

## Interim report Q1 2012/2013



# Group key figures

[in EUR million]

	Q 1 2012/2013	Q 1 2011/2012	Q 2 2011/2012	Q 3 2011/2012	Q 4 2011/2012	2011/2012
<b>Profitability</b>						
Sales	217.5	224.4	214.6	200.7	213.0	852.7
EBITDA	1.6	10.3	9.9	10.6	9.7	40.5
EBIT	-4.9	3.8	3.6	4.3	2.7	14.4
EBIT-margin (%)	-2.3	1.7	1.7	2.1	1.3	1.7
EBT	-6.7	1.9	1.6	2.2	1.2	6.9
Period result	-6.5	2.1	2.4	2.1	-0.2	6.4
Earnings per share (EUR)	-0.10	0.03	0.04	0.03	0.00	0.10
<b>Operating data</b>						
Production (tons)	116,542	159,304	151,620	131,752	111,479	554,155
Production (MWh)	98,130	65,278	62,756	53,041	80,654	261,729
Utilisation Biodiesel/Bioethanol (%) <sup>1)</sup>	66.8	91.4	87.0	75.6	63.9	79.4
Utilisation Biomethane (%) <sup>1)</sup>	98.1	81.6	78.4	66.3	80.7	81.8
Investments in property, plant and equipment	10.5	5.4	8.2	3.4	8.2	25.2
Number of employees <sup>2)</sup>	875	795	772	770	806	806
<b>Net asset position</b>	30/9/2012	30/9/2011	31/12/2011	31/3/2012	30/6/2012	30/6/2012
Net financial assets	-100.0	-84.4	-88.3	-88.5	-61.9	-61.9
Equity	327.6	329.6	331.5	333.5	335.5	335.5
Equity ratio (%)	45.2	48.5	50.3	51.8	58.4	58.4
Balance sheet total	725.2	679.0	658.9	643.9	574.8	574.8
<b>Financial position</b>						
Operating cash flow	-134.1	-27.2	-16.1	16.6	89.8	89.8
Operating cash flow per share (EUR)	-2.13	-0.43	-0.26	0.26	1.43	1.43
Cash and cash equivalents	40.3	49.4	37.0	28.8	40.7	40.7

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

<sup>2)</sup> at cutoff date

As a result of the change of the financial year the reporting and comparative periods are as follows: Q1 2012/2013 (1/7/-30/9/2012), Q1 2011/2012 (1/7/-30/9/2011), Q2 2011/2012 (1/10/-31/12/2011), Q3 2011/2012 (1/1/-31/3/2012), Q4 2011/2012 (1/4/-30/6/2012), 2011/2012 (1/7/2011-30.6.2012).

# Segment key figures

[in EUR million]

	Q 1 2012/2013	Q 1 2011/2012	Q 2 2011/2012	Q 3 2011/2012	Q 4 2011/2012	2011/2012
<b>Biodiesel</b>						
Sales	132.8	128.9	137.7	117.6	104.3	488.5
Third party sales	131.0	127.2	136.4	116.3	102.6	482.5
EBIT	-4.0	5.3	3.9	0.5	7.0	16.7
Production (tons)	80,258	98,518	100,625	85,159	68,781	353,083
Utilisation (%) <sup>1)</sup>	75.1	92.2	94.2	79.7	64.4	82.6
Number of employees <sup>2)</sup>	102	101	103	100	103	103
	Q 1 2012/2013	Q 1 2011/2012	Q 2 2011/2012	Q 3 2011/2012	Q 4 2011/2012	2011/2012
<b>Bioethanol (incl. Biomethane)</b>						
Sales	52.3	75.2	65.4	61.8	51.0	253.4
Third party sales	51.7	75.1	65.3	61.6	50.6	252.6
EBIT	1.2	-1.2	-0.8	1.9	-3.4	-3.5
Production (tons)	36,284	60,786	50,995	46,593	42,698	201,072
Production (MWh)	98,130	65,278	62,756	53,041	80,654	261,729
Utilisation Bioethanol (%) <sup>1)</sup>	53.8	90.1	75.5	69.0	63.3	74.5
Utilisation Biomethane (%) <sup>1)</sup>	98.1	81.6	78.4	66.3	80.7	81.8
Number of employees <sup>2)</sup>	189	179	181	182	181	181
	Q 1 2012/2013	Q 1 2011/2012	Q 2 2011/2012	Q 3 2011/2012	Q 4 2011/2012	2011/2012
<b>Märka Trading</b>						
Sales	107.1	67.0	62.1	57.8	104.4	291.3
Third party sales	32.7	19.4	11.0	20.8	57.8	109.0
EBIT	-2.4	-1.1	0.2	1.3	-0.9	-0.5
	Q 1 2012/2013	Q 1 2011/2012	Q 2 2011/2012	Q 3 2011/2012	Q 4 2011/2012	2011/2012
<b>Other</b>						
Sales	7.8	8.6	4.9	5.5	5.7	24.7
Third party sales	2.1	2.7	1.9	2.0	1.9	8.5
EBIT	0.5	1.1	0.0	0.5	0.0	1.6

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

<sup>2)</sup> at cutoff date

As a result of the change of the financial year the reporting and comparative periods are as follows: Q1 2012/2013 (1/7/-30/9/2012), Q1 2011/2012 (1/7/-30/9/2011), Q2 2011/2012 (1/10/-31/12/2011), Q3 2011/2012 (1/1/-31/3/2012), Q4 2011/2012 (1/4/-30/6/2012), 2011/2012 (1/7/2011-30.6.2012).

Draft changes to the EU biofuel guidelines

# VERBIO stays at the forefront

## EU proposal for 2020 5% first-generation biofuels

Our biodiesel and bioethanol products keep their established position in the biofuel market.

Advantage **VERBIO**



The 5 % quota guards against questionable bio-imports and affirms our concept of local value creation.

Advantage **VERBIO**



## EU proposal for 2020 5% second-generation biofuels

As the first genuine second-generation biofuel, **verbio**gas will also be at the leading edge of biofuel technology.

Advantage **VERBIO**



More info  
about the EU draft:



The future is approaching.  
We are already there.

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# Group interim management report

*for the period July 1 to September 30, 2012*

## Basic information

On 1 July 2012 the conversion of the financial year to the period 1 July to 30 June of the subsequent year became effective. As a result, VERBIO Vereinigte BioEnergie AG adapted their financial year to the harvest cycle of their main raw material suppliers and achieved a more meaningful balance sheet by the end of the financial year. A short financial year was formed for the period 1 January to 30 June 2012.

When a comparison and analysis is made below with the previous year, the period 1 July to 30 September 2012 (Q1 2012/2013) is compared with the period 1 July to 30 September 2011 (Q1 2011/2012).

## General conditions

### General legal conditions

In 2012, there were no changes to the legal specifications or regulations at the EU or national levels. The overall biofuel quota to be met by the mineral oil industry 6.25 per cent (energetically), and will be replaced from 1 January 2015 by demonstration of having reached the target decarbonisation values.

### General tax related conditions

Pure biodiesel (B100) will be taxed at 18.6 cents/litre in 2012. Fuels containing 70 per cent bioethanol will continue to enjoy tax advantages.

Therefore, according to the law as it currently stands, E85 fuel (which contains 85 per cent ethanol) will enjoy tax advantages until 2015, that is to say the bioethanol component will be entirely exempt from taxation.

Natural gas or liquid petroleum gas as other fuels are also tax deductible, with a reduced tax rate of 1.39 cents/kWh or 18.03 cents/kg.

