Our Know-How for Your Safety

Interim Report 3/2009

KEY FIGURES NABALTEC GROUP

EUR million	**30.09.2009 (IFRS)**	30.09.2008 (IFRS)	Deviation
REVENUES			
Total Revenues	53.1	76.4	−30.5%
thereof			
Functional Fillers	36.7	49.9	−26.5%
Technical Ceramics	16.4	26.5	−38.1%
EARNINGS			
EBITDA	3.1	8.5	−63.5%
EBIT	−1.7	4.8	−135.4%
Net income*	−4.5	1.9	−336.8%
Earnings per share (EUR)*	−0.56	0.23	−343.5%
FINANCIAL POSITION			
Cash flow from operating activities	1.6	3.9	−59.0%
Cash flow from investing activities	−16.1	−16.3	−1.2%
ASSETS, EQUITY AND LIABILITIES	**30.09.2009**	**31.12.2008**	
Total assets	135.3	132.2	2.3%
Equity	40.5	45.1	−10.2%
Non-current assets	107.2	97.3	10.2%
Current assets	28.1	34.9	−19.5%
Employees** (Headcount)	352	345	2.0%

* net, after minority interests
** as of the cutoff date 30.09. including trainees

Contents

Management board:
Johannes Heckmann (left)
Gerhard Witzany (right)

Dear Shareholders,

A slight recovery in demand: that sums up the current state of the markets of relevance to us, such as the cable & wire industry as supplier to the construction and electronics industry and the refractory industry as supplier for the steel industry. We have observed slight international improvement in the market situation with our customers and partners, and our customers are once again able and willing to forecast their expected demand. The increased prices implemented at the beginning of the year remained nearly stable in the period under review, which in this economy is not self-evident, but at the same time one may certainly expect further consolidation within the industry.

This potential consolidation among suppliers of flame retardants, as well as ceramic raw materials and ceramic bodies, observes Nabaltec in a position of strength. Thanks to our qualitative and technological leadership, we operate in a less competitive environment in the global market, as we are among the Top 4 suppliers worldwide in the business units “Flame Retardants”, “Ceramic Raw Materials” and “Ceramic Bodies”. At the same time, our shareholder structure gives our management a free hand to respond flexibly to market developments and strengthen Nabaltec’s position in the market.

A notable example of this strategy is our entry into the additives market for the plastics industry, where we will be building on our own developed product as well as our familiarity with the market and its decision-making structures, thus exploiting this new potential for growth using our own resources. The global markets continue to offer outstanding opportunities for truly innovative companies. Our ACTILOX® CAHC products are marketed to PVC manufacturers worldwide as an eco-friendly and efficient alternative to the so far prevailing heavy metal-based stabilizers offering equivalent or superior performance.

> "In the USA, our subsidiary Nashtec reached the turnaround, is cash-positive and reporting positive pre-tax earnings."
>
> Johannes Heckmann, Member of the Board

Production is already underway at our new facility in Schwandorf, serving customers in the PVC profile market. Feedback from the industry has been throughout very positive, thanks in part to our consistent focus on customer- and market-oriented development.

This pronounced customer orientation was recently recognized in an independent study by one of the most renowned market research institutes. "Innovative and timely expansion of Nabaltec's product line according to customer needs sets the company apart from its competitors even as its growth-oriented strategy establishes the standard for other participants in the high performance fillers market. Nabaltec's growth strategy has had a significant impact on its position in the flame retardant fillers market, enabling it to augment its global market share from a negligible level to almost 30% in 2008. The company is now positioned to vie for market leadership." This analysis was written by Dr. Nicola Rudd, Research Analyst at Frost & Sullivan, London. Frost & Sullivan gave Nabaltec AG its "Global High Performance Fillers Growth Strategy Leadership Award". We are grateful for this recognition, which will serve to motivate us to continue developing our philosophy of innovation in this spirit.

Innovative products, investment in new production technologies and sustainable research budgets are permanent components of our strategy, forming the basis for generating revenues and earnings growth, as well as sustainable improvement in our competitive position. Vindicating corporate strategies with solid financial data is not easy in the current market environment, as even Nabaltec's development has been severely depressed by the weak economy, especially in the fourth quarter of 2008 and the first two quarters of 2009.

The results for the third quarter of 2009, with revenues up 19.0% over the second quarter, demonstrate that Nabaltec is in an excellent position to profit from the recovering market. We will have to wait until 2010 to know whether the turnaround we are experiencing at the moment is sustainable. But the important factors for Nabaltec are that

- even in the crisis, we have not lost any customer, and have actually added new customers in some areas;
- we are now opening an additional market with the additives business; and
- we have been able to defend our position in the global flame retardant, ceramic raw materials and ceramic bodies markets, and have even improved it slightly.

