

INTERIM REPORT, 31 MARCH 2007
VERBIO Vereinigte BioEnergie AG

REPORT ON THE 1ST QUARTER 2007



Consolidated Key Figures

RESULTS OF OPERATIONS

IN EUR MILLIONS	01.01. – 31.03.2007	01.07. – 30.09.2006	01.01. – 31.12.2006 ¹
Sales	103.1	120.3	446.2
Cost of materials	88.5	102.4	364.0
Cost of materials ratio	86.2 %	81.9 %	81.4 %
EBITDA (before special items)	11.4	18.5	72.1
EBITDA margin (before special items)	11.1 %	15.3 %	16.2 %
Special items	2.0	1.4	5.0
EBITDA	9.4	17.1	67.1
EBITDA margin	9.1 %	14.2 %	15.0 %
EBIT (before special items)	5.3	14.6	55.5
EBIT margin (before special items)	5.1 %	12.1 %	12.4 %
Special items	2.0	3.4	11.4
EBIT	3.3	11.2	44.1
EBIT margin	3.2 %	9.3 %	9.9 %
Financial result	-0.2	-1.7	-5.3
Earnings before tax	3.1	9.5	38.8
Net profit	0.3	6.4	26.6

INVESTMENTS, CASH FLOW AND NET DEBT

Operating cash flow	-2.3	22.8	18.4
Net financial assets/debt ²	71.8	-85.5	82.6
Cash outflow for investments in property, plant and equipment	4.3	17.1	31.4

TOTAL ASSETS / EQUITY (ON STATEMENT DATE 31.03.2007 AND 31.12.2006¹)

Total assets	756.0	771.4
Equity	560.8	563.5
Equity ratio	74.2 %	73.1 %

EARNINGS PER SHARE (IN EUR)

Earnings per share (undiluted)	0.01	0.13
Earnings per share (diluted)	0.01	0.13
Operating cash flow per share	-0.04	0.46
Number of shares in millions	63.0	50.0

¹ IFRS consolidated financial statements of the 2nd abbreviated financial year 2006 cumulative with IFRS group pro forma financial information 01.01. – 30.06.2006 ² Cash and cash equivalents/time deposits/borrower's note loans (including under other assets) less non-current and current financial liabilities/Other non-current long-term liabilities.

SEGMENT SALES

IN EUR MILLIONS	01.01. – 31.03.2007	01.07 – 30.09.2006	01.01 – 31.12.2006 ¹
Biodiesel	66.0	79.5	302.0
Bioethanol	28.1	37.2	123.2
Energy	8.5	3.3	18.0
Other	0.5	0.3	3.0
Group revenues	103.1	120.3	446.2

SEGMENT EBIT

BIODIESEL			
EBIT (before special items)	2.4	11.8	45.7
EBIT margin (before special items)	3.6 %	14.8 %	15.1 %
Special items	- 1.2	- 2.0	- 4.7
EBIT	1.2	9.8	41.0
EBIT margin	1.8 %	12.3 %	13.6 %

BIOETHANOL

EBIT (before special items)	- 0.7	3.7	8.7
EBIT-Marge (before special items)	- 2.5 %	9.9 %	7.1 %
Special items	- 0.8	- 1.4	- 6.7
EBIT	- 1.5	2.3	2.0
EBIT margin	- 5.3 %	6.2 %	1.6 %

ENERGY

EBIT	3.6	- 0.9	2.8
EBIT margin	42.4 %	- 27.3 %	15.6 %

OTHER

EBIT	0.0	0.0	- 1.7
EBIT margin	not spec.	not spec.	not spec.

EMPLOYEES (NUMBER OF EMPLOYEES ON STATEMENT DATE)

	31.03.2007	31.12.2006
Non-salaried employees	210	207
Salaried employees	100	96
Total	310	303

¹ IFRS consolidated financial statements of the 2nd abbreviated financial year 2006 cumulative with IFRS group pro forma financial information 1.1. – 30.6.2006

Core statements

In the first quarter of 2007, the demand for bioethanol was weak so that the capacity utilisation of our bioethanol plants were below our expectations. By contrast, the capacity situation at our biodiesel plants was satisfactory.

The price development in the biodiesel and bioethanol business was unsatisfactory.

As yet there are no reliable indications that the economic situation in the biofuel sector is likely to improve in the second half of 2007. There is no solution to the issue of taxation on biofuels in the pipeline and at present there is no sign of a long-term decline in the prices of rapeseed oil and grain.

The Management Board has not changed its assumption that VERBIO will achieve a consolidated operating result in the single digit million range for 2007.

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Dear shareholders, colleagues and friends of VERBIO,

Production capacity for biodiesel in Germany now amounts to almost 5 million tonnes. At least 1.5 million tonnes of this output are being mixed with mineral diesel since mandatory blending was introduced on January 1, 2007. In fact, the oil companies have been blending up to 5 % of biodiesel per litre in recent years – without any mandatory obligation. The remaining biodiesel output is only marketed as a pure fuel (B100). Since the introduction of partial taxation amounting to 9 euro cents per litre, this market has collapsed by up to 40 %. In addition to tax, a further decisive factor was the drop in crude oil prices and the continuation of very firm prices for rapeseed oil. B100 will probably no longer be competitive at the latest after the next stage in the reduction of mineral oil tax exemption for biodiesel on January 1, 2008. Consequently, 3.5 million tonnes of production capacity will then have to be cut.

Bioethanol has also experienced a decline in demand since the beginning of 2007. While demand for bioethanol was still very high at the end of 2006, the current environment leads us to expect that the blending obligation of 1.2 % ethanol since January 1, 2007 and the simultaneous taxation of the ethanol component in petrol will inevitably lead to lower demand than in the previous year. One positive aspect, however, is that the further mandatory ethanol blending stages (2 % for 2008, 2.8 % for 2009 and 3.6 % for 2010) now provide greater planning security, even though the starting level in 2007 is too low. The so-called E85 market – in which ethanol with a content of approx. 85 % can be marketed tax-free – is virtually non-existent, as the necessary “FlexiFuel” vehicles are hardly available on the market as yet.



CLAUS SAUTER
Chief Executive Officer

Politicians have the declared aim of successfully protecting the climate. With regard to capacities for biodiesel and bioethanol in Germany, we are already in a position to produce the required volumes for mandatory blending in 2010. A further issue requiring clarification relates to why biofuel is not subject to the same regulations as electricity: if we can produce it, there should be a market for it.

