



FLAME RETARDANT

SUSTAINABLE
INNOVATIVE

SAFE
FACTORY

INTERIM REPORT 2/2012

OUR KNOW-HOW FOR YOUR SAFETY

Nabaltec

KEY FIGURES NABALTEC GROUP

AS OF 30 JUNE 2012

(in EUR million)

	06/30/2012 (IFRS)	06/30/2011 (IFRS)	Change
Revenues			
Total revenues	68.3	70.1	-2.6%
thereof			
Functional Fillers	47.1	47.6	-1.1%
Technical Ceramics	21.2	22.5	-5.8%
Foreign share (%)	68.7	70.2	
Employees* (number of persons)	399	388	2.8%
Earnings			
EBITDA	11.0	12.4	-11.3%
EBIT	6.7	8.4	-20.2%
Consolidated result after taxes**	2.1	3.5	-40.0%
Earnings per share (EUR)**	0.26	0.43	-39.5%
Financial position			
Cash flow from operating activities	16.1	11.9	35.3%
Cash flow from investing activities	-7.0	-5.7	22.8%
Assets, equity and liabilities			
	06/30/2012	12/31/2011	
Total assets	168.8	165.4	2.1%
Equity	49.8	46.9	6.2%
Non-current assets	118.6	117.5	0.9%
Current assets	50.1	47.9	4.6%

* on the reporting date, including trainees

** after non-controlling interests

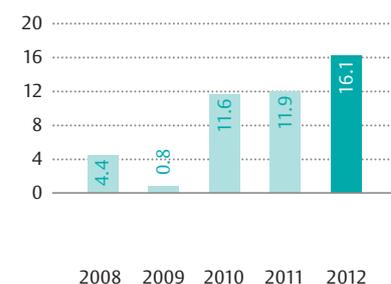
REVENUES AS OF 06/30 (in EUR million)



EBIT AS OF 06/30 (in EUR million)



CASH FLOW FROM OPERATING ACTIVITIES AS OF 06/30 (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 course of business in the second quarter was very satisfactory, following seamlessly upon the strong first quarter. Results in the first half of the year were entirely in line with our estimates and expectations, as demonstrated by the first-half revenues of EUR 68.3 million and the first-half EBIT of EUR 6.7 million.

Revenues and earnings were nearly at the level of last year's record highs, as results in the first and second quarters impressively underscored the fact that the trend has reversed following two modest quarters in the second half of 2011.

We remain optimistic for the remainder of 2012. However, conditions at the moment make it difficult to make forecasts for the remainder of the year, as there are increasing indications of a global economic slowdown. Uncertainty in our markets is on the rise. Some industrial sectors are already feeling the effects of a slowdown, including some which are of key importance for Nabaltec.

At the same time, there are a whole series of positive factors which show that Nabaltec will be able to successfully withstand these worsening conditions. We continue to have a high level of orders on hand, and demand has been stable over all regions and product segments. There is currently no indication of a sharp downturn, as in 2011. Market operators all along the value chain are responding closely to demand, so that hardly any inventories have been built up, unlike last year.

A look at the individual markets served by our two business divisions also reveals positive factors: in the functional filler market, and especially in the fine precipitated hydroxide segment, all market drivers are still intact. In a variety of applications all over the world, we have observed how brominated flame retardants are being taken off the market and replaced by eco-friendly solutions like Nabaltec's fine precipitated hydroxides. This trend is also demonstrated by the figures for the first six months of the year: the fine precipitated hydroxide product segment posted record highs in the first half of the year as well as strong growth in value added.

In the “Technical Ceramics” business division, we expect the development in the second half to be stable at the very least. Demand for high-quality materials, such as those which Nabaltec offers in top quality and with utmost reliability, is growing. This trend towards higher-quality materials can be observed market-wide.

In light of these circumstances, we expect revenue growth in the low single digits for 2012 as a whole relative to 2011 revenues, in the amount of EUR 129.0 million. In terms of earnings, we confirm our target of an EBIT margin in line with last year’s margin.

