

INTERIM REPORT, 30 SEPTEMBER 2007

VERBIO Vereinigte BioEnergie AG



Consolidated Key Figures

RESULT OF OPERATIONS

IN EUR MILLION	Q3 2007	Q2 2007	Q1 2007	9 M 2007	9 M 2006 ¹	2006 ²
Sales	103.3	100.7	103.1	307.1	325.7	446.2
Cost of materials	90.9	93.9	88.5	273.3	265.3	364.0
Cost of materials ratio	86.5 %	89.5 %	86.2 %	87.5 %	80.1 %	81.4 %
EBITDA (before special items)	7.5	6.0	11.4	24.9	56.5	72.1
EBITDA margin (before special items)	7.3 %	6.0 %	11.1 %	8.1 %	17.3 %	16.2 %
Special items	1.3	2.0	2.0	5.3	1.4	5.0
EBITDA	6.2	4.0	9.4	19.6	55.1	67.1
EBITDA margin	6.0 %	4.0 %	9.1 %	6.4 %	16.9 %	15.0 %
EBIT (before special items)	1.7	- 0.2	5.3	6.8	44.8	55.5
EBIT margin (before special items)	1.6 %	- 0.2 %	5.1 %	2.2 %	13.8 %	12.4 %
Special items	1.3	2.0	2.0	5.3	5.8	11.4
EBIT	0.4	- 2.2	3.3	1.5	39.0	44.1
EBIT margin	0.4 %	- 2.2 %	3.2 %	0.5 %	12.0 %	9.9 %
Financial result	- 0.7	- 0.2	- 0.2	- 1.1	- 5.0	- 5.3
Earnings before tax	- 0.3	- 2.4	3.1	0.4	34.0	38.8
Net profit	2.7	- 3.6	0.3	- 0.6	25.7	26.6

INVESTMENTS, CASH FLOW AND NET DEBT

Operating cash flow	- 64.9	- 1.0	- 2.3	- 68.2	37.5	18.4
Net financial assets ³	8.9	57.1	71.8	8.9	85.5	82.6
Cash outflow for investments in property, plant and equipment	8.5	10.4	4.3	23.2	20.4	34.3

TOTAL ASSETS/EQUITY (ON STATEMENT DATE 30.09.2007, 30.06.2007, 31.03.2007, 30.09.2006 AND 31.12.2006)

Total assets	777.2	722.5	756.0	594.9	771.4
Equity	562.8	558.8	560.8	377.1	563.5
Equity ratio	72.4 %	77.3 %	74.2 %	63.4 %	73.1 %

EARNINGS PER SHARE (IN EUR ON STATEMENT DATE 30.09.2007, 30.06.2007, 31.03.2007, 31.12.2006² AND 30.09.2006)

Earnings per share (undiluted)	- 0.01	- 0.05	0.01	0.42	0.51
Earnings per share (diluted)	- 0.01	- 0.05	0.01	0.42	0.51
Operating cash flow per share	- 1.08	- 0.05	- 0.04	0.29	0.75
Number of shares in million	63.0	63.0	63.0	63.0	50.0

¹ IFRS consolidated financial statements (2nd abbreviated financial year 2006; 1st Quarter) cumulative with IFRS group pro forma financial information 01.01. – 30.06.2006

² IFRS consolidated financial statements of the 2nd abbreviated financial year 2006 cumulative with IFRS group pro forma financial information 01.01. – 30.06.2006

³ Cash and cash equivalents/time deposits/borrower's note loans (included under other assets) less non-current and current financial liabilities/other non-current long-term liabilities

SEGMENT SALES

IN EUR MILLION	Q3 2007	Q2 2007	Q1 2007	9 M 2007	9 M 2006 ¹	2006 ²
Biodiesel	76.2	67.1	66.0	209.3	234.0	302.0
Bioethanol	22.1	29.4	28.1	79.6	78.2	123.2
Energy	3.9	3.8	8.5	16.2	10.7	18.0
Other	1.1	0.4	0.5	2.0	2.8	3.0
Group revenues	103.3	100.7	103.1	307.1	325.7	446.2

SEGMENT EBIT

BIODIESEL						
EBIT (before special items)	6.1	3.8	2.4	12.3	40.8	45.7
EBIT margin (before special items)	8.0%	5.7%	3.6%	5.9%	17.4%	15.1%
Special items	- 0.8	- 1.2	- 1.2	- 3.2	- 4.1	- 4.7
EBIT	5.3	2.6	1.2	9.1	36.7	41.0
EBIT margin	7.0%	3.9%	1.8%	4.3%	15.7%	13.6%

BIOETHANOL

EBIT (before special items)	- 4.3	- 3.6	- 0.7	- 8.6	5.8	8.7
EBIT margin (before special items)	- 19.5%	- 12.2%	- 2.5%	- 10.8%	7.4%	7.1%
Special items	- 0.5	- 0.8	- 0.8	- 2.1	1.7	- 6.7
EBIT	- 4.8	- 4.4	- 1.5	- 10.7	4.1	2.0
EBIT margin	- 21.7%	- 15.0%	- 5.3%	- 13.4%	5.2%	1.6%

ENERGY

EBIT	0.0	- 0.6	3.6	3.0	- 0.7	2.8
EBIT margin	0.0%	- 15.8%	42.4%	18.5%	- 6.5%	15.6%

OTHER

EBIT	- 0.1	0.2	0.0	0.1	- 1.1	- 1.7
EBIT margin	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.

EMPLOYEES (NUMBER OF EMPLOYEES ON STATEMENT DATE)

	30.09.2007	30.06.2007	31.03.2007	31.12.2006
Non-salaried employees	240	214	210	207
Salaried employees	141	114	100	96
Total	381	328	310	303

¹ IFRS consolidated financial statements (2nd abbreviated financial year 2006; 1st Quarter) cumulative with IFRS group pro forma financial information 01.01.-30.06.2006

² IFRS consolidated financial statements of the 2nd abbreviated financial year 2006 cumulative with IFRS group pro forma financial information 01.01.-30.06.2006



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Dear shareholders, colleagues and friends of VERBIO,

VERBIO's business continues to display a split development: despite unfavourable circumstances, our biodiesel business is running profitably and thus to our satisfaction. At the same time, however, the bioethanol segment is still lagging well behind our original expectations.

In the first nine months of 2007, VERBIO achieved consolidated revenues of EUR 307.1 million, an operating result before special items of EUR 6.8 million (EBIT margin: 2.2%) and a consolidated net loss of EUR 0.6 million.

Thanks to our strong biodiesel business, sales of EUR 103.3 million in the 3rd quarter of 2007 were well above those of the preceding quarters. Due to high losses in the Ethanol segment, however, the quarterly operating result before special items amounted to EUR 1.7 million. Although this result was EUR 1.9 million above the corresponding figure for the 2nd quarter (EUR -0.2 million), it was well below that of the 1st quarter of 2007 (EUR 5.3 million).