### Market situation

In the first quarter of our financial year 2012/2013, the market for biodiesel was massively distorted by imports of subsidised biodiesel from Indonesia and Argentina. During the reporting period, biodiesel production in Germany slumped by more than 25 per cent. Most of the biodiesel from Argentina and Indonesia was not produced according to the RED or the

German Biofuel Sustainability Regulation, and could only reach Germany with swapped sustainability certificates. The German Biofuel Industry Association (VDB) has demonstrated with legal expertise that this breaches the law in Germany, meaning that this biodiesel cannot be counted towards fulfilment of the biofuel quota. So far, the German ministries have not been able to agree on an approach to these abusive practices.

Furthermore, more than three times as much biodiesel from used cooking oil (UCO) was imported into Germany in the reporting period than in the same period in 2011. This biodiesel produced from used cooking oil (used cooking oil methyl ester - UCOME) is counted twice when fulfilling the biofuel quota, thus lowering the petroleum industry's demand for biofuel to fulfil the legal biofuel quota. There is, however, a number of indications that used cooking oil is not in the raw materials used, and that a high degree of fraudulent activity also takes place here.

According to surveys by the Federal Office of Economics and Export Control (BAFA), sales of diesel and petrol in the first eight months of 2012 were at 34.5 million tonnes, which is practically the same level as the previous year. The consumption data thereby shows higher sales volumes for diesel fuel (+2.2 percent) and declining sales figures for petrol (-4.3 percent). Compared with the previous year, the volumes of biodiesel and bioethanol used increased by 1.4 percent and 5.4 percent respectively. The slight increase in biodiesel is mainly due to increase demand for pure fuel (B100) compared with 2011. The higher consumption of bioethanol is mainly due to the fuel type E10 (petrol containing 10 percent ethanol). The current market share of E10 on the petrol market is 13.8 percent. The fuel type E85 (petrol with 85 percent ethanol) slightly rose compared with the previous year, but is still of little importance.

The importance of biomethane as a biofuel has increased considerably in Germany over the last 18 months. It is now estimated that a total of 20 per cent of natural gas in Germany will be replaced by biomethane. VERBIO, as a large supplier of biomethane, supplies - as of October 2012 - biomethane (*verbio*gas) to more than 100 of the over 900 natural gas stations.

### Average price movement of selected raw materials

	Q1 2011/2012	Q2 2011/2012	Q3 2011/2012	Q4 2011/2012	2011/2012	Q1 2012/2013
Crude oil (Brent; USD/barrel)	114	110	120	109	113	110
Mineral diesel (EUR/ton)	685	722	771	735	729	782
Rapeseed oil (EUR/ton)	956	937	973	965	958	989
Wheat (MATIF; EUR/ton)	199	186	210	212	202	259
Sugar (EUR/ton)	448	404	412	364	407	370

### Developments in prices of raw materials

Prices for grains, oilseeds and feedstuffs increased sharply at the start of the new crop year and are continuing this trend at a high level. The average price of the agricultural year 2011/2012 (1/7/2011 - 30/6/2012) for wheat was EUR 202/tonne; in the first quarter of the financial year 2012/2013, the price was EUR 259 EUR/tonne.

The sharp increase in the price of wheat is due to a poor maize harvest in the main growing regions of the USA, and also for wheat in the region of the Black Sea region and Kazakhstan. A severe drought in the above regions resulted in a lower global supply of grain.

The prices for oilseed reached historic highs in the first quarter of 2012/2013, but consolidated at a high level by the end of September 2012. The sharp rise in price was due to the ongoing drought in the American growing regions for soya. If the projected good soya harvest for spring 2013 in South America comes about, a corresponding relaxation of the oilseed supply situation is expected.

The price for sugar only partly followed the overall trend of soft commodities and was at an average of the first quarter 2012/2013, due to the good level of supply at the previous quarter's level.

### Developments in revenue and results

The volume of biodiesel and bioethanol produced by VERBIO in the first quarter of 2012/2013 amounted to 116,542 tonnes, as compared to 159,304 tonnes in the equivalent period of the previous year. The volume of bioethanol, in particular, was below the previous year's figure. In addition, 98,130 MWh

of biomethane were produced. Compared with Q1 2011/2012, this is an increase of 50 per cent (Q1 2011/2012: 65,278 MWh).

The lower revenues from this segment, resulting from the lower production and sales volumes of bioethanol, (EUR 51.7 million; Q1 2011/2012: EUR 75.1 million) was considerably higher than the previous quarter's revenues from the Märka segment (EUR 32.7 million; Q1 2011/2012: EUR 19.4 million), so at EUR 217.5 million (Q1 2011/2012: EUR 224.4 million), group revenues were only 3 per cent lower than the previous year's figure. In the biodiesel segment, the lower production and sales volumes were offset by the price development. Reference is also made to the analysis of the individual segments.

Other operating income amounted to EUR 4.4 million (Q1 2011/2012: EUR 2.3 million). The increase is primarily due to proceeds from insurance settlements and the sale of emission rights.

At EUR 202.4 million (Q1 2011/2012: EUR 206.0 million), material expenses were EUR 3.6 million lower than the previous year's figure, due to lower volumes.

Personnel expenses grew in the reporting period from EUR 7.5 million in the first quarter of 2011/2012 to EUR 8.4 million. This is attributed to the increased number of employees.

Other operating expenses in the reporting period amounted to EUR 10.4 million (Q1 2011/2012: EUR 9.5 million). They mainly included expenses for outbound freight, expenses for necessary repairs, vehicle costs and expenses for insurance and premiums.

Earnings before interest, taxation, depreciation and amortisation (EBIDTA) was EUR 1.6 million, due to EUR 6.9 million lower revenues, the higher personnel costs and expenses, and thus EUR 8.7 million

below the same period in the previous year (Q1 2011/2012: EUR 10.3 million).

At EUR -4.9, the group operating result (EBIT) was lower than that of the same period in the previous year (Q1 2011/2012: EUR 3.8 million). The EBIDTA and EBIT were mainly burdened by the high margin pressure and lower biodiesel production capacity utilization as well as by losses from commodity futures transactions totalling EUR 6.8 million (Q1 2011/2012: earnings EUR 6.7 million), which are especially attributed to the sharply increased raw materials prices. Earnings from such commodity futures to hedge purchases, for which the preconditions for applying hedge accounting did not exist, had a corresponding impact.

The financial result was EUR -1.8 million (Q1 2011/2012: EUR -2.0 million), and is comprised of interest income of EUR 0.2 million (Q1 2011/2012: EUR 0.9 million) and interest expenses of EUR -2.0 million (Q1 2011/2012: EUR -2.9 million).

Group earnings before tax (EBT) was EUR -6.7 million (Q1 2011/2012: EUR 1.9 million); the period result was EUR -6.5 million (Q1 2011/2012: EUR 2.1 million). This results in an earnings per share (undiluted/diluted) of EUR -0.10 (Q1 2011/2012: EUR 0.03).

### Assets and financial position

Compared with 30 June 2012, the balance sheet total increased by EUR 150.4 million to EUR 725.2 million (30/6/2012: EUR 574.8 million).

The development of the assets side of the balance sheet was particularly influenced by the seasonal structure of the inventories. From operating cash flow development and the use of funds, there was a cash balance of EUR 40.3 million on September 30, 2012. After deducting financial liabilities of EUR 140.3 million, there were remaining net financial liabilities of EUR 100.0 million, which were EUR 38.1 million higher than on 30 June 2012 (30/6/2012: EUR 61.9 million).

On the liabilities side of the balance sheet, equity capital dominates with EUR 327.6 million, which accounts for about 45.2 percent of the balance sheet total and is thus around 13 percent below the 58.4 percent value of June 30, 2012. Compared with June 30, 2012, non-current liabilities increased from EUR 48.7 million to EUR 48.8 million, and current liabilities from EUR 190.6 million to 348.9 million. The development of the current debt is mainly due to the increase in financial liabilities and trade payables.

