

CREATING BENEFIT

Half-Year-Report 2010

Group key figures

[in EUR million]

Profitability	Q1 2010	Q2 2010	1 HY 2010	Q1 2009	Q2 2009	1 HY 2009
Sales	111.5	131.6	243.1	122.0	125.0	247.0
EBITDA	7.5	5.4	12.9	-9.2	3.5	-5.7
EBIT	5.1	2.6	7.7	-12.0	0.8	-11.2
EBIT-margin (%)	4.6	2.0	3.2	-9.8	0.0	-0.1
EBT	4.4	2.1	6.5	-12.5	0.0	-12.5
Period result	2.2	3.2	5.4	-13.8	-2.4	-16.2
Earnings per share (EUR)	0.04	0.05	0.09	-0.22	-0.04	-0.26
Operating data	Q1 2010	Q2 2010	1 HY 2010	Q1 2009	Q2 2009	1 HY 2009
Production (tons)	131,306	145,988	277,294	121,654	134,637	256,291
Utilisation (%) *	75.3	83.7	79.5	69.8	77.2	73.5
Investments in property, plants and equipment	8.8	18.1	26.9	1.4	1.6	3.0
Liquidity	31.03.2010	30.06.2010		31.03.2009	30.06.2009	
Net interest	8.0	13.9		8.4	11.3	
Equity	309.3	315.4		311.2	304.4	
Equity ratio (%)	67.0	73.1		66.7	71.7	
Balance-sheet total	461.9	431.7		466.6	424.4	
Financial status	31.03.2010	30.06.2010		31.03.2009	30.06.2009	
Operating cash flow	19.9	45.6		-11.5	7.4	
Operating cash flow per share (EUR)	0.32	0.74		-0.18	0.12	
Liquid funds	37.3	42.9		54.4	55.5	
	31.03.2010	30.06.2010		31.03.2009	30.06.2009	
Number of employees	417	416		396	410	

* related to the production capacity

Segment key figures

[in EUR million]

Biodiesel	Q1 2010	Q2 2010	1 HY 2010	Q1 2009	Q2 2009	1 HY 2009
Sales	72.6	92.7	165.3	83.9	90.9	174.8
EBIT	-1.7	0.1	-1.6	-1.6	0.4	-1.2
Productions (tons)	89,002	98,179	187,181	78,866	97,917	176,783
Utilisation (%) *	83.3	91.9	87.6	73.8	91.6	82.7
Number of employees (end of period)	100	99		101	102	

Bioethanol	Q1 2010	Q2 2010	1 HY 2010	Q1 2009	Q2 2009	1 HY 2009
Sales	34.1	34.9	69.0	31.2	28.3	59.5
EBIT	1.8	1.9	3.7	-11.3	0.7	-10.6
Productions (tons)	42,304	47,809	90,113	42,788	36,720	79,508
Utilisation (%) *	62.7	70.8	66.8	63.4	54.4	58.9
Number of employees (end of period)	171	166		149	157	

Energy	Q1 2010	Q2 2010	1 HY 2010	Q1 2009	Q2 2009	1 HY 2009
Sales	3.0	1.9	4.9	5.2	3.8	9.0
EBIT	5.1	0.7	5.8	1.0	-0.3	0.7

Other	Q1 2010	Q2 2010	1 HY 2010	Q1 2009	Q2 2009	1 HY 2009
Sales	1.9	2.0	3.9	1.7	2.0	3.7
EBIT	-0.1	-0.1	-0.2	-0.1	0.0	-0.1

* related to the production capacity



Brainteaser

Our experts did “subtle” something,
which is first of its kind in the world!

On July 6, 2010 the first VERBIO biogas plant in Zörbig (Sachsen-Anhalt) came on stream.

High CO₂ reductions could be reached with biofuels, when dissipating both, efficient production processes and renewable raw materials, into energy. These CO₂ reductions are additionally optimised when producing fertiliser for the agricultural cultivation (e.g. nitrogen, potassium and sulphur) out of residuals from these raw materials. The result is an ideal combination of the production of bioethanol, biogas and fertiliser or in short: a bio refinery. The world's first bio refinery was now realised by VERBIO.

Following intensive analysis, VERBIO implemented this process chain in an industrial scale in their bioethanol plants in Zörbig and Schwedt/Oder.

On July 6, 2010 the plant in Zörbig ceremonially came on line. Not just politicians but also economists and research and development partners recognised the viability of the VERBIO process, combining the biogas and bioethanol production in a very functional and extensive way.

The capacity of the biogas plant in Zörbig amounts to 30 megawatt. MITGAS Verteilnetz GmbH undertakes the feed-in of the biogas produced, adequate to supply the energy demand for about 37,000 modern single-family-houses.

By coupling the energy of the bioethanol and biogas plant the total energy demand of the plants is minimised. This is therefore far below the values stipulated by the European legislation.

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Group interim management report

for the period January 1, to June 30, 2010

General conditions

In Germany the mandatory share of blending volume of biofuels amounts to 6.25 per cent (energetic) from 2010 to 2014. The blending obligation for diesel is 4.4 per cent biodiesel and for petrol a minimum of 2.8 per cent bioethanol, each relating to the energy content.

According to current law, the minimum quota for biofuels should be replaced by the obligation of reducing the greenhouse gas emission of initially three per cent as from 2015 within the entire petrol sector. However there are efforts on the part of various associations of the biofuel industry to bring the greenhouse gas reduction obligation forward to 2013 to increase to 4.5 per cent and to raise successively on a yearly basis. This is the only way to reach the EU targets for the mobility sector.

The European climate policy targets on reducing CO₂ emissions

The legal basis for promoting to the use of renewable energies on the transport sector was built on EU level by enacting the “Renewable Energy Sources Directive” (“Erneuerbare-Energien-Richtlinie”) and “Fuel Quality Directive” („Kraftstoffqualitätsrichtlinie“). The “Renewable Energy Sources Directive” defines a minimum share of ten per cent renewable energies in the transport sector (inclusively electric mobility) until 2020. Thereby biodiesel, bioethanol and biogas play a central role because fuels from raw materials as for example rapeseed or corn is currently the only sustainable alternative to crude oil in Europe.

All EU member states have to transpose that extensive legislative package into national law until December 5, 2010. As prerequisite for the energetic use of liquid biomass, all member states have to settle the requirements of the directive into national law or regulation as soon as possible to verify sustainable biomass cultivation. The certificate of sustainability criteria is required for the consideration to the fuel quota obligation and for receipt of any tax shelter.

German Federal Government in the implementation of European directives

The biomass sustainability regulation for “biofuels” (Biokraft-NachV) and “energy” (Biostrom-NachV) transposes the directive into German law. The reason for passing two regulations is the fact that the promotion of biofuels is regulated within the “Energy Tax- and Federal Immission Control Act” (“Energiesteuer- und Bundesimmissionsschutzgesetz”) and for renewable energy from biomass in the “Renewable-Energy-Law” („Erneuerbare-Energien-Gesetz“ (EEG)). The Biokraft-NachV came into force in November 2009 and is to be adopted to biofuels which were put on the market since January 1, 2011. The Biostrom-NachV came into force on August 24, 2009 and should be adopted for liquid biomass which is used for the energy production since January 1, 2010.

