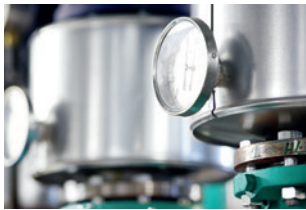




INTERIM REPORT

3/2016



**OUR
KNOW-HOW
FOR YOUR
SAFETY**

NABALTEC GROUP

KEY FIGURES

FOR THE PERIOD FROM 1 JANUARY 2016 THROUGH 30 SEPTEMBER 2016

in EUR million	09/30/2016 (IFRS)	09/30/2015 (IFRS)	Change
Revenues			
Total revenues	122.4	115.4	6.1%
thereof			
Functional Fillers	83.8	78.5	6.8%
Technical Ceramics	38.5	36.9	4.3%
Foreign share (%)	72.9	72.3	—
Employees* (number of persons)	459	444	3.4%
Earnings			
EBITDA	19.0	19.2	-1.0%
EBIT	11.0	11.7	-6.0%
Consolidated result after taxes**	5.5	5.4	1.9%
Earnings per share (EUR)**	0.68	0.67	1.5%
Financial position			
Cash flow from operating activities	20.9	22.1	-5.4%
Cash flow from investing activities	-13.7	-10.2	34.3%
Assets, equity and liabilities			
Total assets	202.7	201.9	0.4%
Equity	61.5	58.1	5.9%
Non-current assets	121.2	117.1	3.5%
Current assets	81.5	84.8	-3.9%

* on the reporting date, including trainees

** after non-controlling interests

NABALTEC AG



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INTERIM REPORT 3/2016



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SUSTAINABLE PRACTICES

A RELIABLE MANUFACTURER AND SUPPLIER OF SPECIALTY CHEMICALS



Nabaltec products have an extremely diverse range of applications and are the preferred choice whenever utmost quality, safety, eco-friendliness and durability are required. The combination of these important characteristics guarantees that Nabaltec's specialty chemical products will have outstanding prospects for growth and has given the company many years of steady growing and financial success.

Beyond economic aspects, however, Nabaltec AG also attaches particular importance to its ecological and social responsibility. Aside from certification of a conventional quality management system in accordance with ISO 9001, the company has also, over the years, introduced a certified environmental management system (ISO 14001) as well as an occupational health and safety management system (BS OHSAS 18001) and an energy management system (ISO 50001). In addition, sustainable employee development is important to Nabaltec AG in order to be prepared for future personnel challenges and in order to position itself as an attractive employer.



CONTACT IR

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NABALTEC AG
ON THE INTERNET
www.nabaltec.de

OUR APPLICATIONS



FLAME RETARDANTS/FLAME RETARDANT FILLERS

Eco-friendly aluminum hydroxide is used as a flame retardant in power and communication cables, and in electric enclosures



ADDITIVES

Used as process additives and as a raw material in color pigments



ENVIRONMENTAL TECHNOLOGY

Aluminum oxide and hydroxide are used e.g. to eliminate fumes, for alternative energy storage or as a raw material in catalyzers



CERAMIC RAW MATERIALS

Aluminum oxide, polishing aluminas and synthetic sintered mullites are used above all in the refractory and polishing industries, in the automotive sector and in glass and ceramics production



CERAMIC BODIES

Our ready-to-press ceramic bodies are used particularly to prevent abrasion, to protect people and vehicles as well as in engineering ceramics

NABALTEC AG

LEADING IN 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 business divisions “Functional Fillers” and “Technical Ceramics”.



OUR BUSINESS DIVISIONS



FUNCTIONAL FILLERS

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.

EUR **102.3** MILLION

Revenues 2015

EUR **17.8** MILLION

EBITDA 2015

EUR **10.5** MILLION

EBIT 2015



TECHNICAL 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' need.

