



# DRAWING THE BALANCE

Half-Year-Report 2011

# Group key figures

[EUR million]

<b>Profitability</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>1 HY 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>1 HY 2010</b>
Sales	142.5	172.5	315.0	111.5	131.6	243.1
EBITDA	9.7	3.5	13.2	7.5	5.4	12.9
EBIT	3.2	-3.0	0.2	5.1	2.6	7.7
EBIT-margin (%)	2.2	-1.7	0.0	4.6	2.0	3.2
EBT	2.3	-4.8	-2.5	4.4	2.1	6.5
Period result	2.0	-5.2	-3.2	2.2	3.2	5.4
Earnings per share (EUR)	0.03	-0.08	-0.05	0.04	0.05	0.09
<b>Operating data</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>1 HY 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>1 HY 2010</b>
Productions (tons)	116,895	134,119	251,014	131,306	145,988	277,294
Utilisation (%) <sup>1)</sup>	67.0	76.9	72.0	75.3	83.7	79.5
Investments in property, plant and equipment	2.6	3.1	5.7	8.8	18.1	26.9
Number of employees as of balance sheet date	726	734		417	416	
<b>Net asset position</b>	<b>31/03/2011</b>	<b>30/06/2011</b>		<b>31/03/2010</b>	<b>30/06/2010</b>	
Net financial assets	-41.4	-62.0		8.0	13.9	
Equity	330.1	329.4		309.3	315.4	
Equity ratio (%)	59.5	63.3		67.0	73.1	
Balance sheet total	555.2	520.2		461.9	431.7	
<b>Financial status</b>	<b>31/03/2011</b>	<b>30/06/2011</b>		<b>31/03/2010</b>	<b>30/06/2010</b>	
Operating cash flow	39.5	55.6		19.9	45.6	
Operating cash flow per share (EUR)	0.63	0.88		0.32	0.74	
Cash and cash equivalents	43.5	36.9		37.3	42.9	

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

# Segment key figures

[EUR million]

<b>Biodiesel</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>1 HY 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>1 HY 2010</b>
Sales	87.5	109.6	197.1	72.6	92.7	165.3
Third party sales	84.2	107.6	191.8	72.6	92.7	165.3
EBIT <sup>2)</sup>	8.3	-1.8	6.5	-1.7	0.1	-1.6
Production (tons)	78,278	94,342	172,620	89,002	98,179	187,181
Utilisation (%) <sup>1)</sup>	73.2	88.3	80.8	83.3	91.9	87.6
Number of employees as of balance sheet date	105	103		100	99	
<b>Bioethanol</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>1 HY 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>1 HY 2010</b>
Sales	34.3	47.3	81.6	34.1	34.9	69.0
Third party sales	34.3	40.6	74.9	34.1	34.9	69.0
EBIT <sup>2)</sup>	-3.5	-6.1	-9.6	1.8	1.9	3.7
Production (tons)	38,617	39,777	78,394	42,304	47,809	90,113
Utilisation (%) <sup>1)</sup>	57.2	58.9	58.1	62.7	70.8	66.8
Number of employees as of balance sheet date	167	169		171	166	
<b>Trade Märka</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>1 HY 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>1 HY 2010</b>
Sales	43.2	29.9	73.1	0.0	0.0	0.0
Third party sales	19.5	21.8	41.3	0.0	0.0	0.0
EBIT <sup>2)</sup>	0.3	2.9	3.2	0.0	0.0	0.0
<b>Other</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>1 HY 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>1 HY 2010</b>
Sales	10.0	3.8	13.8	4.9	3.9	8.8
Third party sales	4.5	2.5	7.0	4.9	3.9	8.8
EBIT <sup>2)</sup>	0.1	0.4	0.5	5.0	0.6	5.6

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

<sup>2)</sup> Excluding elimination of intercompany results (1 HY 2011: in total EUR -0.4 million)

## ENERGY TURNAROUND.

# Turn now!

Our top priority is to continue combating climate change and not to jeopardise it.

We are motivated by a sense of responsibility towards future generations. Our aim is to reduce harmful greenhouse gas emissions, in particular CO<sub>2</sub>. Our contribution is to produce an alternative to the dependency on fossil fuels with eco-friendly biofuel products and in doing so, to encourage responsible and careful use of natural resources. We are already making an important contribution with our products: **verbio**gas, **verbio**ethanol and **verbio**-**odiesel**. Our products have been shown to reduce CO<sub>2</sub> emissions by up to 90 per cent compared to fossil fuels.<sup>4</sup> This enormous reduction of CO<sub>2</sub> is also due to the versatile utilisation of the raw materials, which can be almost completely transformed into regenerative energy.

How can you contribute? Switch to VERBIO's eco-friendly alternatives – to make the turnaround a success – for a better society and a new environmental awareness – without giving up your accustomed standards. Together we will invest in a sustainable future.

Join the ecolution!

After a three-month moratorium, the German Federal Parliament decided that nuclear power stations will have been removed from the grid and the proportion of renewable energy sources in the electricity mix will have doubled. A success – not just for opponents of nuclear energy.

A rapid withdrawal from nuclear energy, safe storage options for atomic waste as well as improved safety standards of present-day power stations are important aims of the energy turnaround<sup>1</sup>. Production and development of the regenerative resources network are essential measures in order to prevent bottlenecks in the energy supply.

According to a study by the Economic Research Institute DIW<sup>2</sup>, the energy turnaround could create a sustainable stimulus for the German economy. This would in particular not only create more jobs in the renewable energy sector, it would also result in higher economic growth and the development of new markets. So Germany is set to become a pioneer in the renewable energy sector.

The energy turnaround is deliberate and necessary, not only to achieve the EU Climate Targets 2020<sup>3</sup>.

<sup>1</sup>www.bmu.de, <sup>2</sup>DIW weekly report 20/2011, <sup>3</sup>www.bmu.de, <sup>4</sup>IFEU study

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# Group interim management report

*for the period January 1 to June 30, 2011*

## GENERAL CONDITIONS

In Germany the legislators defined a mandatory share of blending volume of biofuels which is unchanged at 6.25 per cent.

