

Interim Report,

September 30, 2006

**Report on the 1st quarter of the 2nd abbreviated financial year 2006
and pro forma description**

Results of Operations

in EUR million	1.7.-30.9.2006 ¹⁾ (3 months)	1.1.-30.6.2006 ²⁾ (6 months)	1.1.-30.9.2006 ³⁾ (9 months)	1.1.-31.12.2005 ⁴⁾ (12 months)
Sales	120.3	205.4	325.7	284.6
Cost of materials	102.4	163.0	265.3	238.7
Cost of materials ratio	81.9 %	79.1 %	80.1 %	83.9 %
EBITDA (before special items)	18.5	38.0	56.5	37.7
EBITDA-margin (before special items)	15.3 %	18.5 %	17.3 %	13.2 %
EBITDA	17.1	38.0	55.1	37.7
EBITDA-margin	14.2 %	18.5 %	16.9 %	13.2 %
EBIT (before special items)	14.6	30.2	44.8	25.0
EBIT-margin (before special items)	12.1 %	14.7 %	13.8 %	8.8 %
EBIT	11.2	27.8	39.0	23.9
EBIT-margin	9.3 %	13.5 %	12.0 %	8.4 %
Financial result	- 1.7	- 3.3	- 5.0	- 6.1
Earnings before taxes	9.5	24.5	34.0	17.8
Net profit	6.4	19.3	25.7	11.6

Investments, Cash Flow and Net Debt

in EUR million				
Operational cash flow	22.8	14.7	37.5	18.4
Net debt	85.5	90.4	85.5	n.a.
Investments in property, plant and equipment	17.1	3.3	20.4	23.5

Total Assets / Equity

in EUR million	30.9.2006 ¹⁾	30.6.2006 ³⁾
Total assets	594.9	559.4
Equity	377.1	370.8
Equity ratio	63.4 %	66.3 %

Employees

	30.9.2006 ¹⁾	30.6.2006 ³⁾
Number of employees on statement date		
Non-salaried employees	207	186
Salaried employees	94	118
Total	301	304

Figures per Share

in EUR	1.7.-30.9.2006 ¹⁾ (3 months)	1.1.-30.6.2006 ²⁾ (6 months)	1.1.-30.9.2006 ³⁾ (9 months)	1.1.-31.12.2005 ⁴⁾ (12 months)
Earnings per share (diluted/undiluted)	0.13	0.38	0.51	0.23
Operational cash flow per share	0.46	0.29	0.75	0.37
Number of shares in millions	50.0	50.0	50.0	50.0

¹⁾ IFRS consolidated interim statement (2nd abbreviated financial year 2006; 1st quarter 2006)

²⁾ IFRS consolidated pro forma financial information for the period 1.1.-30.6.2006

³⁾ IFRS consolidated interim statement (2nd abbreviated financial year 2006; 1st quarter 2006)
cumulative with IFRS consolidated pro forma financial information 1.1.-30.6.2006

⁴⁾ IFRS consolidated pro forma financial information for the period 1.1.-31.12.2005

⁵⁾ IFRS consolidated statement VERBIO AG as of 30.6.2006 (1st abbreviated financial year 2006)

Segment Sales				
in EUR million	1.7.-30.9.2006 ¹⁾ (3 months)	1.1.-30.6.2006 ²⁾ (6 months)	1.1.-30.9.2006 ³⁾ (9 months)	1.1.-31.12.2005 ⁴⁾ (12 months)
Biodiesel	79.5	154.5	234.0	205.8
Bioethanol	37.2	41.0	78.2	55.7
Energy	3.3	7.4	10.7	18.9
Other	0.3	2.5	2.8	4.2
Group revenues	120.3	205.4	325.7	284.6
Segment-EBIT (before special items)				
Biodiesel	11.8	29.0	40.8	36.2
Bioethanol	3.7	2.1	5.8	– 12.1
Energy	– 0.9	0.2	– 0.7	2.2
Other	0.0	– 1.1	– 1.1	– 1.3
Group EBIT (before special items)	14.6	30.2	44.8	25.0
Segment-EBIT (after special items)				
Biodiesel	9.8	26.9	36.7	35.1
Bioethanol	2.3	1.8	4.1	– 12.1
Energy	– 0.9	0.2	– 0.7	2.2
Other	0.0	– 1.1	– 1.1	– 1.3
Group EBIT (after special items)	11.2	27.8	39.0	23.9

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Highlights



The significant increase in operational cash flow confirms the strong performance in the core business of the VERBIO-Group.



With EUR 14.6 million before special items, VERBIO achieved again a strong quarterly EBIT despite difficult general conditions.



Reduction of tax exemptions and falling crude oil prices of more than 20 % led to pressures on the EBIT-margin in the biodiesel segment.



Despite significant increases in crop prices, the bioethanol segment developed however positively.

Contents

Foreword	6	
Our stock	8	
MANAGEMENT REPORT	10	Basic information
	11	Business development
	11	Development of raw material prices
	12	Earnings development
	14	Assets and financial situation
	15	Cash flow
	15	Segment reporting
	18	Employees
	18	Investments
	18	Risk report
	18	Outlook
	20	Important results after the end of the reporting period
CONSOLIDATED INTERIM FINANCIAL STATEMENT	22	Balance sheet
for the period	24	Income statement
July 1, 2006 to September 30, 2006	25	Cash flow statement
	26	Change of equity statement
	27	Notes on the consolidated interim financial statement
Corporate bodies	37	
Financial calendar	38	

Foreword

Dear shareholders and friends of VERBIO,

Since October 16, 2006, VERBIO has been listed on the stock exchange – a significant milestone on our way to the future. In order to grow we need capital – and we need it now. The backing of the political willingness to support biofuels has never been as strong as at present. This has been manifested throughout Europe by EU guidelines and legislation in the form of the Biofuels Quota Act. The adopted way is the right way – both ecologically and economically – and it is non reversible. For exactly this reason, and despite stock market uncertainties, the timing of our stock market premiere was ideally chosen.

In the coming years, we intend to invest around EUR 300 to 400 million. Our objective is to improve the efficiency and cost effectiveness of our existing facilities – and we want to develop new locations. Prime

locations! To be precise, locations that meet our logistical demands in all aspects of both customer and supply requirements, with particular regard to raw materials procurement and the marketing of finished products. When we are successful, we will then have fulfilled the most important criteria for consolidating and further expanding our current price and market leadership. In the future, it will be equally essential for an industrial supplier of biofuels to have the capability to produce standard-conforming biodiesel and bioethanol from various raw materials. We are already ahead of the field in this area. Our Multi-Feedstock Strategy is already mostly implemented. Alongside rapeseed oil, we are already using soya bean oil and fatty acids in the production of biodiesel. By the end of 2007, we will also be prepared to process palm oil. In the production of bioethanol,

Claus Sauter,
CEO



we use rye, wheat and triticale. Successful field testing with corn has been completed.

Our business performance over the last nine months shows that we are on the right track. In comparison with 2005, we have considerably increased the production capacities of our biodiesel facilities and, in particular, our ethanol plants, and thus been able to react to increasing demands in good time. Revenues and results for the first nine months are far in excess of the figures for the whole of 2005. It is particularly satisfying – and this shows the stability in demand – that, in spite of a reduction of tax exemption for biodiesel from August 1, 2006 onwards, we were able to increase our revenues further. For this reason and as expected, biodiesel results for the third quarter were to some extent under pressure.

