

INTERIM REPORT, 31 MARCH 2008
VERBIO Vereinigte BioEnergie AG



Key Figures

OPERATING DATA

	Q1 2008	Q1 2007	Δ 2008-2007
Production (tonne)	107,627	123,419	-15,792
Utilization (%)	60.0%	70.5%	-10.5%
Number of employees	387	310	77
Investments in property, plant and equipment (in EUR million)	2.6	4.3	-1.7

PROFITABILITY

IN EUR MILLION	Q1 2008	Q1 2007	Δ 2008-2007
Sales	125.1	103.1	+22.0
Gross margin	17.8	16.1	+1.7
EBITDA	3.3	9.4	-6.1
EBIT	0.7	3.3	-2.6
EBT	-0.3	3.1	-3.4
Net result	-1.4	0.3	-1.7

LIQUIDITY AND RISK

IN EUR MILLION	31.03.2008	31.03.2007	Δ 2008-2007
Net debt ¹	5.4	71.8	-66.4
Operating cash flow	27.0	-2.3	29.3
Equity ratio	59.5%	74.2%	-14.7%

FINANCIAL STATUS

IN EUR MILLION	31.03.2008	31.03.2007	Δ 2008-2007
Capital employed	477.4	723.6	-246.2
Working capital	93.8	40.3	53.5
Cash and cash equivalents, restricted cash balances	60.2	146.6	-86.4

PRODUCTIVITY

	31.03.2008	31.03.2007	Δ 2008-2007
EBIT in EUR/tonne	6.8	42.9	-36.1
Production in tons/FTE	278	398	-120

RETURN ON INVESTMENT

	31.03.2008	31.03.2007	Δ 2008-2007
ROCE	0.15%	0.46%	-0.31

KEY DATA PER SHARE

	31.03.2008	31.03.2007	Δ 2008-2007
Earnings per share in EUR	-0.02	0.01	-0.03
Number of shares in million	63	63	0
Market capitalization in EUR million	79	470	-391

SEGMENTS

IN EUR MILLION	Q1 2008	Q1 2007	Δ 2008-2007
Biodiesel sales	92.6	66.0	26.6
Biodiesel EBIT	4.3	1.2	3.1
Bioethanol sales	22.7	28.1	-5.4
Bioethanol EBIT	-6.0	-1.5	-4.5
Energy sales	8.2	8.5	-0.3
Energy EBIT	2.5	3.6	-1.1
Other sales	1.6	0.5	1.1

1 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.

VERBIO AG

05	CONSOLIDATED INTERIM MANAGEMENT REPORT
05	COMMENTS ON REPORTING
05	ECONOMIC SITUATION
06	SALES AND EARNINGS DEVELOPMENT
07	ASSETS AND FINANCIAL SITUATION
08	SEGMENT REPORTING
09	SHARE BUYBACK PROGRAMME
10	RELATED PARTY DISCLOSURES
10	OPPORTUNITY AND RISK REPORT
10	FORECAST REPORT AND OUTLOOK
12	INTERIM CONSOLIDATED FINANCIAL STATEMENTS
13	CONSOLIDATED INCOME STATEMENT
14	CONSOLIDATED BALANCE SHEET
16	CONSOLIDATED CASH FLOW STATEMENT
17	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
18	NOTES ON THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
29	CORPORATE BODIES
29	FINANCIAL CALENDAR
	CONTACT
	IMPRINT

Consolidated interim management report

for the period from 1 January to 31 March 2008

COMMENTS ON REPORTING

The financial reporting of VERBIO Vereinigte BioEnergie AG (hereinafter also referred to as VERBIO AG or VERBIO) is based on International Financial Reporting Standards (IFRS). The interim report is generally regarded as an update to the annual report and should therefore be read in conjunction with the annual report published for the fiscal year 2007. The prior-year figures disclosed in this report were prepared using the same accounting and measurement methods.

ECONOMIC SITUATION

As of 1 January 2008, the blending quota for ethanol in petrol now amounts to 2.0% (energy input) and the tax on pure biodiesel (B100) to 0.15 EUR/litre. The year-on-year increase in the blending quota of 0.8% for ethanol has not yet led to any noticeable rise in consumption. Demand for B100 is falling sharply: consumption in the first two months of 2008 decreased by 60.0%, whereas the market for blended fuels increased by approximately 34.0%.¹

The biodiesel sector was aided by high and extremely volatile crude oil prices, which have kept diesel prices at a relatively stable and high level. This compensated in part for the strong increase in raw material prices compared with the same period last year.

PRICE DEVELOPMENT (QUARTERLY AVERAGE)

IN EUR/TONNE	Q1 2008	Q1 2007	CHANGE IN %
Crude oil in USD/Barrel	98	58	+69.0
Mineral diesel	600	417	+43.9
Rapeseed oil	900	575	+56.5
Wheat (matif)	264	140	+88.6

(Source: Reuters)

The situation in the bioethanol sector remains unchanged difficult. Demand for bioethanol for blending purposes remained unsatisfactory – despite the higher blending quota (2007: 1.2%; 2008: 2.0%) and increased petrol consumption.