Yours,



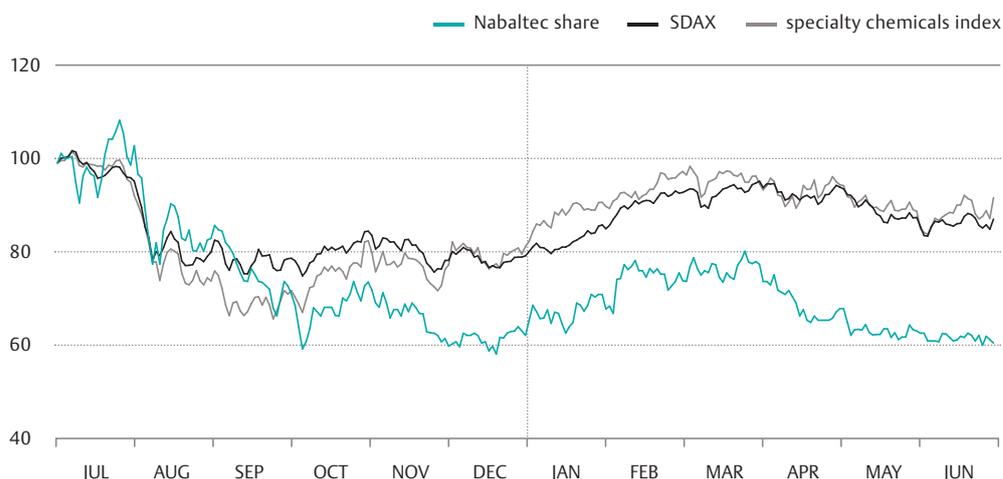
JOHANNES HECKMANN
Member of the Board



GERHARD WITZANY
Member of the Board

NABALTEC SHARE AND BOND

PERFORMANCE OF NABALTEC SHARE (XETRA, indexed)



KEY DATA FOR NABALTEC SHARE (XETRA)

	First 6 months of 2012	Year 2011
Number of shares	8,000,000	8,000,000
Market capitalization (cutoff date, in EUR million)	52.56	56.80
Average price (in EUR)	7.45	8.58
High (in EUR)	8.70	13.00
Low (in EUR)	6.52	6.32
Closing price (cutoff date, in EUR)	6.57	7.10
Average daily turnover (in shares)	7,360	11,462
Earnings per share* (in EUR)	0.26	0.45

* after non-controlling interests

Share performance affected by general unsettling of the capital markets

The general unsettling of the capital markets due to the continuing European sovereign debt and financial crisis made itself felt more strongly in the second quarter of 2012, affecting the performance of Nabaltec share as well. At the end of the reporting quarter, Nabaltec share was trading at EUR 6.57, down 7.5% from its price at the close of 2011, EUR 7.10, and down 17.9% from its price at the end of the first quarter, EUR 8.00. The SDAX and the specialty chemicals index were also down, finishing the reporting quarter down 8.0% and 2.7% respectively from the first quarter, although they are up on the year, by 8.7% and 11.3% respectively. After Nabaltec share climbed to a high of EUR 8.70 in March, investor uncertainty caused its price to drop, despite the company’s very strong first-quarter results and its strong growth in the second quarter as well, and Nabaltec share fell to a low of EUR 6.52 on 26 June 2012. The daily average trading turnover on XETRA for the first half of 2012 was 7,360 shares.

Earnings per share, after non-controlling interests, came to EUR 0.26 as of 30 June 2012. By way of comparison, EPS at the end of the second quarter of 2011 was EUR 0.43.

Analyst recommendations for Nabaltec share continue to be positive. Bankhaus Hauck & Aufhäuser once again rated the share a “buy” in its analysis of 6 August 2012, with a price target of EUR 12.00. VEM Aktienbank left its “buy” recommendation unchanged in its analysis of 30 April 2012, with a price target of EUR 13.00.

Analysts continue to rate Nabaltec share a “buy”

Nabaltec AG continued its capital market communications activities in the reporting quarter. In addition to a road show in Paris and London and the Entry & General Standard conference in Frankfurt, Nabaltec AG also took part in the first Bondm investors conference in Stuttgart.

