric insulation, very high mechanical strength and resistance to changes in temperature;
- used e.g. in the refractory industry, the automotive sector, the polishing industry and in glass and ceramics production;

5. CERAMIC BODIES

- highly specialized ready-formulated mixtures for the production of technical ceramics;
- abrasion resistance, resistance to corrosion, electrical insulation properties, high surface quality;
- used e.g. to prevent abrasion and protect people and vehicles, as well as in engineering ceramics.

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MANAGEMENT BOARD FOREWORD



*Ladies and gentlemen,
Dear Shareholders and Business Partners,*

The skepticism which prevailed as recently as the fourth quarter of 2011 regarding the outlook for 2012 has largely dissipated. The figures for the first three months of 2012 demonstrate that, while our caution in certain product segments was certainly justified, as a whole, Nabaltec's strong growth last year has carried over into this year without a hitch. Revenues in the reporting quarter are nearly as high as the record highs reported in the first quarter of 2011. Above all, the somewhat negative trend which was observed over the course of 2011 has very clearly been reversed, as demonstrated by the fact that revenues in the first quarter of 2012 were up 20.1% from the previous quarter.

At the same time, there is still room for improvement. Nabaltec's strong revenue growth has been due primarily to our strong competitive position, which has allowed us to compensate for falling demand even though few of our consumer industries are going through a difficult period due to the uncertain economic environment. Moreover, the PVC industry, which represents the leading consumer of our additives, is also experiencing a somewhat difficult market environment at the moment. As a whole, however, demand over all regional markets and sectors can be described as stable, and the signs we are receiving from our customers with regard to the future are very promising.

In terms of earnings, a temporary shift in our product mix led to a slight reduction in margins in the first quarter, especially in the "Technical Ceramics" division. Meanwhile, our "Functional Fillers" division has been growing constantly and according to plan.

Although we continue to observe developments in our markets with caution, we are optimistic about the future, and we expect second-quarter earnings to be higher than in the first quarter of 2012. Our forecast for 2012 remains unchanged: Nabaltec expects an EBIT margin (EBIT as a percentage of total performance) of 9.4% in 2012, about the same level as in 2011, while revenues should grow by around 5%.

Yours,

JOHANNES HECKMANN
Member of the Board

GERHARD WITZANY
Member of the Board

NABALTEC SHARE AND BOND

PERFORMANCE OF NABALTEC SHARE (XETRA, indexed)



KEY DATA FOR NABALTEC SHARE (XETRA)

	First 3 months of 2012	Year 2011
Number of shares	8,000,000	8,000,000
Market capitalization (cutoff date, in EUR million)	64.00	56.80
Average price (in EUR)	7.91	8.58
High (in EUR)	8.70	13.00
Low (in EUR)	6.80	6.32
Closing price (cutoff date, in EUR)	8.00	7.10
Average daily turnover (in shares)	7,444	11,462
Earnings per share* (in EUR)	0.10	0.45

* after non-controlling interests

At the start of 2012, the capital markets rebounded from their losses in the second half of 2011. At the end of the reporting quarter, Nabaltec share was up 12.7% over its closing price for 2011, EUR 7.10, as it was able to make up some of the ground it lost in the second half of 2011. The relevant indices, the SDAX and the specialty chemicals index, finished the first three months of 2012 up 18.1% and 14.5% respectively. After dropping to EUR 6.80 in mid-January, its low for the reporting quarter, Nabaltec share began an uptrend which drove its price up to a high of EUR 8.70 on 22 March 2012, after publication of the preliminary results for Financial Year 2011 in early March. At the end of the first quarter of 2012, Nabaltec share was trading at EUR 8.00. The daily average trading turnover on XETRA in the first quarter of 2012 was 7,444 shares.

Nabaltec share was up 12.7% in the first quarter

Earnings per share, after non-controlling interests, came to EUR 0.10 as of 31 March 2012. By way of comparison, EPS at the end of the first quarter of 2011 was EUR 0.20.

Analyst recommendations for Nabaltec share continue to be positive. Bankhaus Hauck & Aufhäuser once again rated the share a “buy” in its analysis of 7 May 2012, with a price target of EUR 14.00. VEM Aktienbank also confirmed its “buy” recommendation in its report of 30 April 2012, as well as a price target of EUR 13.00.