At the beginning of June, the German Federal Cabinet concluded through Amending Regulation to the biofuel ordinance that biofuels are double-counting to the biofuel quota if they are produced from certain raw materials as for example waste. The effects of the regulation are backdated to January 1, 2011. This promote the usage of biodiesel made from used edible fat as well as of biomethane made from liquid manure, straw and residuals.

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 7 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 creates the legal framework

The legal framework to reach the climate protection goals of the EU and the obligatory blending goal of 10 per cent 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"). Thereby biodiesel, bioethanol and biogas play a central role. Fuels from raw materials as for example rapeseed or corn are currently the only sustainable alternative to crude oil in Europe.

It is not to be expected that the electromobility can take over a higher share on short notice. In addition, 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.

Even the so-called biofuels of the second generation which are made from wood or straw will not be available in the near future. Germany's flagship project to the extraction of diesel from wood and plant residues got bankrupt not only because of technical problems at the end of July 2011.

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 at due date. Further EU member states are in the process to implement the EU guideline. Thereby the establishment of sustainability criteria is a main aspect. The Netherlands and Sweden already put the sustainability regulations into its legislation. Experts expect that the implementation of the remaining EU member states will further accelerate in the second half-year 2011. The reason for this purpose is the registration of several EU-wide valid voluntary certification systems.

### E10 is starting to gain acceptance

The E10 fuel (petrol with a share of 10 per cent ethanol) has been available in France since April 2009 and in the Nordic countries such as Finland and Sweden since May 2011. Moreover, in the last months a number of countries, e.g. Greece, Malta, Spain and the Czech Republic, have fulfilled the legal requirements for launching E10 on the market.

Since January 2011 E10 has been sold at petrol stations in Germany. Since February 2011 the petrol stations have been selling the fuel, mainly in eastern and southern Germany. About 95 per cent of petrol-driven vehicles in Germany have been cleared to use the fuel. The lack of objective information and legally binding approvals by the oil and automotive industry were deficient when E10 was launched led to the initial rejection of the "new" fuel. Currently, the nationwide sales of E10 are at approx. 20 per cent of the total petrol consumption, which is a relatively low market share compared to the number of approved vehicles. Following the announcement by the mineral oil companies to expand the supply E10 nationwide, this percentage could range in the medium-term between 30 to 50 per cent. In addition, targeted marketing measures, by the petroleum associations as well, are contributing to educate the public and change public opinion about the E10 fuel.

### Market situation

Consumption data released by the German Federal Office of Economics and Export Control which extends to inclusively May 2011 indicate that the total amount of fuel sold in the first five months 2011 increased compared to the previous year: While sales of petrol stay on the level of the previous year, the sale of diesel increased by 5.9 per cent. It is to be expected, that this movement will continue in the following months.

In the first five months 2011, the biodiesel share which was delivered to the blending industry, decreased compared to the previous year's period by about 5 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 78 per cent.

In the first five months 2011, demand and therefore also sales of bioethanol on the German blending market is around 4.5 per cent over the comparably previous year's figures. The beginning market implementation of E10 let expect a clearly higher blending of ethanol. Due to the extensive and mostly very negative reporting in all medias to the implementation of E10 sales was very reserved. In the following months, only gradually increasing sales figures for E10 and therefore demand for bioethanol is to be estimated.

Compared to the respective previous year's period sales of E85 (petrol with a share of 85 per cent ethanol) increased by about 20 per cent. In view of the relatively low base level of this fuel, the utter increase is little important for the total sales.

### Movement of raw material prices

In the first six months of 2011, the price of crude oil (Brent) fluctuated between 94.49 USD/barrel (April 1, 2011) and 127.69 USD/barrel (April 28, 2011). The price was at an average of 111.98 USD/barrel which represents an increase of 44 per cent over the same period of the previous year.

The price of rapeseed oil reduced during the second quarter 2011 and was at an average of approx. 985 EUR/ton (Q1 2011: approx. 1,010 EUR/ton). The price consolidation is attributable to EU imports in the first quarter 2011, which eased the short supply of rapeseed and hence rapeseed oil.

The situation at the start of the EU rapeseed yield is not consistent, and is characterised by hectare yields that vary greatly from region to region. As a result of the poor yields in eastern and north-eastern Europe, the EU is dependent on rapeseed imports to balance supply and demand. The future price trend therefore depends on the availability of rapeseed, e.g. from the Ukraine and Australia.

In the second quarter 2011 grain prices were also extremely volatile and ranged from 255 EUR/ton (May 27, 2011) and 184 EUR/ton (June 30, 2011) for matif wheat. Russian exports put pressure on the world market price for wheat, and since then EU prices have been moving at approx. 200 EUR/ton. The return of Russia as an exporter has basically rebalanced the global supply and demand situation. India has eased its export restrictions following several successive record yields and ranks with Pakistan as a net exporter of grain.

Opinions on the future price development of wheat differ widely. The price movements of matif wheat of up to 70 EUR/ton within 5 weeks that have been observed to date are basically unjustified. On the contrary, they are largely attributable to the inflows and outflows of speculative capital. On the other hand this means the global economic development, as well as an expansive or restrictive monetary policy in the USA, Europe and China, will have a decisive impact on the price of wheat, as well as on other agricultural commodities.

The world market price of sugar has almost doubled in the last 12 months following its depression at the beginning of June 2010. The worsening yield forecasts for sugar cane from net exporter Brazil and reluctance on the part of India to export are driving up prices.

