





**Interim Report**

**Business Year 2008**

**I. Quarter**

## Overview

(Million EUR)	Q1 2008	Q1 2007
<b>Sales revenue</b>	<b>15.1</b>	32.8
<b>Gross result</b>	<b>5.3</b>	9.5
<b>EBITDA</b>	<b>-0.1</b>	6.2
<b>EBIT</b>	<b>-0.8</b>	5.9
<b>Surplus</b>	<b>0.2</b>	3.6
<b>Employees</b>	<b>259</b>	212



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## Strong market position at home and abroad

**Dear shareholders, dear customers and business partners,  
dear colleagues,**

The start to the financial year 2008 has been a challenging one, just as we had anticipated and announced. The market environment in Germany is characterised by the discussion about the amendment of the German Renewable Energy Sources Act (EEG). All market participants are eagerly awaiting the decision by the federal government, which is to be taken in a few weeks' time. We assume that the most efficient form of using biomass – i.e. through biogas – will continue to be promoted going forward and that sound conditions for the ongoing development of the still young biogas industry will be created.

The wait-and-see attitude prevailing in the market led to a sharp decline in domestic sales in the first quarter, which was not fully offset by the strong growth in foreign revenues. Of course, this is felt at the bottom line, which is why we report earnings before interest and taxes (EBIT) of EUR -0.8 million on sales of EUR 15 million. At EUR 0.2 million, earnings after taxes remained positive, though.

Our Service and Own Plant Operation units showed a very positive performance. Our good capitalisation allowed us to make high investments, especially in Own Plant Operation, which will make good profit contributions going forward. We will continue to expand both units consistently.

Especially in such a challenging market situation, we benefit from our lean and flexible structures. From the very beginning, we paid great attention to low overhead costs, while ensuring that our production capacities are scalable. This means we will be able to satisfy the growing demand as soon as the German biogas market picks up again – and we are firmly convinced that this is what the market will do. We are confident that numerous projects will be put into operation once the decision about the amendment of the Renewable Energy Sources Act has been made, as this will increase the planning certainty. We also expect our international markets to continue to provide positive stimulation. We are in very good negotiations, and demand in these markets remains high. International orders on hand increased by over 50 percent as compared to year-end 2007 and currently amount to EUR 56.5 million. Finally, the feeding of biogas into the natural gas grid will also become more attractive under the federal government's new Gas Grid Access Directive. We now

**EEG:**

*German Renewable Energy Sources Act*

**EBIT:**

*earnings before interest and taxes*

benefit from our early specialisation in the construction of larger plants, such as they are needed for the processing of natural gas, as well as from our ability to offer these plants in the form of standardised modules. We are excellently positioned to exploit the potential offered by this market.

We are convinced that the German biogas market will pick up appreciably once the political conditions for renewable energies are clear. EnviTec Biogas is ready to benefit from this growing demand.

Cordially,



Olaf von Lehmden  
CEO



Jörg Fischer  
CFO

Kunibert Ruhe  
CTO



*from left to right: Kunibert Ruhe (CTO),  
Olaf von Lehmden (CEO) and  
Jörg Fischer (CFO)*

# Group interim business report

of EnviTec Biogas AG for the three-month period ended 31 March 2008

## 1. Development of the economy and the biogas industry

### Macroeconomic development

According to the Institute for the World Economy (IfW), global economic activity in spring 2008 was adversely affected by the US housing and financial crisis and the resulting turmoil in the global financial markets. The rising oil price also had a dampening effect on global economic growth. Germany's GDP increased by only 0.4 percent (previous year: 2.5 percent) according to the Berlin-based Deutsches Institut für Wirtschaftsforschung (DIW). The world economy nevertheless continues to expand at a steady pace, primarily due to the fact that output in the emerging countries is still growing strongly. Experts therefore expect the world economy to grow by 2.7 percent in 2008 as whole. Growth in the USA and Europe should be much lower, however.



### Renewable energies and biogas

The situation in the German biogas industry and the renewable energies sector in general continues to be influenced by the ongoing discussion about the amendment of the German Renewable Energy Sources Act (EEG). In the period under review, the first hearing on the Renewable Energy Sources Act was held in the German Bundestag. While there is a lot to suggest that the framework conditions for biogas will improve, the final adoption of the law remains to be seen.

The amendments to the German Gas Grid Access Directive were adopted in February, which means that the feeding of biogas into the natural gas grid is now governed by law. Under the new regulations, certain costs for the feeding in of gas are borne by the network operators, which makes the feeding of biogas into the gas grid more attractive for biogas producers.

## 2. Business trend in the first three months

In the first three months of 2008, EnviTec Biogas generated sales of EUR 15.1 million. The decline from the previous year's EUR 32.8 million is due to the difficult market environment in Germany, which had been projected by the company and is primarily attributable to the pending amendment of the German Renewable Energy Sources Act (EEG). Interested customers are waiting for the federal government's decision about the increase in the remuneration for biogas, which is anticipated for summer 2008, before placing their orders. The Own Plant Operation and Service segments developed favourably. Incoming orders clearly reflect the strong demand from abroad and vindicate the company's decision to invest in the development of new markets at an early stage.

On the 31st March, 2008 242 EnviTec modules with a rated electrical output of 116.9 MW were operating. Another 30 modules with a output of 17.3 MW were under construction.