### Cash flow

Operating cash flow for the reporting period was EUR -134.1 million. (Q1 2011/2012: EUR -82.7 million). The decline is mainly due to the increase in inventories (Q1 2012/2013: EUR 139.8 million; Q1 2011/2012: EUR 118.4 million). In contrast, the increase in trade payables particularly resulted in an increase in cash (Q1 2012/2013: EUR 11.9 million; Q1 2011/2012: EUR 34.3 million), as well as the increase in the other financial and non-financial liabilities (EUR 7.8 million; Q1 2011/2012: EUR 24.8 million).

Due to investments, there was a total cash outflow of EUR 10.1 million in the first quarter of 2012/2013 (Q1 2011/2012: cash outflow of EUR 4.8 million). This was particularly attributed to payments for investments in fixed assets amounting to EUR 11.0 million (Q1 2011/2012: EUR 4.3 million). This was offset in the first quarter of 2012/2013 by proceeds from fixed term deposits of EUR 0.5 million (Q1 2011/2012: EUR 0.8 million), and from the sale of fixed assets amounting to EUR 0.3 million (Q1 2011/2012: EUR 0.1 million).

Cash flow from financing activities is EUR 144.3 million. (Q1 2011/2012: EUR 100.9 million). This is also influenced by payment surpluses from secured loans (Q1 2012/2013: EUR 101.3 million; Q1 2011/2012: EUR 66.6 million) and proceeds from borrowings (Q1 2012/2013: EUR 44.4 million; Q1 2011/2012: EUR 50.9 million) and the repayment of financial liabilities (Q1 2012/2013: EUR 1.5 million; Q1 2011/2012: EUR 16.6 million).

Against this backdrop, cash and cash equivalents slightly increased from July 1, to September 30, 2012 by EUR 0.1 million. On September 30, 2012, cash and cash equivalents were EUR 38.7 million. When evaluating the financial position, it should be noted that cash amounting to EUR 4.2 million is limited in terms of its availability.

### Employees

On September 30, 2012, VERBIO had 875 employees (30/6/2012: 806 employees), thereof 351 salaried employees (30/6/2012: 337 salaried employees), 486 industrial workers (30/6/2012: 432 industrial workers) and 38 trainees (30/6/2012: 37 trainees). The industrial workers on September 30, 2012 also include seasonally employed workers.



## Investments

In the first quarter of 2012/2013, EUR 10.5 million was invested in fixed assets (Q1 2011/2012: EUR 5.4 million). At EUR 7.8 million, the main investment was in expanding the existing biomethane plant in Schwedt/Oder and Zörbig. In addition, EUR 1.3 million was invested in haulers, straw presses and trucks.

## Segment reporting

### Biodiesel

Sales of biodiesel in the domestic and foreign additive market were lower than the previous year. This is mainly due to the ongoing imports of biodiesel from subsidised soya and palm from Argentina and Indonesia in the German market, the already mentioned situation of significantly increased amounts of UCOME and, resulting from this, margin pressure.

In the reporting period, the export rate for biodiesel increased to 18.3 percent, whereas it was

about 10.7 percent in the same period in the previous year.

In the first quarter of 2012/2013, the biodiesel segment achieved revenues of EUR 132.8 million (thereof EUR 131.0 million revenue with third parties; Q1 2011/2012: EUR 128.9 million, thereof EUR 127.2 million with third parties). The increase in revenues with lower production levels is mainly attributed to a higher price than that of the previous year.

Material expenses were EUR 127.7 million and were thus, due to prices, significantly higher than the material expenses of the same quarter the previous year (Q1 2011/2012: EUR 118.7 million).

Personnel costs increased in the first quarter 2012/2013 and were EUR 1.7 million (Q1 2011/2012: EUR 1.5 million). Other operating expenses were EUR 3.0 million (Q1 2011/2012: EUR 3.5 million).

The segment operating profit is EUR -4.0 million (Q1 2011/2012: EUR 5.3 million). In the first quarter of 2012/2013, EUR 0.2 million (Q1 2011/2012: EUR 0.6 million) was invested in fixed assets.

	p.a.	Q 1 2012/2013	Q 1 2011/2012
Nominal capacity (tons)	450,000	112,500	112,500
Production capacity (tons)	427,500	106,875	106,875
Production (tons)		80,258	98,518
Utilization of nominal capacity		71.3 %	87.6 %
Utilization of production capacity		75.1 %	92.2 %
<b>Number of employees as of cutoff date</b>		<b>102</b>	<b>101</b>

### Bioethanol

With a production level of 36.284 tonnes of bioethanol in the first quarter of 2012/2013, the produced volume was significantly below that of the same period in the previous year (Q1 2011/2012: 60,786 tonnes). This was because utilisation of the ethanol plant was limited by the capacity of the biomethane plant due to the high grain and feedstuff prices. Through this procedure, grain consumption was minimised with optimum biomethane production. This resulted in revenues of EUR 52.3 million in the first quarter of 2012/2013 (revenues thereof with third parties: EUR 51.7 million; Q1 2011/2012: EUR 75.2 million, thereof EUR 75.1 million revenues thereof with third parties). Biomethane production increased further, the production plants were further optimised and the specific production costs could be lowered again.

In the reporting period, other operating income in this segment was EUR 2.7 million (Q1 2011/2012: EUR 1.1 million). Material expenses were EUR 51.6 million (Q1 2011/2012: EUR 67.3 million). Personnel expenses were EUR 2.5 million (Q1 2011/2012: EUR 2.3 million). Other operating expenses in the first quarter 2012/2013 were: EUR 3.5 million (Q1 2011/2012: EUR 4.1 million).

The segment operating result of the first quarter of 2012/2013 is EUR 1.2 million, compared with EUR -1.2 million the previous year.

A total of EUR 9.5 million was invested in this segment in the first quarter of 2012/2013 (Q1 2011/2012: EUR 4.2 million). This is mainly attributed to investing EUR 7.8 million in the optimisation and expansion of the biomethane plants at Zörbig and Schwedt/Oder (Q1 2011/2012: EUR 4.1 million).

	p.a.	Q 1 2012/2013	Q 1 2011/2012
Nominal capacity (tons)	300,000	75,000	75,000
Production capacity (tons)	270,000	67,500	67,500
Production (tons)		36,284	60,786
Utilization of nominal capacity		48.4 %	81.0 %
Utilization of production capacity		53.8 %	90.1 %
<i>Biomethane</i>			
Nominal capacity (MWh)	480,000	120,000	120,000
Production capacity (MWh)	400,000	100,000	80,000
Production (MWh)		98,130	65,278
Utilization of nominal capacity		81.8 %	54.4 %
Utilization of production capacity		98.1 %	81.6 %
<b>Number of employees as at cutoff date</b>		<b>189</b>	<b>179</b>

### Märka Trading

In the first quarter 2012/2013, the segment contributed EUR 107.1 million to revenues, whereby EUR 74.4 million was attributed to inter-segment revenues (Q1 2011/2012: EUR 67.0 million, thereof EUR 47.6 million inter-segment revenues). Business from grains, oilseeds and fertilisers with third parties reached EUR 32.7 million (Q1 2011/2012: EUR 19.4 million). Because of the very good harvest, considerably more grains and oilseed could be gathered than in the same period of 2011.