This is the foundation for future growth and for sustainable earnings and cash flows. Our forecast for 2009 remains unchanged. We expect revenues to finish at least at EUR 70 million. An ambitious object will be to achieve positive EBIT in the fourth quarter, as Nabaltec was able to do last quarter. But also the Group's EBITDA margin in the fourth quarter will certainly be higher than in the first half of 2009.

Yours,

Johannes Heckmann
Member of the Board

Gerhard Witzany
Member of the Board

Nabaltec share

Prices and turnover (Xetra trading)		**First nine months of 2009**	Year 2008
Average price	EUR	2.03	4.80
Maximum price	EUR	3.05	8.20
Closing price (cutoff date)	EUR	2.70	2.49
Average daily turnover	shares	10.794	7.313

So far this year, the stock indices of relevance for the Nabaltec share, the DAX30, SDAX and the specialty chemicals index, have recovered from very steep losses up to 23.8% in some cases and are now posting clear gains. As of 30 September, these indices are up between 18.0% and 28.3% from their closing prices at the end of 2008. The performance of the Nabaltec share in the first nine months of 2009 has been very similar, if more volatile. After falling by about 50% in the first quarter, the price of the Nabaltec share has gradually recovered and is now up 8.4% from its 2008 close. This result is primarily attributable to strong performance in the third quarter, during which the Nabaltec share gained 22.7%. The closing price for the Nabaltec share at the end of the third quarter was EUR 2.70, up from EUR 2.49 on 31 December 2008 (all prices refer to Xetra trading).

The liquidity of trading in Nabaltec share has nearly quadrupled in the third quarter relative to the two preceding quarters. The share's strong performance has brought a strong rise in demand, ultimately leading to clear growth in trading volume. An average of 20,396 shares a day was traded between July and September, compared to just 5,724 in the first six months of 2009. As a result, average daily turnover for the first nine months of 2009 is now up to 10,794 shares.

Possible reasons for this strong uptick in investor interest may have to do with the nature of specialty chemicals as an economic early indicator, or recognition of Nabaltec's stabilizing operative business. This trend has been reinforced by efforts on the part of the Management Board to draw attention to the future potential of Nabaltec and its target markets in numerous conversations with investors and analysts, as well as the intensive activity of designated sponsor VEM Aktienbank since the start of the year.

Nabaltec also took part in the DVFA Small Cap Conference in Frankfurt in the third quarter, in the course of which the company had the opportunity to introduce itself to national and international investors and analysts in its presentation before the auditorium and in numerous individual discussions. Particularly after publication of Nabaltec's second-quarter data at the end of August, the company has had the possibility to talk increasingly to members of the press. In September, we saw a whole series of positive articles about the company's future prospects, particularly in investor magazines.

In each of their publications between the months of June and September, the analysts of VEM Aktienbank have given a "buy" recommendation for Nabaltec AG share, with a price target of EUR 3.55. Berenberg Bank's most recent study was published in April 2009, and also included a "buy" recommendation, with a price target of EUR 3.70.

As of the most recent shareholders' survey, on 30 June 2009, the majority of Nabaltec's 8,000,000 shares were still held by the Heckmann and Witzany families, which held 32.1% and 29.7% of the capital stock respectively. 38.2% of shares were in free float.

For more information about Nabaltec AG, visit its website, www.nabaltec.de.

Consolidated interim management report

Report as of 30 September 2009

COURSE OF BUSINESS IN THE FIRST NINE MONTHS AND THE THIRD QUARTER OF 2009

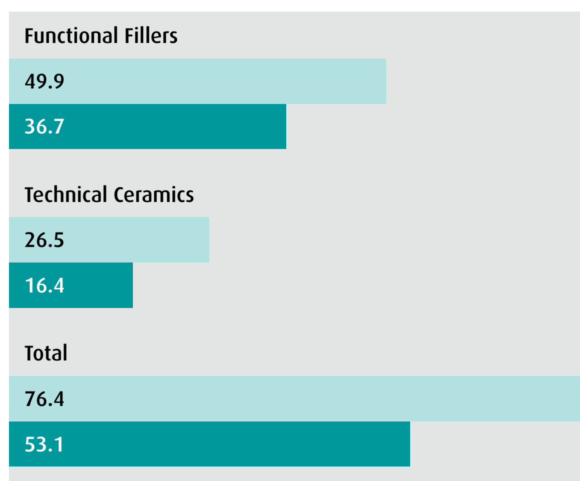
Nabaltec's course of business improved in the third quarter of 2009 as the market stabilized, though still weak.