¹ Source: Ufop-Market-Information May 2008

Domestic consumption in the first three months 2008 increased merely 0.1% from 77.4 thousand tonnes to 78.7 thousand tonnes compared to the previous year. High raw material prices mean that it is impossible to produce at competitive prices on the basis of grain feedstock.

SALES AND EARNINGS DEVELOPMENT

In the first three months of fiscal year 2008, 107,467 tons were produced (Q1 2007: 123,419 tons). Sales were up 22.0 million or 21.3% on the prior-year period. This increase in sales resulted almost exclusively from the Biodiesel segment, which benefited from a strong increase in capacity utilisation and higher diesel prices.

GROUP AND SEGMENT REVENUE

IN EUR MILLION	Q1 2008	Q1 2007	CHANGE IN %
Biodiesel	92.6	66.0	+40.3
Bioethanol	22.7	28.1	-19.2
Energy	8.2	8.5	-3.5
Other	1.6	0.5	n.a.
Group	125.1	103.1	+21.3

Revenues in the Bioethanol segment were below the prior-year level.

In the first three months of 2008, 93,907 tonnes of biodiesel (Q1 2007: 86,859 tonnes) and 13,560 tonnes of bioethanol (Q1 2007: 36,560 tonnes) were produced. Bioethanol was only produced in Zörbig, based on our total proportionate production capacity of 270,000 tonnes per year, capacity utilisation reached 20.1% (Q1 2007: 54.2%).

In the Energy segment, revenues in the first quarter of 2008 were slightly below the prior-year level due to weaker wind months.

Revenues in the Other segment during the first quarter of 2007 did not yet contain revenue from fleet services.

GROUP AND SEGMENT EBIT

IN EUR MILLION	Q1 2008	Q1 2007
Biodiesel	4.3	1.2
Bioethanol	-6.0	-1.5
Energy	2.5	3.6
Other	-0.1	0.0
Group	0.7	3.3

The consolidated operating result amounted to EUR 0.7 million. The EBIT margin in the Biodiesel segment amounted to 4.6% (Q1 2007: 1.8%). The loss in the Bioethanol segment resulted amongst others from the negative result from forward contracts of EUR -2.6 million and the lower utilisation of capacities. In Q1 fixed contracts for grain disposals were made, the expected contribution of this segment to operating income in the next months is about EUR 5.5 million.

Compared with the prior-year figure, the financial result fell to EUR -1.0 million (Q1 2007: EUR -0.2 million) as a result of reduced cash and cash equivalents and a higher level of capital tied up in inventories.

Earnings before taxes amounted to EUR -0.3 million. Due to non-use of deferred tax assets for tax loss carryforwards, there was a non-cash deferred tax expense of EUR -1.0 million, which led to a result for the period of EUR -1.4 million.

ASSETS AND FINANCIAL SITUATION

The reduction in inventories and fall in liabilities were the major causes for a reduction in the balance sheet total compared with 31 December 2007. Cash and cash equivalents and restricted cash balances were around EUR 3 million higher than at year-end 2007.

BALANCE SHEET STRUCTURE

IN EUR MILLION	31.03.2008	IN % OF TOTAL ASSETS	31.12.2007	IN % OF TOTAL ASSETS
ASSETS				
Non-current assets	278.5	54.4%	277.2	51.0%
Current assets	233.1	45.6%	266.1	49.0%
Total	511.6	100.0%	543.3	100.0%
LIABILITIES AND EQUITY				
Equity	304.6	59.5%	318.8	58.7%
Non-current liabilities	54.3	10.6%	55.9	10.3%
Current liabilities	152.7	29.9%	168.6	31.0%
Total	511.6	100.0%	543.3	100.0%

Net financial assets amounted to EUR 5.4 million (Q1 2007: EUR 71.8 million). As of the reporting date, the equity ratio stood at 59.5% (31.12.2007: 58.7%).

The decrease in inventories and the reduction in trade receivables and other assets resulted in cash flow from operating activities of EUR 27.0 million. Cash flow from financing activities of EUR -21.5 million resulted mainly from a reduction in liabilities in connection with grain financing. Cash and cash equivalents at the end of the period amounted to EUR 60.2 million (31.12.2007: EUR 57.2 million; 31.03.2007: EUR 26.6 million).

EMPLOYEES

As at 31 March 2008, VEBIO had a workforce of 387 employees (31.03.2007: 310 employees), thereof 55 employees worked short-time (Schwedt ethanol plant). In addition, the company employs 21 apprentice trainees (31.03.2007: 19 apprentice trainees).

INVESTMENTS

In the first quarter of 2008 around EUR 2.6 million was invested in property, plant and equipment (Q1 2007: EUR 4.3 million).