In the Biodiesel segment we succeeded in generating sales of EUR 76.2 million in the 3rd quarter of 2007, which was approximately EUR 10 million more than in each of the two preceding quarters. Despite high feedstock prices, the increase in demand and the high price of mineral oil in the 3rd quarter led to a segment result before special items of EUR 6.1 million and a EBIT margin of 8.0%. In total, we generated sales of EUR 209.3 million in the first nine months of 2007 and a segment result before special items of EUR 12.3 million, corresponding to an EBIT margin of 5.9%.

With EUR 22.1 million, 3rd quarter sales of bioethanol were well below those of the preceding quarters, due to sluggish demand and the resulting decrease in capacities at our Schwedt/Oder facility. Earnings in this segment continued to deteriorate. The segment result before special items for the 3rd quarter amounted

to EUR -4.3 million. Revenues in the first nine months of 2007 amounted to EUR 79.6 million, while the segment result before special items reached EUR -8.6 million.

The Energy segment contributed EUR 3.0 million to the consolidated operating result in the first three quarters of 2007.

SPECIAL SITUATION OF BIOETHANOL

The German bioethanol market is currently suffering from Brazilian imports in two respects: firstly, ethanol produced from cane sugar is being sold to Europe at dumping prices. Secondly, Brazilian suppliers are damaging the positive image of the whole sector with the environmentally questionable expansion of their capacities. Against this backdrop, it is therefore important to define clear criteria for raw material cultivation and biofuel production with the aid of sustainability legislation.

SUSTAINABILITY CRITERIA FULFILLED FOR ETHANOL PRODUCTION

In September 2007 we reduced output at our bioethanol facility in Schwedt/Oder. This was the first reaction to the current weak demand, the uncertain legal framework and the ongoing high grain prices. The second reaction is the use of alternative raw materials. In Schwedt we have successfully tested the conversion of raw spirit into bioethanol and in Zörbig the processing of sugar beet syrup and sugar-cane molasses to bioethanol.

This shows that we are truly multi-feedstock capable. However, the use of such raw materials is against our principles of strict sustainability. Our concept is to use domestic energy crops from the immediate vicinity at our facilities, in order to also achieve a favourable eco-balance with regard to crop growing and logistics.

CLAUS SAUTER
Chief Executive Officer



The topic of sustainability and CO₂ efficiency is becoming increasingly important in discussions concerning the fulfilment of climate targets. There are already signs that politicians are beginning to think seriously about sustainable production methods and the respective upstream and downstream areas of the value chain. In early December, the German Federal Ministry of Food, Agriculture and Consumer Protection (BMELV) and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) will make proposals as to which criteria have to be fulfilled for sustainable production of biofuels. There are also moves in this direction at EU level. For the fulfilment of future blending quotas, only those biofuels should be included from the end of 2008 onwards which meet certain criteria. And this is where VERBIO can already boast good results with regard to the eco-balance of its production facilities and its corporate concept of sustainability. With the production launch of our biogas facilities in 2008 and the resulting energetic utilization of stillage we will be even better placed in this respect.

BLENDING QUOTAS MAY BE RAISED

There are tentative signs from the Federal Finance Ministry that although the taxation of biofuels passed in 2006 may not be removed, there is the possibility of an increase in blending quotas: for bioethanol to 2.6% (currently 1.2%) in 2008, rising afterwards to 6.6% in 2015. The total quota ought to be 7% in 2008, also rising till 12% in 2015.

SUCCESSFUL MARKET PENETRATION OF BIOFUELS

Our cooperation with mid-sized mineral oil companies and petrol station operators to actively develop the biofuel market

is making good progress. Biodiesel and Bioethanol are currently being offered at many petrol stations in the form of B10, B100, E10 and E85 fuels.

OUTLOOK

It is still not clear when and in which form the decisive new regulations for our sector will come into force. As a consequence, we have to state that the biodiesel business continues to suffer from the government's current fiscal policy as well as from overcapacity on the German market – despite the high mineral oil price. In addition, there are no signs that rapeseed oil prices are due to fall. The general price level and demand for bioethanol remain weak; it is also questionable whether the rise to 2% in the blending quota planned for 2008 will generate stronger domestic demand. Cheap imports from Brazil and high feedstock prices make it hard to achieve profitable domestic production.

Despite these adverse circumstances, the Management Board of VERBIO continues to expect an improvement in the economic situation of the biofuel sector in 2008.

We are convinced that the long-term growth prospects for the European biofuel market are still intact.

CLAUS SAUTER
Chief Executive Officer

Our share

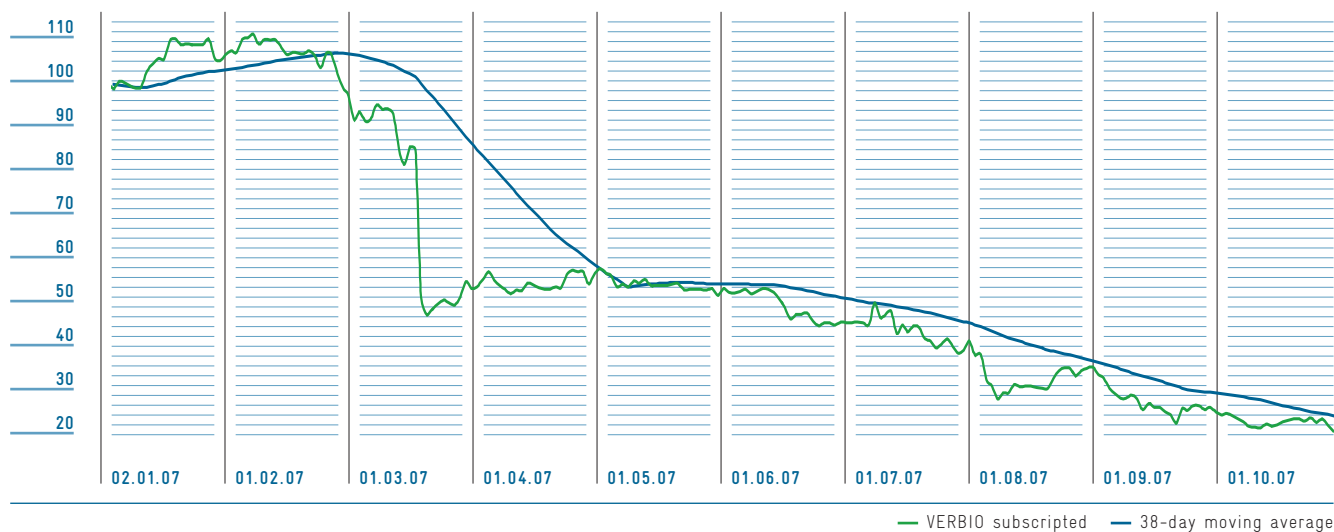
On 13 July 2007 the German DAX index reached its highest level so far of 8,151.57 points. In the same month it fell to just over 7,200 by month-end. Rising interest rates and falling real estate prices in the USA led to credit defaults, especially in the subprime mortgage sector. As these subprime mortgages were refinanced via the capital market, funds and investment banks suffered huge losses. The reduced willingness of banks to meet their mutual liquidity needs by assuming each others' debts ultimately led to the so-called subprime crisis. In order to avoid further consequences, the central banks stepped in and provided the money market with billions in short-term liquidity. In September the stock market recovered slightly and the DAX has since been fluctuating between 7,800 and 8,000 points.

