

OUR KNOW-HOW FOR YOUR SAFETY



INTERIM REPORT 2/2014

Nabaltec

KEY FIGURES NABALTEC GROUP

AS OF 30 JUNE 2014

(in EUR million)	06/30/2014 (IFRS)	06/30/2013 (IFRS)	Change
Revenues			
Total revenues	73.0	68.8	6.1%
thereof			
Functional Fillers	50.5	46.5	8.6%
Technical Ceramics	22.5	22.3	0.9%
Foreign share (%)	71.2	68.9	
Employees* (number of persons)	414	412	0.5%
Earnings			
EBITDA	11.4	10.4	9.6%
EBIT	6.6	5.8	13.8%
Consolidated result after taxes**	3.1	2.2	40.9%
Earnings per share (EUR)**	0.39	0.27	44.4%
Financial position			
Cash flow from operating activities	13.2	15.2	-13.2%
Cash flow from investing activities	-6.5	-2.3	182.6%
Assets, equity and liabilities	06/30/2014	12/31/2013	
Total assets	179.1	176.3	1.6%
Equity	52.5	50.4	4.2%
Non-current assets	112.4	112.3	0.1%
Current assets	66.6	63.9	4.2%

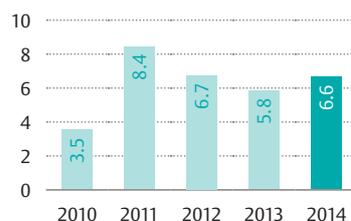
* on the reporting date, including trainees

** 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)



NABALTEC AG

LEADING IN ECO-FRIENDLY SPECIALTY CHEMICALS



Nabaltec AG, with registered office in Schwandorf, a chemicals business which has received multiple awards for innovativeness, manufactures, develops and distributes highly specialized products based on aluminum hydroxide (“ATH”) and aluminum oxide, as well as other raw materials, on an industrial scale through its “Functional Fillers” and “Technical Ceramics” divisions. Nabaltec maintains production sites in Germany and the US and plans to continue to consolidate its market position by expanding capacity, further optimizing processes and quality and making strategic extensions to its product range. On the strength of its specialty products, the company strives to attain the market leadership in each segment.

NABALTEC WORLDWIDE



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

□ Locations ■ Agencies

BUSINESS DIVISIONS



FUNCTIONAL FILLERS

Nabaltec's functional fillers are eco-friendly and safe. Depending on their field of application, they reduce the emission of hazardous fumes in the case of fire or increase operational stability of materials for various applications, from profiles to state-of-the-art energy storage facilities.

In our business division "Functional Fillers," we develop highly specialized aluminum hydroxide-based products for a wide variety of applications, and we are among the leading manufacturers in the world in this area. In addition to current market trends, the development of our halogen-free eco-friendly flame retardants, additives and boehmites is driven above all by the specific requirements of our customers.

REVENUES (in EUR million)



TECHNICAL CERAMICS

Nabaltec's ceramic raw materials and ceramic bodies, in special qualities, offer fields of application in all areas of life and in all industrial sectors. They provide e.g. greater mechanical strength in household ceramics and higher durability for components in engineering ceramics.

In our business division "Technical Ceramics," we develop innovative materials for a wide variety of industries based on all-natural ingredients and occupy a leading position in the global market for ceramic raw materials and bodies. We are constantly investing in optimizing our production facilities, in innovative technologies and in improving our production processes in order to enable us to consistently supply tailor-made qualities which meet our customers' needs.

REVENUES (in EUR million)



SPECIALTY CHEMICALS

FOR SAFER AND MORE ECO-FRIENDLY PRODUCTS

The range of applications for Nabaltec products is extremely diverse. They are preferred whenever utmost quality, safety, eco-friendliness and durability are required. It is the combination of these important characteristics that guarantees Nabaltec products outstanding growth prospects. The special strengths of Nabaltec are a number of functional fillers for the plastics industry and high-quality, specialized raw materials for technical ceramics, always featuring unchanging prime quality and designed for very specific requirements.

APPLICATIONS



Eco-friendly aluminum hydroxide is used e.g. for cables in tunnels, and aluminum monohydrate (boehmite) is used amongst others in heavy metal-free printed circuit boards.



