



# DRAWING THE BALANCE

Interim report Q1 2011

# Group key figures

[EUR million]

Profitability	Q 1 2011	Q 1 2010	Q 2 2010	Q 3 2010	Q 4 2010	2010
Sales	142.5	111.5	131.6	127.4	150.1	520.6
EBITDA	9.7	7.5	5.4	3.6	5.4	21.9
EBIT	3.2	5.1	2.6	0.2	2.5	10.4
EBIT-margin (%)	2.2	4.6	2.0	0.2	1.7	2.0
EBT	2.3	4.4	2.1	-0.6	1.3	7.2
Period result	2.0	2.2	3.2	0.9	1.7	8.0
Earnings per share (EUR)	0.03	0.04	0.05	0.01	0.03	0.13
<b>Operating data</b>						
Productions (tons)	116,895	131,306	145,988	149,390	157,627	584,311
Utilisation (%) <sup>1)</sup>	67.0	75.3	83.7	85.7	90.4	83.8
Investments in property, plant and equipment	2.6	8.8	18.1	8.7	12.7	48.3
<b>Net asset position</b>						
Net financial assets	-41.4	8.0	13.9	22.2		-58.3
Equity	330.1	309.3	315.4	320.9		332.5
Equity ratio (%)	59.5	67.0	73.1	66.2		54.7
Balance-sheet total	555.2	461.9	431.7	485.1		608.4
<b>Financial status</b>						
Operating cash flow	39.5	19.9	45.6	19.7		25.3
Operating cash flow per share (EUR)	0.63	0.32	0.74	0.32		0.41
Cash and cash equivalents	43.5	37.3	42.9	49.6		47.8
Number of employees	726	417	416	428		743

<sup>1)</sup> In relation to the production capacity

# Segment key figures

[EUR million]

	Q 1 2011	Q 1 2010	Q 2 2010	Q 3 2010	Q 4 2010	2010
<b>Biodiesel</b>						
Sales	87.5	72.6	92.7	78.5	91.1	334.4
Third party sales	84.2	72.6	92.7	78.5	90.6	334.4
EBIT <sup>2)3)</sup>	8.3	-1.7	0.1	-0.5	2.1	0.0
Production (tons)	78,278	89,002	98,179	93,037	98,621	378,839
Utilisation (%) <sup>1)</sup>	73.2	83.3	91.9	87.1	92.3	88.6
Number of employees	105	100	99	103		101
<b>Bioethanol</b>						
Sales	34.3	34.1	34.9	44.7	44.9	158.6
Third party sales	34.3	34.1	34.9	44.7	44.9	158.6
EBIT <sup>2)4)</sup>	-3.5	1.8	1.9	0.6	-2.3	2.0
Production (tons)	38,617	42,304	47,809	56,353	59,006	205,472
Utilisation (%) <sup>1)</sup>	57.2	62.7	70.8	83.5	87.4	76.1
Number of employees	167	171	166	171		169
<b>Energy</b>						
Sales	2.1	3.0	1.9	1.9	3.0	9.8
Third party sales	2.1	3.0	1.9	1.9	3.0	9.8
EBIT <sup>2)</sup>	0.1	5.1	0.7	-0.2	-0.1	5.5
<b>Märka Trade</b>						
Sales	43.2	0	0	0	49.9	49.9
Third party sales	19.5	0	0	0	11.1	11.1
EBIT <sup>2)</sup>	0.3	0	0	0	-0.9	-0.9
<b>Other</b>						
Sales	7.9	1.9	2.0	2.3	2.2	8.4
Third party sales	2.4	1.9	2.0	2.3	0.5	6.7
EBIT <sup>2)</sup>	0.0	-0.1	-0.1	0.3	-0.1	0.0

<sup>1)</sup> In relation to the production capacity

<sup>2)</sup> Excluding elimination of intercompany results (Q1 2011: in total EUR -2.0 million)

<sup>3)</sup> 2010: Expense from write-downs (EUR 85.0 million) excluded

<sup>4)</sup> 2010: Income from reversals of write-downs (EUR 86.1 million) excluded

YOU ARE A **VERBIO SHAREHOLDER.**

# Why aren't you driving with **verbiogas**?

PETROL 122 km

DIESEL 212 km

VERBIOGAS 263 km



Today, only 0.2 per cent of all vehicles in Germany run on natural gas,<sup>1)</sup> even though all arguments are in favour of doing so: It is cheaper, it lasts longer and it is more environmentally friendly than the alternatives.<sup>2)</sup> We ask ourselves: Why is that?

The myth "expensive to purchase" can be proven wrong by taking a look at the prices of car manufacturers: The additional costs are already offset after a year of driving frequently. The model range is growing as well: There are offers for everything ranging from small cars to family cars. Demand, however, is limited.

For a long time, the limited availability of this fuel type was used as a counter-argument. With the current number of 900 petrol stations in Germany<sup>3)</sup>, this argument no longer applies. The previously required organisational effort for longer trips by the owners of natural gas cars has been largely eliminated.

In conclusion, Germany's drivers aren't exactly the most avid fans of natural gas. A quick look beyond the borders provides the evidence: About 1.3 million natural gas vehicles are driving on Europe's streets; in Germany there are merely 85,000<sup>3)</sup>. Italy is the pioneer - a country also well known for its love of beautiful and fast cars. So the special relationship Germans have to their cars can't be the reason either.

Maybe it is the fact that natural gas does not seem fit for the future: As a fossil fuel, it will not suffice to meet the EU requirements to the average CO<sub>2</sub> fleet consumption by 2020. By then, new cars may only emit 95g of CO<sub>2</sub> per kilometre.

We are able to provide that: With the production of 480 GWh of **verbiogas** and in terms of figures we can offer biogas at natural gas prices at 25 per cent of all German natural gas filling stations. Compared to petrol, **verbiogas** saves 90 per cent CO<sub>2</sub>. There isn't a more environmentally friendly and technically developed alternative.



**Verbiogas** is produced using agricultural waste without the use of food. This cheap fuel also offers a consistently high quality: The gas has the same chemical composition as natural gas. Therefore, more and more public utilities rely on **verbiogas** as the most climate-friendly, advanced and economic solution. Together, we can assume a pioneering role.

Our strategic goal for fiscal year 2011 is to promote **verbiogas** as a fuel, to open up the natural gas vehicle market and to actively encourage further growth. You will benefit from this success. And you can maximise it if you switch to natural gas mobility.

Welcome to the age of green automobility!



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# Group interim management report

*for the period January 1 to March 31, 2011*

## GENERAL CONDITIONS

In Germany the legislators defined a mandatory share of blending volume of biofuels amounts to 6.25 per cent (relating to the energy content) from 2011 to 2014. The mineral oil industry is obligated to fulfil the mandatory share of blending volume of biofuels. The sub-quotas, each relating to the energy content, amount to 4.4 per cent biodiesel, which have to be blended to mineral diesel and a minimum of 2.8 per cent bioethanol, which have to be blended to petrol.

According to current law, the biofuel quota to be reached should be restructured as from 2015. This should be realised by a climate protection quota to the reduction of the greenhouse gas emissions of the whole fuel market by the use of biofuels (so-called: decarbonization strategy). From 2015, the climate protection quota shall amount 3 per cent and gradually increase to seven per cent from the year 2020. However there are efforts on the part of various associations of the biofuel industry to bring the implementation of the climate protection quota forward to 2014 to increase to 4.5 per cent and to rise successively on a yearly basis.