SEGMENT REPORTING

BIODIESEL

In the first quarter of 2008, capacity at the Schwedt/ Oder facility was raised by 50,000 tonnes per year.

BIODIESEL

IN TONNES	01.01.–31.03.2008	01.01.–31.03.2007
Nominal capacity p.a.	450,000	400,000
Production capacity p.a.	427,500	380,000
Nominal capacity proportionate	112,500	100,000
Production capacity proportionate	106,875	95,000
Production in tonnes	93,907	86,859
Utilisation of nominal capacity	83.5 %	86.9 %
Utilisation of production capacity	87.9 %	91.4 %

In the first quarter of 2008, revenues were well above the previous quarter at EUR 92.6 million (Q1 2007: EUR 66.0 million). Despite strong competition and high raw material prices, the increase in sales and higher mineral oil prices led to an 79.2 percent higher segment result amounting to EUR 4.3 million (Q1 2007: EUR 1.2 million).

In the first three months of 2008, a total of EUR 2.1 million was invested in the Biodiesel segment (Q1 2007: EUR 1.2 million). Capital expenditure focused on the esterification plant in Schwedt/Oder.

As at 31 March 2008, a total of 92 people were employed in this segment (31.03.2007: 94 employees).

BIOETHANOL

Proportionate utilisation in this segment amounted to 54.2% in the first quarter of 2008, without counting the capacities of Schwedt/Oder (200,000 tonnes p.a.).

BIOETHANOL		
IN TONNES	01.01.–31.03.2008	01.01.–31.03.2007
Nominal capacity p.a.	300,000	300,000
Production capacity p.a.	270,000	270,000
Nominal capacity in tonnes	75,000	75,000
Production capacity in tonnes	67,500	67,500
Production in tonnes	13,560	36,560
Utilisation for nominal capacity	18.1 %	48.7 %
Utilisation for production capacity	20.1 %	54.2 %

Sales of bioethanol in the first quarter of 2008 amounted to EUR 22.7 million (Q1 2007: EUR 28.1 million). The segment result amounted to EUR -6.0 million (Q1 2007: EUR -1.6 million).

A total of EUR 0.8 million was invested in this segment in the first quarter of 2008 (Q1 2007: EUR 4.0 million), primarily in the biogas plant in Schwedt/Oder.

As at 31 March 2008, 184 people were employed in this segment (31.03.2007: 192 employees).

SHARE BUYBACK PROGRAMME

On October 25, 2007 the Executive Board utilised an authorisation of the Annual Shareholders' Meeting and resolved to acquire up to two million treasury shares in the period from 26 October 2007 until no later than 31 May 2008. The repurchased shares are for the purpose of servicing an option and employee share programme and for use as an acquisition currency.

As of 31 March 2008, a total of 881,501 treasury shares had been acquired at an average price of EUR 2.54 per share. This represents 1.4% of share capital. 510,303 shares were bought back during the period under review.

RELATED PARTY DISCLOSURES

There have been no significant changes compared with the disclosures made in the annual report as of 31.12.2007.

OPPORTUNITY AND RISK REPORT

There were no changes in VERBIO's opportunity and risk profile in the first three months of 2008. VERBIO's opportunities and risks are reported in detail in our annual report 2007, together with a description of our risk management system.

FORECAST REPORT AND OUTLOOK

OUTLOOK – RAW MATERIAL PRICES SEEK BALANCE AT A HIGH LEVEL

For 2008 the Management Board of VERBIO assumes that the biofuel market in Germany especially the pure biodiesel market will further consolidate. In 2008 the price level concerning the segment bioethanol will also be predominantly ruled by the import from Brazil because of the high raw material prices.

Currently there are no signs that the raw oil price will fall sustainably. The development of the raw material prices are not showing any reliable indication of the price of the new harvest.

BIODIESEL – HIGH CAPACITY UTILISATION AND STABILISATION OF THE GROSS MARGIN

In the Biodiesel segment we want to achieve at least the high capacity utilisation of prior years in 2008. Additionally we expanded the capacity by 50,000 tonnes in Schwedt/Oder resulting in a total capacity in the Biodiesel segment of 450,000 tonnes per year.

ETHANOL – THE USAGE OF SUGAR CONTAINING RAW MATERIAL WILL BE FORCED AND ADDITIONAL PROFIT FROM TRADING OF GRAIN WILL BE EXPECTED

In May 2008 out of cost reasons the Bioethanol plant in Schwedt/Oder (200,000 tonnes per year) will be run up, and should reach a full utilisation on a monthly basis till year end. The utilisation of the plant in Zörbig will be reduced in return. Because of the measurements of cost reduction and successful tests with alternative raw materials like sugar syrup, crystal sugar and molasses – and if the raw material prices stay at the current level – we can offer competitive ethanol.