The conclusion is that during the first few months of 2007, the situation in the sector has deteriorated significantly. As far as VERBIO is concerned, the company is satisfied with its biodiesel business under the prevailing framework conditions. In this context, important factors in our favour are the long-standing relationships we enjoy with our customers, our logistics know-how, our flexibility and, above all, our product quality. We also deliver quality and reliability in our ethanol business, but the demand

we projected in 2006 has unfortunately failed to materialise. This means our plants have been operating significantly below their potential capacity.

Zörbig, March 2007

A handwritten signature in blue ink that reads "Claus Sauter". The signature is stylized with a large, sweeping initial 'C'.

CLAUS SAUTER
Chief Executive Officer

Our Share

Sentiment and performance on stock exchanges has been buoyant and optimistic during the initial months of 2007. Although the German DAX index was still a long way off the 7,000 points mark at 6,597 points at the close of 2006, it has now broken through the 7,500 point barrier. The rapid rise in prices was only checked by profit-taking at the end of February 2007. The DAX dropped to a level nudging 6,400 points until prices started to climb steeply again from mid-March.

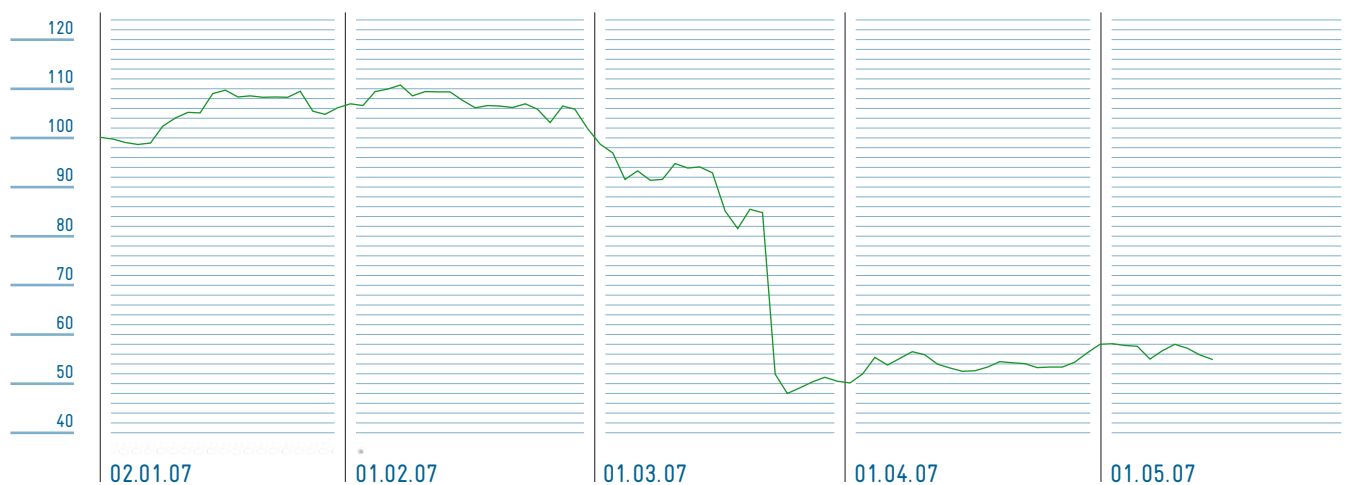
VERBIO began the year on 2 January with shares trading at an Xetra price of EUR 13.94. The high for the year to date was achieved on 24 January and 5 February 2007 at 15.70 euros. The share went down to a low of EUR 6.24 on 19 March 2007 when the correction to the expected sales and earnings for the business year 2007 was published.

Shares in the biofuel sector continue to be under pressure because the commercial and political framework conditions are not favourable for the biodiesel business in particular. The situation is not expected to relax over the short term.

During the first quarter of 2007, two further investment houses have taken out coverage.

INVESTMENT BANK / BANK	RECOMMENDATION	UPDATED
Bankhaus Metzler	Buy (EUR 9.00)	30.03.2007
Dresdner Kleinwort	Hold (EUR 7.50)	19.03.2007
Credit Swiss	Neutral (EUR 8.60)	29.03.2007
LBBW	Hold	30.03.2007
Merrill Lynch	Buy (EUR 11.00)	21.03.2007
Morgan Stanley	Hold (EUR 6.70)	20.03.2007
Sal. Oppenheim	Neutral	30.03.2007

VERBIO SHARE PRICE PERFORMANCE (02.01.2007 TO 10.05.2007)



— VERBIO subscribed

KEY SHARE DATA

IN EUR	
Earnings per share (undiluted)	0.01
Earnings per share (diluted)	0.01
Operating cash flow per share	-0.04
Carrying amount per share	8.90
High	16.51
Low	6.24
Year-end price ¹	7.46
Market capitalization ² in EUR millions	470.0
Free Float	28.9 %
Number of shares in millions	63.0

Source: Deutsche Börse AG, www.onvista.de; at: 11.5.2007
¹ Xetra prices; ² Basic Xetra based on end of quarter price

Consolidated Management Report

for the period from 1 January to 31 March 2007

COMMENTS ON REPORTING

The first full financial year covering a period of 12 months commenced for VERBIO Vereinigte BioEnergie AG (referred to as VERBIO below) on 1 January 2007. The previous business year was an abbreviated financial year for VERBIO and covered the period from 1 July 2006 to 31 December 2006. The first comparable year-earlier period for the first quarter of 2007 is therefore the period between 1 July and 30 September 2006. Since this is purely an accounting comparison, we are restricting our analysis in this management report to reporting performance in the 1st quarter of 2007.

BUSINESS ENVIRONMENT

ECONOMIC DEVELOPMENT

In January, the ifo business index for the industrial sector (processing industry, construction industry, retail and wholesale) and services came down slightly. However, analysts are currently working on the assumption that the economy will continue positive development after a slight setback at the beginning of the year.

The results of the ifo economic test carried out at the beginning of April 2007 provided confirmation of this. All sectors in the German economy are giving positive assessments for business prospects over the next six months. There is also optimism for export business, despite a strong euro.