### EU defines the legal framework

The legal framework to reach the climate protection goals of the EU are in the meantime in place. Certainly there will be amendments to these laws in the next years, depending upon how the implementation of the goals is arranged and how the political will changes.

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" demands a minimum share of 10 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 are currently the only sustainable alternative to crude oil in

Europe. In addition, it is not to be expected that the electromobility can take over a higher share on short notice. The electricity from renewable energies which is used by the electromobility has to be made available and does therefore not automatically provide savings of greenhouse gases.

All EU member states had to transpose that extensive legislative package into national law until December 5, 2010. Until now, only Germany and Austria put this obligation into national law. In addition, the sustainable biomass cultivation must be verified since the year 2010. This is required for the consideration to the biofuel quota and for receipt of any tax shelter. In the consequence, this requires a regulation in the form of national laws and ordinances.

### VERBIO - A biofuel producer with sustainability certificate

Already at the beginning of August 2010, VERBIO provided proof, that its production companies fulfil sustainability requirements which are required by the German sustainability regulation. On September 8, 2010 VERBIO transmitted the first data set to the creation of a sustainability verification to the database system of the BLE. VERBIO is the first supplier in the EU who issued a sustainability verification for biofuels.

### Due to insufficient information of the consumers: Implementation of E10 failed

The already at the end of 2010 passed implementation of the E10 fuel (petrol with a share of 10 per cent ethanol) at the petrol stations from January 2011 was not auspicious. Although the market implementation of E10 was discussed for a long time, the mineral oil industry and politics missed to inform the consumers about the "new" fuel. The consequence, a consumer uproar: due to uncertainty, missing information and protest. A lot of consumers did not and still do not know that they already have filled up their cars with E5 in every liter super benzine. On March 8, 2011 a "petrol summit" through Federal Minister Brüderle took place to relieve the uncertainty. Representatives of the automobile industry, mineral oil industry and biofuel industry attended. The attendants were united about the point that the mineral oil industry

should better inform in the publicity and especially at the petrol stations about the E10 fuel and the comparability of the cars. It was noted, that the implementation of the new type of fuel is going to be continued.

The implementation of E10 was demanded by the mineral oil industry as well as from the automobile industry. The interest of the mineral oil industry lay mainly in enlarging the opportunities to reach the biofuel quota, to foreclose possible penalty at non-performance. The automobile industry demanded the E10 fuel, because German manufacturers expected difficulties in reaching the EU specifications in consideration of the CO<sub>2</sub> output of the vehicle fleets. Contrary to the statement of the mineral oil industry, penalties due to non-performance of the biofuel quota are very unlikely, even if the implementation of E10 did not proceed as scheduled. There are also alternatives in reaching the total quota in the amount of 6.25 per cent: Besides the blending of bioethanol or biodiesel, the mineral oil industry could use the sale of pure biofuels to reach the legal mandatory total quota. Through this, the biofuel goals were reached in the last couple of years - without E10. This was because of a strong sales channel of pure biodiesel (B100).

#### Market situation

Consumption data released by the German Federal Office of Economics and Export Control which extends to inclusively February 2011 indicate that the total amount of fuel sold in the first two months 2011 significantly increased compared to the previous year's level. The sale of petrol increased by 6.9 per cent while the sale of diesel increased by 10.3 per cent. We expect, that this movement will continue in the following months

In the first two months 2011, the biodiesel share which was delivered to the blending industry, decreased compared to the previous year's period by about six per cent. The reason may be a reserved "blending activity" of the mineral oil industry due to the very high price level of biodiesel. The mineral oil industry probably used previous year's quota surplus to compensate the reduced blending of bio-components. In addition, the extremely high price level of biodiesel led to a significant sales decrease of pure biodiesel B100. Compared to the previous year's period, sales decreased by 71.4 per cent. Due to the in-

creased price for fossil crude oil which makes B100 increasingly competitive, increased sales are to be expected for the following months. Then, the use of B100 will be especially more interesting for logistics companies.

In the first two months 2011, demand and therefore also sales of bioethanol on the German blending market are around 10.8 per cent over the comparably previous year's figures. The simultaneous increase of petrol sales of 6.9 per cent and the beginning market implementation of E10 let expect a clearly higher blending of ethanol. The extensive and mostly very negative reporting in all medias to the implementation of E10 led, however, to a as a fiasco interpretive sales situation for E10. In the following months, only gradually increasing sales figures for E10 and therefore demand for bioethanol is to be expected.

Compared to the respective previous year's period sales of E85 (petrol with a share of 85 per cent ethanol) have increased by about 13 per cent. In view of the relatively low base level of this fuel, the utterly increase is little important for the total sales.

#### Movement of raw material prices

The crude oil price for the first quarter 2011 moved on a range between USD 94 per barrel and USD 119 barrel. The price was at an average of USD 106 per barrel which represents an increase of 33 per cent compared to the previous year's period.

Over the course of the first quarter 2011 the rapeseed oil price stabilised and was at an average of EUR 1,010 per ton. In respect to the yields below average for rapeseed in Europe, Canada and the region of the Black Sea, a shortage of rapeseed oil is recognisable.

EU imports with a volume of about 1.1 million tons of rapeseed resulted in a slightly consolidation of the price level for rapeseed oil. In the past weeks this resulted in a decrease of rapeseed oil prices from a peak of EUR 1,125 per ton to approximately EUR 1,000 per ton.

After a strong increase in the last year, the price for crop consolidated on a high level with a price of approximately EUR 244 per ton (June 2010: approximately EUR 145 per ton) in the first quarter 2011. The reasons for this intense price increase were mainly yield losses in Germany, the region of the Black Sea as well as a complete export stop for crop from

Russia, the Ukraine and Kazakhstan. This export stop shall be presumably removed in the fourth quarter of 2011 if the previously mentioned countries reap a good yield in 2011. Due to the high price level, there is a partially clearly expansion of crop-growing land recognised in the main countries of cultivation. India plans to remove the export stop for wheat as a result of three record yields. Experts are of the opinion that therefore the basis for a good worldwide crop supply for the crop year 2011/2012 is given.

The world price for sugar was dropping below the previous peak levels in the fourth quarter of 2010 with about 24 per cent. The world-wide sugar supply is to be described as unbalanced. In respect to good yields, Brazil and India have a balanced supply and demand result. However, the comparable low yield of sugar beets 2010 in Germany and Poland resulted in a shortage.

*Development of selected raw materials (average price)*

	Q 1 2010	Q 2 2010	Q 3 2010	Q 4 2010	2010	Q 1 2011
Crude oil (Brent; USD/barrel)	77	79	77	87	80	106
Mineral diesel (EUR/ton)	466	539	516	548	517	664
Rapeseed oil (EUR/ton)	657	695	772	930	763	1,037
Wheat (MATIF; EUR/ton)	125	132	200	225	170	252
Sugar (EUR/ton)	388	269	343	471	368	492

The following chart represents the relative price movement of raw materials on the international markets in 2010/2011:

*Relative movement for selected raw materials*

[ in %, subscripted ]



## MOVEMENT OF REVENUES AND RESULTS

In the first three month of 2011 VERBIO produced 116,895 tons of biofuels compared to 131,306 tons in the compared previous period. Due to a positive market price development revenues stood at EUR 142.5 million (3 M 2010: EUR 111.5 million).

Group operating result for the period January 1, to March 31, 2011 was at EUR 3.2 million. Compared to the first three months 2010 the group operating result (EUR 5.1 million) decreased by EUR 1.9 million. The result of the first quarter 2011 is burdened by higher expenses for depreciation and amortisation compared to the first quarter 2010. On the other hand, the compared previous period result was positively influenced by the sale of six wind energy plants. Under consideration of accrued book losses in the amount of EUR 0.2 million, book profits gained were in total of EUR 3.7 million. Additional income in the amount of EUR 2.1 million resulted from the disposal of corresponding special items for investment subsidies.

