ANNUAL REPORT

11

EnviTec **MAGAZIN** 11/12

Annual magazine
of EnviTec Biogas

EnviTec **REPORT** 11

Financials

(Mio. EUR)	2011	2010	Q4 2011	Q4 2010
Sales	**243.9**	**148.0**	**72.1**	**47.7**
Germany	180.8	101.0		
Abroad	63.1	47.0		
Gross result	**75.8**	**48.1**	**23.1**	**14.5**
EBITDA	**20.3**	**8.3**	**6.4**	**4.3**
EBIT	**10.8**	**1.0**	**2.8**	**2.0**
Net income	**7.6**	**2.3**	**1.5**	**3.2**
Earnings per share	**0.51**	**0.15**	**0.10**	**0.21**
Employees	**459**	**416**		
Orders on hand	**170.9**	**252.6**		
thereof Own Plant Operation	19.4	38.1		
thereof abroad	87.2	91.1		
Incoming orders	**177.0**	**236.0**	**6.7**	**50.9**
Cancellation of orders	**57.7**	**95.0**	**12.9**	**16.0**
Orders completed	**201.0**	**116.1**	**58.4**	**38.1**
Installed electrical capacity	**294.0**	**202.0**		
thereof abroad	48.7	29.5		
Installed electrical capacity	**34.4**	**46.0**		
thereof abroad	27.9	23.0		

EnviTec MAGAZIN 11/12

Annual magazine of EnviTec Biogas

+++ Company news
+++ Interviews, Statements and opinion
+++ Projects, Technology, Countries

PROJECTS IN FOCUS:

HEMMINGEN

ULRICH RAMSAIER'S BIOGAS PLANT IS ONE OF THE TOP FIVE PERCENT OF BIOGAS PLANTS IN GERMANY WITH COMPARABLE USE OF SUBSTRATE → PAGE 18

MARKET Energy market: Direct marketing of electricity → Page 8

RESEARCH AND TECHNOLOGY Biomethane with membrane technology → Page 12

REGIONS Boom country Italy and successful market Czech Republic → Page 22

EDITORIAL

ENVITEC'S NEW YEARLY MAGAZINE WANTS TO INFORM CUSTOMERS, EMPLOYESS AND INVESTORS ABOUT OUR CURRENT ACTIVITIES.

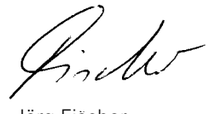
DEAR READER,

You are reading the first edition of our new EnviTec Magazine. From now on we would like to inform you on a yearly basis about the development of our company, the most important international markets, our innovative technology and new business segments. In addition to that we are looking behind the scenes and let people, who define the company, tell their stories: our employees. In 2012 we are celebrating a milestone anniversary and the belief, motivation and energy of our staff has guaranteed the success of our projects for the past 10 years.

We have made great progress in the last decade. With our technology and our experience we were market leaders from the beginning. We have won several awards for our groundbreaking technology. Our greatest award, however, are satisfied customers. During the last 10 years, we have created considerable value in agricultural areas with our biogas plants. Not only does biogas create jobs, but farmers could also assure the continuity of their agricultural businesses. The results are a sustainable way of thinking as well as support for local economies. Facts we are proud of.

One has to admit that there has been a lot of controversy about biogas in Germany. The public discussion was dominated by prejudices and lack of knowledge. However, there has been a change of mind recently due to the governmental support for an energy turnaround. The many advantages of biogas and its contribution to a successful transformation to renewable energy sources come more and more into focus. We take it as a confirmation of our pioneering work in the last 10 years.

I'm inviting you to find out what EnviTec Biogas stands for, the possibilities of biogas as an energy source and how our employees are working towards the energy turnaround. We are looking forward to your feedback and contributions for further editions.



Jörg Fischer,
CFO EnviTec Biogas AG

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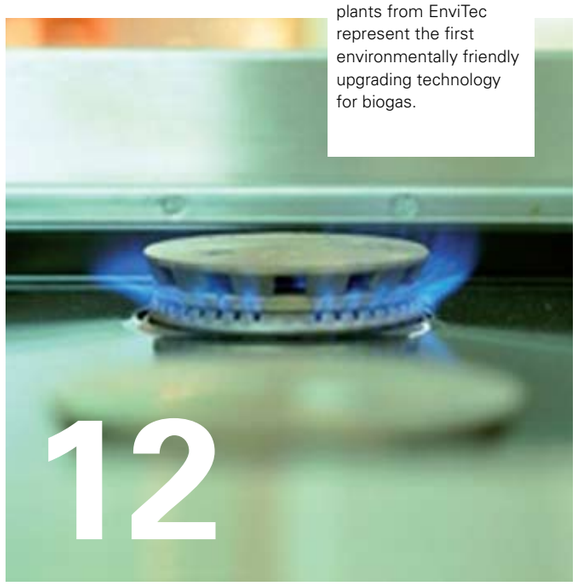
With EnviTec Stromkontor GmbH & Co. KG, EnviTec allows plant operators to sell energy using the market bonus scheme.

08



The new EnviThan plants from EnviTec represent the first environmentally friendly upgrading technology for biogas.

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Our editors are looking forward to receiving your feedback and contributions for the next edition: magazin@envitec-biogas.de

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At present, the Naturenergie Glemstal GmbH biogas plant is one of the top five percent of the biogas plants in Germany with comparable use of substrate.

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A company depends on its employees. A motivated team is the foundation of our success.

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At present, the Czech Republic is EnviTec Biogas's strongest market in central and eastern Europe. Hendrik van der Tol, managing director of EnviTec Biogas Central Europe sheds light on this region.

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Energy from food waste at Premier Foods in Wales as well as from NawaRo and Manure in Wiltshire in the south of England.

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Latvia offers great potential for biogas. Since entering the market in 2011, EnviTec has built four plants.

SERBIA
Spring 2011 marked the successful market entry into Serbia.

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Two people who have been with the company from day one

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What bonds EnviTec employees to their job and their company? We asked them …

IMPRINT

EnviTec Biogas AG
Boschstr. 2
48369 Saerbeck
Tel. 02574 8888-0
magazin@envitec-biogas.de
pr@envitec-biogas.de
www.envitec-biogas.de

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Printed on 100% recycling paper.

WITH BIOGAS PRODUCED FROM A HECTARE OF CORN SILAGE, a natural-gas powered car can drive about 70,000 kilometres (almost twice the length of the equator).

GOOD TO KNOW ...

294

MW_{EL} WAS ENVITEC'S INSTALLED CAPACITY at the end of 2011, with another 34 MW under construction. Thereof 245,3 MW_{el} in Germany and 48,7 MW_{el} abroad.

33

IS THE AVERAGE AGE of the EnviTec-employees in Czech Republic as well as in Italy.

459

EMPLOYEES, worked for EnviTec Biogas worldwide as of 31 December 2011. Most of them (379) worked in Germany, while 80 worked at the foreign locations of EnviTec Biogas.

ABOUT 20 PERCENT OF THE NATURAL GAS CONSUMED IN GERMANY can be replaced by the usable energy potential of biogas.

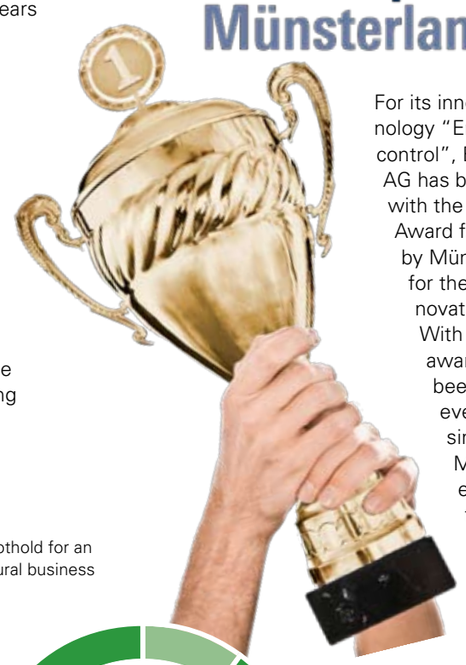
300 WH_{EL}/KG ENERGY energy is in one apple. Continuously generated by-products can be profitably employed to produce electricity, heat or bio natural gas. This reduces the accumulation of waste which production plants would otherwise have to dispose of, often at great cost.

2002
2012

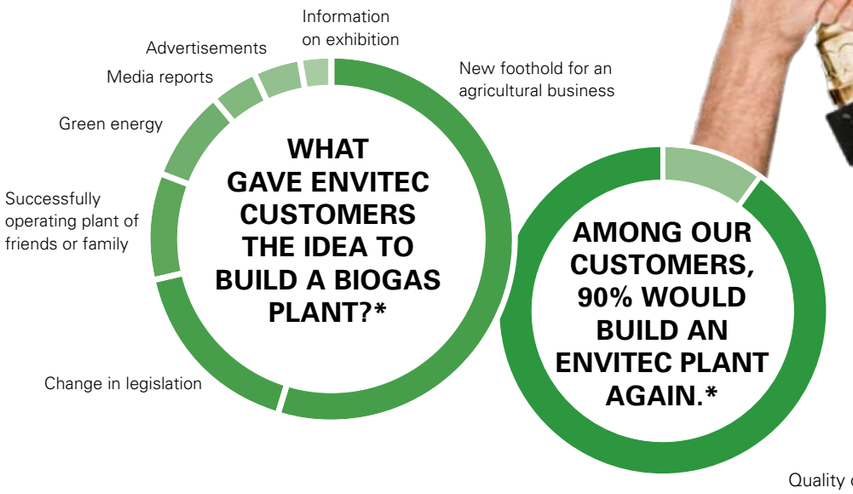
TEN YEARS ANNIVERSARY OF ENVITEC BIOGAS

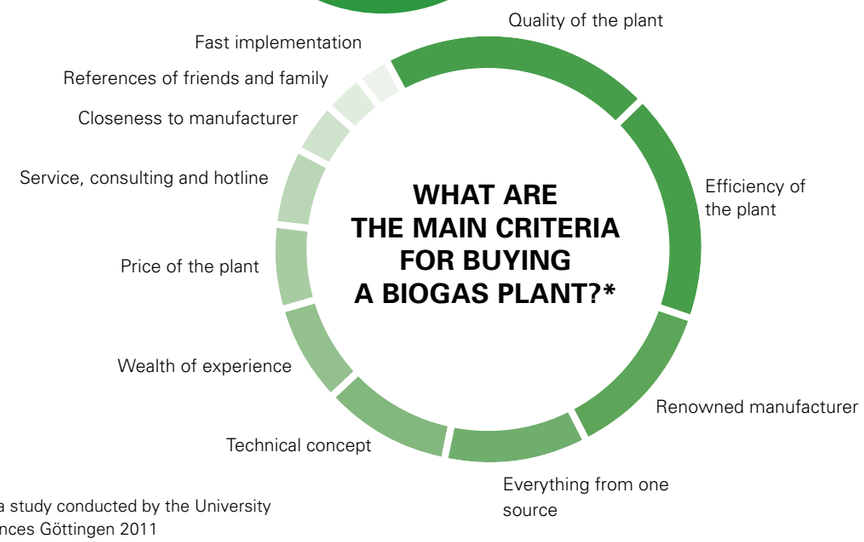
EnviTec Biogas has been in the market for biogas plants for 10 years and we were a leader from the beginning.
We grew rapidly, developed groundbreaking technology and gained more experience than any other company in the biogas sector. For this reason we want to celebrate together with our customers, employees and suppliers.
Furthermore we will publish a company history which contains important milestones, memorable experiences and the most exciting moments of the last ten years.

Innovationspreis Münsterland 2011

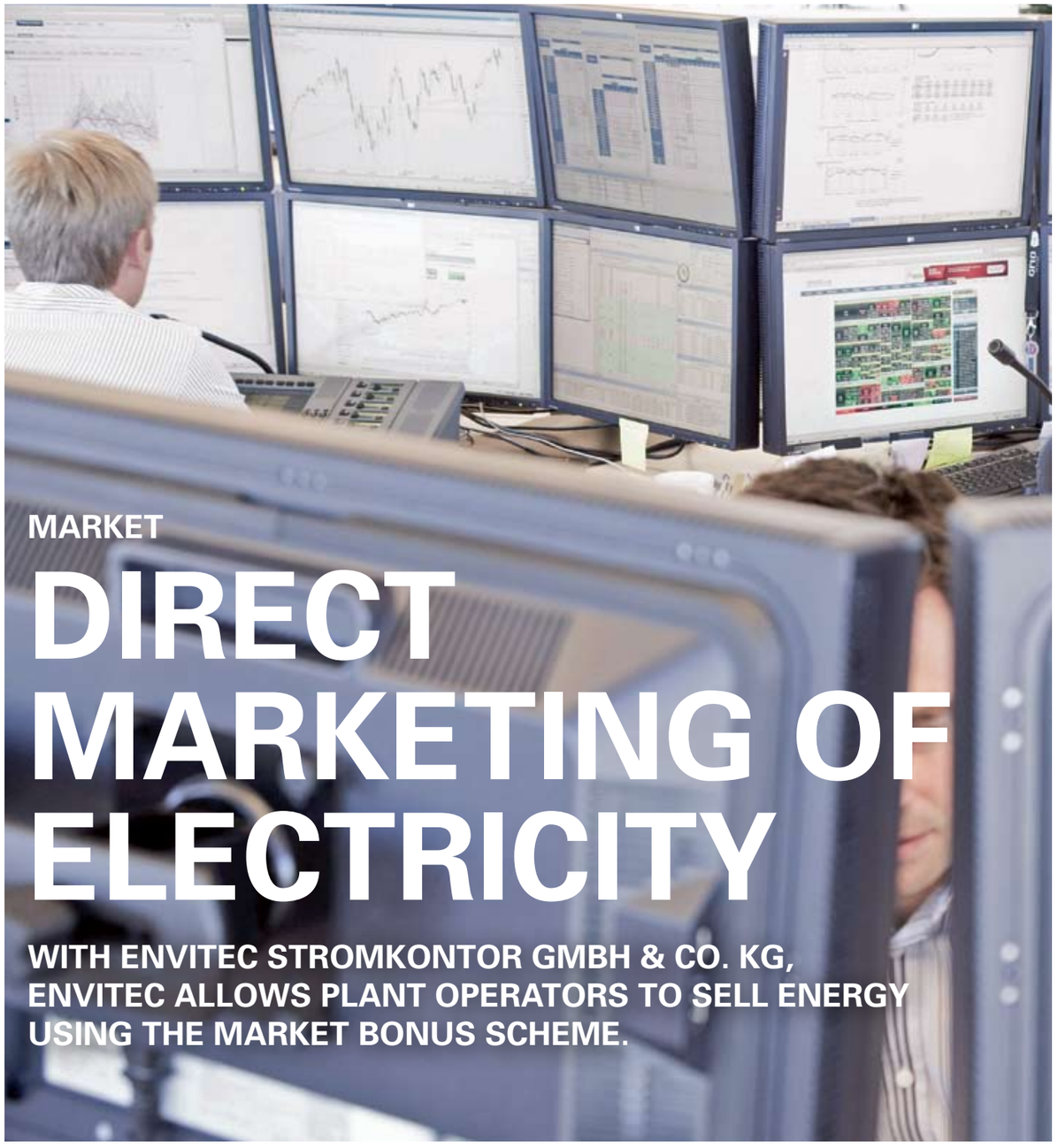


For its innovative technology "EnviTec Feedcontrol", EnviTec Biogas AG has been presented with the "Münsterland Award for Innovation" by Münsterland e.V. for the category "Innovative Energy". With this innovation award, which has been presented every two years since 1993, the Münsterland e.V. association motivates companies to implement forward-looking ideas. A total of 71 companies had applied for the innovation award.





*according to a study conducted by the University of applied sciences Göttingen 2011



MARKET

DIRECT MARKETING OF ELECTRICITY

WITH ENVITEC STROMKONTOR GMBH & CO. KG, ENVITEC ALLOWS PLANT OPERATORS TO SELL ENERGY USING THE MARKET BONUS SCHEME.

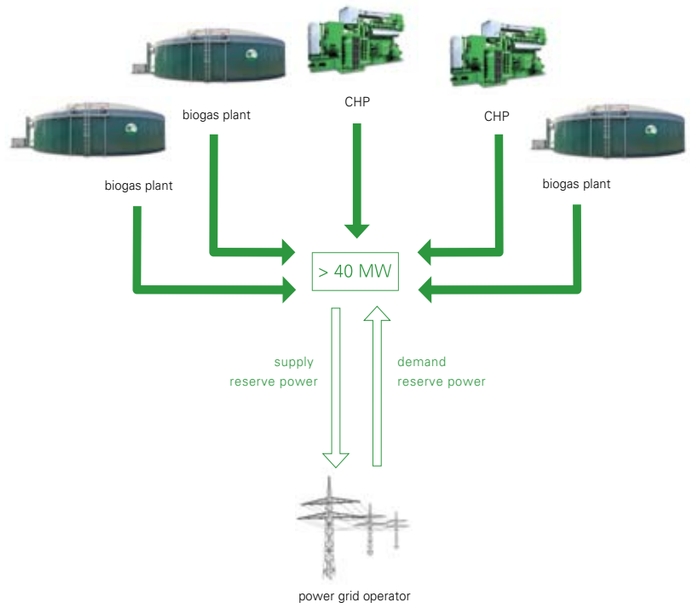
One of the biggest challenges as regards energy turnaround is to balance the supply and demand in the case of electricity and thus maintain a stable voltage in the grid. In particular, wind turbines and solar plants feed in electricity very irregularly depending on the weather. This results in severe fluctuations in the grid. Biogas plants put things right here: They can not only supply baseload electricity permanently, but can also run on a higher or lower level if necessary. They thus contribute to flexible electricity generation and thus to grid stabilisation.

The legislative body has also identified the unique advantages of bioenergy and is accelerating its integration into the electricity market with a new incentive system. The amendment of the Renewable Energy Law (EEG) valid since January 1 promotes direct marketing and electricity generation from biogas plants tailored to suit the market demand by means of a market bonus as well as a flexibility bonus. The electricity from biogas is tradable in the market using the market bonus scheme. The flexibility bonus on the other hand is intended for plant operators, who produce electricity with their biogas plant mainly if the demand is especially high and higher prices can be effected in the electricity market.

In order that the plant operators can profit from the new regulations and bonus systems, EnviTec Biogas AG founded the subsidiary EnviTec Stromkontor GmbH & Co. KG in the autumn of 2011 . It thereby provides plant operators the revenue potentials arising from direct marketing.

If you get into direct marketing using the market bonus scheme via EnviTec Stromkontor, you will get a market bonus as well as a management bonus from the grid operator in addition to the effected market price. The market bonus is calculated from the difference between the EEG remuneration and the average market price in the electricity exchange. The so-called monthly average value EPEX is decisive. The market bonus always covers the difference from the conventional EEG compensation – irrespective of the fluctuations in the electricity exchange. In addition, the grid operator pays the so-called management bonus to cover the cost that is necessary for marketing the electricity.

“According to the new compensation mechanism of the market bonus scheme, plant operators receive two payment flows”, explains André Thürmann, Project Manager of EnviTec Stromkontor. “About 75 percent of the compensation continues to come from the electricity grid operators, approximately 25 percent from us.” Altogether, a plant operator receives at least a compensation amounting to the EEG compensation in the market bonus scheme. “If the electricity price effected in the exchange is above this, the plant operator receives 60 percent of these additional revenues”, explains Thürmann. In addition, the operator receives 60 percent of the management bonus. “Direct marketing using the market bonus scheme thus offers excellent opportunities to operators of new and old plants to gain additional revenues. In 2012, participants will receive additional revenues amounting to 0.18 cents for every fed kilowatt hour in addition to the management bonus.”



EnviTec Stromkontor provides the concentrated output of several biogas plants to the electricity markets.

For direct marketing, EnviTec Stromkontor combines the performance of a number of biogas plants and co-generation plants (BHKW) in order to offer reserve capacities and balancing energy to the transmission system operators. Biogas plant operators can participate in the direct marketing with a standardised individual contract with EnviTec Stromkontor. The electricity volumes and the backup power are offered by EnviTec in collaboration with EGL Deutschland GmbH, a subsidiary of the Swiss electricity firm EGL AG, in the electricity and reserve energy market. EnviTec Stromkontor could directly market about 50 biogas plants at the start of the year itself.

EEG plant operators can take part in the market bonus scheme at any time without any intervention in the plant operation. The market bonus scheme is of special importance to plant operators who are compensated according to the new EEG 2012: With long-term participation, the plant operators no longer need to use 60 percent of heat that was obligatory from January 1, 2012. In every individual case, EnviTec Stromkontor checks the efficiency of the flexibility bonus which is used to promote the provision of balancing energy. “Every plant is different; we act as advisers here and prepare a possible plan along with the plant operator”, says Project Manager Thürmann. ●

GREEN ENERGY FROM BIOMETHANE

BIO NATURAL GAS OFFERS MANY ADVANTAGES AND REPRESENTS A GROWING MARKET. ENVITEC ENERGY SUPPLIES BOTH HEATING CUSTOMERS AND ENERGY PROVIDERS.

EnviTec Energy is bringing about movement in the market of processed biogas. Alfred Gayer and Olaf von Lehmden (from the left) are CEOs of the new EnviTec subsidiary which markets biomethane directly and provides green heat.

Biogas can be upgraded to biomethane and fed into the existing natural gas infrastructure. This is one of the major advantages of biogas in comparison with other renewable sources of energy.

Processed biogas in heat supply is playing an increasingly important role. The newly found EnviTec Energy GmbH & Co. KG, which is a subsidiary of EnviTec Biogas AG, provides heat to communal, commercial and industrial customers with high heat requirement with heat via decentral cogeneration plants (CHP) and supplies biomethane directly to energy marketers. A market with a future!