OUTLOOK: CONSOLIDATION – POSITIONING – PROFIT GENERATING

Based on the existing conditions the Board of Management of VERBIO assumes also for 2008 a difficult business year. Operative and financial measures to improve the competitiveness were introduced respectively are currently further processed. The increase in profitability and the significant improvement of the CO₂-Efficiency in preparation for the Biomass-Sustainability Directive are the central working areas.

Besides this, the Board of Management examines to sell the wind engines because of the limited options to further develop the business sector wind energy and due to the current good interest.

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 31 March 2008

Consolidated Income Statement in accordance with IFRS

for the period 1 January to 31 March 2008

IN KEUR	01.01. – 31.03.2008	01.01. – 31.03.2007
1. Revenue (Including energy tax collected)	127,628	104,533
less: energy taxes	-2,530	-1,424
Revenue	125,098	103,109
2. Change in unfinished and finished goods	2,127	-452
3. Other capitalized production of own plant and equipment	347	0
4. Other operating income	1,299	1,655
5. Cost of materials		
a) Raw materials, consumables and supplies	-87,446	-76,165
b) Purchased services	-22,298	-10,417
6. Personnel expenses	-4,022	-3,268
7. Depreciation and amortisation	-2,575	-6,153
8. Other operating expenses	-10,180	-5,033
9. Result from commodity forward contracts	-1,613	0
10. Operating result	737	3,276
11. Interest income	680	1,379
12. Interest expense	-1,728	-1,558
13. Financial result	-1,048	-179
14. (Loss) income before tax	-311	3,097
15. Income tax benefit (expense)	-1,053	-2,749
16. Net (loss) income for the period	-1,364	348
Loss (earnings) per share (basic and diluted)	-0.02	0.01

Consolidated Balance Sheet in accordance with IFRS

at 31 March 2008

ASSETS

IN KEUR	31.03.2008	31.12.2007
A. NON-CURRENT ASSETS		
I. Goodwill	155,655	155,655
II. Customer relationships	19,048	19,411
III. Other intangible assets	247	266
IV. Property, plant and equipment	100,626	99,921
V. Financial assets	1,284	1,268
VI. Deferred tax claims	1,589	667
Total non-current assets	278,449	277,188
B. CURRENT ASSETS		
I. Inventories	80,413	97,394
II. Trade receivables	47,610	52,164
III. Tax refunds	12,082	11,737
IV. Other assets	22,307	30,331
V. Derivatives	10,536	17,273
VI. Restricted cash balances	17,577	7,133
VII. Cash and cash equivalents	42,601	50,028
Total current assets	233,126	266,060
Total assets	511,575	543,248

LIABILITIES

IN KEUR	31.03.2008	31.12.2007
A. EQUITY		
I. Share capital	63,000	63,000
II. Additional paid-in capital	483,659	483,659
III. Fair value reserve	-6,801	4,908
IV. Reserve for treasury shares	-2,234	-1,131
V. Retained earnings	-233,023	-231,659
Total equity	304,601	318,777
B. NON-CURRENT LIABILITIES		
I. Provisions	599	578
II. Financial liabilities	22,103	24,286
III. Deferred investment grants and subsidies	10,772	11,138
IV. Other non-current liabilities	17,606	17,584
V. Deferred tax liabilities	3,217	2,276
Total non-current liabilities	54,297	55,862
C. CURRENT LIABILITIES		
I. Provisions for income taxes	8,880	8,880
II. Other provisions	18,904	18,276
III. Financial liabilities	15,055	15,845
IV. Trade payables	34,222	36,927
V. Deferred investment grants and subsidies	1,680	1,745
VI. Other current liabilities	58,426	74,955
VII. Derivatives	15,510	11,981
Total current liabilities	152,677	168,609
Total equity and liabilities	511,575	543,248

Consolidated Cash Flow Statement in accordance with IFRS

for the period 1 January to 31 March 2008

IN KEUR	01.01. – 31.03.2008	01.01. – 31.03.2007
Net loss for the period (in prior period: net income)	- 1,364	348
Income tax expense	1,053	2,749
Financial result	1,048	179
Depreciation and amortization	2,575	6,153
Loss on disposal of non-current assets	4	4
Release of deferred investment grants and subsidies	- 495	- 836
Changes in derivatives with effect on income	- 2,474	- 108
Decrease in inventories	16,981	7,766
Decrease (in prior period: increase) in trade payables	4,554	- 6,108
Decrease (in prior period: increase) in other assets	8,082	- 1,079
Increase (in prior period: decrease) in provisions	525	- 5,064
Decrease in trade receivables	- 3,064	- 3,587
Increase (in prior period: decrease) in other liabilities	413	- 1,381
Interest paid	- 1,112	- 1,059
Interest received	669	156
Income tax paid	- 348	- 427
Cash flows from operating activities	27,047	- 2,294
Investments in time deposits	0	- 50,138
Proceeds from the disposal of property, plant and equipment	43	4
Acquisition of property, plant and equipment	- 2,579	- 4,281
Acquisition of intangible assets	- 7	- 42
Cash flows from investing activities	- 2,543	- 54,457
Acquisition of treasury stock	- 1,103	0
Payments on secured loans	- 17,411	- 3,882
Proceeds from assuming financial liabilities	0	252
Repayment of financial liabilities	- 2,973	- 3,602
Cash flows from financing activities	- 21,487	- 7,232
Net cash flows	3,017	- 63,983
Cash funds at beginning of year	57,161	90,616
Cash funds at end of year	60,178	26,633