EUR **49.1** MILLION

Revenues 2015

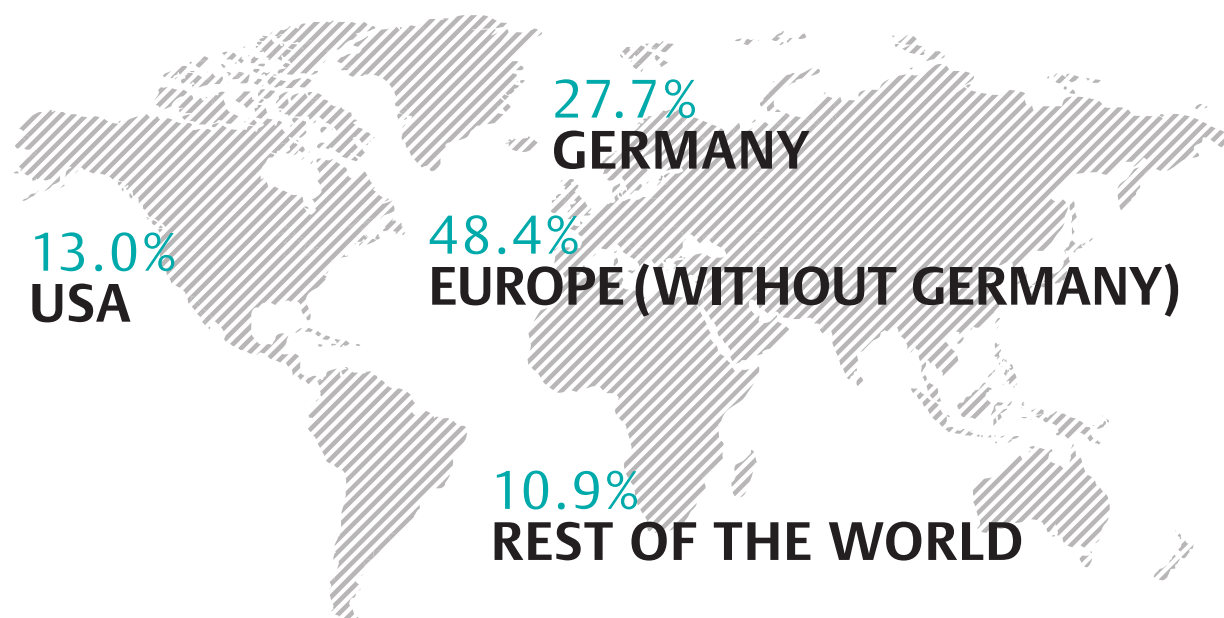
EUR **6.9** MILLION

EBITDA 2015

EUR **4.1** MILLION

EBIT 2015

GLOBAL REVENUE SHARES (2015)



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

Nabaltec AG's goal is to continue to strengthen its market position by increasing capacity, further optimizing processes and quality, targeted extensions of its product range as well as a strategic focus on growth markets. With its specialty products, the company strives for quality leadership and a market position among the top three suppliers in its target markets.

NABALTEC RECEIVES FOUR AWARDS IN 2015



- LACP PLATIN AWARD
- ITS EIGHTH "TOP 100" AWARD
- ITS FOURTH "TOP JOB" AWARD
- ITS FIRST "BAVARIA'S BEST 50" AWARD

Nabaltec AG's 2014 Annual Report is among the best worldwide, receiving the Platin Award in the "Chemicals" category of the "2014 Vision Award – Annual Report Competition," held by the League of American Communications Professionals (LACP). The LACP Vision Award is the world's largest competition for international financial reporting, in which the reports submitted by the contestants are evaluated by an independent jury in various categories.

In addition, Nabaltec was one of only four companies who won prizes at both the "Top 100" competition and the "Top Job" competition

on 26 June 2015 at the Deutscher Mittelstands-Summit in Essen, a conference for small and mid-sized companies. These awards recognize the fact that Nabaltec is not only one of the most innovative mid-sized German companies, but one of the best employers as well.

Nabaltec was also one of the 50 fastest-growing mid-sized companies in all of Bavaria. For that achievement, the company received the "BAVARIA'S BEST 50" award in July 2015 from the Bavarian Ministry of Economic Affairs and Media, Energy and Technology.

NABALTEC AG

MANAGEMENT BOARD FOREWORD



Gerhard Witzany

Johannes Heckmann

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

As announced, we temporarily halted production at the US subsidiary Nashtec at the end of August. We notified you about this step in the semi-annual report and in multiple press releases. It became necessary because our raw materials supplier for Nashtec in the US, Sherwin Alumina, discontinued production due to an ongoing Chapter 11 bankruptcy procedure, taking away our ability to continue using common infrastructure to a full extent.

Customers which were previously supplied by Nashtec have been receiving their products from Germany since September.

Our goal for the next stage is to ensure that Nashtec can continue to operate over the long run based on a stand-alone solution. We are conducting intensive discussions with a number of parties to this end. At the same time, we are preparing to implement a planned investment package, which can begin as soon as we attain absolute legal certainty with regard to the points which are as yet unresolved from our viewpoint.

Ensuring the ability of Nashtec to operate over the long run based on a stand-alone solution

Our revenues were up 2.1% in the third quarter of 2016 over the same period of last year, to EUR 38.4 million, with an EBIT margin of 6.7% (relative to total performance), compared to 7.1% in the same period of last year. Earnings were affected by extraordinary factors based on the developments in the US subsidiary Nashtec, due to higher cost of freight and legal advice.