One of the major advantages of biogas as compared to other renewable energies is that biogas can be processed into biomethane and can be fed into the existing natural gas infrastructure. Biomethane can thus replace fossil natural gas and can also drive the energy transition in the gas industry – and this without having to invest in new infrastructures because natural gas networks are available in abundance. "We believe that the usage of energy resources such as gas will undergo a fundamental change in the next few years. The trend is going towards green energy and the focus is on how prepared biogas can be processed", says Olaf von Lehmden, CEO of EnviTec Biogas AG. "Biogas has brought about the energy transition in the market of electricity as well as heat."

By means of processing of bio-natural gas, biogas becomes an ideal option for decentral energy supply. Proximity of a biogas system to a heat consumer is no longer a necessity: Biogas that is generated in rural areas can be taken from the natural gas network in the urban areas and can be recycled into heat and electricity in cogeneration plants (CHP). "Thanks to the power-heat-coupling, processed biogas enables an energy yieldofmore than 80 percent. No other renewable energy is as efficient", says Lehmden. The law has also recognised this and is thus promoting the use of biomethane by means of the amended Renewable Energy Law.

In order to pass on these benefits to the customer, EnviTec supplies green heat as per the contracting model. Energy marketers and public services can also make use of the natural gas quality of the processed biogas directly in order to use it as bio-natural gas for their customers.

EnviTec has founded a subsidiary EnviTec Energy for direct marketing of heat and biomethane. "We want heat customers and energy marketers to be able to utilise the numerous benefits of biogas optimally independent of the biogas plants", explains Alfred Gayer, CEO of EnviTec Energy.

For communal, commercial and industrial customers, the advantages of green heat from biogas are many. "In addition to an improvement of the carbon dioxide balance, there is also an increase in the independence from fossil energy sources", states Gayer. "At the same time, heat from a local energy source like biogas is going to be price-persistent for a period of up to ten years and can thus be accurately calculated by industrial customers or public establishments." Thanks to the high energy efficiency, bio-natural gas can contribute to a reduction in costs in the field of heat supply. For the saving effect, EnviTec actively uses instruments of the Renewable Energy Act reformed as of 1 January 2012: By means of the subsidiary EnviTec Stromkontor, the biogas company is marketing the electricity generated in cogeneration plants directly to the energy exchange on behalf of the customer. Depending on the possibilities, Stromkontor will also place the cogeneration plants on the regulating energy market. Both the marketing options provide the heat customers of EnviTec with attractive surpluses that can lead to a remarkable benefit in the heat supply.

The heat offer of EnviTec Energy is really interesting for customers who have heating centres with a output of more than 1 MW. This can include industrial establishments, hospitals or housing complexes. EnviTec undertakes the planning, construction and the operation of decentral cogeneration plants. There are no additional costs for the consumers of green energy apart from the heat price. "We work with the customers to determine their demand, requirements and desires and then come up with a tailor-made offer for them", says Gayer. EnviTec Energy is currently installing the first systems on behalf of communities who want to supply green heat to schools or multi-purpose halls, for instance. ●

RESEARCH AND TECHNOLOGY

BIOMETHANE WITH MEMBRANE TECHNOLOGY

THE NEW ENVITHAN PLANTS FROM ENVITEC REPRESENT THE FIRST ENVIRONMENTALLY FRIENDLY UPGRADING TECHNOLOGY FOR BIOGAS.

In order to generate high-energy biomethane with natural gas quality from biogas, the biogas must first be cleaned. For this, state-of-the-art hollow fibre membranes are used in the modern EnviThan upgrading plants.

For cleaning crude biogas from biogas plants, EnviTec has entered into a cooperation with Evonik Industries: EnviTec uses hollow fibre membranes produced by the Essen-based company in its EnviThan upgrading plants. The membrane technology is considerably more environmentally friendly, flexible and energy- and cost-efficient than other biogas upgrading technologies. The innovative method exploits the different sizes of gas molecules and increases the amount of high-energy methane from approximately 50 percent to up to 99 percent.

FROM BIOGAS TO HIGH-ENERGY BIOMETHANE

Biomass fermentation produces a gas mixture of methane and carbon dioxide, as well as small amounts of hydrogen, hydrogen sulphide and, in some cases, ammonia. The higher the percentage of methane, the higher the energy content of the gas. In the process of upgrading biogas to biomethane with natural gas quality, the crude gas is first cleaned and compressed. Then the most important process step follows: the thorough separation of CO_2 and water vapour by means of a highly selective hollow fibre membrane.

ENERGY FOR THE PUBLIC NATURAL GAS GRID

The membrane technology exploits the fact that gases have different permeation speeds and solubility properties. CO_2 molecules are smaller than methane molecules and more soluble in polymers and therefore pass through the micropores of the membrane more rapidly. While the majority of the CO_2 and water vapour pass through the molecular screen, the valuable methane is concentrated on the high-pressure side of the membrane. The upgraded methane is

UP TO 99 %
METHANE

The new membrane modules each consist of several thousand very fine hollow fibres bundled within a stainless steel tube. They are especially effective for cleaning biogas.

conveyed to the supply station where it is further treated by the network operator or directly fed into the natural gas grid. The CO_2-enriched exhaust gas is post-treated in a regenerative thermal oxidiser (RTO).

HOLLOW FIBRE MEMBRANE FOR GAS SEPARATION

Every SEPURAN® Green module consists of several thousand very fine hollow fibres whose ends are embedded in resin and then bundled within a stainless steel tube. The fibres are manufactured from high-performance plastics designed with high pressure- and temperature resistance. They have excellent separation properties. This results in an extremely low loss of methane when the separation of CO_2 and methane occurs with the added advantage of requiring lower energy input to achieve it.

HIGH PERFORMANCE THROUGH SEPARATION AND PRESSURE

Pressure is applied to the module with a gas mixture, with the pressure difference between the retentate side and the permeate sides creating the separation of CO_2 and water vapour while retaining the methane. The advanced technology of the hollow fibre SEPURAN® Green system and its excellent selectivity, i.e. permeation of the CO_2 and retention of methane, makes it possible to achieve rates of less than 0.5% methane in the exhaust gas. As the methane is extracted on the high-pressure side, it is available under pressure and, depending on the mains pressure, must not necessarily be compressed. Further upgrading measures are generally no longer required.

SIMPLE MODULAR DESIGN

The EnviThan biogas upgrading system is simple and robust as well as compact and space-saving. Components for desulphurisation, compression, condensation, filtration and gas separation can be installed in closed containers. Thanks to the modular design, every system can be adapted to the individual performance requirements of the operator. So any number of modules can be linked depending on the plant size. Thanks to the SEPURAN® Green membrane modules developed by Evonik Industries, an EnviThan upgrading plant boasts important advantages over other biogas upgrading technologies: It is environmentally friendly, considerably more energy- and cost-efficient and much more flexible. EnviThan is the ideal solution, especially for a future decentralised energy supply using a large number of smaller plants.

GREAT EFFICIENCY BENEFITS

„We predict that the market for upgraded bio natural gas will develop rapidly in the coming years“, said Alfred Gayer, Managing Director of EnviTec Energy. The German government envisions the increasing replacement of fossil natural gas with bio natural gas. An annual total of 60 billion kilowatt hours is to be generated and fed into the grid by 2020 and about 100 billion kilowatt hours by 2030. Until now, the market has had a hard time getting off the ground, but now more and more heating customers and providers are becoming aware of the efficiency benefits of upgraded biogas. By way of comparison: whereas a maximum of only 40 percent of the total energy contained in biogas is available as electricity when only used for power generation, the additional use of the exhaust heat of bio natural gas fed into the grid allows over 80 percent of the total energy content to be exploited - thanks to the high efficiency of modern co-generation plants. Thanks to the new membrane technology developed by Evonik, an environmentally friendly upgrading technology has become available for the first time. „Biomethane is the wild card in the energy mix of the future. It is going to be an important contribution to a sustainable and environmentally friendly energy economics“, Gayer said.

FEWER GREENHOUSE GASES

Up to 80 percent of the natural gases consumed in Germany is still imported. By upgrading biogas, a large percentage of natural gas consumed in Germany can be derived from domestic renewable raw materials and organic waste. This also helps to reduce the emission of greenhouse gases. The reason: only so much carbon dioxide is released in the combustion of biomethane as was trapped by the substrates used for generation. The result in ideal cases is a purely carbon-neutral utilisation. ●

EnviThan membrane technology has important advantages over other technologies.

- Up to 99 percent methane content
- Higher flexibility thanks to modular design
- Compact and efficient
- Robust and low-maintenance
- Short start-up times
- Profitable for smaller and large biogas plants
- Cost-effective and environmentally friendly
- No gas drying required
- Energy-saving
- Low pressure loss
- Easily adjustable

COMPACT AND EFFICIENT

BIOMASS

BIOGAS PLANT

GAS SEPARATION

PROFITABLE FOR SMALLER AND LARGE BIOGAS PLANTS

PETROL STATION

CO-GENERATION PLANT

NATURAL GAS GRID

DISTRIBUTION

Insulated roofs

In general, a large amount of energy goes to waste via the fermenter roof. For this reason, EnviTec has installed insulation for fermenters in several biogas plants. This technology reduces the loss of energy otherwise caused by non-isolated roofs.

Advantages:

+ Decreasing the heat loss of the fermenter up to 30 - 40 %
+ Up to 6 % more usable heat
+ Better control of the CHP due to lower temperature influence
+ Savings regarding the fermenter heating

EnviTec Feedcontrol

15.000

15.000 Euros or more per 500 kW_{el} module could be the economic benefit with EnviTec Feedcontrol. It adjusts the feeding interval to suit the required amount of biogas, thereby making fixed feeding times unnecessary. The capacity regulator controls feeding is in such a way that the highest output level of the co-generation plant can be achieved on a sustainable basis.

Advantages:

+ Optimal use of resources (fewer input materials)
+ Improved utilisation of co-generation plants
+ Prevention of overfeeding and surplus gas production
+ Insensitive to quality fluctuations in the input
+ Optimal use of gas storage
+ Online process control ensures high process stability and operational reliability
+ Easier operation

Kreis-Dissolver

A high-speed rotary cutter in the vessel interior optimally breaks down the input materials. After a mixing time of a few minutes, the material is already completely disintegrated, forming a homogeneous mass whose contents are immediately available for biogas production.

Advantages:

+ Savings on substrates due to higher gas yield
+ Higher fermenter utilisation due to greater volumetric loading and shorter retention times.
+ Savings on agitator power in the fermenter
+ Better control of the fermenter through more rapid gas availability
+ More stable plant operation and therefore lower gas losses and higher CHP utilisation
+ Minimisation of settling in the fermenter.

TECHNOLOGY 2011/12

Condensing boiler technology

Condensing boiler technology can be used to gain additional thermal energy from the process. The low-temperature heat exchanger required for this is installed downstream of the high-temperature heat exchanger. This design allows for additional thermal energy to be gained from the exhaust gas.

Advantages:

+ Additional thermal energy
+ Generated thermal output can be used for fermenter heating
+ Saved heat otherwise used for fermenter heating can be used for another purpose

We take pride in the efficiency and reliability of our plants. This is a result of our innovative technology ...

HighGester

A new type of fermenter which is currently being tested is anticipated to further improve the biogas production process.

Advantages:

+ Three times greater volumetric loading, up to 12 kg ODS/(m³ x d)
+ Highly stable process due to phase separation
+ Delay time only 15 to 25 days with no reduction of the specific gas yield
+ smaller digestor space
+ about 10% higher methane content
+ Not fully mixed, thereby lower power requirement
+ Lower heat requirement
+ Higher ODS content possible
+ No floating layers
+ Low space requirement
+ No internal agitators or heaters

ORC technology

A considerable amount of the heat generated in the operation of biogas plants is discharged unused along with the exhaust gas. ORC technology increases the efficiency of a biogas plant by generating additional electricity from the exhaust gas. This electricity is then fed into the public grid along with the electricity produced by the biogas plant.

Advantages:

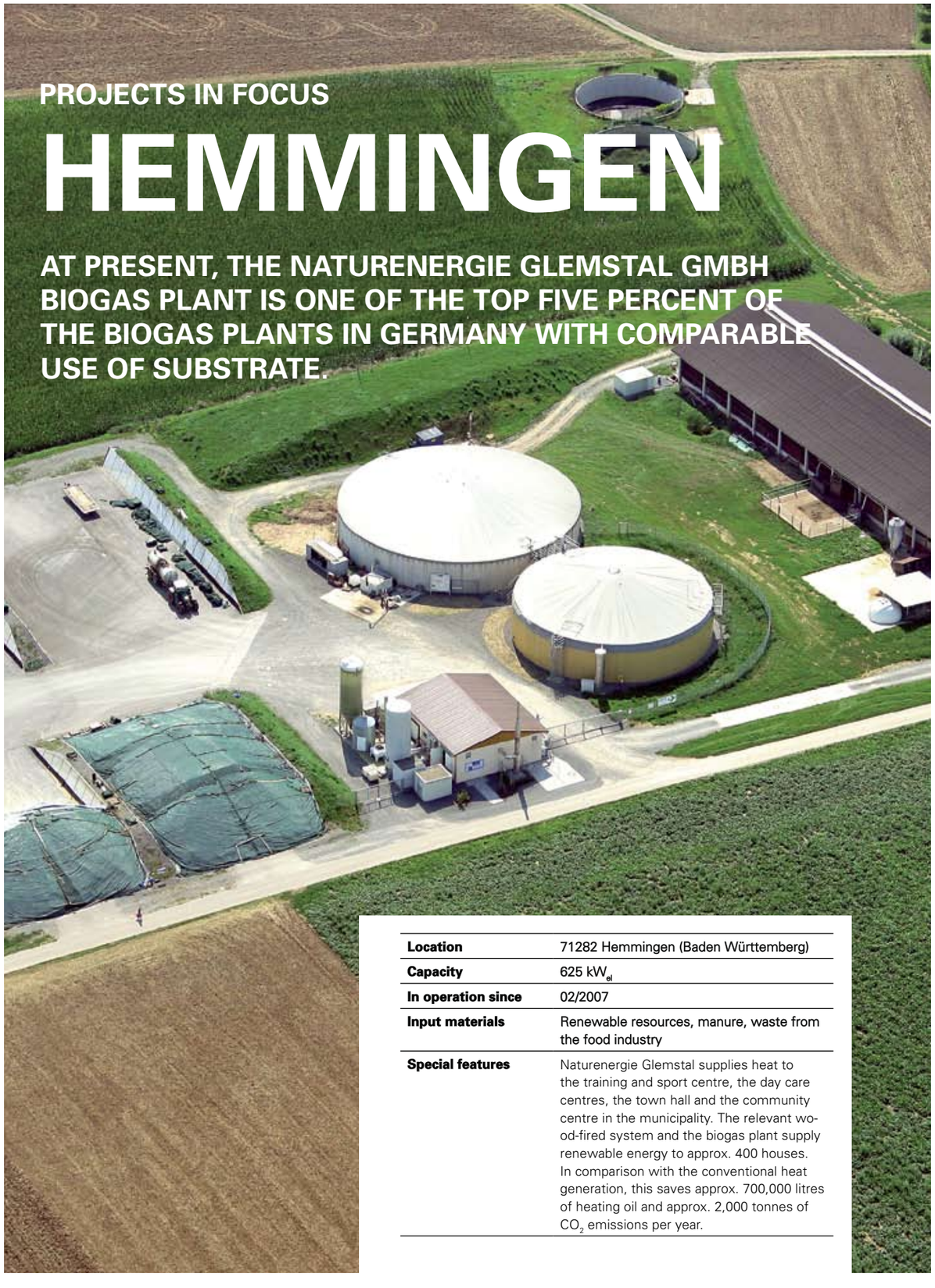
+ Additional electricity generated with the same input
+ Meets the co-generation quota according to EEG 2012
+ Modular design
+ Low maintenance
+ Low operating costs

External desulphurisation plant

The process of biological biogas purification based on the use of microorganisms which oxidise and reduce sulphur can considerably lower the concentration of hydrogen sulphide in biogas, so that iron salts no longer have to be used for desulphurisation in the fermenter.

Advantages:

+ Significant savings on iron salts for desulphurising in the fermenter
+ Protection of co-generation plant and catalyser from sulphur
+ Very low operating costs
+ Easy operation and low maintenance
+ Increased safety in biogas plant operation
+ Up to 94% of sulphur removed from biogas in a biological and therefore environmentally friendly process



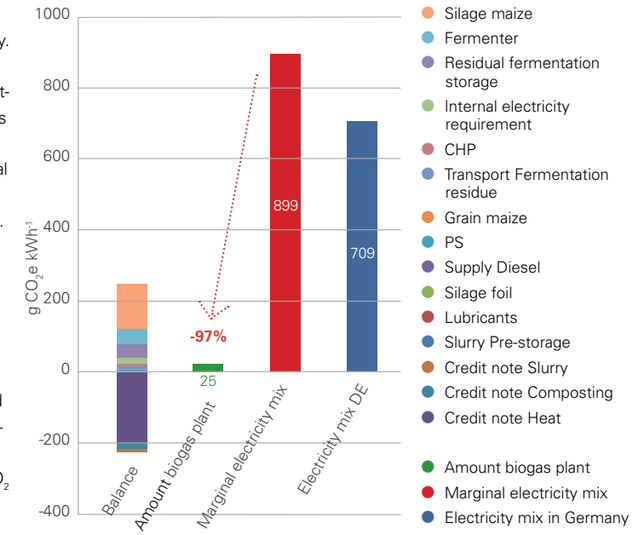
PROJECTS IN FOCUS

HEMMINGEN

AT PRESENT, THE NATURENERGIE GLEMSTAL GMBH BIOGAS PLANT IS ONE OF THE TOP FIVE PERCENT OF THE BIOGAS PLANTS IN GERMANY WITH COMPARABLE USE OF SUBSTRATE.

Location	71282 Hemmingen (Baden Württemberg)
Capacity	625 kW_{el}
In operation since	02/2007
Input materials	Renewable resources, manure, waste from the food industry
Special features	Naturenergie Glemstal supplies heat to the training and sport centre, the day care centres, the town hall and the community centre in the municipality. The relevant wood-fired system and the biogas plant supply renewable energy to approx. 400 houses. In comparison with the conventional heat generation, this saves approx. 700,000 litres of heating oil and approx. 2,000 tonnes of CO_2 emissions per year.

The image to the right provides an overview of the greenhouse gas emissions and the credit notes for every kWh of the generated energy. 51% of the emissions are caused by the maize silage (cultivation, transport and conservation of substrate), 17% are seen at the fermenter (at the time of maintenance of the methane that has leaked and has escaped at the valves); furthermore, there are diffuse emissions from gas storage and pipes to and from the fermenter and from the residual fermentation storage (approx. 16%). The internal electricity requirement, fulfilled by means of the German electricity mix, causes approx. 5.4% of the THG emissions and the subordinate methane slip of the CHP causes approx. 4% of them. The other factors do not play a significant role for the total 249 g of emitted CO_2 equivalents. 0.692 kWh of heat, that replaces the heat from fossil energy carriers, is supplied for every kWh of electricity at BA Haldenhof and is used externally. This leads to a credit note of approx. 199 g for the CO_2 equivalents. Another 18 g are credited by means of non-compensated vegetable pruning and yet another 7 g are credited by means of avoiding open slurry storage. The biogas plant thus leads to a total of 25 g CO_2 equivalents for every kWh of the supplied electricity and 97% CO_2 equivalents less than the substituted electricity mix.
(Calculations University of Hohenheim)



Many citizens desire an environment-friendly and economical heat supply. This is now possible at several locations due to the use of waste heat from a biogas plant. This is the case in Hemmingen, which is to the north of Stuttgart: Here, a biogas plant set up by EnviTec Biogas supplies green heat to parts of the community as well as a few municipal buildings in the vicinity of Schwieberdingen via the remote heat network. In a comprehensive study, the University of Hohenheim confirmed the operating company Naturenergie Glemstal's implementation of an ideal regional energy supply concept. From the point of view of energy, the biogas plant is amongst the best five percent of biogas plants in Germany with comparable use of substrate.

Up until a few years ago, the municipality of Schwieberdingen heated its public building with off-peak electricity (night electricity) – an expensive and not-so-environmentally-friendly process. "We wanted to convert our heating system anyway, and so it was good that we could fall back on the offer provided by Naturenergie Glemstal Biogas", explains Gerd Spiegel, the Mayor of Schwieberdingen. Much has changed since then. The heat grid of Naturenergie Glemstal Biogas GmbH & Co. KG located in Bietigheim-Bissingen supplies communal establishments such as the town hall, schools, day care centres and the indoor swimming pool of the Ludwigsburg community, which has approx. 11,400 residents. In Hemmingen, with approximately 7,400 residents, several business establishments and three large housing areas with a total of 744 apartments receive their heat supply from the cogeneration unit of the biogas plant.

The biogas plant planned and set up by EnviTec converts about 5,000 tonnes of slurry, 10,000 tonnes of maize and herbal residual material such as pomaces and vegetable pruning into green energy every year. The plant with a thermal output of 700 kilowatts (kW) and an electrical output of 625 kilowatts (kW) generates about 5 million kilowatt hours (kWh) of heat and electricity from the substrates every year. The regional environmental benefits of the remote heat supply are impressive: According to the →

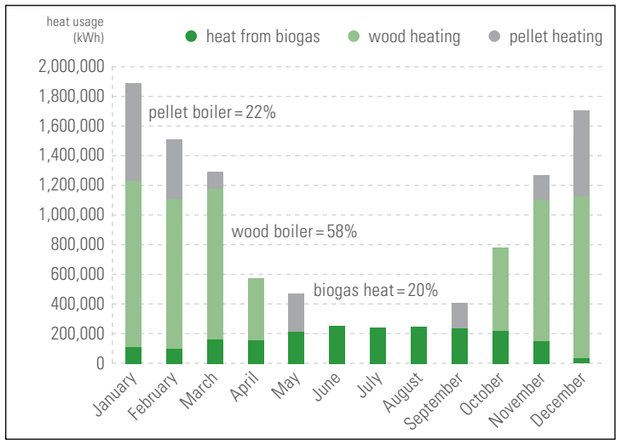
"Thanks to our extremely efficient usage of heat, the biogas plant in Hemmingen reduces greenhouse gas emissions by 97%."