### Own Plant Operation generates EBIT margin of approx. 21 percent

In the first three months of 2008, the Own Plant Operation segment for the first time showed its true potential. While the segment still accounts for a relatively moderate 10 percent of total sales, it generated a very impressive EBIT margin of 21.4 percent, which gives an indication of the positive effect it will have on the future performance of the Group. 17 modules with a total rated electrical output of 8.4 MW were in operation in the first three months of the year. The consistent expansion will greatly increase the impact on the group results from now on going forward. Plants with a total output of 3.5 MW are currently at the construction or planning stage.

### Large-scale contract from India

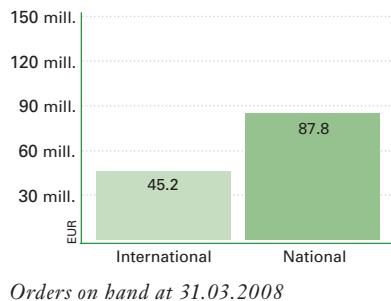
The contract from India signed in February 2008 was a milestone in the history of the company. Through its 50 percent joint venture, EnviTec Biogas will build biogas plants with a total rated electrical output of 30 MW in Punjab, India's largest agricultural state. Plans exist for 30 plants with an output of 1 MW each, which will be built throughout the region in the next two years. The contract has a total volume of over EUR 30 million. The plants will be built in the context of a 160 MW renewable energies project. On behalf of Indian utility PEDA (Punjab Energy Development Agency), a mix of biogas, wind and solar energy will help to ensure electricity supplies in the region. This local energy supply shows the potential that exists for EnviTec Biogas in countries such as India or China, where large parts of the rural



*Signing of the agreement with Indian energy Minister Shinde*

population still live without electricity but have the renewable resources required to supply their own regions with electricity from biogas.

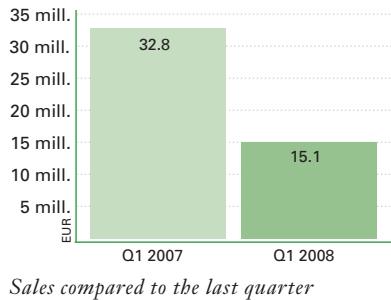
## Employees



The number of employees increased during the first three months in 2008 in comparison to last year's period from 212 to 259.

## High level of orders on hand

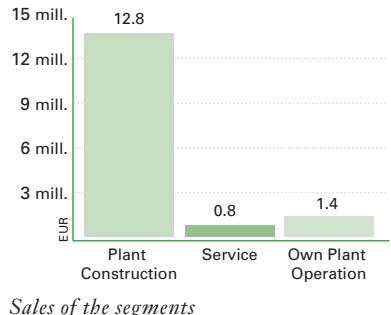
Incoming orders remained at a high level at the three-month stage. Orders on hand increased from EUR 122.8 million at the end of 2007 to EUR 133 million as of 31 March 2008. The growing global demand for biogas plants is also reflected in EnviTec's order books. At the end of the first three months of 2008, orders from international customers totalled EUR 45.2 million.



## 3. Earnings, net worth and financial position

### Sales

In the first three months of 2008, EnviTec Biogas generated sales of EUR 15.1 million (Q1 2007: EUR 32.8 million). The decline is attributable to the difficult market environment in Germany described above. At EUR 12.8 million, the Plant Construction segment still has the biggest contribution to total Group sales. The Service and Own Plant Operation segments generated EUR 0.8 million and EUR 1.4 million in sales, respectively.



### Earnings

In difficult phases like the current, EnviTec Biogas benefits from its lean and flexible structures. This means low costs as well as sufficient capacity to satisfy the growing demand as soon as the German biogas market picks up again.

In the first quarter of 2008, the cost of materials amounted to EUR 9.9 million. The cost of materials as a percentage of sales declined from 71.2 percent to 65.9 percent. Among others, this is due to the higher proportion of Own Plant Operations, which is characterised by a lower use of materials. Because of the increase in the headcount, personnel expenses climbed from EUR 2.2 million to EUR 2.8

million. As a result of higher selling expenses, other operating expenses amounted to EUR 2.6 million (Q1 2007: EUR 1.1 million). Accordingly, EBIT declined to EUR -0.8 million in Q1 2008 (Q1 2007: EUR 5.9 million).

Due to the proceeds from the IPO, the financial result increased from EUR -0.04 million in Q 2007 to EUR 0.8 million. Net profit for the first three months amounted to EUR 0.2 million (Q1 2007: EUR 3.7 million).

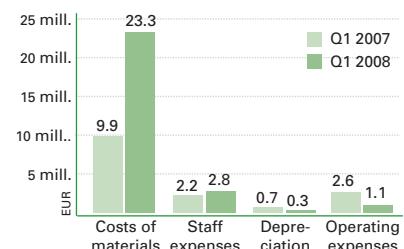
### Net worth and financial position

At the end of the first three months, EnviTec's equity capital amounted to EUR 174.3 million. The equity ratio stood at 88.1 percent, which gives impressive proof of the company's sound financial position. Both current and non-current liabilities were moderately reduced to a total of EUR 23.6 million (Q1 2007: EUR 26.0 million).

In the first three months of 2008, the company invested EUR 4.1 million, primarily in the expansion of the Own Plant Operation segment.