Consolidated Statement of Changes in Equity in accordance with IFRS

for the period 1 January to 31 March 2008

IN KEUR	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	OTHER RESERVES	RESERVE FOR TREASURY SHARES	RETAINED EARNINGS	TOTAL EQUITY
December 31, 2006	63,000	484,380	1,479	0	14,694	563,553
Revaluation of derivatives (after tax)	0	0	3,429	0	0	3,429
Expenses of raising capital (after tax) ¹	0	-721	0	0	0	-721
Income and expenses recorded directly to equity	0	-721	3,429	0	0	2,708
Net loss for the period	0	0	0	0	-246,353	-246,353
Total income and expenses for the period	0	-721	3,429	0	-246,353	-243,645
Acquisition of treasury stock	0	0	0	-1,131	0	-1,131
December 31, 2007	63,000	483,659	4,908	-1,131	-231,659	318,777
Revaluation of derivatives (after tax)	0	0	-11,709	0	0	-11,709
Income and expenses recorded directly to equity	0	0	-11,709	0	0	-11,709
Net loss for the period	0	0	0	0	-1,364	-1,364
Total income and expenses for the period	0	0	-11,709	0	-1,364	-13,073
Acquisition of treasury stock	0	0	0	-1,103	0	-1,103
March 31, 2008	63,000	483,659	-6,801	-2,234	-233,023	304,601

¹ Decrease in deferred taxes in connection with expenses of the initial public offering and the release of the liability for initial public offering costs

Notes on the Interim Consolidated Financial Statements according to IFRS

for the period 1 January to 31 March 2008

ACCOUNTING AND VALUATION METHODS

The Group interim report as of 31 March 2008 with selected explanations has 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 2007. These Interim Consolidated Financial Statements do not include all the information required for the Consolidated Financial Statements to the end of a fiscal year and they should therefore be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2007.

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.

ENTITIES INCLUDED IN THE CONSOLIDATION

There were no changes in the consolidated group during the period under review.

NOTES ON THE INDIVIDUAL ITEMS IN THE BALANCE SHEET

Non-current assets

GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets include goodwill, customer relationships and software licenses. Customer relationships are amortised over 15 years. Goodwill is subjected to an annual impairment review in accordance with 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 Zörbig sites. These investments mainly involved expansion of the esterification plant and biogas plant in Schwedt.

FINANCIAL ASSETS

This item comprises a receivable of STS (nominal value) which has been deferred without interest charge until 31 December 2009 under consideration of accrued interest.

Current assets

INVENTORIES

IN KEUR	31.03.2008		31.12.2007	
Raw materials, consumables and supplies bioethanol production	21,263		23,924	
less: allowance	-8,223	13,040	-9,069	14,855
Raw materials, consumables and supplies biodiesel production		23,448		35,247
Work in process - Bioethanol		246		0
Work in process - Biodiesel		180		351
Finished products				
Biodiesel, Pharmaglycerin		7,137		3,558
Bioethanol	6,658		8,149	
less: allowance	-384	6,274	-384	7,765
Merchandise (grain)	34,103		39,703	
less: allowance	-4,015	30,088	-4,117	35,586
Merchandise (glycerin)		0		32
Inventories		80,413		97,394

These write-downs are disclosed in the income statement under the item "Cost of materials".

The reduction in inventories compared with 31 December 2007 results mainly from a decrease in raw materials, consumables and supplies for biodiesel production and trading volumes of grain.

TRADE RECEIVABLES

Trade receivables amounted to KEUR 47,610 (31.12.2007: KEUR 52,164) and are disclosed net after consideration of adjustments totalling KEUR 206 (31.12.2007: KEUR 222). The receivables have a residual term of less than one year.

TAX REFUND CLAIMS

Tax refund claims amounting to KEUR 12,082 (31.12.2007: KEUR 11,737) concern mainly work withholding tax, corporate tax and trade tax.

OTHER ASSETS

IN KEUR	31.03.2008	31.12.2007
Investment subsidies	11,052	11,012
Security deposits resulting from security agreements and liability declarations	3,159	3,124
Unrealized gains on forward contracts	2,952	1,302
Value added tax receivable	1,219	4,300
Deferred expenses	1,162	343
Claims from security deposits to be reimbursed (customs office)	942	0
Advanced payments for inventories	480	7,145
Reimbursement of electricity and energy tax	206	992
Security deposits due to omission of energy tax	200	200
Creditor accounts with debit balances	107	223
Security deposits for unrealized losses on forward contracts	0	1,060
Other	828	630
Other assets	22,307	30,331

DERIVATIVES

In order to secure the supply of raw materials for biodiesel production, derivatives are used in the form of forward purchase contracts for vegetable oil to hedge against margin-effective price levels and secure access to the raw material as a procurement instrument. As of the balance sheet date, the positive market values of these forward contracts amounted to KEUR 8,819 and the negative to KEUR 5,341. These market values are recognised directly in equity.