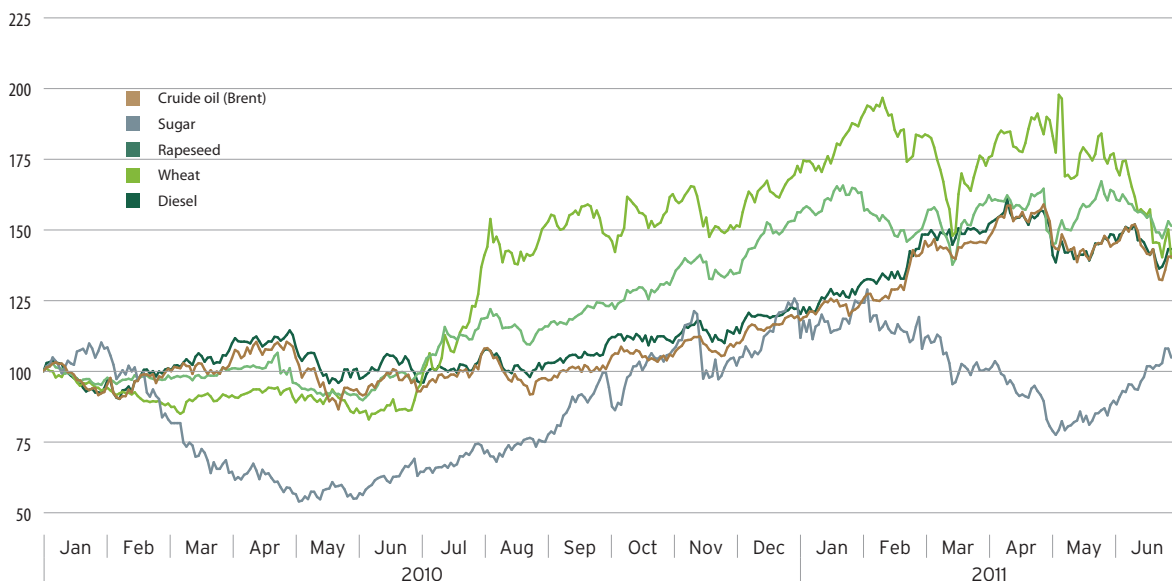
#### *Development of selected raw materials (average price)*

	Q 1 2011	Q 2 2011	Change	1 HY 2011	1 HY 2010	Change
Crude oil (Brent; USD/barrel)	106	118	11 %	112	78	44 %
Mineral diesel (EUR/ton)	664	683	3 %	673	502	34 %
Rapeseed oil (EUR/ton)	1,037	985	-5 %	1.011	676	50 %
Wheat (MATIF; EUR/ton)	252	233	-7 %	242	128	89 %
Sugar (EUR/ton)	492	375	-24 %	433	329	32 %

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

A comparison of the items of the movement of revenues and results is limited due to the consolidation of the Märka GmbH as of November 1, 2010.

In the first six month of 2011 VERBIO produced 251,014 tons of biofuels compared to 277,294 tons in the compared previous period. Due to a positive market price development revenues stood at EUR 315.0 million (6 M 2010: EUR 243.1 million) in the first half-year 2011.

The result before interest, tax, depreciation and amortisation (EBITDA) increased despite difficult general conditions and was at EUR 13.2 million (6 M 2010: EUR 12.9 million). In addition, it was positively influenced by the sale of seven wind energy plants. Under consideration of accrued book losses in the amount of EUR 0.2 million, book profits were gained in total of EUR 4.5 million in the first half-year 2010. Additional income in the amount of EUR 2.5 million resulted from the disposal of corresponding special items for investment subsidies in the previous year.

Group operating result (EBIT) for the period January 1, to June 30, 2011 was at EUR 0.2 million (6 M 2010: EUR 7.7 million). Compared to the first six months 2010 this result from increased expenses for depreciation and amortisation (6 M 2011: EUR 13.0 million; 6 M 2010: EUR 5.2 million). This is mainly due to higher depreciation and amortisation of the biogas plants (6 M 2011: EUR 2.7 million; 6 M 2010: EUR 1.0 million) as well as higher expenses due to the appreciation in value of the bioethanol segment (EUR 4.2. million) at December 31, 2010.

Other operating income was at EUR 5.4 million (6 M 2010: EUR 18.1 million). The decrease compared to the previous year's figures is mainly due to one-off effects which are shown in the selected explanatory disclosures to the notes

Other operating expenses were at EUR 16.3 million after EUR 17.7 million in the previous year.

The financial result amounts to EUR - 2.6 million (6 M 2010: EUR - 1.3 million) and contains interest income in the amount of EUR 0.5 million (6 M 2010: EUR 0.2 million) and interest expenses in the amount of EUR 3.1 million (6 M 2010: EUR 1.5 million).

Under consideration of the relevant applicable income taxes, net income for the first half-year 2011 the result for the period was at EUR - 3.2 million (6 M 2010: EUR 5.4 million).

## NET ASSETS AND FINANCIAL POSITION

Compared to December 31, 2010 the balance sheet total decreased with EUR 88.2 million at June 30, 2011 to EUR 520.2 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 36.9 million at June 30, 2011. After subtraction of financial liabilities in the amount of EUR 98.9 million a net interest in the amount of EUR 62.0 million remains. Net interest was therefore about EUR 3.7 million above 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 329.4 million, which represents 63 per cent (December 31, 2010: 55 per cent) of the balance sheet total and is therefore with 8 per cent points over the balance sheet total as at December 31, 2010. Compared to December 31, 2010 non-current liabilities reduced from EUR 69.3 million to EUR 56.1 million while current liabilities reduced to EUR 134.7 million (December 31, 2010: EUR 206.6 million). This movement is mainly due to the decrease of liabilities from grain and rapeseed transactions (other current liabilities) and the reduction of derivative liabilities.

EUR million	30/06/2011	Share of balance sheet total	31/12/2010	Share of balance sheet total
<b>ASSETS</b>				
Non-current assets	336.3	65 %	345.8	57 %
Current assets	183.9	35 %	262.6	43 %
<b>Total assets</b>	<b>520.2</b>	<b>100 %</b>	<b>608.4</b>	<b>100 %</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	329.4	63 %	332.5	55 %
Non-current liabilities	56.1	11 %	69.3	11 %
Current liabilities	134.7	26 %	206.6	34 %
<b>Total equity and liabilities</b>	<b>520.2</b>	<b>100 %</b>	<b>608.4</b>	<b>100 %</b>

### Cash flow

As at June 30, 2011 cash funds contain cash amounting to EUR 21.0 million as well as current time deposits totalling EUR 15.0 million. The operating cash flow is at EUR 55.6 million and is positively influenced by the decrease in inventories totalling EUR 57.6 million (6 M 2010: EUR 51.1 million) and other assets totalling EUR 17.2 million (6 M 2010: EUR 15.6 million). This is accompanied by the increase in trade receivables of EUR 10.3 million (6 M 2010: EUR 11.6 million) and the decrease in other liabilities of EUR 10.4 million (6 M 2010: EUR 2.0 million).