Both business divisions, "Functional Fillers" and "Technical Ceramics," had a share in the company's growth. Growth in the "Functional Fillers" division was especially strong compared to the first half-year thanks to a very noticeable increase in demand for fine precipitated hydroxides in the third quarter of 2009. An important component is the continued improvement in the business of Nabaltec's subsidiary Nashtec L.P., whose demand and revenues are steadily growing, thanks in part to the decision to introduce a second product quality. Nashtec has been cash-positive for six months now and, in the second quarter of 2009, Nashtec reported positive EBIT for the first time since its founding, and has now broken the profit barrier based on its pre-tax earnings. The US plant is now operating at over 80% capacity, a circumstance which seemed unthinkable just a few months ago in view of the market environment.

The preparation for the implementation and start of production in the fourth quarter 2009 of the new ACTILOX® CAHC product line, an additive for the plastics industry, is proceeding as planned. Noticeable revenue effects are expected in 2010.

Revenues by business divisions

EUR million



First nine months of 2008 First nine months of 2009

Nabaltec Group reported EUR 20.0 million in revenues in the third quarter, 19.0% higher than its second-quarter revenues. Over the first nine months of 2009, EUR 53.1 million in revenues were generated, down 30.5% from the year before. Third-quarter revenues were down 18.0% from the third quarter of 2008.

Revenues in the "Functional Fillers" business division are EUR 36.7 million over the first nine months of 2009, down 26.5% from the year before. Revenues in the third

quarter of 2009 were EUR 14.0 million, down 6.0% from the third quarter of last year, but 23.9% higher than the average of the last two quarters, a clear improvement. The development in the "Technical Ceramics" business division was somewhat weaker, but still positive in light of the market environment. Nine months into the year, the business division has generated EUR 16.5 million in revenues, down 37.7% from the year before. In the third quarter of 2009, revenues came to EUR 6.0 million, down 37.5% from the year before, but 15.4% higher than the average revenues of the last two quarters.

Nabaltec Group's revenue development is largely a reflection of global demand, but the US and some Asian countries were positive exceptions to this rule. In the US, Nabaltec had its best quarter ever since the founding of Nashtec in terms of revenues, and this quarter was also the strongest ever for Nabaltec in Asia. Regarding the first nine months, European revenues (not including Germany) were down 29.5% compared to previous year, and German revenues were down 41.6%.

Nabaltec Group's total performance in the first nine months of the year was heavily affected by a clear drawdown in inventories of finished and unfinished products. This planned reduction in inventories, by around EUR 4.3 million, will now come to an end. Inventories are largely optimized and, as the market further stabilizes, Nabaltec will gradually rebuild its inventories in order to respond more flexibly to changes in demand.

Nabaltec Group's gross profit (as a percentage of total performance) improved by 4.1% in the first nine months of 2009 over the year before, from 45.2% to 49.3%. The Group's gross profit margin in the third quarter was 49.2%, which equaled the average for the year, and was 5.8% higher than the third quarter of last year.

Major reasons for the improvement in gross profit margin were positive price effects on the sales sides as well as the mitigation of price increases for raw materials due to the systematic increase in inventories in 2008. The clear improvement in the cost of materials ratio (as a percentage of total performance), which fell to 51.9% in the first nine months of 2009 compared to 56.3% the year before, can be attributed to this effect.

The personnel expense ratio (personnel expenses as a percentage of total performance) improved to 18.7% in the third quarter of 2009, and is now 21.9% for the first nine months of 2009 (previous year: 16.4%). In absolute terms, personnel expenses fell by EUR 2.0 million relative to the first nine months of 2008. These savings can be attributed to a 6.67% cut in wages and salaries, shorter hours and a reduction in annual bonuses. The increase in the number of employees by eleven, to 352 in the third quarter, is largely attributable to the addition of new trainees.

Other operating expenses increased slightly in absolute terms over the preceding quarters of 2009 due to the fact that freight costs have increased along with revenues. Repair costs and the cost of third-party services could have been reduced relative to the first nine months of last year. Earnings before interest, taxes, depreciation and amortization (EBITDA) were EUR 3.1 million in the first nine months of 2009, down from EUR 8.5 million the year before. Both business divisions reported positive EBITDA. In this category as well, there was clear improvement in the third quarter: with EBITDA of EUR 2.0 million in the third quarter, about two thirds of Nabaltec's earnings so far this year were recorded in the last three months.