Ulrich Ramsaier, Managing Director of Naturenergie Glemstal Biogas GmbH & Co. KG

institute of agricultural business operations at the University of Hohenheim, the CO_2 output reduces by 97 percent compared to the conventional heat supply with oil or gas heating systems. The researchers have recently conducted a study on the ecological and energy balance of the biogas plant and their findings are convincing: Owing to its efficiency, the biogas plant in Hemmingen is amongst the best five percent of biogas plants in Germany with comparable use of substrate.

"The result of the study is a positive confirmation of the fact that we are doing good work and have EnviTec Biogas by our side as a strong partner", says Ulrich Ramsaier, Managing Director of Naturenergie Glemstal Biogas GmbH & Co. KG. The energy generated in the co-generation unit of the biogas plant not only strengthened the regional economic power, but also took some of the burden off the citizens. On an average, the heat generated using regional raw materials was five to ten percent more economical than the conventional heat energy.

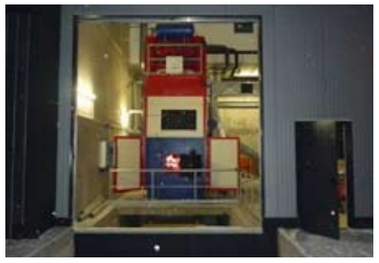
The University of Hohenheim also praised the regional heat supply that has a very positive effect on the greenhouse balance of electricity generation.



The following is usually applicable: The greater the usage of heat, the more fossil energy can be substituted and the better is the greenhouse gas balance of the biogas electricity compared to the fossil electricity mix. The heat generated in the cogeneration unit of the in the biogas plant replaces the heat from heating oil by up to 48 percent, the heat from natural gas by up to 46 percent and the heat from electricity by up to 6 percent. This leads to a CO_2 reduction of up to 97%. If the biogas plant did not use the heat, the savings would be only about 75 percent in comparison with the power supply from fossil sources.

According to the study, "The planners and operators of the system exhibited foresight when selecting the location as regards the substrate procurement as well as the usage of heat". And "The biogas plant shows how a successful establishment of the biogas usage from large shares of renewable raw materials, combined with farm fertilizers, remains of foodstuffs as well as other residual materials that are not reusable at all or are reusable only to a certain extent, can prove to be advantageous for the electricity and heat generation in the sense of greenhouse gas efficiency as well as energy efficiency." ●

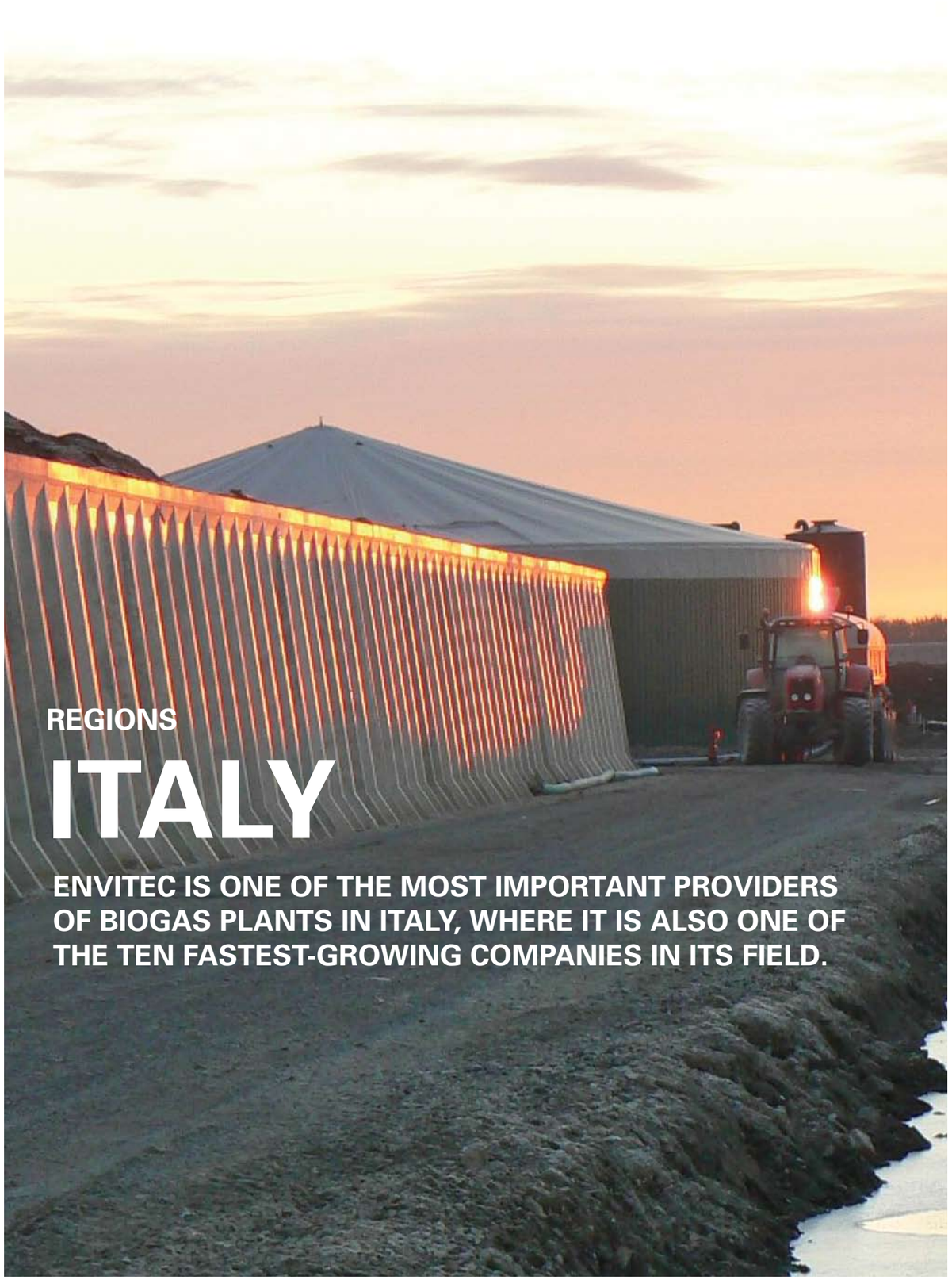
The combination of a district heat station and a biogas plant offers the possibility to provide 1000 households as well as factories and other compnies with energy from renewable resources.



Low-cost heat for Friedland – Cooperation with the energy company Cofely

Location	**Friedland** (Mecklenburg-Vorpommern)
Capacity	**4 x 500 kW_{el} + Sat.-CHP (500 kW_{el})**
In operation since	**07/2007**
Input materials	Manure, renewable raw materials
Special features	**EnviTec-owned plant and research facility A fifth biogas plant is in planning in which the new HighGester is to be used as fermenter for the first time.**

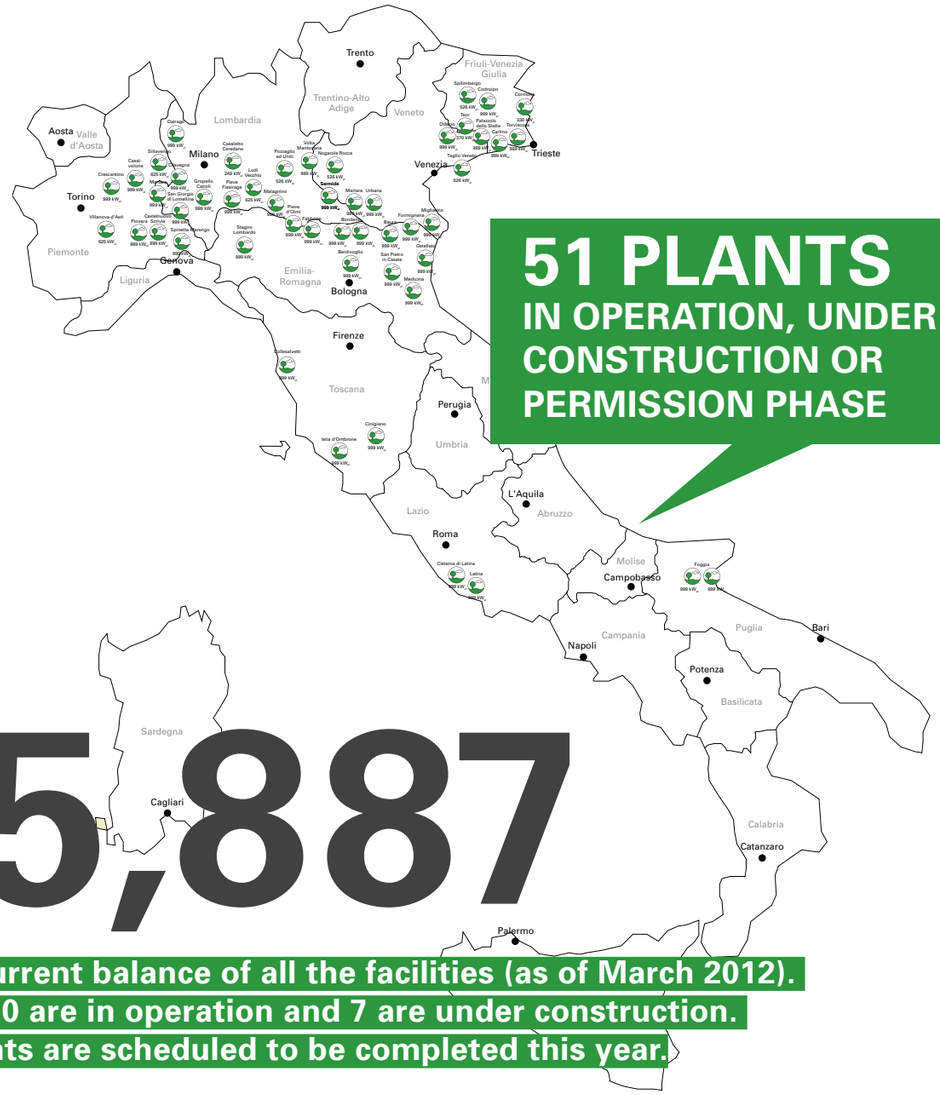
About 6,600 people live in Friedland. Approximately one-third of its households and many community facilities receive the heat they need at a favourable price from the local biogas plant of EnviTec biogas AG. Cofely, a subsidiary of French energy corporation GDF Suez, is responsible for supplying the heat via the district heat grid. EnviTec Biogas Beteiligungsgesellschaft sells the exhaust heat generated during the electricity production process to Cofely, and Cofely supplies it to the end users. Just under 1.6 MWth per hour are fed into Cofely's public heat grid by the EnviTec plant.. Ever since it was taken into service in 2007, EnviTec has used the biogas plant in Friedland not only to generate electricity and heat but also as a research plant where new technologies are tested. Whether it's the "Kreis-Dissolver" for the perfect shredding of substrates or "EnviTec Feedcontrol" for the automated feeding of bacteria in the fermenter – many path-breaking developments of the biogas industry were used in Friedland at an early stage and delivered important data for the comparative studies conducted by the EnviTec engineers. EnviTec also made great progress in Friedberg with regard to the efficient use of the exhaust heat; the use of exhaust gas exchangers has clearly proven its worth. A not inconsiderable part of the heating energy that is fed into the public grid at a flow temperature of up to 90 degrees comes from the exhaust gas from the engines of the co-generation units, which is more than twice as hot. The new technology complements the generation of heat from the engine coolant. We are currently expanding the biogas plant: A newly installed satellite co-generation plant is already supplying heat to a neighbouring business. A further satellite co-generation plant is soon set to provide heat to the community of Salow. In order to make the gas production process even more stable, an additional module will soon be added to the biogas plant in Friedland.



REGIONS

ITALY

ENVITEC IS ONE OF THE MOST IMPORTANT PROVIDERS OF BIOGAS PLANTS IN ITALY, WHERE IT IS ALSO ONE OF THE TEN FASTEST-GROWING COMPANIES IN ITS FIELD.



51 PLANTS
IN OPERATION, UNDER CONSTRUCTION OR PERMISSION PHASE

45,887

kW_{el} is the current balance of all the facilities (as of March 2012). At present, 20 are in operation and 7 are under construction. 20 more plants are scheduled to be completed this year.

The story of EnviTec's Italian operations began in 2005, when the biogas market and its potential for development was carefully scrutinised. At that time, the total electrical capacity of the biogas generated from biomass and industry as well as sludge and organic household waste amounted to 284 MW. That was just 1.6 percent of the electrical yield of all the renewable sources of energy. There was no trace of the boom of the last few years.

The initial attempts to get a foothold in the market did draw interest from the farmers, but were not enough to make their presence felt. The dispatch of Lars von Lehmden in August 2007 was supposed to change that in a quick and fundamental manner. The decisive factors were the establishment of an EnviTec office in Romano di Lombardia in Bergamo, the formation of a professional core team of workers and a marketing initiative whose goal was to raise EnviTec's profile among prospective customers.

We didn't have to wait too long for the first two contracts that came our way in 2008, and then it was clear sailing all the way, thanks to the high feed-in tariff of 28 cents/kWh, which, at the time, was the highest in Europe. The number of clients and acquisitions grew rapidly, and the workforce kept pace with the growth, increasing from 6 employees at the end of 2009 to its current strength of 35. The turnover increased in leaps and bounds as well, expanding to 27 million euros at the end of 2011 and setting a new record in the process.

Since the beginning of 2010, EnviTec biogas has been based out of its office in Sommacampagna in Verona, which is also home to the EnviTec service company. Since April, the Italian management team has been using this location to steer the company's activities, with the goal of keeping the organisation's market share, earnings and customer satisfaction on an upward trajectory.

The Mucchiut biogas plant – a model of thorough integration

Location	33040 Corno di Rosazzo (UD)
Capacity	330 kW_{el}
In operation since	08/2011
Input materials	Biomass (corn, wheat-rye hybrid, millet, poultry litter from free-range farming, cow manure)
Special features	Biogas plant that is fully integrated into agricultural operation. Complete re-utilisation of the bird droppings as input material and coverage of the farm's overall heating needs by means of a district heating plant

The Mucchiut biogas plant in Corno di Rosazzo, Udine is a perfect example of a fully-integrated production facility that strikes the perfect balance between environmentally friendly energy production and traditional agriculture. The poultry farm's core business is the breeding of chicks, capons, chickens, turkeys, geese, ducks and guinea fowl in a 5000-square metre indoor area. The production of energy from renewable sources is fully integrated into the operation. The combination of a 200-kW photovoltaic device and a 330-kW biogas plant generates the electricity necessary for the operation and the heat that poultry farming requires, while the surplus that is generated over a period of 15 years is fed into the network at the tariff rate that was applicable at the time of activation, namely, 28 cents/kWh.

Of particular interest is the complete re-utilisation of an annual quantity of 800 to 1000 tonnes of bird droppings in the energy production process, which transforms the droppings from waste matter into reusable materials and, instead of being a cost centre, represents added value. The other input materials are about 5800 tonnes of corn silage, 2000 tonnes of cow manure and 1800 tonnes of water, which is necessary for the thinning of the bird droppings.

Apart from the environmentally friendly production of electricity and heat, there is a series of important synergies between poultry farming and energy production. In particular, the complete processing of the bird droppings, which is waste material, the elimination of the odour problem and the production of relatively odour-free dung are important advantages. And last but not the least, the repatriation of the thermal discharge by means of a district heating plant is an important factor in safeguarding the poultry farm's overall heating needs. That rounds off the total integration of this rather small facility, which is without peers in Italy, and which comes very close to realising the ideas contained in the new decree on the use of renewable energy.

The ready-to-use facility that is delivered by EnviTec offers technological advantages in the form of EnviTec's new 'circular dissolver' mixing technique (substrate conservation through higher gas yields, better fermenter workload through shorter delay times, more stable operation) and a power-control facility that is based on EnviTec Feedcontrol (optimal resource utilisation/smaller quantity of input materials and better loading of the combined heat and power unit, prevention of overfeeding and production of surplus gas as well as high process stability and operational security).

A biogas desulphurisation plant, which is outside the fermenter, rounds off the facility's innovative technology. The biodiesel bed reactor that EnviTec co-developed represents additional value for the operator. The substantial conservation of the iron salts for desulphurisation in the fermenter, low operating costs, minimal servicing and maintenance costs and high operational security are among the system's many advantages. The biological and therefore environmentally friendly desulphurisation of the biogas underlines the facility's significant ecological advantage.

"Quality and reliability are becoming more and more important in Italy, and when it comes to those two qualities, EnviTec has a very good reputation."

FOR FOUR AND A HALF YEARS, LARS VON LEHMDEN WAS THE COUNTRY MANAGER IN ITALY AND THE SOLE MANAGER OF ENVITEC BIOGAS ITALIA S.R.L. A SUCCESSFUL TRACK RECORD AT THE END OF HIS ITALIAN CHALLENGE.

Was the boom the principal factor in EnviTec's success?
"That is correct. If it had not been for the boom in Italy, our current position would not have been as strong. The incentives for investments are the best in Europe. But all our competitors are profiting from that, too. But my colleagues in other countries definitely have a harder time, as the incentives in those countries are not as beneficial as those in Italy. But over here, we have to hold our ground against everybody. The rules are the same for everyone. One of the advantages that we had was the fact that the performance of one of our main competitors was quite weak, which we used to our advantage."

Is the 'Made in Germany' brand still a decisive factor? Technologically, the Italians are quite impressive, too.
"I totally agree with you. However, German technology does have a high status. Quality and reliability are becoming more and more important in Italy, and when it comes to those two qualities, EnviTec has a very good reputation. But our German competitors in Italy are well-positioned too, and there also good local providers. However, we have, in a short period of time, managed to convince important Italian customers that EnviTec sets the benchmark and that technologically, we are number one, especially with regard to our standardisation. Customers are happy to pay a little more for that. In any event, we do not indulge in price wars, as we do not want our image, in terms of quality, to falter.

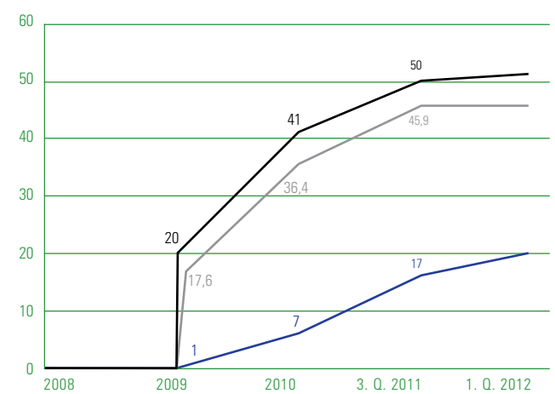
What does the competition look like?
"The market is not too transparent, and in addition to that, it is still also too young and too dynamic. We are definitely familiar with our main competitors. But new providers are always entering the field. Our research indicates that there are about 60 providers in Italy who offer ready-to-use biogas plants, including providers from Germany, Italy and other countries. Many of them certainly do want to take advantage of the boom. But in the end, the wheat will be separated from the chaff. However, until that happens, we will have to come to grips with the competitors that we have in this market. So we also need staying power, precisely because this market functions differently from the German market. Many customers prefer local providers, so sympathy is sometimes more decisive a factor than technological aspects. So the trick is to always be present."

What has the parent company contributed to the success that you have had in Italy?
"Obviously, if it had not been for the parent company, we would not have been able to make so much progress in such a short period of time. But we were all surprised by the boom, and when we, with the help of our colleagues, were able to get more and more contracts or initiate our own projects, we naturally had to demonstrate that we had the ability to make projections and build the facilities on schedule. In that respect, we received energetic support from our parent company. No question about it. We would not have been able to pull it off without them. But it was not the decisive factor, either."

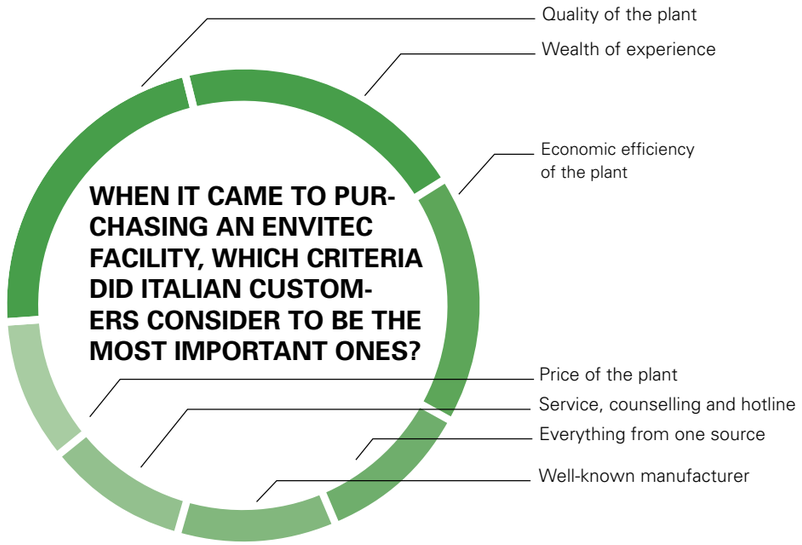
So what was responsible for the impressive success that you had in the initial stages?
"We have our employees to thank for that. We have a young team whose average age is 33. It does mean that it does come up a little short in terms of experience, but on the other hand, it also means that it is very flexible, professional and enthusiastic. Each day presents new challenges, and we all learn together that we can only

EnviTec-plants in Italy

In operation, during construction or in permission phase
Capacity (MW)
Biogas plants in operation



be strong as a team, and that we have to work as a team in order to be successful. I am very proud of our team, which we owe everything to. I want to make that very clear."