The compliance with the sustainability requirements given has to be done with support the certification systems. As the first certification system according to the Biokraft-NachV, the ISCC system was finally accepted by the Federal Agency for Agriculture and Food (Bundesanstalt für Landschaft und Ernährung (BLE)) on July 20, 2010. With the target of the quickest possible and nationwide implementation, the associations of the agriculture and biofuel industry have created a certification system too – the REDcert system. This system exactly implements the requirements of the EU-directive as well as – regulations and was also accepted by the Federal Agency for Agriculture and Food (Bundesanstalt für Landschaft und Ernährung (BLE)) on July 20, 2010. Therefore two certification systems are available which should secure the implementation of the European and national regulation.

The Federal Government creates prerequisites for the implementation of E10 with the beginning of 2011

To the fulfilment of the German and European climate protection targets on the transport sector, the Federal Cabinet plans a chain of powers to issue statutory instruments. The Federal Cabinet realised that the implementation of E10 petrol (petrol with a share of 10 per cent bioethanol) is necessary for an effective supply of the transport sector. For a nationwide implementation of E10 it is necessary to adjust the existing German E10 petrol standard (DIN 51626) to the specifications of the EU "Quality Directive" („Kraftstoffqualitätsrichtlinie"). The new E10 petrol standard was published on April 26, 2010. This would make a comprehensive implementation of the petrol E10 possible, which should relieve the implementation of the biofuel quota to the mineral oil industry. That would mean a duplication of the market share for the bioethanol industry.

All petrol stations, presumably offering petrol blended with ten per cent ethanol (E10) from January 1, 2011 also have to offer petrol blended with five per cent ethanol (E5). This is because vehicles driven with E5 are not meant to be also able to operate with E10.

Market situation

Consumption data released by various organisations and the German Federal Office of Economics and Export Control which extends to inclusively May 2010 as well as own estimates indicate that the total amount of fuel sold in the first half-year 2010 will be on the same level than last year's corresponding consumption. In the first quarter 2010 sales of petrol were about four per cent behind the previous year. In the second quarter sales of petrol will be nearly on the same level compared to the respective previous year's period. In the first quarter 2010 diesel sales were on last year's corresponding consumption level. In the second quarter 2010 additional sales of approximately three per cent compared to the previous years' figures are to be expected.

In the first half-year 2010 the biodiesel share which was delivered to the blending industry, increased compared to the previous year's period by just less than three per cent. Sales in the domestic pure biodiesel market (B100 market) were in the first half-year 2010 on previous year's level, whereby a slight recovery was recognisable in the second quarter 2010 compared to the previous year's quarter.

Demand and therefore also sales of bioethanol on the German blending market in the first half of 2010 are around five per cent behind the comparably previous year's figures. Compared to the respective previous year's period sales of the biofuel E85 have increased by just less than 70 per cent.

Movement of raw material prices

The crude oil price for the first half-year 2010 was at an average at USD 78 per barrel which represents an increase of 50 per cent compared to the previous year's period. The movement of raw material prices in the first six months moved sideways on a range between USD 67 per barrel and USD 87 per barrel. For the current "oil year", cyclical improvements assumed, crude oil prices at an yearly average of USD 80 per barrel are predicted.

The rapeseed oil price in the first half-year 2010 was extensively stable. It was at an average of EUR 676 per ton. In respect to the unfavourable weather conditions for rapeseed in Europe, Canada and the region of the Black Sea, a lower availability of rapeseed oil is recognisable. In the past weeks, this resulted in an increase of rapeseed oil prices to approximately EUR 770 per ton.

The price for wheat at the MATIF was in the first half-year 2010 at an average of EUR 128 per ton. During the last weeks the price for MATIF quoted wheat increased against the background of the yield losses in Europe, Russia as well as the region of the Black Sea to slightly over EUR 220 per ton. Even under consideration of these yield losses, the International

Grains Council forecasts the third largest wheat yield worldwide for 2010. Furthermore the worldwide corn stock is over an long-time average. Insofar the price increase in the past weeks may be the result of speculative investments at the stock exchange and not because of the fundamental development.

The sugar price reduced from the first to the second quarter of 2010, remained on an high level and was in the first half-year 2010 at an average EUR 329 per ton. This is a result of yield losses at sugar cane in India and Brazil. Experts expect the sugar price to be recovered in 2011 at the earliest.

Movement for selected raw materials (average price)

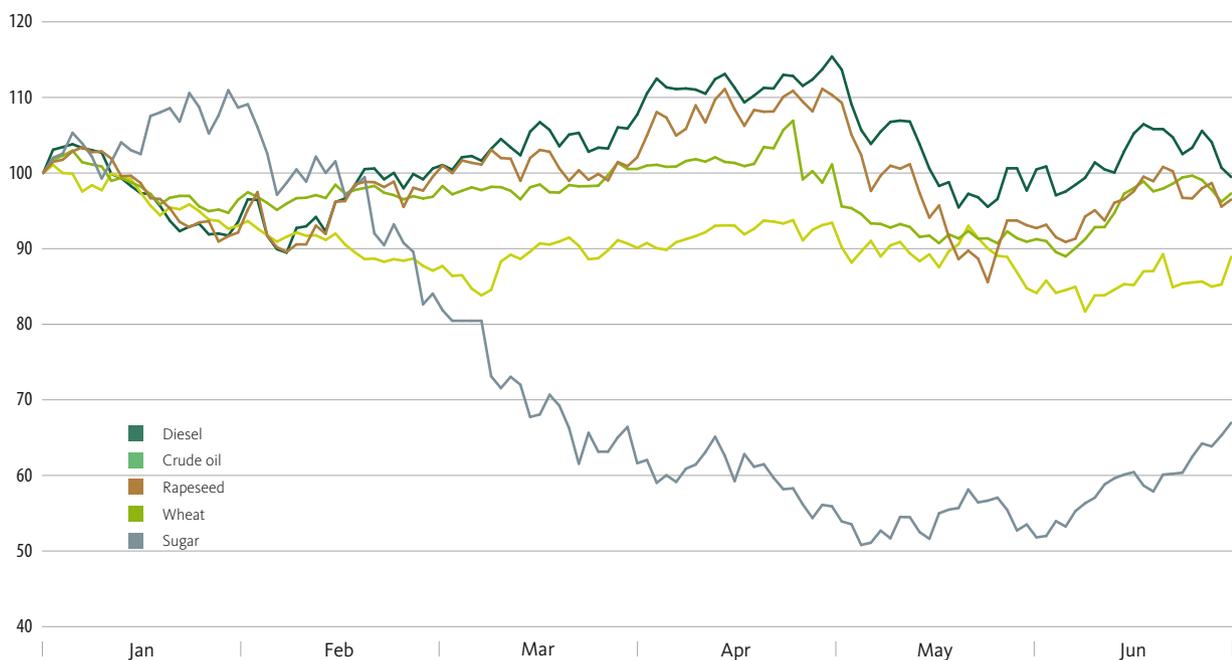
	Q 1 2010	Q 2 2010	Change	1 HY 2010	1 HY 2009	Change
Crude oil (Brent; USD/barrel)	77	79	3%	78	52	50%
Mineral diesel (EUR/ton)	466	539	16%	502	353	42%
Rapeseed oil (EUR/ton)	657	695	6%	676	629	7%
Wheat (MATIF; EUR/ton)	125	132	5%	128	143	-10%
Sugar (EUR/ton)	388	269	-31%	329	227	45%

The following chart represents the relative price development of raw materials on the international markets in the first half-year 2010:

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7

Movement for selected raw materials first half-year of 2010

[in %, subscripted]



Development of revenues and result

In the first half year of 2010 VERBIO increased its sales at the domestic blending market of about 16 per cent compared to previous year's figures.