For the reporting period, the segment has an operating result of EUR -2.4 million (Q1 2011/2012: EUR -1.1 million). As a result, negative effects are included from hedging transactions where no hedge accounting could be applied. On the reporting day September 30, 2012, there were 262 employees (30/6/2012: 223 employees). The increase in personnel is seasonal.

### Other

The Other segment achieved sales revenues in the amount of EUR 7.8 million (of which, revenues from third parties: EUR 2.1 million), particularly arising out of the provision of transport and logistics services, in the first quarter of the current financial year. Segment results in the amount of EUR 0.5 million (Q1 2011/2012: EUR 1.1 million) were recorded.

### Opportunities and risk report

No changes in the opportunities and risk profile of the VERBIO Group as presented in the detailed opportunities and risk report contained in the management report for the 2012 short financial year occurred in the reporting period. The actual situation on the biofuel market as well as the discussion about changing the regulations currently in place increase the relevance of the risks related to revenues and to the Biomass Sustainability Regulation described in the 2012 short financial year report.

### Forecast and outlook

#### Draft revision of the EU directives on renewable energies

The discussion proposal of producing biofuels more sustainably in future, and with no impact on food production, is pioneering and leads to climate protection which is free from side effects. The overall quota of ten percent remains unchanged; it will merely be split: five percent for first generation biofuels and five percent for second generation biofuels. It is thus clear that "normal" biodiesel and bioethanol will continue beyond the year 2020 and that E10 will remain on the market, as even for achieving the five percent target, a ten percent share of bioethanol in petrol is needed. The EU Commission is thus also giving a clear indication that the previous biofuel proportion is correct and good. Biomethane from agricultural waste is second generation biofuel and has one of the highest potentials to become the biofuel of the future.

Thus, the proposal of the EU Commission is not a reversal of European biofuel policy, but it is rather a development based on experience from the last few years and a clear commitment to local supply chains. Biofuels create the biggest impact for climate and environmental protection when it is produced locally and used locally, and not transported halfway around the world to Europe. There are sufficient quantities of raw materials in Europe for second and third generation biofuel, and the required technology is in place and operational. The new requirements from Brussels will lead to innovation, investment and jobs.

Over the next few months, the proposal of the EU Commission will be discussed and voted upon in the relevant bodies and EU member states. We expect that the existing first generation biofuel production plants are not exposed by the anticipated new regulations and that for second generation biofuels clear and reliable conditions are created, and therefore the sustainable production of biofuels which does not impact on foodstuffs or feedstuffs, as well as the potential for maximum reduction of CO<sub>2</sub>, will thus remain the focus of the energy transition in the mobility sector.

It is planned that the amendments laid down by the EU Commission will be adopted by the RED in spring 2013, and will become immediately effective for the further expansion of biofuel.

#### Market and industry developments

We continue to see the biofuels market as a growth market. This particularly applies to second generation biofuels. Without the use of biofuel from renewable energies, the energy transition will be in the air and the mandatory climate targets which are to be reached by 2020 unachievable. However, the ongoing market turmoil, from the circumvention of inventories with biofuel imports, as well as the discussion about upcoming changes in the regulatory environment, is impeding stable business and sustainable company development.

As far as the development of individual markets is concerned, we assume that the primary sales market for biodiesel will remain the blending market. The market for pure biodiesel (B100) will, due to the high price level, only be of minor importance but at least in the first half of 2012/2013 financial year it will remain its position. As of 1 January 2013, with the full lapse of the tax privileges, the B100 market is expected to completely stagnate. Bioethanol is also largely a product for the blending market, and consumer acceptance of E10 in Germany is – from the present point of view – slowly increasing.

The increasing use of biomethane instead of natural gas has gained in importance, first and foremost in local public transportation. VERBIO is actively involved in the natural gas/biogas mobility business initiative of the German Energy Agency (dena), and sees here a grown market or demand for biomethane, which offers the benefits of a significantly higher CO<sub>2</sub> saving potential compared with all fossil fuels, and also compared with first generation biofuels. The initiative coordinates the accelerated market introduction of natural gas and biomethane as fuel in Germany. The biomethane produced by VERBIO reduces CO<sub>2</sub> emissions by 90 per cent per driven kilometre and is already available at more than 100 natural gas filling stations in Germany.

VERBIO is currently the only producer of biofuels in Europe which already supplies second generation biofuels in large volumes.

#### Future development of the Group

In order to meet the demands as the innovation leader in our industry in the future, there are plans to invest further resources in the 2012/2013 financial year in the systematic and ongoing identification of new process engineering and their evaluation and application in new development projects.

In the 2012/2013 financial year we will continue our marketing offensive “biomethane for the transportation sector”. Here we are addressing targeted public utilities and energy providers that up until now have used natural gas and/or are seeking alternatives to liquid fuels. In addition, in the 2012 short financial year we began to convert our own truck fleet to dual fuel, i.e., a combined operation with diesel and biomethane as fuel. The acquisition of customers for this system for combined fuel usage could provide the direct access to end fuel customers and thereby further promote the sale of biomethane in the fuel sector.

In the 2012/2013 financial year we will invest approximately EUR 35 million in the expansion of the existing biomethane plants. At the end of the 2012/2013 financial year the plants should be successively started up with the increased production capacity.

In order to increase the value creation from the raw material rapeseed oil, vERBio is investing in the expansion of the biodiesel plant in Bitterfeld with a plant for the production of phytosterols. Phytosterols are fat-soluble substances that, among other uses, can be used as food additives. They bring about a reduction of cholesterol levels in humans. For VERBIO this project means an entry into the production of fat-soluble substances which can be used in the pharmaceutical and food industries. It is planned to start up the plant, which will have an annual capacity of 450 tons, in the third quarter of 2013. The investment volume amounts to approximately EUR 12 million. The majority of long-term production is secured by sales contracts.

For the long-term securing of raw materials necessary for the production, we are planning to extend the activities of the Trading segment to the locations of the newly constructed biomethane plants, in order to guarantee a secure and efficient obtaining of raw materials. Looking forward to the decarburation quotas which come into effect in 2015, Märka will increasingly function in the coming years as a

service provider for farmers in order to manage the use of fertilizers here, for example, through targeted cooperation and providing information for farmers, so that the agriculturally produced raw materials contribute to optimum greenhouse gas reduction. Furthermore, this close cooperation with the farmers will secure the sale of fertilizer produced in our biomethane plants.

*Overall statement on the anticipated development*

There is no statement on the part of the politics, how it shall be secured, that no subsidised biofuels are penetrating in a competition distortive way the German market and that the German biofuel targets are only fulfilled by sustainably produced biofuels. An evasion of the German Biofuels Sustainability Directive must become impossible. Due to this uncertain framework the Management Board withdraws the targets for the financial year 2012/2013 given in the previous financial year. As soon as more transparency is given to the further development the Management Board will disclose a new reliable outlook