Other operating income was at EUR 2.3 million (3 M 2010: EUR 12.7 million). The previous year's figures included the previously mentioned book profits from the sale of wind energy plants and the gains from the disposal of corresponding special items for investment subsidies and gains from insurance recoveries. Those were granted to a compensation for service interruption because of fire damage.

Increasing expenses for depreciation and amortisation (EUR 6.5 million; 3 M 2010: EUR 2.4 million) are mainly the result of the depreciation of the biogas plants (EUR 1.3 million) as well as higher expenses due to the appreciation in value for the bioethanol plants (EUR 2.1 million) which was agreed to as of December 31, 2011.

Other operating expenses were at EUR 8.3 million after EUR 9.9 million in the previous year.

The financial result amounts to EUR -0.9 million (3 M 2010: EUR -0.7 million) and contains interest income in the amount of EUR 0.3 million (3 M 2010: EUR 0.1 million) and interest expenses in the amount of EUR 1.2 million (3 M 2010: EUR 0.8 million).

Taking into account the relevant applicable income taxes, net income for the first quarter 2011 results in a net income for the period in the amount of EUR 2.0 million (3 M 2010: EUR 2.2 million).

## NET ASSETS AND FINANCIAL POSITION

Compared to December 31, 2010 the balance sheet total decreased with EUR 53.2 million at March 31, 2011 to EUR 555.2 million (December 31, 2010: EUR 608.4 million).

The assets side is affected by seasonal reasoned reduction in inventories and the decrease of other assets. From the operating cash flow development and the application of liquid funds, funds including time deposits were at EUR 43.5 million at March 31, 2011. After subtraction of financial liabilities in the amount of EUR 84.9 million a net interest in the amount of EUR 41.4 million remains. Net interest was therefore about EUR 16.9 million below the result at December 31, 2010 (EUR 58.3 million).

The equity and liabilities side of the balance sheet was basically dominated by equity in the amount of EUR 330.1 million, which represents 59 per cent (December 31, 2010: 55 per cent) of the balance sheet total and is therefore with four per cent points over the balance sheet total as at December 31, 2010. Compared to December 31, 2010 non-current liabilities, current liabilities remained almost unchanged, reduced to EUR 158.7 million (December 31, 2010: EUR 206.6 million). This movement is mainly due to the repayment of current liabilities, the reduction of liabilities from grain and rapeseed transactions (other current liabilities) and the reduction of derivative liabilities.

EUR million	31/03/2011	Share of balance sheet total	31/12/2010	Share of balance sheet total
<b>ASSETS</b>				
Non-current assets	339.6	61 %	345.8	57 %
Current assets	215.6	39 %	262.6	43 %
<b>Total assets</b>	<b>555.2</b>	<b>100 %</b>	<b>608.4</b>	<b>100 %</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	330.1	59 %	332.5	55 %
Non-current assets	66.4	12 %	69.3	11 %
Current assets	158.7	29 %	206.6	34 %
<b>Total equity and liabilities</b>	<b>555.2</b>	<b>100 %</b>	<b>608.4</b>	<b>100 %</b>

### Cash flow

As at March 31, 2011 cash funds of EUR 37.6 million only include cash and cash equivalents reported in the balance sheet.

The operating cash flow amounted to EUR 39.5 million and is positively influenced by a decrease in inventories in the amount of EUR 21.4 million (3 M 2010: decrease EUR 13.7 million), trade payables in the amount of EUR 16.4 million (3 M 2010: increase of EUR 12.7 million) as well as a decrease of other assets in the amount of EUR 15.9 million (3 M 2010: EUR 18.9 million). This is accompanied by the decrease in trade receivables in the amount of EUR 9.8 million (3 M 2010: EUR 1.7 million).

The cash flow from investing activities is negative and amounts to EUR 4.9 million (3 M 2010: positive EUR 4.5 million). This is mainly due to cash payments to acquire property, plant and equipment amounted to EUR 3.2 million (3 M 2010: EUR 10.0 million) as well as payments for time deposits in the amount of EUR 1.9 million (3 M 2010: EUR 0 million).

The negative cash flow from financing activities in the amount of EUR 40.6 million (3 M 2010: EUR 25.3 million) is influenced by cash payments on secured loans in the amount of EUR 25.3 million (3 M 2010: EUR 19.2 million) and cash payments for the amortisation of financial liabilities in the amount of EUR 21.1 million (3 M 2010: EUR 10.7 million). This is

accompanied by proceeds from secured loans in the amount of EUR 5.8 million (3 M 2010: EUR 4.6 million).

At the end of the reporting period cash funds totalled EUR 37.6 million (Q 1 2010: EUR 33.3 million). Above all, VERBIO disposes of time deposits in the amount of EUR 5.9 million (December 31, 2010: EUR 4.0 million) as at the due date March 31, 2011.

### EMPLOYEES

At March 31, 2011 VERBIO employed 726 employees (December 31, 2010: 743 employees), thereof 272 salaried employees (December 31, 2010: 274 salaried employees), 421 industrial employees (December 31, 2010: 434 industrial employees) and 33 trainees (December 31, 2010: 35 trainees).

### INVESTMENTS

For the first three months of 2011 investments of EUR 2.6 million in property, plant and equipment (3 M 2010: EUR 8.8 million) are reported.

Investments in the amount of EUR 0.9 million relate primarily to the existing biogas plants in Schwedt/Oder and Zörbig. Moreover, investments were made into plant optimisation of the existing biodiesel and bioethanol plants.

## SEGMENT REPORTING

### Biodiesel

	p.a.	Q 1 2011	Q 1 2010
Nominal capacity (tons)	450,000	112,500	112,500
Production capacity (tons)	427,500	106,875	106,875
Production (tons)		78,278	89,002
Utilisation nominal capacity		69.6 %	79.1 %
Utilisation production capacity		73.2 %	83.3 %
Number of employees on March 31		105	100

The sale of VERBIO biodiesel, which is delivered into the domestic blending market, reduced in the reporting period by 17 per cent, compared to the previous year. Sales of B100 (pure biodiesel) also decreased by 29 per cent compared to the previous year.

The biodiesel business with foreign countries mainly focuses on Poland and the Czech Republic. Compared to the previous year, it gained more importance. The export quota is at about 22 per cent (2010: 2 per cent).

In the first three months 2011, 78,278 tons of biodiesel were produced and therefore with 10,724 tons under the previous year's production figures. The decreased production is caused by a higher price level for vegetable oil.

In the first quarter of 2011 revenues amounted to EUR 87.5 million (thereof third party revenues EUR 84.2 million), compared to EUR 72.6 million in the first quarter 2010. The increase was mainly caused by a higher price level compared to the previous year. In addition, non-required amounts of rapeseed were sold and sales in the amount of about EUR 6.0 million was realised. This is also reflected in the segment result before interest and tax which is in the amount of EUR 8.3 million (3 M 2010: EUR -1.7 million).

The result for the first three months 2011 also includes quota gains in the amount of EUR 1.8 million (3 M 2010: EUR 0.7 million).