Revenues up 2.1% in the third quarter of 2016, to EUR 38.4 million

The decisive point is that both business divisions of the company once again posted growth over the same period of last year. We remain confident about the future: the market drivers remain intact and the positive sentiment among our customers in the business division “Functional Fillers” is undiminished, as was demonstrated by the “K 2016” trade show in Dusseldorf, which just finished, the leading trade show for the plastics and rubber industry. In the business division “Technical Ceramics” as well, we continue to expect stable demand among our refractory customers, although the market environment in the steel industry is challenging. Nabaltec will continue to pursue moderate growth in 2016. Revenue growth is to be achieved primarily through an increase in volume, with an added focus on high value-added products.

Stable demand in both business divisions

Schwandorf, November 2016

Sincerely yours,



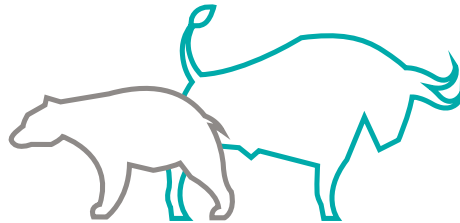
JOHANNES HECKMANN
Member of the Board



GERHARD WITZANY
Member of the Board

NABALTEC-SHARE

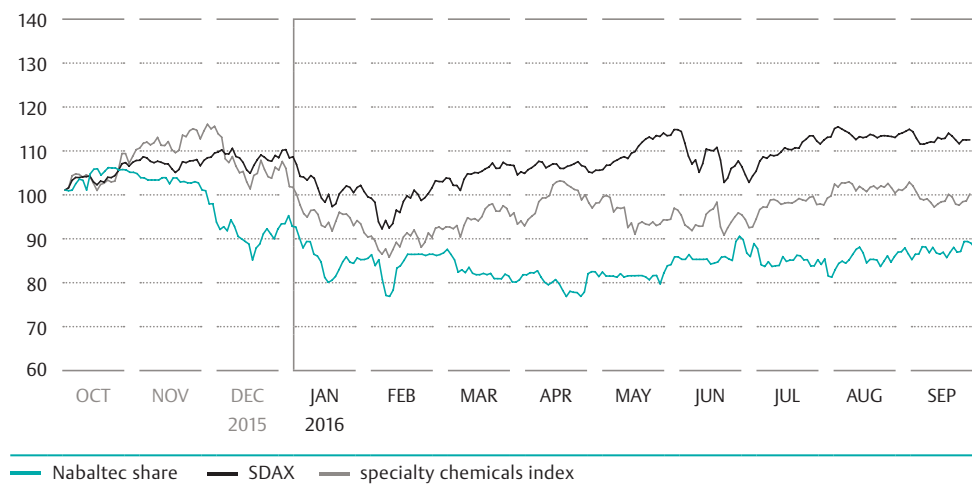
THIRD QUARTER OF 2016



ISIN/WKN: DE000A0KPPR7/A0K PPR

Since 24 November 2006 Nabaltec share has been listed in the Entry Standard segment of the Frankfurt Stock Exchange.

PERFORMANCE OF NABALTEC SHARE (XETRA, INDEXED)



The performance of Nabaltec share in the third quarter of 2016 was generally flat. The low for the reporting quarter, EUR 13.60, was reached on 4 August 2016, while the high of EUR 15.00 was reached on 27 and 28 September 2016. At the end of the quarter, Nabaltec share was trading at EUR 14.75, down slightly from last quarter's closing price of EUR 15.08 and down 7.9% from the 2015 closing price of EUR 16.02. The performance of the relevant indices, the SDAX and the specialty chemicals index, diverged over the first nine months of 2016: while the SDAX was up 2.0%, the specialty chemicals index was down 5.6% from its 2015 closing price.

KEY DATA FOR NABALTEC SHARE (XETRA)

	First 9 months of 2016	Year 2015
Number of shares	8,000,000	8,000,000
Market capitalization (cutoff date, in EUR million)	118.0	128.16
Average price (in EUR)	14.12	15.59
High (in EUR)	15.60	18.43
Low (in EUR)	12.85	12.04
Closing price (cutoff date, in EUR)	14.75	16.02
Average daily turnover (in shares)	2,098	4,013
Earnings per share* (in EUR)	0.68	0.84

* after non-controlling interests

The average daily trading turnover of Nabaltec share on XETRA was 2,098 shares in the first nine months of 2016.

Earnings per share (EPS) after non-controlling interests amounted to EUR 0.68 in the first nine months of 2016. By comparison, EPS through the third quarter of 2015 amounted to EUR 0.67.

*Earnings per share of
EUR 0.68*

Analyst recommendations for Nabaltec share continue to be positive. In its analysis of 27 September 2016, Hauck & Aufhäuser confirmed its “buy” recommendation and raised its price target to EUR 24.00, up from EUR 19.00. Baader Bank, in its study of 30 August 2016, also once again rated Nabaltec share a “buy,” with a price target of EUR 15.90.