Depreciation and amortization increased by EUR 1.1 million over the first nine months of 2009, to EUR 4.8 million, reflecting the high investments of the past two years. After adjusting for depreciation and amortization, Nabaltec's operating result (EBIT) in the first nine months of 2009 was EUR –1.7 million, down from EUR 4.8 million the year before. On the strength of the turnaround, Nabaltec's third-quarter EBIT were positive for the first time in three quarters.

Result before taxes was EUR –4.6 million in the first nine months of 2009, down from EUR 2.3 million the year before. This figure includes a net financial result of EUR –2.9 million, compared to EUR –2.5 million the year before. The slight increase in interest expenses is attributable to higher borrowings in the course of the Group's investment program. Result after taxes and minority interests was EUR –4.5 million for the first nine months of 2009, down from EUR 1.9 million the year before.

Cash flow from operating activities came to EUR 1.6 million in the first nine months of 2009, thanks in large part to the planned reduction in inventories, which contributed EUR 9.6 million to this total. The reduction in trade payables and other liabilities led to a cash outflow of EUR 9.9 million.

Investments continued as planned in the first nine months of 2009. With the commissioning of the CAHC plant in the fourth quarter 2009, Nabaltec's 2009 investment program, with a total volume of about EUR 22 million, will be largely completed. Cash flow from investing activities was EUR –16.1 million in the first nine months of 2009, compared to EUR –16.3 million last year.

Cash flow from financing activities increased to EUR 16.4 million due to the receipt of new funds, particularly new long-term borrowings, up from EUR 12.0 million in the first nine months of last year.

Nabaltec Group's debt has increased from EUR 87.1 million on 31 December 2008 to EUR 94.8 million due to the receipt of new borrowings. The Group's equity ratio is 30.0%, and remains strong by sector and industry standards.

EMPLOYEES

As of 30 September 2009, Nabaltec Group had 352 employees, including trainees. The trainee ratio is currently 10.8%. On 30 September of last year, the Group had 345 employees and a trainee ratio of 9.3%.

SUPPLEMENTARY REPORT

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

REPORT ON RISKS

In the first nine months of 2009, there were no significant changes to the risk situation described in the 2008 consolidated management report.

OUTLOOK

Despite the noticeable stabilization in the third quarter of 2009, Nabaltec AG continues to face a challenging environment in the fourth quarter of 2009. In the “Technical Ceramics” business division, the recommissioning of closed furnaces is a sign of positive momentum in the refractory industry, at least this is the impression formed at CERAMITEC, the world’s largest ceramics industry trade fair, which was held in October. However, a recovery is not yet in sight: the market is stabilizing at best. Prospects are currently better in the “Functional Fillers” business division, where there seems to be a tendency towards building up inventories somewhat, for the first time in four quarters, in anticipation of a slight market recovery, rather than basing orders exclusively on recent short-term demand. Particularly impacts are expected of the US and Asian markets. Nabaltec anticipated a slow but steady recovery, which may be accompanied by temporary setbacks.

In light of these circumstances, Nabaltec’s positive scenario calls for a repetition of third-quarter revenues in the fourth quarter. If the current trend continues, 2009 revenues will finish at least at EUR 70 million. The pricing trend should remain as it was in the third quarter. An ambitious object will be to achieve positive EBIT in the fourth quarter, as Nabaltec was able to do in the third quarter 2009. But the Group’s EBITDA margin in the fourth quarter will certainly be higher than in the first half of 2009. Interest expenses should increase slightly in the fourth quarter in order to finance the Group’s extensive investments.

Working capital has been optimized over the course of the year in order to strengthen liquidity. In the fourth quarter, working capital should hold steady or even increase slightly, as Nabaltec rebuilds inventories of finished products in order to respond more flexibly to expected demand, particularly in the “Functional Fillers” business division.

Given the strength of Nabaltec’s business, which was confirmed by the satisfactory third-quarter results, as well as the Group’s ability to post positive EBIT and positive operating cash flow, together with its strict cost management, we expect Nabaltec’s development to

outpace the market, enabling the company to strengthen its position in key product segments.

Based on the assumption of a possible market growth by more than 5% in the mid-term for the “Functional Fillers” and the “Technical Ceramics” business division, Nabaltec remains focused on raising its EBIT margin to the double digits in the long term.

Otherwise, the statements made in the forecast period to the 2008 consolidated management report remain in effect.