At the general meeting on 21 June 2012, at the Amberg Convention Center, all agenda items which were put up for voting were adopted by a large majority, including resolutions to approve the actions of the Management and Supervisory Boards, to elect the Supervisory Board, define the Supervisory Board’s remuneration and elect the company’s auditor for Financial Year 2012.

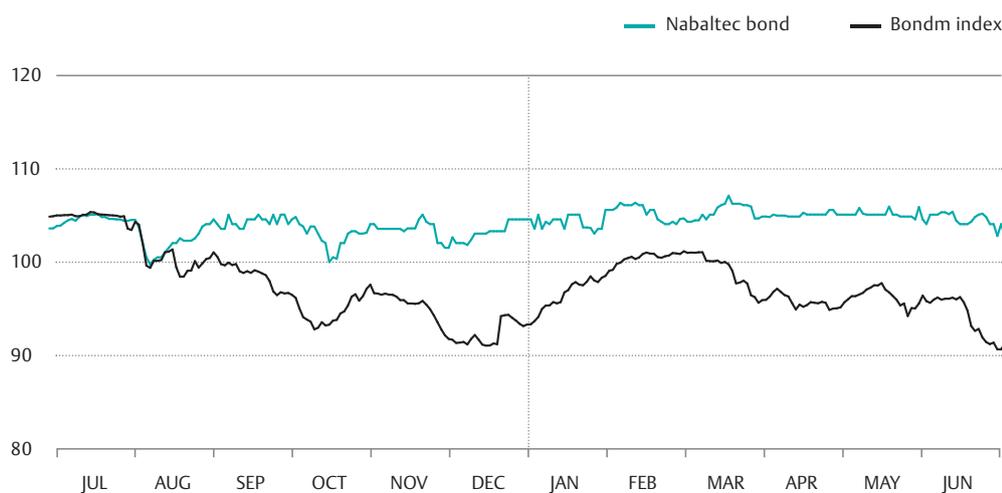
As of 30 June 2012, the majority of the 8,000,000 non-par-value shares were still held by the Heckmann and Witzany families, with the Heckmann family holding 31.95% of the capital stock and the Witzany family holding 29.87%. The remaining shares (38.18%) are in free float.

BOND PERFORMANCE

Nabaltec AG’s corporate bond, which is listed on the Bondm (mid-cap) segment of the Stuttgart Stock Exchange, traded at well above 100 without exception over the first six months of 2012, closing the quarter at 101.75.

Corporate bond closes second quarter at 101.75

PERFORMANCE OF NABALTEC BOND (Stuttgart Stock Exchange)



CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 30 JUNE 2012

COURSE OF BUSINESS

*Nabaltec continued
to perform
on a high level*

Nabaltec AG continued to perform on a high level in the second quarter of 2012. The results in the reporting quarter reconfirmed the turnaround which was achieved in the first quarter of 2012 relative to the second half of 2011, when growth was considerably weaker.

Consolidated revenues in the second quarter of 2012 amounted to EUR 34.2 million, nearly as high as in the second quarter of last year, when revenues were EUR 34.8 million (down 1.7%). At the same time, the second-quarter results continued the positive trend from last quarter, when revenues were EUR 34.1 million.

Over the first six months of the year, revenues amounted to EUR 68.3 million, down slightly from the record-high total of EUR 70.1 million in the first half of 2011. Revenues were up by a strong 16.0% relative to the second half of 2011.

*Business division
"Functional Fillers"
reports EUR 23.8
million in revenues
(up 1.7%)*

Revenues in the business division "Functional Fillers" increased from EUR 23.4 million to EUR 23.8 million in the second quarter, up 1.7% from the second quarter of 2011 and up 2.6% from the previous quarter. This growth was attributable above all to the positive development of the fine precipitated hydroxide segment (eco-friendly flame retardant fillers, e.g. for the cable & wire industry), whose revenues set a new record in the first half of the year. Meanwhile, the additives and boehmites product segments continued to fall somewhat short of expectations. Revenues in the business division "Technical Ceramics" amounted to EUR 10.3 million in the reporting quarter, down 9.6% from the same quarter of last year and down 5.5% from the first quarter of 2012.

