

OUR KNOW-HOW FOR YOUR SAFETY



INTERIM REPORT 1/2014

Nabaltec

KEY FIGURES NABALTEC GROUP

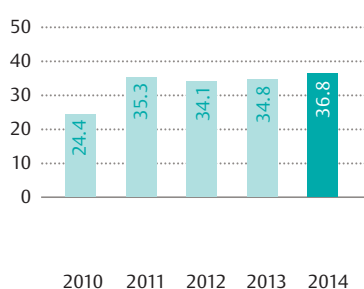
AS OF 31 MARCH 2014

(in EUR million)	03/31/2014 (IFRS)	03/31/2013 (IFRS)	Change
Revenues			
Total revenues	36.8	34.8	5.7%
thereof			
Functional Fillers	25.2	23.7	6.3%
Technical Ceramics	11.6	11.1	4.5%
Foreign share (%)	69.7	70.1	
Employees* (number of persons)	414	414	0.0%
Earnings			
EBITDA	5.4	4.6	17.4%
EBIT	3.0	2.3	30.4%
Consolidated result after taxes**	1.4	0.4	250.0%
Earnings per share (EUR)**	0.17	0.06	183.3%
Financial position			
Cash flow from operating activities	7.8	7.0	11.4%
Cash flow from investing activities	-3.8	-1.4	171.4%
Assets, equity and liabilities			
	03/31/2014	12/31/2013	
Total assets	178.0	176.3	1.0%
Equity	51.3	50.4	1.8%
Non-current assets	112.4	112.3	0.1%
Current assets	65.6	63.9	2.7%

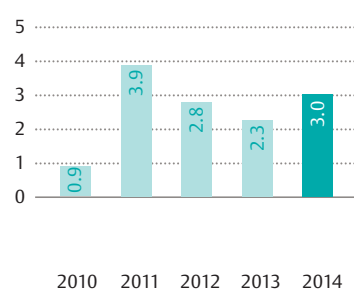
* on the reporting date, including trainees

** after non-controlling interests

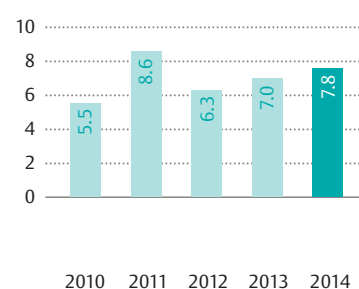
REVENUES AS OF 03/31 (in EUR million)



EBIT AS OF 03/31 (in EUR million)



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



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



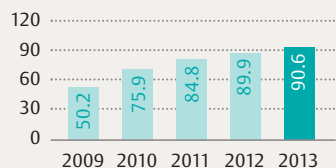
NABALTEC MAINTAINS A GLOBAL PRESENCE,
WITH LOCATIONS IN GERMANY AND THE US
AND A NETWORK OF INTERNATIONAL AGENCIES

□ Locations ■ Agencies

BUSINESS DIVISIONS



REVENUES (in EUR million)



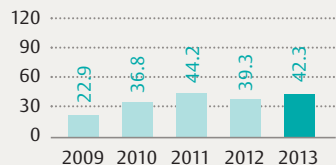
FUNCTIONAL FILLERS

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.

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.



PAGE 06 - 09 TO OUR SHAREHOLDERS



PAGE 10 - 12 CONSOLIDATED INTERIM MANAGEMENT REPORT — PAGE 13 - 25 CONSOLIDATED INTERIM FINANCIAL STATEMENTS



PAGE 26 FURTHER INFORMATION

CONTENTS



TO OUR SHAREHOLDERS

- 06 Management board foreword
- 08 Nabaltec share

CONSOLIDATED INTERIM MANAGEMENT REPORT

- 10 Course of business
- 12 Employees
- 12 Subsequent events
- 12 Outlook
- 12 Report on risks and opportunities

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

- 14 Statement of comprehensive income
- 16 Statement of financial position
- 18 Statement of cash flows
- 20 Statement of changes in equity
- 22 Segment reporting
- 23 Notes

FURTHER INFORMATION

- 26 Financial calendar
- 26 Contact and imprint



Gerhard Witzany

Johannes Heckmann

MANAGEMENT BOARD FOREWORD

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

We started Financial Year 2014 with a very good first quarter, as our growth has continued without interruption. The outlook remains positive for revenues and earnings to continue to show stable growth if the economic environment continues to stabilize.