### Liquidity analysis

The liquidity position of EnviTec Biogas remained very sound also at the end of the first quarter. As of 31 March 2008, the company had liquid funds totalling EUR 111.6 million. While current assets amounted to EUR 170.5 million, current liabilities totalled only EUR 12.0 million. The operating cash flow stood at EUR -0.7 million, compared to EUR -1.4 million in Q1 2007.



Expenses compared to last year



Liquidity in comparison

## 4. The Share

### Capital market environment

The crisis in the property sector and in the financial markets at the beginning of the year led to strong price fluctuations in the international capital markets. The uncertainty about the effects of the crisis on the global economy also left its marks on the German equity market.

### *The EnviTec share*

The fact that the framework conditions for biogas in Germany remain unclear is causing uncertainty not only among customers but also among investors. Unfortunately, this is also reflected in the performance of the EnviTec share in the first quarter. While the share started the year at EUR 26.00, it closed at EUR 13.72 on 31 March.



#### **Basic information on the EnviTec Biogas share**

ISIN	DE000A0MVL8
WKN	A0MVL8
Stock exchange symbol	ETG
Number of shares	15,000,000 shares
First day of trading	July 12, 2007
Highest price (02.01.08)	26.00 euros
Lowest price (10.03.08)	13.20 euros
Price at the end of the reporting period (31.03.08)	13.72 euros

*All figures refer to XETRA prices*

#### **Shareholder structure on March 31st, 2008**

von Lehmden Beteiligungs GmbH	5,661,994 shares	37.6 %
TS Holding GmbH	3,280,000 shares	21.9 %
Ruhe Verwaltungs GmbH	1,756,696 shares	11.6 %
Freefloat	4,301,310 shares	28.9 %

## **5. Opportunities and risks**

The opportunities and risks of EnviTec Biogas AG were presented in detail in the Group Management Report and the Management Report for the period ended 31 December 2007. Typical risks were listed and described in detail in these reports. Besides attractive foreign markets, EnviTec Biogas sees many opportunities also in Germany. Demand in Germany should pick up noticeably, especially if the Renewable Energy Sources Act is adopted quickly. The Executive Board is currently not aware of any risks that could jeopardise the continued existence of the company.

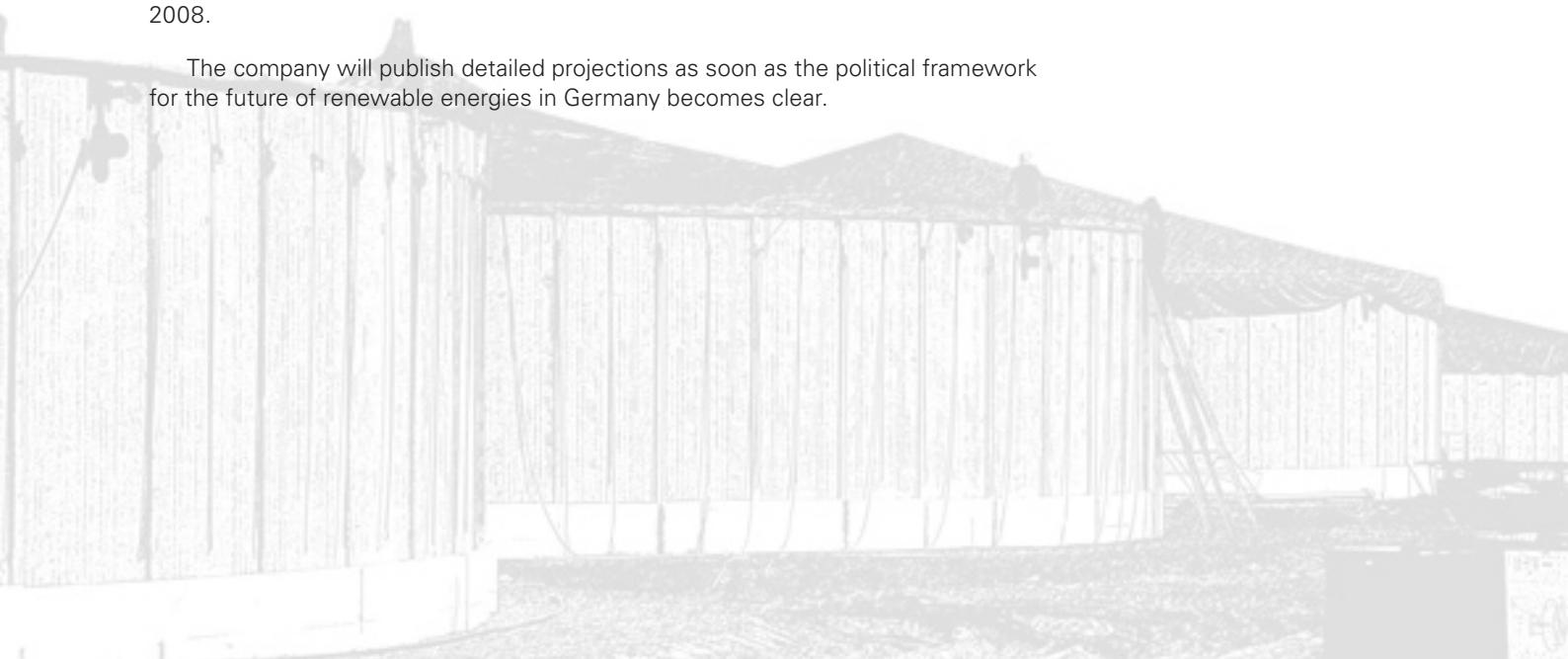
## 6. Related party disclosures

Transactions that were made with related parties in the reporting period and could have a material impact on the net worth, financial and earnings position are described in detail in the notes to the interim consolidated financial statements.