In the first half of 2010 VERBIO produced 277,294 tons of biofuels compared to 256,291 tons in the compared previous period. Revenues stood at EUR 243.1 million (1 HY 2009: EUR 247.0 million) in the first six month of 2010.

Group operating result of the first half-year 2010 was at EUR 7.7 million. Compared to the first half-year 2009 the group operating result (EUR -11.2 million) increased by EUR 18.9 million. This result improvement results from significant cost reductions and higher yields in the bioethanol segment (1 HY 2010: EUR 60.4 million; 1 HY 2009: EUR 66.2 million) and the sale of seven wind power plants. Under consideration of accrued book losses in the amount of EUR 0.2 million, book profits gained were in total of EUR 4.5 million. Additional revenues in the amount of EUR 2.5 million resulted from the disposal of corresponding special items for investment subsidies.

Other operating income was – inclusively of book profits from the sale of wind power plants and the disposal of corresponding special items – at EUR 18.1 million (1 HY 2009: EUR 13.3 million). Furthermore, the other operating income contains insurance compensation in the amount of EUR 6.4 million. Due to fire damage at the Zörbig site, the insurance granted a compensation for the service interruption, which was mainly limited to the first quarter 2010 in the amount of EUR 5.9 million. The insurance compensation complies with the amount of the originated damage. Therefore no negative influence on the result is to be expected or will be expected by the shutdown.

Other operating expenses were at EUR -17.7 million after EUR -17.1 million in the previous year. In the first half-year 2010 other operating expense contain a book loss in the amount of EUR 0.2 million from the sale of one of seven wind power plants.

The financial result amounts EUR -1.3 million (1 HY 2009: EUR -1.3 million) and contains interest income in the amount of EUR 0.2 million (1 HY 2009: EUR 0.7 million) and interest expenses in the amount of EUR 1.5 million (1 HY 2009: EUR 2.0 million).

Taking into account the relevant applicable income taxes, net income for the period for the first six month 2010 is in the amount of EUR 5.4 million (1 HY 2009: EUR -16.2 million).

Financial conditions

in EUR million	30.06.2010	Share of balance sheet total	31.12.2009	Share of balance sheet total
Assets				
Non-current assets	280.7	65%	266.1	55%
Current assets	151.0	35%	219.5	45%
Total assets	431.7	100%	485.6	100%
Equity and liabilities				
Equity	315.4	73%	311.1	64%
Non-current liabilities	41.9	10%	41.8	9%
Current liabilities	74.4	17%	132.7	27%
Total equity and liability s	431.7	100%	485.6	100%

8 Compared to December 31, 2009 the balance sheet total reduced by EUR 53.9 million to EUR 431.7 million (December 31, 2009: 9 EUR 485.6 million).

On the assets side the reduction of inventories, other assets and assets held for sale (wind power plants) is accompanied by an increase in property, plant and equipment and trade receivables. From the cash flow development and the therein shown application of funds liquid funds plus time deposits were at EUR 42.9 million at June 30, 2010. After subtraction of financial liabilities in the amount of EUR 29.0 million remains a net interest in the amount of EUR 13.9 million. Net interest was therefore about EUR 2.6 million above the result at December 31, 2009 (EUR 11.3 million).

The equity and liabilities side of the balance sheet was basically dominated by equity in the amount of EUR 315.4 million, which represents 73 per cent (December 31, 2009: 64 per cent) and is therefore with nine per cent points over the balance sheet total as at December 31, 2009. Besides almost unchanged non-current liabilities, current liabilities have nearly halved to EUR 74.4 million (December 31, 2009: EUR 132.7 million).

Cash flow

As at June 30, 2010 cash funds of EUR 38.9 million only include cash and cash equivalents reported in the balance sheet. The operating cash flow amounted to EUR 45.6 million and is positively influenced by a decrease in inventories in the amount of EUR 51.1 million (1 HY 2009: EUR 23.0 million) as well as a decrease in other assets in the amount of EUR 15.6 million (1 HY 2009: EUR 8.4 million). This is accompanied by the increase in trade receivables in the amount of EUR 11.6 million (1 HY 2009: decrease in the amount of EUR 9.9 million), the decrease of trade payables in the amount of EUR 10.0 million (1 HY 2009: EUR 3.4 million) as well as the decrease of other liabilities in the amount of EUR 2.0 million (1 HY 2009: EUR 8.9 million).

The positive cash flow from investing activities amounts to EUR 7.3 million (1 HY 2009: EUR 2.6 million). Cash payments to acquire property, plant and equipment amounted to EUR 15.4 million (1 HY 2009: EUR 7.9 million), which are balanced by the disposal of property, plant and equipment in the amount EUR 12.0 million (1 HY 2009: EUR 0.5 million) as well as time deposits in the amount of EUR 10.6 million (1 HY 2009: EUR 21.1 million).

The negative cash flow from financing activities in the amount of EUR 48.3 million (1 HY 2009: 22.0 million) is influenced by cash payments on secured loans in the amount of EUR 45.4 million (1 HY 2009: EUR 44.9 million) and cash payments for the amortisation of financial liabilities in the amount of EUR 11.0 million (1 HY 2009: EUR 4.9 million). This is accompanied by proceeds from secured loans in the amount of EUR 8.1 million (1 HY 2009: EUR 27.5 million).

At the end of the reporting period cash funds totalled EUR 38.9 million (1 HY 2009: EUR 33.5 million). Above all, VERBIO disposes of time deposits in the amount of EUR 4.0 million (December 31, 2009: EUR 14.6 million) as at the due date June 30, 2010.

Employees

At June 30, 2010 VERBIO employed 416 employees (December 31, 2009: 411 employees) thereof 159 salaried employees (December 31, 2009: 152 salaried employees), 236 industrial employees (December 31, 2009: 234 industrial employees) and 21 trainees (December 31, 2009: 25 trainees).

Investments

For the first six months of 2010 investments of EUR 26.9 million in property, plant and equipment (1 HY 2009: EUR 3.0 million) are reported, whereby EUR 18.8 million (1 HY 2009: EUR 1.7 million) represent construction in process. These investments relate primarily to the completion of the existing biogas plants in Schwedt/Oder and Zörbig (EUR 25.3 million; 1 HY 2009: EUR 1.4 million). For a part of the additions to construction in process reported, a down payment in the amount of EUR 10.4 million was made already in financial year 2009.

Segment reporting

Biodiesel

	p. a.	Q 1 2010	Q 2 2010	1 HY 2010	Q 1 2009	Q 2 2009	1 HY 2009
Nominal capacity (t)	450,000	112,500	112,500	225,000	112,500	112,500	225,000
Production capacity (t)	427,500	106,875	106,875	213,750	106,875	106,875	213,750
Production (t)		89,002	98,179	187,181	78,866	97,917	176,783
Utilisation of nominal capacity		79,1%	87,3%	83,2%	70,1%	87,0%	78,6%
Utilisation of production capacity		83,3%	91,9%	87,6%	73,8%	91,6%	82,7%
Number of employees on June 30				99			102

The sale of VERBIO biodiesel, which is mainly delivered into the domestic blending market, increased by 14 per cent. This is opposed by weak B100 (pure biodiesel) sales, which is however 70 per cent higher as compared to the previous year's quarter. The biodiesel business with foreign countries mainly focuses on Poland and the Czech Republic, but is due to the general state of economy still weak. The export quota is at about four per cent.