*Record revenues
in the first quarter
of 2014*

With EUR 36.8 million in revenues, the first quarter of 2014 was a record quarter for Nabaltec, as revenues were up 5.7% from the same period of last year and up 21.5% from the previous quarter. The development of earnings was also very positive. We recorded an EBITDA of EUR 5.4 million and an EBIT of EUR 3.0 million. Both values were up significantly from the same period of last year, and from the fourth quarter of 2013 as well. The EBIT margin (EBIT as a percentage of total performance) was 8.5%, which also represents a clear improvement.

The business division “Functional Fillers” performed especially well and continues to be a key pillar of our growth. Our most important product segment, fine precipitated hydroxides, posted a strong gain. Growth was also evident in the boehmite and CAHC segments, which are still relatively new. In the case of boehmite, the effects resulting from the consistently expanding applications for our boehmite solutions are now more clearly evident, including applications in catalysis and environmental technology. The trend is similar for CAHC, where the expansion of the range in applications to soft plastics is having a positive impact. The business division “Functional Fillers” has shown stable growth in all key regions. There was significant growth in the US, which was attributable to the especially strong demand for fine precipitated hydroxides. We have been able to generate additional customers for our US subsidiary, Nashtec. We are now operating at near peak capacity, and we are considering ways to increase capacity.

The business division “Functional Fillers” continues to be a key pillar of the growth

The first quarter results in the business division “Technical Ceramics” were also entirely satisfactory. In some product segments, there is still room for even more growth, and we plan to take advantage of these opportunities over the remainder of the year. At the same time, we are already operating at very high capacity in the strategically important reactive aluminum oxide segment. But here as well, the potential exists for further growth in 2015 once the new production line we are investing in is completed. Although the market environment in the steel industry, in Europe especially, is increasingly tough, we are continuing to benefit from growing demand for high-value refractory products. Refractory products are becoming more and more significant in the steel industry worldwide, since they can deliver substantially higher durability and noticeably reduce the need for repairs. Nabaltec, as a quality leader, can benefit from this trend.

The business division “Technical Ceramics” develops consistently satisfactory

International demand was stable over all business and product segments. Two factors were especially positive:

1. European demand especially is showing strong growth and is becoming increasingly stable.
2. The difficult situation in Ukraine and Russia has not yet had a negative impact on Nabaltec.

At the same time, the potential damage is very small since those countries play a secondary role in international demand.

In general, demand continues to be marked by very short-term ordering cycles. However, this phenomenon is no longer new. The decisive point is that fundamental sentiment among customers and in the markets continues to be positive. In this environment, we will continue to position ourselves in the market through quality, solutions which are customized to meet the needs of each customer, high reliability and on-time delivery.

