



# DRAWING THE BALANCE

Nine-Months-Report 2011

# Group key figures

[EUR million]

<b>Profitability</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>Q 3 2011</b>	<b>9 M 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>Q 3 2010</b>	<b>9 M 2010</b>
Sales	142.5	172.5	224.4	539.4	111.5	131.6	127.4	370.5
EBITDA	9.7	3.5	10.3	23.5	7.5	5.4	3.6	16.5
EBIT	3.2	- 3.0	3.8	4.0	5.1	2.6	0.2	7.9
EBIT-margin (%)	2.2	- 1.7	1.7	0.7	4.6	2.0	0.2	2.1
EBT	2.3	- 4.8	1.9	- 0.6	4.4	2.1	- 0.6	5.9
Period result	2.0	- 5.2	2.1	- 1.1	2.2	3.2	0.9	6.3
Earnings per share (EUR)	0.03	- 0.08	0.03	- 0.02	0.04	0.05	0.01	0.10
<b>Operating data</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>Q 3 2011</b>	<b>9 M 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>Q 3 2010</b>	<b>9 M 2010</b>
Productions (tons)	116,895	134,119	159,295	410,309	131,306	145,988	149,390	426,684
Utilisation (%) <sup>1)</sup>	67.0	76.9	91.4	78.4	75.3	83.7	85.7	81.6
Investments in property, plant and equipment	2.6	3.1	5.4	11.1	8.8	18.1	8.7	35.6
Numer of employees as of balance sheet date	726	734	795		417	416	428	
<b>Net asset position</b>	<b>31/03/2011</b>	<b>30/06/2011</b>	<b>30/09/2011</b>		<b>31/03/2010</b>	<b>30/06/2010</b>	<b>30/09/2010</b>	
Net financial assets	- 41.4	- 62.0	- 84.4		8.0	13.9	22.2	
Equity	330.1	329.4	329.6		309.3	315.4	320.9	
Equity ratio (%)	59.5	63.3	48.5		67.0	73.1	66.2	
Balance sheet total	555.2	520.2	679.0		461.9	431.7	485.1	
<b>Financial status</b>	<b>31/03/2011</b>	<b>30/06/2011</b>	<b>30/09/2011</b>		<b>31/03/2010</b>	<b>30/06/2010</b>	<b>30/09/2010</b>	
Operating cash flow	39.5	55.6	- 27.2		19.9	45.6	19.7	
Operating cash flow per share (EUR)	0.63	0.88	- 0.43		0.32	0.74	0.32	
Cash and cash equivalents	43.5	36.9	49.4		37.3	42.9	49.6	

<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>Q 3 2011</b>	<b>9 M 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>Q 3 2010</b>	<b>9 M 2010</b>
Sales	87.5	109.6	128.9	326.0	72.6	92.7	78.5	243.8
Third party sales	84.2	107.6	127.2	319.0	72.6	92.7	78.5	243.8
EBIT <sup>2)</sup>	8.3	- 1.8	5.3	11.8	- 1.7	0.1	- 0.5	- 2.1
Production (tons)	78,278	94,342	98,509	271,129	89,002	98,179	93,037	280,218
Utilisation (%) <sup>1)</sup>	73.2	88.3	92.2	84.6	88.3	91.9	87.1	87.4
Number of employees as of balance sheet date	105	103	101		100	99	103	
<b>Bioethanol</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>Q 3 2011</b>	<b>9 M 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>Q 3 2010</b>	<b>9 M 2010</b>
Sales	34.3	47.3	75.2	156.8	34.1	34.9	44.7	113.7
Third party sales	34.3	40.6	75.1	150.0	34.1	34.9	44.7	113.7
EBIT <sup>2)</sup>	- 3.5	- 6.1	- 1.2	- 10.8	1.8	1.9	0.6	4.3
Production (tons)	38,617	39,777	60,786	139,180	42,304	47,809	56,353	146,466
Utilisation (%) <sup>1)</sup>	57.2	58.9	90.1	68.7	62.7	70.8	83.5	72.3
Number of employees as of balance sheet date	167	169	179		171	166	171	
<b>Märka Trade</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>Q 3 2011</b>	<b>9 M 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>Q 3 2010</b>	<b>9 M 2010</b>
Sales	43.2	29.9	67.0	140.1	0.0	0.0	0.0	0.0
Third party sales	19.5	21.8	19.4	60.7	0.0	0.0	0.0	0.0
EBIT <sup>2)</sup>	0.3	2.9	- 1.1	2.1	0.0	0.0	0.0	0.0
<b>Other</b>	<b>Q 1 2011</b>	<b>Q 2 2011</b>	<b>Q 3 2011</b>	<b>9 M 2011</b>	<b>Q 1 2010</b>	<b>Q 2 2010</b>	<b>Q 3 2010</b>	<b>9 M 2010</b>
Sales	10.0	3.8	8.6	22.4	4.9	3.9	4.2	13.0
Third party sales	4.5	2.5	2.7	9.7	4.9	3.9	4.2	13.0
EBIT <sup>2)</sup>	0.1	0.4	1.1	1.6	5.0	0.6	0.1	5.7

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

<sup>2)</sup> excluding elimination of intercompany results (9 M 2011: in total EUR - 0.7 million)

# E10 shifts up a gear. When will you pick up speed?



It all started with a good idea. The “new” fuel E10, containing ten per cent bioethanol, was developed with the aim of reducing CO<sub>2</sub> emissions from traffic, securing cost-effective and sustainable mobility, and support EU climate specifications. However, insufficient information policies from the oil companies, automobile manufacturers, the government but also from the biofuel producers caused motorists to react cautiously and thwarted the launch of E10. The nationwide introduction was stopped midway through the process, while hefty profits were generated by the „old“ E5 due to price increases.

However - and this is the good news - you do not always have to start in pole position to win. Slowly but surely, E10 is shifting up a gear. While only ten per cent of motorists opened their petrol tank cap to fill up with E10 at the beginning of the year, the proportion of E10 is currently between 20 and 30 per cent<sup>1)</sup>. This is a positive development and is leading in the right direction.