*Hauck & Aufhäuser
price target raised to
EUR 24.00*

As of 30 June 2016, the majority of Nabaltec’s 8,000,000 shares were still held by the Heckmann and Witzany families, with the Heckmann family holding 31.16% of the company’s capital stock and the Witzany family holding 29.87%. The remaining 38.97% of shares are in free float.

Nabaltec AG’s Annual Report was recognized once again, receiving the Bronze Award in the “Chemicals” category from the League of American Communications Professionals (LACP) in the “2015 Vision Award – Annual Report Competition.” This renowned distinction in international financial reporting recognizes the quality of Nabaltec AG’s capital market communication. Nearly 1,000 applicants from 25 countries took part in the competition.

NABALTEC AG

CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 30 SEPTEMBER 2016

COURSE OF BUSINESS

*Consolidated revenues
of EUR 38.4 million
in the third quarter
(up 2.1%)*

Nabaltec AG posted revenues of EUR 38.4 million in the third quarter of 2016, up 2.1% from the same quarter of last year (EUR 37.6 million). However, revenues fell short of the very strong figures posted in the first two quarters of the year due to the fact that business is typically slower in the summer months. Revenues were down 10.3% from the record high of EUR 42.8 million in the second quarter of 2016.

*Total revenues after
first nine months
of EUR 122.4 million
(up 6.1%)*

Consolidated revenues over the first nine months of 2016 amounted to EUR 122.4 million, up 6.1% from the value posted in the first nine months of 2015, EUR 115.4 million.

Revenues in the business division “Functional Fillers” for the third quarter were up 2.8% over the third quarter of 2015, from EUR 24.8 million to EUR 25.5 million. Revenues in the business division “Technical Ceramics” were up slightly, by 0.8%, climbing to EUR 12.9 million (same quarter of last year: EUR 12.8 million).

Revenues in the business division “Functional Fillers” amounted to EUR 83.8 million over the first nine months of 2016, up 6.8% over the same period of last year (EUR 78.5 million). This growth was generated primarily by the positive development of the fine precipitated hydroxides product segment (eco-friendly flame retardant fillers, e.g. for the cable & wire industry). Revenues in the business division “Technical Ceramics” were up 4.3% over the first nine months of 2015 (EUR 36.9 million), climbing to EUR 38.5 million.

The export ratio was 72.9% over the first three quarters of 2016, which was about in line with last year’s ratio (72.3%). Revenue growth was generated in both business divisions, and particularly in Asia and the rest of the world (without Germany, Europe and the US), although the absolute revenue share in these regions remains low, at around 11%.

The revenue share of the US region remained stable over the first nine months of 2016 at 13.0%, in line with last year.

Production at Nashtec was halted after its raw materials supplier, Sherwin Alumina, had to discontinue operations due to an ongoing Chapter 11 bankruptcy procedure. Any impact on revenues from the cessation of production activities at the end of August 2016 by the US subsidiary Nashtec was avoided when this production was shifted to Germany.

Nabaltec's total performance was up 5.9% in the reporting period, climbing to EUR 121.8 million from EUR 115.0 million in the same period of last year. This improvement was attributable to strong revenues and the simultaneous slight decrease in inventories, due in particular to developments in the US.

The cost of materials ratio (cost of materials as a percentage of total performance) improved to 50.8% in the first nine months of 2016, compared to a ratio of 52.0% last year. Gross profit margin (gross profit as a percentage of total performance) increased accordingly, from 49.8% to 50.0%.

Improved cost of materials ratio

The personnel expense ratio (personnel expenses as a percentage of total performance) was at 17.9% after the first nine months, compared to 17.8% over the same period of 2015. The number of employees increased from 444 to 459.

Other operating expenses increased from EUR 17.6 million in the same period of last year to EUR 20.1 million in the first nine months of 2016, due primarily to increased freight costs and commercial agent commissions as a result of the growth in sales and revenues, as well as the supply of US customers from Germany. Repair and consulting costs also increased, as did exchange rate losses. As a result, the ratio of other operating expenses as a percentage of total performance was up from the year before, from 15.3% to 16.5%.

Results in the first nine months of 2016 were slightly burdened by extraordinary factors and one-time effects on the basis of the developments in the US subsidiary Nashtec, due to higher cost of freight and legal advice.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 19.0 million in the first three quarters of 2016, down slightly, by 1.0%, from the value of EUR 19.2 million in the same period of last year. This was due to the relatively weak earnings in the first quarter of 2016. EBITDA margin (EBITDA as a percentage of total performance) decreased accordingly, from 16.7% in the first nine months of 2015 to 15.6% in the reporting period.