In the first half-year of 2010, 187,181 tons of biodiesel were produced and therefore the previous year's production figures have been exceeded by 10,398 tons. Revenues amounted to EUR 165.3 million, compared to EUR 174.8 million in the respective previous period. The decrease of revenues was mainly caused by a low price level in the first half-year 2010. The segment result before interest and tax with EUR -1.6 million was on the previous year's level (1 HY 2009: EUR -1.2 million).

Similar to previous year, the utilisation of the biodiesel plants in the second quarter 2010 is significantly above the utilisation of the first quarter 2010. The segment result before interest and tax in the second quarter of 2010 was at EUR 0.1 million compared to EUR 0.4 million in the previous year.

Bioethanol

	p. a.	Q 1 2010	Q 2 2010	1 HY 2010	Q 1 2009	Q 2 2009	1 HY 2009
Nominal capacity (t)	300,000	75,000	75,000	150,000	75,000	75,000	150,000
Production capacity (t)	270,000	67,500	67,500	135,000	67,500	67,500	135,000
Production (t)		42,304	47,809	90,113	42,788	36,720	79,508
Utilisation of nominal capacity		56,4%	63,7%	60,1%	57,1%	49,0%	53,0%
Utilisation of production capacity		62,7%	70,8%	66,8%	63,4%	54,4%	58,9%
Number of employees on June 30				166			157

The sale of VERBIO bioethanol at the blending market increased by 18 per cent compared to the first half-year 2009. The company was able to gain 4.6 per cent points of market share which is now at around 23 per cent. VERBIO benefitted from the increased demand in the special petrol E85. Therefore E85 sales were with 97 per cent above the respective previous year's figures.

With a production of 90,113 tons of bioethanol in the first half-year of 2010, the production volume was clearly above the respective previous year's figures (1 HY 2009: 79,508 tons). This is because of increased demand at the market as well as gained market shares. Due to increased sales figures and higher market prices VERBIO was able to raise revenues in the first half-year of 2010 of about 16 per cent to EUR 69.0 million (1 HY 2009: EUR 59.5 million).

The bioethanol segment also contains revenues and expense from the biogas plants. The produced biogas has been used as process energy in own plants and therefore no revenues have been measured. Due to the starting depreciation and amortisation of the biogas plants depreciation and amortisation in this segment have more than doubled. Depreciation and amortisation of the biogas plants amount to EUR 1.0 million.

The segment result before interest and tax in the amount of EUR 3.7 million was clearly over the amount of first half-year 2009 (1 HY 2009: EUR -10.6 million). The segment result also contains income from insurance recovery in the amount of EUR 6.4 million.

In the second quarter of 2010 VERBIO benefitted from increased revenues as well as from contracts for the second quarter of 2010. Those lead despite lower ethanol prices in the second quarter of 2010, to an increase in revenues of 2.5 per cent compared to the previous quarter (Q2 2010: EUR 34.9 million).

The segment result before interest and tax was in the second quarter of 2010 at EUR 1.9 million and contains income from insurance recovery in the amount of EUR 2.1 million for the fire damage at the ethanol plant in Zörbig. The respective previous year's quarter has shown a segment result before interest and tax in the amount of EUR 0.7 million.

Energy

In the first six month of 2010 the energy segment contributed with revenues of EUR 4.9 million (1 HY 2009: EUR 9.0 million) to the total revenue. Compared to the previous year, the decrease in revenues was due to the sale of in total 12 wind power plants at the end of 2009 respectively the beginning of 2010 as well as the expiry of miscellaneous lease contracts. Therefore less feeding volume was delivered. The segment result before interest and tax of EUR 5.8 million was clearly above the result of the previous year (1 HY 2009: EUR 0.7 million) and contains book profits from the sale of wind power plants in the amount of EUR 4.5 million (1 HY 2009: EUR 0 million).

Other

The other segment contains services of the captive fleet and logistics. In the first half-year of 2010 revenues in the amount of EUR 3.9 million (1 HY 2009: EUR 3.7 million) were generated. The segment result before interest and tax was unchanged at EUR -0.2 million (1 HY 2009: EUR -0.1 million) compared to the previous year's period.

For further explanations we refer to the segment reporting in the notes of the consolidated interim financial statements.

Risk and opportunities

There were no changes in VERBIO's risk and opportunity profile in the reporting period in comparison to the risks and opportunities described in detail in the 2009 annual report. From today's perspective there are no existential risks and none are currently recognisable for the future.

Future prospects

Market and industry development

We anticipate a positive long-term development of the biofuel market especially due to the requirements of the "Renewable Energy Directive" (RES-D) and the declaration of intent in the coalition resolution.

In order to achieve the CO₂ reductions established in the RES-D, the biofuel quota must be gradually increased to ten per cent in the year 2020. As a result, the demand for biofuels will increase. An additional growth potential is in the bioethanol segment due to the pushing effort of the mineral oil industry to increase the ethanol blending in petrol from currently five per cent (E5) to ten per cent (E10) which is planned for January 1, 2011. If the mineral oil industry would make use of offering E10 this would result in duplication of the ethanol demand in Germany.

Above all, the carbon reduction strategy, that means that the CO₂-related obligation to use bio components in fuels is to be moved forward from 2015 to 2013. This would have the most positive effect for VERBIO since we already fulfil the requirements claimed to the full extend proportionately to our competitors.

Outlook

VERBIO affirms their defined operative targets for 2010

For 2010 we are striving to further stabilise and expand of our market share in both the biodiesel and bioethanol segment. VERBIO aims to achieve full utilisation of the existing biodiesel and bioethanol production capacities. Additional opportunities in respect of sales and cost optimisation arise when the biogas plants located in Zörbig and Schwedt/Oder start full operation. Both plants went on stream as scheduled and produce first amounts of biogas, which should be feed-in as bio natural gas into the natural gas distribution system from the third quarter of 2010. Presently, the biogas produced is used as process energy and therefore the energy costs have been reduced.

Assuming that raw material prices remain stable, a significant increase in sales and positive earnings before interest and tax (EBIT) in the higher single-digit euro region are expected in the financial year 2010. The share of sales contributed by the production and feed-in of biogas will be approximately EUR 6 million in 2010. We are striving for significant contributions to results from the biogas plants and cost savings related to the operation of these plants, as well the sale of additional wind power plants.

Besides the traditional business, the production of bioethanol for the blending market and E85, VERBIO did also increasingly produce bioethanol for other applications, e.g. bioethanol for chimneys and as component for the chemical industry.

In 2010 investments have been and will be done and that will ensure the long-term success of the VERBIO Group. These are primarily investments in the completion of the biogas plants, as well as the ongoing upgrading of the existing production plants. For 2010 we expect investments in this field of approximately EUR 22 million.

To ensure long-term raw material supply for production we are planning further force to set up crop growing contracts with farmers, which earn a high acceptance.

Miscellaneous information to the further development

For 2011 we anticipate a further improvement of the earnings situation, which will result mainly from additional earnings of the feed-in tariff of our biogas. Until 2012 we intend, through further expansion and the optimisation of the biogas plants, to increase the capacities and the production, so that every second German natural gas car can be driven with VERBIO biogas, corresponding to our targeted market share at petrol stations of over 50 per cent.

In the long-term VERBIO will benefit more than others from the specifications and regulations of the “Biofuel Sustainability Regulation” and the “Renewable Energy Sources Directive”.