## Bioethanol

	p.a.	Q 1 2011	Q 1 2010
Nominal capacity (tons)	300,000	75,000	75,000
Production capacity (tons)	270,000	67,500	67,500
Production (tons)		38,617	42,304
Utilisation nominal capacity		51.5 %	56.4 %
Utilisation production capacity		57.2 %	62.7 %
Number of employees on March 31		167	171

With a production of 38,617 tons of bioethanol in the first quarter of 2011, the production volume was significantly under the respective previous year's figures (3 M 2010: 42,304 tons). This is mainly due to the unfavourable price situation on the purchase and sales market. This resulted with sales in the amount of EUR 34.3 million because of a higher price level compared to the previous year's figures (EUR 34.1 million).

The bioethanol segment also contains revenues and expense from the biogas plants. In the first quarter of 2011 biogas revenues in the amount of about EUR 1.8 million were gained (3 M 2010: EUR 0 million).

The current yearly depreciation and amortisation in this segment increased compared to the previous year due to the amortisation and depreciation of the biogas plants and the appreciation in value for the bioethanol plants as at December 31, 2010 totalling EUR 3.5 million.

The segment result before interest and tax in the amount of EUR -3.5 million was clearly under the amount of the respective previous year's period (3 M 2010: EUR 1.8 million). The segment result also con-

tained income from insurance recovery in the amount of EUR 4.3 million relating to the previous year.

## Energy

From January 1, to March 31, 2011 the energy segment contributed with revenues of EUR 2.1 million (3 M 2010: EUR 3.0 million) to the total revenue. Compared to the previous year, the decrease in revenues was due to the sale of in total twelve wind energy 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 amounted EUR 0.1 million (3 M 2010: EUR 5.1 million). The previous year's quarter contains book profits from the sale of wind energy plants in the amount of EUR 3.7 million as well as gains from the decrease of the corresponding deferred investment grants and subsidies in the amount of EUR 2.1 million.

## Trade Märka

In the first three months of 2011, the contribution to revenues of the Märka segment amounted to EUR

43.2 million, whereby EUR 23.7 million relates to intersegment sales. From trading with third parties from grain, oil seed and fertilizer, EUR 19.5 million was realised. For the consolidation period mentioned above, the trade Märka is showing a result before interest and tax of 0.3 million. As at due date March 31, 2011 the Märka GmbH had 162 employees (December 31, 2010: 162 employees).

#### Other

The other segment contains services of the captive fleet and logistics. From January 1, to March 31, 2011 revenues in the amount of EUR 7.9 million, thereof third party revenues in the amount of EUR 2.4 million, (3 M 2010: EUR 1.9 million) were generated. The segment result before interest and tax was at EUR 0.0 million (3 M 2010: EUR -0.1 million). 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 VERBIOs risk and opportunity profile in the reporting period in comparison to the risks and opportunities described in detail in the group management report for the 2010 financial year.

Due to the difficulties of the mineral oil industry at the implementation of the E10 fuel and the resultant alternatives to cover the biofuel quota, this could lead to a massive lobby campaign of the mineral oil industry at the government to decrease the quota from currently 6.25 per cent to a lower value again (as already achieved in 2009). This would not just have a negative effect on the bioethanol market volume, but also to other biofuels available to reach the quota as B100 and biogas at the fuel station.

From today's perspective there are no existential risks and non are currently recognisable for the future.

#### FUTURE PROSPECTS AND OUTLOOK

##### Market and industry development

We are seeing both the biofuel and biogas market as a growth market in the future. The legal rules are put into place, especially through the specifications of the "Renewable-Energy-Sources-Directive (RES-D)" and the presented energy concept of the government as of September 6, 2010. The demand for biofuels in Germany as well as the demand for electricity and heat energy from renewable, sustainable produced raw materials will gradually increase, not at least because of the nuclear disaster in Japan and the thereof released discussion about the shutdown of the nuclear power plants. To reach the fixed CO<sub>2</sub> reduction of the "Renewable-Energy-Sources-Directive (RES-D)", the biofuel quota must be gradually increased to 10 per cent up to the year 2020. According to our estimations, the disaster of the implementation of the E10 fuel and the respective perception of the media will recline by and by and sales figures will increase. The mineral oil industry has, because of its quota obligation, an own interest in E10 and will push the market penetration through price policy at the petrol pump.

Above all, and according to the current state of discussion, the carbon reduction strategy, that means that the CO<sub>2</sub>-related obligation to use bio components in fuels is to be moved forward from 2015 to 2014. This would have the most positive effect for VERBIO since we already fulfil the requirements claimed to the full extend.

### Guidance for 2011 affirmed

We are confident about the further development in the bioethanol segment although our expectations regarding the market implementation of E10 were not fulfilled. We expect that the sales situation will relieve in the second half of the year at the latest.

The second quarter of 2011 started very positive regarding the biodiesel sales. The utilisation of our biodiesel plants was in April at over 90 per cent. In this segment, the reticent purchase policy of the mineral oil industry in the first quarter of 2011 will, from our point of view, not be continued because of the legal quota obligation.

Overall, we expect further growing sales figures and stable plant utilisation of more than 80 per cent for the following months.

Insofar we confirm the guidance to generate sales spread between EUR 550 million and EUR 600 million, EBITDA between EUR 35 million and EUR 40 million and EBIT between EUR 15 million and 20 million.

### Project status in line with planning

To further increase the productivity and production security of our biogas plants, it is planned to invest EUR 4.6 million in two straw processing plants. Both plants are under construction and are to be commissioned in late summer 2011.

VERBIO Vereinigte BioEnergie AG  
Leipzig, May 12, 2011

The Management Board

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS (IFRS)

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# Consolidated statement of comprehensive income

for the period from January 1 to March 31, 2011

KEUR	01/01-31/03/2011	01/01-31/03/2010
1. Revenue (including energy taxes collected)	147,984	118,254
Less: energy taxes	-5,460	-6,786
<b>Revenue</b>	<b>142,524</b>	<b>111,468</b>
2. Change in unfinished and finished goods	4,180	352
3. Capitalised production of own plant and equipment	240	378
4. Other operating income	2,256	12,675
5. Cost of materials		
a) Raw materials, consumables, supplies and purchased goods	-118,183	-93,448
b) Purchased services	-10,162	-7,932
6. Personnel expense	-7,068	-4,366
7. Depreciation and amortisation	-6,524	-2,437
8. Other operating expenses	-8,344	-9,915
9. Result from forward contracts	4,268	-1,687
<b>10. Operating result</b>	<b>3,187</b>	<b>5,088</b>
11. Interest income	259	125
12. Interest expenses	-1,157	-780
<b>13. Financial result</b>	<b>-898</b>	<b>-655</b>
<b>14. Result before tax</b>	<b>2,289</b>	<b>4,433</b>
15. Income tax expenses	-254	-2,259
<b>16. Net result for the period</b>	<b>2,035</b>	<b>2,174</b>
Result attributable to shareholders of parent company	1,935	2,174
Result attributable to non-controlling interests	100	0
Income and expenses recognised in equity:		
Fair value remeasurement on cash flow hedges	-6,472	-5,457
Deferred taxes recognised in equity	2,046	1,505
<b>17. Income and expenses directly recognised in equity</b>	<b>-4,426</b>	<b>-3,952</b>
<b>18. Comprehensive result</b>	<b>-2,391</b>	<b>-1,778</b>
Comprehensive result attributable to shareholders of parent company	-2,491	-1,778
Comprehensive result attributable to non-controlling interests	100	0
Earnings per share (basic and diluted)	0.03	0.04