Revenues in the business division "Functional Fillers" amounted to EUR 47.1 million over the first half of the year, down 1.1% from the first half of 2011. Revenues in the "Technical Ceramics" business division were somewhat more modest, amounting to EUR 21.2 million, down 5.8% from the first half of 2011.

*German market
up 2.4%*

From a regional perspective, slight growth was posted in the European market, particularly in Germany. The German market was up 2.4% relative to the first six months of 2011. Revenues in the Asian and American market were down slightly, but are still at a high level.

Nabaltec's total performance in the reporting period was EUR 67.5 million, down from EUR 72.3 million in the first six months of 2011. This decrease by 6.6% can be attributed above all to reductions in inventories of finished products relative to the first half of last year.

*Gross profit margin
up slightly, to 49.6%*

The cost of materials ratio (cost of materials as a percentage of total performance) remained stable at 51.7% in the half year comparison. The gross profit margin (as a percentage of total performance) improved slightly in the first half of the year, to 49.6%, up from 49.0% last year.

Personnel expenses increased slightly, from EUR 10.7 million in the first half of 2011 to EUR 10.9 million in the reporting period. The personnel expense ratio (personnel expenses as a percentage of total performance) increased from 14.8% to 16.1%, as the number of employees increased from 388 to 399.

Other operating expenses were once again affected by the cost discipline practiced at Nabaltec, falling from EUR 12.2 million to EUR 11.5 million. As a percentage of total performance, other operating expenses increased from 16.9% to 17.0% relative to the same period of last year.

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

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 11.0 million in the first half of 2012, down from EUR 12.4 million in the same period of last year. The EBITDA margin (EBITDA as a percentage of total performance) fell from 17.2% in the first half of 2011 to EUR 16.3% in the first six months of 2012.

Consolidated EBIT amounted to EUR 6.7 million in the reporting period, down from EUR 8.4 million in the first half of 2011. In the second quarter, this item was up a strong 39.3% from the previous quarter. The EBIT margin (EBIT as a percentage of total performance) was 9.9% over the first six months of 2012, down from 11.6% in the same period of last year.

EBIT margin of 9.9%

Net financial income improved from EUR –3.3 million in the first half of 2011 to EUR –3.0 million in the reporting period, as the restructuring of bank debt over the course of 2011 had a positive impact on this item.

Earnings before taxes amounted to EUR 3.8 million, down from EUR 5.2 million in the same period of last year. After adjusting for taxes and non-controlling interests, consolidated earnings for the period were EUR 2.1 million, down from EUR 3.5 million in the same period of last year. This corresponds to an earnings per share of EUR 0.26, down from EUR 0.43 in the same period of last year.

Nabaltec's net cash flow from operating activities improved from EUR 11.9 million to EUR 16.1 million in the first half of 2012. The net cash outflow for investments increased from EUR 5.7 million to EUR 7.0 million. The focus of investments was on measures to further optimize processes in the business division "Technical Ceramics", as well as completing and commencing operation of the new production line for fine precipitated hydroxides.

Operating cash flow climbs to EUR 16.1 million

The cash outflow from financing activities decreased from EUR 6.2 million to EUR 5.1 million in the reporting period. 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 20.5 million on 30 June 2012.

Nabaltec Group's balance sheet shows only slight changes relative to its position on 31 December 2011. Total assets increased by 2.1%, from EUR 165.4 million to EUR 168.8 million. Non-current assets increased slightly, by 0.9%. Within property, plant and equipment, there were some transfers from plant and machinery under construction to technical equipment, plant and machinery, as various plants were online. Current assets increased by 4.6%, as higher liquidity and an increase in trade receivables offset reductions in inventories.

Total assets up 2.1%, to EUR 168.8 million

EMPLOYEES

As of the reporting date, 30 June 2012, Nabaltec Group had 399 employees, including trainees. On the same date last year, the Group had 388 employees. The trainee ratio increased from 11.3% to 11.8%.