VERBIO Vereinigte BioEnergie AG
Leipzig, 12. August 2010

The Management Board

Consolidated interim financial statements (IFRS) at June 30, 2010

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Consolidated statement of comprehensive income

for the period January 1, to June 30, 2010

in EUR k	01.04. – 30.06.2010	01.04. – 30.06.2009	01.01. – 30.06.2010	01.01. – 30.06.2009
1. Revenue (including mineral taxes collected)	135,136	125,811	253,390	262,914
Less: mineral oil taxes	-3,522	-805	-10,308	-15,876
Revenue	131,614	125,006	243,082	247,038
2. Change in unfinished and finished goods	-465	-535	-113	-2,665
3. Capitalised production of own plant and equipment	609	325	987	695
4. Other operating income	5,401	9,728	18,076	13,309
5. Cost of materials				
a) Raw materials, consumables and supplies	-108,544	-105,836	-201,992	-214,548
b) Purchased services	-7,753	-10,438	-15,685	-21,694
6. Personnel expenses	-4,909	-4,112	-9,275	-8,489
7. Depreciation and amortisation	-2,783	-2,734	-5,220	-5,524
8. Other operating expenses	-7,832	-9,220	-17,747	-17,102
9. Result from commodity forward contracts	-2,686	-1,410	-4,373	-2,239
10. Operating result	2,652	774	7,740	-11,219
11. Interest income	78	191	203	698
12. Interest expense	-701	-910	-1,481	-1,972
13. Interest result	-623	-719	-1,278	-1,274
14. (Loss) income before tax	2,029	55	6,462	-12,493
15. Income tax benefit (expense)	1,148	-2,379	-1,111	-3,676
16. Net income (previous year: net loss) for the period	3,177	-2,324	5,351	-16,169
Other result for the period				
Fair value changes of cash flow hedges recognised in equity	4,236	-6,106	-1,221	-6,161
Deferred taxes recognised in equity	-1,388	1,685	117	1,700
17. Other comprehensive income for the period	2,848	-4,421	-1,104	-4,461
18. Total result	6,025	-6,745	4,247	-20,630
Earnings (loss) per share (basic and diluted)	0.05	-0.04	0.09	-0.26

Consolidated balance-sheet

at June 30, 2010

Assets in EUR k	30.06.2010	31.12.2009
A. Non-current assets		
I. Goodwill	155,655	155,655
II. Customer relationship	15,781	16,507
III. Other intangible assets	176	255
IV. Property, plant and equipment	107,848	92,333
V. Financial assets	1,190	1,332
VI. Deferred tax assets	0	19
Total non-current assets	280,650	266,101
B. Current assets		
I. Inventories	33,764	84,887
II. Trade receivables	32,017	20,418
III. Tax refunds	8,469	8,460
IV. Other assets	30,791	50,336
V. Derivatives	3,111	1,319
VI. Time deposits	4,000	14,634
VII. Cash and cash equivalents	38,850	34,156
VIII. Non-current assets held for sale	0	5,247
Total current assets	151,002	219,457
Total assets	431,652	485,558

Equity and liabilities in EUR k	30.06.2010	31.12.2009
A. Equity		
I. Share capital	63,000	63,000
II. Additional paid-in capital	483,659	483,659
III. Fair value reserve	-3,792	-2,688
IV. Reserve for treasury shares	-3,030	-3,030
V. Retained earnings	-224,496	-229,847
Total equity	315,341	311,094
B. Non-current liabilities		
I. Provisions	53	226
II. Financial liabilities	9,400	9,445
III. Deferred investment grants and subsidies	11,938	11,213
IV. Other non-current liabilities	17,800	17,757
V. Deferred tax liabilities	2,701	3,182
Total non-current liabilities	41,892	41,823
C. Current liabilities		
I. Provisions for income taxes	8,599	8,435
II. Other provisions	1,795	1,423
III. Financial liabilities	1,763	10,239
IV. Trade payables	23,989	33,709
V. Deferred investment grants and subsidies	1,554	1,976
VI. Other current liabilities	27,354	66,748
VII. Derivatives	9,365	6,597
VIII. Liabilities in connection with non-current assets held for sales	0	3,514
Total current liabilities	74,419	132,641
Total equity and liabilities	431,652	485,558

Consolidated cash flow statement

for the period January 1, to June 30, 2010

in EUR k	01.01. – 30.06.2010	01.01. – 30.06.2009
Net income for the period (previous year: loss)	5,351	-16,169
Income tax expense	1,111	3,676
Interest result	1,278	1,274
Depreciation and amortisation	5,220	5,524
Gain on the sale of property, plant and equipment, and disposal of investment grants	-7,061	-3,424
Release of deferred investment grants and subsidies	-593	-1,139
Non-cash changes in derivative financial instruments	-245	3,073
Decrease in inventories	51,123	23,014
Increase (previous year: decrease) in trade receivables	-11,628	9,887
Decrease in other assets	15,620	8,395
Increase (previous year: decrease) in provisions	89	-12,074
Decrease in trade payables	-9,953	-3,439
Decrease in other liabilities	-2,040	-8,854
Interest paid	-1,570	-2,038
Interest received	221	681
Income tax paid	-1,282	-1,017
Cash flows from operating activities	45,641	7,370

in EUR k	01.01. – 30.06.2010	01.01. – 30.06.2009
Investments in time deposits	0	-22,000
Proceeds from time deposits	10,634	21,100
Proceeds from the disposal of property, plant and equipment	11,969	530
Proceeds from the disposal of financial instruments	155	4,041
Proceeds from investment grants	0	6,756
Payment for financial investments	0	-6
Acquisition of property, plant and equipment	-15,413	-7,860
Acquisition of intangible assets	-17	-7
Cash flows from investing activities	7,328	2,554
Payment on secured loans	8,139	27,528
Proceeds from secured loans	-45,370	-44,910
Proceeds from assuming financial liabilities	0	288
Repayment of financial liabilities	-11,044	-4,914
Cash flow from financing activities	-48,275	-22,008
Net cash flows	4,694	-12,084
Cash funds at beginning of the period	34,156	45,612
Cash funds at end of the period	38,850	33,528
Cash funds at the end of the period comprise the following:		
Restricted cash and cash equivalents	1,055	6,362
Unrestricted cash and cash equivalents	37,795	27,166
Cash funds at the end of the period	38,850	33,528
Complementary information:		
Time deposits	4,000	22,000

Consolidated statement of changes in equity

for the period January 1, to June 30, 2010

in EUR k	Share capital	Additional paid-in capital	Fair value reserve	Reserve for treasury shares	Retained earnings	Total equity
January 1, 2009	63,000	483,659	4,004	-3,030	-222,584	325,049
Revaluation of derivatives (after tax)	0	0	-4,461	0	0	-4,461
Income and expenses recorded directly in equity	0	0	-4,461	0	0	-4,461
Net loss for the period	0	0	0	0	-16,169	-16,169
Total expense for the period	0	0	0	0	-16,169	-20,630
June 30, 2009	63,000	483,659	-457	-3,030	-238,753	304,419
January 1, 2010	63,000	483,659	-2,688	-3,030	-229,847	311,094
Revaluation of derivatives (after tax)	0	0	-1,104	0	0	-1,104
Income and expenses recorded directly in equity	0	0	-1,104	0	0	-1,104
Net income for the period	0	0	0	0	5,351	5,351
Total income for the period	0	0	-1,104	0	5,351	4,247
June 30, 2010	63,000	483,659	-3,792	-3,030	-224,496	315,341

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Selected explanatory disclosures to the notes

ACCOUNTING POLICIES

The consolidated interim report of VERBIO Vereinigte BioEnergie AG (“VERBIO AG” or “Company”) at June 30, 2010 including selected explanatory disclosures to the notes has been prepared, as well as the consolidated financial statements as at December 31, 2010, in accordance with the requirements of the International Accounting Standards Board (IASB) published and by the EU accepted International Financial Reporting Standards (IFRS).