# Consolidated balance sheet

at March 31, 2011

KEUR	31/03/2011	31/12/2010
<b>ASSETS</b>		
<b>A. NON-CURRENT ASSETS</b>		
I. Goodwill	70,682	70,682
II. Customer relationships	14,692	15,055
III. Other intangible assets	150	163
IV. Property, plant and equipment	252,532	258,239
V. Financial assets	1,572	1,707
<b>Total non-current assets</b>	<b>339,628</b>	<b>345,846</b>
<b>B. CURRENT ASSETS</b>		
I. Inventories	100,262	126,048
II. Trade receivables	35,417	38,417
III. Tax refunds	7,404	8,027
IV. Other assets	24,500	38,862
V. Derivatives	3,340	3,408
VI. Time deposits	5,900	4,000
VII. Cash and cash equivalents	37,608	43,796
VIII. Non-current assets held for sale	1,127	0
<b>Total current assets</b>	<b>215,558</b>	<b>262,558</b>
<b>Total assets</b>	<b>555,186</b>	<b>608,404</b>

KEUR	31/03/2011	31/12/2010
<b>EQUITY AND LIABILITIES</b>		
<b>A. EQUITY</b>		
I. Share capital	63,000	63,000
II. Additional paid-in capital	487,680	487,680
III. Other reserves	-4,231	195
IV. Retained earnings	-219,803	-221,738
<b>Total equity, excluding non-controlling interests</b>	<b>326,646</b>	<b>329,137</b>
V. Non-controlling interests	3,458	3,358
<b>Total equity</b>	<b>330,104</b>	<b>332,495</b>
<b>B. NON-CURRENT LIABILITIES</b>		
I. Provisions	19	56
II. Financial liabilities	34,888	35,443
III. Deferred investment grants and subsidies	12,032	12,648
IV. Other non-current liabilities	18,102	18,082
V. Deferred tax liabilities	1,341	3,117
<b>Total non-current liabilities</b>	<b>66,382</b>	<b>69,346</b>
<b>C. CURRENT LIABILITIES</b>		
I. Tax liabilities	8,502	8,541
II. Provisions	1,987	3,006
III. Financial liabilities	32,194	52,776
IV. Trade payables	35,375	32,597
V. Deferred investment grants and subsidies	1,920	1,990
VI. Other current liabilities	66,746	84,586
VII. Derivatives	11,658	23,067
VIII. Liabilities in connection with non-current assets held for sale	318	0
<b>Total current liabilities</b>	<b>158,700</b>	<b>206,563</b>
<b>Total equity and liabilities</b>	<b>555,186</b>	<b>608,404</b>

# Consolidated cash flow statement

for the period from January 1 to March 31, 2011

KEUR	01/01-31/03/2011	01/01-31/03/2010
Net income for the period	2,035	2,174
Income tax expense	254	2,259
Financial result	898	654
Depreciation and amortisation	6,524	2,437
Non-cash losses	616	0
Non-cash gains	-9	0
Loss (in prior period: gain) on disposal of property, plant and equipment and disposal of investment grants	274	-5,798
Release of deferred investment grants and subsidies	-494	-451
Non-cash changes in derivative financial instruments	-13,454	1,636
Decrease in inventories	21,443	13,663
Decrease (in prior period: increase) in trade receivables	16,385	-12,715
Decrease in other assets	15,905	18,948
Decrease (in prior period: increase) in provisions	-1,005	641
Decrease in trade payables	-9,784	-1,748
Increase (in prior period: decrease) in other liabilities	1,795	-997
Interest paid	-1,278	-857
Interest received	218	173
Income tax amounts paid	-844	-109
<b>Cash flows from operating activities</b>	<b>39,479</b>	<b>19,910</b>
Disbursement for time deposits	-1,900	0
Proceeds from time deposits	0	10,634
Disbursements for investments in intangible assets	-27	-12
Disbursements for investments in property, plant and equipment	-3,220	-10,014
Proceeds from disposal property, plant and equipment	113	3,889
Disbursements for investments in non-current financial assets	0	-19
Proceeds from disposal of non-current financial assets	136	57
Proceeds from investment grants	13	0
<b>Cash flows from investing activities</b>	<b>-4,885</b>	<b>4,535</b>

KEUR	01/01-31/03/2011	01/01-31/03/2010
Disbursements for payments on secured loans	-25,334	-19,176
Proceeds from secured loans	5,803	4,572
Disbursements for repayment of financial liabilities	-21,103	-10,687
<b>Cash flows from financing activities</b>	<b>-40,634</b>	<b>-25,291</b>
Net cash flows	-6,040	-846
Cash funds at beginning of period	43,648	34,156
<b>Cash funds at end of period</b>	<b>37,608</b>	<b>33,310</b>
Cash funds at end of period comprise the following:		
Restricted cash and cash equivalents	10,043	1,002
Cash and cash equivalents	27,565	32,308
<b>Cash funds at end of period</b>	<b>37,608</b>	<b>33,310</b>
Complementary information:		
Time deposits	5,900	4,000

# Consolidated statement of changes in equity

*for the period January 1 to March 31, 2011*

KEUR	Share capital	Additional paid-in capital	Other reserves
<b>01/01/2010</b>	<b>63,000</b>	<b>483,659</b>	<b>- 2,688</b>
Fair value remeasurement on cash flow hedges (after tax)	0	0	- 3,952
<b>Income and expenses recorded directly to equity</b>	<b>0</b>	<b>0</b>	<b>- 3,952</b>
Net income for the period	0	0	0
<b>Comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>- 3,952</b>
<b>31/03/2010</b>	<b>63,000</b>	<b>483,659</b>	<b>- 6,640</b>
<b>01/01/2011</b>	<b>63,000</b>	<b>487,680</b>	<b>195</b>
Fair value remeasurement on cash flow hedges (after tax)	0	0	- 4,426
<b>Income and expenses recorded directly to equity</b>	<b>0</b>	<b>0</b>	<b>- 4,426</b>
Net income for the period	0	0	0
<b>Comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>- 4,426</b>
<b>31/03/2011</b>	<b>63,000</b>	<b>487,680</b>	<b>- 4,231</b>

Reserve for treasury shares	Retained earnings	Total equity excluding non-controlling interest without non-controlling shares	Non-controlling interests	Total equity
<b>- 3,030</b>	<b>- 229,847</b>	<b>311,094</b>	<b>0</b>	<b>311,094</b>
0	0	-3,952	0	-3,952
<b>0</b>	<b>0</b>	<b>- 3,952</b>	<b>0</b>	<b>- 3,952</b>
0	2,174	2,174	0	2,174
<b>0</b>	<b>2,174</b>	<b>- 1,778</b>	<b>0</b>	<b>- 1,778</b>
<b>- 3,030</b>	<b>- 227,673</b>	<b>309,316</b>	<b>0</b>	<b>309,316</b>
<b>0</b>	<b>- 221,738</b>	<b>329,137</b>	<b>3,358</b>	<b>332,495</b>
0	0	-4,426	0	-4,426
<b>0</b>	<b>0</b>	<b>- 4,426</b>	<b>0</b>	<b>- 4,426</b>
0	1,935	1,935	100	2,035
<b>0</b>	<b>1,935</b>	<b>- 2,491</b>	<b>100</b>	<b>- 2,391</b>
<b>0</b>	<b>- 219,803</b>	<b>326,646</b>	<b>3,458</b>	<b>330,104</b>

# Selected explanatory disclosures to the notes

## ACCOUNTING POLICIES

The consolidated interim report of VERBIO Vereinigte BioEnergie AG ("VERBIO AG" or "Company") at March 31, 2011 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 regulations of IAS 34 to the "consolidated interim reporting" have been applied. All interim financial statements of companies included in the consolidated statements of the VERBIO AG have been prepared in accordance with 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 notes to the consolidated financial statements at December 31, 2010. 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 (KEUR). Figures have been rounded and therefore rounding differences are possible.