POLITICAL ENVIRONMENT

Since 1 January 2007, Germany has been subject to a blending obligation for diesel amounting to at least 4.4 % biodiesel and for petrol at least 1.2 % bioethanol measured as a function of energy content.

Tax exemption is also not applicable for bioethanol which is used to meet the blending obligation. Pure biodiesel and fuels with a proportion of between 70 % and 90 % bioethanol continue to have tax benefits. The only fuel free of tax is Ethanol85, now also supplied in Germany.

However, the gradual elimination of tax exemption for pure biodiesel (B100) sent the fledgling biodiesel industry into crisis. The German government must pass sensible objective legislation that permits commercial operation of the B100 business beyond 2007.

DEVELOPMENT OF RAW MATERIAL PRICES

Since the beginning of the year, prices for rapeseed oil have declined by around EUR 620 a tonne to some EUR 580 a tonne. The prices of soyabean oil have slightly increased and are moving between EUR 560 per tonne and EUR 580 per tonne. Rapeseed and soya prices are currently on the increase, driven by speculation about possible reductions in yield due to drought. A similar situation applies to grain prices and there are no signs of relaxation as yet.

During the 1st quarter of 2007, the oil price for a barrel of Brent fluctuated between USD 51 and USD 65. This development confirms the trend forecast by market experts for 2007 with average prices for crude oil in the region of 60 US dollars a barrel. Based on parameters for longer-term trends, crude oil prices are experiencing a slight upward trend.

DEVELOPMENT OF THE SECTOR

During the first quarter of 2007, the economic situation in the biofuel sector continued to deteriorate due to the tax situation and the partly low price of oil. Reporting is primarily concerned with biodiesel, because the bioethanol market is still new and has not yet become established as firmly as the biodiesel market.

By the end of March, more than 30% of total production capacity in the biodiesel industry amounting to 4.8 million tonnes was idle according to the Association of the German Biofuel Industry (VDB) and the Federal Association of Biogenic and Renewable Fuels (BBK). In April, the situation deteriorated further with biodiesel production down by approximately 40%. Around 10% of the companies have ceased production or filed for insolvency.

Bioethanol continues to suffer from lacklustre demand due to very hesitant compliance with the blending obligation combined with high grain prices. This exerts a negative effect on utilisation of capacity and the price trend.

Experts are currently working on proposals to mitigate against the negative factors in the biofuel sector, with the aim of promoting rather endangering the development of a sector that has a positive future and will play a role in protecting the climate.

SALES AND EARNINGS DEVELOPMENT

Demand for biofuels during the first quarter of 2007 was below our expectations. The reasons for this shortfall in demand for biodiesel are due to taxation which makes the retail business (B100) in particular a less attractive proposition. In the case of bioethanol, demand is primarily restricted to the volumes required for production of ethyl tertiary butyl ether (ETBE). The regime of full taxation on blended ethanol prevailing since 1 January 2007 also put a brake on demand. Another negative factor compared with 2006 relates to more difficult export conditions for our fuels in some East European countries.

During the first three months of the current business year, our plants were operating at 76.5% capacity. 86,859 tonnes of biodiesel were produced and 36,560 tonnes (equivalent to 46,278 m³) of bioethanol. This yields 86.9% utilisation at the biodiesel plants based on proportionate nominal

capacity of 100,000 tonnes for the quarter (400,000 tonnes / year) and 91.4 % utilisation based on proportionate production capacity of 95,000 tonnes (380,000 tonnes / year). Utilisation at the bioethanol plants reached 48.7 % based the nominal capacity of 75,000 tonnes for the quarter (300,000 tonnes / year) and 54.2 % based on production capacity of 67,500 tonnes (270,000 tonnes / year).

During the 1st quarter of 2007, VERBIO generated consolidated revenues amounting to EUR 103.1. Inventories of finished and unfinished goods posted minimal change compared with 31.12.2006 with reduction in inventories of EUR 0.5 million.

Other operating income amounting to EUR 1.7 million mainly relates to revenues from release of deferred investment grants and subsidies (EUR 0.8 million) and reimbursement of electricity and energy taxes (EUR 0.2 million).

The cost of materials amounted to EUR 88.5 million, corresponding to a cost of materials ratio of 86.2 %. Personnel expenses totalled EUR 3.3 million (personnel expense ratio 3.2 %).

Depreciation / amortisation amounted to EUR 6.2 million and other operating expenses in the amount of EUR 3.0 million primarily included expenses for ongoing maintenance and repair, and for insurance and membership fees.

The operating result after special items amounted to EUR 3.3 million, corresponding to an EBIT margin of 3.2 %. The first quarter of 2007 was burdened by special expenses totalling EUR 2.0 million based on amortisation of orders on hand arising from first-time consolidation.

The operating result before special items was EUR 5.3 million, corresponding to an EBIT margin of 5.1 %.

The improved financial result amounting to EUR – 0.2 million mainly reflects investments of the proceeds from the initial public offering and repayment of loans.

Earnings before tax are reported as EUR 3.1 million, earnings after tax are EUR 0.3 million.

The consolidated tax expense is reported in the amount of EUR 2.7 million. The effective consolidated tax rate amounts to 89 %. The difference with the mathematical consolidated tax rate of 37.4 % results from the different national tax rates of VERBIO Group companies. The resulting tax increase effect amounts to EUR 1.7 million.

Earnings per share are EUR 0.01.

ASSETS AND FINANCIAL SITUATION

The balance sheet total fell by EUR 15.4 million to EUR 756.0 million (31.12.2006: EUR 771.4 million).

BALANCE SHEET STRUCTURE

ASSETS

IN EUR MILLIONS	31.03.2007	IN % OF TOTAL	31.12.2006	IN % OF TOTAL
Non-current assets	496.8	65.7	497.7	64,5
Current assets	259.2	34.3	273.7	35,5
Total	756.0	100.0	771.4	100,0

LIABILITIES AND EQUITY

Equity	560.8	74.2	563.5	73,1
Non-current liabilities	96.9	12.8	101.1	13,1
Current liabilities	98.3	13.0	106.8	13,8
Total	756.0	100.0	771.4	100,0

NON-CURRENT ASSETS

Non-current assets only changed marginally overall. Goodwill amounting to EUR 269.3 million remains unchanged at the figure on 31.12.2006. An impairment test has to be applied to goodwill every year in accordance with IAS 36. The valued orders on hand recorded at 31 May 2006 amounted to EUR 3.3 million at 31.3.2007 (31.12.2006: EUR 5.3 million) and were amortised according to order fulfilment. The customer base is valued at EUR 27.6 million (31.12.2006: EUR 28.1 million) and will be amortised over 15 years. The value was reduced in line with scheduled amortisation. The value of property, plant and equipment increased slightly to EUR 195.2 million (31.12.2006: EUR 193.6 million) taking scheduled amortisation of EUR 3.7 million and investments of EUR 5.2 million into account. "Non-current assets held for sale" amounted to EUR 1.3 million and were not included. These assets were sold over the course of this quarter. This figure related to a combined heat and power plant owned by MUW. Financial assets continued unchanged at EUR 1.2 million.