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

OUTLOOK

Nabaltec expects revenue growth in the low single digits

Forecasting the course of business in the second half of the year is somewhat difficult in light of the tangible economic slowdown in many countries and increased volatility in many of Nabaltec's markets. Given these circumstances, Nabaltec expects revenue growth in the low single digits. Nabaltec continues to expect an EBIT margin in line with last year's margin.

Orders on hand were at EUR 25.5 million on 30 June 2012, up 3.7% from 31 December 2011.

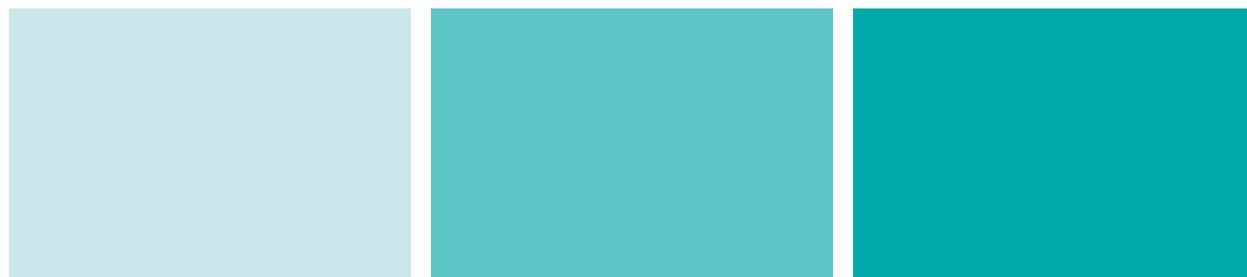
Otherwise, the statements made in the forecast report of the 2011 consolidated management report remain in effect.

Schwandorf, 10 August 2012

The Management Board

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS OF 30 JUNE 2012



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM JANUARY 1, 2012 THROUGH JUNE 30, 2012

(in EUR '000)	2012		2011	
	01/01/ - 06/30/	04/01/ - 06/30/	01/01/ - 06/30/	04/01/ - 06/30/
Revenue	68,309	34,160	70,090	34,782
Increase in unfinished and finished products	-1,142	280	1,975	1,835
Other own services capitalized	343	143	198	133
Total performance	67,510	34,583	72,263	36,750
Other operating income	839	436	516	303
Cost of materials	-34,861	-17,681	-37,411	-18,984
Gross profit	33,488	17,338	35,368	18,069
Personnel expenses	-10,928	-5,606	-10,713	-5,464
Depreciation and amortization	-4,296	-2,202	-3,994	-2,006
Other operating expenses	-11,524	-5,612	-12,223	-6,091
Operating result (EBIT)	6,740	3,918	8,438	4,508
Interest and similar income	229	116	287	148
Interest and similar expenses	-3,213	-1,625	-3,575	-1,788
Result from ordinary operations (EBT)	3,756	2,409	5,150	2,868
Income taxes	-1,073	-766	-1,152	-742
Consolidated result after taxes	2,683	1,643	3,998	2,126
thereof attributable to				
Shareholders of the parent company	2,113	1,316	3,456	1,854
Non-controlling interests	570	327	542	272
Consolidated result after taxes	2,683	1,643	3,998	2,126
Earnings per share (in EUR)	0.26	0.16	0.43	0.23

(in EUR '000)	2012		2011	
	01/01/ - 06/30/	04/01/ - 06/30/	01/01/ - 06/30/	04/01/ - 06/30/
Consolidated result after taxes	2,683	1,643	3,998	2,126
Foreign currency translation (after taxes)	134	252	-182	-48
Net result from hedge accounting (after taxes)	41	-15	124	-4
Other result	175	237	-58	-52
thereof attributable to				
Shareholders of the parent company	196	377	-374	-108
Non-controlling interests	-21	-140	316	56
Comprehensive income	2,858	1,880	3,940	2,074
thereof attributable to				
Shareholders of the parent company	2,309	1,693	3,082	1,746
Non-controlling interests	549	187	858	328