### Compulsory new accounting standards to be adopted

Effective January 1, 2011 the following new and/or revised standards and interpretations were to be applied for the Group:

- IAS 24 "Related party disclosures"
- IAS 32 "Financial instruments: Disclosures" (revised) - Classification of Rights Issues
- "Improvements to IFRS 2010"
- IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (revised)
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

There were no significant effects from the first-time adoption of these changes to the consolidated interim financial statements of the VERBIO AG.

## CONSOLIDATED FINANCIAL STATEMENTS

### Entities included in the consolidation

There were no changes in the period under review compared to December 31, 2010 except the following fact. In the business year 2011 the VERBIO Gaz Polska Sp. z o.o. Stettin/Poland was founded as a further 100 per cent subsidiary of VERBIO AG. Up to March 31, 2011 no operational activities were started.

## NOTES TO INDIVIDUAL ITEMS OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

A comparison of the items of the consolidated statement of comprehensive income is limited due to the consolidation of the Märka GmbH as of November 1, 2010.

### Other operating income

KEUR	01/01-31/03/2011	01/01-31/03/2010
Charge-out of expenses paid in advance	502	207
Release of investment grants	494	451
Reimbursement of electricity and energy tax	423	302
Rental and leasing income	183	166
Release of other provisions and write-off of trade payables	87	380
Release of allowance for doubtful receivables	67	200
Insurance recoveries	62	4.276
Gains on the disposals of property, plant and equipment	0	4.004
Gains on the disposal of investment grants	0	2.084
Miscellaneous	438	605
<b>Total other operating income</b>	<b>2,256</b>	<b>12,675</b>

Insurance recoveries included in the previous year were granted primarily as compensation for a business interruption at the Zörbig site. Furthermore, in the comparable period, gains on the disposal of property, plant and equipment and deferred investment grants are included which resulted from the sale of six wind energy plants.

### Cost of materials

Cost of materials mainly comprise procurement of raw materials, consumables, supplies for the current production and purchased goods. According to the segmentation we refer to the explanations under "segment reporting" in these consolidated interim financial statements.

### Other operating expenses

KEUR	01/01-31/03/2011	01/01-31/03/2010
Repairs	1,726	1,870
Outgoing freight	1,473	1,947
Motor vehicle costs	1,094	388
Insurances and dues	869	540
Losses on receivables and increase in allowances	579	60
Marketing costs	406	79
Other out-of-period expenses	363	355
Rental and leasing expenses	256	108
Legal and consulting fees	236	181
Selling expenses	182	863
Miscellaneous personnel expenses	175	333
Warehousing expenses	0	1,390
Miscellaneous other operating expenses	985	1,801
<b>Total other operating expenses</b>	<b>8,344</b>	<b>9,915</b>

### Result from commodity forward contracts

The result from the valuation and closing of positions of forward contracts which do not qualify for hedge accounting, the result from commodity futures that are used for hedge accounting (fair value hedges) and the ineffective portion of forward contracts that are used for hedge accounting (cash flow hedges) amounts in total to KEUR 4,268 (3 M 2010: KEUR -1,687). In addition, included in this item is the remeasurement result relating to imbedded derivatives in the amount of KEUR -429 (3 M 2010: KEUR 0).

The result from commodity future transactions is affected by positive amounts (KEUR 561) from commodity future transactions in connection with the application of the fair value hedge accounting.

In addition, as of the balance sheet date the amount of KEUR -4,426 (3 M 2010: KEUR -3,952) taking into consideration deferred taxes of KEUR 2,046 (3 M 2010: KEUR 1,505) from the valuation of future commodity transactions was taken from the other reserves without income statement effect, resulting from the qualification as cash flow hedges.

### Income tax expenses

Tax expenses for the period January 1, to March 31, 2011 amounting KEUR 254 (3 M 2010: KEUR 2,259) comprise as follows:

KEUR	01/01-31/03/2011	01/01-31/03/2010
Current tax income (previous year: expense)	17	-1,137
Deferred tax expense	-271	-1,122
<b>Total tax expenses</b>	<b>-254</b>	<b>-2,259</b>

### 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.

	2011	2010
Issued shares as of January 1,	63,000,000	61,530,000
Effect of treasury shares	0	0
Number of average shares outstanding as of March 31,	63,000,000	61,530,000
Net result for the period in KEUR	2,035	2,174
<b>Earnings per share in EUR</b>	<b>0.03</b>	<b>0.04</b>

## EXPLANATORY NOTES TO INDIVIDUAL ITEMS OF 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 a period of 15 years. In accordance with IAS 36, goodwill is subject to an annual impairment test.

#### Property, plant and equipment

The total value of property, plant and equipment reduced due to scheduled depreciation (KEUR 6,121), disposals (KEUR 1,014) and investments (KEUR 2,555) as well as due to the reclassification of two wind energy plants in the balance-sheet caption "Non-current assets held for sale" (KEUR 1,127).

#### Financial assets

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

### CURRENT ASSETS

#### Inventories

KEUR	31/03/2011	31/12/2010
Raw materials, consumables and supplies	42,259	50,058
Unfinished and finished goods	10,254	6,074
Merchandise	47,749	69,916
<b>Total inventories</b>	<b>100,262</b>	<b>126,048</b>

As of March 31, 2011 the examination of inventories for recoverability resulted in allowances totalling KEUR 1,218 (December 31, 2010: KEUR 17) to adjust to the lower market or net realisable value. The write-downs for raw materials, consumables and supplies as well as for merchandise are included in "Cost of materials" (KEUR 529; December 31, 2010: KEUR 0) and for finished products in "Change in unfinished and finished goods" (KEUR 689; December 31, 2010: KEUR 17) in the consolidated statement of comprehensive income.

Restraints of disposal regarding raw materials, consumables and supplies as well as merchandise in the amount of KEUR 47,719 (December 31, 2010: KEUR 65,910) are based on a secured loan.

### Trade receivables

At the balance sheet date trade receivables amounted to KEUR 35,417 (December 31, 2010: KEUR 38,417) and are disclosed net of valuation allowances in the amount of KEUR 1,784 (December 31, 2010: KEUR 1,660). All receivables have a remaining term of up to one year.

### Tax refund receivables

Tax refund receivables of KEUR 7,404 (December 31, 2010: KEUR 8,027) concern construction withholding tax, corporate tax and trade tax.

### Other assets

KEUR	31/03/2011	31/12/2010
Investment subsidies	12,858	12,781
Security deposits resulting from security agreements and liability declarations	3,279	3,275
Reimbursement of electricity and energy tax	1,537	1,016
Value-added tax receivables	1,525	1,609
Deferred expenses	1,328	941
Loan receivables	876	1,192
Security deposits for guaranteed credit lines	866	864
Other receivables VERBIO STS AG	700	700
Advance deposits for inventories	251	0
Security deposits for unrealised losses on forward transactions	215	15,618
Claims from the sale of wind power plants	179	179
Miscellaneous other assets	886	687
<b>Total other assets</b>	<b>24,500</b>	<b>38,862</b>

### Derivatives

In order to hedge raw material supply for biodiesel production, in addition to forward delivery contracts, derivatives are utilised in the form of purchased forward contracts for the supply of vegetable oil to guarantee margins and defined price levels and to guarantee access to raw materials as procurement instrument. These relate to standard future contracts with 100 per cent hedging effectiveness, so that no amounts are required to be recognised through the income statement for hedging non-effectiveness. At the balance sheet date, the positive fair value of these futures stood at KEUR 901 (December 31, 2010: KEUR 3,235), the negative fair value amounted to KEUR 778 (December 31, 2010: KEUR 1,025). These fair values are measured directly in equity.