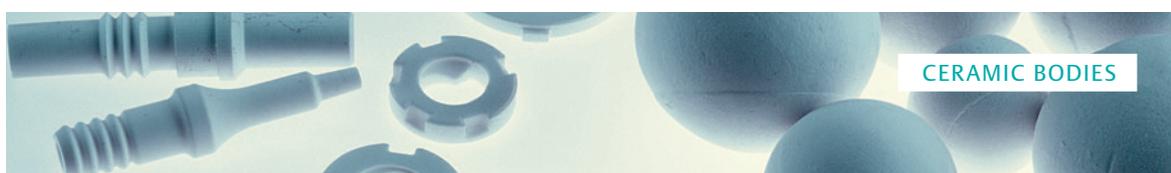
Nabaltec's additives are used e.g. as co-stabilizers in PVC products and as process additives.



Aluminum hydroxide serves e.g. to eliminate fumes in power plants and boehmite is used as a raw material in alternative energy storage and in catalyzers.



Aluminum oxide and sintered mullite are used primarily in the refractory and polishing industries, in the automotive sector and in glass and ceramics production.



Highly specialized and ready-formulated mixtures are used particularly to prevent abrasion and protect people and vehicles, as well as in engineering ceramics.



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Gerhard Witzany

Johannes Heckmann

MANAGEMENT BOARD FOREWORD

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

Our results in the second quarter of 2014 were once again very strong. Revenues came to EUR 36.2 million, nearly as high as the record-high revenues of EUR 36.8 million posted in the first quarter, and up 6.5% from the same quarter of last year, which was very strong in its own right.

*Business division
"Functional Fillers" achieved
the strongest single quarter
in the history*

The key driver behind this strong revenue growth has been the performance of the business division "Functional Fillers," where revenues climbed to EUR 25.3 million, for the strongest single quarter in our history. We are all the more satisfied with this result in view of the fact that we have had to contend with slight price pressure in the market. In addition to the traditionally strong fine precipitated hydroxide product segment, which is by far the most important, the more recently established boehmite

and CAHC product segments also contributed to growth, as their revenues in the first six months of the year already exceed or equal the revenues posted in all of last year. While their revenue base is still relatively small, their growth is still intact, and we are constantly working to develop additional applications, e.g. in catalysis or as stabilizers in soft plastics. Fine precipitated hydroxides are currently benefiting from high and stable demand in the US and growing demand in Europe. Industrial customers in Southern Europe especially are ramping up their orders considerably, which is a particularly welcome development.

The performance of the business division “Technical Ceramics” has been somewhat more modest lately. Revenues in the reporting quarter were down slightly, by 2.7% from the same quarter of last year, to EUR 10.9 million. However, we are not concerned by this development, and we are confident with respect to the division’s performance in the second half of the year. After all, there are no irregularities or distortions in the market that would have been responsible for such a decline, in our view. On the contrary, the indicators for the coming months are rather positive. The steel industry, Nabaltec’s largest customer group, is in an upswing, and we therefore expect a revenue shift in the refractory industry, with gains in the second half of the year coming at the expense of the first. In view of these circumstances, our customers have repeatedly confirmed that they expect a trend of this kind in technical ceramics demand.

Business division “Technical Ceramics” performed somewhat more modest

There are clear parallels at the moment between sentiment in the German chemicals industry and Nabaltec: the basic sentiment is entirely positive and the uptrend is intact, although it is accompanied by slight price pressure. Nabaltec was nevertheless able to convert the strong demand growth in the second quarter into solid earnings growth. Its EBIT reached EUR 3.6 million in the reporting quarter, in line with last year’s result, and its EBIT margin (EBIT as a percentage of total performance) in the first two quarters of 2014 was 9.1%, which actually exceeds our forecast slightly. Because we were also able to significantly improve our net financial income with the issue of the loan against borrower’s note at the end of 2013, our earnings per share climbed by 44.4% in the first six months of the year, from EUR 0.27 to EUR 0.39.

The basic sentiment in the German chemicals industry and at Nabaltec is entirely positive

Earnings per share improved by 44.4%

The growth in earnings per share underscores that this was the right time to resume our dividend activity, maintaining a good balance between the shareholders’ interests and the interest in further strengthening the company’s capital base. On 26 June 2014, the shareholders at the company’s Annual Meeting adopted a dividend in the amount of EUR 0.06 per share, as well as approving all other agenda items that were up for voting by a large majority. We thank you for this confidence and look forward to continuing our relationship with you.