The cash flow from the investment activity is negative and amounts to EUR 2.6 million (6 M 2010: positive EUR 7.3 million). This is largely attributable to payments of investments in property, plant and equipment totalling EUR 6.5 million. (6 M 2010: EUR 15.4 million) and payments from time deposits totalling EUR 5.1 million (6 M 2010: EUR 10.6 million). In the previous year cash flows from the investment activity were significantly influenced by payments from the disposal of property, plant and equipment (EUR 12.0 million).

The negative cash flow from the financing activity amounting to EUR 60.7 million (6 M 2010: 48.3 million) is due to payments for secured loans totalling EUR 65.7 million (6 M 2010: EUR 45.4 million) and repayments of financial liabilities totalling EUR 34.3 million (6 M 2010: EUR 11.0 million). This is accompanied by

payments for secured loans totalling EUR 12.3 million (6 M 2010: EUR 8.1 million). Financial liabilities entered into total EUR 27.0 million (6 M 2010: EUR 0.0 million).

At the end of the reporting period, the cash fund thus amounts to EUR 36.0 million (6 M 2010: EUR 38.8 million). Above all, VERBIO disposes of time deposits totalling EUR 0.8 million (June 30, 2010: EUR 4.0 million) as at due date June 30, 2011.

### EMPLOYEES

At June 30, 2011 VERBIO employed 734 employees (December 31, 2010: 743 employees), thereof 294 salaried employees (December 31, 2010: 274 salaried employees), 409 industrial employees (December 31, 2010: 434 industrial employees) and 31 trainees (December 31, 2010: 35 trainees).

### INVESTMENTS

For the first six months of 2011 investments of EUR 5.7 million in property, plant and equipment (6 M 2010: EUR 26.9 million) are reported. Investments in the amount of EUR 2.6 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 2 2011	1 HY 2011	Q 1 2010	Q 2 2010	1 HY 2010
Nominal capacity (tons)	450,000	112,500	112,500	225,000	112,500	112,500	225,000
Production capacity (tons)	427,500	106,875	106,875	213,750	106,875	106,875	213,750
Production (tons)		78,278	94,342	172,620	89,002	98,179	187,181
Utilisation nominal capacity		69.9 %	83.9 %	76.7 %	79.1 %	87.3 %	83.2 %
Utilisation production capacity		73.2 %	88.3 %	80.8 %	83.3 %	91.9 %	87.6 %
Number of employees on June 30				103			99

The sale of VERBIO biodiesel, which is delivered into the domestic and foreign blending market, reduced in the reporting period by 13.9 per cent, compared to the previous year. Sales of B100 is on the level of the previous year.

Compared to the previous year, the biodiesel business with foreign countries gained more importance, again. The current export quota is at about 22.5 per cent (2010: 4.1 per cent).

In the first six months 2011, 172,620 tons of biodiesel were produced and was therefore with 14,561 tons under the previous year's production figures.

In the first half-year of 2011 revenues amounted to EUR 197.1 million (thereof third party revenues EUR 191.8 million), compared to EUR 165.3 million in the first half-year 2010 (6 M 2010: third party revenues EUR 165.3 million). The increase was mainly caused by a increased price level compared to the previous year. In addition, non-required amounts of rapeseed were sold and sales in the amount of about EUR 4.2 million was realised. This is also reflected in a higher segment result before interest and tax which is in the amount of EUR 6.5 million (6 M 2010: EUR - 1.6 million).

## Bioethanol

	p.a.	Q 1 2011	Q 2 2011	1 HY 2011	Q 1 2010	Q 2 2010	1 HY 2010
Nominal capacity (tons)	300,000	75,000	75,000	150,000	75,000	75,000	150,000
Production capacity (tons)	270,000	67,500	67,500	135,000	67,500	67,500	135,000
Production (tons)		38,617	39,777	78,394	42,304	47,809	90,113
Utilisation nominal capacity		51.5 %	53.0 %	52.3 %	56.4 %	63.7 %	60.1 %
Utilisation production capacity		57.2 %	58.9 %	58.1 %	62.7 %	70.8 %	66.8 %
Number of employees on June 30				169			166

With a production of 78,394 tons of bioethanol in the first half-year of 2011, the production volume was significantly under the respective previous year's figures (6 M 2010: 90,113 tons).

In the first half-year 2011 the bioethanol segment generated revenues in total amounting EUR 81.6 million (thereof third party revenues EUR 74.9 million). The increase was mainly caused by the high price level compared to the previous year. In the first six month of 2010 revenues stood at EUR 69.0 million (third party revenues EUR 69.0 million).

The bioethanol segment also contains revenues and expense from the biogas plants. In the first half-year of 2011 biogas revenues in the amount of about EUR 3.6 million were gained (6 M 2010: EUR 0 million).

The segment result before interest and tax in the amount of EUR - 9.6 million was clearly under the amount of the respective previous year's period (6 M 2010: EUR 3.7 million). The segment result also contained income from insurance recovery in the amount of EUR 2.1 million relating to the previous year. Compared to the previous year the negative difference is due to launching costs in connection with commissioning of the biogas plants and the lower usage in the first half-year 2011.

## Trade Märka

In the first six months of 2011, the contribution to revenues of the Märka segment amounted to EUR 73.1 million, whereby EUR 31.8 million relates to intersegment sales. From trading with third parties EUR 41.3 million were realised. For the consolidation period mentioned above, the trade Märka is showing a result before interest and tax of 3.2 million. As at due date June 30, 2011 the Märka GmbH had 186 employees (December 31, 2010: 162 employees).

## Other

Due to the decreasing importance of the previous energy segment the results of this segment were summarised with service of captive fleet and external logistics in the other segment at due date June 30, 2011.

From January 1, to June 30, 2011 revenues in the amount of EUR 13.8 million (thereof third party revenues EUR 7.0 million) were generated. The segment result before interest and tax was at EUR 0.5 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 risk and opportunity profile of the VERBIO-Group in the reporting period in comparison to the risks and opportunities described in detail in the group management report for the 2010 financial year.

From today's perspective there are no existential risks and none are currently recognisable for the future.

## FUTURE PROSPECTS AND OUTLOOK

### Market and industry development

We believe that biofuel and biogas represent the growth market of the future. The legal rules have been created, more specifically by means of the guidelines in the "Renewable Energies Directive" (RES-D) and the energy plan presented by the German Government on September 6, 2010.