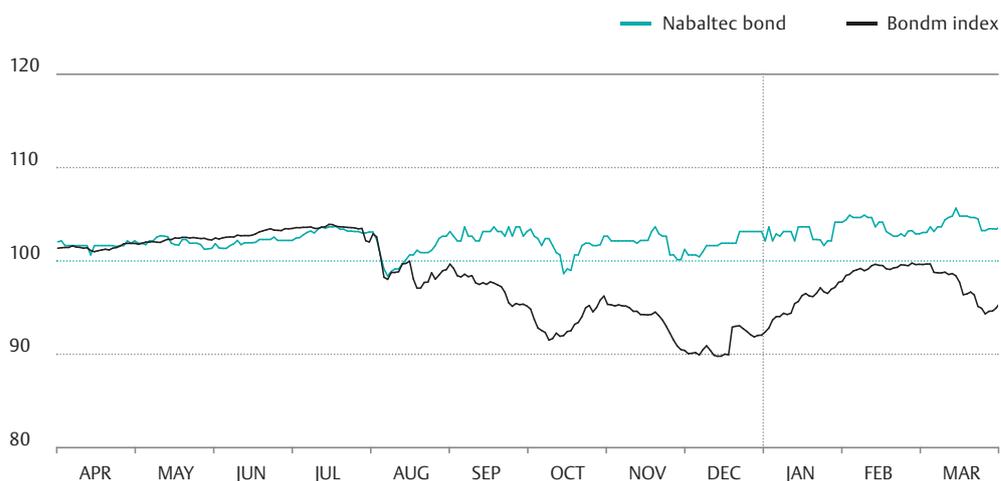
As of 31 March 2012, the majority of the 8,000,000 non-par-value shares were still held by the Heckmann and Witzany families, with the Heckmann family holding 32.0% and the Witzany family holding 29.8% of the capital stock. The residual shares (38.2%) are in free float.

BOND PERFORMANCE

Corporate bond traded at well above 100 in the first quarter

Nabaltec AG’s corporate bond, which is listed in the Bondm (mid-cap) segment of the Stuttgart Stock Exchange, traded at well above 100 without exception over the first three months of 2012, closing the quarter at 104.00.

PERFORMANCE OF NABALTEC BOND (Stuttgart Stock Exchange)



CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 31 MARCH 2012

COURSE OF BUSINESS

Nabaltec's positive course of business continued in the first quarter of 2012. The decisive point was that the slowdown in the pace of growth during the second half of 2011 was reversed, as the caution which prevailed in the third and fourth quarters of 2011 with respect to the continued development of demand in 2012 was refuted by stable and broad-based growth.

Stable and broad-based growth

Consolidated revenues were EUR 34.1 million in the first quarter of 2012, marginally (3.4%) lower than the record-high EUR 35.3 million in the first quarter of 2011. However, revenues were up 20.1% relative to the fourth quarter of 2011, underscoring the return to a trend of stable growth. Prices in Nabaltec's markets were largely stable, as the change relative to the previous quarter and the same quarter of last year was attributable above all to volume effects.

The business division "Functional Fillers" contributed substantially to this revenue growth. That business division finished the quarter with revenues of EUR 23.2 million, down 3.7% from the first quarter of 2011, but up 28.2% from the fourth quarter of 2011. This growth was attributable above all to the positive development in fine precipitated hydroxides, i.e. eco-friendly flame retardant fillers e.g. for the cable & wire industry. The recently added additives and boehmites product segments once again failed to meet expectations in the reporting quarter. Growth in the business division "Technical Ceramics" was somewhat more modest, with revenues of EUR 10.9 million in the first quarter of 2012, down 2.7% from the same quarter of last year and up 6.9% from the fourth quarter of last year.

*"Functional Fillers"
28.2% above the
fourth quarter 2011*

From a regional perspective, growth was especially strong in the domestic market, which was up significantly over both the same quarter of last year (up 4.8%) and the fourth quarter of 2011 (up 20.9%). Despite the economic trends, Nabaltec's exports were also up.