Sincerely yours,



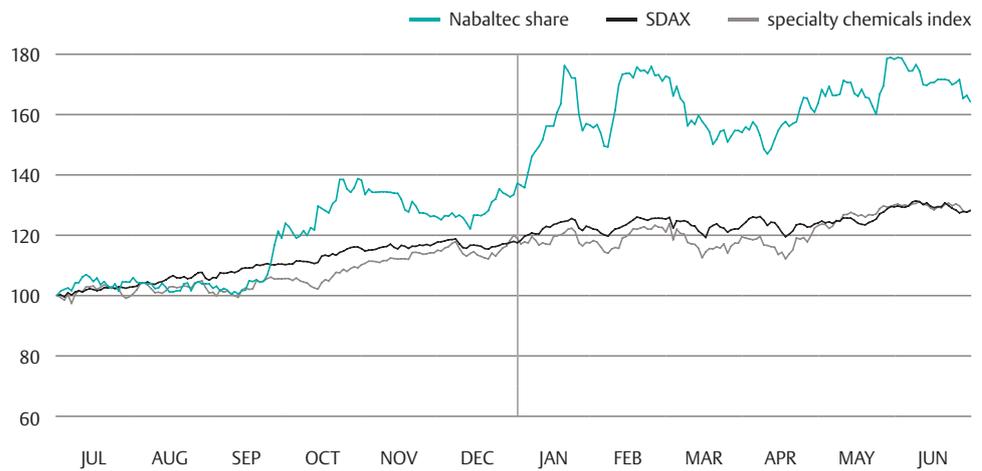
JOHANNES HECKMANN
Member of the Board



GERHARD WITZANY
Member of the Board

NABALTEC SHARE

PERFORMANCE OF NABALTEC SHARE (XETRA, indexed)



KEY DATA FOR NABALTEC SHARE (XETRA)

	First 6 months of 2014	Year 2013
Number of shares	8,000,000	8,000,000
Market capitalization (cutoff date, in EUR million)	88.24	74.00
Average price (in EUR)	10.96	7.32
High (in EUR)	12.00	9.35
Low (in EUR)	9.15	6.25
Closing price (cutoff date, in EUR)	11.03	9.25
Average daily turnover (in shares)	6,608	5,822
Earnings per share* (in EUR)	0.39	0.33

* after non-controlling interests

Nabaltec share recorded an increase of 60.6% within one year

At the end of the second quarter of 2014, Nabaltec share was trading at EUR 11.03, up 60.6% from its closing price in the same quarter of last year, EUR 6.87. After dropping to EUR 9.89 in early April, its low for the reporting quarter, the share price climbed to a high of EUR 12.00 in early June before falling slightly to finish the quarter at EUR 11.03, up 19.2% from its position at the end of 2013, EUR 9.25. The relevant indices, the SDAX and the specialty chemicals index, gained at a somewhat more moderate pace in the first half of the year, and are up 8.8% and 7.8% respectively since the end of 2013. The average daily trading turnover of Nabaltec share in XETRA was 6,608 shares in the first half of 2014.

Earnings per share (EPS) after non-controlling interests amounted to EUR 0.39 on 30 June 2014. By comparison, EPS came to EUR 0.27 at the end of the second quarter of 2013.

*Earnings per share
of EUR 0.39*

Analyst recommendations for Nabaltec share continue to be positive. Hauck & Aufhäuser, in a study dated 27 June 2014, confirmed its buy recommendation, with a price target of EUR 15.00. Baader Bank once again rates Nabaltec share a “buy” in its study of 27 May 2014, with a price target of EUR 13.25.

As of 30 June 2014, the majority of the 8,000,000 non-par-value shares continue to be held by the Heckmann and Witzany families, with the Heckmann family holding 31.56% of the capital stock and the Witzany family holding 29.87%. The remaining 38.57% of shares are in free float.

*Stable shareholder
structure*

CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 30 JUNE 2014

COURSE OF BUSINESS

In the second quarter of 2014, Nabaltec AG's revenues exceeded its already very strong revenues from the same quarter of last year and nearly equaled its record-high revenues from the previous quarter. The company's earnings were also in line with last year's strong values.

Consolidated revenues amount to EUR 36.2 million in the second quarter (+6.5%)

Nabaltec's consolidated revenues climbed to EUR 36.2 million in the second quarter of 2014, up 6.5% from the same quarter of last year, when consolidated revenues amounted to EUR 34.0 million, and just 1.6% short of the record-high revenues posted in the first quarter of 2014.