Consolidated interim financial statements

Report as of 30 September 2009

Consolidated statement of comprehensive income

FOR THE PERIOD FROM JANUARY 1, 2009 TO SEPTEMBER 30, 2009

	2009 01.01.–30.09. EUR 000	2009 01.07.–30.09. EUR 000	2008 01.01–30.09. EUR 000	2008 01.07.–30.09. EUR 000
Consolidated income statement				
Revenues	53,119	20,011	76,389	24,448
Decrease/increase in unfinished and finished products	–4,312	–1,691	2,249	550
Other own work capitalized	865	366	184	85
Total performance	**49,672**	**18,686**	**78,822**	**25,083**
Other operating income	584	143	1,206	550
Cost of materials	–25,787	–9,616	–44,397	–14,770
Gross profit	**24,469**	**9,213**	**35,631**	**10,863**
Personnel expenses	–10,883	–3,529	–12,860	–4,257
Depreciation and amortization	–4,762	–1,653	–3,701	–1,286
Other operating expenses	–10,520	–3,726	–14,301	–3,777
Operating result (EBIT)	**–1,696**	**305**	**4,769**	**1,543**
Interest and similar income	86	29	88	24
Interest and similar expenses	–2,972	–979	–2,603	–943
Result from ordinary operations (EBT)	**–4,582**	**–645**	**2,254**	**624**
Income taxes	–213	–147	–1,277	–616
Consolidated result after taxes	**–4,795**	**–792**	**977**	**8**
thereof attributable to				
Shareholders of the parent	–4,458	–821	1,874	368
Minority interests	–337	29	–897	–360
Consolidated result after taxes	**–4,795**	**–792**	**977**	**8**
Earnings per share (in EUR)	**–0,56**	**–0,10**	**0,23**	**0,05**
Consolidated statement of comprehensive income				
Consolidated result after taxes	**–4,795**	**–792**	**977**	**8**
Foreign currency translation	–65	–55	40	112
Net gains from hedge accounting	341	–18	–653	–66
Other comprehensive income	**276**	**–73**	**–613**	**46**
thereof attributable to				
Owners of the parent	–80	–193	–189	337
Non-controlling interests	356	120	–424	–291
Comprehensive income	**–4,519**	**–865**	**364**	**54**
thereof attributable to				
Shareholders of the parent	–4,538	–1,014	1,685	705
Minority interests	19	149	–1,321	–651

Consolidated statement of financial position

AT SEPTEMBER 30, 2009

ASSETS	30.09.2009 EUR 000	31.12.2008 EUR 000
NON-CURRENT ASSETS	107,185	97,292
Intangible Assets	**246**	**364**
Concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets (including advance payments)	246	364
Property, plant and equipment	**106,939**	**96,928**
Land, leasehold rights and buildings on non-owned land	28,035	27,250
Technical equipment, plant and machinery	61,243	56,057
Other fixtures, fittings and equipment	2,279	2,373
Advance payments and plant and machinery under construction	15,382	11,248
CURRENT ASSETS	28,109	34,869
Inventories	**18,771**	**28,408**
Raw materials and supplies	11,124	16,552
Unfinished goods	478	569
Finished products and merchandise	7,169	11,287
Trade receivables and other assets	**5,598**	**4,519**
Trade receivables	2,667	1,303
Income tax claims	91	0
Other assets	2,840	3,216
Cash and cash equivalents	**3,740**	**1,942**
Total assets	**135,294**	**132,161**

EQUITY AND LIABILITIES	30.09.2009 EUR 000	31.12.2008 EUR 000
EQUITY	**40,532**	**45,051**
Subscribed capital	8,000	8,000
Capital reserve	29,764	29,764
Earnings reserves	9,707	9,707
Profit carried forward	2,520	1,394
Consolidated result after taxes	−4,458	1,126
Accumulated other comprehensive result	−1,014	−934
Minority interests	−3,987	−4,006
NON-CURRENT LIABILITIES	**70,332**	**51,501**
Pension provisions	10,090	9,643
Liabilities due to banks	47,655	27,377
Profit participation capital	4,921	4.902
Liabilities from finance lease	596	1,269
Deferred tax liabilities	4,154	3,943
Other liabilities	2,916	4,367
CURRENT LIABILITIES	**24,430**	**35,609**
Liabilities for income taxes	102	608
Other provisions	852	930
Liabilities due to banks	3,039	10,236
Trade payables	9,245	9,497
Liabilities from finance lease	942	1,093
Other liabilities	10,250	13,245
Total equity and liabilities	**135,294**	**132,161**