*Especially strong
growth in the
domestic market*

Nabaltec's total performance was EUR 32.9 million in the first three months of the year, down from EUR 35.5 million the year before. This decrease can be attributed in equal parts to somewhat lower revenues and the planned reduction in inventories.

The cost of materials ratio (cost of materials as a percentage of total performance) stayed at 52.3% in the first quarter, up from 51.8% the year before. The gross profit margin improved from 48.7% to 49.2% in the first quarter due to an increase in other operating income.

Personnel expenses increased slightly, from EUR 5.2 million to EUR 5.3 million. The personnel expense ratio (personnel expenses as a percentage of total performance) increased from 14.6% to 16.1% and the number of employees increased from 376 to 397.

Other operating expenses were affected by freight costs, which decreased slightly along with sales, as well as the continuing cost discipline, falling from EUR 6.1 million to EUR 5.9 million. As a percentage of total performance, other operating expenses increased from 17.2% to 17.9% relative to the same quarter of last year.

Results in the first quarter of 2012 were not affected by extraordinary factors and one-time effects.

*EBITDA margin
of 14.9%*

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 4.9 million in the first quarter of 2012, compared to EUR 5.9 million in the same quarter of last year. The EBITDA margin (EBITDA as a percentage of total performance) fell in the first quarter of 2012 from 16.6% in the same of last year to EUR 14.9%. This decrease was particularly attributable to a temporary shift in the product mix, especially in the business division "Technical Ceramics".

Consolidated EBIT amounted to EUR 2.8 million in the reporting quarter, down from EUR 3.9 million in the same period of last year, but up 86.7% from the previous quarter. The EBIT margin (EBIT as a percentage of total performance) was 8.5%, down from 11.0% in the same quarter of last year. The long-term strategy of developing products with high added value in order to improve margins remains intact and will have a noticeable impact on operating data in the second quarter of 2012.

*Slight improvement
in net financial
income to
EUR –1.5 million*

The slight improvement in net financial income, from EUR –1.6 million in the first quarter of 2011 to EUR –1.5 million in the reporting period, is the result of the restructuring of bank debt over the course of 2011.

Earnings before taxes amounted to EUR 1.3 million, down from EUR 2.3 million in the same quarter of last year. After adjusting for taxes and non-controlling interests, consolidated earnings for the period were EUR 0.8 million, down from EUR 1.6 million in the same period of last year. This corresponds to an earnings per share of EUR 0.10 in the reporting quarter, down from EUR 0.20 in the same period of last year.

Nabaltec's net cash flow from operating activities was EUR 6.3 million in the first quarter of 2012, down from EUR 8.6 million in the same period of last year. This item was affected by the slight decrease in earnings, as well as changes in working capital as of the reporting date.

The net cash outflow for investments was EUR 3.9 million, significantly higher than last year's level of EUR 1.7 million. The focus of investments was on increasing capacity and process optimization.

The cash outflow from financing activities decreased from EUR 3.4 million to EUR 2.5 million. Amortization payments were consistent with long-term estimates. Interest payments were reduced as a result of the debt restructuring in 2011.

Nabaltec Group's cash and cash equivalents amounted to EUR 16.2 million on 31 March 2012.

Nabaltec Group's balance sheet shows only slight changes relative to its position on 31 December 2011. Total assets decreased slightly, by 0.5%. Non-current assets increased slightly, by 0.3%, as of 31 March 2012. Current assets decreased by 2.5%, due primarily to a planned reduction in inventories, which was offset by an increase in trade receivables.

On the liabilities side of the balance sheet, Nabaltec's equity ratio increased from 28.4% on 31 December 2011 to 29.1% on 31 March 2012. Non-current liabilities decreased by 8.1%, due to scheduled amortization payments and the reclassification of profit participation capital as current liabilities. As a result, current liabilities increased by 15.7%.

EMPLOYEES

As of the reporting date, 31 March 2012, Nabaltec Group had 397 employees, including trainees. On the same date last year, the Group had 376 employees. The trainee ratio increased from 11.7% to 11.8%.