Consolidated EBIT amounted to EUR 11.0 million in the first nine months of the year, compared to EUR 11.7 million in the same period of last year. EBIT margin (EBIT as a percentage of total performance) was 9.0% in the first nine months of 2016, down from 10.2% in the same period of last year.

EBIT margin of 9.0% in the first nine months of 2016

Net financial income improved to EUR -2.4 million in the first nine months of 2016, compared to EUR -2.9 million in the same period of 2015.

Earnings before taxes amounted to EUR 8.6 million in the first nine months of 2016, nearly as high as the figure posted last year, EUR 8.8 million. After adjusting for taxes and non-controlling interests, consolidated earnings for the first three quarters of 2016 improved by 1.9% over the same period of last year, to EUR 5.5 million. This corresponds to earnings per share of EUR 0.68 in the first nine months of 2016, compared to EUR 0.67 in the same period of last year.

Consolidated earnings of EUR 5.5 million (up 1.9%)

Cash flow from operating activities decreased slightly, from EUR 22.1 million in the same period of last year to EUR 20.9 million in the first nine months of 2016. This item was affected above all by the increase in payments for taxes on income over the same period of last year.

Investments in infrastructure improvements and process optimization

Spending on investments increased relative to the same period of last year, from EUR 10.2 million to EUR 13.7 million. This increase was due above all to measures to improve infrastructure and optimize processes.

Cash flow from financing activities amounted to EUR –8.3 million, compared to EUR 11.0 million in the same period of last year. Last year's value was determined above all by effects arising from partial repayment of the 2013 loan against borrower's note, in the amount of EUR 43.5 million, as well as the receipt of a new loan against borrower's note in the amount of EUR 70.0 million, which took effect in the second quarter of 2015. Cash flow from financing activities in 2016, on the other hand, was shaped by amortization payments, which were in line with long-term estimates.

Nabaltec Group's cash and cash equivalents amounted to EUR 41.1 million as of 30 September 2016.

Nabaltec Group's balance sheet showed a 0.4% increase in total assets from 31 December 2015, to EUR 202.7 million. As of the reporting date, 30 September 2016, non-current assets were up by 3.5% and current assets decreased by 3.9%.

On the liabilities side of the balance sheet, the equity ratio increased from 28.8% on 31 December 2015 to 30.3% on 30 September 2016.

EMPLOYEES

Trainee ratio at 11.5%

As of the reporting date, 30 September 2016, Nabaltec Group had 459 employees (including trainees). On the same date of last year, this number was 444 employees. The trainee ratio was 11.5%, up slightly over last year's ratio of 11.0%.

SUBSEQUENT EVENTS

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

OUTLOOK

Nabaltec has refrained from issuing a quantitative revenue and earnings forecast for 2016 due to Sherwin Alumina's Chapter 11 bankruptcy procedure, which resulted in the US subsidiary Nashtec's raw materials supplier discontinuing production in the third quarter.

Preparation of a stand-alone solution to hedge Nashtec production in the long-term

Production activity at the US subsidiary Nashtec was temporarily halted at the end of August 2016. Customers which were previously supplied by Nashtec have been receiving their products from Germany ever since. Nabaltec AG's long-term goal is for Nashtec to continue to operate based on a stand-alone solution.

We remain confident about the future of Nabaltec Group: the market drivers remain intact. Nabaltec will continue to pursue moderate growth in 2016. Revenue growth is to be achieved primarily through an increase in volume, with an added focus on high value-added products.

Orders on hand amounted to EUR 24.0 million on 30 September 2016, down slightly from the value on 31 December 2015 (EUR 25.9 million).

Otherwise, the statements made in the forecast report of the 2015 consolidated management report retain their validity.

REPORT ON OPPORTUNITIES AND RISKS

The relevance of possible fluctuations in the EUR/USD exchange rate will increase due to the expected increase in deliveries from Germany into the USD zone as of September 2016.

Otherwise, no significant changes were evident in the first nine months of 2016 to the risk situation presented in the 2015 consolidated management report.