We are not satisfied with the development of our share price. The ongoing and controversial discussions about the economic and ecological benefits of biofuels is helping just as little in this respect as the lack of clarity as to how the German bioethanol market will develop.

SHARE BUYBACK PROGRAMME

On 25 October 2007 the Management Board decided to buy back up to two million shares of the company in the period from 26 October 2007 to no later than 31 May 2008. The purchased shares are to be used to serve a stock option and employee share programme and as acquisition currency. Regular information on our share buyback programme is provided on our website www.verbio.de.

VERBIO SHARE PRICE PERFORMANCE (02.01.2007 TO 08.11.2007)



KEY SHARE DATA

IN EUR	Q3 2007	Q2 2007	Q1 2007
Earnings per share (undiluted)	-0.04	-0.06	0.01
Earnings per share (diluted)	-0.04	-0.06	0.01
Operating cash flow per share	-1.03	-0.01	-0.04
Carrying amount per share	8.93	8.87	8.90
Share price at end of quarter ¹	3.50	6.44	7.46
Market capitalisation ² in EUR million	220.5	405.7	470.0
Free float	28.9%	28.9%	28.9%
Number of shares in million	63.0	63.0	63.0
52-week high	15.44		
52-week low	3.11		

Source: Deutsche Börse AG, at: 05.11.2007

¹ Xetra end of quarter prices ² Basic Xetra based on end of quarter price

Consolidated Management Report

for the period from 1 January to 30 September 2007

COMMENTS ON REPORTING

The first full financial year covering a period of twelve months commenced for VERBIO Vereinigte BioEnergie AG (referred to hereinafter as VERBIO) 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 comparable periods for the first nine months of 2007 are therefore the period from 1 July to 31 December 2006 and for the 3rd quarter of 2007 the period from 1 July to 30 September 2006. Since these are purely accounting comparisons, we are restricting our analysis in this management report to reporting performance in the first nine months of 2007 and performance in the 3rd quarter of 2007.

ECONOMIC SITUATION

In their new annual survey presented on 7 November 2007, Germany's five leading economic research institutes forecast economic growth of 2.6 percent for Germany in the current year. For 2008, however, they forecast growth of just 1.9 percent, i.e. they expect a more modest development of the German economy in the coming year. The upturn is expected to become weaker but not to come to a halt. Risk factors which might slow down growth include a permanent increase in oil prices – the assumption is 80 dollars per barrel – and a further rise in the value of the euro. In contrast to this year, the fall in unemployment, increased wage settlements and rising disposable incomes in 2008 will probably result in stronger consumer spending. In total, therefore, the overall economic picture is moderately positive.

There are still no clear estimates as to how the biofuel sector will develop in 2008. However, the German cabinet agreed the framework for an Energy and Climate Protection programme in August 2007, under which the total quota for biofuels is to be raised from 8% in 2015 to 17% in 2020. The programme is to be adopted by the cabinet in December 2007 and presented to parliament. Also in December, the German Federal Ministry of Food, Agriculture and Consumer Protection (BMELV) and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) made proposals as to which criteria have to be fulfilled for the sustainable production of biofuels. For the fulfilment of blending quotas, only those biofuels should be used which meet these criteria. The European Commission is also currently considering a revision of its biofuel guideline (2003/30/EG), which has been in force since 2003. It is important in this connection that the European Commission has come to the conclusion that there is sufficient acreage land in the 27 EU nations to meet both food and bioenergy needs.

There has been no relief so far on the raw material markets. Prices for both rapeseed oil and grain remain at record levels.

SALES AND EARNINGS DEVELOPMENT

In the first nine months of 2007 we generated consolidated revenues of EUR 307.1 million. In our Biodiesel segment revenues amounted to EUR 209.3 million. As a major share of production is used for blending and the mineral oil price remains high, we are satisfied with progress. Only our retail business (B100) remains under pressure as a result of the unresolved tax situation. In the Bioethanol segment, revenues reached EUR 79.6 million. Demand for bioethanol for blending purposes remains sluggish. As a result, we reduced output at our bioethanol facility in Schwedt/Oder in September.

During the first nine months of the current business year, our plants were operating at 76.2% capacity. 261,403 tonnes of biodiesel were produced and 110,302 tonnes (equivalent to 139,729 m³) of bioethanol. This yields 87.1% utilisation at the biodiesel plants based on proportionate nominal capacity of 300,000 tonnes for the nine months (400,000 tonnes/year) and 91.7% utilisation based on proportionate production capacity of 285,000 tonnes (380,000 tonnes/year). Utilisation at the bioethanol plants reached 49.0% based on the nominal capacity of 225,000 tonnes for the nine months (300,000 tonnes/year) and 54.5% based on production capacity of 202,500 tonnes (270,000 tonnes/year).

In the first nine months of 2007, revenues in the Energy and Other segments amounted to EUR 16.2 million and EUR 2.0 million, respectively.

Other operating income amounting to EUR 4.5 million mainly relates to income from the release of the special item for investment grants and subsidies (EUR 2.1 million) and the reimbursement of electricity and energy taxes (EUR 0.7 million).

The cost of materials amounted to EUR 273.3 million, corresponding to a cost of materials ratio of 87.5%. Personnel expenses totalled EUR 11.0 million (personnel expense ratio 3.5%).

Depreciation/amortisation amounted to EUR 18.1 million and other operating expenses in the amount of EUR 13.0 million primarily included expenses for ongoing maintenance and repair, legal and consulting fees, rental and leasing expenses, insurance and membership fees, advertising and various personnel expenses.

The operating result after special items amounted to EUR 1.5 million, corresponding to an EBIT margin of 0.5%. The first nine months of 2007 were burdened by special expenses totalling EUR 5.3 million based on amortisation of orders on hand arising from first-time consolidation.

The operating result before special items was EUR 6.8 million, corresponding to an EBIT margin of 2.2%.

The financial result amounted to EUR -1.0 million, whereby interest income totalled EUR 3.6 million and interest expenses EUR 4.6 million.

Earnings before tax are reported as EUR 0.4 million, earnings after tax are EUR -0.6 million.

The Corporation Tax Reform 2008, under which corporate taxes are to be reduced from 25% to 15% in 2008, already had a positive effect in the 3rd quarter of 2007. As a consequence of the decrease in the deferred tax rate from 37.42% to 27.6%, there was a positive one-off effect on deferred taxes of EUR 2.9 million.

Earnings per share amounted to EUR -0.01.

Sales revenues in the 3rd quarter of 2007 amounted to EUR 103.3 million and were thus slightly up on the 1st quarter of 2007 (EUR 103.1 million). Sales revenues in the Biodiesel segment were with EUR 76.2 million well above the previous quarters (Q1 2007: EUR 66.0 million, Q2 2007: EUR 67.1 million). In the Bioethanol segment sales reached EUR 22.1 million and were thus below the previous two quarters (Q1 2007: EUR 28.1 million, Q2 2007: EUR 29.4 million). This was due in part to the planned decrease in output at our Schwedt facility in September.