## 7. Forecast Report

EnviTec Biogas is convinced that the general conditions for biogas in Germany will improve significantly in the second half of the year. The company assumes that numerous projects will be realised once the decision about the amendment of the Renewable Energy Sources Act has been taken, as this will increase the planning certainty. The very sound net worth position, which is reflected in liquid funds of EUR 111.6 million, and the lean structures allow the company to continue to invest and position itself in promising foreign markets also in the current difficult market situation. EnviTec Biogas expects the federal government's regulations on the feeding of biogas into the natural gas grid to provide positive stimulation. The company specialises in the construction of larger plants, like those needed for the processing of natural gas, and offers these plants in the form of standardised and high quality modules. The large number of international orders on hand shows that exports continue to gain momentum. EnviTec Biogas projects positive EBIT for the full year 2008.

The company will publish detailed projections as soon as the political framework for the future of renewable energies in Germany becomes clear.



# Interim financial statements

## Consolidated profit and loss account



	01.01.-31.03.2008	01.01.-31.03.2007
1. Sales	15,062,786	32,801,134
2. Other operating income	190,217	60,189
<b>Total performance</b>	<b>15,253,003</b>	<b>32,861,323</b>
3. Cost of materials	9,932,013	23,359,906
<b>Gross result</b>	<b>5,320,990</b>	<b>9,501,417</b>
<b>4. Staff costs</b>		
> Wages and salaries	2,308,491	1,843,930
> Social security, pensions and other benefits	525,578	382,105
	<b>2,834,070</b>	<b>2,226,035</b>
5. Depreciation	698,639	284,643
6. Other operating expenses	2,559,405	1,050,644
<b>Operating income</b>	<b>-771,123</b>	<b>5,940,095</b>
7. Result from at-equity valued participations	123,401	16,825
8. Interest earnings	956,800	38,334
9. Interest expenses	128,878	81,684
<b>10. Pre-tax income</b>	<b>180,200</b>	<b>5,913,570</b>
11. Income tax expense	28,165	2,261,342
<b>12. Net income</b>	<b>152,035</b>	<b>3,652,228</b>
13. Income inputable to minority interests	-37,017	0
<b>14. Consolidated profit</b>	<b>189,052</b>	<b>3,652,228</b>
<b>Earnings per share in EUR</b>		
Earnings per share in EUR (basic)	0.01	24.35
Earnings per share in EUR (diluted)	0.01	24.35
<b>Weighted average shares outstanding</b>		
Basic	15,000,000	150,000
Diluted	15,000,000	150,000

## Consolidated balance sheet

		31.03.2008	31.12.2007
<b>ASSETS</b>	<b>Fixed assets</b>		
	> Intangible assets	404,278	109,112
	> Tangible assets	24,999,497	22,491,043
	> Shares in at-equity valuation of participations	1,790,588	1,041,868
	> Other long-term receivables	12,288	24,103
	> Deferred taxes	264,840	163,864
	<b>Total fixed assets</b>	<b>27,471,491</b>	<b>23,829,990</b>
	<b>Current assets</b>		
	> Stocks	3,283,343	3,543,633
	> Receivables from long-term construction contracts	30,660,458	40,728,523
	> Trade receivables	15,025,100	8,014,518
	> Other short-term financial assets	9,332,637	8,230,692
	> Tax receivables	605,057	786,631
	> Liquid funds	111,584,993	115,103,036
	<b>Total current assets</b>	<b>170,491,588</b>	<b>176,407,033</b>
	<b>Total assets</b>	<b>197,963,079</b>	<b>200,237,023</b>
<b>EQUITY AND LIABILITIES</b>	<b>Equity</b>		
	> Subscribed capital	15,000,000	15,000,000
	> Capital reserves	134,927,281	134,927,281
	> Revenue reserves		
	1. Currency translation reserves	-8,825	-384
	2. Other reserves	508,563	508,563
	> Retained earnings brought forward	23,625,067	9,268,465
	> Minority interests	97,172	135,042
	> Consolidated profit	189,052	14,356,602
	<b>Total equity</b>	<b>174,338,310</b>	<b>174,195,569</b>
	<b>Non-current Liabilities</b>		
	> Long-term provisions	465,507	346,635
	> Long-term financial liabilities	7,650,720	6,421,031
	> Deferred taxes	3,511,682	5,332,323
	<b>Total non-current liabilities</b>	<b>11,627,909</b>	<b>12,099,989</b>
	<b>Current liabilities</b>		
	> Short-term provisions	2,064,421	2,839,378
	> Short-term financial liabilities	1,767,812	1,618,633
	> Trade payables	4,115,097	5,962,838
	> Other short-term liabilities	1,701,879	3,072,503
	> Tax liabilities	2,347,651	448,113
	<b>Total current liabilities</b>	<b>11,996,860</b>	<b>13,941,465</b>
	<b>Total equity and liabilities</b>	<b>197,963,079</b>	<b>200,237,023</b>