The interim report of September 30, 2006 shows for the three months July to September an EBIT-margin for the Group of 12.1%, in the biodiesel segment an EBIT-margin of 14.8% and in the bioethanol segment 10.0%, before special items each.

Viewed on an annual basis, the Management Board expects that VERBIO will achieve significant growth in consolidated revenues and results for the Group in comparison with previous year's figures.

Claus Sauter
CEO

The VERBIO Share

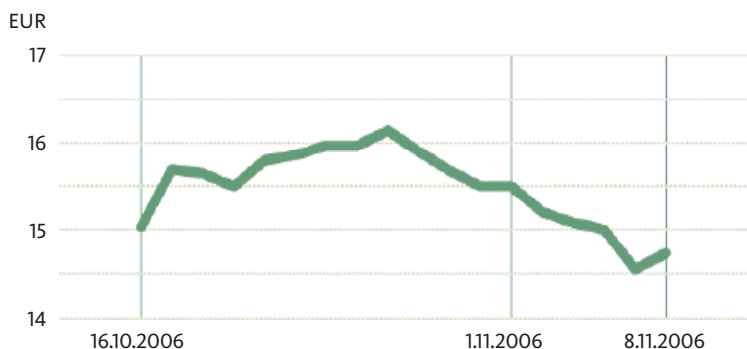
In October, VERBIO had a successful IPO. On October 16, 2006, it was initially listed in the Prime Standard of the Frankfurt Stock Exchange at an initial price of EUR 15.00. On October 13, 2006, the management board had set the issue price at EUR 14.50. At this price level, the issue was oversubscribed several times. On October 19, 2006 the Greenshoe option was exercised to the full extent. That increased the company's free float by more than 2 million shares to 18.2 million shares. The free float is 28.8 %. The gross issue volume was EUR 263.9 million.

On October 11, 2006 the management board of VERBIO together with the banks Credit Suisse and Dresdner Kleinwort decided to adapt the price range and to extend the offer

period. The original price range of EUR 17.00 to EUR 21.00 was lowered to EUR 14.00 to EUR 15.00.

In total, about 1.2 million shares were issued to private investors, about 6.6 % of the placement volume (including Greenshoe). The minimum order volume of 25 shares was issued in full; subscription orders going beyond that were issued at 50 %. As part of the preferred issue, about 333,000 shares were issued, corresponding to about 2.1 % of the placement volume (without Greenshoe).

Share price development



Key data on VERBIO share

As of November 10, 2006

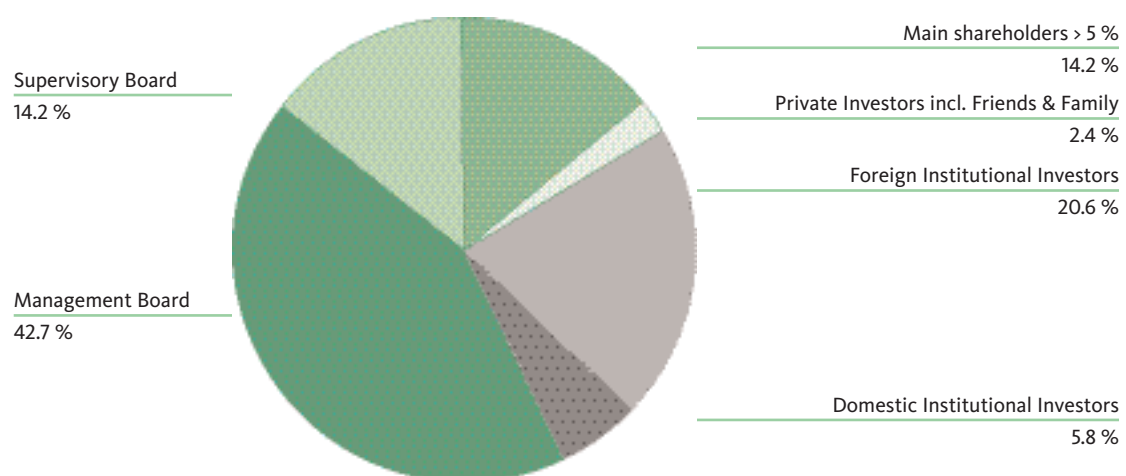
in EUR	
ISIN	DE000A0JL9W6
WKN	A0JL9W6
Ticker-Symbol	VBK
Issue price	14.50
1st quote*	15.00
Highest price*	16.51
Lowest price*	14.11
Market capitalisation in EUR milion**	945.0
Free float	28.8 %
Number of shares in million	63.0

Source: Deutsche Börse AG

*Xetra prices; **based on the first quote of the initial listing

Shareholders Structure

As of October 16, 2006



Management Report

Basic information

VERBIO Vereinigte BioEnergie AG (VERBIO) was founded on May 19, 2006 through formation based on contributions in kind.

The shares of five legally independent companies including its complementary corporations were brought into VERBIO Vereinigte BioEnergie AG as contributions in kind. Since that time, the operational activities of MUW Mitteldeutsche Umesterungswerke (MUW), NUW Nordbrandenburger Umesterungswerke (NUW), MBE Mitteldeutsche BioEnergie (MBE), NBE Nordbrandenburger BioEnergie (NBE), and SBE Swiss BioEnergy (SBE) have been combined under the common management of VERBIO AG.

The VERBIO Group therefore has no historical consolidated financial figures. For the periods January 1, 2006 to June 30, 2006 and January 1, 2005 to December 31, 2005, pro forma consolidated income statements (including segment reporting) and pro forma consolidated cash flow statements were prepared and audited. For the period before that, there are only the individual statements of the companies that are now combined in the VERBIO Group.

For the period July 1, 2006 to September 30, 2006, VERBIO AG prepared a non-audited consolidated quarterly statement (2nd abbreviated financial year 2006, 1st quarter). The interim financial statement for this period was prepared in accordance with the International Financial Reporting Standards (IFRS). It used the same accounting and valuation methods as used in preparing the audited consolidated financial statements of June 30, 2006. To the extent that values from the previous year were used, they were also determined using the same accounting and valuation methods, in order to facilitate comparison of the figures. The centrepiece of this comparison of figures is the consolidated balance sheet as the closing date accounting. From a business perspective, a time-period-based comparison of profit and loss statement figures does not make sense because of the application of IFRS principle 3 (company mergers) and the “reverse acquisition” that occurred in this case, because only the figures for the economic acquirer MUW would be included in the comparison figures of the income statements. Therefore, VERBIO has decided to do the comparison on the basis of audited pro-forma statements.

Capacities				
in metric tons p.a.	30.9.2006	30.6.2006	31.3.2006	31.12.2005
Biodiesel				
Nominal capacity	400,000	400,000	400,000	400,000
Production capacity	380,000	380,000	340,000	340,000
Bioethanol				
Nominal capacity	300,000	300,000	200,000	200,000
Production capacity	270,000	270,000	180,000	120,000

Business development

In the months July 2006 to September 2006, VERBIO had **consolidated quarterly sales** of EUR 120.3 million.

The cumulative revenues as of September 30, 2006 were EUR 325.7 million. That means that sales after just nine months are 14.4 % or EUR 41.1 million over the total value for the year 2005 (EUR 284.6 million).

In the first nine months of 2006, 376 thousand metric tons of biofuel were produced; in 2005, about 240 thousand metric tons.

In 2005, the biodiesel plant of MUW produced throughout the entire year; the NUW plant did not begin large-volume production until December 2005. With that plant, VERBIO doubled capacity in the biodiesel area. NUW is now running at full capacity. The bioethanol plant of MBE began large-volume production in January 2005. Due to the regulatory conditions at the time, business operations at MBE ceased at the end of June 2005 for about one month, and large-volume production did not resume until the end of July 2005. At NBE, the first

ethanol production line started in August 2005.