Sincerely yours,



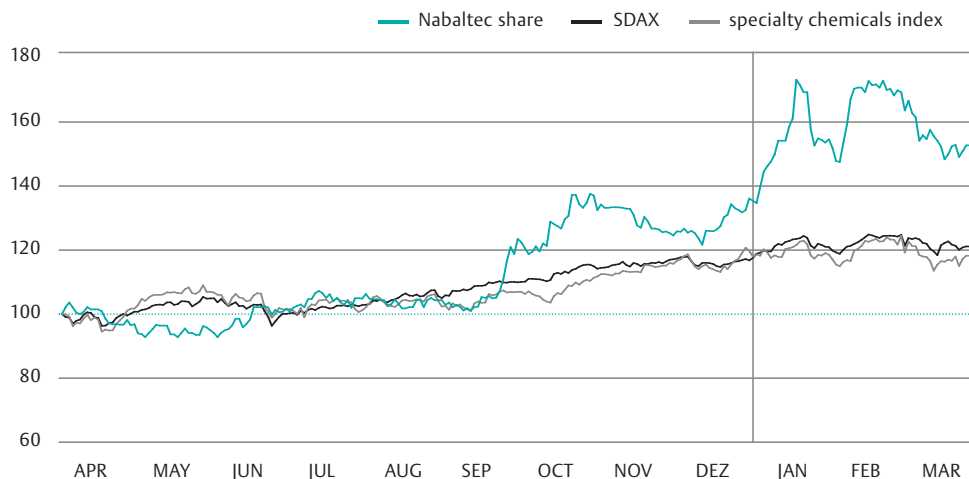
JOHANNES HECKMANN
Member of the Board



GERHARD WITZANY
Member of the Board

NABALTEC SHARE

PERFORMANCE OF NABALTEC SHARE (XETRA, indexed)



KEY DATA FOR NABALTEC SHARE (XETRA)

	First 3 months of 2014	Year 2013
Number of shares	8,000,000	8,000,000
Market capitalization (cutoff date, in EUR million)	83.84	74.00
Average price (in EUR)	10.77	7.32
High (in EUR)	11.82	9.35
Low (in EUR)	9.15	6.25
Closing price (cutoff date, in EUR)	10.48	9.25
Average daily turnover (in shares)	8,641	5,822
Earnings per share* (in EUR)	0.17	0.33

* after non-controlling interests

Nabaltec share posts significant gains at the start of 2014

Nabaltec share posted significant gains at the start of 2014. At the beginning of the year with EUR 9.15, the low for the reporting quarter, the share price climbed to a high of EUR 11.82 in mid-January. Nabaltec shares then fell back down, to finish the first quarter at EUR 10.48, up 13.3% from the 2013 closing price of EUR 9.25. The share price was up 55.3% from the closing price for the first quarter of 2013, EUR 6.75. The relevant indices, the SDAX and the specialty chemicals index, posted much smaller gains in the first quarter, up 5.6% and 0.1% respectively relative to their position at the end of 2013. The average daily trading turnover of Nabaltec share in XETRA was 8,641 shares in the first three months of 2014.

Earnings per share (EPS) after non-controlling interests amounted to EUR 0.17 on 31 March 2014. By comparison, EPS came to EUR 0.06 at the end of the first quarter of 2013.

*Earnings per share
of EUR 0.17*

Analyst recommendations for Nabaltec share continue to be positive. Hauck & Aufhäuser once again rates Nabaltec a “buy” in its analysis of 2 May 2014, with a price target of EUR 15.00. Baader Bank once again recommends buying Nabaltec share in its study of 30 April 2014, with a price target of EUR 13.25.

Nabaltec continued its capital market communication activities in the reporting quarter, conducting discussions with investors during the Close Brothers Seydler Small & Mid Cap Conference, as well as a roadshow in Germany.

As of 31 December 2013, the majority of the 8,000,000 non-par-value shares continued to be held by the Heckmann and Witzany families, with the Heckmann family holding 31.69% of the capital stock and the Witzany family holding 29.87%. The remaining 38.44% of shares are in free float.

*Stable shareholder
structure*

CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 31 MARCH 2014

COURSE OF BUSINESS

In the first quarter of 2014, Nabaltec AG was able to continue last year's strong performance. The company's revenues climbed to a record high and its earnings were in line with last year's strong values.

Consolidated revenues amount to EUR 36.8 million in the first quarter of 2014 (+5.7%)

Nabaltec's consolidated revenues amounted to EUR 36.8 million in the first quarter of 2014, up 5.7% from the value posted in the same quarter of last year, EUR 34.8 million. Revenues were up significantly from the fourth quarter of 2013, by 21.5%. The improvement over last quarter and the first quarter of last year was largely the result of volume effects.