Forward purchases were also made to hedge against grain stocks and falling prices from firm obligations for rapeseed oil. The positive market values amounted to KEUR 1,615 as of the balance sheet date.

Hedging in the form of fixed diesel sales to counter variable diesel sales is undertaken to secure revenue from sales contracts linked to mineral diesel prices. The positive and negative market values of these swaps of KEUR 102 and KEUR 10,169 as of the balance sheet date were recognised directly in equity after deduction of non-effectiveness.

CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH BALANCES

Cash and cash equivalents totalling KEUR 60,178 (31.12.2007: KEUR 57,161) comprise cash in hand as well as bank balances. Cash and cash equivalents also include bank balances with original terms of up to three months. Cash and cash equivalents which mainly serve as security for financial derivative transactions and for credit lines used, are regarded as restricted and disclosed separately. As of the balance sheet date, they amounted to KEUR 17,577 (31.12.2007: KEUR 7,133).

Equity

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

FAIR VALUE RESERVE

The fair value reserve comprises the effective portion of changes in the fair value of forward purchase contracts qualifying as cash flow hedges, which had not been realized up until 31 March 2008.

RESERVE FOR TREASURY SHARES

As of 31 March 2008, VERBIO had acquired 881,501 treasury shares at an average price of EUR 2.54 per share. Of this total, 510,303 shares were bought back during the period under review.

Non-current liabilities

PROVISIONS

Non-current provisions amounting to KEUR 599 (31.12.2007: KEUR 578) represent mainly asset retirement obligations for wind power plants (KEUR 426; 31.12.2007: KEUR 420).

FINANCIAL LIABILITIES

Non-current financial liabilities relate exclusively to bank loans and were decreased by comparison with 31 December 2007 mainly as a result of scheduled repayments.

ASSIGNED SECURITIES

Bank loans reported under financial liabilities are mainly collateralised by mortgages on company sites, assignment of inventories, technical facilities and machinery, vehicles, and production and office equipment as well as pledging of bank balances.

We refer to the detailed notes on financial statements in the annual report for the period ending 31 December 2007 for further information.

DEFERRED INVESTMENT GRANTS AND SUBSIDIES

IN KEUR	INVESTMENT SUBSIDIES	INVESTMENT GRANTS	TOTAL
Balance as of December 31, 2007	10,156	2,727	12,883
Addition for current period	64	0	64
Release for current period	-495	0	-495
Balance as of March 31, 2008	9,725	2,727	12,452
Thereof current	1,181	499	1,680
Thereof non-current	8,544	2,228	10,772

OTHER NON-CURRENT LIABILITIES

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

DEFERRED TAXES

Deferred taxes are determined on the basis of the balance-sheet oriented liability method. According to this method, deferred taxes result from temporary differences between the IFRS carrying values of assets and liabilities and their tax values. In addition, deferred tax assets are recognized on tax loss carryforwards. Deferred tax assets are only recorded if it is probable that a future taxable result will be available against which the deferred tax claim can be realized. A tax rate of 27.6% was used for the calculation of domestic deferred taxes, which comprised corporate tax of 15% plus the solidarity surcharge of 5.5%, as well as a trade tax rate of 11.77%. A country-specific tax rate of 10% was used for the calculation of foreign deferred taxes (exclusively Switzerland).

Current liabilities

TAX LIABILITIES

Compared with 31 December 2007, tax liabilities continued to comprise mostly trade tax obligations at the level of the production companies (KEUR 2,960) and construction work withholding tax (STS) of KEUR 5,918.

OTHER PROVISIONS

IN KEUR	31.03.2008	31.12.2007
Investment grant	7,716	8,510
Impending liabilities für premium guaranties in connection with the energy crop program	5,293	5,293
Provision for impending losses	5,821	4,400
Miscellaneous	74	73
Other provisions	18,904	18,276

FINANCIAL LIABILITIES

Financial liabilities (bank loans) were reduced mainly as a result of scheduled repayment to KEUR 15,055 (31.12.2007: KEUR 15,845).