Since the start of the year 2006, large-volume production has been under way in all plants, with the exception of the second production line of NBE, which was completed in May 2006. Since it started, the ethanol capacity at the Schwedt/Oder site has doubled. Especially in the ethanol plants, the utilisation of production capacity rose continuously in 2006 and after nine months had reached 70.4 % (2005: 48.5 %). After nine months, the capacity utilisation for the biodiesel plants was 92.1 % (2005 only MUW: 93.7 %). We expect full utilisation of capacity for all plants by the end of 2006.

Development of raw material prices

The development of raw material prices in 2006 showed an upward development, both for vegetable oils and for crop.

In comparison to the previous year, the price for rapeseed oil has risen moderately. The prices for soya bean oil have even dropped

Earnings development

in EUR million	1.7.-30.9.2006 ¹⁾ (3 months)	1.1.-30.6.2006 ²⁾ (6 months)	1.1.-30.9.2006 ³⁾ (9 months)	1.1.-31.12.2005 ⁴⁾ (12 months)
EBIT (before special items)	14.6	30.2	44.8	25.0
EBIT-margin (before special items)	12.1 %	14.7 %	13.8 %	8.8 %
EBIT	11.2	27.8	39.0	23.9
EBIT-margin	9.3 %	13.5 %	12.0 %	8.4 %
Cost of materials quota	81.9 %	79.1 %	80.1 %	83.9 %
Financial result	- 1.7	- 3.3	- 5.0	- 6.1
Earnings before taxes	9.5	24.5	34.0	17.8
Net profit	6.4	19.3	25.7	11.6

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slightly. Since the use of biodiesel as a fuel has also become a focus in Asia, the price of palm oil has noticeably risen.

Also driving prices upward is the fact that the supply of rapeseed oil and other vegetable oils has been somewhat short in 2006. In particular, in Australia, there were substantial harvest losses due to the ongoing drought. After the price drop in August, the prices for all vegetable oils have been recovering since early October – regardless of the decreasing crude oil prices.

For crop, too, in addition to rising ethanol consumption, above all the substantial harvest shortfalls in Europe and Australia have been playing a large role in price developments. Worldwide, however, the demand for bread and feed crop clearly exceeds supply. Moreover, crop inventories that are supposed to be flowing into the food supply chain are shrinking. Worldwide over 20 % of crop is now being used for purposes outside the food and feed industry.

At VERBIO, raw materials supply is controlled by detailed simultaneous planning of production (raw material requirements) and procurement. Moreover, supply of raw materials is ensured by commodity forward contracts. The subordinate political risk objective is composed of an operational hedge by covering the prices

of raw materials with product prices. All contracts are concluded in euros, so that there are no direct currency exchange risks.

Earnings development

For the months July to September 2006, VERBIO showed a **consolidated operating result** before special items of EUR 14.6 million; after special items EUR 11.2 million.

This quarter the special items amount to EUR 3.4 million. They result from depreciation of first-time capitalisation of intangible assets in the context of initial consolidation, not neutralised costs of the IPO of VERBIO AG and the structural costs required for its establishment. The depreciation on intangible assets (orders on hand) rose by about EUR 2.0 million. Depreciation of customer relations of about EUR 0.5 million, which are not reflected in the special items. The other operating expenses include the IPO costs of EUR 1.0 million incurred up to the reporting date and costs for the structural establishment of the corporation amounting to about EUR 0.4 million. In the months January to June 2006, the special items amounted to about EUR 2.4 million, resulting in a cumulative nine-month level of EUR 5.8 million. In 2005, special items were EUR 1.1 million.

The cumulative operating result for the first nine months of 2006 was EUR 44.8 million before special items and EUR 39.0 million after special items. It is thus EUR 19.8 million above the result of EUR 25.0 million for the entire year 2005.

Other operating income contains mostly income from the release of the special item for investment grants and subsidies. Corresponding income of NUW, NBE and MBE in their statements in the amount of EUR 0.7 million are not included in the current Group result due to initial consolidation rules.

Material costs in the months July to September 2006 were EUR 102.4 million; corresponding to a cost of materials quota of 81.9 %. For the half year the quota was 79.1 %. The reasons for the rise are found in higher raw materials costs and in higher energy costs which could not be passed on in total into the selling prices. Nevertheless, the comparison of the cost of materials quota for the first nine months of 2006 (80.1 %) with the entire year 2005 (83.9 %), shows that the cost of materials quota has substantially decreased through improved capacity utilisation, especially in the segment bioethanol.

Personnel costs were about EUR 3 million. The cost of personnel quota is 2.4 %. As of September 30, 2006 there were 301 employees.

Depreciation in the period July to September 2006, at EUR 5.9 million, was slightly above the proportional value for the half year. Depreciation of intangible assets due to initial consolidation in the amount of EUR 2.5 million are included in the depreciation for the period July to September 2006. They applied to depreciation on orders on hand in the amount of EUR 2.0 million and depreciation on customer relations of EUR 0.5 million. The cumulative value for the first nine months of 2006 shows depreciation in the amount of EUR 16.1 million compared to EUR 13.8 million for the entire year 2005.

The **financial result** shows a minus of EUR 1.7 million for the period July to September 2006. It results primarily from costs of interests and taking up bank and shareholders' loans.

The **consolidated earnings before taxes** for the period July to September 2006 amount to EUR 9.5 million. For the first nine months of 2006 the earnings before taxes of EUR 34.0 million nearly doubled compared to the total yearly amount for 2005 (EUR 17.8 million).

The **tax quota** for the reporting quarter amounted to 33.2 %. For the entire year 2005, it was 34.8 %. In contrast to the annual financial statements of the individual limited partnerships, which, due to the allocation of income for the limited partners, are only subject to trade tax, the pro forma statements calculated the German companies at 37.4 % and SBE at 10 % for the 1st half year of 2006 and the entire year 2005. In addition to the current tax burden, the tax rate is influenced by the change of deferred taxes.

The **net profits for the period** have more than doubled, as is seen in a comparison of the result of the first nine months of 2006 (EUR 25.7 million) compared to the annual profits for 2005 (EUR 11.6 million). The profit for the time period July to September 2006 amount to EUR 6.4 million.

The **earnings per share** are EUR 0.13 for the period July to September 2006 and EUR 0.51 for the first nine months of 2006. In the entire year 2005 the earnings per share would have been EUR 0.23. Thus, after nine months, the earnings per share are already more than twice as high as in 2005.

Balance structure				
in EUR million	30.9.2006	in % of the balance total	30.6.2006	in % of the balance total
ASSETS				
Non-current assets	492.5	82.8 %	479.8	85.8 %
Current assets	102.4	17.2 %	79.6	14.2 %
Total	594.9	100.0 %	559.4	100.0 %
LIABILITIES				
Equity	377.1	63.4 %	370.8	66.3 %
Non-current liabilities	101.9	17.1 %	105.9	18.9 %
Current assets	115.8	19.5 %	82.7	14.8 %
Total	594.8	100.0 %	559.4	100.0 %

Assets and financial situation

The **non-current assets** contain goodwill in the amount of EUR 269.3 million. As per IFRS 3.B7, assets and liabilities of MUW, which is identified as economic acquirer, are listed at book value. In contrast, the other companies are listed at their respective fair value and contributed to the current accounts of MUW as of May 19, 2006 (simplified as of May 31, 2006). The acquisition costs (fair values) determined were distributed across the acquired identifiable assets, liabilities, and contingent liabilities in accordance with the fair values. A remaining residual value was capitalized as goodwill and is subjected regularly to an impairment test pursuant to IAS 36. The enterprise valuations, and the acquisition costs derived from them, led to a goodwill value of EUR 269.3 million in the consolidated balance sheet as of June 30, 2006. In connection with the first consolidation as of May 31, 2006, the orders on hand and the customer base were identified as intangible assets and valued at their fair values. Depending on order fulfilment, the valued orders on hand are expected to be amortised over 15 months to the end of August 2007. The customer base will be amortised over 15 years. For these intangible assets, which are identified for the first time, an annual impairment test pursuant to IAS 36 must also be conducted every year.