The demand for biofuels as well as the demand for electricity and heat energy from renewable, sustainably produced raw materials will gradually increase, not least as the result of broad public consensus and the decision by the German Government to opt out of the nuclear energy.

Thereby biogas is particularly important because it could be not only used as biofuel but also as energy source for electricity generation in gas power plants. It receives a save and predictable compensation relating to the Renewable Energy Law (EEG).

In order to achieve the CO<sub>2</sub> reductions that are prescribed in the "Renewable Energies Directive", the proportion of biofuels must be gradually increased in the coming years to reach 10 per cent by 2020. The product E10 gains growing acceptance, the negative reporting by the press have declined and sales are gradually increasing.

The mineral oil industry has a fundamental interest in E10 as a result of its quota obligation and will, from the current standpoint, accelerate market penetration through pricing policy at the petrol pump.

### Forecast 2011: Increase in revenues and positive EBIT

In the financial year 2011 we anticipate sales ranging from EUR 650 to 750 million, an EBITDA between EUR 25 and 30 million and an EBIT ranging from EUR 6 to 12 million.

The capacities, in particular in the bioethanol segment, are being fully utilised in the third quarter. We anticipate good utilisation of the entire production capacity in the fourth quarter as well. Biogas has gained in importance against the background of the latest political developments and demand has continued to rise.

### Projects are developing according to plan

In order to continue increasing the productivity and production safety of our biogas plants, we are investing around EUR 4.6 million in further construction of our plants.

VERBIO Vereinigte BioEnergie AG  
Leipzig, August 11, 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 June 30, 2011

TEUR	01/04-30/06/2011	01/04-30/06/2010	01/01-30/06/2011	01/01-30/06/2010
1. Revenue (including energy taxes collected)	178,523	135,136	326,507	253,390
Less: energy taxes	-6,058	-3,522	-11,518	-10,308
<b>Revenue</b>	<b>172,465</b>	<b>131,614</b>	<b>314,989</b>	<b>243,082</b>
2. Change in unfinished and finished goods	3,087	-465	7,267	-113
3. Capitalised production of own plant and equipment	533	609	773	987
4. Other operating income	3,108	5,401	5,364	18,076
5. Cost of materials				
a) Raw materials, consumables, supplies and purchased goods	-152,277	-108,544	-270,460	-201,992
b) Purchased services	-9,282	-7,753	-19,444	-15,685
6. Personnel expense	-7,788	-4,909	-14,856	-9,275
7. Depreciation and amortisation	-6,493	-2,783	-13,017	-5,220
8. Other operating expenses	-7,949	-7,832	-16,293	-17,747
9. Result from forward contracts	1,569	-2,686	5,837	-4,373
<b>10. Operating result</b>	<b>-3,027</b>	<b>2,652</b>	<b>160</b>	<b>7,740</b>
11. Interest income	236	78	495	203
12. Interest expenses	-1,985	-701	-3,142	-1,481
<b>13. Financial result</b>	<b>-1,749</b>	<b>-623</b>	<b>-2,647</b>	<b>-1,278</b>
<b>14. Result before tax</b>	<b>-4,776</b>	<b>2,029</b>	<b>-2,487</b>	<b>6,462</b>
15. Income tax expenses	-483	1,148	-737	-1,111
<b>16. Net result for the period</b>	<b>-5,259</b>	<b>3,177</b>	<b>-3,224</b>	<b>5,351</b>
Result attributable to shareholders of parent company	-5,490	3,177	-3,555	5,351
Result attributable to non-controlling interests	231	0	331	0
Income and expenses recognised in equity:				
Fair value remeasurement on cash flow hedges	6,206	4,236	-266	-1,221
Deferred taxes recognised in equity	-1,720	-1,388	326	117
<b>17. Income and expenses directly recognised in equity</b>	<b>4,486</b>	<b>2,848</b>	<b>60</b>	<b>-1,104</b>
<b>18. Comprehensive result</b>	<b>-773</b>	<b>6,025</b>	<b>-3,164</b>	<b>4,247</b>
Comprehensive result attributable to shareholders of parent company	-1,004	6,025	-3,495	4,247
Comprehensive result attributable to non-controlling interests	231	0	331	0
Earnings per share (basic and diluted)	-0.08	0.05	-0.05	0.09

# Consolidated balance sheet

at June 30, 2011

KEUR	30/06/2011	31/12/2010
<b>ASSETS</b>		
<b>A. NON-CURRENT ASSETS</b>		
I. Goodwill	70,682	70,682
II. Customer relationships	14,329	15,055
III. Other intangible assets	156	163
IV. Property, plant and equipment	249,626	258,239
V. Financial assets	1,430	1,707
VI. Deferred taxes	75	0
<b>Total non-current assets</b>	<b>336,298</b>	<b>345,846</b>
<b>B. CURRENT ASSETS</b>		
I. Inventories	57,332	126,048
II. Trade receivables	48,728	38,417
III. Tax refunds	7,642	8,027
IV. Other assets	23,308	38,862
V. Derivatives	8,876	3,408
VI. Time deposits	803	4,000
VII. Cash and cash equivalents	36,047	43,796
VIII. Non-current assets held for sale	1,127	0
<b>Total current assets</b>	<b>183,863</b>	<b>262,558</b>
<b>Total assets</b>	<b>520,161</b>	<b>608,404</b>



KEUR	30/06/2011	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	255	195
IV. Retained earnings	-225,293	-221,738
V. Reserve from currency translation	-4	0
<b>Total equity, excluding non-controlling interests</b>	<b>325,638</b>	<b>329,137</b>
VI. Non-controlling interests	3,698	3,358
<b>Total equity</b>	<b>329,336</b>	<b>332,495</b>
<b>B. NON-CURRENT LIABILITIES</b>		
I. Provisions	19	56
II. Financial liabilities	22,856	35,443
III. Deferred investment grants and subsidies	11,642	12,648
IV. Other non-current liabilities	18,118	18,082
V. Deferred tax liabilities	3,487	3,117
<b>Total non-current liabilities</b>	<b>56,122</b>	<b>69,346</b>
<b>C. CURRENT LIABILITIES</b>		
I. Tax liabilities	8,495	8,541
II. Provisions	1,846	3,006
III. Financial liabilities	58,105	52,776
IV. Trade payables	36,712	32,597
V. Deferred investment grants and subsidies	1,980	1,990
VI. Other current liabilities	20,695	84,586
VII. Derivatives	6,552	23,067
VIII. Liabilities in connection with non-current assets held for sale	318	0
<b>Total current liabilities</b>	<b>134,703</b>	<b>206,563</b>
<b>Total equity and liabilities</b>	<b>520,161</b>	<b>608,404</b>