EnviTec is definitely making a big splash in Italy, the numbers are very impressive. But is it perceived as such in Germany?

"Maybe not, but that is normal. People are busy with their own tasks and are not too aware of what is happening on the outside. However, since we are an international company, seeing ourselves as an international family is going to become more important. Anyhow, the overseas market is EnviTec's growth engine, and its Italian operations fuel the engine, contributing about a fifth of the company's turnover. The performance of the entire team in Italy has made that possible, and it is something we can all be proud of. We wouldn't be able to do anything without the team!"

How will the company move forward after your departure?

"I'm very happy about the fact that we planned ahead without rushing things. That has given us the ability to put two members of our team, Zeno Marani and Mario Della Bella, on the executive board and build up a management team whose members complement each other. I am very sure that the future of our Italian operations is in good hands. Also, the fact that we are perceived to be a national company with German substance that operates under a purely Italian management team is a distinct advantage in this tough, competitive environment."

Will EnviTec be able to sustain its high speed of growth in Italy?

"I am confident that EnviTec is going to see the new Italian decree on renewable energy, which is going to shrink the subventions and institute new regulations at the beginning of the next year, as more of an opportunity to continue growing than an obstacle. You see, we have everything we need: a strong company with international know-how, a parent company with strong financial backing, the fact that we are the market and technology leaders in Europe, a well-structured team of professionals and experts in international collaboration, which sticks together and wants to keep going forward ... This is the mixture that is going to see us through in Italy. This year, we are going to almost double our earnings and lay the foundation stone that will support our future."

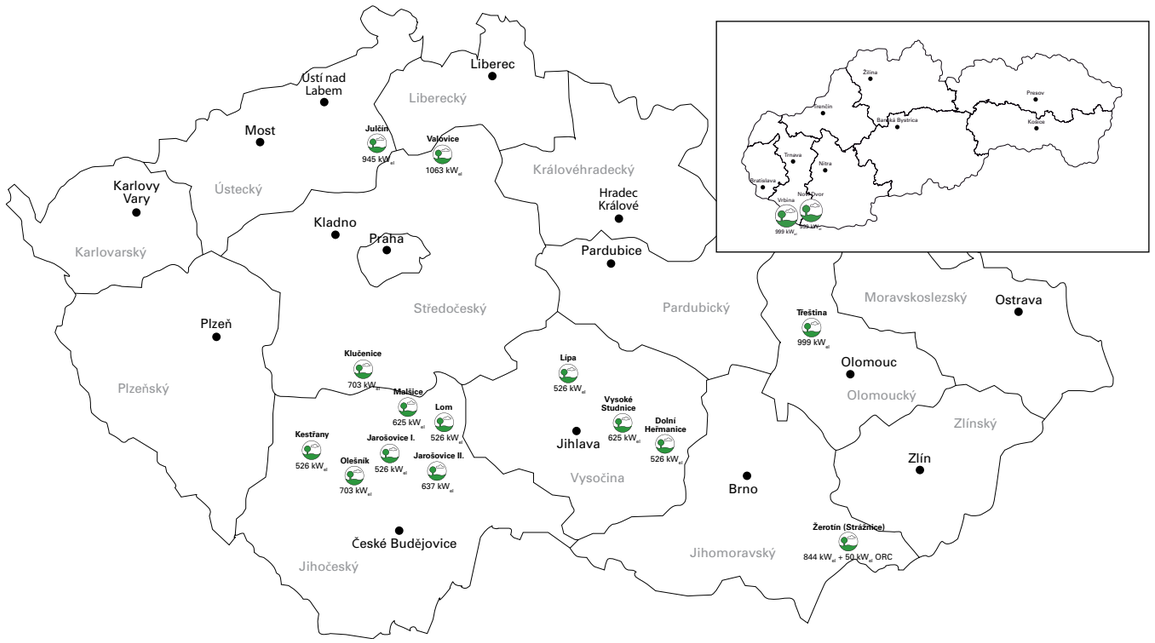
The new dual leadership in Italy, engineer Zeno Marani (right), responsible for sales and marketing, and engineer Mario Della Bella, responsible for technology and construction. A management team whose members complement each other perfectly.

CZECH REPUBLIC

AT PRESENT, THE CZECH REPUBLIC IS ENVITEC BIOGAS'S STRONGEST MARKET IN CENTRAL AND EASTERN EUROPE. THE POTENTIAL FOR FURTHER GROWTH IS ENORMOUS.

Biogas is becoming more and more popular in central and eastern Europe. EnviTec Biogas recognised this potential early on and, in 2006, founded EnviTec Biogas Central Europe s.r.o. (EnviTec Biogas CE), which has already successfully implemented several projects in the Czech Republic and Slovakia. EnviTec Biogas CE is the product of a joint venture between EnviTec Biogas GmbH, Stanislav Krchnavy and Hendrik van der Tol.

EnviTec's first office in the Czech Republic was a rented office that was located in the centre of Velké Meziříčí, a small city with a population of approximately 12,000. Velké Meziříčí is conveniently close to the D1 highway, which connects the two big cities of Prague and Brno. Thanks to the government's incentive programme for green energy, the young corporation was able to sign its first contract in 2007. After that, the business saw very rapid growth. EnviTec Biogas expanded, hired more employees and, in May 2009, relocated its base to a new and larger office space in the industrial area that lies outside Velké Meziříčí. A new warehouse for spare parts was also constructed at the new location. At present, EnviTec Biogas CE has about 30 employees. With an average age of 33 years, the team's core is quite young. "We think of ourselves as a team and each one of us is very motivated. So the atmosphere is both good and dynamic", says CEO Hendrik van der Tol. EnviTec Biogas CE's first project was the Lípa biogas plant in the town of Havlíčkův Brod (close to Velké Meziříčí). This reference facility has an electrical capacity of 526 kW and has been in operation since August 2008. The heat that arises in the combined heat and power plant is used to heat a primary school and a kindergarten. The biogas



plant in Valovice was constructed in the same year. This project saw the first use of the ORC system in the history of both the Czech Republic and EnviTec. Between 2008 and the present, EnviTec Biogas CE has built 16 biogas plants in the Czech Republic.

Slovakia

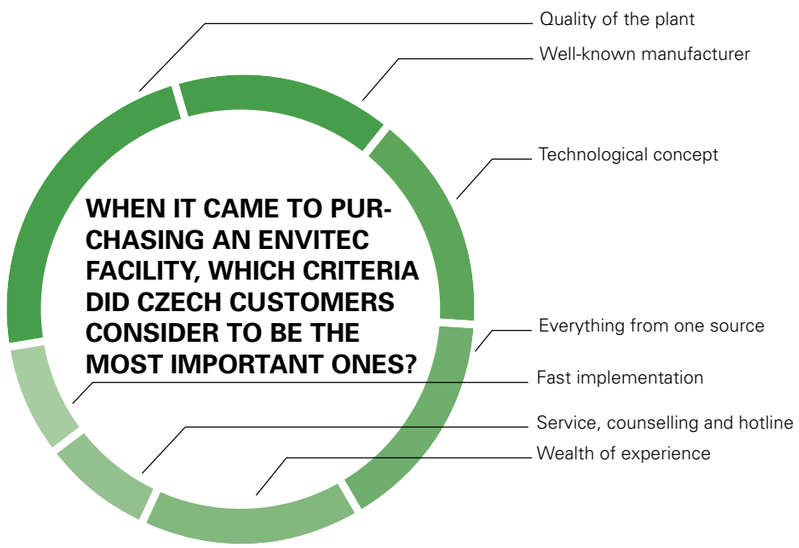
Similarly, EnviTec also saw a lot of potential in the Slovakian market. Consequently, in July 2009, EnviTec Biogas CE established a subsidiary called EnviTec Biogas SK s.r.o. in Slovakia. The company is based at its office in Nitra, a city in the western part of the country with approximately 80,000 inhabitants. Under the leadership of Miroslav Kováč, EnviTec SK has built two biogas plants with a power rating of 1 MW. The two plants are located close to each other and lie in the south-western part of the country, near the Hungarian border.

Compared to the Czech Republic, the Slovakian market's potential is currently limited. The reason for this limitation is the relatively low feed-in tariff, which amounts to about 14 cents per kilowatt-hour. Elections are going to be held in Slovakia this year, and the funding for renewable energy could conceivably get a boost under the new government.

Eastern Europe

In addition to being the CEO of EnviTec Biogas CE, Hendrik van der Tol is also responsible for looking after EnviTec Biogas AG's interests in Poland, Ukraine, Russia, the Baltic countries and Belarus. In Poland, the biogas market is developing at a slow pace. An unclear green certificate system and a tedious, bureaucratic approval process are the main reasons behind the slow growth. However, certain improvements have been realised, which should hopefully enable EnviTec to implement its first project in the country. Being one of the largest countries in the EU, Poland offers tremendous potential.

EnviTec Biogas AG initiated its Baltic operations in 2007, with the founding of the subsidiary EnviTec Biogas Baltics SIA, and the six projects it has already implemented in Latvia have an electrical capacity of about 1 MW. Lithuania offers promising incentive systems for biogas.



Even Ukraine, the one-time 'breadbasket of Europe' that boasts an enormous agricultural sector, is a promising emerging market for EnviTec. Furthermore, Russia offers a tremendous amount of potential. Rough estimates indicate that the Russian agricultural sector in the country's biogas sector could support an electrical power rating of at least 20,000 MW. Within the framework of its expansion strategy, EnviTec Biogas AG plans to take early advantage of the opportunities presented by the emerging markets.

"Even in eastern Europe, renewable energy is becoming more important. Biogas plays an important role in this matter."

AS THE CEO OF ENVITEC BIOGAS CENTRAL EUROPE S.R.O., HENDRIK VAN DER TOL IS RESPONSIBLE FOR THE COMPANY'S INTERESTS IN THE EASTERN EUROPEAN COUNTRIES.

What is the strength of EnviTec CE?

Our main strength is our flexibility and the good atmosphere that is prevalent in the company. Each employee assumes his share of the responsibility for the company's development and is always ready to lend a helping hand to a colleague.

Looking back, how would you assess the five years since the founding of EnviTec CE?

We have developed very rapidly. We started from scratch, and now we have a wonderful, motivated team of 30 people, which has constructed 16 fine biogas plants that generated a turnover of 13 million euros (2011). This year, we are looking at, at the very least, doubling our earnings. That is an incredible achievement. Naturally, getting started was not easy. Not for us, and not for our colleagues at the German head office, either. In the Czech Republic, EnviTec gained its first experience on the international platform with a ready-to-use marketing concept. Naturally, we did make some mistakes in the early days. The good thing is that we learned from our mistakes quickly. Several measures that have been implemented in the interim shall be used by EnviTec in the future development of the international structure.

Are you satisfied with EnviTec's position in the Czech market?

There is still room for improvement in terms of our market share. The main problem is that the Czech Republic is a market in which most of the enquiries that we receive come from individual farmers, and not from project developers. The farmers in the Czech Republic have a tendency to accept the lowest bid. In such a situation, factors such as the good reputation of the manufacturer, efficiency, quality and reliability of the facility play a subordinate role. But it is these very characteristics that constitute our main argument. Fortunately, however, the networks that we have built up over several years are increasingly beginning to pay off. We have good contacts with project developers and energy companies. Naturally, our good references help us too. In spite of that, we have to draw more attention to ourselves, in order to strengthen our position vis-à-vis our competitors.

What kind of future do you think EnviTec is going to have in the Czech Republic?

At the moment, the Czech Republic is home to about 250 biogas plants. The country has the potential to support around 700. Biogas is very compatible with the spacious agricultural structures. The average size of a Czech farm is 1,200 hectares. It looks like the politicians are willing to give further support to the renewable energy that biogas provides. In the future, the price regulations, which have so far been under governmental control, will be replaced by a regulated commercial market for green energy. In my opinion, that would be a positive development. Politicians and governments should have a smaller direct influence on the pricing of green energy.

In the Czech Republic, we consider biomethane to be a new and interesting market segment. Apart from that, we have to actively engage in operations involving waste material, sludge as well as manure. EnviTec is capable of improving its technology continuously, adapting it to the respective circumstances and staying at the top of the market. We have to keep using this advantage. Overall, I think there is an enormous amount of potential, although the challenges are going to be large as well. Green energy and agricultural economics are the two most stable factors in the growth of the global economy - and biogas is a combination of the two. We are at the beginning of a transition from conventional energy to renewable energy. Biogas is going to play an important role in this process.

GREAT BRITAIN

Energy from food waste at Premier Foods in Wales as well as from NawaRo and Manure in Wiltshire in the south of England

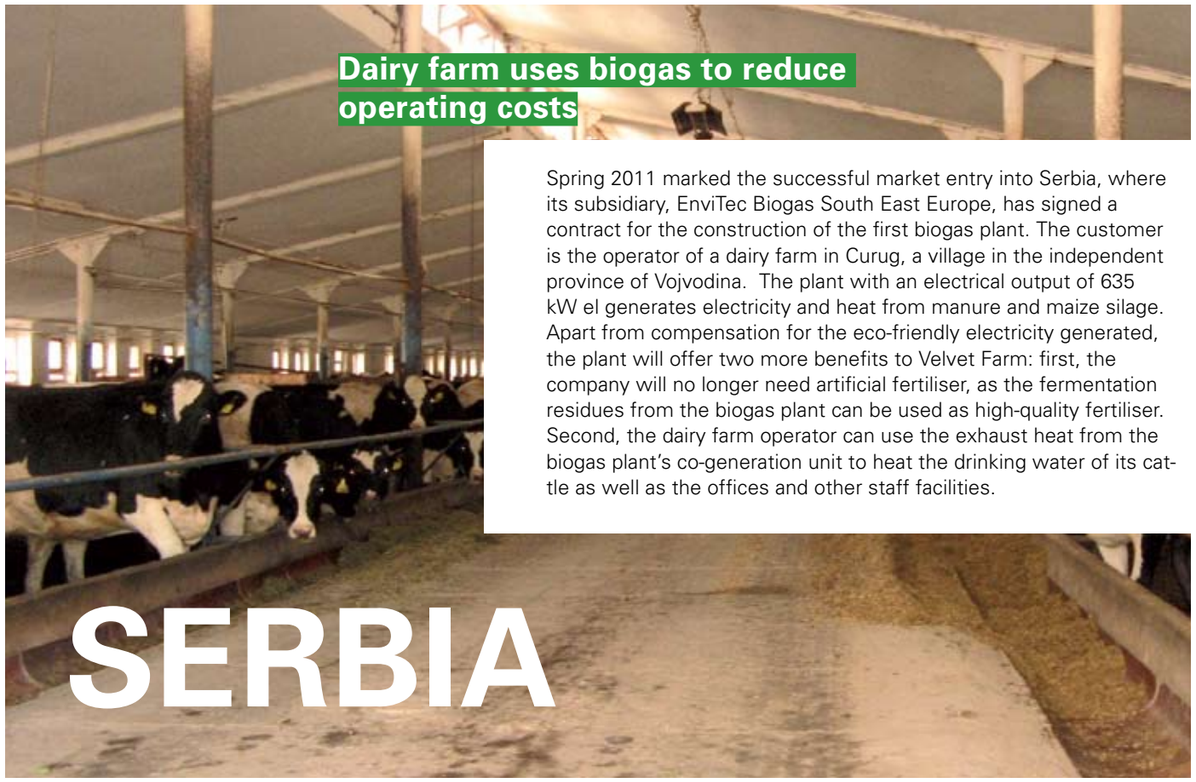
In Rogerstone, a district of Newport, Wales, the company's first biogas plant on British soil has just been taken into service. The new plant was built next to the Rogerstone Park food factory of RF Brookes, a subsidiary of ready-made meals producer Premier Foods. It is also the first plant of EnviTec which exclusively uses waste from the food industry to generate biogas. The biogas plant is intended to supply Rogerstone Park with energy from the food waste produced in the factory. The new biogas plant of EnviTec supplies up to ten percent of the required energy, thus helping to reduce carbon emissions by approximately 8,500 tons per year. The project supports the ambitious plan of Welsh Environment Minister Jane Davidson to cover the power requirements of this small country on the west coast of Great Britain exclusively from local and renewable sources within 20 years' time at the latest and to increase waste reuse rates to 70 percent by 2025. EnviTec has already built numerous plants around the world which use a very high percentage of waste from the food industry. But Rogerstone represents the first EnviTec customer to use a plant exclusively for fermenting food waste. Instead of paying for the disposal of the organic waste, the food factory is now using it as a lucrative way to generate energy. "The project in Wales is certainly a role model for other food companies in Germany," said Olaf von Lehmden, CEO of EnviTec Biogas AG. "But in the end there is only a limited amount of waste available. We should not succumb to the illusion that we can expand renewable energy in Germany in a sustainable way by making increased use of waste. To bring about the energy turnaround, the use of renewable resources continues to be crucial."

EnviTec is currently building a further biogas plant with a rated electrical output of 500 kW for the operator of a dairy farm in Wiltshire in the south of England. In addition, another four biogas plants for customers in Great Britain are under construction. When commissioned, the plant in Wiltshire will help to reduce dairy production costs for the farm operator, Stowell Farms. In addition to maize and whole-plant silage, the operator intends to derive its main input material from the slurry that accumulates from its approximately 500 cows. The farm operator intends to use part of the electricity generated for its own power supply, feeding the remaining energy into the public grid. For this, Stowell Farms will receive a total compensation of 16 pence per kilowatt hour (approx. 18.6 cent). The farm operator plans to sell the heat generated in the co-generation plant at a low price to a school and a recreational centre, both located nearby. The farming business will derive further benefit from fermentation residues: Thanks to the biogas plant, the farm will have to purchase about 400 tons less fertiliser in the future, which means a savings of over 160,000 Euros.

The Baltic republic is one of the EU member states which can no longer cover its needs for electricity with its own power plants. It is also relies on imported gas, which is why options for independent energy production are currently being sought. In addition to fossil fuel sources, the country intends to secure its requirements primarily with renewable energies. For this reason, the Latvian government is providing compensation for electricity made from biogas fed into the mains network amounting to the equivalent of 15 to 19 cents per kilowatt hour. Since entering the market in 2011, EnviTec has built four plants: two plants with 1 MW each in Liepaja and two plants with 1 MW in Saldus Novads and Vilani. Three more plants are currently under construction. A competitive advantage in cold-climate regions like Latvia is indirect feeding of the fermenter. Plants using direct feeding are severely affected by frozen machine parts and low gas yield. In contrast, EnviTec plants were not affected in its efficiency and biological stability.

Due to its large agricultural area Latvia offers great potential for biogas

LATVIA



Dairy farm uses biogas to reduce operating costs

Spring 2011 marked the successful market entry into Serbia, where its subsidiary, EnviTec Biogas South East Europe, has signed a contract for the construction of the first biogas plant. The customer is the operator of a dairy farm in Curug, a village in the independent province of Vojvodina. The plant with an electrical output of 635 kW el generates electricity and heat from manure and maize silage. Apart from compensation for the eco-friendly electricity generated, the plant will offer two more benefits to Velvet Farm: first, the company will no longer need artificial fertiliser, as the fermentation residues from the biogas plant can be used as high-quality fertiliser. Second, the dairy farm operator can use the exhaust heat from the biogas plant's co-generation unit to heat the drinking water of its cattle as well as the offices and other staff facilities.

SERBIA

INSIDE THE COMPANY

OUR TEAM

A COMPANY DEPENDS ON ITS EMPLOYEES. A MOTIVATED TEAM IS THE FOUNDATION OF OUR SUCCESS.

2012 is the tenth anniversary of EnviTec Biogas. Founded in 2002, the company at that time had 14 employees. Today, EnviTec has more than 459 employees, of which 379 are based in Germany and 80 in the branches abroad (as at 31th December 2011) We are proud that a lot of our employees have been with EnviTec for many years. They are the backbone and solid foundation of our company.

EnviTec's employment policy does not only fit the company needs, but also takes into consideration individual interest and performance of its employees. We place value on being a company which cultivates a social, family-oriented, as well as success-oriented environment. It is important to us to combine work and family life since the average age of our employees is 38,6 years – in Italy and the Czech Republic it is actually 33 years. With 22% of the work force, the percentage of women working for EnviTec is quite high for a technically oriented company.

The customer is always at the centre of our activities. Our goal is always to find optimal solutions for our customers so that they can conduct their business in a responsible and sustainable way. For this reason, we place high demands on the quality and safety of our products and services.

On the following pages we introduce employees from different departments and let them tell their stories.

2002
2012

THIS YEAR, ENVITEC IS CELEBRATING ITS TENTH BIRTHDAY. WE WANTED THE PEOPLE WHO HAVE BEEN WITH THE COMPANY FROM DAY ONE TO SHARE MEMORIES OF THEIR EXPERIENCES OF THE LAST 10 YEARS...

Bernhard Meyer zu Rheda, head of the computation department and technical sales service central Europe.

You have been with the company for more than ten years and know it better than anyone. What is, in your opinion, the reason behind EnviTec's prior and current market leadership?

Bernhard Meyer zu Rheda: The market changed for good, and we had to adapt to it. The EEG (Renewable Energy Source Act) keeps demanding new technology. Our critical strength was, without a doubt, our ability to innovate. EnviTec has always been better than other companies at implementing new technologies and launching them in the market. We were the first to implement the displacement surface, the mixture container and the circular dissolver. EnviTec's tendency to demand implementations made it a trailblazer, and nothing has changed.

Manfred Evers: In the early days, technicians like me didn't just construct the containers. We also looked after the technology. The market was growing, and we did our best to raise our quality level. During the construction phase, we spent many evenings in hotels with the project managers, where we discussed and reflected on the problems associated with the construction site, and spoke about how we could improve our technology ...

Is there anything from the old days that you tend to miss? Or anything that you think has gotten much better?