The value of property, plant and equipment increased by EUR 15.1 million from EUR 172.1 million to 187.2 million EUR, especially through investments for expansion at the locations Schwedt/Oder and Zörbig.

In the **current assets**, the inventories rose from EUR 14.7 million to EUR 25.8 million, above all due to the higher crop inventories. The trade receivables also rose from EUR 25.3 million to EUR 34.4 million due to the expansion of business with large mineral oil companies.

Cash in the amount of EUR 7.1 million (June 30, 2006: EUR 5.1 million) consists essentially of cash at banks.

Equity rose slightly based on results, although the equity ratio dropped due to the increased balance sheet total, but it still remained clearly over 60 %.

Non-current liabilities dropped by 4.0 million EUR from 105.9 million EUR to 101.9 million EUR. This was due above all to a drop in financial liabilities against banks, which decreased as of June 30, 2006 from 62.1 million EUR to 58.6 million EUR as a result of planned amortisations. The financial liabilities apply only to bank loans.

Segment Sales				
in EUR million	1.7.-30.9.2006 ¹⁾ (3 months)	1.1.-30.6.2006 ²⁾ (6 months)	1.1.-30.9.2006 ³⁾ (9 months)	1.1.-31.12.2005 ⁴⁾ (12 months)
Biodiesel	79.5	154.5	234.0	205.8
Bioethanol	37.2	41.0	78.2	55.7
Energy	3.3	7.4	10.7	18.9
Other	0.3	2.5	2.8	4.2
Group-sales	120.3	205.4	325.7	284.6
Segment-EBIT				
Biodiesel (before special items)	11.8	29.0	40.8	36.2
Biodiesel	9.8	26.9	36.7	35.1
Bioethanol (before special items)	3.7	2.1	5.8	– 12.1
Bioethanol	2.3	1.8	4.1	– 12.1
Energy	– 0.9	0.2	– 0.7	2.2
Other	0.0	– 1.1	– 1.1	– 1.3
Group-EBIT	11.2	27.8	39.0	23.9

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Current liabilities rose by EUR 33.1 million to EUR 115.8 million due above all to an increase in trade accounts payable in the amount of EUR 24.4 million. The increase is connected essentially with investments in plants. Provisions increased by a total of EUR 3.1 million to EUR 26.8 million, essentially through the corporate tax provisions for the current year and the increase in provisions for accounts payable as well as provisions for legal and consulting costs. The other current liabilities rose by EUR 4.5 million to EUR 21.7 million, particularly due to the increased value added tax payable.

Cash Flow

Operational cash flow was EUR 22.8 million for the period July to September 2006. It was thus clearly above the value for the first half year 2006 (EUR 14.7 million) and above the operational cash flow of the entire year 2005 (EUR 18.4 million). The cumulative operational cash flow for the first nine months of 2006 is EUR 37.5 million.

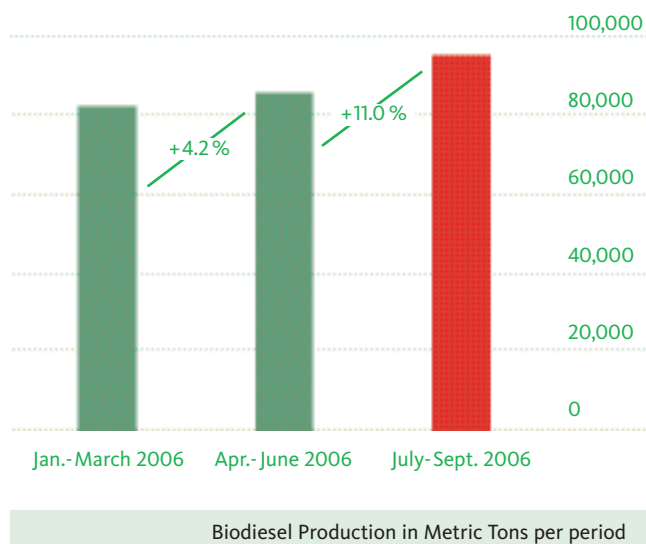
The steep increase in cash flow reflects the considerable improvement in operating business of the VERBIO-Group.

Segment Reporting Sales, Segment Result, and Capacity Utilisation

Segment Biodiesel

Sales in the segment Biodiesel rose slightly in the period July to September 2006 in comparison to the previous quarters of the calendar year, which shows that the reduction of the tax exemption as of August 1, 2006 had not strongly stifled demand. For the nine-month period, VERBIO achieved sales of EUR 234.0 million compared to EUR 205.8 million in 2005. This is equivalent to an increase of 13.7 %.

Although the biodiesel business showed continuous growth the EBIT development could not keep pace with the increase in revenue. Thus, the cost increasing effect of the reduction of the tax exemption (9 cents per litre



for biodiesel, 15 cents per litre for mixed in biodiesel) could not be passed on fully to the customer in the price. In addition, starting in mid-August 2006, the strongly decreased mineral oil price also had a negative effect on results. The EBIT-margin before special items was 14.8 % and after 12.3 %. Thus it was not possible to reach the high value of the first half year of 18.8 % before special items or 17.4 % after special items.

The segment result before special items for the first nine months of 2006 was EUR 4.6 million or 12.7 %, after special items EUR 1.6 million or 4.6 % above the result of the entire year 2005.

Analogous to the rise in sales, capacity utilisation also rose in our plants.

In this segment, an amount of EUR 4.0 million was invested in property, plant and equipment in the period July – September 2006, primarily for the production plant at the location Schwedt/Oder, in the first nine months of 2006 a cumulative total of EUR 4.2 million.

As of September 30, 2006, this segment had 93 employees.

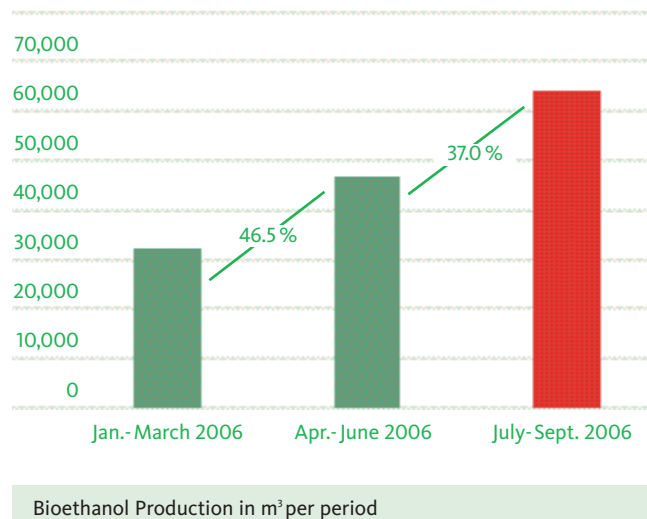
Segment Bioethanol

In the segment Bioethanol, the sales of EUR 37.2 million in the three-month period July to September 2006 were nearly as high as in the first six months of 2006 (EUR 41.0 million).