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# Consolidated statement of comprehensive income

for the period July 1 to September 30, 2012

KEUR	1/7-30/9/2012	1/7-30/9/2011
1. Revenue (including energy taxes collected)	248,981	250,550
less: energy taxes	- 31,475	- 26,142
<b>Revenue</b>	<b>217,506</b>	<b>224,408</b>
2. Change in unfinished and finished goods	7,456	- 424
3. Capitalised production of own plant and equipment	327	354
4. Other operating income	4,351	2,274
5. Cost of materials		
a) Raw materials, consumables and supplies	- 189,985	- 193,463
b) Purchased services	- 12,454	- 12,558
6. Personnel expenses	- 8,393	- 7,464
7. Depreciation and amortisation	- 6,551	- 6,464
8. Other operating expenses	- 10,390	- 9,516
9. Result from commodity forward contracts	- 6,782	6,727
<b>10. Operating result</b>	<b>- 4,915</b>	<b>3,874</b>
11. Interest income	233	920
12. Interest expense	- 1,989	- 2,902
<b>13. Financial result</b>	<b>- 1,756</b>	<b>- 1,982</b>
<b>14. Result before tax</b>	<b>- 6,671</b>	<b>1,892</b>
15. Income tax expense	169	226
<b>16. Net result for the period</b>	<b>- 6,502</b>	<b>2,118</b>
Result attributable to non-controlling interests	- 6,465	2,276
Result attributable to shareholders of VERBIO AG	- 37	- 158
Income and expenses recognized directly in equity:		
Translation of foreign operations	31	- 164
Fair value remeasurement on cash flow hedges	- 2,040	- 2,395
Deferred taxes recognized in equity	633	738
<b>17. Income and expenses recognized directly in equity</b>	<b>- 1,376</b>	<b>- 1,821</b>
<b>18. Comprehensive result</b>	<b>- 7,878</b>	<b>297</b>
Comprehensive result attributable to non-controlling interests	- 7,846	455
Comprehensive result attributable to shareholders of VERBIO AG	- 32	- 158
Result per share (basic and diluted)	- 0.10	0.03

# Consolidated balance sheet

at September 30, 2012

KEUR	30/9/2012	30/6/2012
<b>Assets</b>		
<b>A. Noncurrent assets</b>		
I. Goodwill	70,682	70,682
II. Customer relationships	12,514	12,877
III. Other intangible assets	261	216
IV. Property, plant and equipment	253,545	248,996
V. Financial assets	753	888
VI. Deferred tax assets	129	125
<b>Total noncurrent assets</b>	<b>337,884</b>	<b>333,784</b>
<b>B. Current assets</b>		
I. Inventories	231,017	74,283
II. Trade receivables	75,221	77,152
III. Tax refunds	1,522	5,724
IV. Other assets	14,872	19,914
V. Derivatives	6,613	6,763
VI. Time deposits	17,808	16,439
VII. Cash and cash equivalents	1,562	2,055
VIII. Noncurrent assets held for sale	38,744	38,691
<b>Total current assets</b>	<b>387,359</b>	<b>241,021</b>
<b>Total assets</b>	<b>725,243</b>	<b>574,805</b>



KEUR	30/9/2012	30/6/2012
<b>Liabilities and equity</b>		
<b>A. Equity</b>		
I. Share capital	63,000	63,000
II. Additional paid-in capital	487,680	487,680
III. Fair value reserve	-1,421	-14
IV. Retained earnings	-225,248	-218,783
IV. Reserve for translation differences	-27	-53
<b>Total equity, excluding non-controlling interests</b>	<b>323,984</b>	<b>331,830</b>
V. Non-controlling interests	3,628	3,660
<b>Total equity</b>	<b>327,612</b>	<b>335,490</b>
<b>B. Noncurrent liabilities</b>		
I. Provisions	35,393	35,274
II. Financial liabilities	150	149
III. Deferred investment grants and subsidies	10,480	10,861
IV. Other noncurrent liabilities	2,083	921
V. Deferred tax liabilities	645	1,534
<b>Total noncurrent liabilities</b>	<b>48,751</b>	<b>48,739</b>
<b>C. Current liabilities</b>		
I. Tax liabilities	227,390	83,126
II. Provisions	60,765	48,845
III. Financial liabilities	13,892	18,066
IV. Trade payables	4,874	3,361
V. Deferred investment grants and subsidies	8,157	8,210
VI. Other current liabilities	2,089	2,207
VII. Derivatives	1,852	1,971
VIII. Liabilities in connection with noncurrent assets held for sale	29,861	24,790
<b>Total current liabilities</b>	<b>348,880</b>	<b>190,576</b>
<b>Total equity and liabilities</b>	<b>725,243</b>	<b>574,805</b>

# Consolidated cash flow statement

*for the period Juli 1 to September 30, 2012*

KEUR	1/7-30/9/2012	1/7-30/9/2011
Net result for the period	- 6,502	2,118
Income tax expense	- 169	- 226
Interest result	1,756	1,982
Depreciation and amortization	6,551	6,464
Non-cash losses from impairment write-downs	259	- 615
Non-cash income	- 16	- 120
Gains on disposal of property, plant and equipment and disposal of investment grants (in prior year: losses)	30	89
Release of deferred investment grants and subsidies	- 610	- 490
Non-cash changes in derivative financial instruments	- 18,927	2,841
Decrease in inventories	- 139,819	- 118,404
Increase (in prior year: decrease) in trade receivables	1,923	- 33,190
Decrease in other assets	4,000	- 472
Decrease in provisions	- 130	52
Decrease in trade payables	11,891	34,291
Increase in other liabilities	7,822	24,848
Interest paid	- 1,937	- 2,533
Interest received	237	1,006
Income taxes paid	- 469	- 352
<b>Cash flows from operating activities</b>	<b>- 134,110</b>	<b>- 82,711</b>
Investments in time deposits	493	803
Acquisition of intangible assets	- 84	- 38
Acquisition of property, plant and equipment	- 10,980	- 4,329
Proceeds from disposal of property, plant and equipment	288	79
Disbursements for acquisition of subsidiaries	0	- 1,500
Proceeds from the disposal of noncurrent financial assets	135	143
<b>Cash flows from investing activities</b>	<b>- 10,148</b>	<b>- 4,842</b>

KEUR	1/7-30/9/2012	1/7-30/9/2011
Payments on secured loans	-10,344	-9,939
Proceeds from secured loans	111,644	76,581
Payments for the redemption of financial liabilities	-1,459	-16,633
Disbursements for repayment of financial liabilities	44,438	50,935
<b>Cash flows from financing activities</b>	<b>144,279</b>	<b>100,944</b>
Cash-effective change in cash funds	21	13,391
Change in cash funds due to effects of exchange rates	32	-38
Cash funds at beginning of year	38,691	36,047
<b>Cash funds at end of period</b>	<b>38,744</b>	<b>49,400</b>
Cash funds at end of period comprise the following:		
Restricted cash and cash equivalents	4,200	4,719
Cash and cash equivalents	34,544	44,681
<b>Cash funds at end of period</b>	<b>38,744</b>	<b>49,400</b>
Additional information:		
Time deposits	1,562	0

# Consolidated statement of changes in equity

*for the period Juli 1 to September 30, 2012*

KEUR	Share capital	Additional paid-in capital	Fair value reserve
<b>July 1, 2011</b>	<b>63,000</b>	<b>487,680</b>	<b>255</b>
Translation adjustments	0	0	0
Fair value changes on cash flow hedges (after tax)	0	0	-1,657
<b>Income and expenses recognized directly in equity</b>	<b>0</b>	<b>0</b>	<b>-1,657</b>
Net income for the period	0	0	0
<b>Comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>-1,657</b>
<b>September 30, 2011</b>	<b>63,000</b>	<b>487,680</b>	<b>-1,402</b>
<b>July 1, 2012</b>	<b>63,000</b>	<b>487,680</b>	<b>-14</b>
Translation adjustments	0	0	0
Fair value changes on cash flow hedges (after tax)	0	0	-1,407
<b>Income and expenses recognized directly in equity</b>	<b>0</b>	<b>0</b>	<b>-1,407</b>
Net income for the period	0	0	0
<b>Comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>-1,407</b>
<b>September 30, 2012</b>	<b>63,000</b>	<b>487,680</b>	<b>-1,421</b>

Retained earnings	Reserve for translation adjustments	Total equity excluding non-controlling interests	Non-controlling interests	Total equity
- 225,293	- 4	325,638	3,698	329,336
0	-164	-164	0	-164
0	0	-1,657	0	-1,657
0	-164	-1,821	0	-1,821
2,276	0	2,276	-158	2,118
2,276	-164	455	-158	297
- 223,017	-168	326,093	3,540	329,633
- 218,783	- 53	331,830	3,660	335,490
0	26	26	5	31
0	0	-1,407	0	-1,407
0	26	-1,381	5	-1,376
-6,465	0	-6,465	-37	-6,502
-6,465	26	-7,846	-32	-7,878
- 225,248	- 27	323,984	3,628	327,612

# Selected explanatory notes

## Condensed consolidated interim financial statements

On 1 July 2012 the conversion of the financial year to the period July 1 to June 30 of the subsequent year became effective. When a comparison and analysis is made below with the previous year, the period July 1 to September 30, 2012 (Q1 2012/2013) is compared with the period July 1 to September 30, 2011 (Q1 2011/2012).