Schwandorf, 11 November 2016

The Management Board

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY 2016 THROUGH 30 SEPTEMBER 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
in EUR '000	01/01/ – 09/30/2016	07/01/ – 09/30/2016	01/01/ – 09/30/2015	07/01/ – 09/30/2015
Revenues	122,355	38,362	115,402	37,644
Change in unfinished and finished products	-1,086	-1,165	-727	-1,001
Other own services capitalized	542	218	346	137
Total performance	121,811	37,415	115,021	36,780
Other operating income	955	249	2,119	118
Cost of materials	-61,908	-18,871	-59,843	-19,358
Gross profit	60,858	18,793	57,297	17,540
Personnel expenses	-21,761	-7,199	-20,453	-6,625
Depreciation and amortization	-7,942	-2,676	-7,566	-2,564
Other operating expenses	-20,116	-6,427	-17,605	-5,707
Operating result (EBIT)	11,039	2,491	11,673	2,644
Interest and similar income	190	67	192	72
Interest and similar expenses	-2,618	-866	-3,092	-915
Result from ordinary operations (EBT)	8,611	1,692	8,773	1,801
Income taxes	-2,675	-609	-2,677	-445
Consolidated result after taxes	5,936	1,083	6,096	1,356
thereof attributable to				
Shareholders of the parent company	5,461	1,188	5,390	1,078
Non-controlling interests	475	-105	706	278
Consolidated result after taxes	5,936	1,083	6,096	1,356
Earnings per share (in EUR)	0.68	0.15	0.67	0.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
in EUR '000	01/01/ – 09/30/2016	07/01/ – 09/30/2016	01/01/ – 09/30/2015	07/01/ – 09/30/2015
Consolidated result after taxes	5,936	1,083	6,096	1,356
Items that may be reclassified subsequently to profit or loss				
Foreign Currency Translation (after taxes)	-277	-22	714	-35
Net result from Hedge Accounting (after taxes)	-1,220	-152	-218	-1,038
	-1,497	-174	496	-1,073
Items that will not be reclassified to profit or loss				
Actuarial gains and losses	130	0	0	0
	130	0	0	0
Other result	-1,367	-174	496	-1,073
thereof attributable to				
Shareholders of the parent company	-1,360	-173	482	-1,078
Non-controlling interests	-7	-1	14	5
Comprehensive income	4,569	909	6,592	283
thereof attributable to				
Shareholders of the parent company	4,101	1,015	5,872	0
Non-controlling interests	468	-106	720	283

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBER 2016

ASSETS		
in EUR '000	09/30/2016	12/31/2015
Non-current assets	121,191	117,108
Intangible assets		
Concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets (including advance payments)	525	507
Property, plant and equipment	120,588	116,601
Land, leasehold rights and buildings on non-owned land	33,085	29,316
Technical equipment, plant and machinery	71,189	74,985
Other fixtures, fittings and equipment	2,906	2,884
Advance payments and plant and machinery under construction	13,408	9,416
Financial assets	78	0
Shares in affiliated companies	78	0
Current assets	81,511	84,784
Inventories	29,641	30,781
Raw materials and supplies	17,177	16,778
Unfinished goods	30	226
Finished products and merchandise	12,434	13,777
Trade receivables and other assets	10,728	11,731
Trade receivables	6,306	5,203
Other assets	4,422	6,528
Cash and cash equivalents	41,142	42,272
TOTAL ASSETS	202,702	201,892

EQUITY & LIABILITIES

in EUR '000	09/30/2016	12/31/2015
Equity	61,471	58,102
Subscribed capital	8,000	8,000
Capital reserve	29,764	29,764
Earnings reserves	9,711	9,711
Profit/loss carried forward	17,855	12,346
Consolidated result after taxes	5,461	6,709
Accumulated other comprehensive result	-10,386	-9,026
Non-controlling interests	1,066	598
Non-current liabilities	101,962	101,621
Retirement benefit obligation	28,642	27,951
Other provisions	928	887
Payables to banks	71,340	71,314
Deferred tax liabilities	1,052	1,469
Current liabilities	39,269	42,169
Income tax payables	1,410	1,565
Other provisions	163	154
Payables to banks	6,994	12,234
Trade payables	12,837	12,278
Other liabilities	17,865	15,938
TOTAL EQUITY & LIABILITIES	202,702	201,892

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 JANUARY 2016 THROUGH 30 SEPTEMBER 2016

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR '000	01/01/ - 09/30/2016	01/01/ - 09/30/2015
Cash flow from operating activities		
Period profit before taxes	8,611	8,773
+ Depreciation and amortization	7,942	7,566
-/+ Gain/loss from asset disposals	9	82
- Interest income	-190	-192
+ Interest expenses	2,618	3,092
Operating profit before working capital changes	18,990	19,321
+/- Increase/decrease in provisions	342	210
-/+ Increase/decrease in trade receivables and other assets not attributable to investing or financing activity	1,003	-158
+/- Decrease/increase in inventories	1,140	2,216
+/- Increase/decrease in trade payables and other liabilities, not attributable to investment or financing activity	2,038	1,179
Cash flow from operating activities before taxes	23,513	22,768
- Income taxes paid	-2,575	-671
Net cash generated by operating activities	20,938	22,097