As of the reporting date, Nabaltec Group had 397 employees

SUBSEQUENT EVENTS

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

REPORT ON RISKS AND OPPORTUNITIES

In the first quarter of 2012, there were no significant changes to the situation described in the 2011 consolidated management report.

OUTLOOK

Assuming the economic situation does not worsen any further, we expect revenues to grow in 2012, albeit at a slower pace than in 2011. Growth of more than 5% should be possible in a stable economic environment. The key growth driver continues to be fine precipitated hydroxides: with the addition of a new production line at the Schwandorf site in 2012, Nabaltec's Group-wide annual production capacity has been increased to 114,000 tons. Continued growth in 2012 is expected in the business division "Technical Ceramics" as well, with additional market penetration, especially with new qualities.

Orders on hand were at EUR 31.9 million on 31 March 2012, up 29.7% from 31 December 2011.

Orders on hand were up 29.7% from 31 December 2011

Nabaltec expects its EBIT margin (EBIT as a percentage of total performance) in 2012 to be at the level of 2011's EBIT margin of 9.4%. After a relatively weak start to the year, with an EBIT margin of just 8.5% in the first quarter of 2012, this ratio is expected to increase in the coming quarter.

Otherwise, the statements made in the forecast report of the 2011 consolidated management report remain in effect.

Schwandorf, 11 May 2012

The Management Board

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS OF 31 MARCH 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM JANUARY 1, 2012 THROUGH MARCH 31, 2012

(in EUR '000)	01/01/ - 03/31/2012	01/01/ - 03/31/2011
Revenue	34,149	35,308
Increase in unfinished and finished products	-1,422	140
Other own services capitalized	200	65
Total performance	32,927	35,513
Other operating income	403	213
Cost of materials	-17,180	-18,427
Gross profit	16,150	17,299
Personnel expenses	-5,322	-5,249
Depreciation and amortization	-2,094	-1,988
Other operating expenses	-5,912	-6,132
Operating result (EBIT)	2,822	3,930
Interest and similar income	113	139
Interest and similar expenses	-1,588	-1,787
Result from ordinary operations (EBT)	1,347	2,282
Income taxes	-307	-410
Consolidated result after taxes	1,040	1,872
thereof attributable to		
Shareholders of the parent company	797	1,602
Non-controlling interests	243	270
Consolidated result after taxes	1,040	1,872
Earnings per share (in EUR)	0.10	0.20

(in EUR '000)	01/01/ - 03/31/2012	01/01/ - 03/31/2011
Consolidated result after taxes	1,040	1,872
Foreign Currency Translation (after taxes)	-118	-134
Net Result from Hedge Accounting (after taxes)	56	128
Other result	-62	-6
thereof attributable to		
Shareholders of the parent company	-181	-266
Non-controlling interests	119	260
Comprehensive income	978	1,866
thereof attributable to		
Shareholders of the parent company	616	1,336
Non-controlling interests	362	530

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 MARCH 2012

ASSETS (in EUR '000)

	03/31/2012	12/31/2011
Non-current assets	117,769	117,541
Intangible assets		
Concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets (including advance payments)	237	232
Property, plant and equipment	116,785	116,399
Land, leasehold rights and buildings on non-owned land	29,174	29,427
Technical equipment, plant and machinery	77,701	72,812
Other fixtures, fittings and equipment	2,442	2,465
Advance payments and plant and machinery under construction	7,468	11,695
Deferred tax assets	747	910
Current assets	46,700	47,864
Inventories	19,838	26,320
Raw materials and supplies	9,337	14,283
Unfinished goods	292	413
Finished products and merchandise	10,209	11,624
Trade receivables and other assets	10,703	5,197
Trade receivables	7,448	2,249
Income tax claims	127	127
Other assets	3,128	2,821
Cash and cash equivalents	16,159	16,347
TOTAL ASSETS	164,469	165,405

EQUITY & LIABILITIES (in EUR '000)