The IAS 34 regulations to the “consolidated interim reporting” have been applied. All interim financial statements of companies which are included in the VERBIO AG have been prepared in accordance with the integrative accounting and valuation methods.

As the consolidated interim financial reporting is based on the consolidated financial statements we refer to the accounting, valuation and consolidation methods described in detail in the consolidated notes of the consolidated financial statements at December 31, 2009. The accounting, valuation and consolidation methods used basically relate to the methods used in the previous year except obligatory new standards to be implemented.

The consolidated interim financial statement is presented in euros (EUR). Unless otherwise mentioned, all amounts are presented in thousand of euros (EUR k). Figures have been rounded and therefore rounding differences are possible.

Compulsory new accounting standards to be adopted

In accordance to new standards and interpretations as well as changes to existing standards it is referred to the explanations in the consolidated notes for the financial year 2009.

CONSOLIDATED FINANCIAL STATEMENTS

Entities included in the consolidation

There were no changes in the period under review compared to December 31, 2009.

EXPLANATORY NOTES TO INDIVIDUAL ITEMS IN THE CONSOLIDATED 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. In accordance with IAS 36, goodwill is subject to an annual impairment review.

Property, plant and equipment

Under consideration of scheduled depreciation (EUR 4,398 k) and disposals (EUR 6,986 k), property, plant and equipment increased particularly as a result of investments at the Zörbig and Schwedt / Oder sites (EUR 26,899 k). The disposals mainly result from the sale of wind power plants.

Financial assets

The amount shown under this section of the balance sheet date represents the non-current portion of a loan receivable, which was measured at amortised cost.

CURRENT ASSETS

Inventories

in EUR k	30.06.2010	31.12.2009
Raw materials, consumables and supplies	29,304	80,314
Work in process	4,460	4,573
Total inventories	33,764	84,887

The decrease in inventories compared to December 31, 2010 results from the seasonal stock reduction of raw materials for the biodiesel and bioethanol production.

The new assessment of inventories for recoverability at June 30, 2010 resulted in an write down totalling EUR 4 k (December 31, 2009: EUR 9 k) to adjust the carrying amount to the lower fair value or net realisable value. Write-downs for raw materials, consumables and supplies as well as for merchandise are included in “Cost of materials” and for finished products in “Change in unfinished and finished goods”.

Restraints on disposal for raw materials, consumables and supplies as well as merchandise in the amount of EUR 21,042 k (December 31, 2009: EUR 71,856 k) are based on a secured loan.

Trade receivables

Trade receivables amounted to EUR 32,017 k (December 31, 2009: EUR 20,418 k) at the due date. Those are disclosed net after adjustments of value in the amount of EUR 1,016 k (December 31, 2009: EUR 723 k). All receivables have a remaining term of no more than twelve months after the reporting period.

Tax refund receivables

Tax refund receivables of EUR 8,469 k (December 31, 2009: EUR 8,460 k) concern construction work withholding tax, corporate tax and trade tax.

Other assets

in EUR k	30.06.2010	31.12.2009
Investment subsidies	12,653	10,114
Claims from the sale of wind power plants	4,614	11,760
Security deposits resulting from security agreements and liability declarations	3,253	3,249
Value-added tax receivables	2,999	6,233
Reimbursement of electricity and energy tax	1,358	1,227
Other receivables STS	938	1,260
Security deposits for guaranteed credit lines	862	2,219
Advanced payment for inventories	777	0
Deferred expenses	565	642
Security deposits for unrealised losses on forward transactions	403	183
Loan receivables	340	340
Creditor accounts with debit balances	130	82
Advance deposits on property, plant and equipment	0	11,253
Realised gains on forward contracts	0	368
Miscellaneous other assets	1,899	1,406
Total other assets	30,791	50,336

Derivatives

In order to secure the supply of raw materials for the biodiesel production, derivatives in terms of future contracts to purchase vegetable oil are used to hedge against margin-affecting price levels and as procurement instrument to secure access to the raw materials. At balance sheet date, the positive fair value of these futures stood at EUR 3,111 k (December 31, 2009: EUR 1,314 k) and the negative fair value amounted to EUR 97 k (December 31, 2009: EUR 365 k). These fair values are measured directly in equity.

VERBIO used futures to hedge of firm obligations for rapeseed and falling prices. At the balance sheet date, the negative fair value came to EUR 403 k (December 31, 2009: negative market value in the amount of EUR 183 k) and was measured in the result of commodity forward contracts, affecting net income.

To secure revenues from sales contracts linked to the mineral diesel and benzine price fixed diesel/ethanol sales were hedged against variable diesel/ethanol prices. At the balance sheet date, negative fair values of these swap-dealings were at EUR 7,182 k (December 31, 2009: positive fair values in the amount of EUR 5 k; negative fair values in the amount of EUR 4,667 k) were measured directly in equity.

Furthermore swap-dealings with a negative fair value in the amount of EUR 1,679 k (December 31, 2009: negative fair value in the amount of EUR 1,381 k) as well as physical cash flow hedges (rapeseed sales) with negative fair value in the amount of EUR 4 k (December 31, 2009: EUR 0 k) has been balanced as abandoned derivatives. These fair values have been measured in the result of commodity forward contracts.

Time deposits

Time deposits in the amount of EUR 3,645 k (December 31, 2009: EUR 4,215 k) are pledged as collateral and therefore withdrawn from direct availability.

Cash and cash equivalents

This item includes unrestricted cash and cash equivalents in the amount of EUR 37,795 k (December 31, 2009: EUR 30,520 k) plus restricted cash and cash equivalents in the amount of EUR 1,055 k (December 31, 2009: EUR 3,636 k).

EQUITY

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. In line with the cash flow hedge accounting from equity EUR -8,094 k and from revenues of EUR 533 k have been reorganised to "Cost of materials".

Reserve for treasury shares

At June 30, 2010 the Company held 1,470,000 treasury shares, representing 2.3 per cent of the share capital. Those were purchased at an average price of EUR 2.06 per share. The share buy-back programme ran from October 26, 2007 to May 31, 2008.

NON-CURRENT LIABILITIES

Provisions

At June 30, 2010, non-current provisions amounted to EUR 53 k (December 31, 2009: EUR 226 k). This amount represents dismantling obligations for wind power plants (December 31, 2009: EUR 203 k).

Deferred investment grants and subsidies

in EUR k	Investment subsidies	Investment grants	Total
December 31, 2009	11,249	1,939	13,188
Addition	2,783	0	2,783
Release for current period	-461	-256	-717
Release due to impairment	-107	0	-107
Disposal (affecting net income)	-1,644	0	-1,644
Disposal (not affecting net income)	-11	0	-11
June 30, 2010	11,809	1,683	13,492
24 Thereof current	1,041	513	1,554
25 Thereof non-current	10,768	1,170	11,938

Assigned securities

We refer to the detailed explanations in the consolidated notes for the financial year 2009.