CURRENT ASSETS

Current assets fell by EUR 14.5 million to EUR 259.2 million (31.12.2006: EUR 273.7 million). Inventories fell due to seasonal fluctuation from EUR 36.8 million to EUR 29.0 million. Trade receivables went up to EUR 43.6 million (31.12.2006: EUR 37.5 million) on the back of high sales during March.

Other assets rose by EUR 13.4 million to EUR 39.5 million (31.12.2006: EUR 26.1 million), mainly on account of acquisition of a borrowers' note loan amounting to EUR 10.0 million.

A fall in spot market prices for rapeseed oil reduced derivatives capitalised as assets by EUR 1.1 million, while derivatives capitalised under non-current liabilities rose by EUR 2.2 million.

Cash and cash equivalents fell by EUR 64.0 million, primarily as a result of investment in time deposits (EUR 50.1 million).

EQUITY

Equity fell by EUR 2.7 million to EUR 560.8 million (31.12.2006: EUR 563.5 million), mainly resulting from the decline of EUR 3.1 million in fair value reserves. These include the changes in valuation with no effect on earnings for commodity forward contracts used as a cash flow hedge which were not realized at 31 March 2007 (hedge accounting). The equity ratio is 74.2 % (31.12.2006: 73.1%).

NON-CURRENT LIABILITIES

Non-current liabilities fell by EUR 4.2 million to EUR 96.9 million (31.12.2006: EUR 101.1 million), mainly as a result of planned settlement of non-current bank loans (EUR 2.8 million), the reduction in the special item for investment grants and subsidies due to release (EUR 0.7 million) and the reduction in deferred tax liabilities (EUR 0.6 million). Other non-current liabilities essentially remained constant.

CURRENT LIABILITIES

Current liabilities fell by EUR 8.5 million to EUR 98.3 million (31.12.2006: EUR 106.8 million). Provisions for income taxes increased by EUR 2.6 million to EUR 13.5 million and derivatives went up by EUR 2.2 million to EUR 2.4 million. Provisions for income taxes primarily include provisions for trade and corporation tax to cover 2006 and the current quarter.

Other provisions fell by EUR 4.9 million to EUR 10.2 million, in particular due to utilisation for accounts payable and other obligations. Trade payables came down by EUR 2.6 million to EUR 32.4 million and other current liabilities fell by EUR 5.3 million to EUR 23.6 million. The decrease here is primarily due to a reduction in liabilities from grain transactions amounting to EUR 3.9 million and a reduction of EUR 3.3 million in building deduction tax.

CASH FLOW

The operating cash flow was negative at EUR –2.3 million and hence significantly reduced compared with the prior periods. This decline in operating cash flow is particularly due to reduced quarterly earnings, as well as the reduction in provisions, trade payables and other current liabilities. The reduction in inventories is mainly due to the increase in trade receivables and other assets. The cash and cash equivalents out of the proceeds from the initial public offering were mainly invested in time deposits.

EMPLOYEES

As of 31 March 2007, VERBIO had a workforce of 310 employees (31.12.2006: 303 employees). In addition, the company employs 19 apprentice trainees (31.12.2006: 21 apprentice trainees).

INVESTMENTS

Investments amounting to EUR 5.2 million were mainly channelled into expansion of the bioethanol plant, the esterification plant, and constructing a new evaporation plant in Schwedt / Oder and building a tank storage facility at the Greppin site.

SEGMENT REPORTING

BIODIESEL

We were satisfied with capacity utilisation in the first quarter of 2007 despite the decline in our export business in some Eastern European countries. The decline was particularly evident in Poland.

	P. A.	01.01. – 31.03.2007	01.07. – 30.09.2006
BIODIESEL			
Nominal capacity in tonnes	400,000	100,000	100,000
Production capacity in tonnes	380,000	95,000	95,000
Production in tonnes		86,859	94,962
Utilisation for nominal capacity		86.9 %	95.0 %
Utilisation for production capacity		91.4 %	100.0 %

The low price of mineral oil and relatively high prices of raw materials continued to exert significant pressure on margins in the biodiesel business. This meant that we were unable to match the earnings generated during previous quarters.

In the first quarter of 2007, sales of biodiesel amounted to EUR 66.0 million. The segment EBIT before special items was EUR 2.4 million (EBIT margin before special items: 3.6%). Less the special items amounting to EUR –1.2 million attributable to this segment, a segment EBIT of EUR 1.2 million and a resulting EBIT margin of 1.8% were achieved.

EUR 1.2 million was invested in property, plant and equipment in the biodiesel segment during the first quarter of 2007, primarily in the production plant in Schwedt / Oder and in a tank storage facility at Greppin.

As of 31 March 2007, 94 employees were employed in this segment.

BIOETHANOL

The comparatively low capacity utilisation in the bioethanol segment reflects the significant decline in demand for bioethanol compared with 2006. This reduction is even more striking in a comparison with the period 1.10. – 31.12. 2006: Utilisation based on production capacity during this period amounted to 84.9%. Demand continues to be significantly below our expectations.

	P. A.	01.01. – 31.03.2007	01.07. – 30.09.2006
BIOETHANOL			
Nominal capacity in tonnes	300,000	75,000	75,000
Production capacity in tonnes	270,000	67,500	67,500
Production in tonnes		36,560	50,561
Utilisation for nominal capacity		48.7 %	67.4 %
Utilisation for production capacity		54.2 %	74.9 %

Sales of bioethanol in the first quarter of 2007 amounted to EUR 28.1 million. The significantly higher fixed costs by comparison with the biodiesel business exerted a negative effect on earnings as a result of this low utilisation, and the segment EBIT before special items was therefore slightly negative at EUR – 0.7 million (EBIT margin before special items: – 2.5%). Less special items of EUR – 0.8 million, we reported a bioethanol EBIT amounting to EUR – 1.5 million (EBIT margin: – 5.3%).