Revenues over the first six months of 2014 came to EUR 73.0 million, up 6.1% from the first half of 2013, when revenues came to EUR 68.8 million. Revenues were up significantly over the second half of 2013, by 13.9%.

The business division "Functional Fillers" posted revenues of EUR 25.3 million in the second quarter, the highest value in company history, up significantly from the same quarter of last year, by 11.0%, and up slightly from the previous quarter, by 0.4%. The fine precipitated hydroxide product segment continued to record stable performance at a high level, but the newer boehmite and CAHC product segments also contributed increasingly to overall growth. Revenues in the business division "Technical Ceramics" fell from EUR 11.2 million in the second quarter of 2013 to EUR 10.9 million in the reporting period (down 2.7%).

Business division "Functional Fillers" recorded a plus of 8.6% for the first half

The business division "Functional Fillers" posted revenues of EUR 50.5 million in the first half of 2014, up 8.6% from the same period of last year (EUR 46.5 million). Revenues in the business division "Technical Ceramics" were up slightly over the first half of 2013 (EUR 22.3 million), up 0.9% to EUR 22.5 million.

Nabaltec was able to post slight growth in all regions other than Germany. The export ratio in the first six months of 2014 increased accordingly, from 68.9% in the same period of last year to 71.2%.

Nabaltec's total performance increased to EUR 72.4 million in the reporting period from EUR 67.2 million in the same period of last year (7.7%). This increase is attributable above all to strong revenue growth, as well as the simultaneous reduction in inventories of finished products.

Cost of material ratio increases to 52.2%

The cost of materials ratio (cost of materials as a percentage of total performance) increased in the first six months of 2014, to 52.2%, up from 50.6% in the same period of last year. Gross profit margin fell accordingly, from 50.3% in the first half of 2013 to 48.8% in the first half of 2014.

Personnel expenses increased in the first half of 2014, to EUR 12.6 million from EUR 11.3 million in the comparison period. This includes increases in collective wages, as well as elimination of the pay cut in 2013. The personnel expense ratio (personnel expenses as a percentage of total performance) increased from 16.8% to 17.4%, while the number of employees increased from 412 to 414.

Other operating expenses decreased from EUR 12.1 million in the same period of last year to EUR 11.3 million in the first half of 2014, due primarily to a decrease in lease payments in the amount of EUR 0.9 million. Other operating expenses as a percentage of total performance improved significantly relative to the same period of last year, to 15.6% (first half of 2013: 18.0%).

Results in the first half of 2014 were not affected by extraordinary factors or one-time effects.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 11.4 million in the first half of 2014, up 9.6% from the value of EUR 10.4 million in the same period of last year. The EBITDA margin increased accordingly, from 15.5% in the first six months of 2013 to 15.7% in the reporting period.

Consolidated EBIT amounted to EUR 6.6 million in the reporting period, compared to EUR 5.8 million in the first half of 2013. EBIT in the second quarter of 2014 was up 20.0% over the previous quarter, to EUR 3.6 million. The EBIT margin (EBIT as a percentage of total performance) amounted to 9.1% in the first six months of 2014, up from 8.6% in the same period of last year.

EBIT margin 9.1%

Net financial income improved, climbing from EUR –2.5 million in the first half of 2013 to EUR –2.1 million in the reporting period. This improvement is attributable to the termination of interest payments for the bond issue as of January 2014 and the general optimization of the debt side over the course of the loan against borrower's note issue in 2013.

Earnings before taxes increased in the first six months of the year to EUR 4.5 million, up from EUR 3.4 million in the same period of last year. After adjusting for taxes and non-controlling interests, consolidated earnings for the period were EUR 3.1 million, compared to EUR 2.2 million in the comparison period. This corresponds to earnings per share of EUR 0.39 for the first half of 2014. By way of comparison, earnings per share in the same period of last year amounted to EUR 0.27.

Consolidated earnings increase to EUR 3.1 million

Cash flow from operating activities in the first half of 2014 came to EUR 13.2 million, down slightly from the year before (EUR 15.2 million). Spending on investments increased from EUR 2.3 million in the same period of last year to EUR 6.5 million.

Cash flow from financing activities amounted to EUR –7.2 million in the first six months of the year, compared to EUR –5.9 million in the same period of last year. Amortization payments were in line with long-term estimates.