CURRENT LIABILITIES

Tax liabilities

Tax liabilities comprise trade tax obligations in the amount of EUR 1,783 k (December 31, 2009: EUR 1,113 k), state-, council and federal tax of Switzerland in the amount of EUR 321 (December 31, 2009: EUR 1,404 k), corporate tax amounting EUR 577 (December 31, 2009: EUR 0 k) and, unchanged to December 31, 2009, construction withholding tax in the amount of EUR 5,918 k.

Provisions

in EUR k	30.06.2010	31.12.2009
Litigation risks	1,170	1,142
Impending losses on sales transactions	319	18
Waste disposal	225	159
Other provisions	81	104
Total provisions	1,795	1,423

Impending losses on pending sales transactions

Hereto we refer to the explanations under section "Cost of materials".

Process risks

With judgment of July 21, 2008 VERBIO Diesel Bitterfeld GmbH & Co. KG (VDB) was sentenced to pay a compensation amounting to EUR 3,416 k plus interest. VDB appealed the sentence within the time limit. Nevertheless, at December 31, 2009, the company has recognised a provision of EUR 1,142 k to cover the risk. At June 30, 2010 the anew estimation of the risk required a revaluation of EUR 28 k to an amount of EUR 1,170 k.

Other current liabilities

in EUR k	30.06.2010	31.12.2009
Liabilities from grain and rapeseed transactions	14,264	51,558
Value-added tax	6,541	11,741
Realised losses on forward contracts	2,223	37
Energy tax	1,397	519
Wages and salaries	762	769
Bonuses and special payments	542	760
Received security deposits	495	200
Payroll taxes	197	213
Unrealised losses on forward contracts	123	25
Accrued expense	105	185
Leasing back payments WPP rental	39	39
Social security insurance	29	42
Miscellaenous	637	660
Total other current liabilities	27,354	66,748

The decreases in other current liabilities mainly result from decreased liabilities from purchase transactions, which are related to stock reduction of corn and rapeseed crop.

NOTES TO THE INDIVIDUAL ITEMS IN THE CONSOLIDATES STATEMENT OF COMPREHENSIVE INCOME

Other operating income

in EUR k	01.01. – 30.06.2010	01.01. – 30.06.2009
Income from insurance recovery	6,454	98
Gains on disposals of property, plant and equipment	4,868	430
Gains on the disposal of investment grants	2,520	0
Release of investment grants relating to the current period	717	1,139
Reimbursement of electricity and energy tax	638	450
Ongoing warehousing charges	588	798
Release of other provisions and write-off of trade payables	544	3,944
Charge-out of expenses paid in advance	361	156
Release of investment grants due to impairment	358	2,003
Leasehold and rental	322	338
Release of investment grants (impairment)	107	0
Reimbursement of damages	30	217
Income from the disposal of financial assets	0	3,035
Capital gain (realised)	0	237
Miscellaneous	569	464
Total other operating income	18,076	13,309

Income from insurance recovery mainly relates to a compensation for service interruption at the Zörbig site.

Gains on the disposal of property, plant and equipment of EUR 4,517 k resulted from the sale of six wind power plants and is related to the energy segment. This amount includes gains in the amount of EUR 463 k which have been disclosed under “non-current assets held for sale“ in the balance sheet at December 31, 2009, designated to the sale of wind power plants. Due to the sale the special item for deferred investment grants which is allocated to the wind power plants was released effecting net income in the amount of EUR 2,520 k. The amount released contains earnings of EUR 876 k for wind power plants which were reported under the balance-sheet item “Liabilities in connection with non-current assets held for sale“ at December 31, 2009.

Cost of materials

Cost of materials mainly comprises procurement of raw materials, consumables and supplies for the current production. The cost of materials ratio (cost of materials referring to revenue, change in unfinished and finished products and capitalised production of own plant and equipment) amounts to 89.2 per cent for the first half-year 2010 (1 HY 2009: 96.4 per cent). According to the segmentation we refer to the explanations under “segment reporting“ in this consolidated interim financial statements.

As at June 30, 2010 expenses for raw materials, consumables and supplies include an addition to provisions for impending losses provisions for pending purchase and sales contracts in the amount of EUR 319 k (1 HY 2009: EUR 1,998 k) as well as utilisations in the amount of EUR 18 k (1 HY 2009: EUR 11,098 k). The allocation to provisions for contingent losses relates to the bioethanol segment, while the utilisation of the provision made at December 31, 2009 relates to the biodiesel segment.

Other operating expense

in EUR k	01.01. – 30.06.2010	01.01. – 30.06.2009
Outgoing freight	4,516	4,684
Repairs	2,739	2,166
Warehousing expenses	2,231	2,730
Selling expenses	1,494	611
Insurances and dues	1,095	1,114
Reimbursement of damages	838	0
Motor vehicle costs	794	734
Miscellaneous personnel expense	566	951
Legal and consulting fees	347	738
Losses from the disposal of property, plant and equipment	338	39
Losses on receivables and increase in allowances	603	714
Rental and leasing expenses	200	246
Travel expenses	197	179
Advertising	191	277
Bank charges	88	86
Financial statements	71	176
Foreign exchange losses	52	71
Supervisory Board compensation	36	36
Adjustment of receivables from granting I-benefits	0	639
Miscellaneous	1,351	911
Total other operating expenses	17,747	17,102

Result from commodity forward contracts

The result from the assessment and realisation of futures which do not qualify for hedge accounting, as well as the ineffective portion of the futures which do not qualify for hedge accounting amounts to EUR -4,373 k.

In addition, as at the balance sheet date other provisions from the assessment of futures decreased by EUR 1,104 k not affecting net income and considering deferred taxes of EUR 117 k, due to their qualification as cash flow hedge.

Income tax expense

Tax expense for the period from January 1, to June 30, 2010 amounting EUR 1,111 k (1 HY 2009: EUR 3,676 k) comprises as follows:

in EUR k	01.01. – 30.06.2010	01.01. – 30.06.2009
Current tax expense	-1,455	-1,575
Deferred tax income (previous year: expense)	344	-2,101
Income tax expense	-1,111	-3,676

Earnings per share

Earnings per share were calculated in accordance with IAS 33. For the calculation of the earnings per share the earnings for the period were divided by the weighted average number of shares outstanding. There is no dilutive effect.

	2010	2009
Issued shares on January 1	61,530,000	61,530,000
Effect of treasury shares	0	0
Number of average shares outstanding on June 30	61,530,000	61,530,000
Net result for the period in EUR k	5,351	-16,169
Result per share in EUR	0.09	-0.26

OTHER DISCLOSURES

Segment reporting

The Group's risks and earnings are significantly affected by the business units. Segmentation into biodiesel, bioethanol, energy and other is in accordance with the Group's internal organisational and management structure. The "other" segment includes the business segment transport and logistics.

Segmentation on a geographical basis was not made, since such segmentation is not used for the VERBIO Group's controlling.