In the 3rd quarter of 2007, our plants were operating at 74.6% capacity. 87,164 tonnes of biodiesel were produced and 33,994 tonnes (equivalent to 43,063 m³) of bioethanol. This yields 87.2% utilisation at the biodiesel plants in the 3rd quarter of 2007, based on proportionate nominal capacity of 100,000 tonnes for the quarter (400,000 tonnes/year) and 91.8% utilisation based on proportionate production capacity of 95,000 tonnes (380,000 tonnes/year). Utilisation at the bioethanol plants reached 45.3% based on the nominal capacity of 75,000 tonnes for the quarter (300,000 tonnes/year) and 50.4% based on production capacity of 67,500 tonnes (270,000 tonnes/year).

The quarterly operating result before special items amounted to EUR 1.7 million. The strong result of the Biodiesel segment (EUR 6.1 million) was able to compensate for the quarterly losses of the Bioethanol (EUR -4.3 million) and Other (EUR -0.1 million) segments.

The quarterly operating result after special items amounted to EUR 0.4 million.

Earnings before tax in the 3rd quarter of 2007 totalled EUR -0.3 million, and after tax EUR 2.7 million. As mentioned before, there was a positive effect for the calculation of the domestic deferred taxes in the amount of EUR 2.9 million in the 3rd quarter of 2007 especially as a result of the reduction in corporate tax from 25% to 15%.

Earnings per share amounted to EUR 0.04.

ASSETS AND FINANCIAL SITUATION

The balance sheet total rose by EUR 5.8 million to EUR 777.2 million (31.12.2006: EUR 771.4 million).

BALANCE SHEET STRUCTURE

ASSETS

IN EUR MILLION	30.09.2007	IN % OF TOTAL	31.12.2006	IN % OF TOTAL
Non-current assets	502.0	64.6	497.7	64.5
Current assets	275.2	35.4	273.7	35.5
Total	777.2	100.0	771.4	100.0

LIABILITIES AND EQUITY

Equity	562.8	72.4	563.5	73.1
Non-current liabilities	66.8	8.6	101.1	13.1
Current liabilities	147.5	19.0	106.8	13.8
Total	777.2	100.0	771.4	100.0

NON-CURRENT ASSETS

There was a slight increase in non-current assets in the period under review. Goodwill amounting to EUR 269.3 million remains unchanged from the figure on 31 December 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 as part of initial consolidation were fully depreciated as of 30 September 2007 (31.12.2006: EUR 5.3 million). The customer base is valued at EUR 26.6 million (31.12.2006: EUR 28.1 million) and will be depreciated over 15 years. The value was reduced in line with scheduled amortisation (EUR 11.3 million). The value of property, plant and equipment increased by EUR 10.9 to EUR 204.5 million (31.12.2006: EUR 193.6 million) taking scheduled amortisation of EUR 11.3 million into account. "Non-current assets held for sale" amounting to EUR 1.3 million are no longer included. These assets were sold in the 1st quarter of 2007. This figure related to a combined heat and power plant owned by MUW.

Financial assets were EUR 1.3 million (31.12.2006: EUR 1.2 million).

CURRENT ASSETS

Current assets increased by EUR 1.5 million to EUR 275.2 million (31.12.2006: EUR 273.7 million). Inventories grew due to seasonal factors and the increase in trading volumes of grain to EUR 106.2 million (31.12.2006: EUR 36.8 million). Trade receivables fell by EUR 4.7 million to EUR 32.8 million (31.12.2006: EUR 37.5 million), mainly as a result of lower revenues in September 2007.

Other assets rose by EUR 22.4 million to EUR 48.5 million (31.12.2006: EUR 26.1 million), mainly due to the acquisition of a borrowers' note loan amounting to EUR 10.0 million and payments on account of inventories of EUR 7.2 million. Derivatives capitalised as assets rose by EUR 0.3 million, compared with 31 December 2006, while derivatives capitalised under current liabilities grew by EUR 0.4 million.

Cash and cash equivalents fell by EUR 59.7 million to EUR 30.9 million (31.12.2006: EUR 90.6 million). They were used mainly for the repayment of financial liabilities, the increase in inventories and investments in property, plant and equipment.

EQUITY

Equity fell by EUR 0.7 million to EUR 562.8 million (31.12.2006: EUR 563.5 million). The equity ratio amounts to 72.4% (31.12.2006: 73.1%).

NON-CURRENT LIABILITIES

Non-current liabilities fell by EUR 34.3 million to EUR 66.8 million (31.12.2006: EUR 101.1 million), mainly due to a reduction in financial liabilities of EUR 29.6 million and in deferred tax liabilities of EUR 3.9 million. Other non-current liabilities remained extensively constant.

CURRENT LIABILITIES

Current liabilities increased by EUR 40.8 million to EUR 147.6 million (31.12. 2006: EUR 106.8 million). Trade payables grew by EUR 2.0 million to EUR 37.0 million (31.12.2006: EUR 35.0 million) and other current liabilities by EUR 45.4 million to EUR 74.3 million (31.12. 2006: EUR 28.9 million) as a result of grain purchases.

CASH FLOW

Operating cash flow was negative at EUR 68.2 million (31.12. 2006: EUR 3.7 million), mainly as a result of an increase in inventories of EUR 69.4 million. Cash flow from investing activities of EUR -8.4 million is determined by the net repayment of time deposits (EUR 14.9 million) and capital expenditures (EUR 23.2 million). The cash flow from financing activities of EUR 16.8 million contains net proceeds of EUR 45.6 million from secured credit transactions to finance the increase in inventories and the repayment of financial liabilities amounting to EUR 33.7 million. As a consequence, cash and cash equivalents fell by EUR 59.7 million during the period 1 January to 30 September 2007.

EMPLOYEES

As at 30 September 2007, VEBIO had a workforce of 381 employees (31.12.2006: 303 employees). In addition, the company employs 24 apprentice trainees (31.12.2006: 21 apprentice trainees).

INVESTMENTS

Investments amounting to EUR 23.2 million were mainly channelled into the expansion of the bioethanol plant, the esterification plant, the construction of a new evaporation plant, the establishment of a truck fleet in Schwedt/Oder, the building of a new tank storage facility at the Greppin site and the acquisition of a storage hall in Riesa.

SEGMENT REPORTING

BIODIESEL

We were satisfied with capacity utilisation in the first nine months of 2007.

	P. A.	Q3 2007	Q2 2007	Q1 2007	9 M 2007	9 M 2006
BIODIESEL						
Nominal capacity in tonnes	400,000	100,000	100,000	100,000	300,000	300,000
Production capacity in tonnes	380,000	95,000	95,000	95,000	285,000	285,000
Production in tonnes		87,164	87,380	86,859	261,403	262,485
Utilisation for nominal capacity		87.2 %	87.4 %	86.9 %	87.1 %	87.5 %
Utilisation for production capacity		91.8 %	92.0 %	91.4 %	91.7 %	92.1 %

At EUR 76.2 million revenues in the 3rd quarter were well above those of the previous quarters (Q2 2007: EUR 67.1 million, Q1 2007: EUR 66.0 million). Despite fierce competition and high raw material prices, the rise in revenues and increase in mineral oil prices led to a satisfying segment result.