Bernhard Meyer zu Rheda: The magnitude of the information politics has definitely grown with the size of the company. Back when we were a team of 20 or 30 people, we could meet in the kitchen and get all the information we needed. Nowadays, that takes a big effort. The good thing about our size is that it definitely gives us the opportunity to be a global player. That makes us independent of the German market, which, at the moment, is a big source of profit. That would not have happened if we had stayed a small company.

Manfred Evers: Sometimes I ask myself if we expanded too rapidly. It was unavoidable, but we expanded as quickly as the industry. The constant tug of war between business and politics definitely resulted in a few premature political decisions. We were not under as much pressure when the company was smaller. Internationally, we are facing new challenges at the construction sites. New countries, new customs – sometimes, it requires the ability to adapt to the new circumstances ...

What is really special about the company for you personally?

Having spent almost 20 years in the industry, Manfred Evers is one of the company's most experienced technicians.

Bernhard Meyer zu Rheda: The motivated team was always what kept me glued to the company. Everyone has his own responsibilities and does justice to them. In the early years, the combination of the fresh willingness to make decisions that one associates with south Oldenburg and the typical caution that one associates with Westphalia served us well. The interaction between vision and calculation gave rise to the best techniques ...

Manfred Evers: EnviTec always had a very informal atmosphere. The managers and their subordinates have a good rapport with each other, and people can speak to each other whenever they want. In the meantime, the many employee events ensure that you get to know your colleagues, no matter how big the company gets. They also help maintain the informal atmosphere.

Where do you think EnviTec will be in five to ten years?

Bernhard Meyer zu Rheda: I think we will have to develop in a direction that is oriented towards institutional clients and projects that represent a complete energy concept, rather than just plant manufacturing. That will lead to an increase in the demands associated with the scheduling tasks. However, the global pool of agriculture-based customers will always be important to us.

Manfred Evers: I think EnviTec might turn into a medium-sized company, which will enable it to react in a more flexible manner. In my opinion, being a medium-sized company offers a lot of stability. But in the end, politics will determine our direction ...

WHAT REALLY MATTERS TO US …

What bonds EnviTec employees to their job and their company? We asked them …

The focus should be on details at all time.

At EnviTec I'm responsible for construction. As an ISO certified company we have to stick to a lot of standards and guidelines. There is no room for interpretation. In the end, one plus one always has to be two. Every other outcome would not be efficient or even dangerous. While looking for the most efficient solution where are weighing every possibility and leave no idea unconsidered. That is the only way to deliver the highest quality – putting focus on details and allowing no compromise. As a meticulous person that is very important to me anyway.

Yvonne Eilert-Bülter,
Qualitätssicherung

To ensure sustainable benefit for our customers

The fact that we are the most innovative technology provider on the market with high operational reliability is not least the result of our many years of experience – a lot of time to continuously improve tried-and-tested solutions, to thoroughly realise all potential for growth and therefore to remain at the vanguard of the market. Thanks to this long-term know-how, plant operators receive a well-conceived and well-engineered package with no teething troubles – one which works and stands the test of time. A secure and highly efficient plant they can rely on: this is what matters to me.

Jürgen Tenbrink,
Vorstand Technik (CTO)

To support each other.

It's very exciting to work for an international company. I profit greatly from the cooperation with my German colleagues, without whose experience and practical support we would not be where we are today. This also includes the crucial transfer of know-how that increases our awareness of working for the technological leader and being able to offer customers a first-class product. This is enormously important, especially for a full-blooded salesman like me, because this is where I derive my motivation to do my best and to satisfy my customers. But it's nice to know that we too can give encouragement as international partners to others when the market fluctuates, thereby making our own contribution to the growth of EnviTec.

Marcello Barbato,
Sales Manager EnviTec Italia

Not to leave ecology out of consideration.

For me as a biologist, one of the most important things is not to lose sight of ecology. It would be a disaster for me were it to come out in 20 years that our biogas plants did not represent a benefit to the environment. This spurs me on to persevere in recording, analysing and evaluating data over and over again – and then to develop technologies which will ultimately bring us forward. The reward for years of assiduous work: an increase of the gas yield by over ten percent. This also makes the customers happy …

Jens Bischoff,
Forschung und ENtwicklung

Being the benchmark of quality regarding biological service.

My job is to advise customers in the Czech Republic on a regular basis regarding the biology of their biogas plants. The biology is important for the operation of the biogas plant since an efficient biology means more gas yield. Fortunately, we not only have enough plants and experience in Germany, but also on the Czech market to compare biological samples. The result is a much more comprehensive and substantiate biological service when compared to competitors. In the end, even price sensitive customers become aware of the fact that you can save a lot of money if you choose quality over price.

Martina Homolová,
Biologischer Service,
EnviTec Biogas
Central Europe Tschechien

To ensure open communication and a nice working atmosphere.

If you like your place of work and identify with a company you are more motivated – You might know that from personal experience. At EnviTec we have a family-like atmosphere. We address each other informally - it does not matter if you are member of the board or assemblyman. The more international we become the harder it gets to make every opinion heard, avoid misunderstandings and make sure that internal communication works properly. That's what I'm working for.

Katrin Selzer,
Marketing/
Internal Communication

To tackle the demands of our customer, as if they were my own.

For farmers, a biogas plant is usually the greatest investment that they will ever make. So their expectations are understandably very high. And their anger all the more when something doesn't work. For this reason, their problems are also my problems – and this attitude often solves them. After all, a huge amount of money is involved day after day. Considering this, it would be irresponsible not to give one's best …

Frank Schulz,
Technischer Service

To create growth and exploit the benefits

Over the last ten years, our employees have made great achievements. Together we have turned a small company into a global player. Today, EnviTec is the leading global manufacturer of biogas plants. And we're far from being only plant manufacturers at this point. New business fields have been added, such as the direct marketing of biomethane, heat contracting and trade in biogas electricity trading. We've never exploited the advantages of biogas as diversely as in 2012. This allows us to secure our future growth and create new jobs.

Olaf von Lehmden,
Vorsitzender des Vorstands (CEO)

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FOREWORD OF THE BOARD OF EXECUTIVE DIRECTORS

DEAR SHAREHOLDERS AND FRIENDS OF ENVITEC BIOGAS AG,

2011 was an exceptional year for the German biogas industry and, hence, for EnviTec Biogas AG. Last year, some 1,100 new biogas plants went on line in Germany. A total of 7,000 biogas plants meanwhile produce approx. 17.5 billion kWh of climate-friendly energy, of which about 11% are EnviTec plants. As biogas is suitable for baseload generation, this means that the German biogas industry substitutes more than two nuclear power plants. Driven by high domestic demand, EnviTec boosted its sales revenues by 64.9% to EUR 243.9 million in 2011, reaching a new record in the history of the company. The strong growth is also reflected in the bottom line, with the operating result climbing from EUR 1.0 million to EUR 10.8 million and net income for the year up from EUR 2.3 million to EUR 7.6 million.

Such a performance will be impossible to repeat this year. This is due to the amended German Renewable Energy Sources Act, which came into force at the beginning of 2012. While the legal framework remains very attractive and we continue to see opportunities, the new directives are much more complex. This means that the world's largest biogas market will be transformed from 2012. In particular, the production of electricity in biogas plants in accordance with actual requirements and the direct marketing of the electricity generated will gain importance. Market participants still have to develop the business models for this and establish them in the market.

EnviTec Biogas will actively shape this transformation. On the one hand, we will establish new business segments and adapt our internal structures to respond more swiftly to changing conditions in the individual markets. On the other hand, the investments in own plant operation and the ongoing development of our international activities will pay off. The high-margin operation of our own plants will make a notable contribution to earnings in 2012 and our plant construction activities outside Germany will, for the first time, account for the highest share of Group revenues.

German biogas market still has potential

We continue to see potential also in Germany. As a leading player in the German market, we want to shape the transformation process actively and exploit the new opportunities of energy marketing. We have set the course for this by launching our new Energy segment. EnviTec Energy GmbH & Co. KG offers specific contracting models for heat customers. Under these mod-

els, EnviTec plans the local generation of heat from internally produced biomethane in efficient CHP plants, which is sold at favourable prices under long-term supply contracts. This allows industrial, commercial and municipal customers to improve their carbon footprint through the use of green heat. The new subsidiary, EnviTec Stromkontor GmbH & Co KG., also operates under the umbrella of EnviTec Energy. This subsidiary will combine the capacity of a large number of biogas plants into a virtual power plant, market this "EEG electricity" in accordance with actual requirements and offer balancing energy to the transmission network operators. The energy will be marketed in cooperation with a strong partner, EGL Deutschland GmbH, a subsidiary of Swiss electricity company EGL AG. The management of our promising new business segment also lies in competent hands. We are very pleased that we have been able to win a renowned expert for the marketing of energy-related services. Alfred Gayer was appointed Managing Director of EnviTec Energy with effect from February 2012. He previously held various managing positions at multi-utility RWE, most recently as Commercial Managing Director of RWE Energiedienstleistungen GmbH. His long-standing experience in energy contracting and district heat as well as his great marketing expertise mean that Alfred Gayer has got what it takes to establish EnviTec Energy as the leading service provider for energy generated from biogas.

International activities remain strong

Our international operations should continue to grow in 2012 and make an important contribution to the stable performance of EnviTec Biogas. At EUR 87.2 million, international orders accounted for about 51% of our total order backlog at the end of 2011. Besides Italy, which will remain the most important market outside Germany, the Czech Republic and the UK will make the biggest contributions to the company's international growth. The year 2011 has shown, however, that the framework conditions can change very quickly and that promising markets may come to a standstill virtually overnight, as was the case in Spain. We will therefore subject our complete internal structures and processes to a thorough analysis with the aim of utilising our resources more effectively in attractive markets and withdrawing them quickly and efficiently as soon as the market environment deteriorates.

Own Plant Operation powering ahead

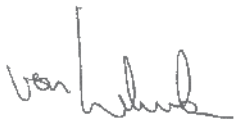
Besides the Plant Construction segment, our Own Plant Operation segment became an important revenue and earnings driver of the EnviTec Group in 2011. In the past year alone, we invested EUR 32.5 million in the construction of own plants. The success of these investments is reflected in the fact that plants with an electrical output of 20.5 megawatts (MW) went on line in 2011. This means that we exceeded our new capacity target of 12 MW by far. As of the turn of the year, EnviTec had a total capacity of approx. 42 MW. The 29.0% increase in sales revenues to EUR 28.6 million in 2011 clearly shows where we are headed. In this context, it should be noted that many plants went on line in autumn and winter and therefore generated no – or only insignificant – sales revenues. Moreover, scheduled multi-year maintenance work was carried out on several existing plants in the first half of the year. The strong increase in capacities in the Own Plant Construction segment will therefore be clearly reflected in revenues and earnings in 2012. We will continue to expand this segment aggressively and plan to erect own plants with an electrical output of at least 10 MW in the current fiscal year. This should bring our total capacity to a minimum of 52 MW by the end of 2012.

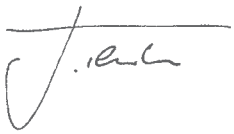
Declining revenues but stable earnings

2012 will be a year of transition for EnviTec. Following the exceptionally good year 2011, the transformation of the German market will lead to a sharp drop in the Plant Construction segment's domestic revenues. Incoming orders should pick up again in the second half of the year and lead to new momentum in 2013. The decline in domestic revenues will be partly offset by growth abroad. We project growing revenues also in the Own Plant Operation and Service segments.

Consequently, we expect a clearly positive operating result for the current year. As the situation in Germany is still uncertain, we will be able to put the sales and earnings forecast in more concrete terms only as the year progresses.

We remain convinced of the good prospects for biogas in Germany and abroad and invite you to share our journey towards this promising future.


Olaf von Lehmden


Jürgen Tenbrink


Jörg Fischer


Roel Slotman

from left to right
Roel Slotman International Sales Director (CCO), Enter/Netherlands
Jörg Fischer Finance Director (CFO), Weyhe-Erichshof
Olaf von Lehmden Chairman of the Board (CEO), Lohne
Jürgen Tenbrink Technical Director (CTO), Steinfurt

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

We look back on a successful fiscal year 2011, in which EnviTec increased its sales revenues by 64.8% on the previous year to EUR 243.9 million. We greatly improved our profitability and generated an operating result of EUR 10.8 million. We meanwhile employ over 450 people, and biogas plants made by EnviTec produce over 290 megawatts of clean energy in ten countries. The Supervisory Board was once again instrumental in this positive performance closely in 2011.

Activity report of the Supervisory Board

In the fiscal year 2011, the Supervisory Board again performed all controlling and advisory tasks imposed on it by law, the statutes, the rules of procedure and the German Corporate Governance Code. We continuously monitored the Executive Board and provided it with assistance and advice. The Supervisory Board was involved at an early stage in all decisions that were of fundamental importance for the company. To this end, the Executive Board regularly, promptly and comprehensively provided us with oral and written information about all relevant events. The reports were submitted in accordance with the requirements of section 90 para. 2 of the German Stock Corporation Act (AktG). Following thorough consultation, the Supervisory Board approved all transactions requiring its consent.

The Executive Board and the Supervisory Board liaised regularly also in between the meetings. Based on the detailed reports provided by the Executive Board, we are convinced that the company and the Group are managed lawfully, correctly and efficiently and saw no need to exercise our audit rights pursuant to section 111 para. 2 of the AktG. No conflicts of interest of members of the Executive Board or the Supervisory Board that require immediate reporting to the Supervisory Board and must be disclosed to the Annual General Meeting occurred in the past fiscal year.

Formation of committees

As the Supervisory Board consists of only three members, again no committees were formed. All issues that would have been addressed by committees were addressed by the full Supervisory Board. Moreover, the Supervisory Board is convinced of the efficiency of its work. Pursuant to section 100 para. 5 AktG, at least one independent member of the Supervisory Board must have special accounting or auditing knowledge. This function is performed by our member Hans-Joachim Jung.

Meetings and main aspects of the consultations

The Supervisory Board held four ordinary and one extraordinary meeting in the fiscal year 2011. All meetings were attended by all members of the Supervisory Board. Our consultations focused on matters relating to the strategic implementation of the 2012 Renewable Energy Sources Act as well as the changes in the business relationships with a former key account. In addition, we continuously controlled the sales and earnings performance, the financial and risk position as well as the measures taken to ensure compliance with relevant laws and regulations.

At the meeting on 19 April, we discussed the adoption of the separate and the consolidated financial statements for the year 2010 following a thorough review. The financial statements were adopted by circular

resolution recorded by way of a phone conference on 26 April. We also adopted the agenda for the 2011 Annual General Meeting of EnviTec Biogas AG.

At the extraordinary meeting on 15 June, we analysed the risks and opportunities of the 2012 Renewable Energy Sources Act and put the future strategic positioning of EnviTec Biogas into more concrete terms.

At the meeting on 6 July, the Supervisory Board discussed the current state of the 2012 Renewable Energy Sources Act. The resulting concept of local heat supply by means of CHP plants and the direct marketing of the electricity produced by biogas plants will be implemented by EnviTec Energy GmbH & Co. KG as an independent division.

At the meeting on 21 September, we discussed the renewal of the contracts of Executive Board members Olaf von Lehmden, Jörg Fischer and Roel Slotman until 31 December 2016 as well as matters related to the compensation of the Executive Board. Moreover, the Executive Board explained in detail the plans for the Plant Construction segment for the fiscal years 2011 and 2012.

The last Supervisory Board meeting of the year was held on 7 December and provided an outlook on the future. After a review of the fiscal year, the Executive Board presented its operating budgets as well as the financial and balance sheet projections for the fiscal year 2012. The Supervisory Board reviewed the budgets and projections thoroughly and approved them.

At the four ordinary meetings and in close contact with the Executive Board, we addressed our business relationships with a former key account. Following consultation with the Executive Board and specialist legal counsellors, we have satisfied ourselves that potential risks are adequately reflected in the consolidated financial statements.

Corporate governance and declaration of conformity

In the fiscal year 2011, the Supervisory Board again devoted a great deal of attention to compliance with the German Corporate Governance Code as well as EnviTec's ongoing progress in this respect. In April 2011, the Executive Board and the Supervisory Board jointly issued a declaration of conformity pursuant to section 161 of the AktG, which was made available to the shareholders on the company's website. In accordance with the German Corporate Governance Code, the Supervisory Board obtained a declaration of independence from the auditors. Besides the audit as such, the auditors also provided tax advice to the company abroad. Information on corporate governance at EnviTec can be found in the Corporate Governance Report on page 15 of this Annual Report.

Audit of separate and consolidated financial statements

The annual financial statements of EnviTec Biogas AG, which were prepared by the Executive Board in compliance with the German Commercial Code, the consolidated annual financial statements, which were prepared in compliance with the International Financial Reporting Standards (IFRS) pursuant to section 315a of the German Commercial Code, and the combined consolidated management report were audited by auditors Rödl & Partner GmbH. The audit also covered the measures taken by the Executive Board to ensure the early identification of risks that could jeopardise the company's performance and continued existence. The auditors were commissioned in accordance with the resolution passed by the Annual General Meeting on 7 July 2011. The auditors reported in writing on the results of their audit, which led to no objections. The separate and the consolidated financial statements received the auditors' unqualified audit opinion, which can be found on page 102.

All members of the Supervisory Board received the annual accounts and the audit reports in good time. These documents were exhaustively discussed at the Supervisory Board meeting on 24 April 2012. This meeting was also attended by the auditors, Wirtschaftsprüfungsgesellschaft Rödl & Partner GmbH, who reported on the key results of their audit. The auditors as well as the Executive Board then answered further questions.

Following a thorough review of the separate and the consolidated financial statements as well as the

combined Group management report, we approved the audit result of the auditors as well as the separate and the consolidated financial statements, which have thus been adopted. We reviewed the Executive Board's profit appropriation proposal and approved it taking the company's expansion plans and financial situation into account.

At the meeting on 24 April 2012, we also thoroughly reviewed the Executive Board's related party disclosures pursuant to section 312 AktG. No objections were raised as a result of this review. We endorse the result of the audit performed by the auditors and raise no objections against the Executive Board's related party disclosures.

We would like to thank all employees and the Executive Board for their great commitment in the year 2011. EnviTec has the expertise and the financial resources to master the challenges of the future and defend our leading position in the biogas market.

Lohne, 24 April 2012

Bernard Ellmann
Chairman of the Supervisory Board

from left to right
Hans-Joachim Jung Vice Chairman
Bernard Ellmann Chairman
Michael Böging

CORPORATE GOVERNANCE REPORT

EnviTec attaches great importance to good and responsible corporate governance, which supports the confidence placed in the company by its stakeholders. EnviTec complies with the recommendations of the Government Commission on the German Corporate Governance Code save for six justified exceptions.

Transparent communication

We rely on timely and continuous communication to inform our shareholders, analysts, the media and the interested public about the current business situation of EnviTec Biogas. All corporate news and ad-hoc releases and other publications that are relevant for the capital market are published on our website in German and English. A continuously updated financial calendar with important dates is also made available on our website WWW.ENVITEC-BIOGAS.COM.

In the fiscal year 2011, EnviTec Biogas AG published no ad-hoc release pursuant to section 15 of the German Securities Trading Act (WpHG), three notifications pursuant to section 26 para. 1 WpHG as well as eleven notifications about directors' dealings pursuant to section 15a WpHG.

Shareholders and Annual General Meeting

Each share in EnviTec Biogas AG grants one vote. The company's shareholders exercise their voting rights at the Annual General Meeting, which is held at least once a year. The voting right may be exercised personally or through a designated proxy provided by the company who is bound by instructions or through an authorised representative. All documents and information relating to the Annual General Meeting as well as potential counter-motions and election proposals submitted by shareholders are available for inspection and downloading at WWW.ENVITEC-BIOGAS.DE/INVESTOR-RELATIONS/HAUPTVERSAMMLUNG. Subsequent to the AGM, the attendance figures and the results of the votes are also published on this page.

Close cooperation between the Executive Board and the Supervisory Board

EnviTec Biogas AG has a dual management and supervisory structure. The Executive Board manages the company under the advice and the supervision of the Supervisory Board. This is in compliance with the German Stock Corporation Act. It is the shared objective of the Executive Board and the Supervisory Board of EnviTec Biogas AG to achieve a sustainable increase in the enterprise value. For this purpose, they cooperate closely and jointly discuss the strategy, the business performance and the compliance and risk management system of the company and maintain regular contact. No conflicts of interest of members of the Executive Board or the Supervisory Board that require immediate reporting to the Supervisory Board occurred in the fiscal year.

Executive Board

In accordance with legal provisions, the Executive Board has sole responsibility for managing the company. Its tasks include the strategic positioning and ongoing development of the company in consultation with the Supervisory Board. The Executive Board is bound by the company's interests and committed to its sustainable performance. In addition, the Managing Board is responsible for compliance with applicable laws and regulations as well as for appropriate risk management and risk controlling in the company.

The Executive Board of EnviTec Biogas AG is comprised of four members, namely Olaf von Lehmden, Jörg Fischer, Jürgen Tenbrink and Roel Slotman. A code of conduct defines the responsibilities of the individual members and contains rules for their cooperation.

EnviTec Biogas AG does not comply with clause 5.1.2 of the German Corporate Governance Code, which recommends specifying an age limit for the members of the Executive Board. This would limit the Supervisory Board's choice of suitable candidates.

Supervisory Board

The Supervisory Board supervises and advises the Executive Board in managing the company in accordance with the provisions of the German Stock Corporation Act, the statutes and the code of conduct. It appoints the members of the Executive Board and engages in long-term succession planning. The Supervisory Board is

directly involved in all fundamental corporate decisions, as they require its approval.