Starting in May 2006, we were able to meet a clearly increased demand in time through the start of large-volume production at the second production line in Schwedt/Oder. For the nine-month period, we show sales in the amount of EUR 78.2 million compared to EUR 55.7 million in 2005. This is equivalent to an increase of 40.4 %.

The segment-EBIT of the reporting period in the amount of EUR 2.3 million corresponds to an EBIT-margin of 6.2 %. The segment-EBIT before special items was EUR 3.7 million and corresponds to an EBIT-margin of 10.0 %. Despite the clear rise in crop prices in August 2006, we were able to achieve our best three-month result so far in our ethanol business.

Development of Ethanol production distinctly shows the effects of the expanded capacity and the notably increased capacity utilisation.



Total investment in this segment in the three months July to September 2006 was EUR 13.1 million; in the first nine months of 2006, EUR 20.4 million. Most went for the construction of the stillage storage containers both at Schwedt/Oder and Zörbig as well as the evaporation facility at the location Schwedt/ Oder. Both investments provide a basis for preparing to build biogas plants.

With these plants, we will distinctly increase the efficiency and energy balance in the production of bioethanol. The thin stillage that results from the production process can be used in the biogas plants for the production of energy and steam, enabling us to optimise the production process of Ethanol, to gain additional earnings by feeding energy under the EEG and to save the extensive disposal costs for the stillage.

As of September 30, 2006, this segment had 198 employees.

Segment Energy

VERBIO operates 67 wind power plants. In the entire year 2005, this segment had sales in the amount of 18.9 million EUR and a result

before interest and taxes of 2.2 million EUR; (EBIT-margin: 11.6 %). In comparison to the previous year, 2006 has so far been less windy, which is reflected in lower sales. In the months July to September 2006, sales totalled EUR 3.3 million, with a segment result of EUR – 0.9 million. For the first nine months of the year 2006, cumulative sales amounted to EUR 10.7 million, with a result of EUR – 0.7 million.

Regarding the leased windmills of NBE, it must indeed be taken into account that at the end of the year in poor wind years, it is contractually agreed to pay compensation to the lessors. The windmills owned by MUW have a contractually agreed earnings guarantee from the seller, which also takes effect not until year's end. In 2005, MUW received an amount of EUR 1.0 million from this earning guarantee.

Segment "Other"

The segment "Other" so far encompasses the transport services business. As of June 30, 2006 the revenues from the sale of transport vehicles were shown. The segment now shows no longer any substantial activities. Thus in the future we will dispense with any further description and comment.

Employees		
	30.9.2006	Percentage
Industrial	207	68.8 %
Salaried	94	31.2 %
Group	301	100.0 %

Employees

As of September 30, 2006, VERBIO had 301 employees.

Investments

In the three months July to September 2006, a total sum of EUR 17.1 million was invested in property, plant and equipment. For the first nine months of 2006, the cumulative total was EUR 20.4 million. This compares to EUR 23.5 Million in 2005. The previous investments in 2006 primarily relate to the construction of the crop stillage containers.

Risk report

The business of VERBIO is influenced above all by the smooth and continuous operation of production plants, by optimal logistics for raw materials procurement, and by the sale of production volumes. Another decisive influencing factor is the development of raw materials prices. Regulatory and tax constraints also have an important effect on the development of our business.

VERBIO has thus set up and implemented a risk management system for the Group based on a risk-oriented and forward-looking management approach. The implementation of a functional risk management system is understood as part of the general management responsibilities of company management. Individual risks defined in advance are monitored constantly through early warning indicators and are reported to the management of the subsidiaries and to the Group Management Board in the context of monthly reporting. If certain thresholds are exceeded, a report is made immediately to the responsible positions.

In June and July 2006, a risk inventory was made, and a comprehensive, detailed risk manual was created.

Outlook

The existing regulatory conditions for the use of biofuels, which are being discussed both in Germany and on the EU level, show that the political establishment is serious about promoting alternatives to the limited fossil fuel resources.

The approval of the German Energy Tax Act at the end of June 2006, which provides for step-by-step reduction of tax relief starting on August 1, 2006 until full taxation in the year 2012, has so far not led to any decrease in the demand for biodiesel. Pure bioethanol and certain ethanol mixtures are so far not affected by this partial taxation.

On October 26, 2006, the German Bundestag finally decided to implement a biofuel quota as of 2007. The law requires the mineral oil industry to market a minimum quota of biofuel as of January 1, 2007. The minimum quota, based on the total annual sales volume of a company is – relative to the energy content – 4.4 % for diesel and 1.2 percent for petrol (as of 2009 2.8 %, as of 2010 3.6 %). In addition, a total quota was set, which must be at least 6.25 % for 2009 and at least 6.75 % for 2010. Over the years 2011 to 2015, the total quota will increase at a linear rate to 8 %. It was also decided that sanctions can be applied to companies that do not meet their quotas.

Against this background, and considering the sustained high fuel prices, VERBIO expects a year of high earnings in 2006 for the entire group. However, the extent to which the high results in the area of biodiesel can be obtained will also depend on the degree to which the altered legal constraints as of August 1, 2006 in the form of partial taxation will reduce further profit margins in our biodiesel business. Earnings will be affected positively by the start-up of the highly efficient biodiesel plant of NUW in November 2005.

Likewise the increasing readiness of the mineral oil industry to use bioethanol in

2006 has already led to business success. Both subsidiaries in this area are profiting from this situation and from the strong foreign demand through distinctly higher utilisation of capacity and higher ethanol prices. It must be noted that in the segment Ethanol, large-volume production of all plants was not available until May 2006.

Technical progress in this area should lead to additional revenues and further savings in energy, water and waste disposal costs, which can be expected to have a positive influence on results, starting end of 2007.

Viewed on an annual basis, the Management Board expects that VERBIO will achieve significant growth in consolidated revenues and results for the Group in comparison with previous year's figures.

Important results after the end of the reporting period

The IPO in October 2006 and the associated decisions are covered in the notes on the consolidated interim financial statement.

The Bundestag passed the German Biofuel Quota Act on October 26, 2006. It specifies mandatory minimum proportions of biofuels in petrol and diesel starting in 2007. As of January 1, 2007, the mineral oil industry is required to market a continuously rising proportion of biofuels over the course of the coming years.

Important Note

This interim report contains forward-looking information, which is based on assumptions and estimates of the company management of VERBIO Vereinigte BioEnergie AG. Even though company management believes that these assumptions and estimates are correct, the actual future development and actual future results can deviate substantially from these assumptions and estimates due to many

factors. For example, these factors can include alteration of the economic situation, legal and regulatory constraints in Germany and the EU, and changes in the industry. VERBIO assumes no liability and provides no warranty that future developments and actual future results will agree with the assumptions and estimates expressed in this interim report.