The segment EBIT before special items amounted to EUR 6.1 million (Q2 2007: EUR 3.8 million, Q1 2007: EUR 2.4 million), corresponding to an EBIT margin before special items of 8% (Q2 2007: 5.7%, Q1 2007: 3.6%). Less the special items amounting to EUR 0.8 million attributable to this segment, a segment EBIT of EUR 5.3 million (Q2 2007: EUR 2.6 million, Q1 2007: EUR 1.2 million) and a resulting EBIT margin of 7.0% (Q2 2007: 3.9%, Q1 2007: 1.8%) was achieved.

In the first nine months of 2007, total sales amounted to EUR 209.3 million and the segment EBIT before special items to EUR 12.3 million, corresponding to an EBIT margin before special items of 5.9%. Adjusted for special items, the segment EBIT amounted to EUR 9.1 million (EBIT margin: 4.3%).

EUR 3.6 million were invested in property, plant and equipment in the biodiesel segment during the first nine months of 2007. Capital expenditure focused on the production plant in Schwedt/Oder and in a tank storage facility at Greppin.

As at 30 September 2007, 96 employees were employed in this segment.

BIOETHANOL

The situation in the bioethanol segment is still very unsatisfactory. Imports from Brazil, high grain prices and insufficient domestic demand resulted in insufficient utilisation of our plants and led us to reduce output at our Schwedt/Oder facility in September.

	P. A.	Q 3 2007	Q 2 2007	Q 1 2007	9 M 2007	9 M 2006
BIOETHANOL						
Nominal capacity in tonnes	300,000	75,000	75,000	75,000	225,000	225,000
Production capacity in tonnes	270,000	67,500	67,500	67,500	202,500	202,500
Production in tonnes		33,994	39,748	36,560	110,302	142,560
Utilisation for nominal capacity		45.3 %	53.0 %	48.7 %	49.0 %	63.4 %
Utilisation for production capacity		50.4 %	58.9 %	54.2 %	54.5 %	70.4 %

Sales of bioethanol in the third quarter of 2007 amounted to EUR 22.1 million (Q2 2007: EUR 29.4 million, Q1 2007: EUR 28.1 million). The fall in revenues coupled with high fixed costs and increased feedstock prices placed a heavy burden on the third quarter result. The segment EBIT before special items amounted to EUR -4.3 million (Q2 2007: EUR -3.6 million, Q1 2007: EUR -0.7 million). Less special items of EUR -0.5 million, we reported a bioethanol EBIT amounting to EUR -4.8 million (Q2 2007: EUR -4.4 million, Q1 2007: EUR -1.5 million).

In the first nine months of 2007, total sales amounted to EUR 79.6 million and the segment result before special items to EUR -8.6 million. Adjusted for special items, the segment result totalled EUR -10.7 million.

A total of EUR 13.5 million was invested in property, plant and equipment during the first nine months of 2007, primarily in the production and evaporation plant in Schwedt/Oder and a storage hall.

As at 30 September 2007, 195 employees were employed in this segment.

RISK AND FORECAST REPORT

The established risk management system is well suited to identifying, analyzing, quantifying and adequately managing those risks likely to impact on the company. The implementation of a functional risk management system is regarded as part of the overall leadership responsibilities of company management. Further information on our risk management system is provided in our Annual Report 2006.

There were no changes in VERBIO's opportunity and risk management system in the first nine months of 2007.

SUBSEQUENT EVENTS

CORPORATE TAX REFORM 2008

The introduction of an "interest barrier" in 2008 will mean that, under certain circumstances, interest expenses (in excess of interest income) are only deductible from up to 30% of taxable earnings before interest and depreciation (EBITDA). Those interest expenses which cannot be deducted, may be transferred to following periods as "interest carried forward". Any possible effects will depend on the Group's future financial structure.

CHANGE IN THE MANAGEMENT BOARD

With effect from 1 November 2007, the Supervisory Board has appointed Martin Meurer as an ordinary member of the Management Board and CFO of VERBIO Vereinigte BioEnergie AG. The previous CFO Dr. Herbert Bäsch left the company as of 31 October 2007 to pursue new challenges.

OUTLOOK

The Management Board assumes that there will be no improvement in the current negative economic and fiscal conditions of the sector. Although there are signs from politicians that the current regulations may be revised in favour of a more flexible taxation for biodiesel, or that the fulfilment of future blending quotas may be brought forward, it is completely uncertain to what extent and when such changes may occur.

The biodiesel business is therefore burdened by current tax legislation and overcapacities in the German market. There are also no signs that rapeseed oil prices might fall. The general price level and demand for bioethanol remain weak. Moreover, the current excessively high grain prices caused by speculation are placing a particularly heavy burden on the profitability of ethanol production.

Despite these unfavourable conditions, the Management Board of VERBIO continues to expect an improvement in the biofuel sector in 2008 and remains confident that the prospects for the long-term growth trend in the European biofuel market are still intact.

VERBIO Vereinigte BioEnergie AG
Leipzig, 14 November 2007

The Management Board

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 to 30 September 2007

Consolidated income statement in accordance with IFRS

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

IN KEUR	01.01.- 30.09.2007	01.07.- 31.12.2006	01.07.- 30.09.2007	01.07.- 30.09.2006
1. Sales revenues including energy tax	311,509	243,351	104,875	121,287
less energy tax (previous year mineral oil tax)	- 4,415	- 2,539	- 1,548	- 948
Total	307,094	240,812	103,327	120,339
2. Changes in unfinished and finished goods	5,381	18	1,729	4,719
3. Other operating income	4,493	12,036	1,221	1,145
4. Cost of materials				
a) Raw materials, consumables and supplies	- 244,089	- 177,877	- 81,874	- 90,327
b) Purchased services	- 29,183	- 23,729	- 8,988	- 12,035
5. Personnel expenses	- 10,992	- 6,911	- 3,706	- 2,988
6. Depreciation and amortisation	- 18,149	- 12,795	- 5,791	- 5,874
7. Other operating expenses	- 12,967	- 15,190	- 5,486	- 3,771
8. Other tax expenses	- 102	- 33	- 48	- 20
9. Operating result	1,486	16,331	384	11,188
10. Interest income	3,575	1,255	887	70
11. Interest expense	- 4,626	- 3,223	- 1,540	- 1,736
12. Foreign exchange losses	0	0	0	8
13. Financial result	- 1,051	- 1,968	- 653	- 1,658
14. Net income before tax	435	14,363	- 269	9,530
15. Income taxes	- 1,080	- 7,016	2,971	- 3,160
16. Net income for the year	- 645	7,347	2,702	6,370
Earnings per share in EUR (undiluted and diluted)	- 0.01	0.13	0.04	0.13