Segments according to the internal controlling

In the following revenues are net of energy tax amounting to EUR 10,308 k (1 HY 2009: EUR 15,876 k).

in EUR k	Biodiesel		Bioethanol		Energy		Other		Group	
	1 HY 2010	1 HY 2009	1 HY 2010	1 HY 2009	1 HY 2010	1 HY 2009	1 HY 2010	1 HY 2009	1 HY 2010	1 HY 2009
Revenue	165,344	174,848	68,971	59,511	4,888	8,966	3,879	3,713	243,082	247,038
Change in finished and unfinished products	252	-1,671	-365	-994	0	0	0	0	-113	-2,665
Capitalised production of own plant and equipment	0	25	987	670	0	0	0	0	987	695
Other operating income	1,583	5,564	8,741	6,629	7,661	1,056	91	60	18,076	13,309
Cost of materials	-151,433	-161,324	-60,393	-66,170	-4,222	-7,115	-1,629	-1,633	-217,677	-236,242
Personnel expenses	-3,660	-3,639	-4,506	-3,663	-53	-91	-1,056	-1,096	-9,275	-8,489
Depreciation and amortisation	-3,170	-3,093	-1,175	-565	-356	-1,251	-519	-615	-5,220	-5,524
Other operating expenses	-7,047	-9,728	-7,624	-5,971	-2,159	-819	-917	-584	-17,747	-17,102
Result of forward contract transactions	-3,448	-2,219	-925	-20	0	0	0	0	-4,373	-2,239
Segment result	-1,579	-1,237	3,711	-10,573	5,759	746	-151	-155	7,740	-11,219
Interest income	67	482	70	175	64	31	2	10	203	698
Interest expense	-881	-1,046	-503	-591	-41	-230	-56	-105	-1,481	-1,972
Result before taxes	-2,393	-1,801	3,278	-10,989	5,782	547	-205	-250	6,462	-12,493

in EUR k	Biodiesel		Bioethanol		Energy		Other		Group	
	30.06. 2010	31.12. 2009								
Segment assets	283,732	316,891	113,914	103,488	11,998	32,723	6,428	8,024	416,072	461,126

Compared to December 31, 2009 the decrease in segment assets in the biodiesel segment is mainly due to stock reduction of inventories. Segment assets in the bioethanol segment mainly increased under consideration of the seasonal decrease of inventories especially due to investments in both biogas plants. Energy segment assets reduced as a result of the sale of seven wind power plants.

Contingent liabilities and other financial commitments

Contingent liabilities

Effective May 11, 2007 Rabobank International, Frankfurt/Main provided a guarantee for Märka GmbH to the Federal Institute of Agriculture and Nutrition (BLE) in the amount of EUR 14,000 k. VERBIO AG committed to Rabobank International to indemnify the bank against all claims, including secondary claims. The outstanding amount of the guarantee at June 30, 2010 is EUR 0 k.

Regarding further contingent liabilities please refer to the information in the consolidated notes for the financial year 2009.

Leasing contracts

Additional financial commitments of EUR 8,895 k exist from various long-term leasing contracts. Allotted to the following year are EUR 3,788 k (thereof for wind power plants EUR 3,678 k), EUR 449 k (thereof for wind power plants EUR 80 k) are allotted to the next one to five years and EUR 4,658 k (thereof for wind power plants EUR 326 k) for a period exceeding five years.

For further information please refer to the explanations in the consolidated notes for the financial year 2009.

Open purchase orders

As at June 30, 2010 there is an open purchase obligation for investments amounting EUR 10,762 k (December 31, 2009: EUR 18,293 k).

Related party disclosures

Goods and services for related companies concern especially the sale of biofuels as well as transport services. All goods and services received by related companies mainly pertain purchase of corn and oil seeds as well as transport services. In consideration of their extents those goods and services are comparable to the previous year.

On March 22, 2010 a contract about the delivery of rye was agreed between VERBIO AG and Märka GmbH. Therein VERBIO AG is obliged to procure not less than 438,600 tons of rye from Märka GmbH for the period from April to December 2010.

For further information please refer to the explanations of related party disclosures in the consolidated notes for the financial year 2009.

With the end of the ordinary Annual Shareholders' Meeting on June 28, 2010, Bernd Sauter, member of the Supervisory Board, has resigned. Ulrike Krämer, managing partner of M&K Treuhand GmbH, was elected as a new member of the Supervisory Board. The election was made for the period until the end of the Annual Shareholders' Meeting, which resolve about the ratification of the acts of management of the Supervisory Board for the financial year 2010.

Significant events subsequent to the end of the reporting period

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

Audit of the interim financial statements and interim management report

The interim financial statements and interim management report on hand are not subject to any form of audit or review by an auditor.

Responsibility statement

As the legal representatives of VERBIO, we declare that – to the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting – the interim consolidated financial statements give a true and fair view of the income, assets and financial situation of the Group, and the interim consolidated management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

VERBIO Vereinigte BioEnergie AG
Leipzig, 12. August 2009

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Claus Sauter
Chairman & CEO



Dr.-Ing. Georg Pollert
Production, technology and HR director

Executive Bodies of the Company

Supervisory Board

Alexander von Witzleben Chairman of the Supervisory Board

President of the Feintool International Holding AG, Lyss, Switzerland, board of directors

Other supervisory board mandates:

- caverion GmbH, Stuttgart
- PVA TePla AG, Aßlar

Mandates in comparable controlling bodies:

- Kaefer Isoliertechnik GmbH & Co.KG, Bremen

Prof. Dr. Fritz Vahrenholt Deputy chairman

Chairman of RWE Innogy GmbH, Essen

Other supervisory board mandates:

- Aurubis AG, Hamburg
- KELAG – Kärntner Elektrizitäts-Aktiengesellschaft, Klagenfurt, Austria
- Norddeutsche Affinerie AG, Hamburg
- RADAG Rheinkraftwerk Albrück-Dogern AG, Laufenburg

Ulrike Krämer Member of the Supervisory Board (since June 28, 2010)

Managing Partner:

- M & K Treuhand GmbH, Ludwigsburg

Bernd Sauter Member of the Supervisory Board (until June 28, 2010)

Managing Partner:

- Autokontor Bayern GmbH, Buch-Obenhausen,
- Sauter Verpachtungsgesellschaft mbH, Zörbig
- AllEn GmbH, Buch-Obenhausen
- Alois Sauter Landesproduktengroßhandlung GmbH & Co. KG, Buch-Obenhausen

Managing Director:

- Landwirtschaftsgesellschaft mbH "Neukammer", Radensleben
- Landgut Coschen GmbH, Neißemünde

Management Board

Claus Sauter Chairman & CEO

Responsible for corporate development, press and publicity, purchasing, sales and trading, product planning, mergers & acquisitions, finance and accounting, taxes, management accounting, treasury, investor relations and law

Dr.-Ing. Georg Pollert Production, technology and HR director Deputy Chairman

Responsible for research and development, production, quality management, technical investment planning, workplace safety and HR

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Variances for technical reasons

For technical reasons (e. g. the conversion of electronic formats) there may be variances between the financial statements contained in this interim report and those submitted to the Business Register. In this case the version submitted to the Business Register is considered to be binding.

Statements relating to the future

This interim report contains statements that relate to the future and are based on assumptions and estimates made by the management of VERBIO Vereinigte BioEnergie AG. Even if the management is of the opinion that these assumptions and estimates are appropriate the actual development and the actual future results may vary from these assumptions and estimates as a result of a variety of factors. These factors include, for example, changes to the overall economic environment, the statutory and regulatory conditions in Germany and the EU and changes in the industry. VERBIO Vereinigte BioEnergie AG makes no guarantee and accepts no liability for future development and the actual results achieved in the future matching the assumptions and estimates stated in this quarterly report. It is neither the intention of VERBIO Vereinigte BioEnergie AG nor does VERBIO Vereinigte BioEnergie AG accept a special obligation to update statements related to the future in order to align them with events or developments that take place after this report is published.

This interim report is available in English; if there are variances the German version has priority over the English translation. It is available for download in both languages at <http://www.verbio.de>.

We will be delighted to send you additional copies and further information material on VERBIO Vereinigte BioEnergie AG free of charge on request.

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