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2012

ASSETS (in EUR '000)

	06/30/2012	12/31/2011
Non-current assets	118,648	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)	225	232
Property, plant and equipment	117,710	116,399
Land, leasehold rights and buildings on non-owned land	29,242	29,427
Technical equipment, plant and machinery	83,253	72,812
Other fixtures, fittings and equipment	2,620	2,465
Advance payments and plant and machinery under construction	2,595	11,695
Deferred tax assets	713	910
Current assets	50,147	47,864
Inventories	19,955	26,320
Raw materials and supplies	9,058	14,283
Unfinished goods	278	413
Finished products and merchandise	10,619	11,624
Trade receivables and other assets	9,728	5,197
Trade receivables	6,260	2,249
Income tax claims	115	127
Other assets	3,353	2,821
Cash and cash equivalents	20,464	16,347
TOTAL ASSETS	168,795	165,405

EQUITY & LIABILITIES (in EUR '000)

	06/30/2012	12/31/2011
Equity	49,792	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	2,113	3,630
Accumulated other comprehensive result	-98	-294
Non-controlling interests	-2,535	-3,084
Non-current liabilities	78,302	86,713
Retirement benefit obligation	14,004	13,688
Other provisions	388	372
Financial liabilities arising from corporate bonds	29,048	28,928
Payables to banks	30,752	34,979
Profit participation capital	0	4,976
Deferred tax liabilities	4,110	3,770
Current liabilities	40,701	31,758
Income tax payable	692	190
Other provisions	203	349
Payables to banks	9,468	8,146
Profit participation capital	4,988	0
Trade payables	11,205	10,037
Other liabilities	14,145	13,036
TOTAL EQUITY & LIABILITIES	168,795	165,405

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM JANUARY 1, 2012 THROUGH JUNE 30, 2012

(in EUR '000)	01/01/ - 06/30/2012	01/01/ - 06/30/2011
Cash flow from operating activities		
Period profit before taxes	3,756	5,150
+ Depreciation and amortization	4,296	3,994
-/+ Gain/loss from asset disposals	-2	-1
- Interest income	-229	-287
+ Interest expenses	3,213	3,575
Operating profit before working capital changes	11,034	12,431
+/- Increase/decrease in provisions	-134	149
-/+ Increase/decrease in trade receivables and other assets not attributable to investing or financing activity	-4,543	-2,084
+/- Decrease/increase in inventories	6,365	70
+/- Increase/decrease in trade payables and other liabilities, not attributable to investment or financing activity	3,373	1,225
Cash flow from operating activities before taxes	16,095	11,791
- Income taxes paid	-22	112
Net cash generated by operating activities	16,073	11,903

(in EUR '000)	01/01/ - 06/30/2012	01/01/ - 06/30/2011
Cash flow from investing activities		
+ Cash received from disposals of property, plant and equipment	5	32
- Cash paid for purchases in property, plant and equipment	-6,918	-5,686
- Cash paid for investments in intangible assets	-37	-76
Net cash used in investing activities	-6,950	-5,730
Cash flow from financing activities		
- Cash rendered for payment of financial loans	-3,885	-4,083
- Cash rendered for liabilities from finance lease	0	-319
- Interest paid	-1,345	-2,018
+ Interest received	172	224
Net cash generated by financing activities	-5,058	-6,196
Net change in cash and cash equivalents	4,065	-23
Effects of exchange rate changes on the balance of cash held in foreign currencies	52	-100
Cash and cash equivalents at the beginning of the period	16,347	18,957
Cash and cash equivalents at the end of the period	20,464	18,834

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM JANUARY 1, 2012 THROUGH JUNE 30, 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 06/30/2011	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 06/30/2012	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
-	-	-	-	-
-	-437	-437	255	-182
-	63	63	61	124
-	-374	-374	316	-58
3,456	-	3,456	542	3,998
3,456	-374	3,082	858	3,940
2,663	-950	49,188	-3,111	46,077
-	700	700	-313	387
-	-44	-44	-12	-56
-	656	656	-325	331
174	-	174	352	526
174	656	830	27	857
2,837	-294	50,018	-3,084	46,934
-	189	189	-55	134
-	7	7	34	41
-	196	196	-21	175
2,113	-	2,113	570	2,683
2,113	196	2,309	549	2,858
4,950	-98	52,327	-2,535	49,792