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR '000	01/01/ – 09/30/2016	01/01/ – 09/30/2015
Cash flow from investing activities		
+ Cash received from disposals of property, plant and equipment	13	2
– Cash paid for purchases in property, plant and equipment	–13,487	–10,073
– Cash paid for investments in intangible assets	–133	–144
– Cash paid for investments in financial assets	–78	0
Net cash generated by investing activities	–13,685	–10,215
Cash flow from financing activities		
– Dividends	–1,200	–960
+ Cash received from financial loans	0	69,800
– Cash rendered for payment of financial loans	–5,763	–56,202
– Interest paid	–1,382	–1,667
+ Interest received	35	32
Net cash generated by financing activities	–8,310	11,003
Net change in cash and cash equivalents	–1,057	22,885
Effects of exchange rate changes on the balance of cash held in foreign currencies	–73	236
Cash and cash equivalents at the beginning of the period	42,272	27,231
Cash and cash equivalents at the end of the period	41,142	50,352

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY 2016 THROUGH 30 SEPTEMBER 2016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR '000	Equity attributable to shareholders of Nabaltec AG		
	Subscribed capital	Capital reserve	Earnings reserves
Balance per 01/01/2015	8,000	29,764	9,711
Dividend payments	—	—	—
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 09/30/2015	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 12/31/2015	8,000	29,764	9,711
Dividend payments	—	—	—
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 09/30/2016	8,000	29,764	9,711

Profit carried forward	Accumulated other comprehensive result	Total	Non-controlling interests	Consolidated equity
13,306	-8,150	52,631	-170	52,461
-960	—	-960	—	-960
—	0	0	0	0
—	729	729	-15	714
—	-247	-247	29	-218
—	482	482	14	496
5,390	—	5,390	706	6,096
5,390	482	5,872	720	6,592
17,736	-7,668	57,543	550	58,093
—	-1,354	-1,354	0	-1,354
—	325	325	14	339
—	-329	-329	7	-322
—	-1,358	-1,358	21	-1,337
1,319	—	1,319	27	1,346
1,319	-1,358	-39	48	9
19,055	-9,026	57,504	598	58,102
-1,200	—	-1,200	—	-1,200
—	130	130	0	130
—	-263	-263	-14	-277
—	-1,227	-1,227	7	-1,220
—	-1,360	-1,360	-7	-1,367
5,461	—	5,461	475	5,936
5,461	-1,360	4,101	468	4,569
23,316	-10,386	60,405	1,066	61,471

NABALTEC AG

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 2016 – 30 SEPTEMBER 2016

in EUR '000	Functional Fillers		Technical Ceramics		Nabaltec Group	
	01/01– 09/30/16	07/01– 09/30/16	01/01– 09/30/16	07/01– 09/30/16	01/01– 09/30/16	07/01– 09/30/16
Revenues						
Third party revenue	83,813	25,461	38,542	12,901	122,355	38,362
Segment result						
EBITDA	14,721	3,600	4,260	1,567	18,981	5,167
EBIT	9,001	1,679	2,038	812	11,039	2,491

PERIOD FROM 1 JANUARY 2015 – 30 SEPTEMBER 2015

in EUR '000	Functional Fillers		Technical Ceramics		Nabaltec Group	
	01/01– 09/30/15	07/01– 09/30/15	01/01– 09/30/15	07/01– 09/30/15	01/01– 09/30/15	07/01– 09/30/15
Revenues						
Third party revenue	78,486	24,810	36,916	12,834	115,402	37,644
Segment result						
EBITDA	14,188	4,047	5,051	1,161	19,239	5,208
EBIT	8,702	2,198	2,971	446	11,673	2,644

NABALTEC AG

ABRIDGED CONSOLIDATED NOTES

FOR THE PERIOD FROM 1 JANUARY 2016 THROUGH 30 SEPTEMBER 2016

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 September 2016 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 September 2016 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 2015.

The interim financial statements encompass the period from 1 January 2016 to 30 September 2016.

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

The consolidated financial statements are prepared in euro (EUR). Unless stipulated otherwise, all values are rounded up or down to the nearest thousand euro (EUR thousand) in accordance with the commercial rounding practice. Please note that differences can result from the use of rounded amounts and percentages.

The presentation in the balance sheet differentiates between current and non-current assets and liabilities, some of which are broken down further by their respective maturities in the notes to the financial statements.

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 September 2016 did not change compared to the consolidated financial statements as at 31 December 2015 or the third quarter of financial year 2015. The consolidated financial statements encompass the financial statements of Nabaltec AG, Schwandorf, as parent company, and its subsidiary Nashtec LLC, Texas (USA).