### Basis for preparation of the consolidated financial statements

The interim reports of VERBIO Vereinigte BioEnergie AG and also the consolidated financial statements as of June 30, 2012, were prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the EU. The rules contained in IAS 34 "Interim Financial Reporting" were applied accordingly. All of the interim financial statements of the companies included within the consolidated financial statements of VERBIO AG were prepared in accordance with standard accounting principles.

These condensed interim financial statements do not include all information relevant for the consolidated financial statements and is therefore to be read in conjunction with the consolidated financial statements as of June 30, 2012.

The consolidated interim financial statements are presented in euros (EUR). To the extent not otherwise stated, all amounts are given in thousand euros (KEUR). Discrepancies may occur in the presentation of the figures as a result of rounding.

### Entities included in the consolidation, consolidation principles and foreign currency translation

There were no changes in the entities included in the consolidation as of June 30, 2012. Within the reporting period HBE Hansa BioEnergie GmbH was renamed to VERBIO Gas Seitschen GmbH.

Incidentally the consolidation methods as well as the principles for foreign currency translation remain unchanged to those applied for the consolidated financial statements as of June 30, 2012.

### Accounting and valuation methods

Given that the interim financial reports are based on the consolidated financial statements, reference is made to the detailed description of the accounting and consolidation policies contained in the notes to the consolidated financial statements as of June 30, 2012. The accounting and consolidation policies applied are essentially commensurate with those applied in the previous year.

With exception of the change of IAS 1 no new or revised standards or interpretations were applied by the Group for the first time with effect as of July 1, 2012. IAS 1 „Presentation of Financial Statements“ has been adopted with regard to the presentation of the other comprehensive income. This had no effect on the consolidated financial statements of VERBIO, as VERBIO already complied with the changed requirements.

## Notes to individual items in the consolidated statement of comprehensive income

### Other operating income

KEUR	Q1 2012/2013	Q1 2011/2012
Income from trade with emission rights	950	0
Insurance recoveries	630	87
Reimbursement of electricity tax and mineral oil tax	545	664
Release of investment grants	525	490
Realized exchange gains	485	38
Rental income	152	196
Income from written-off receivables	117	112
Charge out of costs incurred	50	239
Payment for damages	30	40
Reversal of allowance for doubtful receivables	0	14
Miscellaneous other operating income	867	394
<b>Other operating income</b>	<b>4,351</b>	<b>2,274</b>

### Cost of materials

The cost of materials can largely be attributed to the procurement of raw materials, consumables and supplies for ongoing production activities and purchased goods. Reference is hereby made to the statements contained in the section entitled "Segment reporting".

### Other operating expenses

KEUR	Q1 2012/2013	Q1 2011/2012
Repairs	2,510	2,088
Outgoing freight	1,380	1,719
Motor vehicle costs	1,375	1,045
Miscellaneous personnel expense	953	798
Insurances and dues	910	730
Advertising expenses	329	204
Rental and leasing expenses	302	240
Legal and consulting fees	275	222
Selling expenses	255	166
Other out-of-period expenses	243	17
Costs of money transfers	216	118
Travel expense	206	223
Administration costs	198	176
Other taxes	108	423
Losses on receivables and increase in allowances	68	0
Costs for preparation of financial statements	65	165
Cleaning costs	64	64
Data processing costs	56	56
Supervisory Board compensation	30	56
Miscellaneous other operating expenses	847	1,006
<b>Total other operating expenses</b>	<b>10,390</b>	<b>9,516</b>

### Result from commodity forward contracts

The results from the valuation and closing of positions of forward contracts which do not qualify for hedge accounting, the results from commodity futures using fair value hedge accounting, and the ineffective portion of forward contracts that are used for hedge accounting (cash flow hedges) totalled KEUR – 6,782 (Q1 2011/2012: KEUR 6,727). This amount includes the valuation result relating to embedded derivatives in the amount of KEUR 50.



The results from commodity forward contracts have been affected by positive amounts (KEUR 15,208; Q1 2011/2012: KEUR -2,335) from commodity forward contracts in connection with the use of fair value hedge accounting. In addition, fair value reserves from the valuation of commodity forward contracts decreased by KEUR 1,235 (Q1 2011/2012: KEUR 1,089), without having any effect on the profit/loss as a result of their classification as cash flow hedges.

#### Income tax expense

Income tax expense for the period July 1 to September 30, 2012 in the amount of KEUR 169 (Q1 2011/2012: KEUR 226) comprises the following:

KEUR	Q1 2012/2013	Q1 2011/2012
Current tax expense	- 87	- 320
Deferred tax expense	256	546
<b>Income tax expense</b>	<b>169</b>	<b>226</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.

	Q1 2012/2013	Q1 2011/2012
Issued shares on July 1	63,000,000	63,000,000
Number of average shares outstanding as of September 30	63,000,000	63,000,000
Result for the period in KEUR	- 6,465	2,276
<b>Result per share in EUR</b>	<b>- 0.10</b>	<b>0.03</b>

## Notes to the individual items in the consolidated balance sheet

### Noncurrent assets

#### Goodwill and other intangible assets

Intangible assets comprise goodwill, relationships with customers and software licenses. The value of the customer base is amortised over 15 years; goodwill is subjected to an annual impairment test in accordance with IAS 36.

#### Property, plant and equipment

Taking account of scheduled amortisation (KEUR 6,149), disposals of property, plant and equipment (KEUR 312), investments in property, plant and equipment (KEUR 10,499), effects of currency conversions (KEUR 11) as well as appreciations (KEUR 500), an increase in the value of the property, plant and equipment was recorded.

#### Financial assets

The amount recorded under this item as of the balance sheet date largely relates to the noncurrent portion of a loan receivable which is carried at amortised cost.

### Current assets

#### Inventories

KEUR	30/9/2012	30/6/2012
Raw materials, consumables and supplies	19,849	20,592
Work in process and finished products	35,194	27,738
Merchandise	175,974	25,953
<b>Inventories</b>	<b>231,017</b>	<b>74,283</b>

Finished products comprise stocks of biofuel quotas which have already been generated but not yet sold by VERBIO in the amount of KEUR 15,880 (30/6/2012: KEUR 10,356).

The examination of the inventories with respect to their recoverability as of September, 30 2012 indicated a need for allowances in the total amount of KEUR 181 (30/6/2012: KEUR 352) in line with their lower market or net realisable value. These allowances are reflected in the statement of comprehensive income for raw materials, consumables and supplies as well as merchandise under the item "cost of materials" (KEUR 147; 30/6/2012: KEUR 322) and for finished goods under the item "changes in inventories" (KEUR 34; 30/6/2012: KEUR 30). Restraints on disposals in the amount of KEUR 125,196 (30/6/2012: KEUR 66,317) are in place with respect to raw materials, consumables and supplies as well as merchandise in connection with secured loans.