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 – 30 JUNE 2012
(in EUR '000)

	Functional Fillers		Technical Ceramics		Nabaltec Group	
	2012 01/01/ – 06/30/	2012 04/01/ – 06/30/	2012 01/01/ – 06/30/	2012 04/01/ – 06/30/	2012 01/01/ – 06/30/	2012 04/01/ – 06/30/
Revenues						
Third party revenue	47,090	23,844	21,219	10,316	68,309	34,160
Segment result						
EBITDA	8,629	4,906	2,407	1,214	11,036	6,120
EBIT	5,500	3,294	1,240	624	6,740	3,918

PERIOD FROM 1 JANUARY 2011 – 30 JUNE 2011
(in EUR '000)

	Functional Fillers		Technical Ceramics		Nabaltec Group	
	2011 01/01/ – 06/30/	2011 04/01/ – 06/30/	2011 01/01/ – 06/30/	2011 04/01/ – 06/30/	2011 01/01/ – 06/30/	2011 04/01/ – 06/30/
Revenues						
Third party revenue	47,566	23,430	22,524	11,352	70,090	34,782
Segment result						
EBITDA	8,725	4,516	3,707	1,998	12,432	6,514
EBIT	5,835	3,065	2,603	1,443	8,438	4,508

ABRIDGED CONSOLIDATED NOTES TO THE INTERIM REPORT

FOR THE PERIOD FROM JANUARY 1, 2012 THROUGH JUNE 30, 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 30 June 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 30 June 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 30 June 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 30 June 2012 did not change compared to the consolidated financial statements as at 31 December 2011 or the second 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 six 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 six 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, 10 August 2012

The Management Board

FINANCIAL CALENDAR 2012

Corporate bond: annual interest payment

15 October 2012

Interim Report 3/2012

27 November 2012

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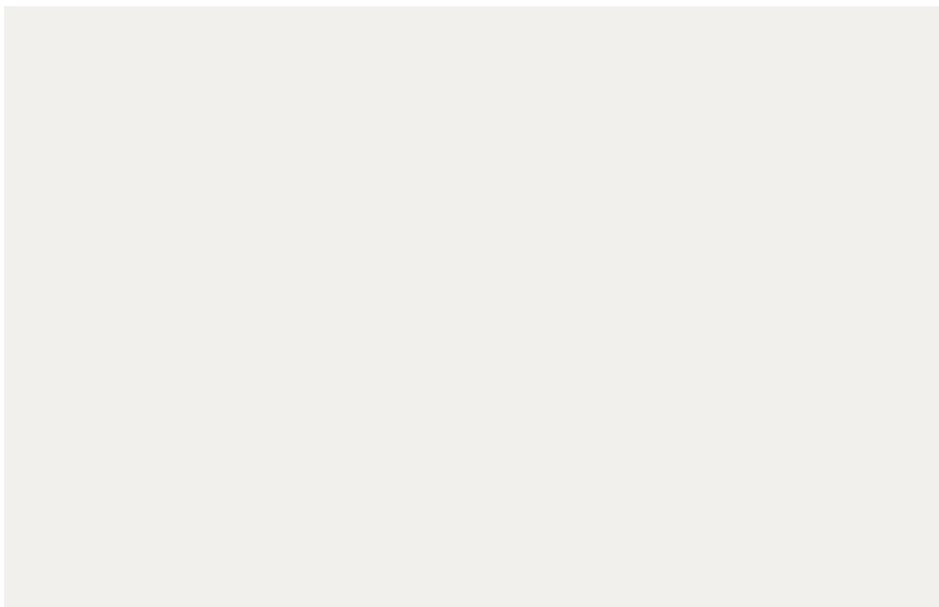
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