The Supervisory Board consists of three members, which represents the statutory minimum. The members are elected by the Annual General Meeting and are exclusively bound by the interests of the EnviTec Biogas Group in their decisions. The Supervisory Board of EnviTec Biogas AG currently consists of Bernard Ellmann, Hans-Joachim Jung and Michael Böging. Every member of the Supervisory Board must disclose conflicts of interest to the Supervisory Board. In its report, the Supervisory Board informs about conflicts of interest and how they were addressed. Details of its activities and decisions in the past fiscal year are described in the report to the Annual General Meeting on pages 11 to 14 of this Annual Report.

Due to the small number of members, no committees were formed, as this would not increase the efficiency of the work of the Supervisory Board.

Pursuant to section 100 para.5 AktG, at least one independent member of the Supervisory Board must have special accounting or auditing knowledge. This function is performed by Hans-Joachim Jung. No former members of the Executive Board sit on the Supervisory Board. No changes occurred on this body in 2011. The term of office of the incumbent members of the Supervisory Board will expire at the end of the company's ordinary AGM in 2012.

Compensation of the members of the Executive Board

The structure of the compensation system and the compensation of the individual members of the Executive Board are decided by the Supervisory Board, which provides advice and regularly reviews the adequacy of the compensation structure. In accordance with the "Gesetz zur Angemessenheit der Vorstandsvergütung" (VorstAG - German Reasonableness of Management Compensation Act) and the Corporate Governance Code, the compensation of the Executive Board consists of two components, i.e. fixed annual compensation and variable compensation. As of 1 January 2011, the Supervisory Board arranged the compensation in such a way that variable compensation components are generally based on a multi-year assessment and that both positive and negative developments are taken into account when determining variable compensation components. The variable compensation is calculated on the basis of that portion of the consolidated net income before tax that exceeds EUR 10 million. The variable compensation of Executive Board Chairman Olaf von Lehmden and of the other members amounts to 0.65% and 0.5%, respectively, of the respective consolidated net income before tax. 50% of the variable compensation is paid out in the following year, with 25% each paid out in the next two years, provided that consolidated net income before tax of at least EUR 10 million is generated in the respective year.

The table below shows the variable compensation paid for the fiscal year 2011.

Fringe benefits for the members of the Executive Board include a company car, which may also be used for private purposes. Moreover, EnviTec Biogas AG pays the premiums for an existing D&O insurance policy.

The contracts of the Executive Board members will end as of the dates shown below:

Olaf von Lehmden	31 December 2016
Jörg Fischer	31 December 2016
Roel Slotman	31 December 2016
Jürgen Tenbrink	30 June 2013

The table below shows the compensation received by the individual members of the Executive Board who were in office in fiscal 2011:

in EUR	Basic compensation		Variable compensation		Other compensation*		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Olaf von Lehmden	141,750	141,750	3,077	0	12,281	5,907	157,108	147,657
Jörg Fischer	130,000	125,000	2,367	0	7,991	7,748	140,358	132,748
Roel Slotman	120,000	120,000	2,367	0	8,987	8,602	131,354	128,602
Jürgen Tenbrink	120,000	60,000	2,367	0	12,904	4,150	135,271	64,150
Kunibert Ruhe	0	70,875	0	0	0	3,995	0	74,870

*Other emoluments comprise the non-cash benefits from use of a company car and the share of D&O insurance attributable to the respective members of the Executive Board

Compensation of the members of the Supervisory Board

in EUR	Fixed compensation		Variable compensation*	
	2011	2010	2011	2010
Bernard Ellmann (Chairman)	20,000	20,000	7,500	7,500
Hans-Joachim Jung (Vice Chairman)	10,000	10,000	7,500	7,500
Michael Böging	10,000	10,000	7,500	7,500

*Attendance fee

In deviation from the Corporate Governance Code, the compensation of the Supervisory Board members contains no performance-based component nor does the Vice Chairman receive higher compensation.

Shares held by members of the Executive Board and the Supervisory Board

As of the balance sheet date, the members of the Executive Board held shares in EnviTec Biogas AG as follows:

Shares	12/31/11	12/31/10
Olaf von Lehmden*	7,288,317	6,645,017
Jörg Fischer	500	500
Roel Slotman	7,000	7,000
Jürgen Tenbrink	1,800	1,800
Bernard Ellmann	0	0
Hans-Joachim Jung	1,000	1,000
Michael Böging	0	0

*shares held indirectly

Directors' Dealings

Reason for the duty to report: Company closely related to an executive of the company. Person triggering the duty to report: Olaf von Lehmden (member of the Executive Board).

Date	Stock exchange	Type of transaction	Quantity	Price (EUR)	Transaction volume (EUR)
17.01.2011	OTC	Buy	100,000	11.3873	1,138,731.66
14.03.2011	OTC	Buy	47,000	10.1604	477,540.56
05.05.2011	OTC	Buy	84,000	11.0201	925,691.42
08.06.2011	OTC	Buy	48,000	10.4527	501,727.52
21.07.2011	OTC	Buy	61,400	10.4152	639,494.89
03.08.2011	OTC	Buy	27,000	10.2822	277,618.38
12.08.2011	OTC	Buy	32,500	9.5296	309,680.60
29.08.2011	OTC	Buy	100,000	9.7841	978,412.50
04.10.2011	OTC	Buy	22,000	9.7592	214,703.24
07.10.2011	OTC	Buy	100,000	9.5333	953,325.00
22.12.2011	OTC	Buy	21,400	8.8308	188,979.12

Accounting and auditing

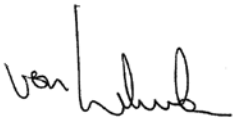
The consolidated interim reports on the periods ended 31 March, 30 June and 30 September as well as the consolidated annual financial statements for the fiscal year ended 31 December 2011 were prepared in accordance with International Financial Reporting Standards (IFRS).

The 2011 Annual General Meeting appointed Rödl & Partner GmbH, Wirtschaftsprüfungsgesellschaft, auditors for the fiscal year 2011. In accordance with the provisions of the German Corporate Governance Code, the Supervisory Board satisfied itself of the auditor's independence prior to the appointment.

The auditors participated in the Supervisory Board's consultations about the separate and the consolidated financial statements and reported on the key results of their audit.

Lohne, April 2012

On behalf of the Supervisory Board of EnviTec Biogas AG
Bernard Ellmann (Chairman)



On behalf of the Executive Board of EnviTec Biogas AG
Olaf von Lehmden (CEO)

Declaration of conformity pursuant to section 161 AktG

The German Corporate Governance Code adopted in February 2002 makes recommendations and suggestions for the management and supervision of German listed companies in relation to shareholders and the Annual General Meeting, Executive Board and Supervisory Board, transparency, accounting and auditing. Stock corporation law requires the Executive Board and the Supervisory Board of a listed company to submit an annual declaration stating which of the recommendations of the Code have not been applied as well as the reasons for non-compliance. The Code was last amended on 26 May 2010.

The Executive Board and the Supervisory Board of EnviTec Biogas AG herewith issue the declaration of conformity with the applicable version of the Code pursuant to section 161 of the German Stock Corporation Act (AktG). The Executive Board and the Supervisory Board are committed to the goals of the Code and promote corporate governance and control that is geared to increasing the enterprise value in a responsible, transparent and sustainable manner.

Since the last declaration of conformity, the company has largely complied with the recommendations of the German Corporate Governance Code and intends to do so in future. The recommendations with which the company did not comply as well as the reasons for non-compliance are described below:

1. Section 3.8 of the Code recommends including a deductible of at least 10% of the loss up to at least the amount of one and a half times the fixed annual compensation in any D&O insurance. Such a deductible has not been agreed so far and it is not intended to do so in future. The company took out D&O insurance for the Supervisory Board without a specific deductible several years ago. The company is of the opinion that a deductible will not add to the responsible action of the Supervisory Board.

2. Pursuant to Section 4.2.3 paragraph 4 of the Code, care shall be taken, when concluding Executive Board contracts, to ensure that payments made to an

Executive Board member on premature termination of their contract without serious cause do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the contract; payments promised in the event of premature termination of an Executive Board member's contract due to a change of control shall not exceed 150%. The current Executive Board contracts do not contain such caps and limits. Premature termination of an Executive Board contract is possible only by mutual agreement. Even if the Supervisory Board insists on agreeing a severance payment cap when signing or renewing Executive Board contracts, it cannot be ruled out that the severance payment cap will be negotiated on the occasion of the Board member's resignation.

3. Sections 5.1.2 and 5.4.1 of the Code recommend that an age limit for the members of the Executive Board and the Supervisory Board be specified. The Executive Board and the Supervisory Board do not appreciate why qualified people with comprehensive professional and private experience should not be eligible for reasons of age alone.

4. In accordance with the statutes of EnviTec Biogas AG, the company's Supervisory Board consists of three members. Given that a Supervisory Board committee must have at least three members, the company does not comply with section 5.3 of the Code, according to which committees should be formed.

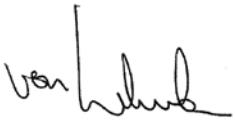
5. According to section 5.4.1 paragraph 2 of the Code, the Supervisory Board shall specify concrete objectives regarding its composition which, whilst considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts of interest, an age limit to be specified for the members of the Supervisory Board and diversity. These concrete objectives shall, in particular, stipulate an appropriate degree of female representation. In our opinion, the present composition of the Supervisory Board, whose members have long-standing management experience in a large international corporation, in the energy supply sector and in agricultural production, ideally reflects the main activities of EnviTec Biogas AG. The Supervisory Board views the further promotion of diversity and, in particular, the appointment of women to the Supervisory Board positively but has not formulated any concrete objectives yet. As in the past, candidates for the Supervisory Board will be chosen exclusively on the basis of their respective qualifications.

6. Contrary to section 5.4.6 of the Code, the compensation of the members of the Supervisory Board does not take into account the vice chair and - in the absence of any committee - the membership in committees. A higher compensation for the Vice Chairman is not regarded as necessary as long as this function does not entail a higher workload. The company does not comply with section 5.4.6 of the Code with regard to the performance-related compensation of the members of the Supervisory Board. The Supervisory Board and the Executive Board are of the opinion that a performance-related compensation will not help to further improve the work of the Supervisory Board.

7. Contrary to section 7.1.2 of the Code, the company does not disclose the consolidated financial statements within 90 days of the end of the financial year and the interim reports within 45 days of the end of the respective reporting period but within the statutory deadlines.

Lohne, April 2012

On behalf of the Supervisory Board of EnviTec Biogas AG
Bernard Ellmann (Chairman)



On behalf of the Executive Board of EnviTec Biogas AG
Olaf von Lehmden (CEO)

THE SHARE

The capital market environment

Share prices in the German stock market picked up at the beginning of the year 2011. During the first quarter, the DAX blue chip index passed the important 7,000 points threshold several times and reached the year's high at 7,528 points in May. As the financial crisis in the euro-zone intensified, share prices in the German and European markets slumped. The DAX lost over 1,100 points in just a few days and the EuroStoxx 50 also dropped sharply. After a very volatile third quarter, in which the DAX hit the year's low at 5,072 points, signs of a turnaround appeared in the markets towards the end of the year. The German benchmark index closed the year at 5,898 points, which means it lost 15%.

Following the trend of the DAX, the German TecDAX technology index remained stable in the first half of the year and then slumped sharply in the third quarter. The TecDAX turned around a bit later than the DAX in December and closed the year with an overall performance of -19%.

The ÖkoDAX clearly outperformed the two indices in the course of the year. The index for Germany's largest renewables shares picked up temporarily at the beginning of the year following the nuclear catastrophe in Fukushima, Japan, but lost over 50% in the remaining course of the year.

The German and the European capital markets were clearly influenced by the euro debt crisis in 2011. International analysts therefore project strong volatility for the stock markets also in the first half of 2012. Most experts expect the economy to improve and the markets to stabilise in the second half of the year. The DAX may rise to up to 7,600 points by the end of the year, with a modest performance projected for renewables shares. The latter expectation is primarily based on developments in the solar sector, though.

The EnviTec Biogas share

Just like the market as a whole, the EnviTec share lost in 2011. The share price stood at EUR 10.69 at the beginning of the year and reached a high of EUR 12.00 in early January. Following a moderate decline, the share price moved sideways between EUR 10 and 11 until the end of the second quarter. The average share price in the year 2011 was EUR 10.23. The year's low of EUR 8.75 was marked in August in the context of the euro-zone debt crisis. The EnviTec share closed at EUR 9.49 on 30 December. Based on 15 million shares outstanding, this is equivalent to a market capitalisation of EUR 142.35 million.

Annual General Meeting approves amendment of the statutes

The ordinary Annual General Meeting of EnviTec Biogas AG was held in Lohne on 7 July 2011. The proposal to carry the profit generated in 2010 forward to the next year was approved by a majority of the shareholders. The main resolutions included the cancellation of the existing authorised capital and the creation of new authorised capital as well as the respective amendments to the statutes.

According to a resolution adopted by the Annual General Meeting on 26 June 2007, the Executive Board of EnviTec Biogas was authorised, subject to the consent of the Supervisory Board, to increase the company's share capital by up to EUR 6 million by issuing new shares against non-cash contributions in an ex-rights issue. The maximum amount has been increased by EUR 1.5 million and the authorisation been renewed by another five years to continue to give the Executive Board the flexibility to make investments that will benefit the future performance of the company. The resolution to cancel the existing authorised capital and to create new authorised capital as well as the respective amendments to the statutes were approved by over 99% of the voting shareholders.

Basic information on the share	
ISIN	DE000A0MVIS8
Stock exchange symbol	ETG
Trading segment	Prime Standard
Industry	Renewable Energy
Annual high	12.00 EUR
Annual low	8.75 EUR
Year-end price	9.49 EUR
Number of shares	15,000,000 shares
Market capitalisation at year-end	EUR 142.35 million
Earnings per share	0.51 EUR

Investor relations at EnviTec Biogas

We attach great importance to continuous, timely and comprehensive communications and aim to provide all stakeholders with equal information. We are also committed to a personal exchange with our investors.

In the financial year 2011, we closely discussed the business performance with private and institutional investors. Interest in our company was strong, especially at the Equity Forum, where we held numerous talks with investors.

Analysts from three institutions, namely Warburg Research, Close Brother Seydler and Steubing, covered our company as of the end of the year. WestLB no longer reports on the EnviTec share as the responsible analyst has left the bank. Two analysts recommend buying the EnviTec share, while one analyst recommends holding the share; the upside targets range from EUR 10.50 to EUR 12.50.

Analysts' valuations

Date	Institute	Recommendation	Price target (EUR)
30.11.2011	Warburg Research	Buy	12.50
23.11.2011	Close Brothers Seydler	Buy	11.70
21.11.2011	Steubing	Hold	10.50
30.05.2011	Close Brothers Seydler	Hold	11.40
27.05.2011	Warburg Research	Hold	12.00
26.05.2011	Steubing	Buy	11.70
06.05.2011	Close Brothers Seydler	Hold	11.40
28.04.2011	Warburg Research	Hold	12.00
27.04.2011	Steubing	Hold	11.70
27.04.2011	WestLB (Coverage discontinued)	Add	12.40

Shareholder structure (as at 31 Dec. 2011)

von Lehmden Beteiligungs GmbH	7,288,317	48.60 %
TS Holding GmbH	3,280,000	21.86 %
Ruhe Verwaltungs GmbH	1,803,707	12.02 %
Free float	2,477,976	16.52 %
Own shares	150,000	1.00 %
Total number of shares	15,000,000	100 %

COMBINED MANAGEMENT REPORT

of the EnviTec Group and EnviTec Biogas AG

In accordance with section 298 para. 3 in conjunction with section 315 para. 3 of the German Commercial Code (HGB), the management report for the separate financial statements of EnviTec Biogas AG for the year ended 31 December 2011 was combined with the management report for the consolidated financial statements for the year ended 31 December 2011.

GENERAL INFORMATION

Structure of the Group

EnviTec Biogas AG headquartered in Lohne, Germany, is one of the leading manufacturers and operators of biogas plants. We cover the entire value chain for the production of biogas, from planning through turnkey construction to operation and biological services. Our customer-oriented construction has set standards in terms of reliability and profitability. EnviTec plants can produce clean energy from all types of input materials - from organic waste to renewable resources. Our subsidiaries, joint ventures and sales offices give us a presence in 13 countries.

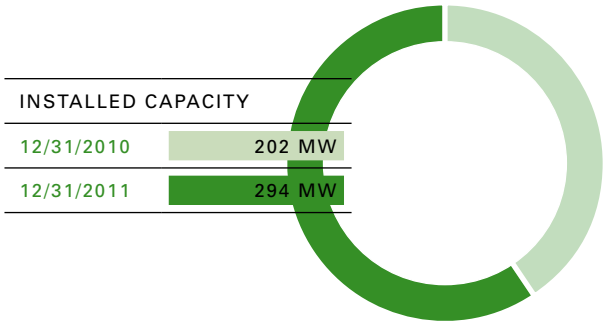
EnviTec Biogas AG is the holding company of the EnviTec Biogas Group. The Group's financial performance is primarily determined by the plant construction activities in Germany and the direct and indirect subsidiaries in Germany and abroad. The consolidated financial statements cover the parent company, EnviTec Biogas, as well as all major subsidiaries in which it directly or indirectly holds the majority of the voting rights. In 2011, the basis of consolidation comprised 134 fully-consolidated companies, 13 more than in the previous year.

The Group is structured into four business segments: Plant Construction, Own Plant Operation, Service and Energy. The Energy segment will not take up operations before 2012, which is why it is not described in the segment report in these financial statements. All segments are closely integrated in strategic, technical and financial terms. The Plant Construction segment is largely identical with the business activity of EnviTec Biogas AG.

Plant Construction

The Plant Construction segment builds biogas plants for customers. We plan the plant, build it and start up the production of biogas. Our product portfolio covers the complete value chain of biogas plant engineering for plants from 370 kW_{el}. We rely on a modular design approach using standardised elements, which can be combined to meet the respective local requirements. This means that we offer customised solutions and tried-and-tested technology at the same time. The advantages include faster plant start-up, high operational safety and low operating costs. At the end of 2011, EnviTec had an installed base of 294 MW, with another 34 MW under construction.

The Plant Construction segment is almost entirely identical with the business activity of EnviTec Biogas AG. Wherever information on the performance and business



activity of the Plant Construction segment is provided on the following pages, this information also applies to the separate financial statements.

Own Plant Operation

The Own Plant Operation segment handles the generation of electricity, heat and gas in the company's own biogas plants in Germany and abroad. This is usually done in cooperation with local partners from the agricultural or energy sectors. These partnerships are characterised by a clear division of tasks, with every partner concentrating on their respective strengths. The local partner makes available the site, procures the input materials and assumes responsibility for the operation of the plant. EnviTec is in charge of project planning and turnkey plant construction. Once the plant is in operation, we perform all maintenance work, provide biological services and take care of commercial management.

Our partners usually are farmers who operate the plants on their farms. We also cooperate with local authorities, investment companies, industrial corporations and energy utilities. Outside Germany, our own projects are an important door-opener to convince potential local customers of the economic and ecological benefits of biogas production and our expertise.

The integration of our technological knowledge with the expertise of our regional partners results in high efficiency and attractive margins for EnviTec and its partners. The Own Plant Operation segment ideally complements the Plant Construction segment thanks to its steady cash flows.

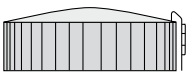
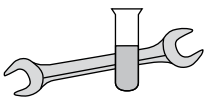
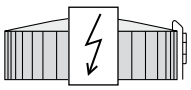
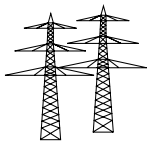
Service

The Service segment is characterised by recurrent revenues and provides all services related to the operation of a biogas plant. Our experts take care of starting up the plant and constantly control the biological processes. In our lab, input materials and fermentation residues are checked for optimum quality so as to make recommendations on boosting the plant's efficiency. Our range of services also includes regular plant inspections and training of the operators and their employees. EnviTec Biogas also offers partial maintenance services, which are charged by actual expense, or full maintenance including assumption of the repair risk. Regular maintenance reduces the downtimes and is therefore key to the profitable long-term operation of a biogas plant. Our customers benefit from the expertise of our highly qualified experts, who are available 24/7.

New Energy segment

The new Energy segment was built up by EnviTec Biogas in 2011 and will become operational in 2012. EnviTec Energy GmbH & Co. KG offers heat customers what we call "contracting models". Under these models, EnviTec plans the local generation of heat from internally produced biomethane in efficient CHP plants, which is sold at favourable prices under long-term supply contracts. This allows industrial, commercial and municipal customers to improve their carbon footprint through the use of green heat. The new subsidiary, EnviTec Stromkontor GmbH & Co KG., also operates under the umbrella of EnviTec Energy. This subsidiary will combine the capacity of a large number of biogas plants into a virtual power plant, market this "EEG electricity" in accordance with actual requirements and offer balancing energy to the transmission network operators. The energy will be marketed in cooperation with EGL Deutschland GmbH, a subsidiary of Swiss electricity company EGL AG.

EnviTec Biogas AG

PLANT CONSTRUCTION		SERVICE	OWN PLANT OPERATION		ENERGY
					
GERMANY AND BELGIUM	ABROAD		PROJEKT-ENTWICKLUNG	BESTANDS-HALTUNG	
EnviTec Biogas AG	EnviTec Nederland BV EnviTec France SARL EnviTec Biogas Italia S.r.l. EnviTec UK Ltd. EnviTec Iberica S.L. EnviTec Central Europe s.r.o EnviTec Biogas SEE Kft (Ungarn) and other sales companies abroad	EnviTec Service GmbH & Co. KG	EnviTec Projektentwicklung GmbH Second Biogas Operating Holding, S.r.L.	EnviTec Biogas Betriebs GmbH & Co. KG* EnviTec Beteiligungs GmbH & Co. KG* Zweite EnviTec Beteiligungs GmbH & Co. KG* eeMaxx Anlagen- und Betriebs GmbH & Co. KG*	EnviTec Energy GmbH & Co. KG EnviTec Stromkontor GmbH & Co. KG

* Various project companies of biogas plants. Details of participation and minimum holding requirement see notes p. 72 et seq.