A total of EUR 4.0 million was invested in this segment in the first quarter of 2007, primarily in the production and evaporation plant in Schwedt / Oder.

As at 31 March 2007, 192 employees were employed in this segment.

RISK REPORT

VERBIO has 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 regarded as part of the overall leadership responsibilities of company management. The Management Board of VERBIO AG believes that the established risk management system is adequate for identifying risks, analyzing and quantifying the risks likely to impact on the company. The system is also suitable for effectively managing any risks that occur.

OUTLOOK

The Management Board is continuing to assume that given the unchanged negative economic and fiscal framework conditions in the sector, there will be no short-term improvement in the business prospects for the financial year 2007 and consequently no improvement in the projected performance.

The biodiesel business is burdened by the negative tax environment and overcapacities in the German market, a weak mineral oil price and ongoing high prices for rapeseed oil. Conditions for the ethanol business continue to be tough because demand is below expectations due to very hesitant compliance with the blending obligation combined with high grain prices. There is now excess supply due to the large quantities of ethanol imported from Brazil to Europe and this has halted the positive price trend evident in recent years.

VERBIO is assuming that the economic situation in the biofuel sector will improve in the second half of 2007 due to the anticipated falling trend in prices for rapeseed oil and grain. We are also anticipating a slight increase in ethanol prices. However, the Management Board is only expecting a sustained and significant improvement in 2008.

Putting these setbacks aside, the Management Board of VERBIO remains confident that the prospects for the long-term growth trend in the European biofuel market remain fully intact.

IMPORTANT NOTE

This Interim Report contains forward-looking statements, which are based on assumptions and estimates of the company management of VERBIO Vereinigte BioEnergie AG. Even though the 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 Consolidated Financial Statements

of VERBIO Vereinigte BioEnergie AG

for the period from 1 January 2007 to 31 March 2007

Consolidated Income statement in accordance with IFRS

for the period from 1 January to 31 March 2007
(comparative figures from 1 July to 30 September 2006)

IN KEUR	01.01. – 31.03.2007	01.07. – 30.09.2006
1. Revenue	104,533	121,287
less energy tax (previous year mineral oil tax)	- 1,424	- 948
Total	103,109	120,339
2. Changes in unfinished and finished goods	- 452	4,719
3. Other operating income	1,655	1,145
4. Cost of materials		
a) Raw materials, consumables and supplies	- 78,123	- 90,327
b) Purchased services	- 10,417	- 12,035
5. Personnel expenses	- 3,268	- 2,988
6. Depreciation and amortisation	- 6,153	- 5,874
7. Other operating expenses	- 3,040	- 3,771
8. Other taxes	- 35	- 20
9. Operating result	3,276	11,188
10. Interest income	1,379	70
11. Interest expense	- 1,558	- 1,736
12. Foreign exchange gains	0	8
13. Interest income	- 179	- 1,658
14. Net income before tax	3,097	9,530
15. Income tax expense	- 2,749	- 3,160
16. Net income for the year	348	6,370
Earnings per share in EUR (undiluted and diluted)	0,01	0,13

Consolidated balance sheet in accordance with IFRS

at 31 March 2007

ASSETS

A. NON-CURRENT ASSETS

IN KEUR	31.03.2007	31.12.2006
I. Goodwill	269,319	269,319
II. Orders on hand	3,304	5,290
III. Customer relationships	27,599	28,085
IV. Other intangible assets	153	113
V. Property, plant and equipment	195,168	193,621
VI. Financial assets	1,238	1,238
Total non-current assets	496,781	497,666

B. CURRENT ASSETS

I. Inventories	29,039	36,805
II. Trade receivables	43,591	37,483
III. Other assets	39,505	26,072
IV. Derivatives	521	1,646
V. Time deposits	119,933	79,795
VI. Cash and cash equivalents	26,633	90,616
VII. Non-current assets held for sale	0	1,309
Total current assets	259,222	273,726

Total assets	756,003	771,392
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EQUITY AND LIABILITIES

A. EQUITY

IN KEUR	31.03.2007	31.12.2006
I. Share capital	63,000	63,000
II. Additional paid-in capital	484,380	484,380
III. Fair value reserves	- 1,609	1,479
IV. Appropriation of profit	15,042	14,694
Total equity	560,813	563,553

B. NON-CURRENT LIABILITIES

I. Provisions	432	429
II. Financial liabilities	52,325	55,170
III. Deferred investment grants and subsidies	12,987	13,688
IV. Other non-current liabilities	17,636	17,620
V. Deferred tax liabilities	13,556	14,160
Total non-current liabilities	96,936	101,067

C. CURRENT LIABILITIES

I. Provisions for income taxes	13,528	10,950
II. Other provisions	10,155	15,090
III. Financial liabilities	14,726	15,034
IV. Trade payables	32,354	34,978
V. Deferred investment grants and subsidies	1,517	1,652
VI. Other current liabilities	23,599	28,891
VII. Derivatives	2,375	177
Total current liabilities	98,254	106,772

Total equity and liabilities	756,003	771,392
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Consolidated cash flow statement in accordance with IFRS

for the period from 1 January to 31 March 2007
(comparative figures from 1 July to 30 September 2006)

IN KEUR	01.01. – 31.03.2007	01.07. – 30.09.2006
Net income for the year	348	6,370
Income tax expense	2,749	3,160
Financial result	179	1,658
Depreciation and amortisation	6,153	5,874
Loss on disposal of fixed assets	4	55
Release of deferred investment grants and subsidies	- 836	- 314
Other non-cash income and expenses	0	- 127
Cash-effective change in derivatives	- 108	0
Decrease (increase) in inventories	7,766	- 11,082
Increase in trade receivables	- 6,108	- 9,090
Increase in other assets	- 1,079	- 1,544
Decrease (increase) in provisions	- 5,064	1,807
Decrease (increase) in trade payables	- 3,587	24,381
Decrease (increase) in other liabilities	- 1,381	5,431
Interest paid	- 1,059	- 1,237
Interest received	156	28
Income tax paid	- 427	- 2,535
Cash flows from operating activities	- 2,294	22,835