	03/31/2012	12/31/2011
Equity	47,912	46,934
Subscribed capital	8,000	8,000
Capital reserve	29,764	29,764
Earnings reserves	9,711	9,711
Profit/loss carried forward	2,837	-793
Consolidated result after taxes	797	3,630
Accumulated other comprehensive result	-475	-294
Non-controlling interests	-2,722	-3,084
Non-current liabilities	79,713	86,713
Retirement benefit obligation	13,846	13,688
Other provisions	380	372
Financial liabilities arising from corporate bonds	28,983	28,928
Payables to banks	32,671	34,979
Profit participation capital	0	4,976
Deferred tax liabilities	3,833	3,770
Current liabilities	36,844	31,758
Income tax payable	255	190
Other provisions	210	349
Payables to banks	8,739	8,146
Profit participation capital	4,982	0
Trade payables	9,374	10,037
Other liabilities	13,284	13,036
TOTAL EQUITY & LIABILITIES	164,469	165,405

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM JANUARY 1, 2012 THROUGH MARCH 31, 2012

(in EUR '000)	01/01/ - 03/31/2012	01/01/ - 03/31/2011
Cash flow from operating activities		
Period profit before taxes	1,347	2,282
+ Depreciation and amortization	2,094	1,988
-/+ Gain/loss from asset disposals	0	-3
- Interest income	-113	-139
+ Interest expenses	1,588	1,787
Operating profit before working capital changes	4,916	5,915
+/- Increase/decrease in provisions	-132	62
-/+ Increase/decrease in trade receivables and other assets not attributable to investing or financing activity	-5,506	-2,462
+/- Decrease/increase in inventories	6,481	3,011
+/- Increase/decrease in trade payables and other liabilities, not attributable to investment or financing activity	527	2,194
Cash flow from operating activities before taxes	6,286	8,720
- Income taxes paid	-16	-123
Net cash generated by operating activities	6,270	8,597

(in EUR '000)

	01/01/ - 03/31/2012	01/01/ - 03/31/2011
Cash flow from investing activities		
+ Cash received from disposals of property, plant and equipment	0	4
- Cash paid for purchases in property, plant and equipment	-3,868	-1,640
- Cash paid for investments in intangible assets	-27	-67
Net cash used in investing activities	-3,895	-1,703
Cash flow from financing activities		
- Cash rendered for payment of financial loans	-1,936	-2,319
- Cash rendered for liabilities from finance lease	0	-190
- Interest paid	-645	-1,016
+ Interest received	85	107
Net cash generated by financing activities	-2,496	-3,418
Net change in cash and cash equivalents	-121	3,476
Effects of exchange rate changes on the balance of cash held in foreign currencies	-67	-71
Cash and cash equivalents at the beginning of the period	16,347	18,957
Cash and cash equivalents at the end of the period	16,159	22,362

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM JANUARY 1, 2012 THROUGH MARCH 31, 2012

(in EUR '000)

	Equity attributable to shareholders of Nabaltec AG		
	Subscribed Capital	Capital reserve	Earnings reserves
Balance per 01/01/2011	8,000	29,764	9,711
Consolidation adjustment Nashtec LLC*	—	—	—
Foreign currency translation	—	—	—
Net gains from hedge accounting	—	—	—
Other gains/losses	—	—	—
Profit/loss for the period after tax	—	—	—
Consolidated profit for the period	—	—	—
Balance per 03/31/2011	8,000	29,764	9,711
Foreign currency translation	—	—	—
Net gains from hedge accounting	—	—	—
Other gains/losses	—	—	—
Profit/loss for the period after tax	—	—	—
Consolidated profit for the period	—	—	—
Balance per 12/31/2011	8,000	29,764	9,711
Foreign currency translation	—	—	—
Net gains from hedge accounting	—	—	—
Other gains/losses	—	—	—
Profit/loss for the period after tax	—	—	—
Consolidated profit for the period	—	—	—
Balance per 03/31/2012	8,000	29,764	9,711

* we refer to the abridged consolidated notes on the scope of consolidation

Profit carried forward	Accumulated other comprehensive result	Total	Non- controlling interests	Consolidated equity
-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
-	593	593	-255	338
-	-45	-45	-14	-59
-	548	548	-269	279
2,028	-	2,028	624	2,652
2,028	548	2,576	355	2,931
2,837	-294	50,018	-3,084	46,934
-	-202	-202	84	-118
-	21	21	35	56
-	-181	-181	119	-62
797	-	797	243	1,040
797	-181	616	362	978
3,634	-475	50,634	-2,722	47,912