# Consolidated cash flow statement

*for the period from January 1 to June 30, 2011*

KEUR	01/01-30/06/2011	01/01-30/06/2010
Net result for the period	- 3,224	5,351
Income tax expense	737	1,111
Financial result	2,647	1,278
Depreciation and amortisation	13,017	5,220
Non-cash losses	646	0
Non-cash gains	- 20	0
Gain on disposal of property, plant and equipment and disposal of investment grants	- 88	- 7,061
Gain on disposal of non-current financial assets	- 295	0
Release of deferred investment grants and subsidies	- 991	- 593
Non-cash changes in derivative financial instruments	- 10,600	- 245
Decrease in inventories	57,649	51,123
Increase in trade receivables	- 10,307	- 11,628
Decrease in other assets	17,217	15,620
Decrease (in prior period: increase) in provisions	- 1,115	89
Increase (in prior period: decrease) in trade payables	4,959	- 9,953
Decrease in other liabilities	- 10,417	- 2,040
Interest paid	- 3,672	- 1,570
Interest received	452	221
Income tax amounts paid	- 1,042	- 1,282
<b>Cash flows from operating activities</b>	<b>55,553</b>	<b>45,641</b>
Disbursement for time deposits	- 1,900	0
Proceeds from time deposits	5,097	10,634
Disbursements for investments in intangible assets	- 63	- 17
Disbursements for investments in property, plant and equipment	- 6,537	- 15,413
Proceeds from disposal of property, plant and equipment	195	11,969
Proceeds from acquisition of cash and cash equivalents from subsidiaries	9	0
Proceeds from disposal of non-current financial assets	570	155
Proceeds from investment grants	13	0
<b>Cash flows from investing activities</b>	<b>- 2,616</b>	<b>7,328</b>

KEUR	01/01-30/06/2011	01/01-30/06/2010
Proceeds from secured loans	- 65,684	- 45,370
Proceeds on secured loans	12,324	8,139
Disbursements for repayment of financial liabilities	- 34,326	- 11,044
Disbursements for payments on secured loans	27,000	0
<b>Cash flows from financing activities</b>	<b>- 60,686</b>	<b>- 48,275</b>
Net cash flows	- 7,749	4,694
Cash funds at beginning of period	43,796	34,156
<b>Cash funds at end of period</b>	<b>36,047</b>	<b>38,850</b>
Cash funds at end of period comprise the following:		
Restricted cash and cash equivalents	2,190	1,055
Cash and cash equivalents	33,857	37,795
<b>Cash funds at end of period</b>	<b>36,047</b>	<b>38,850</b>
Complementary information:		
Time deposits	803	4,000

# Consolidated statement of changes in equity

*for the period January 1 to June 30, 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	-1,104
<b>Income and expenses recorded directly to equity</b>	<b>0</b>	<b>0</b>	<b>-1,104</b>
Net income for the period	0	0	0
<b>Comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>-1,104</b>
<b>30/06/2010</b>	<b>63,000</b>	<b>483,659</b>	<b>-3,792</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	60
<b>Income and expenses recorded directly to equity</b>	<b>0</b>	<b>0</b>	<b>60</b>
Net income for the period	0	0	0
<b>Comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>60</b>
Change in currency	0	0	0
<b>Founding of a subsidiary</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>30/06/2011</b>	<b>63,000</b>	<b>487,680</b>	<b>255</b>

Reserve for treasury shares	Retained earnings	Reserve from currency translation	Total equity excl. non-controlling interest without non-controlling shares	Non-controlling interests	Total equity
-3,030	-229,847	0	311,094	0	311,094
0	0	0	-1,104	0	-1,104
0	0	0	-1,104	0	-1,104
0	5,351	0	5,351	0	5,351
0	5,351	0	4,247	0	4,247
-3,030	-224,496	0	315,341	0	315,341
0	-221,738	0	329,137	3,358	332,495
0	0	0	60	0	60
0	0	0	60	0	60
0	-3,555	0	-3,555	331	-3,224
0	-3,555	0	-3,495	331	-3,164
0	0	-4	-4	0	-4
0	0	0	0	9	9
0	-225,293	-4	325,638	3,698	329,336

# Selected explanatory disclosures to the notes

## ACCOUNTING POLICIES

The consolidated interim report of VERBIO Vereinigte BioEnergie AG ("VERBIO AG" or "Company") at June 30, 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 facts. In the business year 2011 the VERBIO Gaz Polska Sp. z o.o. Stettin/Poland and VERBIO Gas Pápa Kft., Pápa/Hungary were founded as a further 100 per cent subsidiary of VERBIO AG. Both companies started business and are currently in its expansion phase.

## NOTES TO INDIVIDUAL ITEMS OF THE CONSOLIDATES 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	01/01-30/06/2011	01/01-30/06/2010
Release of investment grants	991	824
Reimbursement of electricity and energy tax	878	638
Charge-out of expenses paid in advance	846	361
Rental and leasing income	548	322
Release of other provisions and write-off of trade payables	502	544
Gains on the disposal of non-current financial assets	295	0
Reimbursement of damages	114	30
Gains on the disposals of property, plant and equipment	102	4,868
Release of allowance for doubtful receivables	73	358
Insurance recoveries	62	6,454
Gains on the disposal of investment grants	0	2,520
Ongoing warehousing charges	0	588
Miscellaneous other operating income	953	569
<b>Total other operating income</b>	<b>5,364</b>	<b>18,076</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	01/01-30/06/2011	01/01-30/06/2010
Maintenance and repairs	3,265	2,739
Outgoing freight	2,912	4,516
Insurances and dues	1,806	1,095
Motor vehicle costs	1,721	794
Marketing costs	789	191
Other taxes	608	26
Rental and leasing expenses	503	200
Miscellaneous personnel expenses	475	566
Losses on receivables and increase in allowances	397	603
Legal and consulting fees	390	347
Selling expenses	386	1,494
Travel expenses	381	197
Other out-of-period expenses	379	456
Bank charges	326	88
Other administrative expenses	314	147
Cleaning costs	129	82
IT costs	109	124
Warehousing expenses	3	2,231
Reimbursement of damages	0	838
Losses on the disposal of property, plant and equipment	14	338
Miscellaneous other operating expenses	1,386	675
<b>Total other operating expenses</b>	<b>16,293</b>	<b>17,747</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 5,837 (6 M 2010: KEUR - 4,373). This item included the remeasurement result relating to imbedded derivatives in the amount of KEUR - 241 (6 M 2010: KEUR 0).