Nabaltec Group's cash and cash equivalents amounted to EUR 29.2 million as of 30 June 2014.

Nabaltec Group's balance sheet showed only slight changes relative to 31 December 2013. Total assets increased slightly, by 1.6%, to EUR 179.1 million. Non-current assets remained nearly unchanged on 30 June 2014, while current assets increased by 4.2%. A planned reduction in inventories was offset by an increase in trade receivables and other assets as of 30 June 2014.

*Equity ratio
climbs to 29.3%*

On the liabilities side of the balance sheet, the equity ratio increased from 28.6% on 31 December 2013 to 29.3% on 30 June 2014. Non-current liabilities decreased by 5.6%, due above all to the decrease in accounts payable to banks. Current liabilities increased by 18.8% due to the increase in trade payables and in other liabilities.

EMPLOYEES

As of the reporting date, 30 June 2014, Nabaltec Group had 414 employees (including trainees). On the same date of last year, this number was 412 employees. The trainee ratio was 10.6%, down slightly from the year before.

SUBSEQUENT EVENTS

No major events with an impact on the financial, earnings and liquidity position occurred after the reporting date.

OUTLOOK

*Revenue growth in
the mid-single digits
expected in 2014*

Assuming that economic conditions continue to stabilize, Nabaltec anticipates a stable course of business in the second half of 2014 and expects revenue growth in the mid-single digits for the year as a whole. The company projects that its EBIT margin in 2014 will be in line with last year's margin. Strict cost management in all segments will serve to further stabilize and improve earning power.

Orders on hand amounted to EUR 28.4 million on 30 June 2014, up 90.6% from the value on 31 December 2013.

Otherwise, the statements made in the forecast report of the 2013 consolidated management report retain their validity.

REPORT ON OPPORTUNITIES AND RISKS

No significant changes were evident in the first half of 2014 to the risk situation presented in the 2013 consolidated management report.

Schwandorf, 8 August 2014

The Management Board

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS OF 30 JUNE 2014

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY 2014 THROUGH 30 JUNE 2014

(in EUR '000)	2014 01/01/ - 06/30/	2014 04/01/ - 06/30/	2013 01/01/ - 06/30/	2013 04/01/ - 06/30/
Revenue	73,032	36,214	68,791	34,007
Change in unfinished and finished products	-824	941	-1,737	476
Other own services capitalized	205	101	128	70
Total performance	72,413	37,256	67,182	34,553
Other operating income	683	472	625	226
Cost of materials	-37,819	-19,772	-33,979	-17,383
Gross profit	35,277	17,956	33,828	17,396
Personnel expenses	-12,554	-6,332	-11,279	-5,701
Depreciation and amortization	-4,787	-2,401	-4,587	-2,286
Other operating expenses	-11,333	-5,591	-12,114	-5,856
Operating result (EBIT)	6,603	3,632	5,848	3,553
Interest and similar income	80	36	203	104
Interest and similar expenses	-2,212	-1,088	-2,681	-1,347
Result from ordinary operations (EBT)	4,471	2,580	3,370	2,310
Income taxes	-984	-638	-791	-423
Consolidated result after taxes	3,487	1,942	2,579	1,887
thereof attributable to				
Shareholders of the parent company	3,120	1,742	2,152	1,707
Non-controlling interests	367	200	427	180
Consolidated result after taxes	3,487	1,942	2,579	1,887
Earnings per share (in EUR)	0.39	0.22	0.27	0.21

(in EUR '000)	2014 01/01/ – 06/30/	2014 04/01/ – 06/30/	2013 01/01/ – 06/30/	2013 04/01/ – 06/30/
Consolidated result after taxes	3,487	1,942	2,579	1,887
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation (after taxes)	60	77	58	-116
Net result from hedge accounting (after taxes)	-905	-311	222	-26
	-845	-234	280	-142
Items that will not be reclassified to profit or loss				
Actuarial gains and losses	0	0	0	0
	0	0	0	0
Other result	-845	-234	280	-142
thereof attributable to				
Shareholders of the parent company	-880	-250	240	-205
Non-controlling interests	35	16	40	63
Comprehensive income	2,642	1,708	2,859	1,745
thereof attributable to				
Shareholders of the parent company	2,240	1,492	2,392	1,502
Non-controlling interests	402	216	467	243

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2014

ASSETS (in EUR '000)