Consolidated balance sheet in accordance with IFRS

at 30 September 2007

(comparative figures from 31 December 2006)

ASSETS

A. NON-CURRENT ASSETS

IN KEUR	30.09.2007	31.12.2006
I. Other intangible assets	258	113
II. Goodwill	269,319	269,319
III. Orders on hand	0	5,290
IV. Customer relationships	26,627	28,085
V. Property, plant and equipment	204,485	193,621
VI. Financial assets	1,283	1,238
Total non-current assets	501,972	497,666

B. CURRENT ASSETS

I. Inventories	106,162	36,805
II. Trade receivables	32,759	37,483
III. Other assets	48,518	26,072
IV. Derivatives	1,906	1,646
V. Time deposits	54,946	79,795
VI. Cash and cash equivalents	30,887	90,616
VII. Non-current assets held for sale	0	1,309
Total non-current assets	275,178	273,726

Total assets	777,150	771,392
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EQUITY AND LIABILITIES

A. EQUITY

IN KEUR	30.09.2007	31.12.2006
I. Share capital	63,000	63,000
II. Additional paid-in capital	484,474	484,380
III. Fair value reserves	1,274	1,479
IV. Appropriation of profit	14,049	14,694
Total equity	562,797	563,553

B. NON-CURRENT LIABILITIES

I. Provisions	442	429
II. Financial liabilities	25,580	55,170
III. Deferred investment grants and subsidies	12,823	13,688
IV. Other non-current liabilities	17,669	17,620
V. Deferred tax liabilities	10,298	14,160
Total non-current liabilities	66,812	101,067

C. CURRENT LIABILITIES

I. Provisions for income taxes	9,693	10,950
II. Other provisions	8,470	15,090
III. Financial liabilities	15,789	15,034
IV. Trade payables	36,976	34,978
V. Deferred investment grants and subsidies	1,740	1,652
VI. Other current liabilities	74,292	28,891
VII. Derivatives	581	177
Total current liabilities	147,541	106,772
Total equity and liabilities	777,150	771,392

Consolidated cash flow statement in accordance with IFRS

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

IN KEUR	01.01. – 30.09.2007	01.07. – 31.12.2006
Net loss (prior year: net income)	- 645	7,347
Income tax expense	1,080	7,016
Financial result	1,051	1,968
Depreciation and amortisation	18,149	12,795
Loss on disposal of fixed assets	23	110
Release of deferred investment grants and subsidies	- 2,140	- 2,774
Other non-cash income and expenses	0	- 1,208
Cash-effective change in derivatives	- 41	0
Increase in inventories	- 69,357	- 22,142
Decrease (prior year: increase) in trade receivables	4,732	- 12,153
Increase (prior year: decrease) in other assets	- 9,719	8,131
Decrease (prior year: increase) in provisions	- 7,523	2,897
Increase in trade payables	2,769	8,807
Decrease in other liabilities	- 518	- 850
Interest paid	- 3,820	- 2,241
Interest received	3,429	602
Income tax paid	- 5,642	- 4,581
Cash flow from operating activities	- 68,172	3,724

IN KEUR	01.01. – 30.09.2007	01.07. – 31.12.2006
Investments in time deposits	- 64,881	- 79,721
Proceeds from the repayment of time deposits	79,794	0
Proceeds from disposals of property, plant and equipment	98	181
Acquisition of property, plant and equipment	- 23,153	- 28,090
Acquisition of intangible assets	- 239	- 56
Cash flow from investing activities	- 8,381	- 107,686
Proceeds from increase in share capital and additional paid-in capital	0	188,500
Transaction costs	94	- 5,859
Proceeds from secured credit transactions	45,593	15,064
Proceeds from loans in financial liabilities	4,829	3,756
Repayment of financial liabilities	- 33,692	- 11,956
Cash flow from financing activities	16,824	189,505
Net cash flows	- 59,729	85,543
Cash fund at beginning of period	90,616	5,073
Cash fund at end of period	30,887	90,616

Consolidated statement of changes in equity in accordance with IFRS

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

IN KEUR	SHARE CAPITAL
30 June 2006	100
Valuation of derivatives (after taxes)	0
Transaction costs (after taxes)	0
Income and expenses recognized directly in equity	0
Net income for the year	0
Total income and expense for the period	0
Capital increase from additional paid-in capital	49,900
Capital increase through cash contributions	13,000
31 December 2006	63,000
Valuation of derivatives (after taxes)	0
Transaction costs (after taxes) ¹	0
Income and expenses recognized directly in equity	0
Net income for the year	0
Total income and expense for the period	0
30 September 2007	63,000

¹ Release of provisions for transaction costs

ADDITIONAL PAID-IN CAPITAL	FAIR VALUE RESERVES	APPROPRIATION OF PROFIT	TOTAL EQUITY
363,393	0	7,347	370,840
0	1,479	0	1,479
- 4,613	0	0	- 4,613
- 4,613	1,479	0	- 3,134
0	0	7,347	7,347
- 4,613	1,479	7,347	4,213
- 49,900	0	0	0
175,500	0	0	188,500
484,380	1,479	14,694	563,553
0	- 205	0	- 205
94	0	0	94
94	- 205	0	- 111
0	0	- 645	- 645
94	- 205	- 645	-756
484,474	1,274	14,049	562,797

Notes on the Interim Consolidated Financial Statements

for the period from 1 January to 30 September 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 euros (KEUR). Figures have been rounded and rounding differences are therefore possible.

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

This interim report should therefore be read in conjunction with the Annual Report 2006 published for the abbreviated fiscal year 2006.

ACCOUNTING AND VALUATION METHODS

The Interim Consolidated Financial Statements for the period to 30 September 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, Zörbig, 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, Staad, Switzerland 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

Intangible assets include goodwill, orders in hand, customer relationships and software licenses. Orders in hand are depreciated over 15 months and customer relationships are depreciated over 15 years. Orders in hand were last depreciated in August 2007. Goodwill is subjected to an annual impairment review under IAS 36.

PROPERTY, PLANT AND EQUIPMENT

After allowance for scheduled depreciation, property, plant and equipment increased in value particularly as a result of investments at the Schwedt/Oder and Greppin sites. These investments involved new capital expenditure on an evaporation plant and a tank storage facility, for the expansion of the bioethanol and esterification plant, for a new storage hall and for a fleet of trucks.

FINANCIAL ASSETS

The Group owns 95% of 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 1,253.

Current assets

INVENTORIES

The increase in inventories compared with 31 December 2006 resulted from the seasonal rise in stocks of raw materials, especially for biodiesel production amounting to KEUR 44,471. Due to high grain prices, the increase in stocks for bioethanol production was postponed. The trading volumes of grain disclosed under inventories are fully secured.

IN KEUR	30.09.2007	31.12.2006
Raw materials, consumables and supplies – bioethanol production	4,507	27,907
Raw materials, consumables and supplies – biodiesel production	48,298	3,827
Biodiesel, pharmaglycerin	4,279	2,821
Bioethanol	5,663	1,765
Work in process – bioethanol	300	404
Work in process – biodiesel	389	81
Merchandise (grain)	42,726	0
Inventories	106,162	36,805

TRADE RECEIVABLES

Trade receivables decreased by KEUR 4,732 to KEUR 32,759 (31.12.2006: KEUR 37,483) due in particular to a fall in sales in September 2007. The receivables have a residual term of less than one year.