However, considering that over 90 per cent of cars can fill up with E10, we are still not satisfied with these figures. The environment can't wait any longer - particularly against the background of the most recent reports regarding the global CO<sub>2</sub> emissions, which have increased since last year. As a leading biofuel manufacturer and supplier of high-quality products such as *verbiogas*, *verbioethanol* and *verbiodiesel*, we appeal to all participants to ask for and promote innovative green mobility.

E10 is not an ideological theory to us, but rather the only opportunity to experience sustainable reality:

- E10 reduces the emission of environmentally damaging greenhouse gases.
- E10 saves natural resources.
- E10 is of a better quality and cheaper than other fuels.

If the environment wins, we will all win. Ecology and economy are compatible. Now! Join the ecolution!

<sup>1)</sup>According to information from the MWV (Association of the German Petroleum Industry)

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# Group interim management report

*for the period January 1 to September 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 for 2011.

At the beginning of June 2011, the German Federal Cabinet concluded through Amending Regulation to the biofuel ordinance that biofuels are double-counting to the fulfilled 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. Above all, this promote the usage of biodiesel made from used edible fat as well as of biomethane made from liquid manure, straw and residuals.

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 three 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 creates the legal framework

The legal framework to reach the climate protection goals of the EU and the obligatory blending goal of ten 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 EU-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. In addition, the sustainability regulations were established in the Dutch and Swedish legislation in the past months. Experts expect that the implementation of further EU member states will accelerate in the fourth quarter of 2011. According to the experts, this is promoted by the registration of several EU-wide valid voluntary certification systems.

A report about indirect changes of land use (ILUC) in connection with biofuels and liquid fuels was presented by the European Commission already in December 2010. This means the conversion respectively reclamation of previously not used areas (e.g. rain forests and moors) to farmland. This is reasoned by the world-wide increased demand for biofuels. The results of this changed land use are for their part harmful to the climate and negate the positive effect of replacing fossil fuels with biofuels partially or even completely.

The commission announced in their report an impact assessment whose aim should be, if necessary, an adaption of the valid legal provisions respectively a preventive strategy recommendation.

Up to now the commission checks possible strategic approaches. If necessary, a legislative proposal to the change of the "Renewable-Energy-Sources-Directive" ("Erneuerbare-Energien-Richtlinie") and "Fuel Quality Directive" ("Kraftstoffqualitätsrichtlinie") will be presented.<sup>1)</sup>

<sup>1)</sup> Study of the European Commission: Impacts of the EU biofuel target on agricultural markets and land use: a comparative modelling assessment (June 2010)

### E10 - after east and south Germany now also increasingly available in north and west Germany

Since January 2011 E10 (petrol with a share of ten per cent ethanol) has been sold at petrol stations in Germany. Since February 2011 the petrol stations have been selling the "new" fuel, mainly in eastern and southern Germany. Since August 2011 also petrol stations have been offered E10 in north and west 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 and the massive, negative and self-strengthened reporting, especially in the boulevard medias, led to the initial rejection of the "new" fuel. In September 2011, a released survey from TNS infra test shows that this lack of information is still existent. Just one out of four German drivers who own a petrol driven vehicle filled their tank with E10. But at the time of the survey E10 was just available at the half of all 14,800 petrol stations. The main reasons for the rejection told are technical concerns, as e.g. the fear of motor damages.

The nationwide sales of E10 is according to current data release of the mineral oil industry at approx. 20 to 30 per cent of the total petrol consumption. The use of targeted marketing measures should contribute to a clarification and change of the public opinion about E10. This should lead on mid-term to a sales increase between 30 to 50 per cent.

A look beyond the country's borders shows that the E10 fuel 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.

### Market situation

Consumption data released by the German Federal Office of Economics and Export Control (BAFA) which extends to inclusively July 2011 indicate that the total amount of fuel sold in the first seven months 2011 is nearly unchanged compared to the previous

year: The sale of petrol is slightly regressive compared to the previous year while the sale of diesel has risen accordingly. It is to be expected, that this movement will continue in the following months.

In the first months of 2011 the mineral oil industry probably used previous year's quota surplus to compensate the reduced blending of bio-components which was mainly due to high price level at biofuels. The current data released by the BAFA according to quantities sold let suspect that the blending of biofuels increased. The extremely high price level of biodiesel led to a significant strong sales decrease of pure biodiesel B 100. In the first seven months 2011 sales decreased by 83 per cent compared to the previous year.

The started market implementation of E10 at the beginning of 2011 let expect a clearly higher blending of ethanol as it is reflected in the actual sales figures. In the first seven months 2011 altogether almost two per cent less ethanol was blended compared to the previous year where only E5 was offered. The extensive and mostly very negative reporting in all medias to the implementation of E10 sales led to a extreme uncertainty of the consumers. In the following months, very hesitant 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 24 per cent. In view of the relatively low base level of this fuel, the utterly increase is still of little important for the total sales.

### Movement of raw material prices

The price of rapeseed oil reduced during the third quarter 2011 and was at an average of approx. 956 EUR/ton (1 HY 2011: approx. 1,011 EUR/ton) The price consolidation is - even a short supply situation of rapeseed- due to decreased world market price for oil seeds and in general soft commodities. The EU rapeseed yield is roughly on previous year's level and is characterised by hectare yields that vary greatly from region to region. As a result of the poor yields in especially 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 Australia and Ukraine.