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 wire & cable 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 2012 – 31 MARCH 2012

(in EUR '000)

	Functional Fillers	Technical Ceramics	Nabaltec Group
Revenues			
Third party revenue	23,246	10,903	34,149
Segment result			
EBITDA	3,723	1,193	4,916
EBIT	2,206	616	2,822

PERIOD FROM 1 JANUARY 2011 – 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

ABRIDGED CONSOLIDATED NOTES TO THE INTERIM REPORT

FOR THE PERIOD FROM JANUARY 1, 2012 THROUGH MARCH 31, 2012

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 2012 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 2012 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 2011.

The interim financial statements encompass the period from 1 January 2012 to 31 March 2012.

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.

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

The consolidated 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.

SCOPE OF CONSOLIDATION

The consolidated group of Nabaltec AG as at 31 March 2012 did not change compared to the consolidated financial statements as at 31 December 2011 or the first quarter of financial year 2011. The consolidated financial statements encompass the financial statements of Nabaltec AG, Schwandorf, as parent company, and its subsidiary Nashtec LLC, Texas (USA).

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 2011.

In addition to the Standards and Interpretations used on 31 December 2011, the following Standards and Interpretations were used for the first time, and had no impact on the interim financial statements:

- changes to IAS 12, “Income Taxes – Deferred Taxes – Recovery of Underlying Assets”
- changes to IFRS 1, “Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters”
- changes to IFRS 7, “Financial Instruments – Disclosures – Transfers of Financial Assets”

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 2012 were the result of investments, primarily in technical equipment and machinery to expand capacity and for further process optimization.

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).

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.

Profit participation capital

The scheduled term of the profit participation capital, in the amount of TEUR 5,000, will end in January 2013. The financial obligations arising from profit participation capital were reclassified on 31 March 2012 from non-current liabilities to current liabilities.

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 2011.

No transactions with related persons and enterprises took place in the first three months of 2012. 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, 4 May 2012

The Management Board

FINANCIAL CALENDAR 2012

Annual General Meeting	21 June 2012
Interim Report 2/2012	21 August 2012
Corporate bond: annual interest payment	15 October 2012
Interim Report 3/2012	27 November 2012

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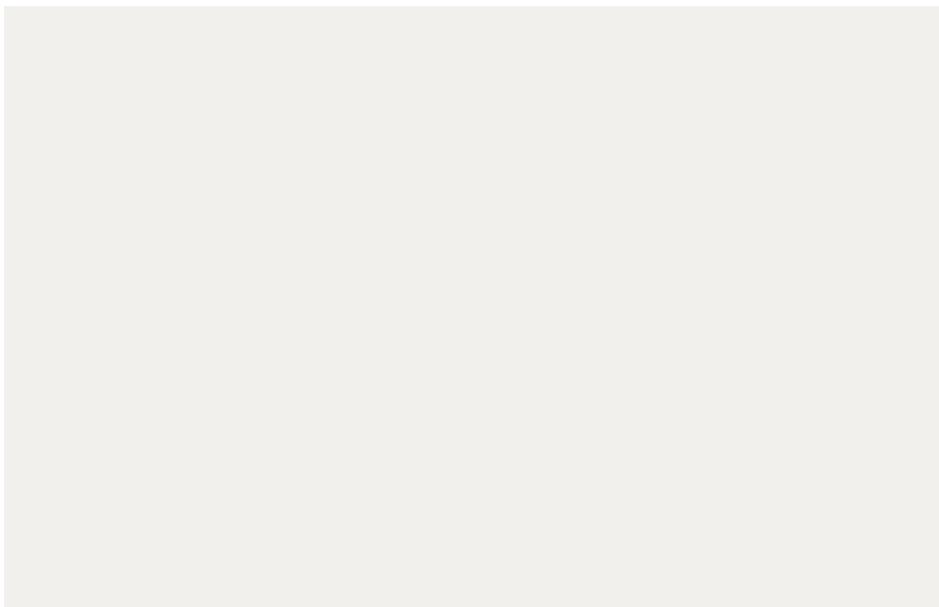
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