The result from commodity future transactions is affected by positive (KEUR 879) and negative amounts (KEUR 3,787) 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 60 (6 M 2010: KEUR 1,104) increased (previous year: decreased) without effect on the income statement, resulting from the qualification as cash flow hedges.



### Income tax expenses

Tax expenses for the period January 1, to June 30, 2011 amounting KEUR 737 (6 M 2010: KEUR 1,111) comprise as follows:

KEUR	01/01-30/06/2011	01/01-30/06/2010
Current tax expense	-22	-1,455
Deferred tax income (previous year: expense)	-715	344
<b>Total tax expense</b>	<b>-737</b>	<b>-1,111</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 June 30,	63,000,000	61,530,000
Net result for the period in KEUR	-3,224	5,351
<b>Earnings per share in EUR</b>	<b>-0.05</b>	<b>0.09</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 12,221), disposals (KEUR 950) and investments (KEUR 5,685) 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 mainly the non-current portion of a loan receivable, which was measured at amortised cost.

### CURRENT ASSETS

#### Inventories

KEUR	30/06/2011	31/12/2010
Raw materials, consumables and supplies	15,720	50,058
Unfinished and finished goods	13,340	6,074
Merchandise	28,272	69,916
<b>Total inventories</b>	<b>57,332</b>	<b>126,048</b>

The item "finished goods" includes stock generated by VERBIO of not yet disposed biofuel quotas in the amount of KEUR 2,145.

As of June 30, 2011 the examination of inventories for recoverability resulted in allowed totalling KEUR 975 (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 93; December 31, 2010: KEUR 0) and for finished products in "Change in unfinished and finished goods" (KEUR 882; 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 9,325 (December 31, 2010: KEUR 65,910) are based on a secured loan.

### Trade receivables

At the balance sheet date trade receivables amounted to KEUR 48,728 (December 31, 2010: KEUR 38,417) and are disclosed net of valuation allowances in the amount of KEUR 1,860 (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 7,642 (December 31, 2010: KEUR 8,027) concern construction withholding tax, corporate tax and trade tax.

### Other assets

KEUR	30/06/2011	31/12/2010
Investment subsidies	13,024	12,781
Security deposits resulting from security agreements and liability declarations	3,267	3,275
Reimbursement of electricity and energy tax	1,674	1,016
Value-added tax receivables	1,356	1,609
Deferred expenses	1,092	941
Other receivables VERBIO STS AG	700	700
Loan receivables	648	1,192
Security deposits for guaranteed credit lines	360	0
Advance deposits for inventories	284	0
Claims from the sale of wind power plants	179	179
Security deposits for unrealised losses on forward transactions	0	15,618
Realised gains on forward transactions	0	864
Miscellaneous other assets	724	687
<b>Total other assets</b>	<b>23,308</b>	<b>38,862</b>

### Derivatives

In order to hedge raw materials of rapeseed and wheat at the biodiesel production as well as fixed obligations for rapeseed and wheat procurement against value fluctuations, forward sales are entered into. In addition, 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.

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 indexing are bifurcated from the related purchase contracts as embedded derivatives.

At June 30, 2011 the positive fair value of these derivatives amounted to KEUR 8,876 (December 31, 2010: KEUR 3,408), the negative fair value was KEUR 5,539 (December 31, 2010: KEUR 21,615). Regarding the effect to the consolidated statement of comprehensive income, we refer to the section "result from commodity forward contracts".

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 June 30, 2011, the negative fair value of the stand-alone interest rate hedging transactions amounted to KEUR 870 (December 31, 2010: KEUR 1,452). At the balance sheet date the negative fair value from interest rate swaps in hedging relationships amounted to KEUR 143 (December 31, 2010: KEUR 0) is recorded directly to equity.

#### Time deposits

Time deposits in the amount of KEUR 38 (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 33,857 (December 31, 2010: KEUR 32,542) plus restricted cash and cash equivalents in the amount of KEUR 2,190 (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 June 30, 2011, taking the capitalised recultivation 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 7,567 of equity and of revenues (decrease of revenues) KEUR 2,178 has been reclassified to "Cost of materials" (decrease of "Cost of materials") during the reporting period.

### NON-CURRENT LIABILITIES

#### Provisions

At June 30, 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	256	0	256
Release	-678	-313	-991
Reclassification in liabilities in connection with non-current assets held for sale	-281	0	-281
<b>30/06/2011</b>	<b>11,342</b>	<b>2,280</b>	<b>13,622</b>
Thereof current	1,355	625	1,980
Thereof non-current	9,987	1,655	11,642

### 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 1,446 (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	30/06/2011	31/12/2010
Litigation risks	1,466	1,389
Impending losses on pending sales transactions	34	1,312
Other provisions	346	305
<b>Total provisions</b>	<b>1,846</b>	<b>3,006</b>

#### *Impending losses on pending sales transactions*

In the Biodiesel segment provisions for impending losses on existing sales contracts were recognised in the amount of KEUR 34 (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 June 30, 2011 the interest rate was adjusted in the amount of KEUR 28 to KEUR 1,226.

## Other current liabilities

KEUR	30/06/2011	31/12/2010
Liabilities from grain and rapeseed transactions	8,637	62,097
Energy tax	4,899	5,644
Liabilities from the acquisition of Märka GmbH	1,500	1,500
Bonuses and special payments	929	1,511
Realised losses on forward contracts	908	1,682
Wages and salaries	892	893
Value-added tax	591	6,295
Advanced payments received on orders	438	2,599
Miscellaneous other current liabilities	1,901	2,365
<b>Total other current liabilities</b>	<b>20,695</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, trade Märka and other is in accordance with the Group's internal organisational and management structure. The "other" segment includes the business segment transport, logistics and energy.