In order to hedge raw materials and goods in stock of rapeseed and grain as well as fixed obligations for rapeseed procurement against value fluctuations, forward sales are entered into. At the balance sheet date, the positive fair value of the hedging instruments amounted to KEUR 671 (December 31, 2010: KEUR 0), while the negative fair value amounted to KEUR 215 (December 31, 2010: KEUR 15,618). In connection with fair value hedges, the changes in fair value of the underlying transaction which give rise to the hedged risk were recognised in the amount of KEUR 10,531 (December 31, 2010: KEUR 14,875) as a part of the carrying value of the underlying hedged transaction as well as active derivative for pending purchase contracts in the amount of KEUR 1,688 (December 31, 2010: KEUR 0).

In order to hedge revenues on sales contracts that are linked to the mineral diesel/gasoline prices, hedges in the form of fixed diesel/gasoline sales (fix) against variable diesel/gasoline prices are utilised. The positive fair value of these swaps at the balance sheet date amounted to KEUR 0 (December 31, 2010: KEUR 173), the negative fair value was KEUR 6,343 (December 31, 2010: KEUR -1,860). After taking into consideration hedge ineffectiveness in the amount of KEUR 23 (December 31, 2010: KEUR 4), which is recognised in the income statement, the fair value of these swaps in the amount of KEUR -6,320 (December 31, 2010: KEUR -1,683) is recorded directly to equity. The prospective effectiveness measurement is in the permitted range. The retrospective effectiveness was determined using the dollar-offset method.

In connection with raw material purchase contracts, price indexing exists that relates to the sales price of the products manufactured from the raw materials. These price indexings are bifurcated from the related purchase contracts as embedded derivatives. As of the balance sheet date, such embedded derivatives exist with a negative market value in the amount of KEUR 3,521 (December 31, 2010: KEUR 3,112).

In order to hedge variable interest payment obligations, interest rate swaps were entered into. The fair value of the interest rate hedging transactions is presented under derivatives. If no hedging relationships are designated, changes in the value are accordingly presented in the financial result. As of March 31, 2011, the negative fair value of the stand-alone interest rate hedging transactions amounted to KEUR 801 (December 31, 2010: KEUR 1,452). At the balance sheet date the positive fair value from interest rate swaps in hedging relationships amounted to KEUR 81 (December 31, 2010: KEUR 0). After taking into consideration hedge ineffectiveness in the amount of KEUR 16 (December 31, 2010: KEUR 0), which is recognised in the income statement, the fair value of these swaps in the amount of KEUR 65 (December 31, 2010: KEUR 0) is recorded directly to equity. The prospective effectiveness measurement is in the permitted range. The retrospective effectiveness was determined using the dollar-offset method.

#### Time deposits

Time deposits in the amount of KEUR 4,803 (December 31, 2010: KEUR 3,645) 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 KEUR 27,565 (December 31, 2010: KEUR 32,542) plus restricted cash and cash equivalents in the amount of KEUR 10,043 (December 31, 2010: KEUR 11,254).

#### Assets held for sale

This balance sheet item includes two wind energy plants of the VERBIO Diesel Bitterfeld GmbH & Co. KG (VDB), which are under sales purpose. The carrying amount as of March 31, 2011, taking the capitalised reactivation obligations into account, amounted to KEUR 1,127. A reclassification was made from property, plant and equipment to "assets held for sale".

## 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 as well as interest swaps. In line with the cash flow hedge accounting KEUR 4,198 of equity and of revenues (decrease of revenues) KEUR 1,846 have been reorganised to "Cost of materials" (decrease of "Cost of materials") during the reporting period.

## NON-CURRENT LIABILITIES

### Provisions

At March 31, 2011, non-current provisions amounted to KEUR 19 (December 31, 2010: KEUR 56). This amount represents asset retirement obligations for wind power plants.

### Deferred investment grants and subsidies

KEUR	Investment subsidies	Investment grants	Total
31/12/2010	12,045	2,593	14,638
Additions	89	0	89
Release	-341	-153	-494
Reclassification in liabilities in connection with non-current assets held for sale	-281	0	-281
<b>31/03/2011</b>	<b>11,512</b>	<b>2,440</b>	<b>13,952</b>
Thereof current	1,295	625	1,920
Thereof non-current	10,217	1,815	12,032

### Assigned securities

We refer to the detailed explanations in the consolidated notes for the financial year 2010.

## CURRENT LIABILITIES

### Tax liabilities

Tax liabilities comprise trade tax obligations in the amount of KEUR 1,453 (December 31, 2010: KEUR 1,505), state-, council and federal tax of Switzerland in the amount of KEUR 157 (December 31, 2010: KEUR 157), corporate tax amounting to KEUR 974 (December 31, 2010: KEUR 961) and, unchanged to December 31, 2010, construction withholding tax in the amount of KEUR 5,918.

## Provisions

KEUR	31/03/2011	31/12/2010
Impending losses on pending sales transactions	320	1,312
Litigation risks	1,385	1,389
Other provisions	282	305
<b>Total provisions</b>	<b>1,987</b>	<b>3,006</b>

### *Impending losses on pending sales transactions*

In the Biodiesel an Bioethanol segment provisions for impending losses on existing sales contracts were recognised in the amount of KEUR 320 (Biodiesel KEUR 300; Bioethanol KEUR 20; 2010: Biodiesel KEUR 1,312). The provision was recorded in the amount that the anticipated production costs exceed the expected sales prices.

### *Litigation risks*

With judgment of July 21, 2008 VERBIO Diesel Bitterfeld GmbH & Co. KG (VDB) was sentenced to pay a compensation amounting to KEUR 3,416 plus interest. VDB appealed the sentence within the time limit. Nevertheless, at December 31, 2010, the company has recognised a provision of KEUR 1,198 to cover the risk. At March 31, 2011 the interest rate was adjusted in the amount of KEUR 14 to KEUR 1,212.

## Other current liabilities

KEUR	31/03/2011	31/12/2010
Liabilities from grain and rapeseed transactions	42,627	62,097
Energy tax	10,994	5,644
Realised losses on forward contracts	2,151	1,682
Unrealised losses on forward contracts	1,968	0
Bonuses and special payments	1,739	1,511
Value-added tax	1,694	6,295
Liabilities from the acquisition of Märka GmbH	1,500	1,500
Wages and salaries	899	893
Payments received for unrealised gains on forward contracts	671	0
Advanced payments received on orders	520	2,599
Miscellaneous other current liabilities	1,983	2,365
<b>Total other current liabilities</b>	<b>66,746</b>	<b>84,586</b>

### Liabilities in connection with assets held for sale

It is aimed to sell two wind energy plants balanced at VDB. In this connection investment grants issued (KEUR 281) and dilapidation reserves (KEUR 37) were reclassified to a separate balance sheet item "Liabilities in connection with assets held for sale".

### OTHER DISCLOSURES

#### Segment reporting

The Group's risks and earnings are significantly affected by its business segments. Segmentation into biodiesel, bioethanol, energy, trade Märka 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 KEUR 5,460 (3 M 2010: KEUR 6,786).