The business division "Functional Fillers" especially contributed to this strong revenue growth, while the business division "Technical Ceramics" also performed well. Revenues in the business division "Functional Fillers" were up 6.3% from the same quarter of last year, to EUR 25.2 million. This growth continues to be based on the strong performance of the fine precipitated hydroxides segment (eco-friendly flame retardant fillers, e.g. for the cable & wire industry), while the high added-value products boehmite and CAHC also posted gains over the same period of last year. Revenues in the business division "Technical Ceramics" were up 4.5%, to EUR 11.6 million. This revenue growth was driven above all by the increase in sales volume for reactive aluminum oxides (e.g. for the refractory industry).

The growth was based on an uptrend in revenues in nearly all regions, as growth was evident even in the rest of Europe (not including Germany). The export ratio was 69.7% in the first quarter of 2014, largely even with last year's ratio, 70.1%. This was attributable to strong sales in Germany.

Total performance improves by 8.0% relative to the same period of last year

Nabaltec's total performance improved by 8.0% in the first three months of the year relative to the same period of last year, from EUR 32.6 million to EUR 35.2 million. This improvement is attributable above all to strong revenue growth, as well as the simultaneous reduction in inventories of finished products.

The cost of materials ratio (cost of materials as a percentage of total performance) increased slightly in the first quarter, to 51.1%, up from 50.9% in the same period of last year. Gross profit margin (gross profit as a percentage of total performance) fell accordingly, from 50.3% in the first quarter of 2013 to 49.1% in the reporting quarter.

The cost of material ratio increases slightly, to 51.1%

Personnel expenses increased relative to the same quarter of last year, from EUR 5.6 million to EUR 6.2 million. This increase reflects the increase 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 17.2% to 17.6%, while the number of employees remained unchanged at 414.

Other operating expenses decreased from EUR 6.3 million in the same period of last year to EUR 5.7 million in the first three months of 2014, due primarily to a decrease in lease payments in the amount of EUR 0.4 million. Other operating expenses as a percentage of total performance improved significantly relative to the same quarter of last year, from 19.3% to 16.2%.

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

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 5.4 million in the first quarter of 2014, up 17.4% from the value of EUR 4.6 million in the same period of last year. The EBITDA margin (EBITDA as a percentage of total performance) increased accordingly over the same quarter of last year, from 14.1% to 15.3%.

Consolidated EBIT amounted to EUR 3.0 million in the reporting quarter, compared to EUR 2.3 million in the same period of last year. EBIT doubled relative to last quarter. The EBIT margin (EBIT as a percentage of total performance) increased from 7.1% in the first quarter of 2013 to 8.5% in the reporting quarter.

EBIT margin 8.5%

Net financial income improved, climbing from EUR –1.2 million in the first quarter of 2013 to EUR –1.1 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 to EUR 1.9 million, up from EUR 1.1 million in the same period of last year. After adjusting for taxes and non-controlling interests, consolidated earnings for the period were EUR 1.4 million, compared to EUR 0.4 million in the same period of last year. This corresponds to earnings per share of EUR 0.17. By way of comparison, earnings per share in the same period of last year amounted to EUR 0.06.

Cash flow from operating activities improved from EUR 7.0 million in the same period of last year to EUR 7.8 million in the first quarter of 2014. Spending on investments increased from EUR 1.4 million in the same period of last year to EUR 3.8 million.

Cash flow from operating activities improves to EUR 7.8 million

Cash flow from financing activities amounted to EUR –3.0 million, compared to EUR –2.9 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 30.6 million as of 31 March 2014.

Nabaltec Group's balance sheet showed only slight changes relative to 31 December 2013. Total assets increased slightly, by 1.0%, to EUR 178.0 million. Non-current assets remained nearly unchanged on 31 March 2014, while current assets increased by 2.7%. A planned reduction in inventories was offset by an increase in trade receivables. Other assets increased significantly as of 31 March 2014. This is a temporary effect, triggered by the change in factoring company in the first quarter of 2014.