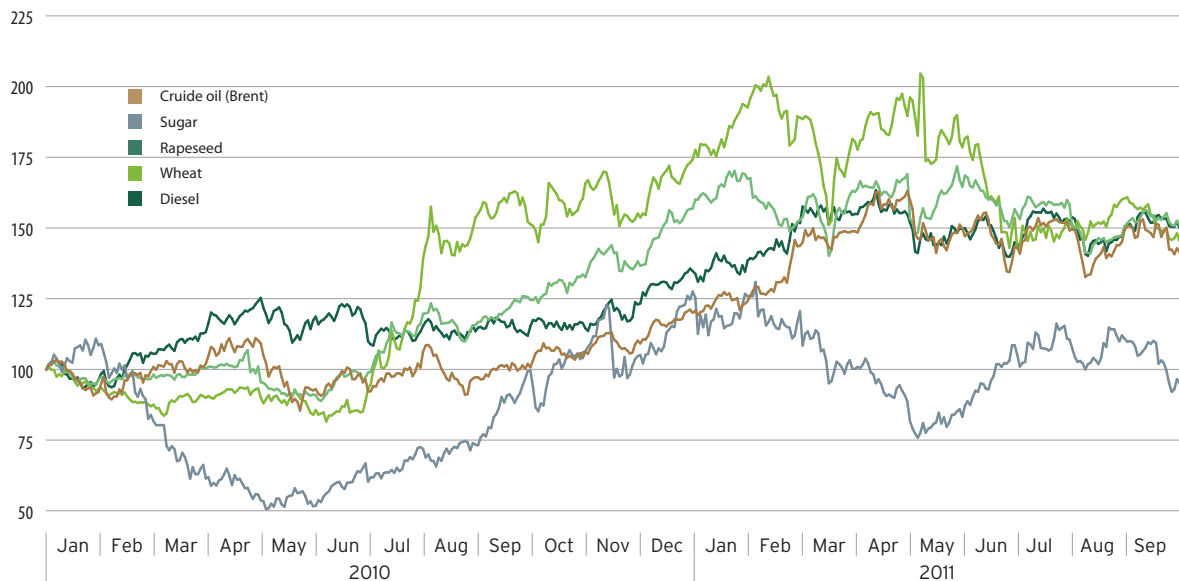
#### *Development of selected raw materials (average price)*

	Q 1 2011	Q 2 2011	Q 3 2011	9 M 2011	9 M 2010	Change
Crude oil (Brent; USD/barrel)	106	118	114	113	78	45 %
Mineral diesel (EUR/ton)	664	683	685	677	507	34 %
Rapeseed oil (EUR/ton)	1,037	985	956	993	708	40 %
Wheat (MATIF; EUR/ton)	252	233	199	228	152	50 %
Sugar (EUR/ton)	492	375	448	438	334	31 %

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 ]





In the third quarter 2011 grain prices ranged from 214 EUR/ton (August 29, 2011) and 184 EUR/ton (September 30, 2011) for matif wheat. The start of Russian grain export put pressure on the world market price for wheat, and since then EU prices have been moving at approx. 185 EUR/ton at the end of the quarter. 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 expect stable prices. The inflow and outflow of speculative capital is the major uncertainty factor for the price movement. 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. In the first three quarters 2011 the world market price of sugar was characterised by a high volatility with price increases of up to 25 per cent within three months. From the beginning of January to the end of September 2011 this price increases were at approximate seven per cent. The worsening yield forecasts for sugar cane from net exporter Brazil to export are driving up prices and influence inflow and outflow of speculative capital.

## 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 nine months of 2011 VERBIO produced 410,309 tons of biodiesel and bioethanol compared to 426,684 tons in the respective previous period. In addition, 128,577 MWh of biogas were produced. VERBIO gained in total revenues in the amount of EUR 539.4 million (9 M 2010: EUR 370.5 million). This positive effect was mainly caused by a favourable market price development of biofuels and trading activities.

The result before interest, tax, depreciation and amortisation (EBITDA) was despite difficult general conditions at EUR 23.5 million (9 M 2010: EUR 16.5 million) and therefore with EUR 7.0 million over the respective previous year's period. In addition, the previous year's figures were positively influenced by the sale of seven wind energy plants. Under consid-

eration 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 nine months 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 September 30, 2011 was at EUR 4.0 million (9 M 2010: EUR 7.9 million). Compared to the first nine months 2010 this result from increased expenses for depreciation and amortisation (9 M 2011: EUR 19.5 million; 9 M 2010: EUR 8.6 million). This is mainly due to higher depreciation and amortisation of the biogas plants (9 M 2011: EUR 3.8 million; 9 M 2010: EUR 1.4 million) as well as higher expenses due to the appreciation in value of the bioethanol segment (EUR 6.3. million) at December 31, 2010.

Other operating income was at EUR 7.6 million (9 M 2010: EUR 21.4 million). The decrease compared to the previous year's figures is mainly due to one-off effects.

Other operating expenses were at EUR 25.8 million after EUR 25.1 million in the previous year.

The financial result amounts to EUR -4.6 million (9 M 2010: EUR 1.9 million) and contains interest income in the amount of EUR 1.4 million (9 M 2010: EUR 0.3 million) and interest expenses in the amount of EUR 6.0 million (9 M 2010: EUR 2.2 million).

Under consideration of the relevant applicable income taxes, net income for the first nine months 2011 the result for the period was at EUR -1.1 million (9 M 2010: EUR 6.3 million).

## NET ASSETS AND FINANCIAL POSITION

Compared to December 31, 2010 the balance sheet total increased with EUR 70.6 million at September 30, 2011 to EUR 679.0 million (December 31, 2010: EUR 608.4 million).

The assets side is especially affected by seasonal reasoned increase in inventories, the increase in trade receivables and the decrease of other assets. The increase in trade receivables is mainly due to the reporting date related settlement of trade transactions. From the operating cash flow development and the application of liquid funds, funds including time deposits were at EUR 49.4 million at September 30, 2011. After subtraction of financial liabilities in the amount of EUR 133.8 million a net interest in the

EUR million	30/09/2011	Share of balance sheet total	31/12/2010	Share of balance sheet total
<b>ASSETS</b>				
Non-current assets	335.0	49 %	345.8	57 %
Current assets	344.0	51 %	262.6	43 %
<b>Total assets</b>	<b>679.0</b>	<b>100 %</b>	<b>608.4</b>	<b>100 %</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	329.6	49 %	332.5	55 %
Non-current liabilities	69.4	10 %	69.3	11 %
Current liabilities	280.0	41 %	206.6	34 %
<b>Total equity and liabilities</b>	<b>679.0</b>	<b>100 %</b>	<b>608.4</b>	<b>100 %</b>

amount of EUR 84.4 million remains. Net interest was therefore about EUR 26.1 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 329.6 million, which represents 49 per cent (December 31, 2010: 55 per cent) of the balance sheet total and is therefore with 6 per cent points below the balance sheet total as at December 31, 2010. Compared to December 31, 2010 non-current liabilities increased from EUR 69.3 million to EUR 69.4 million while current liabilities increased to EUR 280.0 million (December 31, 2010: EUR 206.6 million). This movement in current liabilities is mainly due to the increase of financial liabilities, trade payables and other current liabilities. This increase corresponds on the one hand with the seasonal related increase in inventories and on the other hand with trade payables which are connected with trade transactions.