Consolidated statement of cash flows

FOR THE PERIOD FROM JANUARY 1, 2009 TO SEPTEMBER 30, 2009

	2009 01.01.–30.09. EUR 000	2008 01.01.–30.09. EUR 000
CASH FLOW FROM OPERATING ACTIVITIES		
Period profit before taxes	**–4,582**	**2,254**
+ Depreciation and amortization	4,762	3,701
–/+ Gain/loss from asset disposals	1	–31
– Interest income	–86	–88
+ Interest expenses	2,972	2,603
Operating profit before working capital changes	**3,067**	**8,439**
+/– Increase/decrease in provisions	369	–117
–/+ Increase/decrease in trade receivables and other assets not attributable to investing or financing activity	–987	–245
+/– Decrease/increase in inventories	9,636	–6,161
+/– Increase/decrease in trade payables and other liabilities, not attributable to investment or financing activity	–9,923	2,245
Cash Flow from operating activities before taxes	**2,162**	**4,161**
– Income taxes paid	–600	–297
Cash Flow from operating activities	**1,562**	**3,864**

		2009 01.01.–30.09. EUR 000	2008 01.01.–30.09. EUR 000
CASH FLOW FROM INVESTING ACTIVITIES			
+	Cash received from disposals of property, plant and equipment	3	75
–	Cash paid for purchases in property, plant and equipment	–16,192	–16,215
+	Cash received from reverse transaction in intangible assets	73	0
–	Cash paid for investments in intangible assets	–5	–116
Cash Flow from investing activities		**–16,121**	**–16,256**
CASH FLOW FROM FINANCING ACTIVITIES			
–	Dividend disbursements to business owners	0	–800
+	Cash received from disposals of assets under sale-and-lease-back transactions	0	7,872
+	Cash received from financial loans	22,699	10,202
–	Cash rendered for payment of financial loans	–2,646	–1,911
–	Cash rendered for liabilities from finance lease	–824	–771
–	Interest paid	–2,935	–2,659
+	Interest received	86	88
Cash Flow from financing activities		**16,380**	**12,021**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**1,821**	**–371**
Change in cash and cash equivalents due to exchange rate changes		–23	–13
Cash and cash equivalents at beginning of period		1,942	1,676
Cash and cash equivalents at end of period		**3,740**	**1,292**

Statement of changes in consolidated equity

FOR THE PERIOD FROM JANUARY 1, 2009 TO SEPTEMBER 30, 2009

	Subscribed Capital	Capital reserve	Earnings reserves
	EUR 000	EUR 000	EUR 000
BALANCE AT 01.01.2008	**8,000**	**29,764**	**9,707**
Foreign currency translation			
Net gains from hedge accounting			
Profit/loss recognized directly in equity			
Profit/loss for the period			
Consolidated profit for the period			
Profit distribution			
BALANCE AT 30.09.2008	**8,000**	**29,764**	**9,707**
Foreign currency translation			
Net gains from hedge accounting			
Profit/loss recognized directly in equity			
Profit/loss for the period			
Consolidated profit for the period			
BALANCE AT 31.12.2008	**8,000**	**29,764**	**9,707**
Foreign currency translation			
Net gains from hedge accounting			
Profit/loss recognized directly in equity			
Profit/loss for the period			
Consolidated profit for the period			
BALANCE AT 30.09.2009	**8,000**	**29,764**	**9,707**

EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF NABALTEC AG				
Profit carried forward	Accumulated other comprehensive result	**Total**	Minority interests	Consolidated equity
EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
2,194	**−486**	**49,179**	**−1,850**	**47,329**
	141	**141**	−101	**40**
	−330	**−330**	−323	**−653**
	−189	**−189**	−424	**−613**
1,874		**1,874**	−897	**977**
1,874		**1,874**	**−897**	**977**
−800		**−800**		**−800**
3,268	**−675**	**50,064**	**−3,171**	**46,893**
	108	**108**	−65	**43**
	−367	**−367**	−359	**−726**
	−259	**−259**	−424	**−683**
−748		**−748**	−411	**−1,159**
−748		**−748**	**−411**	**−1,159**
2,520	**−934**	**49,057**	**−4,006**	**45,051**
	−252	**−252**	187	**−65**
	172	**172**	169	**341**
	−80	**−80**	356	**276**
−4,458		**−4,458**	−337	**−4,795**
−4,458		**−4,458**	**−337**	**−4,795**
−1,938	**−1,014**	**44,519**	**−3,987**	**40,532**

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 divisions, “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” division produces and distributes halogen-free flame retardant fillers for the plastics and the cable & wire industry as well as additives.