KEUR	Biodiesel		Bioethanol		Energy		Trade Märka		Other	
	Q 1 2011	Q 1 2010	Q 1 2011	Q 1 2010	Q 1 2011	Q 1 2010	Q 1 2011	Q 1 2010	Q 1 2011	Q 1 2010
Revenue	87,501	72,562	34,272	34,052	2,066	2,960	43,205	0	7,850	1,894
Thereof third party revenue	84,219	72,562	34,242	34,052	2,066	2,960	19,544	0	2,453	1,894
Change in finished and unfinished goods	3,170	219	1,010	133	0	0	0	0	0	0
Capitalised production of own plant and equipment	27	0	213	378	0	0	0	0	0	0
Other operating income	568	818	912	5,627	26	6,181	863	0	347	49
Cost of materials	-79,137	-67,617	-32,527	-30,510	-1,634	-2,429	-38,506	0	-5,165	-824
Personnel expenses	-1,491	-1,710	-2,275	-2,102	0	-32	-1,920	0	-1,382	-522
Depreciation and amortisation	-1,568	-1,581	-3,486	-337	-67	-255	-998	0	-405	-264
Other operating expenses	-3,485	-3,305	-3,563	-4,805	-323	-1,361	-1,911	0	-1,286	-444
Result of forward contract transactions	2,725	-1,057	1,972	-630	0	0	-429	0	0	0
<b>Segment result</b>	<b>8,310</b>	<b>-1,671</b>	<b>-3,472</b>	<b>1,806</b>	<b>68</b>	<b>5,064</b>	<b>304</b>	<b>0</b>	<b>-41</b>	<b>-111</b>
Financial result	-445	-426	-405	-220	0	21	5	0	-53	-30
<b>Result before taxes</b>	<b>7,865</b>	<b>-2,097</b>	<b>-3,877</b>	<b>1,586</b>	<b>68</b>	<b>5,085</b>	<b>309</b>	<b>0</b>	<b>-94</b>	<b>-141</b>

### Reconciliation

KEUR	Total segments		Intersegment revenues and expenses		Other corrections Group		Group	
	Q 1 2011	Q 1 2010	Q 1 2011	Q 1 2010	Q 1 2011	Q 1 2010	Q 1 2011	Q 1 2010
Revenue	174,894	111,468	-32,370	0	0	0	142,524	111,468
Change in finished and unfinished goods	4,180	352	0	0	0	0	4,180	352
Capitalised production of own plant and equipment	240	378	0	0	0	0	240	378
Other operating income	2,716	12,675	-460	0	0	0	2,256	12,675
Cost of materials	-156,969	-101,380	30,614	0	-1,990	0	-128,345	-101,380
Personnel expenses	-7,068	-4,366	0	0	0	0	-7,068	-4,366
Depreciation and amortisation	-6,524	-2,437	0	0	0	0	-6,524	-2,437
Other operating expenses	-10,568	-9,915	2,224	0	0	0	-8,344	-9,915
Result of forward contract transactions	4,268	-1,687	0	0	0	0	4,268	-1,687
<b>Segment result</b>	<b>5,169</b>	<b>5,088</b>	<b>8</b>	<b>0</b>	<b>-1,990</b>	<b>0</b>	<b>3,187</b>	<b>5,088</b>
Financial result	-898	-655	0	0	0	0	-898	-655
<b>Result before taxes</b>	<b>4,271</b>	<b>4,433</b>	<b>8</b>	<b>0</b>	<b>-1,990</b>	<b>0</b>	<b>2,289</b>	<b>4,433</b>

### Segment assets

TEUR	31/03/2011	31/12/2010
Biodiesel	203,416	241,453
Bioethanol	232,652	244,263
Energy	5,263	5,504
Trade Märka	88,755	96,729
Other	8,456	5,020
<b>Group</b>	<b>538,542</b>	<b>592,969</b>

Other corrections mainly include the intercompany profit elimination in connection with the sale of raw materials through the segments trade Märka and bioethanol.

Compared to December 31, 2010 the decrease in segment assets in the biodiesel and bioethanol segment is mainly due to the reduction of inventory stock and decreased guarantees for non-realised losses from forward contracts (included in other assets).

Compared to the previous year the transport sector of Märka Group, which is consolidated since November 1, 2010, was assigned to the other segment (assets: KEUR 4,159). As of December 31, 2010 this sector was shown under the segment trade Märka in the consolidated financial statements with assets in the amount of KEUR 4,247.

## Contingent liabilities and other financial commitments

### *Contingent liabilities*

Regarding contingent liabilities please refer to the information in the consolidated notes for the financial year 2010.

### *Litigation*

Regarding pending litigations please refer to the information in the consolidated notes for the financial year 2010.

With judgement of March 28, 2011 a claim in the district court of Hamburg, in which a business partner is claiming refunds from a project contract entered into in previous years with VERBIO STS AG (STS) in the amount of KEUR 1,900 was rejected in its full amount.

### *Leasing contracts*

Additional financial commitments of KEUR 12,818 exist from various long-term leasing contracts. Allotted to the following year are KEUR 6,332 (thereof for wind energy plants KEUR 4,988), KEUR 1,760 (thereof for wind energy plants KEUR 80) are allotted to the next one to five years and KEUR 4,725 (thereof for wind energy KEUR 311) for a period exceeding five years.

For further information please refer to the explanations in the consolidated notes for the financial year 2010.

### *Commitments*

As at March 31, 2011 there is an open purchase obligation for investments amounting KEUR 2,378 (December 31, 2010: KEUR 1,858).

### *Related party disclosures*

Related party disclosures mainly relate to the production of goods and services and in particular to the sale of biofuels as well as transportation services. The comparability of these transactions is limited due to the consolidation of the Märka-Group (November 1, 2010).

For further information please refer to the explanations of related party disclosures in the consolidated notes for the financial year 2010.

### *Significant events subsequent to the end of the reporting period*

After the due date VERBIO Gas Papá Kft., Papá/Hungary, was founded as a further 100 per cent subsidiary.

### *Audit of the interim financial statements and interim management report*

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

# Executive bodies of the company

## SUPERVISORY BOARD

**Alexander von Witzleben**  
*Chairman of the Supervisory Board*

President of the Feintool International Holding AG,  
Lyss, Switzerland

Other supervisory board mandates:  
• PVA TePla AG, Wettenberg

Mandates in comparable controlling bodies:  
• Kaefer Isoliertechnik GmbH & Co. KG, Bremen

**Ulrike Krämer**  
*Member of the Supervisory Board*  
*Deputy Chairman*

Managing director:  
• M & K Treuhand GmbH, Ludwigsburg

**Dr.-Ing. Claus Meyer-Wulf**  
*Member of the Supervisory Board*

Manager environmental protection at Aurubis AG,  
Lünen

## 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, controlling, treasury, investor relations, law and IT

**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

**Bernd Sauter**  
*Procurement and logistics director*

Responsible for procurement, logistics and transport, insurances, fleet and property management

## FINANCIAL CALENDAR 2011

<b>March 23, 2011</b>	Publication of consolidated financial statements 2010 Analysts' conference/press conference on financial statements in Frankfurt/Main
<b>May 12, 2011</b>	Publication of the quarterly financial report up to March 31, 2011 Telephone conference with analysts' and investors
<b>June 24, 2011</b>	Annual General Meeting at Radisson Blu Hotel, Leipzig
<b>August 11, 2011</b>	Publication of the quarterly financial report up to June 30, 2011 Telephone conference with analysts' and investors
<b>November 10, 2011</b>	Publication of the quarterly financial report up to September 30, 2011 Telephone conference with analysts' and investors

## IMPRINT

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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 quarterly report and those submitted to the electronic Federal Gazette. In this case the version submitted to the electronic Federal Gazette is considered to be binding.

### Statements relating to the future

This quarterly 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 guarantees 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 quarterly report is available in German; 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>.

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