On 8 March 2016, Nabaltec AG formed a wholly-owned subsidiary based in Tokyo, Japan. Nabaltec Asia Pacific K.K. will engage in marketing and sales activities for Nabaltec AG's entire product line in Asia, and will be working closely with regional sales partners.

Nabaltec Asia Pacific K.K. will not be included in the consolidated financial statements of Nabaltec AG, but will instead be recognized at the cost of the shares, since it does not have a material impact on the financial, earnings and liquidity position.

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 2015.

In addition to the Standards and Interpretations used on 31 December 2015, the following Standards and Interpretations were used for the first time, and had no impact on the interim financial statements:

- Amendments to IAS 1 Disclosure Initiative
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization
- Amendments to IAS 19 Employee Benefits
- Amendments to IAS 27 Equity Method in Separate Financial Statements
- Amendments to IFRS 10, IFRS 12 and IAS 28 Applying the Consolidation Exception
- Amendments to IFRS 11 Accounting for Acquisition of Interests in Joint Operations
- Annual improvements to International Financial Reporting Standards 2010 – 2012
- Annual improvements to International Financial Reporting Standards 2012 – 2014

The IASB did publish the following changes in Standards prior to the publication of these interim financial statements:

- **Amendments to IAS 7 Disclosure Initiative: Statement of Cash Flows:** The amendments relate to specifications for additional disclosures in the notes to the financial statements which are meant to enable users of the financial statements to better assess changes in liabilities arising from financing activities. The new version is applicable for annual periods beginning on or after 1 January 2017. The amendments have not yet been adopted by the EU. First-time application is not presently expected to have a material impact on the consolidated financial statements.
- **Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses:** The amendments clarify the recognition of deferred tax assets for unrealized losses related to debt instruments measured at fair value. They clarify that such unrealized losses give rise to deductible temporary differences. The new version is applicable for annual periods beginning on or after 1 January 2017. The amendments have not yet been adopted by the EU. First-time application is not presently expected to have a material impact on the consolidated financial statements.
- **Amendments to IFRS 2 Classification and measurement of share-based payment transactions:** The amendments include clarifications with regard to accounting for cash-settled share-based payment transactions, the classification of share-based payments with taxes withheld and accounting for modifications of share-based payments from cash-settled to equity-settled. The new version is to be applied in financial periods beginning on or after 1 January 2017. The amendments have yet to be endorsed by the EU. First-time application is not presently expected to have a material impact on the consolidated financial statements.
- **Clarification of IFRS 15 Revenue from contracts with customers:** The amendments relate to clarifications with regard to identification of performance obligations, principal versus agent considerations and licenses. In addition, they allow two other practical expedients upon transition. The new version is to be applied in financial periods beginning on or after 1 January 2018. The amendments have yet to be endorsed by the EU. First-time application is not presently expected to have a material impact on the consolidated financial statements.

3. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

REVENUES

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 nine months of 2016 were the result of investments, primarily in land and buildings and in technical equipment and machinery to expand capacity and for further process optimization.

FINANCIAL ASSETS

Financial assets consist of the 100% interest in Nabaltec Asia Pacific K.K. The subsidiary is not fully consolidated on grounds of materiality. In the absence of an active market, the shares are measured at cost.

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 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 2015.

No transactions with related persons and enterprises took place in the first nine months of 2016. Such transactions are conducted at standard market prices and conditions.

Significant events after the balance sheet date

Production activity at the US subsidiary Nashtec had to be halted at the end of August 2016 after its raw materials supplier, Sherwin Alumina, was compelled to discontinue operations due to an ongoing Chapter 11 bankruptcy procedure. Customers which had previously been supplied by Nashtec have been receiving their products from Germany ever since. Nabaltec AG's long-term goal is to ensure that Nashtec can continue to operate based on a stand-alone solution.

The temporary loss of Nashtec's production may weigh down earnings, but the amount of these potential losses cannot yet be stated at the present time.

The continued existence of Nabaltec AG is not jeopardized by this development.

A reliable forecast of Nabaltec Group's revenues and earnings in 2016 remains impossible due to the situation described above.

Schwandorf, 11 November 2016

The Management Board

FINANCIAL CALENDAR

	2017
Annual Report 2016	27 April
Interim Report 1/2017	30 May
Annual General Meeting	27 June
Interim Report 2/2017	29 August
Interim Report 3/2017	28 November

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Text

Nabaltec, Schwandorf
 Better Orange, Munich

Concept and realization

Silvester Group, Hamburg

Photos

Herbert Bürger, Andre Forner, freepik, Gerhard Götz, Stefan Hanke, Oliver Heinel, Clemens Mayer, Nabaltec AG, shutterstock, Studio SX Heuser

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.

Rounding

Due to computational reasons, rounding differences may appear in the percentages and figures in the tables, graphics and text of this report.

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