	06/30/2014	12/31/2013
Non-current assets	112,427	112,346
Intangible assets		
Concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets (including advance payments)	425	228
Property, plant and equipment	111,822	111,817
Land, leasehold rights and buildings on non-owned land	28,798	28,424
Technical equipment, plant and machinery	76,477	77,597
Other fixtures, fittings and equipment	3,001	3,054
Advance payments and plant and machinery under construction	3,546	2,742
Deferred tax assets	180	301
Current assets	66,625	63,928
Inventories	24,875	26,211
Raw materials and supplies	13,111	13,562
Unfinished goods	316	217
Finished products and merchandise	11,448	12,432
Trade receivables and other assets	12,513	8,039
Trade receivables	6,578	4,287
Income tax claims	9	62
Other assets	5,926	3,690
Cash and cash equivalents	29,237	29,678
TOTAL ASSETS	179,052	176,274

EQUITY & LIABILITIES (in EUR '000)

	06/30/2014	12/31/2013
Equity	52,531	50,369
Subscribed capital	8,000	8,000
Capital reserve	29,764	29,764
Earnings reserves	9,711	9,711
Profit/loss carried forward	7,813	5,647
Consolidated result after taxes	3,120	2,646
Accumulated other comprehensive result	-5,508	-4,628
Non-controlling interests	-369	-771
Non-current liabilities	89,173	94,471
Retirement benefit obligation	19,305	18,920
Other provisions	744	742
Payables to banks	65,851	70,583
Deferred tax liabilities	2,518	2,853
Other liabilities	755	1,373
Current liabilities	37,348	31,434
Income tax payables	612	703
Other provisions	154	156
Payables to banks	10,011	9,942
Trade payables	11,718	8,707
Other liabilities	14,853	11,926
TOTAL EQUITY & LIABILITIES	179,052	176,274

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 JANUARY 2014 THROUGH 30 JUNE 2014

(in EUR '000)

	01/01/ – 06/30/2014	01/01/ – 06/30/2013
Cash flow from operating activities		
Period profit before taxes	4,471	3,370
+ Depreciation and amortization	4,787	4,587
-/+ Gain/loss from asset disposals	-4	-1
- Interest income	-80	-203
+ Interest expenses	2,212	2,681
Operating profit before working capital changes	11,386	10,434
+/- Increase/decrease in provisions	53	57
-/+ Increase/decrease in trade receivables and other assets not attributable to investing or financing activity	-4,527	-1,460
+/- Decrease/increase in inventories	1,336	4,057
+/- Increase/decrease in trade payables and other liabilities, not attributable to investment or financing activity	5,781	2,046
Cash flow from operating activities before taxes	14,029	15,134
- Income taxes paid	-852	48
Net cash generated by operating activities	13,177	15,182

(in EUR '000)	01/01/ – 06/30/2014	01/01/ – 06/30/2013
Cash flow from investing activities		
+ Cash received from disposals of property, plant and equipment	6	1
- Cash paid for purchases in property, plant and equipment	-6,243	-2,248
- Cash paid for investments in intangible assets	-233	-44
Net cash used in investing activities	-6,470	-2,291
Cash flow from financing activities		
- Cash rendered to shareholders	-480	0
- Cash rendered for repayment of profit participation capital	0	-5,000
+ Cash received from financial loans	0	5,000
- Cash rendered for payment of financial loans	-5,078	-4,782
- Interest paid	-1,633	-1,116
+ Interest received	20	35
Net cash generated by financing activities	-7,171	-5,863
Net change in cash and cash equivalents	-464	7,028
Effects of exchange rate changes on the balance of cash held in foreign currencies	23	29
Cash and cash equivalents at the beginning of the period	29,678	14,305
Cash and cash equivalents at the end of the period	29,237	21,362

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY 2014 THROUGH 30 JUNE 2014

(in EUR '000)

	Equity attributable to shareholders of Nabaltec AG		
	Subscribed capital	Capital reserve	Earnings reserves
Balance per 01/01/2013	8,000	29,764	9,711
Actuarial gains and losses			
Foreign currency translation			
Net gains from hedge accounting			
Other gains/losses			
Result for the period after tax			
Consolidated result for the period			
Balance per 06/30/2013	8,000	29,764	9,711
Actuarial gains and losses			
Foreign currency translation			
Net gains from hedge accounting			
Other gains/losses			
Result for the period after tax			
Consolidated result for the period			
Balance per 12/31/2013	8,000	29,764	9,711
Dividend payment			
Actuarial gains and losses			
Foreign currency translation			
Net gains from hedge accounting			
Other gains/losses			
Result for the period after tax			
Consolidated result for the period			
Balance per 06/30/2014	8,000	29,764	9,711