## Consolidated equity capital change statement

	Subscribed capital	Capital reserves	Retained earnings Reserves from first-times application of IFRS	Currency translation reserves	Retained earnings brought forward	Consolidated profit	Minority interests	Total
<b>Balance at 01/01/2007</b>	<b>150,000</b>	<b>0</b>	<b>508,563</b>	<b>0</b>	<b>3,618,632</b>	<b>11,549,833</b>	<b>0</b>	<b>15,827,028</b>
Reclassifications	0	0	0	0	11,549,833	-11,549,833	0	0
Profit distribution	0	0	0	0	-2,000,000	0	0	-2,000,000
Consolidated profit first quarter 2007	0	0	0	0	0	3,652,228	0	3,652,228
<b>Balance at 03/31/2007</b>	<b>150,000</b>	<b>0</b>	<b>508,563</b>	<b>0</b>	<b>13,168,465</b>	<b>3,652,228</b>	<b>0</b>	<b>17,479,256</b>
<b>Balance at 01/01/2008</b>	<b>15,000,000</b>	<b>134,927,281</b>	<b>508,563</b>	<b>-384</b>	<b>9,268,465</b>	<b>14,356,602</b>	<b>135,042</b>	<b>174,195,569</b>
Reclassifications	0	0	0	0	14,356,602	-14,356,602	0	0
Translation of foreign currencies	0	0	0	-8,441	0	0	0	-8,441
Minority interests	0	0	0	0	0	0	-11,974	-11,974
Consolidated profit first quarter 2008	0	0	0	0	0	189,052	-25,896	163,156
<b>Balance at 03/31/2008</b>	<b>15,000,000</b>	<b>134,927,281</b>	<b>508,563</b>	<b>-8,825</b>	<b>23,625,067</b>	<b>189,052</b>	<b>97,172</b>	<b>174,338,310</b>

## Consolidated capital flow statement

	01.01.-31.03.2008	01.01.-31.03.2007
Consolidated net income before minority interests	152,035	3,652,228
Income tax expenses	28,165	2,261,342
Net interest income	-827,922	43,350
Profit (-) losses (+) from at-equity companies	-123,401	-16,825
Paid income tax	-950,340	-2,261,342
Depreciation on tangible and intangible assets	698,639	284,643
Increase of other provisions	-656,085	-22,793
Profit (-) losses (+) on the sale of tangible assets	6,953	0
<b>Gross cash flow</b>	<b>-1,671,956</b>	<b>3,940,603</b>
Decrease of stocks	260,290	7,820
Decrease/increase of receivables from long-term construction contracts	10,068,065	-5,342,964
Decrease of liabilities from long-term construction orders	0	-773,197
Increase/decrease of trade receivables	-7,010,582	185,541
Decrease of trade payables	-1,847,741	-1,303,653
Increase/decrease of other short-term financial assets	-1,101,945	104,543
Decrease of other long-term receivables	11,815	0
Increase of deferred taxes	-100,976	0
Decrease/increase of other long-term liabilities	-31,072	0
Decrease/increase of other short-term liabilities	-1,370,624	-248,404
Decrease of tax liabilities	181,574	0
Increase/decrease of liabilities from transaction tax and tax deductions	1,001,072	1,980,765
Other non-cash payments	-9,293	0
Interest received	956,800	38,334
<b>Flow from operative activities (net cash-flow)</b>	<b>-664,573</b>	<b>-1,410,612</b>
Payments for intangible assets	-320,257	0
Proceeds from disposals of tangible assets	49,144	51,333
Payments for tangible assets	-3,238,100	-630,554
Payments for at-equity investments	-625,319	0
Payments for shares in affiliated companies	0	-25,000
<b>Flow from investment activities</b>	<b>-4,134,532</b>	<b>-604,221</b>
Proceeds from bank loans	1,382,953	1,785,774
Payments for debt redemption	-137,029	-513,733
Proceeds from shareholders	0	75,000
Payments to shareholders	0	-2,000,000
Decrease/increase of other short-term financial liabilities (without short-term bank loans and overdrafts)	164,016	345,628
Interest paid	-128,878	-81,684
<b>Inflow from financial activities</b>	<b>1,281,062</b>	<b>-389,015</b>
<b>Change in cash and cash equivalents</b>	<b>-3,518,043</b>	<b>-2,403,848</b>
<b>Cash balance on January 1</b>	<b>115,103,036</b>	<b>4,798,836</b>
<b>Cash and cash equivalents balance on March 31</b>	<b>111,584,993</b>	<b>2,394,988</b>

## Notes to the Consolidated Financial Statements as of 31 March 2008 of EnviTec Biogas AG, Lohne

### 1. Standards applied in the preparation of the interim financial statements

As in the prior year, the consolidated financial statements of EnviTec Biogas AG for the fiscal year 2008 were prepared to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). These interim financial statements as of 31 March 2007 were consequently prepared in compliance with the provisions of IAS 34 as well.

The interim financial statements have been neither audited nor reviewed by the auditors

The interim financial statements were prepared in euros. Unless otherwise stipulated, all amounts are rounded to full euros.



### 2. Seasonal influences

Being a manufacturer of biogas plants, EnviTec Biogas AG is exposed to weather-related seasonal influences. Due to the very mild winter and the growing internationalisation of the business, the weather had no influence on the company's business operation during the reporting period. EnviTec Biogas AG assumes that its profitability will remain subject to seasonal fluctuations in the future.

### 3. Accounting and valuation principles

In preparing these interim financial statements and establishing the reference figures for the previous year, the company consistently applied the same accounting and valuation principles as in the preparation of the 2007 consolidated financial statements. A detailed description of these methods was published in the notes to the consolidated financial statements published in the Annual Report 2007 which can be downloaded from [www.envitec-biogas.de](http://www.envitec-biogas.de).