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

Period from January 1, 2009 to September 30, 2009	Functional Fillers		Technical Ceramics		Nabaltec Group	
	2009		2009		2009	
	01.01.–30.09. EUR 000	01.07.–30.09. EUR 000	01.01.–30.09. EUR 000	01.07.–30.09. EUR 000	01.01.–30.09. EUR 000	01.07.–30.09. EUR 000
Revenues						
Revenues from external customers	36,668	13,995	16,451	6,016	53,119	20,011
Segment result						
EBITDA	2,554	1,531	512	427	3,066	1,958
EBIT	−665	404	−1,031	−99	−1,696	305

Period from January 1, 2008 to September 30, 2008	Functional Fillers		Technical Ceramics		Nabaltec Group	
	2008		2008		2008	
	01.01.–30.09. EUR 000	01.07.–30.09. EUR 000	01.01.–30.09. EUR 000	01.07.–30.09. EUR 000	01.01.–30.09. EUR 000	01.07.–30.09. EUR 000
Revenues						
Revenues from external customers	49,882	14,888	26,507	9,560	76,389	24,448
Segment result						
EBITDA	4,034	807	4,436	2,022	8,470	2,829
EBIT	1,621	−3	3,148	1,546	4,769	1,543

Condensed notes for the interim financial reporting

FROM JANUARY 1, 2009 TO SEPTEMBER 30, 2009

1. GENERAL INFORMATION

Nabaltec AG, with its registered head office in Schwandorf (Germany[1]), was founded under the name Nabaltec GmbH, with its registered head office in Schwandorf (registered in the Commercial Register of Amberg Local Court under HRB 3920) by virtue of Articles of Incorporation dated December 14, 1994. It acquired the division specialty oxides from VAW aluminium AG in 1995. The company was converted to a stock corporation in 2006.

In accordance with Article 2 of the bylaws of Nabaltec AG, the business object of the company is the development of mineral commodities based products, especially using aluminum hydroxide and aluminum oxide and the distribution of those products.

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

2. BASICS OF PREPARATION

The consolidated financial statements as of September 30, 2009 were prepared in accordance with the endorsed International Financial Reporting Standards (IFRS) by the European Union (EU) for the financial year. The IFRS issued by the International Accounting Standards Board comprise the International Accounting Standards (IAS) as well as the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

IFRS 3 “Business Combinations” and IAS 27 “Consolidated and Separate Financial Statements”, both already issued in 2008 but endorsed by the EU on June 12, 2009, were already applied in the consolidated financial statements as of December 31, 2008 and the interim financial reporting as of March 31, 2009, as an endorsement by the EU has been expected on short notice at the time these financial statements were set up.

The interim financial reporting of Nabaltec for the 9-month period from January 1, 2009 to September 30, 2009 has been prepared on the basis of IAS 34 “Interim Financial Reporting” as a set of condensed financial statements. This condensed interim financial reporting does not contain all of the information required for a complete set of financial statements for a full financial year and should, therefore, be read in conjunction with the financial statement for the year ended at December 31, 2008.

The interim financial reporting of Nabaltec AG comprises the period from January 1, 2009 to September 30, 2009.

The consolidated financial statements are prepared in Euros (EUR). Unless otherwise indicated, all figures have been rounded up or down to thousand Euros (EUR thousand) in accordance with commercial rounding practices. Please note that differences can result from the use of rounded amounts and percentages.

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 income statement has been prepared by disclosing expenses by nature.

This interim financial reporting is unaudited.

Consolidation scope

The consolidation scope of Nabaltec AG for the nine-month period from January 1, 2009 to September 30, 2009 is the same as that used in the consolidation financial statements for the year ended December 31, 2008 and the corresponding three-quarters of 2008. The consolidated financial statements include the single financial statements of the parent company Nabaltec AG, Schwandorf, as well as its subsidiary Nashtec L.P., Corpus Christi (USA). Nashtec L.P. was founded as a joint venture with Sherwin Alumina in 2005. Nashtec Management Corporation was not included

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in the consolidated financial statements due to lack of materiality.

New accounting standards

The accounting policies used in the preparation of these condensed financial statements are identical to those that were used in preparing the annual financial statements at December 31, 2008. The following Standards and Interpretations were applied for the interim financial report for the first time:

- Changes to IFRS 2 "Share-based Payment": The application of the changes is required for the first time in financial years that begin on or after January 1, 2009. The amendments have no effects on the presentation of the assets and liabilities, financial position and operating performance because the companies included in the consolidated financial statements do not have granted share-based payments according to the definition of IFRS 2.

- Changes to IFRS 1 and IAS 27: "Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate": The changes are effective for financial years beginning on or after January 1, 2009 and contain the objective of simplifying measuring the initial cost of investment in subsidiaries, joint ventures, and associates in single-entity financial statements for which IFRS was adopted for the first time. The mandatory application starting from financial year 2009 does not have an impact on the accounting policies of the Group.

- Changes to IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements": The changes are effective for financial years beginning on or after June 30, 2009 and contain the treatment of non-controlling interests. As mentioned before these changes were applied ex ante in the consolidated financial statements as of December 31, 2008 and the interim financial report as of March 31, 2009.