#### Trade receivables

At the balance sheet date trade receivables amounted to KEUR 75,221 (30/6/2012: KEUR 77,152) and are disclosed net of valuation in the amount of KEUR 2,096 (30/6/2012: KEUR 1,674). All receivables have a remaining term of up to one year. Of the trade receivables KEUR 17,154 (30/6/2012: KEUR 16,611) relate to receivables which have been sold to a special purpose entity in connection with an ABS program.

### Tax refund receivables

Tax refund receivables of KEUR 6,613 (30/6/2012: KEUR 6,763) concern construction withholding tax, corporate tax and trade tax.

### Other current financial assets

Other current financial assets comprise the following:

KEUR	30/9/2012	30/6/2012
Deferral of unrealized results on forward contracts	8,168	12,982
Security deposits resulting from security agreements and liability declarations	3,293	3,277
Insurance recoveries	1,769	664
Loan receivables	613	647
Other receivables VERBIO STS AG	200	800
Deferral of realized gains on forward contracts	58	116
Claims for damages	0	500
Claims from the sale of wind energy plants	0	264
Miscellaneous other assets	771	664
<b>Other current financial assets</b>	<b>14,872</b>	<b>19,914</b>

### Other assets

Other non-financial assets comprise the following:

KEUR	30/9/2012	30/6/2012
Investment subsidies	11,328	11,296
Reimbursement of electricity and energy tax	1,255	1,876
Value-added tax receivable	3,085	1,599
Deferred expenses	1,366	1,121
Miscellaneous other assets	774	547
<b>Other non-financial assets</b>	<b>17,808</b>	<b>16,439</b>

### Derivatives

Forward contracts (futures and options) have been entered into with a view to hedging the supply of raw materials for the production of biodiesel, raw material and merchandise inventories of rapeseed and wheat, and fixed obligations arising in connection with purchases of rapeseed and wheat against fluctuations in value. Moreover, hedges in the form of fixed diesel/petrol sales against variable diesel/petrol prices (diesel/petrol swap transactions) and other derivatives (futures and options) are used to hedge the proceeds and price levels in respect of sales contracts that are linked to mineral diesel/petrol prices.

As of September 30, 2012, the positive market value of these derivatives amounted to KEUR 1,522 (30/6/2012: KEUR 5,724), and the negative market value KEUR 11,052 (30/6/2012: KEUR 15,403). As regards the effects of this on the consolidated statement of comprehensive income, reference is made to the notes relating to the results from forward contracts.

Interest rate swap transactions have been entered into with a view to hedging variable interest payment obligations. The market value of the interest rate hedging transactions is recorded under derivatives. To the extent that no hedging relationships have been designated, any changes in value are recorded in the financial result. As of the balance sheet date, the negative market value of these interest rate hedging transactions amounted to KEUR 954 (30/6/2012: KEUR 1,027); as of the balance sheet date, the negative market value of the hedged interest rate swaps amounted to KEUR 1,886 (30/6/2012: KEUR 1,636) and was recorded directly in equity.

The derivatives which have been valued at their fair value have been allocated to the following fair value hierarchical levels:

- Level 1 (quoted market prices): KEUR 207 (assets), KEUR 10,246 (liabilities)
- Level 2 (valuation procedure, input data observable in the market): KEUR 1,315 (sets), KEUR 3,646 (liabilities)

As in the comparable period of the previous year, no reclassifications from one fair value hierarchical level to the other were carried out during the period between July 1, 2012 and September 30, 2012.

#### Cash and cash equivalents

This item includes unrestricted cash and cash equivalents in the amount of KEUR 34,544 (30/6/2012: KEUR 34,491) plus restricted cash and cash equivalents in the amount of KEUR 4,200 (30/6/2012: KEUR 4,200).

#### Equity

##### Fair value reserves

The fair value reserves comprise the effective portion of the cumulated changes in the valuation of commodity forward contracts classified as cash flow hedges and also interest rate swaps. During the reporting period, KEUR 867 were reallocated from equity to sales revenues (amount reducing sales revenues; Q1 2011/2012: KEUR 419), KEUR 514 to cost of materials (amount decreasing cost of materials; Q1 2011/2012: KEUR 467 increasing cost of materials) and KEUR 139 to interest expense (amount increasing interest expense; Q1 2011/2012: KEUR 0) in the context of cash flow hedge accounting. The change of fair values of the cash flow hedges therefore amounts to KEUR -2.532. At the balance sheet date deferred taxes are reflected in the amount of KEUR 639 (30/6/2012: KEUR 6).

#### Noncurrent liabilities

##### Investment grants and subsidies

KEUR	Investment subsidies	Investment grants	Total
June 30, 2012	11,178	1,654	12,832
Additions	110	0	110
Release in current period	- 365	- 160	- 525
Disposal	- 85	0	- 85
<b>September 30, 2012</b>	<b>10,838</b>	<b>1,494</b>	<b>12,332</b>
Thereof current	1,368	484	1,852
Thereof noncurrent	9,470	1,010	10,480

### Assigned securities

We refer to the detailed explanations in the consolidated notes for the short financial year 2012.

### Current liabilities

#### Tax liabilities

Tax liabilities comprise trade tax obligations in the amount of KEUR 1,291 (30/6/2012: KEUR 1,358), state-, council and federal tax of Switzerland in the amount of KEUR 157 (30/6/2012: KEUR 157), corporate tax amounting to KEUR 791 (30/6/2012: KEUR 777) and, unchanged to June 30, 2012, construction withholding tax in the amount of KEUR 5,918.

#### Provisions

KEUR	30/9/2012	30/6/2012
Litigation risks	1,594	1,580
Impending losses on sales transactions	196	328
Other provisions	299	299
<b>Total provisions</b>	<b>2,089</b>	<b>2,207</b>

#### 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 June 30, 2012, the Company has recognised a provision of KEUR 1,329 to cover the risk. At September 30, 2012 the interest rate was adjusted in the amount of KEUR 14 to KEUR 1,343.

#### Other current liabilities

KEUR	30/9/2012	30/6/2012
Energy tax	23,333	23,155
Value added tax	5,446	671
Advance payments received on orders	513	317
Miscellaneous other current liabilities	569	647
<b>Total other current liabilities</b>	<b>29,861</b>	<b>24,790</b>

## Other disclosures

### Segment reporting

The risks and returns of the Group are significantly determined by the business segments. The VERBIO Group is accordingly segmented in line with the internal organizational and management structure into the business segments Biodiesel, Bioethanol, Märka Trading and Other. The Other segment, as a collective segment, contains the business field of transport, logistics and energy.

Segmentation on a geographical basis was not made, since such segmentation is not utilized by the VERBIO Group for internal management purposes.

### Segments according to the internal corporate management

The sales revenues are reported net of energy-related taxes in the amount of KEUR 31,475 (Q1 2011/2012: KEUR 26,142). The segments Biodiesel, Bioethanol and Märka Trading generate sales revenue through the sales of goods. The segment Other generates sales revenue through the sale of services. The same accounting principles are applied with respect to business transactions among the segments which are subject to reporting requirements as are applied in the consolidated financial statements.