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 11,518 (6 M 2010: KEUR 10,308).

KEUR	Biodiesel		Bioethanol		Trade Märka		Other	
	1 HY 2011	1 HY 2010	1 HY 2011	1 HY 2010	1 HY 2011	1 HY 2010	1 HY 2011	1 HY 2010
Revenue	197,116	165,344	81,626	68,971	73,143	0	13,776	8,767
Thereof third party revenue	191,815	165,344	74,877	68,971	41,294	0	7,003	8,767
Change in finished and unfinished goods	3,521	252	3,746	-365	0	0	0	0
Capitalised production of own plant and equipment	129	0	644	987	0	0	0	0
Other operating income	964	1,583	1,850	8,741	2,418	0	521	7,752
Cost of materials	-183,454	-151,433	-79,164	-60,393	-65,577	0	-8,305	-5,851
Personnel expenses	-3,362	-3,660	-4,890	-4,506	-3,877	0	-2,727	-1,109
Depreciation and amortisation	-3,132	-3,170	-7,001	-1,175	-1,963	0	-921	-875
Other operating expenses	-7,043	-7,047	-7,022	-7,624	-4,399	0	-1,837	-3,076
Result of forward contract transactions	1,798	-3,448	577	-925	3,462	0	0	0
<b>Segment result</b>	<b>6,537</b>	<b>-1,579</b>	<b>-9,634</b>	<b>3,711</b>	<b>3,207</b>	<b>0</b>	<b>507</b>	<b>5,608</b>
Financial result	-921	-814	-1,033	-433	-667	0	-26	-31
<b>Result before taxes</b>	<b>5,616</b>	<b>-2,393</b>	<b>-10,667</b>	<b>3,278</b>	<b>2,540</b>	<b>0</b>	<b>481</b>	<b>5,577</b>

*Reconciliation*

KEUR	Total segments		Intersegment revenues and expenses		Other corrections Group		Group	
	1 HY 2011	1 HY 2010	1 HY 2011	1 HY 2010	1 HY 2011	1 HY 2010	1 HY 2011	1 HY 2010
Revenue	365,661	243,082	-50,672	0	0	0	314,989	243,082
Change in finished and unfinished goods	7,267	-113	0	0	0	0	7,267	-113
Capitalised production of own plant and equipment	773	987	0	0	0	0	773	987
Other operating income	5,753	18,076	-389	0	0	0	5,364	18,076
Cost of materials	-336,500	-217,677	47,061	0	-465	0	-289,904	-217,677
Personnel expenses	-14,856	-9,275	0	0	0	0	-14,856	-9,275
Depreciation and amortisation	-13,017	-5,220	0	0	0	0	-13,017	-5,220
Other operating expenses	-20,301	-17,747	4,008	0	0	0	-16,293	-17,747
Result of forward contract transactions	5,837	-4,373	0	0	0	0	5,837	-4,373
<b>Segment result</b>	<b>617</b>	<b>7,740</b>	<b>8</b>	<b>0</b>	<b>-465</b>	<b>0</b>	<b>160</b>	<b>7,740</b>
Financial result	-2,647	-1,278	0	0	0	0	-2,647	-1,278
<b>Result before taxes</b>	<b>-2,030</b>	<b>6,462</b>	<b>8</b>	<b>0</b>	<b>-465</b>	<b>0</b>	<b>-2,487</b>	<b>6,462</b>

*Segment assets*

KEUR	30/06/2011	31/12/2010
Biodiesel	192,634	241,453
Bioethanol	200,228	244,263
Trade Märka	97,987	96,729
Other	11,917	10,524
<b>Group</b>	<b>502,766</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 4,290). 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 10,376 exist from various long-term leasing contracts. Allotted to the following year are KEUR 1,506, KEUR 1,655 are allotted to the next one to five years and KEUR 7,215 for a period exceeding five years.

The leasing contract about the operation of 22 wind energy plants was disbanded by VERBIO Ehanol Schwedt GmbH & Co. KG and the owner of the wind power plants in the second quarter of 2011. On the other hand VES concluded a heritable building right contract about one site with the PCK Raffinerie GmbH, Schwedt. The heritable building right will end on May 31, 2053.

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

### Commitments

As at June 30, 2011 there is an open purchase obligation for investments amounting KEUR 5,986 (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

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 were 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, August 11, 2011



Claus Sauter  
Chairman of the  
Management Board & CEO



Dr. Oliver Lüdtke  
Deputy Chairman of the Management Board



Theodor Niesmann  
Management Board Member



Bernd Sauter  
Management Board Member

# Notes

# Executive bodies of the company

## SUPERVISORY BOARD

### Alexander von Witzleben

*Chairman of the Supervisory Board*

President,  
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 of the Supervisory Board*

Managing director,  
M&K Treuhand GmbH, Ludwigsburg

### Dr.-Ing. Georg Pollert

*Member of the Supervisory Board (since June 24, 2011)*

Chemist and process engineer, Berlin

### Dr.-Ing. Claus Meyer-Wulf

*Member of the Supervisory Board (until June 24, 2011)*

Manager environmental protection,  
Aurubis AG, Lünen

## MANAGEMENT BOARD

### Claus Sauter

*Chairman of the Management Board & 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. Oliver Lüdtke

*Bioethanol/Biogas (since May 19, 2011)*

*Deputy Chairman of the Management Board*

Responsible for the bioethanol and biogas segment (research and development, production, project development) and data privacy

### Theodor Niesmann

*Biodiesel and plant engineering (since May 19, 2011)*

Responsible for the biodiesel segment (research and development, production), plant engineering, quality management and workplace safety

### Bernd Sauter

*Procurement, logistics and HR director*

Responsible for procurement (solid raw materials), logistics and transport, fleet and property management, insurances and HR

### Dr.-Ing. Georg Pollert

*Production, technology and HR director (until May 18, 2011)*

*Deputy Chairman of the Management Board*

Responsible for research and development, production, plant engineering, quality management, workplace safety and HR

# 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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### Editing/Text

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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 half-year 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 half-year 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 half-year 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 half-year 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>.

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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