OTHER CURRENT LIABILITIES

IN KEUR	31.03.2008	31.12.2007
Liabilities from grain transactions	46,931	62,956
Value added tax	2,868	5,607
Realized losses on forward contracts	2,258	669
Payments received for non-realised gains from forward contracts	1,615	0
Back payments of rent WKA	969	590
Wages and salaries	728	745
Property transfer taxes	658	558
Bonuses and special payments	658	571
Energy tax	433	1,725
Deposits received	169	85
Payroll taxes	160	273
Miscellaneous	979	1,176
Other current liabilities	58,426	74,955

NOTES ON INDIVIDUAL ITEMS OF THE INCOME STATEMENT

REVENUE

IN EUR MILLION	31.03.2008	31.03.2007	CHANGE IN %
Biodiesel	92,6	66,0	40,3
Bioethanol	22,7	28,1	-19,2
Energy	8,2	8,5	-3,5
Other	1,6	0,5	n.a.
Group	125,1	103,1	21,3

OTHER OPERATING INCOME

IN KEUR	01.01. - 31.03.2008	01.01. - 31.03.2007
Release of investment grants relating to current period	495	836
Charge out of storage fees	283	0
Reimbursement of electricity tax and energy tax	141	229
Miscellaneous	380	590
Other operating income	1,299	1,655

COSTS OF MATERIALS

COST OF MATERIALS 01.01. – 31.03.2008 IN KEUR	BIODIESEL	BIOETHANOL	ENERGY	OTHER	TOTAL
Revenue	92,600	22,684	8,234	1,580	125,098
Change in finished and unfinished products	3,373	-1,245	0	-1	2,127
Other capitalized production of own plant and equipment	49	298	0	0	347
Cost of materials	-83,375	-20,862	-4,744	-763	-109,744
Gross profit	12,647	875	3,490	816	17,828
Material cost quota	86.8%	96.0%	57.6%	48.3%	86.0%

COST OF MATERIALS 01.01. – 31.03.2007 IN KEUR	BIODIESEL	BIOETHANOL	ENERGY	OTHER	TOTAL
Revenue	66,015	28,120	8,488	486	103,109
Change in finished and unfinished products	-737	285	0	0	-452
Cost of materials	-58,095	-23,982	-4,387	-118	-86,582
Gross profit	7,183	4,423	4,101	368	16,075
Material cost quota	89.0%	84.4%	51.7%	24.3%	84.3%

Outgoing freight previously disclosed under cost of material (Q1 2008 KEUR 2,832; Q1 2007 KEUR 1,958) was disclosed for the first time under other operating expenses. The prior-year figures were adjusted accordingly.

PERSONNEL EXPENSES

At the balance sheet date, the Group had a workforce of 387 employees (31.12.2007: 310 employees), of which 139 were salaried employees (31.12.2007: 100 salaried) and 248 were non-salaried employees (31.12.2007: 210 non-salaried).

DEPRECIATION AND AMORTISATION

Compared with the prior-year period (1.1.-31.3.2007), depreciation and amortisation fell by KEUR 3,578 to KEUR 2,575. The change resulted mainly from the omission of depreciation on orders on hand and the subsequent impact from write-downs in the Bioethanol segment undertaken in the previous year.

OTHER OPERATING EXPENSES

IN KEUR	01.01. – 31.03.2008	01.01. – 31.03.2007
Outgoing freight	2,832	1,958
Warehousing expenses	1,895	0
Additions to impending loss provision for pending sales contracts	1,607	0
Repairs	1,180	1,045
Insurance and dues	489	411
Rental and leasing expenses	339	167
Miscellaneous personnel expenses	358	187
Legal and consulting fees	252	236
Advertising	163	112
Bank charges	55	77
Motor vehicle costs	81	55
Miscellaneous	929	785
Other operating expenses	10,180	5,033

Outgoing freight was previously disclosed under cost of material. In order to aid comparison, the prior-year figure was reclassified accordingly.

Warehousing expenses result from changed purchase conditions compared to Q1 2007.

RESULT FROM COMMODITY FORWARD CONTRACTS

The result from the valuation of forward contracts which do not qualify for hedge accounting amounts to KEUR -1,613. In addition, an amount of KEUR 3,429 was transferred to the fair value reserve in equity, without an effect on the income statement, from the valuation of forward contracts that qualify as cash flow hedges and after consideration of deferred taxes (KEUR 1,215).

INCOME TAX EXPENSE

Tax expenses for the period 1 January to 31 March 2008 amounting to KEUR 1,053 are comprised as follows:

IN KEUR	01.01. – 31.03.2008	01.01. – 31.03.2007
Current tax expenses	3	3,009
Deferred tax expense (in prior period benefit)	1,050	-260
Income tax expense	1,053	2,749

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 carryforwards.