#### 4. Basis of consolidation and consolidation methods

The consolidated financial statements of EnviTec Biogas AG include those companies in which EnviTec Biogas AG has either directly or indirectly the majority of the voting rights (subsidiaries), insofar as their influence on the assets, profitability and financial position of the Group is not of subordinate significance. Inclusion is from that point in time when the possibility of control comes into existence. It is terminated when the possibility of control no longer exists.

The consolidation for the Group Financial Statements as of 31 March 2008 includes only EnviTec Biogas AG, Lohne, as the parent company and EnviTec Service GmbH, Lohne, as a subsidiary. The development of the basis of consolidation in the financial year 2007 was detailed in the notes to the consolidated financial statements published in the Annual Report 2007.

There have been no material changes in the basis of consolidation during the course of the current financial year 2008. The only addition to the basis of consolidation has been Biogas Wanzleben GmbH & Co. KG which was entered in the Companies' Registry on 11 February 2008. In addition, three companies valued at equity joined the Group.

Effective 1 January 2008, Zweite EnviTec Beteiligungs GmbH & Co. KG acquired 50 percent of the limited liability capital of EUR 650k in Fünfte Biogas Anklam Betriebs GmbH & Co. KG. The first-time inclusion of this company resulted in a difference of EUR 166k on the assets side which was recognised in accordance with IAS 28.23.

ETC EnviTec Technologie-Centrum GmbH & Co. KG, Lohne, was established on 6 February 2008. The company was entered in the Oldenburg companies' registry under No HRA 201216. Its registered business purpose is the construction (through subcontractors) and the operation of a technology centre for biogas products. EnviTec Biogas AG owns 50 percent of the limited liability capital of EUR 100k in this company through its subsidiary, Zweite EnviTec Beteiligungs GmbH & Co. KG.

E.V.S. BVBA, Belgium was established on 30 January 2008. The company is headquartered in Schilde/Belgium. EnviTec Service GmbH, a subsidiary, directly hold 50 percent of the latter company's paid-up capital. Its registered business purpose is the provision of technical and biological services related to the operation of biogas plants as well as the distribution of spare parts for biogas plants.



**The basis of consolidation in the period  
from 31 December 2007 until 31 March 2008 had developed as follows:**

	<b>Inland</b>	<b>Overseas</b>	<b>Total</b>
EnviTec Biogas AG and consolidated companies:			
> 31.12.2007	26	3	29
> Additions of subsidiaries	1	0	1
> Disposal of subsidiaries	0	0	0
> 31.03.2008	27	3	30
Companies valued at equity:			
> 31.12.2007	16	4	20
> Additions of companies valued at equity	2	1	3
> Disposal of companies valued at equity	0	0	0
> 31.03.2008	18	5	23



**Fully consolidated subsidiaries:**

<b>Germany</b>	<b>Capital share</b>	
	<b>in %</b>	
> EnviTec Service GmbH, Lohne	100.00	
> EnviTec Beteiligungs GmbH & Co. KG, Lohne	94.92	
> EnviTec Verwaltungs GmbH, Lohne	95.12	
> Zweite EnviTec Beteiligungs GmbH & Co. KG, Lohne	100.00	
> Zweite EnviTec Verwaltungs GmbH, Lohne	100.00	
> Auressio GmbH, Rieste <sup>1)</sup>	87.50	
> O + E Projektentwicklungs GmbH, Lohne	60.00	
> RePro Beber GmbH & Co. KG, Lohne	64.60	
> RePro Beber Verwaltungs GmbH, Lohne	64.60	
> Biogas Schönthal GmbH & Co. KG, Willebadessen	79.00	
> Biogas Schönthal Verwaltungs GmbH, Willebadessen	79.00	
> Biogas Thomasburg GmbH & Co. KG, Lohne	65.60	
> Biogas Thomasburg Verwaltungs GmbH, Lohne	65.60	
> Biogas Wanzleben GmbH & Co. KG, Wanzleben	70.00	
> Biogas Wanzleben Verwaltungs GmbH, Wanzleben	70.00	
> Biogas Nieheim GmbH & Co. KG, Lohne	64.80	
> Biogas Nieheim Verwaltungs GmbH, Lohne	64.80	
> Biogas Heilemann GmbH & Co. KG, Rotenburg/Wümme	70.00	
> Biogas Heilemann Verwaltungs GmbH, Rotenburg/Wümme	70.00	
> Biogas Friedland GmbH & Co. KG, Lohne	87.50	
> Biogas Friedland Verwaltungs GmbH, Lohne	87.40	
> Biogas Angern GmbH & Co. KG, Lohne	87.60	
> Biogas Angern Verwaltungs GmbH, Lohne	87.60	
> Biogas Hirl GmbH & Co. KG, Bresegard	64.00	
> Biogas Hirl Verwaltungs GmbH, Bresegard	64.00	
> ET Agro Trade GmbH, Lohne	100.00	
<sup>1)</sup> Fiscal year from 1 August to 31 July		
<b>Outside Germany</b>		
> EnviTec Biogas France sarl, Tregueux/France	65.00	
> Envitec Biogas Nederland B.V., Enter/Netherlands	100.00	
> Envitec Biogas UK Ltd., Rugeley/Great Britain	60.00	