Interim Financial Statement of the VERBIO Vereinigte BioEnergie AG

for the period from July 1, 2006 to September 30, 2006

IFRS Balance sheet

for quarter ending September 30, 2006

ASSETS		
in TEUR	30.9.2006	30.6.2006
A. Non-current assets		
I. Goodwill	269,319	269,319
II. Orders in hand	7,276	9,262
III. Customer relationships	28,571	29,057
IV. Other intangible assets	101	84
V. Property, plant and equipment	187,220	172,082
VI. Financial investments	30	30
Total non-current assets	492,517	479,834
B. Current assets		
I. Inventories	25,745	14,663
II. Trade receivables	34,420	25,330
III. Receivables from shareholders and partners	0	1,327
IV. Other assets	33,830	30,475
V. Derivatives	1,274	2,732
VI. Cash	7,096	5,073
Total current assets	102,365	79,600
Total assets	594,882	559,434

EQUITY AND LIABILITIES		
in TEUR	30.9.2006	30.6.2006
A. Equity		
I. Share capital	50,000	100
II. Additional paid-in capital	313,493	363,393
III. Other reserves	- 135	0
IV. Earned equities	13,717	7,347
Total equity	377,075	370,840
B. Non-current liabilities		
I. Provisions	423	442
II. Financial liabilities	44,736	47,495
III. Financial liabilities to shareholders	13,849	14,634
IV. Investment grants and subsidies	10,871	11,185
V. Other long-term liabilities	17,603	17,613
VI. Deferred tax liabilities	14,483	14,500
Total non-current liabilities	101,965	105,869
C. Current liabilities		
I. Income tax provisions	8,769	7,450
II. Other provisions	17,996	16,285
III. Financial liabilities	14,992	15,178
IV. Financial liabilities to shareholders	1,461	495
V. Trade payables	48,717	24,287
VI. Investment grants and subsidies	1,254	1,254
VII. Other current liabilities	21,651	17,191
VIII. Derivatives	1,002	585
Total current liabilities	115,842	82,725
Total equity and liabilities	594,882	559,434

IFRS Profit and loss statement

for the period from July 1, 2006 to September 30, 2006

Comparative figures from MUW GmbH & Co. KG from January 1 to March 31, 2006

in TEUR	1.7.-30.9.2006	1.1.-31.3.2006
1. Revenues	121,287	22,694
a. Less petroleum tax	- 948	0
	120,339	22,694
2. Change in unfinished and finished goods	4,719	- 390
3. Other operative income	1,145	350
4. Cost of materials		
a. Raw materials, consumables and supplies	- 90,327	- 14,904
b. Purchased services	- 12,035	- 594
5. Personnel expenses	- 2,988	- 414
6. Depreciation and amortisation	- 5,874	- 1,076
7. Other operating expenses	- 3,771	- 574
8. Other taxes	- 20	- 6
9. Operating result	11,188	5,086
10. Interest income	70	230
11. Interest expenses	- 1,736	- 642
12. Foreign exchange gains	8	0
13. Financial results	- 1,658	- 412
14. Profit before tax	9,530	4,674
15. Income tax expenses	- 3,160	- 635
16. Profit (profit before allocation to limited partners)	6,370	4,039
17. Allocation of profit to limited partners	0	- 4,039
18. Net profit	6,370	0
Earnings per share	EUR/share	EUR/share
Earnings per share (undiluted)	0.13	-
Earnings per share (diluted)	0.13	-

IFRS Cash flow accounts

for the period from July 1, 2006 to September 30, 2006

Comparative figures from MUW GmbH & Co. KG from January 1 to March 31 2006

in TEUR	1.7.-30.9.2006	1.1.-31.3.2006
Net profit	6,370	4,039
Income tax expense	3,160	635
Financial result	1,658	412
Depreciation and amortisation	5,874	1,076
Gain/loss from disposal of fixed assets	55	1
Release of deferred investment of grants and subsidies	– 314	– 314
Cash-effective change in cash funds	– 127	5
Increase in inventory	– 11,082	– 206
Increase in trade receivables	– 9,090	– 1,198
Decrease in receivables from shareholders and partners	1,327	0
Increase in other assets	– 2,871	– 131
Increase (decrease) in provisions	1,807	– 31
Increase (decrease) of trade payables	24,381	– 2,720
Decrease in non-current liabilities	– 26	0
Increase in other liabilities	5,457	6
Interest paid	– 1,237	– 556
Interest received	28	0
Income tax paid	– 2,535	0
Cash flow from operational activities	22,835	1,018
Acquisitions of property, plant and equipment	– 17,081	– 88
Acquisitions of intangible assets	– 30	– 1
Cash flow from investing activities	– 17,111	– 89
Transactions costs	– 497	0
Proceeds from borrowing of financing activities	4,516	0
Repayment of financial liabilities	– 7,720	– 968
Cash flow from financing activities	– 3,701	– 968
Cash effective change in cash fund	2,023	– 39
Cash fund at the beginning of the period	5,073	4,171
Cash fund at the end of the period	7,096	4,132

Statement of change in equity for the period

according to IFRS, for the period from July 1, 2006 to September 30, 2006

in TEUR	Share capital	Additional paid-in capital	Other reserves	Earned equity	Total equity
January 1, 2006	28	– 28	0	0	0
Non-cash capital contributions	72	363,421	0	0	363,493
Annual result	0	0	0	7,347	7,347
June 30, 2006	100	363,393	0	7,347	370,840
Capital increase from company resources	49,900	– 49,900	0	0	0
Evaluation of derivatives	0	0	– 135	0	– 135
Annual result	0	0	0	6,370	6,370
September 30, 2006	50,000	313,493	– 135	13,717	377,075

Notes

on the interim financial report of VERBIO Vereinigte BioEnergie AG for the period from July 1, 2006 to September 30, 2006

Fundamentals

This IFRS interim report is a consolidated financial statement for VERBIO Vereinigte BioEnergie AG, Hamburg.

On September 18, 2006, the shareholders' meeting moved to relocate the company domicile from Hamburg to Zörbig (Business address: Thura Mark 18, 06780 Zörbig), with the provision that the decision be entered in the companies register only after the listing of VERBIO AG shares.

The comparative reporting date for the balance sheet is June 30, 2006. Comparative period for the profit and loss statement is the first quarter (January 1–March 31, 2006) of the first abbreviated financial year (January 1–June 30, 2006), which only includes the financial data of MUW GmbH & Co. KG as an economic acquirer according to IFRS 3.22. MUW has incorporated the other companies in current accounting.

The financial statement is declared in Euro (EUR), as a major proportion of company transactions are realised in this currency.

All figures are presented in thousand Euros (TEUR), unless otherwise noted. Commercial rounding has been applied. Rounding differences may occur.

Significant events during the reporting period

The shareholders' meeting of August 23, 2006 moved to raise the nominal capital for EUR 49,900,000.00 to EUR 50,000,000.00 from company resources and appropriate changes in the company articles §§ 1 (fiscal year) and 4 (Nominal capital and shares). Registration in the companies register took place on August 29, 2006.

Accounting and valuation methods

The quarterly accounts of September 30, 2006 with selected notes is basically prepared according to the requirements of accounting and valuation methods in accordance with those employed for the IFRS accounts for VERBIO Vereinigte BioEnergie AG for June 30, 2006. This interim report does not contain all entries required for consolidated statements at the end of a financial year, and, for this reason, must be read in conjunction with the consolidated statements for June 30, 2006.

Cash Flow Hedge Accounting according to IAS 39 was applied for the first time in the reported quarter, to safeguard future raw materials purchasing. Here, the forward contracts

agreed into serve as hedging instruments for future incoming shipments of rapeseed oil ("hedging item"). The risk strategy hedging against future price rises for raw materials was documented. The effectivity of the hedging transactions is at a 100 % level. On September 30, 2006, open losses from futures contracts were outstanding; these were booked as assets allowing for deferred taxes not affecting net income (other reserves) to the extent of EUR 135 thousand.