- IFRS 8 "Operating Segments": The Standard, which was published by the IASB in November 2006 and endorsed by the EU-resolution of November 14, 2007, prescribes the application of the "management approach" for reporting the economic performance of operating segments. Accordingly, operating segments are components of a company whose operating results are reviewed regularly by the company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The segment information reported should correspond to the company's internal reporting system. According to the Group's assessment, the operating segments according to IFRS 8 should be essentially the same as the business segments identified in accordance with IAS 14. As the Standard refers to disclosure requirements only, the application of this Standard does not have any effects on the Group's assets and liabilities, financial position and operating performance for the financial year 2009.

- IAS 1 "Presentation of the Financial Statements": The amended Standard was published in September 2007 and must be applied for the first time in financial years that begin on or after January 1, 2009. IAS 1 did not have an impact on the quarterly financial statements, because the statement of changes in consolidated equity as of December 31, 2008 had already a corresponding disclosure.

- IAS 23 "Borrowing Costs": The revised Standard was published in March 2007 and must be applied for financial years that begin on or after January 1, 2009. The revised version of IAS 23 eliminates the option for immediate recognition of borrowing costs for qualifying assets as expenses, requiring instead that such borrowing costs have to be capitalized. This change did not affect the quarterly financial statements.

- Changes to IAS 32 "Financial Instruments: Disclosure and Presentation": Changes of IAS 32 were issued in February 2008 and were effective for financial years beginning on or after January 1, 2009. The first-time application of this

Standard does not have any effects on the presentation of the assets and liabilities, financial position and operating performance of the Group.

- IFRIC 13 "Customer Loyalty Programs". This Interpretation was published in June 2007 and must be applied for the first time in financial years beginning on or after July 1, 2008. As the Group currently does not offer any customer loyalty programs, the first-time application of this Interpretation does not have any effects on the presentation of the assets and liabilities, financial position and operating performance of the Group.

- IFRIC 14 "IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction": Application of this Interpretation is mandatory for the first time in financial years beginning on or after January 1, 2008. As the Group shows no excess of plan assets over plan obligations, first-time application of this Interpretation has no effects on the presentation of the assets and liabilities, financial position and operating performance of the Group.

- IFRIC 15 "Agreements for the Construction of Real estate": Application of this Interpretation is mandatory for the first time in financial years beginning on or after January 1, 2009. This Interpretation had no impact on the interim financial reporting.

- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation": The Interpretation has initially to be applied for financial years beginning on or after October 1, 2008. This Interpretation had no effect on the interim financial reporting.

3. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

Revenues

For information concerning the split of revenues relating to product segments, please refer to the segment reporting. Information regarding the development of revenues is provided in the interim management report.

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION

Property plant and equipment

Additions to property, plant and equipment in the first nine months of 2009 result from investments in a CAHC production facility as well as in technical equipment and machinery within the business units "Flame Retardants" and business division "Technical Ceramics".

Equity

Please refer to the statement of changes in equity for the development of equity of the Nabaltec AG.

Minority interests refer to the minority interests of the equity of Nashtec L.P. As amendments of IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements", both issued in 2008, were already applied in the consolidated financial statements as of December 31, 2008, negative minority interests were presented in the Group's income statement as well as in equity on the face of the balance sheet.

Current and non-current liabilities

Liabilities due to banks

Liabilities due to banks mainly comprise of long-term loans with market interest rates. Fair value of the loans equals the carrying amounts. Long-term loans with an amount of EUR 22,699 thousand were borrowed in the first nine months of 2009.

The loan agreements of Nabaltec AG are partially subject to covenants, which are partially measured by leverage coverage as well as to equity ratios. The loan creditor has in case of a non-compliance of the covenants the right to increase interest margins or to exercise his extraordinary termination right. The non-compliance of covenants for the financial year 2008 has been resolved by the bank in 2009. Further probable non-compliance of covenants for the financial year 2009 has been discussed between the Management Board and the related bank. The Management Board expects based on current results no significant sanctions to be imposed by the bank.

5. OTHER DISCLOSURES

Other financial obligations

Contingent liabilities

At the balance sheet date, there were no significant contingent liabilities or pending litigations for which no provisions had been recognized.

Related party transactions

The group of related parties remained unchanged compared to the consolidated financial statements for the year ended December 31, 2008.

There were no significant related party transactions in the first nine months of 2009. Transactions are conducted at arm's length prices and business terms.

Significant events after the balance sheet date

There were no significant events after the balance sheet date.

Schwandorf, October 30, 2009

The Management Board

FINANCIAL CALENDER

8 December 2009	VIII. Munich Capital Market Conference

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