**Companies valued at-equity:**

<b>Germany</b>	<b>Capital share</b>	
	<b>in %</b>	
> EnviTec Biogas Italia GmbH	100.00	
> Biogas Lüken-Feldmann KG, Harkebrügge	50.00	
> EnviTec Assekuranzmakler GmbH, Lohne	50.00	
> Biogas Anklam Verwaltungs GmbH, Lohne	50.00	
> Fünfte Biogas Anklam Betriebs GmbH & Co. KG, Anklam	50.00	
> Biogas Neu Sterley GmbH & Co. KG, Lohne	50.00	
> Biogas Neu Sterley Verwaltungs GmbH, Lohne	50.00	
> Biogas Spekendorf GmbH & Co. KG, Lohne	50.00	
> Biogas Spekendorf Verwaltungs GmbH, Lohne	50.00	
> ETC EnviTec Technologie-Centrum GmbH & Co. KG, Lohne	50.00	
> ETFT EnviTec Filtration Technik GmbH, Lohne	50.00	
> Biogas Güntner GmbH & Co. KG, Barßel-Harkebrügge	44.00	
> Biogas Güntner Verwaltungs GmbH, Barßel-Harkebrügge	44.00	
> Biogas Löschenrod GmbH & Co. KG, Lohne	44.00	
> Biogas Löschenrod Verwaltungs GmbH, Lohne	44.00	
> Biogas Anklam GbR, Wolgast	30.00	
> EWS Biogas Projektentwicklungs-GmbH & Co. KG, Lohne	30.00	
> EWS Biogas Projektentwicklung Verwaltungs GmbH, Lohne	30.00	
<b>Outside Germany</b>		
> EnviTec Biogas kft, Hungary	50.00	
> EnviTec Biogas Central Europe s.r.o., Czech Republic	50.00	
> EnviTec Biogas (India) Private Limited, India	50.00	
> E.V.S. BVBA, Belgium	50.00	
> Rentech Bioenergas S.A., Greece	21.00	

## 5. Segment reporting



Segment reporting for the period from 1 January to 31 March 2008 (in EUR)

	Plant Construction	Service	Own Plant Operation
Segment revenues	12,783	845	1,435
Segment result (EBIT)	-948	-130	307

IAS 14.3 obliges companies to include segment reporting in the notes to their consolidated financial statements. A segment is defined as a component of an enterprise that provides a single product or service or a group of related products and services and that is subject to risks and returns that are different from those of other business segments.

The EnviTec Group has identified Plant Construction, Own Plant Operation and Service as relevant segments which are also used for purposes of internal reporting. Plant Construction includes the general planning, approval planning and construction of biogas plants. The Service segment comprises the technical and biological maintenance of biogas plants. The Own Plant Operation segment covers the biogas plants operated by the company.

Given that the revenues, earnings and assets of the Own Plant Operation and Service segments represented less than 10 percent of the total in past periods, segment reporting by business areas was dispensed with for reasons of materiality. Due to the growing importance of the segments, EnviTec Biogas AG has decided to present segment reporting in accordance with IAS 14 for the first time. The provision of reference figures for the comparable prior-year period has been dispensed with, given that the Service segment accounted for only 1% of the total revenues during the reference period and the Own Plant Operation business was yet to be launched.

## 6. Notes on selected items of the consolidated balance sheet and consolidated profit and loss account

### 6.1. Property, plant and equipment

Property, plant and equipment increased by EUR 2,509k particularly because of the continued expansion of the Own Plant Operation activities.

	31.03.2008	31.12.2007
Land, similar rights and buildings including buildings on third party land	5,252,672	5,046,688
Technical equipment and machinery	11,465,425	10,976,765
Other equipment, operating and office equipment	5,306,275	5,199,621
Prepayments and construction in process	2,975,125	1,267,969
	<b>24,999,497</b>	<b>22,491,043</b>

### 6.2. Construction contracts

The table below shows the construction contracts as of 31 March 2008:

	31.03.2008	31.03.2007
<b>Gross amount due from customers for biogas plant contract work in progress</b>		
Contract revenue recognised in the period	11,853,560	30,434,488
Accumulated costs incurred	63,691,186	73,108,706
Accumulated profits recognised	13,238,333	19,296,651
Accumulated advance payments received including progress billings	-46,269,061	-65,849,066
<b>Gross amount due from customers for contract work</b>	<b>30,660,458</b>	<b>26,556,291</b>



	31.03.2008	31.03.2007
<b>Gross amount due to customers for biogas plant contract work in progress</b>		
Contract revenues recognised in the period	0	1,227,075
Accumulated costs incurred	0	-4,543,612
Accumulated profits recognised	0	-640,988
Accumulated advance payments received including progress billings	0	5,969,971
<b>Gross amount due to customers for contract work</b>	<b>0</b>	<b>785,370</b>

### 6.3. Financial liabilities

Financial liabilities are composed as shown below:



	31.03.2008		31.12.2007	
	Total	Thereof current	Total	Thereof current
Liabilities to banks	8,003,017	721,788	6,744,095	723,625
Liabilities to shareholders	1,365,291	995,800	1,189,914	789,353
Other financial liabilities	50,224	50,224	105,655	105,655
	<b>9,418,532</b>	<b>1,767,812</b>	<b>8,039,664</b>	<b>1,618,633</b>

Liabilities to shareholder relate to short-term loans granted by minority shareholders in the context of the liquidity management for the company's own biogas plants and also to compensation claims of minority interests.