IN KEUR	01.01. – 31.03.2007	01.07. – 30.09.2006
Investments in time deposits	- 50,138	0
Proceeds from disposals of property, plant and equipment	4	0
Acquisition of property, plant and equipment	- 4,281	- 17,081
Acquisition of intangible assets	- 42	- 30
Cash flows from investing activities	- 54,457	- 17,111
Transaction costs	0	- 497
Repayment of secured credit transactions	- 3,882	0
Proceeds from loans in financial liabilities	252	4,516
Repayment of financial liabilities	- 3,602	- 7,720
Cash flows from financing activities	- 7,232	- 3,701
Cash-effective change in cash fund	- 63,983	2,023
at beginning of the period	90,616	5,073
Cash fund at end of period	26,633	7,096

Consolidated statement of changes in equity in accordance with IFRS

for the period from 1 January to 31 March 2007
(comparative figures from 1 July to 31 December 2006)

IN KEUR	SHARE CAPITAL
1 July 2006	100
Capital increase from additional paid-in capital	49,900
Capital increase through cash contributions	13,000
Transaction costs (after taxes)	0
Valuation of derivatives	0
Net income for the year	0
31 December 2006	63,000
Valuation of derivatives	0
Net income for the year	0
31 March 2007	63,000

ADDITIONAL PAID-IN CAPITAL	FAIR VALUE RESERVES	APPROPRIATION OF PROFIT	TOTAL EQUITY
363,393	0	7,347	370,840
- 49,900	0	0	0
175,500	0	0	188,500
- 4,613	0	0	- 4,613
0	1,479	0	1,479
0	0	7,347	7,347
484,380	1,479	14,694	563,553
0	- 3,088	0	- 3,088
0	0	348	348
484,380	- 1,609	15,042	560,813

Notes on the Interim Consolidated Financial Statements

for the period from 1 January to 31 March 2007

BASIC INFORMATION

The Interim Consolidated Financial Statements were prepared in accordance with the same accounting principles as the Consolidated Financial Statements of VERBIO Vereinigte BioEnergie AG for the year ending 31 December 2006 in compliance with the International Financial Reporting Standards (IFRS / IAS) of the International Accounting Standards Board and with the Interpretations of the International Financial Reporting Interpretations Committee / Standing Interpretations Committee (IFRIC / SIC).

The Interim Consolidated Financial Statements are presented in euros (EUR). Unless otherwise stated, all amounts are reported in thousand of euros (KEUR). Figures have been rounded and therefore rounding differences are possible.

The previous business year was an abbreviated business year and comprised the period from 1 July 2006 to 31 December 2006. The comparative period for the 1st quarter of 2007 is therefore the period from 1 July to 30 September 2006. The comparative balance sheet date is 31 December 2006.

ACCOUNTING AND VALUATION METHODS

The Interim Consolidated Financial Statements for the period to 31 March 2007 have been prepared in accordance with the accounting and valuation methods applied to draw up the IFRS Consolidated Financial Statements of VERBIO Vereinigte BioEnergie AG for the period ending 31 December 2006. These Interim Consolidated Financial Statements do not include all the information required for the Consolidated Financial Statements to the end of a financial year and they should therefore be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2006.

ENTITIES INCLUDED IN THE CONSOLIDATION

In addition to VERBIO AG, Hamburg, all domestic and foreign subsidiaries in which VERBIO AG has direct or indirect control over the financial and business policies of these companies are included in the Interim Consolidated Financial Statements.

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,
- SBE Swiss BioEnergy AG, Thal, Schweiz and
- HBE Hansa BioEnergie GmbH, Hamburg.

All the companies included in the Interim Consolidated Financial Statements – including VERBIO AG – have the calendar year as their financial year.

NOTES ON THE INDIVIDUAL ITEMS IN THE BALANCE SHEET

Non-current assets

GOODWILL AND OTHER INTANGIBLE ASSETS

Intangibles assets include goodwill, orders in hand, customer relationships and software licenses. Orders in hand are amortised over 15 months and customer relationships are amortised over 15 years. Goodwill is subjected to an annual impairment under IAS 36.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment increased taking scheduled depreciation into account, particularly due to investments at the Schwedt / Oder and Greppin sites. These investments involved new capital expenditure on an evaporation plant and a tank storage facility, as well as investments in expansion of the bioethanol and esterification plant.

FINANCIAL ASSETS

The group owns 95% of the Spanish company Biodiesel Production S. A., Madrid / Spain. Biodiesel Production S. A. has subscribed capital of KEUR 61. Unpaid subscriptions not yet claimed amount to KEUR 28. The acquisition costs of KEUR 30 were carried forward without amendment.

SBE continues to recognize unchanged a receivable which is collectible on a non-accrual basis on 31 December 2009 at a cash value amounting to KEUR 1,208.

Current assets

INVENTORIES

Apart from the decline in sales, the decrease in inventories resulted primarily from seasonal reduction in stocks of raw materials for bioethanol production amounting to KEUR 8,901.

IN KEUR	31.03.2007	31.12.2006
Raw materials, consumables and supplies – bioethanol production	19,006	27,907
Raw materials, consumables and supplies – biodiesel production	5,156	3,827
Biodiesel, Pharmaglycerin	1,626	2,821
Bioethanol	2,541	1,765
Work in process – bioethanol	474	404
Work in process – biodiesel	236	81
Inventories	29,039	36,805

TRADE RECEIVABLES

The portfolio of trade receivables increased by KEUR 6,108 to KEUR 43,591 and is primarily based on increased sales during the month of March 2007. This increase was mainly generated at SBE Swiss BioEnergy AG. The receivables have a residual term of less than one year.

OTHER ASSETS

IN KEUR	31.03.2007	31.12.2006
Borrowers' note loan	9,928	0
Building deduction tax SBE	9,250	9,250
Investment subsidy NBE	5,740	5,740
Investment subsidy NUW	2,073	2,073
Investment subsidy MBE	1,425	1,425
On account payments for inventories	2,075	75
Other loans	2,000	0
Charge out of costs of initial public offering	0	2,076
Deferred expenses	1,302	1,014
Accrued interest on investments	1,292	337
Earnings guarantee BHKW and WKA	970	970
Receivable from sale of BHKW	910	0
Miscellaneous	2,540	3,112
Other assets	39,505	26,072

DERIVATIVES

Derivatives relate primarily to instruments used to hedge price risks arising from procurement transactions. The reduction in rapeseed oil prices reduced the derivatives capitalised as assets by KEUR 1,125, while derivatives capitalised under liabilities rose by KEUR 2,198.