Profit carried forward	Accumulated other comprehensive result	Total	Non-controlling interests	Consolidated equity
5,647	-3,656	49,466	-1,978	47,488
	0	0	0	0
	72	72	-14	58
	168	168	54	222
	240	240	40	280
2,152		2,152	427	2,579
2,152	240	2,392	467	2,859
7,799	-3,416	51,858	-1,511	50,347
	-251	-251	0	-251
	-389	-389	51	-338
	-572	-572	47	-525
	-1,212	-1,212	98	-1,114
494		494	642	1,136
494	-1,212	-718	740	22
8,293	-4,628	51,140	-771	50,369
-480		-480		-480
	0	0	0	0
	64	64	-4	60
	-944	-944	39	-905
	-880	-880	35	-845
3,120		3,120	367	3,487
3,120	-880	2,240	402	2,642
10,933	-5,508	52,900	-369	52,531

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 2014 – 30 JUNE 2014

(in EUR '000)

	Functional Fillers		Technical Ceramics		Nabaltec Group	
	2014 01/01/ – 06/30/	2014 04/01/ – 06/30/	2014 01/01/ – 06/30/	2014 04/01/ – 06/30/	2014 01/01/ – 06/30/	2014 04/01/ – 06/30/
Revenues						
Third party revenue	50,476	25,270	22,556	10,944	73,032	36,214
Segment result						
EBITDA	8,824	4,690	2,566	1,343	11,390	6,033
EBIT	5,406	2,976	1,197	656	6,603	3,632

PERIOD FROM 1 JANUARY 2013 – 30 JUNE 2013

(in EUR '000)

	Functional Fillers		Technical Ceramics		Nabaltec Group	
	2013 01/01/ – 06/30/	2013 04/01/ – 06/30/	2013 01/01/ – 06/30/	2013 04/01/ – 06/30/	2013 01/01/ – 06/30/	2013 04/01/ – 06/30/
Revenues						
Third party revenue	46,545	22,847	22,246	11,160	68,791	34,007
Segment result						
EBITDA	6,850	3,817	3,585	2,022	10,435	5,839
EBIT	3,522	2,156	2,326	1,397	5,848	3,553

ABRIDGED CONSOLIDATED NOTES TO THE INTERIM REPORT

FOR THE PERIOD FROM 1 JANUARY 2014 THROUGH 30 JUNE 2014

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 2014 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 2014 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 2013.

The interim financial statements encompass the period from 1 January 2014 to 30 June 2014.

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.

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

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 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 2014 did not change compared to the consolidated financial statements as at 31 December 2013 or the second quarter of financial year 2013. 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 2013.

In addition to the Standards and Interpretations used on 31 December 2013, the following Standards and Interpretations were used for the first time, and had no impact on the interim financial statements:

- IAS 27 Separate Financial Statements (2011)
- IAS 28 Investments in Associated and Joint Ventures (2011)
- IAS 32 Financial Instruments: Presentation (2011)
- IAS 36 Impairment of Assets (2013)
- IAS 39 Financial Instruments: Recognition and Measurement (2013)
- IFRS 10 Consolidated Financial Statements (2011)
- IFRS 11 Joint Arrangements (2011)
- IFRS 12 Disclosure of Interests in Other Entities (2011)
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities (2012)
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements (2012)

The IASB did not publish any other Standards prior to the publication of these interim financial statements.

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 2014 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.

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 2013.

No transactions with related persons and enterprises took place in the first six months of 2014. 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, 8 August 2014

The Management Board

FINANCIAL CALENDAR

Interim Report 3/2014	25 November 2014
Annual Report 2014	30 April 2015
Interim Report 1/2015	26 May 2015
Annual General Meeting	30 June 2015

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Statements relating to the future

This interim report contains statements relating to the future which are based on the Management Board's current estimations and prognosis as well as on information currently available. These statements relating to the future are not to be understood as guarantees of the predicted future developments and results. The future developments and results are rather dependent on a number of risks and uncertainties and are based on assumptions which possibly may prove to be false. We do not accept any obligation to update these statements relating to the future.