#### Cash flow

A comparison of the items of the cash flow development is limited due to the consolidation of the Märka GmbH as of November 1, 2010.

As at September 30, 2011 cash funds contain cash amounting to EUR 49.4 million. The operating cash flow is at EUR -27.2 million and is positively influenced by the decrease in other assets totalling EUR 16.8 million (9 M 2010: EUR 16.9 million), the increase in trade payables amounting EUR 39.3 million (9 M 2010: EUR 6.0 million) as well as the increase of other liabilities in the amount of EUR 14.4 million (9 M 2010: decrease EUR 4.5 million). This is accompanied by the increase in trade receivables of EUR 43.5 million (9 M 2010: EUR 5.8 million) as well as the increase in inventories of EUR 60.8 million (9 M 2010: decrease EUR 3.8 million).

The cash flow from the investment activity is negative and amounts to EUR -7.5 million (9 M 2010: positive EUR 1.7 million). This is largely attributable to payments of investments in property, plant and equipment totalling EUR 10.9 million. (9 M 2010: EUR 22.8 million). This is accompanied by (net-)payments from time deposits in the amount of EUR 4.0 million (9 M 2010: EUR 10.6 million). In addition, cash flows from the investment activity were significantly influenced by payments from the disposal of property, plant and equipment (EUR 12.0 million) in the previous year.

The positive cash flow from the financing activity amounting to EUR 40.3 million (9 M 2010: negative EUR 10.0 million) is due to (net-)payments for secured loans totalling EUR 13.3 million (9 M 2010: EUR 2.7 million) and (net-)payments of taking on financial liabilities totalling EUR 27.0 million (9 M 2010: net disbursements EUR 12.7 million).

At the end of the reporting period, the cash fund thus amounts to EUR 49.4 million (9 M 2010: EUR 45.6 million). Above all, VERBIO disposed of time de-

posits totalling EUR 4.0 million as at due date September 30, 2010.

## EMPLOYEES

At September 30, 2011 VERBIO employed 795 employees (December 31, 2010: 743 employees), thereof 314 salaried employees (December 31, 2010: 274 salaried employees), 447 industrial employees (December 31, 2010: 434 industrial employees) and 34 trainees (December 31, 2010: 35 trainees).

## INVESTMENTS

For the first nine months of 2011 investments of EUR 11.1 million in property, plant and equipment (9 M 2010: EUR 35.6 million) are reported. Investments in the amount of EUR 6.7 million relate primarily to the existing biogas plants inclusively the straw processing plants in Schwedt/Oder and Zörbig. Moreover, further investments were made into plant optimisation of the existing biodiesel and bioethanol plants.

## SEGMENT REPORTING

### Biodiesel

	p. a.	Q 1 2011	Q 2 2011	Q 3 2011	9 M 2011	9 M 2010
Nominal capacity (tons)	450,000	112,500	112,500	112,500	337,500	337,500
Production capacity (tons)	427,500	106,875	106,875	106,875	320,625	320,625
Production (tons)		78,278	94,342	98,509	271,129	280,218
Utilisation nominal capacity		69.9 %	83.9 %	87.6 %	80.3 %	83.0 %
Utilisation production capacity		73.2 %	88.3 %	92.2 %	84.6 %	87.4 %
Number of employees on September 30					101	103

The sale of VERBIO biodiesel, which is delivered into the domestic and foreign blending market, reduced in the reporting period by 8.7 per cent, compared to the previous year. Sales of VERBIO B100 increased by 9.2 per cent compared to the previous year. Compared to the previous year, the biodiesel business with foreign countries gained more importance. The current export quota is at about 18.0 per cent (2010: 5.6 per cent).

In the first nine months of 2011, 271,129 tons of biodiesel were produced and was therefore with 9,089 tons under the previous year's production figures.

In the first nine months of 2011 revenues amounted to EUR 326.0 million (thereof third party revenues EUR 319.0 million), compared to EUR 243.8 million in

the first nine months of 2010 (9 M 2010: third party revenues EUR 243.8 million). The increase was mainly caused by a increased price level and additional trading activities compared to the previous year. In addition, non-required amounts of rapeseed were sold in the first quarter 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 11.8 million (9 M 2010: EUR -2.1 million). In the third quarter 2011 the segment result was at EUR 5.3 million. This is besides the before mentioned effects due to the utilisation of favourable available raw materials exclusively in the third quarter. This effect will not continue in the following quarters.

## Bioethanol

	p. a.	Q 1 2011	Q 2 2011	Q 3 2011	9 M 2011	9 M 2010
Nominal capacity (tons)	300,000	75,000	75,000	75,000	225,000	225,000
Production capacity (tons)	270,000	67,500	67,500	67,500	202,500	202,500
Production (tons)		38,617	39,777	60,786	139,180	146,466
Utilisation nominal capacity		51.5 %	53.0 %	81.0 %	61.9 %	65.1 %
Utilisation production capacity		57.2 %	58.9 %	90.1 %	68.7 %	72.3 %
Number of employees on September 30					179	171

With a production of 139,180 tons of bioethanol in the first nine months of 2011, the production volume was although still significantly under the respective previous year's figures (9 M 2010: 146,466 tons). As a result of increased demand the production figures increased by 21,009 tons in the third quarter 2011 compared to the previous year's quarter. Moreover, a new production record was established.

In the first nine months of 2011 this resulted in revenues amounting EUR 156.8 million (thereof third party revenues EUR 150.0 million) in the bioethanol segment. This increase was also mainly caused by the high price level compared to the previous year. In the first nine months of 2010 revenues stood at EUR 113.7 million (third party revenues EUR 113.7 million).