TIME DEPOSITS

Time deposits increased by KEUR 40,138 as a result of investments in two fixed-interest time deposits (interest rate 3.8%). The term of the deposits is six months from 17 / 18 January 2007. Interest becomes due simultaneously with the repayment at maturity. These Interim Consolidated Financial Statements contain accrued interest in the amount of KEUR 1,292.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to KEUR 26,633 at 31 March 2007 (31.12.2006: KEUR 90,616). The decrease in cash and cash equivalents is mainly due to an increase in investment in time deposits.

NON-CURRENT ASSETS HELD FOR SALE

A combined heat and power plant (BHKW) reported here with a residual carrying amount of KEUR 1,309 on 31 December 2006 was sold with effect from 1 March 2007. The resulting loss (impairment in the amount of KEUR 938 according to IAS 36) was already recognized on 31 December 2006. The residual purchase price receivable amounting to KEUR 910 still outstanding at 31 March 2007 was reported under "Other assets".

Share capital

The development of shareholders' equity is presented in the statement of changes in equity.

ADDITIONAL PAID-IN CAPITAL

The additional paid-in capital amounted to KEUR 484,380 at 31 March 2007 and is therefore equivalent to the value at 31 December 2007. It results primarily from the acquisition costs of MUW for the purchase of NBE, MBE, NUW and SBE in connection with the merger, to the extent it was not reflected in share capital and from the portion of the issue proceeds arising from the initial public offering less costs which exceed the amount of the cash capital increase.

FAIR VALUE RESERVES

The fair value reserves comprise the effective portion of changes in the fair value of forward purchase contracts which qualify as cash flow hedges, which up until 31 March 2007 had not been realized.

Non-current liabilities

PROVISIONS

Non-current provisions amounting to KEUR 432 (31.12.2006: KEUR 429) represent asset retirement obligations for wind power plants (WKA).

FINANCIAL LIABILITIES

Non-current financial liabilities relate exclusively to bank loans and a loan to a prior shareholder. The liabilities have decreased by comparison with 31 December 2006, primarily due to scheduled repayments.

ASSIGNED SECURITIES

The reported under financial liabilities are mainly secured as follows:

- Mortgages on company sites in Greppin, Zörbig and Schwedt
- Assignment of trade receivables
- Assignment of rights from the contract processing agreement with Swiss BioEnergy AG
- Assignment of inventories
- Assignment technical facilities and machinery, vehicles, and production and office equipment
- Assignment of energy supply revenues to utility companies
- Assignment of wind power plants
- Pledging of bank assets
- Assignment of easements, and claims from insurance policies, maintenance agreements, etc.

We refer to the notes on the consolidated financial statements in the Annual Report for the period to 31 December 2006 for further information.

DEFERRED INVESTMENT GRANTS AND SUBSIDIES

IN KEUR	INVESTMENT SUBSIDIES	INVESTMENT GRANTS	TOTAL
Balance as of 31 December 2006	12,114	3,226	15,340
Release in current period	- 712	- 124	- 836
Balance as of 31 March 2007	11,402	3,102	14,504
thereof current	1,018	499	1517
thereof non-current	10,384	2,603	12,987

OTHER NON-CURRENT LIABILITIES

Other non-current liabilities relate to MUW and SBE. They are innovative financing instruments in the form of mezzanine capital.

DEFERRED TAXES

A corporation tax rate of 25 % (31.12. 2006: 25.0 %) and a trade tax rate of 15 % (31.12. 2006: 15 %) was applied for the calculation of domestic deferred taxes. A solidarity surcharge of 5.5 % was also added to the corporation tax due. The effective applicable tax rate is 37.42 % (31.12. 2006: 37.42 %) after including the solidarity surcharge and the effective trade tax. Foreign deferred taxes (exclusively Switzerland) were calculated by applying the country-specific tax rate of 10 %.

Current liabilities

PROVISION FOR INCOME TAXES

The provisions for income taxes primarily include provisions for trade tax obligations at the level of the production companies (31.03.2007: KEUR 6,676; 31.12.2006: KEUR 5,849), corporation taxes of VERBIO AG (31.03.2007: KEUR 5,920; 31.12.2006: KEUR 4,169) and the state, local and federal taxes of SBE Swiss Bioenergy AG (31.03.2007: KEUR 829; 31.12.2006: KEUR 829). The provisions increased as a result of trade and corporation taxes were reported for the current quarter.

OTHER PROVISIONS

Other provisions primarily relate to payment obligations arising from deferred grants and subsidies (31.03.2007: KEUR 8,177; 31.12.2006: KEUR 8,075), outstanding invoices (31.03.2007: KEUR 1,122; 31.12.2006: KEUR 2,321), outstanding credit memos (31.03.2007: KEUR 520; 31.12.2006: KEUR 702) and waste disposal (31.03.2007: KEUR 295; 31.12.2006: KEUR 291).

FINANCIAL LIABILITIES

Financial liabilities comprise currently due bank loans (31.03.2007: KEUR 12,634; 31.12.2006: KEUR 13,102) and currently due loans to former shareholders (31.03.2007: KEUR 2,092; 31.12.2006: KEUR 1,896).

TRADE PAYABLES

Trade payables at the balance sheet date amounted to KEUR 32,354 (31.12.2006: KEUR 34,978). They have a remaining term of up to one year.

OTHER CURRENT LIABILITIES

IN KEUR	31.03.2007	31.12.2006
Liabilities from grain business	11,182	15,064
Building deduction tax SBE	5,918	9,250
Value added tax	1,670	3,231
Energy tax	859	0
Wages and salaries	672	506
Payroll taxes	296	122
Deposits received	117	117
Miscellaneous	2,885	601
Other current liabilities	23,599	28,891

NOTES ON THE INDIVIDUAL ITEMS IN THE INCOME STATEMENT

The figures for the comparative period relate to the period from 1 July 2006 to 30 September 2006.