### 6.4. Sales revenues

Q1 sales revenues break down as follows:

	01.01.-31.03.2008	01.01.-31.03.2007
Revenues from manufacturing orders	12,782,987	32,407,521
Revenues from services and other revenues	844,757	393,613
Revenues from own plant operation activities	1,435,042	0
	<b>15,062,786</b>	<b>32,801,134</b>

### 6.5. Earnings per share

Basic earnings per share are the quotient of the Group profit and the weighted average of the shares outstanding in the fiscal year. Their calculation is detailed in the profit and loss account.

No incidents that could lead to diluted earnings per share in a different amount occurred in the fiscal year.

## 6.6. Rights to compensation

According to the current version of IAS 32, puttable financial instruments which entitle the holder to a cash or otherwise financial consideration have to be classified as financial liabilities. This rule also covers the compensations which may be claimed by the minority partners in the individual project partnerships ("Projekt-KG's"). This right to compensation is laid down in the respective partnership statutes in connection with their right to retire from the respective partnership.

The liabilities have been valued on an actual cash value basis.

Given that partners have a right to terminate their partnership by giving six months' notice before the end of a financial year, their rights to compensation are recognised as short-term liabilities in accordance with ISA 1.57.

However, past experience from the operation of biogas plants suggests that these rights to compensation have a long-term character from an economic point of view, given that individual partners are unlikely to make use of their right to terminate their partnership at short notice. No terminations are known at this time.

## 7. Other disclosures

### 7.1. Events of particular importance during the reporting period

Apart from the change in the basis of consolidation discussed above, no events of particular importance took place relative to the reporting period.

### 7.2. Contingent liabilities and other financial obligations

#### Contingent liabilities

As of the balance sheet date, the Group had issued a letter of comfort to a foreign customer in an amount of EUR 1,100k.

#### Other financial obligations

As of the balance sheet date, the company had other financial liabilities from purchase commitments in an amount of EUR 3,671k (previous year: EUR 12,645k) resulting from projects and the construction of biogas plants. They are due within one year.



### *7.3. Related party disclosures*

#### **Individuals in key positions**

Please refer to "Disclosures on Corporate Officers".

#### **Subsidiaries, joint ventures and associated companies**

Please refer to "Basis of consolidation and consolidation methods" and to shareholdings.

In accordance with IAS 24, parties that have the ability to exercise influence over EnviTec Biogas AG or may be influenced by EnviTec Biogas AG are regarded as related parties.

In the context of its operations, EnviTec Biogas AG sources materials, inventories and services from numerous business partners. These also include companies that are related to controlling bodies or shareholders of the company. Transactions with these companies are made on terms equivalent to those that prevail in arm's length transactions. EnviTec Biogas AG was not involved in any material transactions whose conditions were unusual for the company itself or its related parties and does not intend to do so in future.

Related parties include the parties listed below. No material transactions with other related parties were made in the fiscal year.



## Transactions with related parties

	Q1 2008			Q1 2007		
	Transaction	Receivable Amount	Liability Amount	Transaction	Receivable Amount	Liability Amount
<b>Shareholders</b>						
Ruhe Verwaltungs GmbH	-11,583	0	13,754	-34,668	0	22,500
von Lehmden Beteiligungs GmbH	-8,950	0	8,033	6,642	0	402,281
<b>Associated companies</b>						
Biogas Anklam Verwaltungs GmbH	43,671	32,464	0	39,301	20,932	25
Biogas Neu Sterley GmbH & Co. KG	4,940	-7,428	0	1,680	8,347	0
Biogas Güntner GmbH & Co. KG	1,316,178	76,616	0	0	0	0
EnviTec Biogas Dél-kelet	2,214,801	198,180	4,126	340,985	16,530	0
<b>Related parties</b>						
Schulz Systemtechnik GmbH	-1,367,613	248	454,433	-2,337,672	0	427,600
Agrico Handelsgesellschaft mbH	-12,778	400,222	0	-34,733	0	122,142
BGF GmbH & Co. KG	693	720	0	367,520	357	0

The liabilities shown for the above transactions related to services, goods and interest invoiced.

Income from transactions with related parties mainly result from services provided by EnviTec Service GmbH as well as from the construction of plants.

#### 7.4 Disclosures on Corporate Officers

The Executive Board had the following members in the reporting period

Olaf von Lehmden, Lohne,  
Chief Executive Officer

Kunibert Ruhe, Bakum,  
Chief Technical Officer

Jörg Fischer, Bremen,  
Chief Financial Officer

The members of the Executive Board held no other mandates.

#### Supervisory Board

Appointees to the Supervisory Board in the reporting period:

Bernard Ellmann  
(Chairman)

Hans-Joachim Jung  
(Vice Chairman)

Michael Böging

Lohne, 22 May 2008



Olaf von Lehmden  
CEO

Jörg Fischer  
CFO

Kunibert Ruhe  
CTO

## Calendar

<b>May 29th, 2008</b>	Interim Report 1. Quarter 2008
<b>July 10th, 2008</b>	Annual General Meeting
<b>August 28th, 2008</b>	Interim Report 2. Quarter 2008
<b>November 2008</b>	Analyst Conference German Equity Forum, Frankfurt a. M.
<b>November 27th, 2008</b>	Interim Report 3. Quarter 2008

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In addition to the English version, the interim report is issued in German.  
Both versions can be found on our Website.