The bioethanol segment also contains revenues and expense from the biogas plants. In the first nine months 2011 biogas revenues in the amount of about EUR 5.7 million were gained (9 M 2010: EUR 0.0 million). In the third quarter, the production of both plants were temporarily cut back because of inspection activities regarding the process stability.

The segment result before interest and tax in the amount of EUR -10.8 million was clearly under the amount of the respective previous year's period (9 M 2010: EUR 4.3 million). The segment result of the previous year also contained income from insurance recovery in the amount of EUR 6.8 million. Compared to the previous year the negative difference is due to launching costs in connection with commissioning of the biogas plants, increased amortisation costs as well as appreciation in value and the lower usage in the first six months 2011.

### Trade Märka

In the first nine months of 2011, the contribution to revenues of the Märka segment amounted to EUR 140.1 million, whereby EUR 79.4 million relates to intersegment sales. From trading with third parties EUR 60.7 million were realised. For the consolidation period mentioned above, the trade Märka is showing a result before interest and tax of 2.1 million. As at due date September 30, 2011 the Märka GmbH had 215 employees (December 31, 2010: 162 employees) due to the harvest season.

### Other

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

From January 1, to September 30, 2011 revenues in the amount of EUR 22.4 million (thereof third party revenues EUR 9.7 million) were generated. The segment result before interest and tax was at EUR 1.6 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 non 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 opting out the nuclear energy.

Thereby biogas which is prepared to natural gas quality and fed-in into the natural gas network is particularly important because it could be not only used as biofuel but also as energy source for electricity generation in gas power plants which is VERBIO's preferred purpose of use. 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 ten 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 sales as a result of the existing quota obligation and will, from the current standpoint, accelerate market penetration through pricing policy at the petrol pump even if the current market development is moving slowly.

### Forecast 2011 sharpened

In the fourth quarter of 2011 the available capacities in the biodiesel and bioethanol segments are almost fully utilised. The biogas production operates stable. The yearly biogas production will be totally at approx. 180 GWh. The striven annual biogas production won't be reached for the full year 2011. The reasons for this were technical difficulties at the beginning of the year which led to a temporary termination of the biogas production and further delayed the scheduled completely commissioning.

VERBIO sharpens its forecast for the financial year 2011. Revenues will be ranging from EUR 650 to 750 million, an EBITDA between EUR 28 and 32 million. VERBIO expects an EBIT ranging from EUR 6 to 9 million.

VERBIO Vereinigte BioEnergie AG  
Leipzig, November 10, 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 September 30, 2011

KEUR	01/07-30/09/2011	01/07-30/09/2010	01/01-30/09/2011	01/01-30/09/2010
1. Revenue (including energy taxes collected)	250,550	129,863	577,057	383,253
Less: energy taxes	- 26,142	- 2,429	- 37,660	- 12,737
<b>Revenue</b>	<b>224,408</b>	<b>127,434</b>	<b>539,397</b>	<b>370,516</b>
2. Change in unfinished and finished goods	- 424	2,038	6,843	1,925
3. Capitalised production of own plant and equipment	354	481	1,127	1,468
4. Other operating income	2,274	3,367	7,638	21,443
5. Cost of materials				
a) Raw materials, consumables, supplies and purchased goods	- 193,463	- 108,336	- 463,923	- 310,328
b) Purchased services	- 12,558	- 7,949	- 32,002	- 23,634
6. Personnel expense	- 7,464	- 4,714	- 22,320	- 13,989
7. Depreciation and amortisation	- 6,464	- 3,413	- 19,481	- 8,633
8. Other operating expenses	- 9,516	- 7,350	- 25,809	- 25,097
9. Result from forward contracts	6,727	- 1,433	12,564	- 5,806
<b>10. Operating result</b>	<b>3,874</b>	<b>125</b>	<b>4,034</b>	<b>7,865</b>
11. Interest income	920	123	1,415	326
12. Interest expenses	- 2,902	- 782	- 6,044	- 2,263
<b>13. Financial result</b>	<b>- 1,982</b>	<b>- 659</b>	<b>- 4,629</b>	<b>- 1,937</b>
<b>14. Result before tax</b>	<b>1,892</b>	<b>- 534</b>	<b>- 595</b>	<b>5,928</b>
15. Income tax expenses	226	1,514	- 511	403
<b>16. Net result for the period</b>	<b>2,118</b>	<b>980</b>	<b>- 1,106</b>	<b>6,331</b>
Result attributable to shareholders of parent company	2,276	980	- 1,279	6,331
Result attributable to non-controlling interests	- 158	0	173	0
Income and expenses recognised in equity:				
Fair value remeasurement on cash flow hedges	- 2,395	6,191	- 2,661	4,970
Deferred taxes recognised in equity	738	- 1,595	1,064	- 1,478
<b>17. Income and expenses directly recognised in equity</b>	<b>- 1,657</b>	<b>4,596</b>	<b>- 1,597</b>	<b>3,492</b>
<b>18. Comprehensive result</b>	<b>461</b>	<b>5,576</b>	<b>- 2,703</b>	<b>9,823</b>
Comprehensive result attributable to shareholders of parent company	619	5,576	- 2,786	9,823
Comprehensive result attributable to non-controlling interests	- 158	0	173	0
Earnings per share (basic and diluted)	0.03	0.01	- 0.02	0.10

# Consolidated balance sheet

*at September 30, 2011*

KEUR	30/09/2011	31/12/2010
<b>ASSETS</b>		
<b>A. NON-CURRENT ASSETS</b>		
I. Goodwill	70,682	70,682
II. Customer relationships	13,966	15,055
III. Other intangible assets	166	163
IV. Property, plant and equipment	248,782	258,239
V. Financial assets	1,294	1,707
VI. Deferred taxes	67	0
<b>Total non-current assets</b>	<b>334,957</b>	<b>345,846</b>
<b>B. CURRENT ASSETS</b>		
I. Inventories	166,811	126,048
II. Trade receivables	81,918	38,417
III. Tax refunds	6,387	8,027
IV. Other assets	25,162	38,862
V. Derivatives	13,248	3,408
VI. Time deposits	0	4,000
VII. Cash and cash equivalents	49,400	43,796
VIII. Non-current assets held for sale	1,127	0
<b>Total current assets</b>	<b>344,053</b>	<b>262,558</b>
<b>Total assets</b>	<b>679,010</b>	<b>608,404</b>