EARNINGS PER SHARE

Issued shares on January 1, 2008	62,627,702
Effect of treasury shares	-231,008
Weighted average number of shares outstanding during the period	62,396,694
Result per share in EUR (KEUR -1,364 / 62,396,694 shares)	-0.02
<hr/>	
Issued shares on January 1, 2007	63,000,000
Effect of treasury shares (beginning of share buyback programme: October 26, 2007)	0
Shares outstanding on March 31, 2007	63,000,000
Result per share in EUR (KEUR 348 / 63,000,000 shares)	0.01

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 27,047 and was mainly influenced by the decrease in inventories of KEUR 16,981 due to a reduction in trading volumes of grain as well as in other assets of KEUR 8,082. The cash flow from investing activities (KEUR -2,543) is determined by capital expenditures of KEUR 2,579. The cash flow from financing activities (KEUR -21,487) is mainly determined by disbursements of KEUR 17,411 from secured credit transactions due to the decrease in trading volumes of grain. As a consequence, cash and cash equivalents rose by KEUR 3,017 during the period 1 January to 31 March 2008.

SEGMENT REPORTING

The Group's risks and revenues are determined significantly by its business segments. Consequently, these form the primary segment reporting format. The VERBIO Group is divided on the basis of its internal organisation and management structure into the business segments Biodiesel, Bioethanol, Energy and Other.

SEGMENT REVENUES AND RESULTS 1 JANUARY – 31 MARCH 2008

IN KEUR	01.01. – 31.03.2008	BIODIESEL	BIOETHANOL	ENERGY	OTHER	TOTAL
Revenue		92,600	22,684	8,234	1,580	125,098
Change in finished and unfinished products		3,373	-1,245	0	-1	2,127
Capitalized production of own plant and equipment		49	298	0	0	347
Other operating income		652	308	229	110	1,299
Cost of materials		-83,375	-20,862	-4,744	-763	-109,744
Personnel expenses		-1,907	-1,606	-61	-448	-4,022
Depreciation and amortization		-1,377	-287	-624	-287	-2,575
Other operating expenses		-6,800	-2,607	-540	-233	-10,180
Result of forward contract transactions		1,069	-2,682	0	0	-1,613
Segment result		4,284	-5,999	2,494	-42	737
Interest income		438	189	33	20	680
Interest expense		-747	-728	-180	-73	-1,728
Result before tax		3,975	-6,538	2,347	-95	-311

SEGMENT REVENUES AND RESULTS 1 JANUARY – 31 MARCH 2007

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 products		-737	285	0	0	-452
Other operating income		441	619	581	14	1,655
Cost of materials		-58,095	-23,982	-4,387	-118	-86,582
Personnel expenses		-1,488	-1,655	-45	-80	-3,268
Depreciation and amortization		-2,515	-2,933	-626	-79	-6,153
Other operating expenses		-2,389	-2,022	-428	-194	-5,033
Segment result		1,232	-1,568	3,583	29	3,276
Interest income		939	327	107	6	1,379
Interest expense		-549	-790	-200	-19	-1,558
Result before tax		1,622	-2,031	3,490	16	3,097

Due to a lack of materiality, the expense for other taxes (KEUR 35) was reclassified to the item "Other operating expenses".

CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES

VERBIO AG committed to Rabobank Internationa to indemnify the bank against all claims of German Federal Institute for agriculture and food, Bonn, amounting to KEUR 13, including secondary claims. VERBIO AG committed to Rabobank International to indemnify the bank against all claims, including secondary claims.

LEASING AGREEMENTS

Additional financial obligations of KEUR 36,232 exist from various long-term leasing agreements of which KEUR 14,978 relate to the following year, KEUR 11,008 over the next one to five years and KEUR 10,246 for the period exceeding five years.

PURCHASE OBLIGATIONS

Using the MATIF future prices for August 2008 as available on 31 March 2008, there are purchase obligations for rapeseed of KEUR 70,626.

ORDER OBLIGATIONS

As at 31 March 2008 there is an order obligation for investments in property, plant and equipment amounting to KEUR 946.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no significant events subsequent to the end of the reporting period.

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

ALEXANDER VON WITZLEBEN

Chairman of the Supervisory Board

PROF. DR. FRITZ VAHRENHOLT

Deputy Chairman of the Supervisory Board

BERND SAUTER

Member of the Supervisory Board

Financial calendar

JUNE 12, 2008

Shareholders' Meeting

AUGUST 14, 2008

Publication of Interim Report Q1 + Q2 2008

NOVEMBER 14, 2008

Publication of Interim Report Q1 – Q3 2008

Notes

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across the entire width of the page, typical of notebook or legal stationery. The background is a solid off-white color. There are no margins, text, or other markings present.

Contact

INVESTOR-RELATIONS

Anna-Maria Schneider

VERBIO Vereinigte BioEnergie AG

Augustusplatz 9, 04109 Leipzig

T +49 341 30 85 30-90

F +49 341 30 85 30-99

ir@verbio.de

www.verbio.de

Imprint

EDITOR VERBIO Vereinigte BioEnergie AG, Zörlbig

Additional VERBIO reports are available on the homepage of the company. In case of divergence from the German version of the interim report 2008 the German version shall prevail.

KONCEPT AND DESIGN fischerAppelt, ziegler GmbH, Hamburg

IMAGES VERBIO

PRINT Dürmeyer GmbH, Hamburg

© 2008