REVENUE

Revenues fell primarily as a result of lower prices and a reduction in the demand for biodiesel and bioethanol. The unsatisfactory situation with sales prices failed to take a positive turn during the 1st quarter of 2007. By contrast, the energy sector developed favourably. Strong winds during the months January to March 2007 generated a strong increase in sales and earnings.

IN KEUR	01.01. – 31.03.2007	01.07. – 30.09.2006
Biodiesel	66,015	79,501
Bioethanol	28,120	37,168
Energy	8,488	3,357
Other	486	313
Group	103,109	120,339

OTHER OPERATING INCOME

Other operating income amounting to KEUR 808 mainly relates to revenues from the release of special items for deferred investment grants and subsidies of MUW.

IN KEUR	01.01. – 31.03.2007	01.07. – 30.09.2006
Investment grants and subsidies	836	314
Reimbursement of electricity tax and energy tax	229	234
Charge out of expenses	99	194
Miscellaneous	491	403
Other operating income	1,655	1,145

COST OF MATERIALS

Cost of materials primarily relates to the procurement of vegetable oils and grain. The cost of materials ratio (in relation to total output) is 86.2 % and is comprised as follows:

IN KEUR	BIODIESEL	BIOETHANOL	ENERGY	OTHER	TOTAL
Revenue	66,015	28,120	8,488	486	103,109
Change in finished and unfinished goods	- 737	285	0	0	- 452
Cost of materials	- 59,466	- 24,569	- 4,387	- 118	- 88,540
Gross profit	5,812	3,836	4,101	368	14,117
Cost of materials ratio	91.1 %	86.5 %	51.7 %	24.3 %	86.2 %

PERSONNEL EXPENSES

At the balance sheet date, the group had a workforce of 310 employees (31.12.2006: 303 employees), of which 100 were salaried employees (31.12.2006: 96 salaried) and 210 were non-salaried employees (31.12.2006: 207 non-salaried). The composition of the Management Board remained unchanged. The personnel expense ratio (in relation to sales and change in finished and unfinished goods) is 3.2 % (1.7. – 30.9.2006: 2.4 %).

DEPRECIATION AND AMORTISATION

Amortisation of intangible assets (customer relationships and orders on hand) amounting to KEUR 2,472, which was identified at first-time consolidation, was included under depreciation and amortisation totalling KEUR 6,153 (1.7. – 30.9.2006: KEUR 5,874).

OTHER OPERATING EXPENSES

IN KEUR	01.01. – 31.03.2007	01.07 – 30.09.2006
Repairs	1,045	603
Insurance and membership fees	411	311
Legal and consulting fees	236	816
Rental and leasing expenses	167	180
Advertising	112	439
Charge out of costs of initial public offering	94	285
Bank charges	77	136
Motor vehicle costs	55	150
Miscellaneous	843	851
Other operating expenses	3,040	3,771

INCOME TAX EXPENSE

The tax expenses amounting to KEUR 2,749 for the quarter under review are comprised as follows:

IN KEUR	01.01. – 31.03.2007	01.07 – 30.09.2006
Current tax expense	3,009	3,162
Deferred tax expense	- 260	- 2
Total	2,749	3,160

The deferred tax assets and liabilities reported in the consolidated balance sheet are based on temporary differences between the carrying values in the IFRS consolidated financial statements and the tax carrying values of the assets and liabilities, as well as on tax loss carry forwards.

EARNINGS PER SHARE

The earnings per share were determined in accordance with IAS 33.

Notes on the Cash Flow Statement

The cash funds only include the cash and cash equivalents reported in the balance sheet.

The operating cash flow amounted to KEUR – 2,294. The cash flow from investing activities (KEUR – 54,457) is determined by the investment of the issue proceeds arising from the initial public offerings in time deposits. The cash flow from financing activities (KEUR – 7,232) is determined by the scheduled settlement of loans and the repayment of secured credit transactions.

SEGMENT REPORTING

The risks and results of the group are determined by the business segments. Consequently, these form the primary segment reporting format. The VERBIO Group is segmented on the basis of the internal organisation and management structure into the business segments biodiesel, bioethanol, energy and other.

IN KEUR	01.01. – 31.03.2007	BIODIESEL	BIOETHANOL	ENERGY	OTHER	TOTAL
Revenue		66,015	28,120	8,488	486	103,109
Change in finished and unfinished goods		- 737	285	0	0	- 452
Other operating income		441	619	581	14	1,655
Cost of materials		- 59,466	- 24,569	- 4,387	- 118	- 86,540
Personnel expenses		- 1,488	- 1,655	- 45	- 80	- 3,268
Depreciation and amortisation		- 2,515	- 2,933	- 626	- 79	- 6,153
Other operating expenses		- 1,017	- 1,415	- 428	- 180	- 3,040
Other taxes		- 1	- 20	0	- 14	- 35
Segment earnings		1,232	- 1,568	3,583	29	3,276
Interest income		939	327	107	6	1,379
Interest expenses		- 549	- 790	- 200	- 19	- 1,558
Earnings before tax		1,622	- 2,031	3,490	16	3,097

Contingent liabilities and other financial obligations

PURCHASE OBLIGATIONS

As of 31 March 2007, an order obligation exists for investments amounting to KEUR 2,740.

LEASING AGREEMENTS

Additional financial obligations of KEUR 46,378 exist from various long-term leasing agreements (wind farms and facility sites), of which KEUR 14,901 for the following year, KEUR 26,726 over the next one to five years and KEUR 4,751 for the period exceeding five years.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events after the end of the reporting period.

Management and Supervisory Boards

MANAGEMENT BOARD

CLAUS SAUTER

Chief Executive Officer

DR.-ING. GEORG POLLERT

Chief Technology Officer,
Deputy Chairman of the Board

DR. RER. POL. HERBERT BÄSCH

Chief Financial Officer

SUPERVISORY BOARD

PROF. DR. FRITZ VAHRENHOLT

Chairman of the Supervisory Board

ALEXANDER VON WITZLEBEN

Deputy Chairman of the Supervisory Board

BERND SAUTER

Member of the Supervisory Board

Financial calendar

- 15.05.2007 Publication of Interim Report Q1 2007
- 12.06.2007 Shareholders' Meeting
- 14.08.2007 Publication of Interim Report Q1 + Q2 2007
- 14.11.2007 Publication of Interim Report Q1 – Q3 2007

Notes

Contact

INVESTOR RELATIONS

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