KEUR	30/09/2011	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	- 1,402	195
IV. Retained earnings	- 223,017	- 221,738
V. Reserve from currency translation	- 168	0
<b>Total equity, excluding non-controlling interests</b>	<b>326,093</b>	<b>329,137</b>
VI. Non-controlling interests	3,540	3,358
<b>Total equity</b>	<b>329,633</b>	<b>332,495</b>
<b>B. NON-CURRENT LIABILITIES</b>		
I. Provisions	19	56
II. Financial liabilities	42,805	35,443
III. Deferred investment grants and subsidies	11,228	12,648
IV. Other non-current liabilities	13,171	18,082
V. Deferred tax liabilities	2,203	3,117
<b>Total non-current liabilities</b>	<b>69,426</b>	<b>69,346</b>
<b>C. CURRENT LIABILITIES</b>		
I. Tax liabilities	8,471	8,541
II. Provisions	1,914	3,006
III. Financial liabilities	73,111	52,776
IV. Trade payables	71,424	32,597
V. Deferred investment grants and subsidies	1,976	1,990
VI. Other current liabilities	115,174	84,586
VII. Derivatives	7,563	23,067
VIII. Liabilities in connection with non-current assets held for sale	318	0
<b>Total current liabilities</b>	<b>279,951</b>	<b>206,563</b>
<b>Total equity and liabilities</b>	<b>679,010</b>	<b>608,404</b>

# Consolidated cash flow statement

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

KEUR	01/01-30/09/2011	01/01-30/09/2010
Net result for the period	- 1,106	6,331
Income tax expense	511	- 403
Financial result	4,629	1,937
Depreciation and amortisation	19,481	8,632
Non-cash losses	31	0
Non-cash gains	- 140	- 917
Loss (previous year: gain) on disposal of property, plant and equipment and disposal of investment grants	1	- 7,061
Gain on disposal of non-current financial assets	- 295	0
Release of deferred investment grants and subsidies	- 1,481	- 1,534
Non-cash changes in derivative financial instruments	- 7,759	- 151
Increase (in prior period: decrease) in inventories	- 60,755	3,784
Increase in trade receivables	- 43,497	- 5,783
Decrease in other assets	16,745	16,941
Decrease in provisions	- 1,063	- 214
Increase in trade payables	39,250	5,969
Increase (in prior period: decrease) in other liabilities	14,431	- 4,481
Interest paid	- 6,205	- 2,228
Interest received	1,458	334
Income tax amounts paid	- 1,394	- 1,407
<b>Cash flows from operating activities</b>	<b>- 27,158</b>	<b>19,749</b>
Disbursement for time deposits	- 1,900	0
Proceeds from time deposits	5,900	10,634
Disbursements for investments in intangible assets	- 101	- 24
Disbursements for investments in property, plant and equipment	- 10,866	- 22,804
Disbursements for acquisition of subsidiaries	- 1,500	0
Proceeds from disposal of property, plant and equipment	274	11,969
Disbursements for investments in non-current financial assets	9	0
Proceeds from disposal of non-current financial assets	713	227
Proceeds from investment grants	13	1,674

KEUR	01/01-30/09/2011	01/01-30/09/2010
<b>Cash flows from investing activities</b>	<b>- 7,458</b>	<b>1,676</b>
Proceeds from secured loans	- 75,623	- 59,340
Proceeds on secured loans	88,905	62,010
Disbursements for repayment of financial liabilities	- 50,959	- 12,654
Disbursements for payments on secured loans	77,935	0
<b>Cash flows from financing activities</b>	<b>40,258</b>	<b>- 9,984</b>
Net cash flows	5,642	11,441
Exchange-rate related cash changes	- 38	0
Cash funds at beginning of period	43,796	34,156
<b>Cash funds at end of period</b>	<b>49,400</b>	<b>45,597</b>
Cash funds at end of period comprise the following:		
Restricted cash and cash equivalents	4,719	4,245
Cash and cash equivalents	44,681	41,352
<b>Cash funds at end of period</b>	<b>49,400</b>	<b>45,597</b>
Complementary information:		
Time deposits	0	4,000

# Consolidated statement of changes in equity

*for the period January 1 to September 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	3,492
<b>Income and expenses recorded directly to equity</b>	<b>0</b>	<b>0</b>	<b>3,492</b>
Net income for the period	0	0	0
<b>Comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>3,492</b>
<b>30/09/2010</b>	<b>63,000</b>	<b>483,659</b>	<b>804</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	- 1,597
<b>Income and expenses recorded directly to equity</b>	<b>0</b>	<b>0</b>	<b>- 1,597</b>
Net income for the period	0	0	0
<b>Comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>- 1,597</b>
Change in currency	0	0	0
<b>Founding of a subsidiary</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>30/09/2011</b>	<b>63,000</b>	<b>487,680</b>	<b>- 1,402</b>

Reserve for treasury shares	Retained earnings	Reserve from currency translation	Total equity excluding 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	3,492	0	3,492
0	0	0	3,492	0	3,492
0	6,331	0	6,331	0	6,331
0	6,331	0	9,823	0	9,823
- 3,030	- 223,516	0	320,917	0	320,917
0	- 221,738	0	329,137	3,358	332,495
0	0	0	- 1,597	0	- 1,597
0	0	0	- 1,597	0	- 1,597
0	- 1,279	0	- 1,279	173	- 1,106
0	- 1,279	0	- 2,876	173	- 2,703
0	0	- 168	- 168	0	- 168
0	0	0	0	9	9
0	- 223,017	- 168	326,093	3,540	329,633