Strategy and competition

Over the past years, we have attained a leading position in the fast-growing biogas market. Our strategic objective is to achieve sustainable growth and to expand our market position as an integrated supplier and operator of biogas plants. In this context, we attach top priority to the satisfaction of our customers and their involvement in the ongoing development of our plants in accordance with their wishes and requirements.

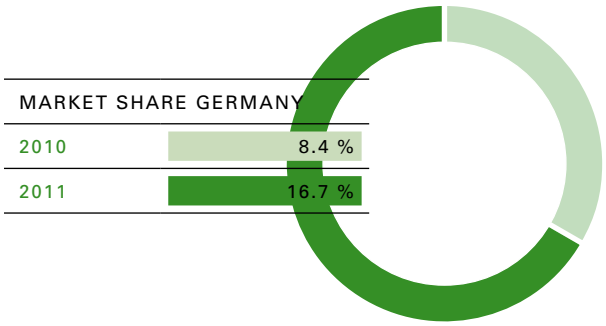
Germany is the largest biogas market in the world. Accordingly, competition in this market is very intense. The competitive environment is characterised by a large number of plant manufacturers. For the biogas plants that were newly installed in Germany in 2011, EnviTec considers itself to be one of the two biggest plant manufacturers, based on a market share of approx. 16.7%, which means that the company has won market shares. A total electrical output of 245.3 MW means that about 9% of all grid-connected biogas plants in Germany come from EnviTec (total output of 2,728 MW according to the FNR, previous year: 2,291 MW).

The European markets for biogas plants are very heterogeneous, which is primarily due to the different subsidisation models. While some markets such as Italy, the Czech Republic and the UK are showing very positive trends, other markets such as Spain, Scandinavia or Poland are stagnating. We are monitoring these developments very closely and respond swiftly to changes in the legal frameworks.

We have defined the following cornerstones for sustainable growth:

Seizing opportunities in Germany

Germany will remain the world's largest biogas market for the time being. As a result of the new EEG, the German biogas market will change in 2012 and adapt to the new legal framework. In particular, the production of electricity in biogas plants in accordance with actual requirements and the direct marketing of the electricity generated will become much more important. Market participants still have to develop the business models for this and establish them in the market. As a leading player in the market, we want to shape this process actively and exploit the new opportunities of



energy marketing. EnviTec has set the course for this by establishing the new Energy segment in 2011. Apart from the promotion of heat and electricity generation from biogas, the feeding of biomethane into the public gas grid will continue to gain importance.

International expansion to drive growth

Throughout the world there are many countries offering an attractive environment for the production of biogas. When making inroads into new markets, we rely on regional partners; this way, we combine our long-standing experience in plant construction and operation with their knowledge of the regional specifics. EnviTec pushed ahead its internationalisation at an early stage and today has a presence in 17 countries besides Germany. These countries offer sufficient growth potential to further increase our sales revenues and reduce our dependence on the German market. At present, the Italian and French market are characterised by especially strong growth. Moreover, we closely monitor worldwide developments in the biogas sector. As soon as sustainable structures arise in a market, we review them thoroughly and then decide timely whether or not we should enter this market.

Effective expansion of Own Plant Operation

We are aggressively expanding our own plant operations in Germany and abroad and were able to double the number of existing plants in 2011 alone. The focus remains on Germany and Italy. Going forward, the Own Plant Operation segment will continue to make an important contribution to increased revenues and earnings. Thanks to its regular cash flows, this segment ideally complements the plant construction activities. The purpose of this segment is to stabilise the company's revenue streams.

Strengthening our technological expertise and ability to innovate

The biogas industry is still young and therefore has huge potential for innovation. By consistently expanding our technological expertise, we aim to consolidate our leading position in the sector and to increase the ecological and economic attractiveness of biogas. Our objective is to continuously improve the operation of our plants and to reduce the amount of substrates they require without affecting their performance. We see great development possibilities to increase the cost efficiency of biogas especially at the upstream and downstream stages of the fermentation process. A key focus is on testing alternative input materials such as organic waste. We are also working on improvements in the agricultural sector, e.g. optimised harvest times and the development of seeds.

Company management

The aim of our corporate activity is to grow profitably. From this basis, we derive our key performance indicators: sales revenues, EBIT, cash flow, return on equity and leverage.

The Group is managed operationally and strategically at regular meetings of the Executive Board members. Depending on the issues to be discussed and planned, these weekly meetings are usually attended by executive staff. Strategic management issues are discussed and adjustments implemented if necessary. In addition to these meetings, the Divisional Managers and the Executive Board meet every two months, primarily to discuss operational issues. This body is provided with a variety of analyses and other documents to facilitate decision-making and project planning. Moreover, the Executive Board regularly receives the results of analyses of sales revenues, orders on hand, liquidity and costs. In this context, targets and actual results are compared.

ERP (Enterprise Resources Planning) software is used throughout the Group for the fast and comprehensive presentation of all processes such as materials handling, finance and accounting, project controlling as well as sales and marketing.

Our quality management system was certified to DIN EN ISO 9001:2008 in 2010. Revised in 2008, the DIN EN ISO 9001:2008 standard makes high demands on quality management systems. At EnviTec, it covers not only the construction and operation of biogas plants but also the biological and technical services provided by the company.

ECONOMIC ENVIRONMENT

Macroeconomic conditions

Growth in the world economy slowed down in the past year. According to the latest estimates of the International Monetary Fund (IMF), the global economy expanded by 3.8% in 2011. In the previous year, global GDP had grown by as much as 5.2%, albeit from the low level of the year 2009, which was influenced by the financial crisis. As in the previous years, the main growth drivers in 2011 were the emerging and developing countries, whose output increased by 6.2%.

China reported a growth rate of 9.2%, while the Indian economy expanded by 7.4%. By contrast, the European economy increased by only 1.6% in 2011. The US economy was also unable to fulfil the high expectations of the beginning of 2011 and expanded by only a good 1.8%, with the fourth quarter delivering much stronger figures than the previous ones. Major differences existed within Europe. While the German economy grew by 3.0% according to the IMF, other European countries such as Spain (+0.7%) or Italy (+0.4%) achieved only moderate growth rates. The Portuguese and Greek economies contracted. Both countries suffer from what are high debt levels in relation to GDP. The solution to the European debt crisis will influence the future economic trend not only in the euro-zone but throughout the world. Growth in world trade followed the performance of the economy and slowed down from the fast pace of the previous year; at 6.9% (according to the IMF), it stayed at a high level, though. Exports and imports in the western industrialised countries increased at a much lower rate than in 2010. Exports grew by 5.5%, compared to 12.2% in the previous year.

Energy and commodity markets

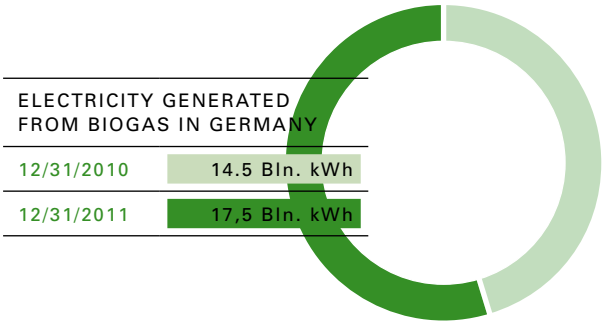
As the world economy slowed down, demand for energy and commodities was reduced as well. The price of natural gas declined, whereas crude oil prices increased not least because of the political unrest in the Middle East at the beginning of the year. The price of Brent rose by 15.9% to US$ 108.09 in the course of the year (source: Energy Information Administration). By contrast, the price of natural gas declined moderately as the year progressed. At the European energy exchange (EXX), the EGIX (European Gas Index) dropped from EUR 24.45 in early 2011 to EUR 22.60 per MWh at the end of the year.

Following the reduced harvest in 2010, the Hamburg Institute of International Economics estimates that a record harvest of low quality was achieved worldwide in 2011. Following the dry spell in the spring, market observers had initially projected harvest problems, which led to a strong increase in prices. Higher-than-expected harvests in the southern hemisphere sent the price of wheat falling by 9.5%. As the prices of agricultural commodities rise, the costs for the feedstock materials required for the production of biogas pick up as well. This trend may have an adverse impact on EnviTec Biogas in the development of new company-operated biogas projects. This does not apply to existing plants, however, for which most of the substrates are sourced under long-term contracts specifying upper price limits. Generally speaking, higher input costs can also partly be offset by using the fermentation residues as a natural fertiliser. In 2011, agricultural prices had only a minor impact on the business performance of EnviTec.

The biogas market

The German biogas market again expanded its leading position in 2011. According to Fachagentur für nachwachsende Rohstoffe (FNR - Specialist Agency for Renewable Resources), some 7,000 biogas plants with an installed capacity of 2,728 MW (previous year: 2,291 MW) were on line at the end of 2011, which represents an increase by 1,100 plants (previous year: 920 plants). Approximately 17.5 billion kWh of green energy from biogas was produced in 2011, up from about 14.5 billion kWh in 2010. Biogas meanwhile accounts for about 2.9% of total electricity production in Germany. Among the renewable energy sources, biogas accounts for about 15%. The combined capacity of all biogas plants is sufficient to cover the electricity requirements of some 5.1 million households. In terms of the total energy consumption in Germany, biogas accounted for 1.4% in 2011 – and rising. This means that the local biogas plants meanwhile replace at least two nuclear power plants.

The legal framework plays a very important role for manufacturers and operators of biogas plants. In Germany, the Renewable Energy Sources Act (EEG) constitutes the relevant basis for the biogas sector. In addition, the feeding of refined biogas into the natural gas grid is governed by the German Gas Grid Access Directive (GasNZV). The latter was amended by the federal government in the first half of 2011. The legislature decided to make access to the natural gas network easier for the plant operators and has modified the allocation of costs and partially also a cost cap to their benefit.



The amendment of the German Renewable Energy Sources Act (EEG) was approved in summer 2011 and became effective as of 1 January 2012. The basic compensation for on-site electricity generating plants remains dependent on the plant size. This is complemented by an input-based feedstock compensation, which is divided into two classes. Feedstock compensation class I comprises plants that are grown specifically for the production of biogas such as maize, sugar beet and whole crop silage, while feedstock compensation class II covers liquid manure and intercrops. The table below shows the compensation, which is staggered by the rated capacity of the plants.

Biogas plants (except bio waste)				
	base tariff[4]	feed stock bonus I[1]	feed stock bonus II[2]	gas upgrading bonus[4]
kW_{el}	ct/kWh_{el}			
≤ 150	14.3	6.0	8.0	≤ 700 Nm³ /h: 3.0 ≤ 1,000 Nm³ /h: 2.0 ≤ 1,400 Nm³ /h: 1.0
≤ 500	12.3			
≤ 750	11.0	5.0	8.0 / 6.0[3]	
≤ 5.000		4.0		
≤ 20.000	6.0	–	–	–

[1] energy crops [2] catch crops [3] manure (subject to specific definition) [4] subject to annual degression of 2%

The compensation for a 500 kW biogas plant without external heat sales can amount to between 19 ct/kWh and 21 ct/kWh.

There is an additional bonus for the feed-in of biomethane, which is referred to as "gas upgrade bonus". Plants that draw upgraded biomethane from the grid and use it to generate electricity receive additional compensation of between 1 ct/kWh and 3 ct/kWh depending on the size of the upgrading facility. The compensation for a 500 kW biomethane co-generation unit may thus range from approx. 19 ct/kWh to 24 ct/kWh.

A number of additional amendments and new regulations will be imposed under the new law:

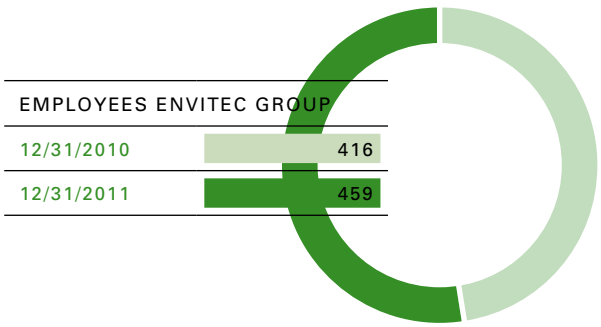
1. A "maize cap" has been introduced, which means that maize may not represent more than 60% by mass.
2. A heat use of 60% must be proven, with 25% generally deemed to represent own consumption.
3. The "exclusiveness principle" of the previous EEGs, i.e. the strict separation between plants using renewable resources and cofermentation plants, has been eliminated and been replaced with feedstock compensation classes. This gives customers greater flexibility regarding the composition of their feedstock materials.
4. From 1 January 2014, plants > 750 KW must directly market the electricity they produce via the "market bonus".

The new law makes the compensation model of the biogas market much more complex and demanding, not least because of the simple fact that besides the EEG compensation, there will be the alternative to use a market bonus. A differentiated view must be taken to assess the consequences of the amended 2012 EEG for EnviTec. The generally lower compensation for on-site electricity generating facilities in the core segment of 500 kW is a challenge. Regardless of the level of the compensation, however, the redefinition of the compensation classes has resulted in better compensation for plants >500 kW. This benefits EnviTec Biogas as the segment of far less than 500 kW – in which EnviTec is not active – will become unattractive to operators because of the greatly reduced compensation and the lack of cost-efficient heat concepts. As a result, these operators will, to the extent possible, order plants >500 kW going forward. The gas upgrading segment, which usually comprises biogas plants > 1 MW, has also been strengthened by the 2012 EEG. We are already active in this segment and see further opportunities for growth. No material consequences will arise for the Own Plant Operation segment. EnviTec develops only biogas plants >500 kW. Some gas upgrading projects have been postponed in anticipation of continued sufficient compensation after 2012. Moreover, several old projects can be redesigned to meet the requirements of the new 2012 EEG. The new Energy segment will clearly benefit from the new EEG, as the direct marketing of electricity will become possible for the first time thanks to the market bonus and will open up a new field of business, which will also help to retain customers. Not much will change for the Service segment because of the new EEG.

The legal framework in the market that is important for EnviTec Biogas remains attractive and offers opportunities for growth.

EMPLOYEES

Competent and motivated employees are the basis for the successful growth of EnviTec Biogas. We are proud that a large number of employees have worked for our Group for many years. They are the backbone of our success. Apart from offering our staff possibilities for sustainable development, we also aim to give young graduates the opportunity to start their career in an interesting industry of the future. Due to our ongoing internationalisation, we need flexible employees, who are willing to work abroad, to embrace other cultures and to adequately represent the company. The human resources policy of EnviTec aims to not only meet our own requirements but to also cater to the interests and potential of our employees.



This includes monetary incentive systems in some areas, e.g. performance-based additional compensation. Our internal training and further education measures give employees opportunities for ongoing development and aim to retain them in the long term. These job-oriented measures are complemented by activities fostering the team spirit and communicating our corporate culture, which is characterised by reliability and fairness.

To recruit new staff and increase awareness of the company, we have defined a list of measures, which includes, among other things, the participation of EnviTec in trade fairs. Besides such trade fairs, our young talent recruitment efforts also include university exhibitions as well as other university marketing measures. In this context, we offer students the possibility to do a practical term at our company and/or to write their Bachelor/ Master or diploma thesis about biogas-related topics.

As of 31 December 2011, EnviTec Biogas employed 459 people worldwide (previous year: 416). Most of them (379, previous year: 334) worked in Germany, while 80 (previous year: 82) worked at the foreign locations of EnviTec Biogas. The increase in the headcount is due to our growth in Germany and abroad.

RESEARCH AND DEVELOPMENT

Ongoing development is key to sustainable success. We take this very seriously and constantly work on the improvement of our plant technology, our quality management as well as new input materials.

Research in practice, not in the lab

In 2011, EnviTec Biogas operated more than 60 own biogas plants with an electrical output of over 30 MW. These facilities are an important knowledge pool for the further development, improvement and application of new plant technology. This way, we also ensure that innovations are made available to our customers only after they have proven their worth in current operation.

"EnviTec Feedcontrol" technology wins "Innovationspreis Münsterland" award

In November 2011, EnviTec Biogas won the "Innovationspreis Münsterland" (Innovation Award) of Münsterland e.V. in the "innovative energy" category for its innovative "EnviTec Feedcontrol" technology. Awarded every two years since 1993, this prize is designed to motivate companies to put forward-looking ideas into practice. A total of 71 companies had applied for the Innovation Award; seven of them are among this year's winners of the renowned regional competition. The newly developed "EnviTec Feedcontrol" technology enables continuous, consistent gas production to increase the efficiency of biogas plants. This allows the CHP unit of a biogas plant to constantly generate electricity at the

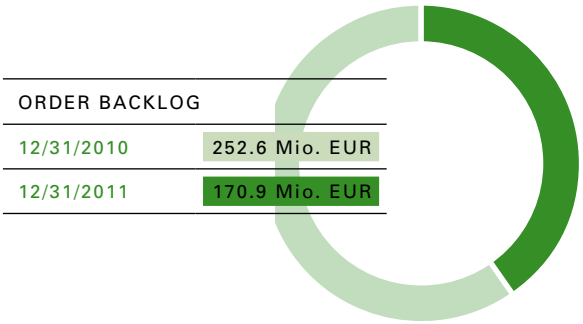
highest output level. In a biogas plant equipped with "EnviTec Feedcontrol", an online process probe which is installed directly in the fermenter monitors the biological activity of the bacteria. During operation of the biogas plant, the system adapts the necessary feeding of the bacteria fully automatically. So far, this feeding has usually taken place at fixed intervals, which, however, leads to fluctuations in the biogas production due to different substrate qualities. The automated "EnviTec Feedcontrol" technology allows plant operators to largely eliminate these fluctuations.

Cooperation with Evonik Industries in gas upgrading technology

Since early 2012, we have equipped our EnviThan plants, which upgrade biogas into biomethane, with membrane modules from Evonik Industries. The polymer membranes produced by the Essen-based company allow the raw biogas generated in biogas plants to be purified particularly efficiently to feed it directly into the natural gas grid as ultra-pure biomethane. Thanks to the new technology, biogas plant operators can benefit from the advantages provided for upgraded biogas under the amended EEG. We believe that the future of biogas upgrading lies in the membrane technology, which is far superior to all existing upgrading technologies. Evonik Industries is a strong partner, whose SEPURAN® Green membrane modules represent an excellent technology for our EnviThan biogas upgrading plants.

ORDER SITUATION

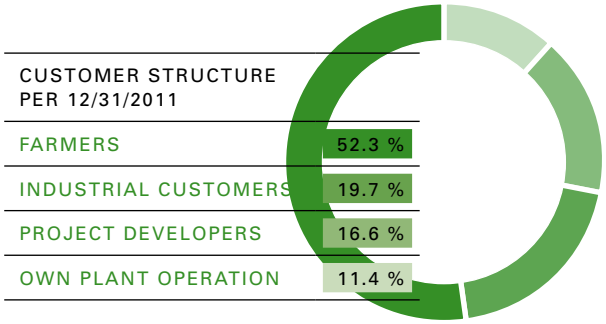
As of the end of the fiscal year 2011, EnviTec Biogas had an order backlog for plant construction of EUR 170.9 million (previous year: EUR 252.6 million). The decline by EUR 81.7 million is due to the high level of order execution of EUR 201.0 million (previous year: EUR 116.1 million) as well as to order cancellations of EUR 57.7 million (previous year: EUR 95.0 million). At EUR 87.2 million or 51.0%, international orders exceeded domestic orders for the first time. At an international level, Italy remains the most important market, with orders on hand totalling EUR 38.3 million as of the balance sheet date. EnviTec's order backlog in Germany amounted to EUR 83.7 million. As projected, German customers initially focused on the construction of plants at the end of 2011 and their completion in early 2012. As the market adapts to the new EEG, incoming orders should pick up in the second quarter of 2012.



With regard to the plausibility of the order backlog, we have not only increased the level of detail in our customer segmentation model but also subjected the probability of realisation of the individual positions in the order book to a regular and critical review in the course of the year. As a result of the conservative valuation, potential orders worth EUR 57.7 million were taken off the books in 2011. Most of these potential orders could not be realised before the end of 2011 and were based on the 2009 EEG.

EnviTec Biogas is not dependent on individual key accounts but has a very broad customer base. 52.3% of the orders came from agricultural customers (previous year: 57.6%), while project developers accounted for 19.7% of the orders, compared to 20.1% in the previ-

ous year. 16.6% of the orders were placed by industrial customers (previous year: 13.6%). The Own Plant Operation segment accounted for 11.4% of the orders, compared to 8.6% on the previous year's balance sheet date.



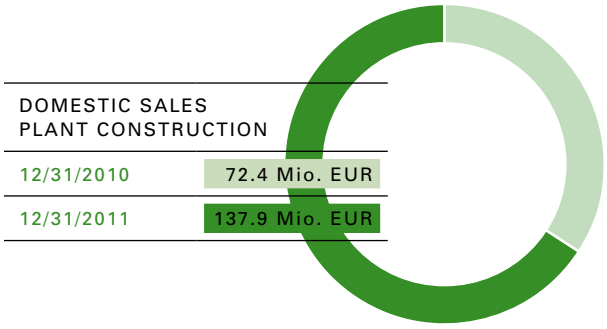
SEGMENT PERFORMANCE

EnviTec Biogas operates in three segments, Plant Construction, Own Plant Operation and Service. Sales revenues in all three segments increased in 2011, by a total of 64.8%. The Plant Construction segment currently makes the biggest contribution to sales revenues. The Energy segment was built up in 2011 and will contribute to sales revenues and earnings from 2012.