Consolidated interim report

Contributors to consolidation

In addition to VERBIO AG, Hamburg, all domestic and foreign subsidiaries, for which VERBIO AG has the direct or indirect option of domination over financial and commercial policy, are included in this report.

Subsidiaries

- › MUW Mitteldeutsche Umesterungswerke GmbH & Co. KG, Greppin,
- › MUW Mitteldeutsche Umesterungswerke Verwaltungs GmbH, Greppin,

- › NUW Nordbrandenburger Umesterungswerke GmbH & Co. KG, Schwedt/Oder,
- › NUW Nordbrandenburger Umesterungswerke Verwaltung GmbH, Schwedt/Oder,
- › MBE Mitteldeutsche BioEnergie GmbH & Co. KG, Zörbig,
- › MBE Mitteldeutsche BioEnergie Verwaltung GmbH, Zörbig,
- › NBE Nordbrandenburger BioEnergie GmbH & Co. KG, Schwedt/Oder,
- › NBE Nordbrandenburger BioEnergie Verwaltung GmbH, Schwedt/Oder as well as
- › SBE Swiss BioEnergy AG, Thal, Switzerland

With the exception of VERBIO AG, all companies included in this report consider the calendar year as financial year. VERBIO AG reverted to the calendar year as a consequence of the decision moved at the shareholders' meeting of August 23, 2006.

Notes on individual items of the balance sheet

Long-term assets

Goodwill and other intangible assets

Goodwill, orders in hand, customer relationships and software licenses are included in the intangible assets. Depreciation for orders in hand is set at 15 months, for customer relationships at 15 years. Goodwill is subjected to an annual impairment test under IAS 36.

Property, plant and equipment

Property, plant and equipment increased particularly due to expansion investments at the locations Schwedt/Oder and Zörbig. This concerned stillage storage containers and a evaporation facility plant.

Short-term assets

Inventories

The impairment test of stocks revealed no decrease. The increase in inventories result primarily from the typical seasonal purchases of crops from the 2006 harvest and higher purchasing prices.

Trade receivables

The inventory increase in trade receivables is primarily due to the expansion of marketing activities at SBE Swiss BioEnergy AG, to counter the large major oil companies.

Other assets

Other assets comprise particularly claims related to investment grants, construction withholding tax and input-VAT. The change

Inventories		
in TEUR	30.9.2006	30.6.2006
Raw materials, consumables and supplies for biodiesel production	3,920	4,613
Raw materials, consumables and supplies for bioethanol production	16,357	4,256
Unfinished products bioethanol	480	283
Unfinished products biodiesel	81	0
Biodiesel, pharmaceutical glycerine	1,982	2,724
Bioethanol	2,925	2,787
Total	25,745	14,663

from EUR 30,475 thousand to EUR 33,830 thousand is a consequence of increased input-VAT.

Shareholder equities

The development of shareholder equities is illustrated in the shareholder change of equity statement.

Share capital

The shareholders' meeting of August 23, 2006 moved to raise the nominal capital for EUR 49,900,000.00 to EUR 50,000,000.00 from company resources. This is subdivided into 50,000,000 shares emitted as ordinary bearer shares at no par value with a pro-rata amount in the share capital of EUR 1.00 per share. Nominal capital is fully paid in.

Additional paid-in capital

Additional paid-in capital amounted to EUR 363.393 thousand on June 30, 2006. The share capital increase from company resources in the current quarter reduced it accordingly.

Other reserves

The other reserves result from the transfer of income-neutral open losses from forward contracts allowing for deferred taxes, to the extent of EUR 135 thousand to capital reserves, as a consequence of the introduction of Cash Flow Hedge Accounting under IAS 39.

Non-current liabilities

Financial liabilities

Financial liabilities decreased in comparison with June 30, 2006 (EUR 62,129 thousand) to EUR 58,585 thousand. The liabilities apply exclusively to bank and shareholder loans.

Assigned securities

The bank loans referred to in financial liabilities are predominantly secured as follows:

- › Mortgages on the company sites in Greppin, Zörbig and Schwedt,
- › Assignment of trade receivables,
- › Assignment of rights from the contract processing agreement with SBE Swiss BioEnergy AG, Thal, Switzerland,
- › Assignment of stocks,
- › Assignment of technical facilities and machines, vehicles, production and office equipment,
- › Assignment of energy feed revenues to utilities providers,
- › Assignment of wind power facilities,
- › Pledging of bank assets,
- › Assignment of easements and claims from insurance policies, maintenance agreements etc.

Other non-current liabilities

With regard to other non-current liabilities, exclusively PREPS ("Preferred Pooled Shares") loans are considered in the balance. The companies of the VERBIO Group have entered various agreements granting subordinated loans to the extent of EUR 18,000 thousand, which are declared after deduction of financing charges.

Current liabilities

Provisions for income tax

The provisions for income tax include provisions for trade tax obligations at the production company level. The increase in provisions results mainly from the balanced corporate tax provisions for the current year.

Other provisions

The other provisions have increased from EUR 16,285 thousand to EUR 17,996 thousand, mainly as a consequence of unpaid invoices (EUR 846 thousand) and provisions for legal and consultancy fees (EUR 367 thousand).

Financial liabilities

Financial liabilities concerns bank and shareholder loans. In comparison with June 30, 2006, these have risen by EUR 780 thousand. The change is primarily due to regrouping of interest liabilities from long-term financial liabilities with respect to shareholders.

Trade liabilities

The increase in trade liabilities is primarily due to an increase in supplier credit related to the construction of two stillage storage containers at the Schwedt/Oder and Zörbig sites and in increase of inventories.

Other liabilities

The other liabilities rose as a particular result of increased VAT obligations.

Significant events following the end of the interim report period**Conditional capital**

The shareholders' meeting of September 18, 2006 decided a conditional capital increase of up to EUR 2,000 thousand. This capital injection serves the exclusive purpose of the redemption of option rights from a share option programme of VERBIO AG.

Authorised capital

The decision of the shareholders' meeting of August 23, 2006 empowered the management board, with the consent of the supervisory board, to increase the share capital of the company by August 1, 2011 by the issue of new shares against contribution in cash and/or in kind once or multiple times by a total of EUR 25,000,000.00 (recorded in Commercial Register on September 11, 2006). On October 8, 2006, the management board, with the consent of the supervisory board, and under exclusion of the shareholders subscription right, approved a capital increase for the initial public offer of up to EUR 13,000,000.00 of the approved capital. The share capital thus increases to EUR 63.000.000.00 divided into up to 63.000.000 ordinary bearer shares with no par value and pro-rata amount in the share capital of EUR 1.00 per share. The capital increase was registered in the companies register on October 9, 2006. Each company share has a vote in the shareholders' meeting.

Application for admission

On October 4, 2006 the company and the Dresdner Bank Aktiengesellschaft, Frankfurt am Main, Credit Suisse Securities (Europe) Limited, London, United Kingdom, applied for admission on the official market. It was applied for admission on the official market at the Frankfurt Stock Exchange with up to 63,000,000 ordinary bearer shares in the form of no par value shares – each with a pro-rata amount in the share capital of EUR 1.00 – with full dividend rights from July 1, 2006. On

October 9, 2006, the request was approved to list 63,000,000 ordinary bearer shares with no par value on the official stock market and, simultaneously, on sub-segments of the official market, with additional post-admission obligations (Prime Standard) – with a pro-rata amount of the share capital of EUR 1.00 per share – with full dividend rights from July 1, 2006.