# Selected explanatory disclosures to the notes

## ACCOUNTING POLICIES

The consolidated interim report of VERBIO Vereinigte BioEnergie AG ("VERBIO AG" or "Company") at September 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 respectively 75 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	01/01-30/09/2011	01/01-30/09/2010
Reimbursement of electricity and energy tax	1,542	985
Release of investment grants	1,481	1,763
Charge-out of expenses paid in advance	1,085	322
Rental and leasing income	744	483
Release of other provisions and write-off of trade payables	505	544
Gains on the disposal of non-current financial assets	295	0
Reimbursement of damages	154	30
Insurance recoveries	149	6,892
Income from written-off receivables	112	1,005
Release of allowance for doubtful receivables	87	325
Capital gains (realised)	38	7
Gains on the disposal of property, plant and equipment	0	4,868
Gains on the disposal of investment grants	0	2,520
Ongoing warehousing charges	0	818
Miscellaneous other operating income	1,446	881
<b>Total other operating income</b>	<b>7,638</b>	<b>21,443</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	01/01-30/09/2011	01/01-30/09/2010
Maintenance and repairs	5,353	3,695
Outgoing freight	4,631	7,170
Motor vehicle costs	2,766	1,148
Insurances and dues	2,536	1,631
Miscellaneous personnel expenses	1,273	887
Other taxes	1,031	26
Marketing costs	993	596
Rental and leasing expenses	743	309
Legal and consulting fees	612	767
Travel expenses	604	310
Selling expenses	552	1,723
Other administrative expenses	490	221
Bank charges	444	155
Losses and receivables and increase in allowances	396	842
Other out-of-period expenses	396	497
Financial statements	275	211
Cleaning costs	193	119
IT costs	165	180
Supervisory Board compensation	90	53
Warehousing expenses	3	2,666
Reimbursement of damages	1	838
Miscellaneous other operating expenses	2,262	1,053
<b>Total other operating expenses</b>	<b>25,809</b>	<b>25,097</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 12,564 (9 M 2010: KEUR -5,806). This item included the remeasurement result relating to imbedded derivatives in the amount of KEUR -191 (9 M 2010: KEUR 0).

The result from commodity future transactions is affected by positive (KEUR 285) and negative amounts (KEUR 273) 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 1,597 (9 M 2010: KEUR 3,492 increase) 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 September 30, 2011 amounting KEUR -511 (9 M 2010: tax income KEUR 403) comprise as follows:

KEUR	01/01-30/09/2011	01/01-30/09/2010
Current tax expense	- 342	- 1,683
Deferred tax expense (previous year: income)	- 169	2,086
<b>Total tax expense</b>	<b>- 511</b>	<b>403</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 September 30,	63,000,000	61,530,000
Net result for the period in KEUR	- 1,106	6,331
<b>Earnings per share in EUR</b>	<b>- 0.02</b>	<b>0.10</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 18,294), disposals (KEUR 1,090) and investments (KEUR 11,073), effects from currency translation (KEUR -19) 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	30/09/2011	31/12/2010
Raw materials, consumables and supplies	21,534	50,058
Unfinished and finished goods	12,917	6,074
Merchandise	132,360	69,916
<b>Total inventories</b>	<b>166,811</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 4,531.

As of September 30, 2011 the examination of inventories for recoverability resulted in allowed totalling KEUR 7,302 (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 6,997; December 31, 2010: KEUR 0) and for finished products in "Change in unfinished and finished goods" (KEUR 304; 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 87,322 (December 31, 2010: KEUR 65,910) are based on a secured loan.

### Trade receivables

At the balance sheet date trade receivables amounted to KEUR 81,918 (December 31, 2010: KEUR 38,417) and are disclosed net of valuation allowances in the amount of KEUR 1,730 (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 6,387 (December 31, 2010: KEUR 8,027) concern construction withholding tax, corporate tax and trade tax.

### Other assets

KEUR	30/09/2011	31/12/2010
Investment subsidies	13,096	12,781
Security deposits resulting from security agreements and liability declarations	3,279	3,275
Value-added tax receivables	2,909	1,609
Reimbursement of electricity and energy tax	1,592	1,016
Deferred expenses	1,059	941
Realised gains on forward transactions	877	0
Other receivables VERBIO STS AG	700	700
Loan receivables	601	1,192
Claims from the sale of wind power plants	179	179
Security deposits for unrealised losses on forward transactions	0	15,618
Security deposits for guaranteed credit lines	0	864
Miscellaneous other assets	870	687
<b>Total other assets</b>	<b>25,162</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 September 30, 2011 the positive fair value of these derivatives amounted to KEUR 13,248 (December 31, 2010: KEUR 3,408), the negative fair value was KEUR 5,420 (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 September 30, 2011, the negative fair value of the stand-alone interest rate hedging transactions amounted to KEUR 1,198 (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 945 (December 31, 2010: KEUR 0) is recorded directly to equity.

#### Time deposits

As of September 30, 2011 there were no time deposits. Time deposits at December 31, 2010 in the amount of KEUR 3,645 were 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 44,681 (December 31, 2010: KEUR 32,542) plus restricted cash and cash equivalents in the amount of KEUR 4,719 (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 September 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 7,986 of equity and of revenues (decrease of revenues) KEUR 1,711 has been reclassified to "Cost of materials" (decrease of "Cost of materials") during the reporting period.

### NON-CURRENT LIABILITIES

#### Provisions

At September 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	328	0	328
Release	- 1,012	- 469	- 1,481
Reclassification in liabilities in connection with non-current assets held for sale	- 281	0	- 281
<b>30/09/2011</b>	<b>11,080</b>	<b>2,124</b>	<b>13,204</b>
Thereof current	1,351	625	1,976
Thereof non-current	9,729	1,499	11,228

## 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 1,266 (December 31, 2010: KEUR 1,505), state-, council and federal tax of Switzerland in the amount of KEUR 1,130 (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	30/09/2011	31/12/2010
Litigation risks	1,460	1,389
Impending losses on pending sales transactions	27	1,312
Other provisions	427	305
<b>Total provisions</b>	<b>1,914</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 27 (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 September 30, 2011 the interest rate was adjusted in the amount of KEUR 24 to KEUR 1,240.