### Segment reporting for the period July 1 to September 30, 2012

KEUR	Biodiesel		Bioethanol		Märka Trading		Other	
	Q1 2012/2013	Q1 2011/2012	Q1 2012/2013	Q1 2011/2012	Q1 2012/2013	Q1 2011/2012	Q1 2012/2013	Q1 2011/2012
Sales revenues	132,789	128,860	52,326	75,160	107,086	67,005	7,770	8,619
<i>thereof sales revenues to third parties</i>	<i>131,034</i>	<i>127,148</i>	<i>51,717</i>	<i>75,060</i>	<i>32,668</i>	<i>19,441</i>	<i>2,087</i>	<i>2,759</i>
Change in finished and unfinished products	2,545	82	4,911	-506	0	0	0	0
Capitalized production of own plant and equipment	49	38	278	316	0	0	0	0
Other operating income	1,404	668	2,692	1,078	579	527	213	254
Cost of materials	-127,738	-118,674	-51,637	-67,308	-100,008	-68,143	-4,665	-5,080
Personnel expenses	-1,659	-1,492	-2,524	-2,346	-2,706	-2,158	-1,504	-1,468
Depreciation and amortization	-1,637	-1,559	-3,708	-3,520	-748	-947	-458	-438
Other operating expenses	-2,996	-3,456	-3,509	-4,054	-4,203	-3,316	-843	-798
Result of forward contract transactions	-6,708	833	2,370	8	-2,444	5,886	0	0
<b>Segment result</b>	<b>-3,951</b>	<b>5,300</b>	<b>1,199</b>	<b>-1,172</b>	<b>-2,444</b>	<b>-1,146</b>	<b>513</b>	<b>1,089</b>
Financial result	-310	-302	-605	-256	-794	-1,367	-47	-57
<b>Result before taxes</b>	<b>-4,261</b>	<b>4,998</b>	<b>594</b>	<b>-1,428</b>	<b>-3,238</b>	<b>-2,513</b>	<b>466</b>	<b>1,032</b>

### Reconciliation

KEUR	Total segments		Intersegment revenues and expenses		Other corrections Group		Group	
	Q1 2012/2013	Q1 2011/2012	Q1 2012/2013	Q1 2011/2012	Q1 2012/2013	Q1 2011/2012	Q1 2012/2013	Q1 2011/2012
Sales revenues	299,971	279,644	- 82,465	- 55,236	0	0	217,506	224,408
Change in finished and unfinished products	7,456	- 424	0	0	0	0	7,456	- 424
Capitalized production of own plant and equipment	327	354	0	0	0	0	327	354
Other operating income	4,888	2,527	- 537	- 253	0	0	4,351	2,274
Cost of materials	- 284,048	- 259,205	81,841	53,381	- 232	- 197	- 202,439	- 206,021
Personnel expenses	- 8,393	- 7,464	0	0	0	0	- 8,393	- 7,464
Depreciation and amortization	- 6,551	- 6,464	0	0	0	0	- 6,551	- 6,464
Other operating expenses	- 11,551	- 11,624	1,161	2,108	0	0	- 10,390	- 9,516
Result of forward contract transactions	- 6,782	6,727	0	0	0	0	- 6,782	6,727
<b>Segment result</b>	<b>- 4,683</b>	<b>4,071</b>	<b>0</b>	<b>0</b>	<b>- 232</b>	<b>- 197</b>	<b>- 4,915</b>	<b>3,874</b>
Financial result	- 1,756	- 1,982	0	0	0	0	- 1,756	- 1,982
<b>Result before taxes</b>	<b>- 6,439</b>	<b>2,089</b>	<b>0</b>	<b>0</b>	<b>- 232</b>	<b>- 197</b>	<b>- 6,671</b>	<b>1,892</b>

Other adjustments largely relate to the elimination of interim profits arising in connection with sale by the Märka Trading segment of raw materials to the Bioethanol segment.

### Segment assets

KEUR	30/9/2012	30/6/2012
Biodiesel	189,980	197,309
Bioethanol	250,937	243,284
Märka Trading	266,797	111,392
Other	8,003	8,153
<b>Group</b>	<b>715,417</b>	<b>560,138</b>

The increase in the segment assets of the Trading segment may, in particular, be attributed to the addition in inventories through the 2012 harvest.

## Contingent liabilities and other financial commitments

### Contingent liabilities

Effective July 31, 2007, a security deposit insurance contract was entered into between VERBIO and Euler Hermes Kreditversicherungs-AG, Hamburg. As a result, a secured credit line of KEUR 15,000 was arranged for VERBIO which pertains to customs guarantees. The secured credit line can be utilised by the subsidiaries VEZ, VES, VDS and VDB. To secure the claims of Euler Hermes Kreditversicherungs-AG, Hamburg, VERBIO has made a security deposit of KEUR 3,000. The secured credit line increase in short term and is as of September 30, 2012 utilised in the amount of KEUR 14,833.

Effective March 27, 2008 VERBIO, VDB, VDS, VEZ, and VES entered into an agreement with Atradius Kreditversicherung, Köln over the validity of ownership retention rights and the form of their extension. Therein, the parties agreed that the companies will transfer current and future receivables – after processing or compounding/mixing – in the amount of the respective invoice amounts provided to Atradius by the respective insured entities from the further sale.

### Litigation

Regarding litigations please refer to the information in the consolidated notes for the short financial year 2012.

### Rental and leasing contracts

Additional financial commitments of KEUR 14,791 exist from various long-term leasing contracts. Allotted to the following year are KEUR 4,200, KEUR 3,803 are allotted to the next one to five years and KEUR 6,788 for a period exceeding five years.

For further information please refer to the explanations in the consolidated notes for the short financial year 2012.

### Commitments

As at September 30, 2012 there is an open purchase obligation for investments amounting KEUR 15,343 (30/6/2012: KEUR 10,973).

### Related party disclosures

For further information please refer to the explanations of related party disclosures in the consolidated notes for the short financial year 2012.

### 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.



## 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
- Siegwerk Druckfarben AG & Co. KGaA, Siegburg

Mandates in comparable controlling bodies:

- Kaefer Isoliertechnik GmbH & Co. KG, Bremen

### Ulrike Krämer

*Deputy Chairman of the Supervisory Board*

Managing director,

- M&K Treuhand GmbH, Ludwigsburg
- Mörk & Krämer Treuhand GmbH, Ludwigsburg

### Dr.-Ing. Georg Pollert

*Member of the Supervisory Board*

Chemist and process engineer, Berlin

## 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

*COO Bioethanol/Biogas*

*Deputy Chairman of the Management Board*

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

### Theodor Niesmann

*COO Biodiesel and Plant Engineering*

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

### Bernd Sauter

*COO Procurement, Logistics and HR*

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

## Financial calendar 2012/2013

<b>September 25, 2012</b>	Publication of consolidated financial statements 2012 Analysts' conference/press conference in Frankfurt/Main
<b>November 8, 2012</b>	Publication of the quarterly financial report up to September 30, 2012 Telephone conference with analysts' and investors
<b>January 25, 2013</b>	Annual General Meeting, Radisson Blu Hotel Leipzig
<b>February 7, 2013</b>	Publication of the quarterly financial report up to December, 2012 Telephone conference with analysts' and investors
<b>May 8, 2013</b>	Publication of the quarterly financial report up to March 31, 2013 Telephone conference with analysts' and investors
<b>September 25, 2013</b>	Publication of consolidated financial statements 2012/2013 Analysts' conference/press conference in Frankfurt/Main

## Contact and 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 interim 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 interim report contains statements that relate to the future and are based on assumptions and estimates made by the management of VERBIO Vereinigte BioEnergie AG. Even if the management is of the opinion that these assumptions and estimates are appropriate the actual development and the actual future results may vary from these assumptions and estimates as a result of a variety of factors. These factors include, for example, changes to the overall economic environment, the statutory and regulatory conditions in Germany and the EU and changes in the industry. VERBIO Vereinigte BioEnergie AG makes no guarantee and accepts no liability for future development and the actual results achieved in the future matching the assumptions and estimates stated in this interim 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. The interim 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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