OTHER ASSETS

IN KEUR	30.09.2007	31.12.2006
Borrowers' note loan	9,937	0
Building deduction tax SBE	9,250	9,250
Investment subsidy NBE	6,383	5,740
Investment subsidy NUW	2,440	2,073
Investment subsidy MBE	1,594	1,425
Investment subsidy MUW	410	226
Other loans	2,882	0
On account payments for inventories	7,227	75
Collateral provided for deposit securing agreements and liability declarations	3,000	0
Receivable from sale of BHKW	1,083	0
Deferred expenses	628	1,014
Earnings guarantee BHKW and WKA	0	970
Accrued interest on investments	784	337
Credit insurance	0	796
Charge out of costs of initial public offering	0	2,076
Miscellaneous	2,900	2,090
Other assets	48,518	26,072

DERIVATIVES

In addition to separated derivatives from financial investments, derivatives relate primarily to instruments used to hedge against price risks arising from procurement and sales transactions, as well as from grain inventories. As a result of the development of raw material prices, derivatives carried as assets and liabilities grew by KEUR 297 to KEUR 1,681 and by KEUR 88 to KEUR 265, respectively. Sales transactions resulted in derivatives carried as liabilities of KEUR 317. Derivatives to hedge against grain inventories amounted to KEUR 36.

TIME DEPOSITS

Time deposits decreased by KEUR 24,849 to a total of KEUR 54,946 (31.12.2006: KEUR 79,795) as a result of two mature time deposits amounting to EUR 80 million and two new time deposits (EUR 55 million) – one with a fixed interest rate of 4.11% p.a. and one with a variable interest rate of 1.75% p.a. to 5.0% p.a.. Interest from time deposits becomes due simultaneously with the repayment at maturity. These Interim Consolidated Financial Statements contain accrued interest for time deposits in the amount of KEUR 715.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to KEUR 30,887 at 30 September 2007 and were thus KEUR 59,729 below the figure as of 31 December 2006 (31.12.2006: KEUR 90,616). Cash and cash equivalents were mainly used for the repayment of financial liabilities, the increase in inventories and capital expenditures.

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 1,083 still outstanding at 30 September 2007 was reported under "Other assets".

Equity

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 484,474 at 30 September 2007 and is therefore almost equivalent to the value at 31 December 2006 (31.12.2006: KEUR 484,380). 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 30 September 2007 had not been realized.

Non-current liabilities

PROVISIONS

Non-current provisions amounting to KEUR 442 (31.12.2006: KEUR 429) represent asset retirement obligations for wind power plants.

FINANCIAL LIABILITIES

Non-current financial liabilities of KEUR 25,580 (31.12.2006: KEUR 55,170) relate exclusively to bank loans and a loan to a former shareholder. The liabilities have decreased by comparison with 31 December 2006, primarily due to scheduled repayments and, in particular, to non-scheduled repayments as part of our treasury activities to reduce financing expenses.

ASSIGNED SECURITIES

Bank loans reported under financial liabilities are mainly secured as follows:

- Mortgages on company sites in Greppin and Zörbig,
- Assignment of inventories,
- Assignment of technical facilities and machinery, vehicles, and production and office equipment,
- Assignment of energy supply revenues to utility companies,
- Assignment of wind power plants,
- Pledged bank deposits,
- Assignment of easements, and claims from insurance policies, maintenance agreements.

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 SUBSIDY	INVESTMENT GRANT	TOTAL
Balance as of 31 December 2006	12,114	3,226	15,340
Additions in current period	1,365	0	1,365
Release in current period	- 1,768	- 374	- 2,142
Balance as of 30 September 2007	11,711	2,852	14,563
thereof current	1,241	499	1,740
thereof non-current	10,470	2,353	12,823

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

Due to changes in tax legislation, a reduced tax rate of 27.6% (formerly 37.42%) was applied. This consisted of a corporation tax rate of 15% (31.12.2006: 25.0%) and a trade tax rate of 11.77%, plus the solidarity surcharge of 5.5% based on corporation tax due. 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 amounting to KEUR 9,693 (31.12.2006: KEUR 10,950) primarily include provisions for trade tax obligations at the level of the production companies (30.09.2007: KEUR 3,283; 31.12.2006: KEUR 5,849), corporation taxes of VERBIO AG (30.09.2007: KEUR 6,209; 31.12.2006: KEUR 4,169) and the state, local and federal taxes of SBE Swiss Bioenergy AG (30.09.2007: KEUR 201; 31.12.2006: KEUR 829).

OTHER PROVISIONS

Other provisions of KEUR 8,470 (31.12.2006: KEUR 15,090) primarily relate to payment obligations arising from deferred grants and subsidies (30.09.2007: KEUR 8,396; 31.12.2006: KEUR 8,075).

FINANCIAL LIABILITIES

Financial liabilities remained almost constant at their year-end level (30.09.2007: KEUR 15,789; 31.12.2006: KEUR 15,034) and comprise currently due bank loans (30.09.2007: KEUR 15,789; 31.12.2006: KEUR 13,102). Currently due loans to former shareholders (31.12.2006: KEUR 1,896) were paid back.

TRADE PAYABLES

Trade payables at the balance sheet date amounted to KEUR 36,976 (31.12.2006: KEUR 34,978). They have a remaining term of up to one year.

OTHER CURRENT LIABILITIES

The increase in other current liabilities mainly results from grain purchases and associated pension transactions.

IN KEUR	30.09.2007	31.12.2006
Liabilities from grain business	60,657	15,064
Building deduction tax SBE	5,918	9,250
Value added tax	2,814	3,231
Energy tax	1,036	0
Wages and salaries	1,047	506
Lease backpayments WKA	609	0
Payroll taxes	267	122
Deposits received	117	117
Miscellaneous	1,827	601
Other current liabilities	74,292	28,891

NOTES ON THE INDIVIDUAL ITEMS IN THE INCOME STATEMENT

The figures for the comparative period relate to the period from 1 July to 31 December 2006.

The comparative period for the 3rd quarter 2007 is the period 1 July to 31 September 2006. It is not possible to make a sensible economic comparison of the legally prescribed comparative periods.

We therefore refer to reporting in the Management Report.

REVENUE

IN KEUR	01.01. – 30.09.2007	01.07. – 31.12.2006
Biodiesel	209,266	147,466
Bioethanol	79,636	82,247
Energy	16,151	10,574
Other	2,041	525
Group	307,094	240,812

OTHER OPERATING INCOME

Other operating income amounting to KEUR 2,142 mainly relates to revenues from the release of special items for deferred investment grants and subsidies of MUW.