## Other current liabilities

KEUR	30/09/2011	31/12/2010
Liabilities from grain and rapeseed transactions	75,103	62,097
Energy tax	20,874	5,644
Value-added tax	9,239	6,295
PREPS loan at VDB	4,977	0
Bonuses and special payments	1,332	1,511
Wages and salaries	1,123	893
Realised losses on forward contracts	180	1,682
Advanced payments received on orders	0	2,599
Liabilities from the acquisition of Märka GmbH	0	1,500
Miscellaneous other current liabilities	2,346	2,365
<b>Total other current liabilities</b>	<b>115,174</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 37,660 (9 M 2010: KEUR 12,737).

KEUR	Biodiesel		Bioethanol		Trade Märka		Other	
	9 M 2011	9 M 2010	9 M 2011	9 M 2010	9 M 2011	9 M 2010	9 M 2011	9 M 2010
Revenue	325,976	243,837	156,786	113,653	140,148	0	22,395	13,026
Thereof third party revenue	318,963	243,837	149,937	113,653	60,735	0	9,762	13,026
Change in finished and unfinished goods	3,603	2,037	3,240	- 112	0	0	0	0
Capitalised production of own plant and equipment	167	0	960	1,468	0	0	0	0
Other operating income	1,632	2,541	2,928	11,056	2,945	0	775	7,846
Cost of materials	- 302,128	- 224,914	- 146,472	- 100,548	- 133,720	0	- 13,385	- 8,500
Personnel expenses	- 4,854	- 5,395	- 7,236	- 6,882	- 6,035	0	- 4,195	- 1,712
Depreciation and amortisation	- 4,691	- 4,755	- 10,521	- 2,669	- 2,910	0	- 1,359	- 1,209
Other operating expenses	- 10,499	- 10,428	- 11,076	- 10,914	- 7,715	0	- 2,635	- 3,755
Result of forward contract transactions	2,631	- 5,022	585	- 784	9,348	0	0	0
<b>Segment result</b>	<b>11,837</b>	<b>- 2,099</b>	<b>- 10,806</b>	<b>4,268</b>	<b>2,061</b>	<b>0</b>	<b>1,569</b>	<b>5,696</b>
Financial result	- 1,223	- 1,169	- 1,289	- 730	- 2,034	0	- 83	- 38
<b>Result before taxes</b>	<b>10,614</b>	<b>- 3,268</b>	<b>- 12,095</b>	<b>3,538</b>	<b>27</b>	<b>0</b>	<b>1,513</b>	<b>5,658</b>

*Reconciliation*

KEUR	Total segments		Intersegment revenues and expenses		Other corrections Group		Group	
Revenue	645,305	370,516	- 105,908	0	0	0	539,397	370,516
Change in finished and unfinished goods	6,843	1,925	0	0	0	0	6,843	1,925
Capitalised production of own plant and equipment	1,127	1,468	0	0	0	0	1,127	1,468
Other operating income	8,280	21,443	- 642	0	0	0	7,638	21,443
Cost of materials	- 595,705	- 333,962	100,442	0	- 662	0	- 495,925	- 333,962
Personnel expenses	- 22,320	- 13,989	0	0	0	0	- 22,320	- 13,989
Depreciation and amortisation	- 19,481	- 8,633	0	0	0	0	- 19,481	- 8,633
Other operating expenses	- 31,925	- 25,097	6,116	0	0	0	- 25,809	- 25,097
Result of forward contract transactions	12,564	- 5,806	0	0	0	0	12,564	- 5,806
<b>Segment result</b>	<b>4,688</b>	<b>7,865</b>	<b>8</b>	<b>0</b>	<b>- 662</b>	<b>0</b>	<b>4,034</b>	<b>7,865</b>
Financial result	- 4,629	- 1,937	0	0	0	0	- 4,629	- 1,937
<b>Result before taxes</b>	<b>59</b>	<b>5,928</b>	<b>8</b>	<b>0</b>	<b>- 662</b>	<b>0</b>	<b>- 595</b>	<b>5,928</b>

*Segment assets*

KEUR	30/09/2011	31/12/2010
Biodiesel	192,079	241,453
Bioethanol	254,917	244,263
Trade Märka	201,003	96,729
Other	11,309	10,524
<b>Group</b>	<b>659,308</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 of segment assets in biodiesel is mainly due to the reduction of inventory stock and decreased guarantees for non-realised losses from forward contracts (included in other assets). Segment assets in bioethanol slightly increased mainly due to raised trade receivables as well as stock of cash and cash equivalents. Inventories and other assets developed into the opposite direction.

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 3,765). 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. Compared to December 31, 2010 segment assets of segment trade Märka significantly increased due to yield-relating additions in inventories.

## Contingent liabilities and other financial commitments

### Contingent liabilities

At July 31, 2007, including amendments, VERBIO entered into a fidelity insurance with the Euler Hermes Kreditversicherungs-AG, Hamburg. Therefore a guaranteed credit line in the amount of KEUR 15,000 which refers to surety of payment at customs was granted. The surety of payment could be claimed by the subsidiaries VEZ, VES, VDS and VDB. VERBIO has paid a deposit of KEUR 3,000 to secure all claims of the Euler Hermes Kreditversicherungs- AG, Hamburg. At September 30, 2011 the guaranteed credit line was occupied in the amount of KEUR 14,959.

Regarding further 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. The judgement has been appealed.

There was an energy tax assessment in the amount of KEUR 540 against VERBIO Ethanol Zörbig GmbH & Co. KG about the appointment of liquor tax whereby the liquor tax was charged for not respectively insufficiently denatured bioethanol. At July 6, 2011 the objection by VERBIO Ethanol Zörbig GmbH & Co. KG was sustained. Therefore the underlying energy tax assessment was cancelled.

### Leasing contracts

Additional financial commitments of KEUR 10,231 exist from various long-term leasing contracts. Allotted to the following year are KEUR 1,615, KEUR 1,445 are allotted to the next one to five years and KEUR 7,171 for a period exceeding five years.

The leasing contract about the operation of 22 wind energy plants was disbanded by VERBIO Ethanol 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 September 30, 2011 there is an open purchase obligation for investments amounting KEUR 4,727 (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.

# 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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### 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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