*Equity ratio
climbs to 28.8%*

On the liabilities side of the balance sheet, the equity ratio increased from 28.6% on 31 December 2013 to 28.8% on 31 March 2014. Non-current liabilities decreased by 3.1%, due above all to the decrease in accounts payable to banks. Current liabilities increased by 12.1% due to the increase in trade payables and in other accounts payable.

EMPLOYEES

As of the reporting date, 31 March 2014, Nabaltec Group had 414 employees (including trainees), a number which was unchanged from the same date of last year. 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 expects revenue growth in the mid-single digits this year. 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 earnings power.

Orders on hand amounted to EUR 23.2 million on 31 March 2014, up 55.7% 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 RISKS AND OPPORTUNITIES

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

Schwandorf, 2 May 2014

The Management Board

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS OF 31 MARCH 2014

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14	Statement of comprehensive income
16	Statement of financial position
18	Statement of cash flows
20	Statement of changes in equity
22	Segment reporting
23	Notes

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY 2014 THROUGH 31 MARCH 2014

(in EUR '000)	01/01 - 03/31/2014	01/01 - 03/31/2013
Revenue	36,818	34,784
Change in unfinished and finished products	-1,765	-2,213
Other own services capitalized	104	58
Total performance	35,157	32,629
Other operating income	211	399
Cost of materials	-18,047	-16,596
Gross profit	17,321	16,432
Personnel expenses	-6,222	-5,578
Depreciation and amortization	-2,386	-2,301
Other operating expenses	-5,742	-6,258
Operating result (EBIT)	2,971	2,295
Interest and similar income	44	99
Interest and similar expenses	-1,124	-1,334
Result from ordinary operations (EBT)	1,891	1,060
Income taxes	-346	-368
Consolidated result after taxes	1,545	692
thereof attributable to		
Shareholders of the parent company	1,378	445
Non-controlling interests	167	247
Consolidated result after taxes	1,545	692
Earnings per share (in EUR)	0.17	0.06

(in EUR '000)

	01/01 - 03/31/2014	01/01 - 03/31/2013
Consolidated result after taxes	1,545	692
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation (after taxes)	-17	174
Net result from hedge accounting (after taxes)	-594	248
	-611	422
Items that will not be reclassified to profit or loss		
Actuarial gains and losses	0	0
	0	0
Other result	-611	422
thereof attributable to		
Shareholders of the parent company	-630	445
Non-controlling interests	19	-23
Comprehensive income	934	1,114
thereof attributable to		
Shareholders of the parent company	748	890
Non-controlling interests	186	224

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 MARCH 2014

ASSETS (in EUR '000)

	03/31/2014	12/31/2013
Non-current assets	112,409	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)	392	228
Property, plant and equipment	111,799	111,817
Land, leasehold rights and buildings on non-owned land	28,254	28,424
Technical equipment, plant and machinery	76,701	77,597
Other fixtures, fittings and equipment	3,037	3,054
Advance payments and plant and machinery under construction	3,807	2,742
Deferred tax assets	218	301
Current assets	65,616	63,928
Inventories	22,099	26,211
Raw materials and supplies	11,374	13,562
Unfinished goods	388	217
Finished products and merchandise	10,337	12,432
Trade receivables and other assets	12,885	8,039
Trade receivables	5,434	4,287
Income tax claims	9	62
Other assets	7,442	3,690
Cash and cash equivalents	30,632	29,678
TOTAL ASSETS	178,025	176,274

EQUITY & LIABILITIES (in EUR '000)

	03/31/2014	12/31/2013
Equity	51,303	50,369
Subscribed capital	8,000	8,000
Capital reserve	29,764	29,764
Earnings reserves	9,711	9,711
Profit/loss carried forward	8,293	5,647
Consolidated result after taxes	1,378	2,646
Accumulated other comprehensive result	-5,258	-4,628
Non-controlling interests	-585	-771
Non-current liabilities	91,562	94,471
Retirement benefit obligation	19,113	18,920
Other provisions	743	742
Payables to banks	68,043	70,583
Deferred tax liabilities	2,605	2,853
Other liabilities	1,058	1,373
Current liabilities	35,160	31,434
Income tax payables	213	703
Other provisions	156	156
Payables to banks	10,522	9,942
Trade payables	10,547	8,707
Other liabilities	13,722	11,926
TOTAL EQUITY & LIABILITIES	178,025	176,274