IN KEUR	01.01. – 30.09.2007	01.07. – 31.12.2006
Release of investment grants relating to current period	2,142	788
Release of investment grants relating to other periods	0	1,986
Release of other provisions	332	513
Reimbursement of electricity tax and energy tax	682	690
Charge out of purchased diesel fuel	265	567
Damage compensation payments	233	114
Realised and non-realised profits from derivatives	199	0
Receivables from cooperation agreements	0	3,108
Reimbursement of IPO costs from prior shareholders	0	1,789
Leasing reduction wind power plants	0	1,363
Release of provision for repayment obligations relating to investment subsidies of MBE	0	651
Leasing reduction combined heat and power plant	0	307
Miscellaneous	640	160
Other operating income	4,493	12,036

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 87.5% and comprised as follows:

IN KEUR	BIODIESEL	BIOETHANOL	ENERGY	OTHER	TOTAL
Revenue	209,266	79,636	16,151	2,041	307,094
Change in finished and unfinished goods	2,223	3,158	0	0	5,381
Cost of materials	- 185,653	- 76,269	- 10,702	- 648	- 273,272
Gross profit	25,836	6,525	5,449	1,393	39,203
Cost of materials ratio	87.8 %	92.1 %	66.3 %	31.7 %	87.5 %

PERSONNEL EXPENSES

At the balance sheet date, the group had a workforce of 381 employees (31.12.2006: 303 employees), of which 141 were salaried employees (31.12.2006: 96 salaried) and 240 were non-salaried employees (31.12.2006: 207 non-salaried).

The personnel expense ratio (in relation to total performance) is 3.5% (1.7.-31.12.2006: 2.9%).

DEPRECIATION AND AMORTISATION

Amortisation of intangible assets (customer relationships and – up to and including August 2007 – orders on hand) amounting to EUR 6,748, which were identified at first-time consolidation, were included under depreciation and amortisation totalling EUR 18,149 (1.7.-31.12.2006: EUR 12,795).

OTHER OPERATING EXPENSES

IN EUR	01.01. – 30.09.2007	01.07. – 31.12.2006
Repairs	2,860	1,707
Insurance and membership fees	1,353	838
Rental and leasing expenses	1,422	362
Various personnel expenses	856	224
Legal and consulting fees	916	2,173
Advertising	679	1,195
Reduction of lease credit note WKA from 2006	500	0
Travel expenses	345	236
Realised and non-realised profits from derivatives	316	0
Motor vehicle costs	225	275
Procurement of diesel inventories for resale	265	479
Sales commission	218	0
Prepayment penalty for loan repayments	166	0
Financial statement costs	393	913
Bank charges	147	233
Increase in allowances and accounts receivable losses	89	202
Remuneration of Supervisory Board	99	162
Adjustment of claims from investment grants	0	4,685
Foreign exchange losses	38	219
Miscellaneous	2,080	1,287
Other operating expenses	12,967	15,190

INCOME TAX EXPENSE

Tax expenses for the period 1 January to 30 September 2007 amounting to KEUR 1,080 are comprised as follows:

IN KEUR	01.01. – 30.09.2007	01.07. – 31.12.2006
Current tax expense	4,962	6,705
Deferred tax expense	- 3,882	311
Total	1,080	7,016

The deferred tax assets 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. As a result of the reduction in the deferred tax rate from 37.42% to 27.6% there was a positive effect from tax rate changes of KEUR 2,940 in deferred taxes.

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.

Operating cash flow amounted to KEUR -68,172 and was mainly influenced by the increase in inventories of KEUR 69,357. For the first time, trading volumes of grain were established amounting to KEUR 42,726 as well as inventories of rapeseed amounting to KEUR 43,256 as of the balance sheet date. The cash flow from investing activities (KEUR -8,381) is determined by the net repayment of time deposits amounting to KEUR 14,913 and capital expenditures of KEUR 23,153. The cash flow from financing activities (KEUR 16,824) is determined by net proceeds of KEUR 45,593 from secured credit transactions to finance the increase in inventories and the repayment of financial liabilities amounting to KEUR 33,692. As a consequence, cash and cash equivalents fell by KEUR 59,729 during the period 1 January to 30 September 2007.

SEGMENT REPORTING

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

IN KEUR	01.01. – 30.09.2007	BIODIESEL	BIOETHANOL	ENERGY	OTHER	TOTAL
Revenue		209,266	79,636	16,151	2,041	307,094
Change in finished and unfinished goods		2,223	3,158	0	0	5,381
Other operating income		1,467	1,739	1,252	35	4,493
Cost of materials		- 185,653	- 76,269	- 10,702	- 648	- 273,272
Personnel expenses		- 5,321	- 5,147	- 115	- 409	- 10,992
Depreciation and amortisation		- 7,155	- 8,773	- 1,831	- 390	- 18,149
Other operating expenses		- 5,721	- 5,024	- 1,743	- 479	- 12,967
Other taxes		- 4	- 32	0	- 66	- 102
Segment earnings		9,102	- 10,712	3,012	84	1,486
Interest income		2,596	702	245	32	3,575
Interest expenses		- 1,976	- 1,961	- 633	- 56	- 4,626
Earnings before tax		9,722	- 11,971	2,624	60	435

IN KEUR	01.01. – 30.09.2007	BIODIESEL	BIOETHANOL	ENERGY	OTHER	TOTAL
Revenue		76,140	22,225	3,858	1,104	103,327
Change in finished and unfinished goods		2,271	- 542	0	0	1,729
Other operating income		303	643	238	37	1,221
Cost of materials		- 66,935	- 20,986	- 2,607	- 334	- 90,862
Personnel expenses		- 1,703	- 1,700	- 38	- 265	- 3,706
Depreciation and amortisation		- 2,130	- 2,851	- 582	- 228	- 5,791
Other operating expenses		- 2,619	- 1,561	- 892	- 414	- 5,486
Other taxes		- 1	- 2	0	- 45	- 48
Segment earnings		5,326	- 4,774	- 23	- 145	384
Interest income		442	350	75	20	887
Interest expenses		- 354	- 991	- 177	- 18	- 1,540
Earnings before tax		5,414	- 5,415	- 125	- 143	- 269

Contingent liabilities and other financial obligations

PURCHASE OBLIGATIONS

As at 30 September 2007, there was an order obligation for investments amounting to KEUR 4,963.

LEASING AGREEMENTS

Additional financial obligations of KEUR 38,967 exist from various long-term leasing agreements (wind farms and facility sites), of which KEUR 14,901 relate to the following year, KEUR 19,354 to the next one to five years and KEUR 4,712 to the period exceeding five years.

Corporate Bodies

MANAGEMENT BOARD

CLAUS SAUTER
Chief Executive Officer

DR.-ING. GEORG POLLERT
Chief Technology Officer,
Deputy Chairman of the Board

MARTIN MEURER
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

04.03.2008 Publication of preliminary figures for fiscal year 2007
28.03.2008 Balance sheet press conference/Analysts' conference
15.05.2008 Publication of the 1st Quarter 2008 results
12.06.2008 Annual Shareholders' Meeting
14.08.2008 Publication of the 1st Half-Year 2008 results
14.11.2008 Publication of the 1st 9 Months 2008 results

Contact

INVESTOR RELATIONS

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