Offer price setting and begin of trading

On October 13, 2006, VERBIO Vereinigte BioEnergie AG and the original shareholders, together with Credit Suisse Securities (Europe) Limited, London, and Dresdner Bank Aktiengesellschaft, Frankfurt am Main, set the issue price at 14.50 Euro per share. Altogether 18,200,000 VERBIO Vereinigte BioEnergie AG shares were placed. Of these, 13,000,000 shares from a capital increase form approved capital, and 5,200,000 shares from existing shareholders' holdings (including 2,000,000 shares from an over allotment option granted to the underwriter). The placement volume thus amounts to EUR 263.9 million. Gross IPO-proceeds from the capital increase amount to EUR 188.5 million.

On October 16, 2006, trading began on the official market of the Frankfurt Stock Exchange (Prime Standard).

Notes on the individual items of the profit/loss statement

The figures for the comparative period are based on the period from January 1, 2006 to March 31, 2006 and apply, in accordance with IFRS 3 B7d, exclusively to MUW GmbH & Co. KG. For this reason, no comparison will be drawn with these figures in the following.

Revenues

The revenues are characterised by high growth rates in the bioethanol segment, while revenues in the biodiesel segment showed only a slight increase. This has led to a significant rise in the proportion of the total revenues attributed to bioethanol. In the reporting period sales below average are shown in the segment Energy, due to months during summer time with poor winds.

Revenues	in TEUR	in percent
Biodiesel	79,501	66.1 %
Bioethanol	37,168	30.9 %
Energy	3,357	2.8 %
Miscellaneous	313	0.2 %
Total	120,339	100.0 %

Other operating income

The other operating income primarily includes revenues from the release of special allocations for investment contributions (MUW).

Other operating income	in EUR thousand
Investment contributions	314
Reimbursement of petroleum tax	234
Cost transfer of expenditure	194
Miscellaneous	403
Total	1,145

Cost of materials

Cost of materials primarily concerns the procurement of vegetable oils and crops. The cost of materials ratio (in relation to overall performance) amounts to 81.9 % and is comprised as follows:

Cost of materials	in EUR thousand				
	Biodiesel	Bioethanol	Energy	Other	Total
Revenues	79,501	37,168	3,357	313	120,339
Inventory change	– 999	5,718	0	0	4,719
Cost of materials	– 63,651	– 34,787	– 3,772	– 152	102,362
Gross profit	14,851	8,099	– 415	161	22,696
Cost of materials ratio	81.1 %	81.1 %	112.4 %	48.6 %	81.9 %

Personnel expenses

At the reporting date, the Group employed 301 persons, of which 94 were salaried and 207 were non-salaried employees. The executive board remains unchanged. The staff cost quota (in relation to overall performance) amounts to 2.4 %.

Depreciation

The depreciation figures of EUR 5,874 thousand include depreciation of intangible assets (customer relationships and orders in hand) identified in the context of initial consolidation to the extent of EUR 2,472 thousand.

Other operating expenses	in EUR thousand
Legal and consultancy fees	816
Repairs	603
Advertising expenses	439
Insurance and membership fees	311
Transfer of expenditure	285
Rental and leasing expenses	180
Vehicle costs	150
Incidental bank charges	136
Miscellaneous	851
Total	3,771

Other operating expenses

The other operating expenses are influenced by the costs incurred in the period related to the IPO. Of the total IPO costs of EUR 2,084 thousand incurred up to the reporting date, EUR 1,490 thousand were neutralised in accordance with IAS 32.37. This corresponds to 71.5 % of the costs incurred. Thus, current results are detrimented by EUR 594 thousand in this period. Furthermore, costs of EUR 821 thousand for advertising expenditure and costs of the management holding, as well as auditing costs for interim statements of the subsidiaries and the Group are also included.

Income taxes

The tax expenses of EUR 3,160 thousand for the reported quarter are comprised as follows:

Current tax expenses	3,162
Deferred tax expenses	– 2
Total	3,160

Deferred tax expenses are influenced by two opposing effects: from consolidation, a positive effect resulted from the reduction of passive deferred taxes of EUR 718 thousand, above all from the depreciation of intangible assets (orders in hand and customer relation-

ships) while, above all, lower depreciation of property, plant and equipment in relation to the tax balance resulted in an increase of passive deferred taxes of EUR 54 thousand, as well as lower taxable values for inventories and receivables at SBE which resulted in a rise of EUR 662 thousand.

Earnings per share

The earnings per share were determined on the basis of IAS 33. As the capital increase was financed with company capital, the stock of 50 million shares was carried forward to the beginning of the quarter (IAS 33.26 and 64).

Notes on the cash flow statement

The operative cash flow amounts to EUR 22,835 thousand. The cash flow is particularly positive due to the influence of a significant increase in trade payables, the increased result, depreciation and the increase in other liabilities. Opposing effects result from an increase in stocks and a rise in trade receivables primarily as a consequence of the expansion of current activities and an increase in other assets.

The cash flow from investment activities clearly shows the effects of expansion investments related to investments in the construction of stillage storage containers and an evaporation facility as preinvestment to build biogas plants.

The negative cash flow from financing activities results from the balance reduction of financing liabilities.

Altogether, the positive cash flow from operative activities exceeds the cash flow from investment and financing activities.

Further information

Segment reporting

Group expenses and revenues are predominantly determined by the operative business segments. These therefore constitute the segment reporting format. The VERBIO-Group is divided, corresponding to internal organisation and management structures, into the business segments Biodiesel, Bioethanol, Energy and Others.

Segments	in TEUR				
	Biodiesel	Bioethanol	Energy	Others	Total
Segment revenue	79,501	37,168	3,357	313	120,339
Segment-EBIT	9,838	2,317	– 957	– 10	11,188

While the revenues in the biodiesel segment only rose slightly, the revenues in the bioethanol segment showed an above average increase. Despite higher raw material costs, the bioethanol segment-EBIT has improved particularly as a result of the significant growth in production and sales volumes. The energy segment result is characterised by the wind-poor months of the reporting quarter.

Contingent liabilities and other financial obligations

Purchase obligations

Financial obligations to the amount of EUR 29,977 thousand result from existing contracts for crop supply agreed between MBE Mitteldeutsche BioEnergie GmbH & Co. KG and NBE Nordbrandenburger Bioenergie GmbH & Co. KG with farmers for the 2006 harvest.

Order obligations

By September 30, 2006 the SBE Swiss BioEnergy AG, Thal, holds an order obligation for investment volumes of EUR 10,320 thousand.

Leasing agreements

Additional financial obligations of EUR 60,015 thousand exist from various long-term leasing agreements (wind farms and facility sites), of which EUR 14,909 thousand for the following year, EUR 39,986 thousand over the next one to five years and EUR 5,120 thousand for the period exceeding five years.

The Management Board

November 14, 2006

Management and Supervisory Board

Management Board

Claus Sauter, CEO
Chairman of the Management Board

Dr.-Ing. Georg Pollert, CTO
Deputy Chairman of the Board

Dr. rer. pol. Herbert Bäsch, CFO

Supervisory Board

Prof. Dr. Fritz Vahrenholt,
Chairman of the Supervisory Board

Alexander von Witzleben,
Deputy Chairman of the Supervisory Board

Bernd Sauter

Financial calendar

Press & Analysts Conference Annual Report publication 2006	29.3.2007
Publication of Interim Report Q1 2007	15.5.2007
Shareholders' Meeting	12.6.2007
Publication of Interim Report Q1+Q2 2007	14.8.2007
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