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 JANUARY 2014 THROUGH 31 MARCH 2014

(in EUR '000)

	01/01 - 03/31/2014	01/01 - 03/31/2013
Cash flow from operating activities		
Period profit before taxes	1,891	1,060
+ Depreciation and amortization	2,386	2,301
-/+ Gain/loss from asset disposals	-1	-1
- Interest income	-44	-99
+ Interest expenses	1,124	1,334
Operating profit before working capital changes	5,356	4,595
+/- Increase/decrease in provisions	27	20
-/+ Increase/decrease in trade receivables and other assets not attributable to investing or financing activity	-4,899	-1,645
+/- Decrease/increase in inventories	4,112	4,805
+/- Increase/decrease in trade payables and other liabilities, not attributable to investment or financing activity	3,876	-731
Cash flow from operating activities before taxes	8,472	7,044
- Income taxes paid	-702	-2
Net cash generated by operating activities	7,770	7,042

(in EUR '000)	01/01 - 03/31/2014	01/01 - 03/31/2013
Cash flow from investing activities		
+ Cash received from disposals of property, plant and equipment	3	1
- Cash paid for purchases in property, plant and equipment	-3,597	-1,404
- Cash paid for investments in intangible assets	-177	-17
Net cash used in investing activities	-3,771	-1,420
Cash flow from financing activities		
- 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	-2,661	-2,388
- Interest paid	-391	-515
+ Interest received	14	13
Net cash generated by financing activities	-3,038	-2,890
Net change in cash and cash equivalents	961	2,732
Effects of exchange rate changes on the balance of cash held in foreign currencies	-7	76
Cash and cash equivalents at the beginning of the period	29,678	14,305
Cash and cash equivalents at the end of the period	30,632	17,113

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY 2014 THROUGH 31 MARCH 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 03/31/2013	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
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 03/31/2014	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
	218	218	-44	174
	227	227	21	248
	445	445	-23	422
445		445	247	692
445	445	890	224	1,114
6,092	-3,211	50,356	-1,754	48,602
	-251	-251	0	-251
	-535	-535	82	-453
	-631	-631	79	-552
	-1,417	-1,417	161	-1,256
2,201		2,201	822	3,023
2,201	-1,417	784	983	1,767
8,293	-4,628	51,140	-771	50,369
	0	0	0	0
	-18	-18	1	-17
	-612	-612	18	-594
	-630	-630	19	-611
1,378		1,378	167	1,545
1,378	-630	748	186	934
9,671	-5,258	51,888	-585	51,303

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 – 31 MARCH 2014

(in EUR '000)

	Functional Fillers	Technical Ceramics	Nabaltec Group
Revenues			
Third party revenue	25,206	11,612	36,818
Segment result			
EBITDA	4,134	1,223	5,357
EBIT	2,430	541	2,971

PERIOD FROM 1 JANUARY 2013 – 31 MARCH 2013

(in EUR '000)

	Functional Fillers	Technical Ceramics	Nabaltec Group
Revenues			
Third party revenue	23,698	11,086	34,784
Segment result			
EBITDA	3,033	1,563	4,596
EBIT	1,366	929	2,295

ABRIDGED CONSOLIDATED NOTES TO THE INTERIM REPORT

FOR THE PERIOD FROM 1 JANUARY 2014 THROUGH 31 MARCH 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 31 March 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 31 March 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 31 March 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 31 March 2014 did not change compared to the consolidated financial statements as at 31 December 2013 or the first 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 three 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 three 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, 2 May 2014

The Management Board

FINANCIAL CALENDAR

Annual General Meeting	26 June 2014
Interim Report 2/2014	26 August 2014
Interim Report 3/2014	25 November 2014

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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.