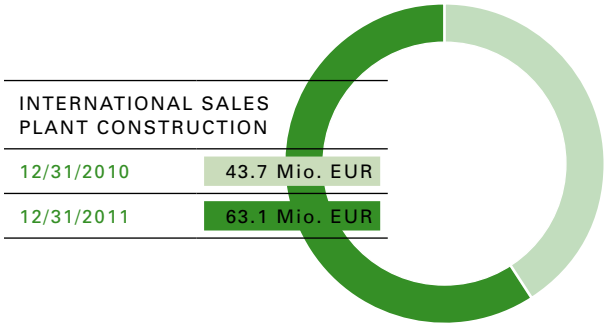
Plant Construction

The operating performance in the Plant Construction segment was very positive throughout the year 2011, with the segment operating at its capacity limit especially in the second half of the year. Sales revenues to IFRS climbed by 73.1% from EUR 116.1 million in 2010 to EUR 201.0 million in 2011. The strong growth was also reflected in earnings before interest and taxes, which rose from a negative EUR 4.3 million in the previous year to EUR 7.7 million in 2011.

Germany remains the most important market for the Plant Construction segment, and this year's strong growth was driven primarily by high domestic demand. This was due to the fact that plants planned under the old EEG had to go on line before the end of 2011. Accordingly, EnviTec erected biogas plants with an electrical output of 72.8 MW in Germany in 2011, which generated sales revenues of EUR 137,9 million (previous year: EUR 72.4 million).



Outside Germany, EnviTec Biogas concentrates on the countries offering the most stable framework in terms of clear legal regulations, access to financing and a sufficient feedstock supply. This strategy again paid off in 2011, when sales revenues increased by 44.4% to EUR 63.1 million (previous year: EUR 43.7 million). Italy remains the most important market outside Germany. EnviTec erected biogas plants in an amount of EUR 26.2 million in Italy (previous year: EUR 26.5 million). Good sales revenues were generated also in the Czech Republic and France.



In 2011, EnviTec Biogas signed the first contract in Serbia. The plant with a rated electrical output of 635 kW will be built in Curug, a village in the autonomous province of Vojvodina. The customer is the operator of a dairy farm. Besides the compensation paid for the "green" electricity, the customer benefits from two more advantages. First, he will no longer need mineral fertiliser, as the fermentation residues of the biogas plant are a natural fertiliser he can use on his fields. Second, the exhaust heat from the co-generation units can be used to heat the drinking water of the cattle as

well as the offices and staff facilities of the farm. The conditions for the operation of a biogas plant in northern Serbia are ideal. The fertile soil and the moderate continental climate mean high crop yields for agricultural businesses. On average, 60 tons of maize silage are harvested per hectare, compared to 40 to 50 tons in Germany, depending on the location and the weather. The feed-in compensation for ecologically generated electricity from biogas amounts to 15 cents per kWh and has been fixed for twelve years.

Just like in Germany, the formula for success is a renewable energy sources act which guarantees grid access for electricity from renewable energy plants, fixes long-term compensation and thus gives investors and plant manufacturers the necessary planning certainty.

Own Plant Operation

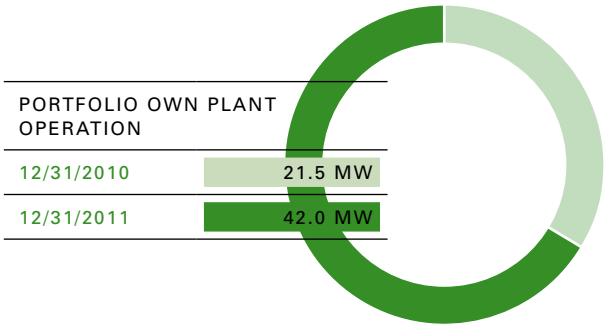
EnviTec's Own Plant Operation segment generates electricity, heat and gas – often in cooperation with partners – in the company's own biogas plants in Germany and abroad.

Thanks to its regular cash flows, this segment ideally complements the Plant Construction segment. EnviTec therefore invests heavily in the expansion of the Own Plant Operation segment, with the main regional focus on Germany and Italy. In other countries, our own plants serve as a door-opener and showcase for the Plant Construction segment.

In 2011 alone, new plants with an electrical output of 20.5 MW were connected to the grid. The target of 12 MW has thus been exceeded by far. As of the balance sheet date, EnviTec had a total production capacity of approx. 42 MW (previous year: 21.5 MW). Of the total 42 MW, plants with a capacity 25 MW are fully consolidated, while a capacity of 17 MW is accounted for using the equity method.

In pure arithmetical terms and ignoring the accounting method, 27 MW are attributable to EnviTec Biogas AG. The company will continue to expand this segment aggressively.

Sales revenues in the Own Plant Operation segment increased by 29.0% from EUR 22.1 million in 2010 to EUR 28.6 million in 2011. In this context, it should be noted that many plants went on line in autumn and winter and therefore generated no - or only insignificant - sales



revenues. Moreover, scheduled multi-year maintenance work was carried out on several existing plants in the first half of the year. As a result, the segment's EBIT declined from EUR 5.3 million to EUR 4.6 million. The EBIT margin stood at 16.1% (previous year: 24.1%).

Service

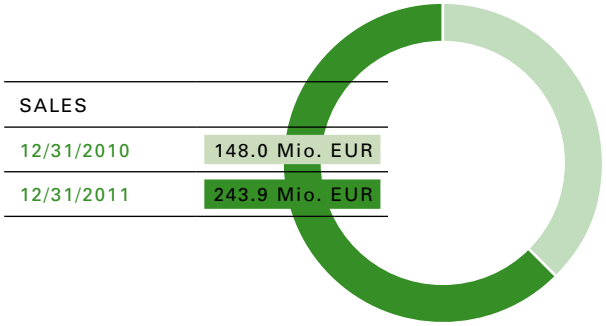
Sales revenues in the Service segment, which provides services related to the operation of biogas plants, showed a positive trend in 2011. The EnviTec experts take care of the plant start-up and constantly control its operation and the biological processes. Input materials and fermentation residues are checked for optimum quality in the lab to give recommendations as to how to increase the performance of a plant. Our range of services also includes regular on-site inspections as well as training of operators and their staff. EnviTec offers partial maintenance services, which are charged by actual expenses, or full maintenance including full coverage of the repair risk. At the end of 2011, the Service segment provided biological services for plants with a combined electrical output of approx. 54 MW (previous year: 45 MW) and technical services for plants with an electric output totalling 150 MW (previous year: 100 MW). The segment's sales revenues increased from EUR 9.8 million in the previous year to EUR 14.4 million. Following a balanced result in the previous year, the segment's operating result for 2011 declined to EUR -1.6 million. One of the reasons is the disproportionate increase in personnel expenses in conjunction with the development of our international service offering.

EARNINGS, FINANCIAL AND NET WORTH POSITION

Sales revenues

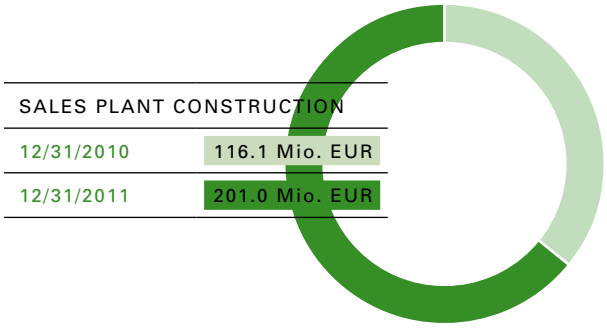
Sales revenues of the EnviTec Biogas Group reached a record level in 2011. In the fourth quarter alone, revenues totalled EUR 72.1 million. Sales revenues for the full year 2011 amounted to EUR 243.9 million, up from EUR 148.0 million in the previous year. This represents an increase by 64.8%. All business segments contributed to this dynamic growth.

Plant construction in Germany was the main growth driver. Plants planned on the basis of the old EEG had to go on line before the end of 2011. Accordingly, domestic sales revenues increased by 78.9% from EUR 101.1 million in the previous year to EUR 180.8 million, which means that the bulk of the revenues were generated in Germany. International sales also showed a posi-



tive trend and increased by 34.3% to EUR 63.1 million (previous year: EUR 47.0 million). Italy made the biggest contribution to the Plant Construction segment's international sales revenues. Other operating income declined moderately from EUR 8.9 million to EUR 7.6 million. For the performance of the individual segments, please refer to the segment report on page 67 et seq.

EnviTec Biogas AG's sales revenues as defined by German commercial law increased by 9.5% from the previous year to EUR 104.7 million. Due to the large number of plants that were under construction as of the balance sheet date, changes in inventories of work in progress increased markedly from EUR 8.9 million to EUR 75.9 million. Other operating income declined from EUR 4.8 million to EUR 2.7 million. EnviTec Biogas AG's total output thus rose from EUR 109.3 million to EUR 183.4 million in 2011.



Costs

The cost of materials is the main expense item of the EnviTec Biogas Group. As a result of the increase in sales, the cost of materials rose by 61.5% from EUR 108.8 million to EUR 175.7 million. The fact that the cost of materials increased at a slightly lower rate than revenues is due to one-time effects in the previous year, which had led to higher expenses in 2010. The gross profit margin stood at 31.1% (previous year: 32.5%). The decline is primarily due to the fact that the Own Plant Operation segment, which typically generates a higher margin, made a lower contribution to total sales than in the previous year. Personnel expenses increased at a much lower rate than sales, namely by 18.8% from EUR 18.1 million to EUR 21.5 million. Accordingly, personnel expenses as a percentage of sales fell from 12.2% to 8.8%.

The increase in depreciation/amortisation from EUR 7.3 million to EUR 9.5 million is mainly attributable to the expansion of the Own Plant Operation segment. Other operating expenses, which comprise operating, administrative and selling expenses, climbed from EUR 21.7 million to EUR 34.0 million in the fiscal year. The main reasons for the increase are higher sales commissions, expenses for temporary staff as well as machine rentals and fuel costs.

In the separate financial statements of EnviTec Biogas AG, the cost of materials climbed from EUR 85.6 million to EUR 140.0 million, i.e. at a much higher rate than sales revenues. This is attributable to the sharp increase in inventories of finished goods and work in progress. Personnel expenses rose from EUR 11.1 million to EUR

12.7 million, primarily because of the special bonus paid out in 2011. Depreciation/amortisation increased from EUR 2.2 million to EUR 2.7 million. Other operating expenses amounted to EUR 23.8 million (previous year: EUR 14.5 million). They comprise administrative expenses in the amount of EUR 3.1 million, selling expenses of EUR 11.8 million and operating costs of EUR 8.9 million.

Earnings

The strong sales growth of the EnviTec Group in the year 2011 also had a positive impact on the earnings side. In this context, it should be noted that the Own Plant Operation segment could not reach full profitability due to the multi-year maintenance work and the large number of plants under construction. Earnings before interest and taxes (EBITDA) nevertheless surged by 144.6% from EUR 8.3 million to EUR 20.3 million. Having reached positive territory in the previous year, earnings before interest and taxes (EBIT) continued their positive trend and reached EUR 10.8 million (previous year: EUR 1.0 million). Due to high investments in the Own Plant Operation segment, liquid funds of EnviTec Biogas declined and the financial result dropped from EUR 1.5 million to EUR 0.2 million.

Earnings before taxes (EBT) rose from EUR 2.6 million to EUR 10.9 million. Consolidated net income for the year also increased sharply in 2011, namely from EUR 2.3 million to EUR 7.6 million. Accordingly, earnings per share climbed from EUR 0.15 to EUR 0.51.

Earnings before taxes in the separate financial statements rose from EUR 0.3 million in the previous year to EUR 6.7 million in 2011. After deduction of income taxes and deferred tax liabilities, the separate financial statements of EnviTec Biogas AG showed a net income for the year of EUR 5.5 million, compared to a net loss of EUR 0.2 million in the previous year.

No dividend payment is planned for the fiscal year 2011. Instead, the company intends to push ahead the expansion of its highly profitable Own Plant Operation segment.

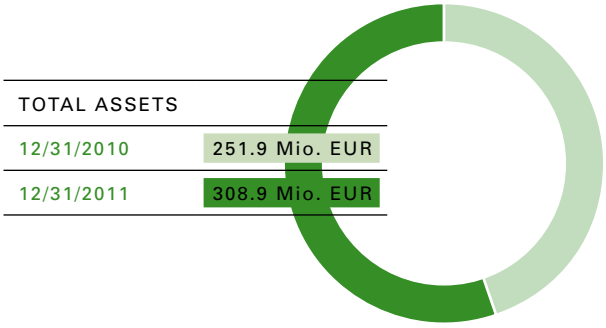
Capital expenditures

The investment activity of EnviTec Biogas was marked by the strong expansion of the Own Plant Operation segment. At EUR 37.6 million, total capital expenditures clearly exceeded the previous year's EUR 23.2 million. In 2011, EnviTec took new plants with an electrical output of 20.5 MW into service.

Capital expenditures in the separate financial statements amounted to EUR 1.8 million in 2011 (previous year: EUR 3.2 million). Investments in intangible assets totalled EUR 90,592, while investments in property, plant and equipment amounted to EUR 1.7 million.

Net worth position

From year-end 2010, total assets of the EnviTec Group increased by EUR 57.0 million to EUR 308.9 million on December 31, 2011. This is primarily due to the investments in Own Plant Operation, which is a stable segment generating high margins.



On the assets side, non-current assets climbed from EUR 84.2 million in the previous year to EUR 111.9 million. The increase by EUR 27.7 million is mainly due to the expansion of the Own Plant Operation segment. Property, plant and equipment and investments accounted for using the at-equity method increased by a total of EUR 27.7 million.

Current assets rose by EUR 29.4 million to EUR 197.0 million. The biogas plants that were under construction as of the balance sheet date and, hence, the receivables from long-term construction contracts reached the high level of the previous year, at EUR 58.2 million. The increase in current assets is mainly due to the EUR 16.6 million rise in other current financial assets to EUR

61.8 million. Moreover, inventories climbed by EUR 9.4 million to EUR 34.4 million. Liquid funds also picked up, namely by EUR 1.1 million to EUR 13.9 million.

Total assets in the separate financial statements of EnviTec Biogas AG rose by EUR 39.0 million to EUR 230.9 million. Major changes included a EUR 29.6 million (previous year: EUR 48.8 million) increase in receivables and a EUR 11.4 million (previous year: EUR -14.4 million) rise in financial assets.

Receivables and other assets increased primarily because of a EUR 19.6 million rise in receivables from affiliated companies to EUR 62.5 million (previous year: EUR 42.8 million). By contrast, inventories declined by EUR 1.0 million to EUR 40.4 million (previous year: EUR 41.4 million).

Financial position

The financial position of EnviTec remains sound, giving the company the required means for investments in the Own Plant Operation segment. On the liabilities side, equity amounted to EUR 183.9 million at the end of 2011, up EUR 7.8 million on the previous year. The equity ratio stood at 59.5% on the balance sheet date (previous year: 69.9%).

Total debt capital rose from EUR 75.8 million to EUR 125.1 million. Current liabilities climbed from EUR 41.9 million to EUR 71.6 million. The increase is due, among other things, to the company's growth, which naturally leads to increased interim financing requirements, e.g. for inventories, new own plants and higher advance payments received. Moreover, the construction of own biogas plants is initially bridge-financed and later financed by low-interest long-term project loans. As a result, current financial liabilities rose from EUR 10.0 million to EUR 35.5 million, trade liabilities climbed from EUR 14.4 million to EUR 16.6 million and current provisions increased from EUR 8.8 million to EUR 9.5 million. The rise in non-current liabilities from EUR 33.9 million to EUR 53.5 million is primarily attributable to the expansion of the Own Plant Operation segment. Non-current financial liabilities comprise project loans for the biogas plants, which were raised at fixed market interest rates.

Equity capital in the separate financial statements increased by EUR 5.5 million, which is attributable to retained profits. The increase in total assets from EUR 192.0 million to EUR 230.9 million is mainly due to the fact that liabilities climbed from EUR 25.6 million to EUR 28.8 million.

Cash position

The EnviTec Biogas Group's equity capital increased by EUR 7.8 million on the previous year and now amounts to EUR 183.9 million. The equity ratio declined by 10.4% and stood at 59.5% as of the balance sheet date. The change in the equity ratio is primarily attributable to the EUR 57.0 million increase in total assets. Current and non-current financial liabilities rose by EUR 43.5 million to EUR 82.3 million. This change is attributable to the utilisation of the overdraft facilities in the amount of approx. EUR 23.0 million and the financing of the existing biogas plants.

EnviTec Biogas AG is of the opinion that the effects of a change in interest rates on short-term loans would be manageable also at Group level. An 0.5 percentage point increase or reduction in interest rates would reduce or increase the result by EUR 119k.

A covenant in the form of a minimum equity ratio of 25.0% exists for the overdraft facilities.

Current financial liabilities in the EnviTec Group amounted to EUR 35.5 million in 2011. Of this amount, EUR 23.0 million was raised under the overdraft facilities. Except for a facility of EUR 10.0 million, which will expire at the end of fiscal 2012, the overdraft facilities have undefined terms and are therefore treated as "current". Interest rates can be described as standard market rates. Interest rates are based on the EONIA plus a market margin. To secure its liquidity in the long term, the EnviTec Biogas Group has raised further long-term loans totalling EUR 4.3 million. The credit lines have terms of between 5 and 10 years and carry market interest rates. The loans are repaid from cash inflows from current assets.

To expand the international activities of EnviTec Biogas AG in Italy, the company has concrete plans to finance the projects with the help of a note loan in a proposed amount of EUR 35.0 million. At present, eight 1 MW

projects are at the planning stage, of which six have been approved. The total investment amounts to approx. EUR 41.5 million. Conditions in Italy have deteriorated markedly due to the tight economic situation and the funding problems of many banks. Against this background, it is difficult for EnviTec to raise project loans at acceptable conditions in Italy.

General statement on the financial situation

Based on the earnings, financial and net worth position derived from the consolidated financial statements for 2011 and described above and on the performance in the fiscal year 2012 to date, the management of EnviTec Biogas AG considers the financial situation of the Group to be positive at the time of the preparation of the consolidated financial statements.

The financial situation allows the company to achieve its operational and strategic objectives, i.e. the expansion of the Own Plant Operation segment, the start-up of the Energy segment, the international expansion and research into new technologies.

Internal control and risk management system (report pursuant according to section 289 para. 5 and section 315 para. 2 no. 5 German Commercial Code (HGB))

EnviTec Biogas has an internal controlling and risk management system for the accounting process, which defines appropriate structures and processes that are implemented in the organisation. It is designed in such a way that the timely, consistent and correct capture of all processes and transactions is ensured. It guarantees compliance with legal standards, accounting regulations and internal accounting instructions. Apart from defined controlling mechanisms, the internal controlling system is based on inherent and manual coordination processes, the separation of functions as well as on compliance with rules and work instructions. The consolidated accounts are produced centrally on the basis of the data of the consolidated subsidiaries. Specially trained employees are responsible for the consolidation, certain coordination tasks and the monitoring of the requirements. There is at least a four-eye principle at each level.

Generally, it should be noted that an internal controlling system – irrespective of its design – cannot guarantee with 100% certainty that material errors in the accounts are avoided or identified.

Risk Report

The Executive Board of EnviTec Biogas manages the company with far-sightedness and attaches top priority to the secure development of the company. At the same time, it acts in a risk-conscious manner to ensure that the business model generates sustainable profits. EnviTec Biogas has introduced a management system that systematically identifies potential risks and proposes measures for the minimisation of risks. All executive staff are trained in identifying risks and taking appropriate responses. They encourage their employees to think in an entrepreneurial manner and to avoid risks. Risk management forms the basis for corporate control and helps to achieve the company's objectives. It is an integral element of all business processes and business units.

In keeping with our corporate strategy, we take risks only if they are offset by corresponding opportunities for value creation and for increasing the enterprise value in the long term.

Risk management

EnviTec Biogas has laid down the tasks, reporting and organisational structures in a Risk Management Manual. This Manual defines risks and describes the complete risk management process. The task of the Risk Officers is to assess, monitor and counter-act all risks in accordance with defined categories. Based on a regularly updated risk inventory, these are reviewed at quarterly intervals.

Any risks which arise all of a sudden and have a notable

impact on the company's business performance and earnings position as well as on the enterprise value are immediately reported to the Executive Board, which will then take the necessary decisions.

In the context of its reports to the Supervisory Board, the Executive Board continuously informs the latter about the main risks and outlines the measures taken to manage these risks.

Ours is a rapidly growing company with worldwide activities. This gives rise to risks which are inextricably linked with our business activities. As a matter of principle, risks cannot be entirely avoided by changing the basic framework or through technological development. Our risk management system is therefore constantly being adapted to the latest developments. The Group does not take risks that are unrelated to the key objectives of corporate development.

These key objectives include:

- development and implementation of the business model and sustainable earnings growth,
- defending the technological leadership,
- goods and services procurement management as the basis of corporate success,
- secure liquidity.

The Executive Board has no knowledge of any risks jeopardising our continued existence. Individual risks capable of jeopardising our business performance and corporate value are described below.

Environmental and industry risks

The financial success of the products and services offered by EnviTec Biogas is dependent on the promotion of renewable energy sources under appropriate policies and regulations. In Germany, these include, for instance, the German Renewable Energy Sources Act (EEG). Most of the other EU member states and a number of non-EU countries have also put in place regulations comparable to the German Renewable Energy Sources Act (EEG). These regulations are of decisive importance for the success of the biogas sector in these countries.

Regulations under construction law and pollution control law must be observed both when building or enlarging biogas plants and when operating such plants. Some of these regulations place biogas plants in a privileged position in relation to other plants; in particular, they provide for size-related simplification of the licensing procedure when erecting such plants in outdoor areas as defined by construction law. Any changes in the statutory conditions governing the erection, enlargement and operation of biogas plants, both in Germany and in other countries, may have a negative effect on the net worth, financial and earnings position of EnviTec Biogas. We can identify no material changes at present.

Moreover, some parts of the general public as well as certain special interest groups have reservations about biogas plants and their construction. This is why, in June 2009, EnviTec Biogas and other companies established the German Biogas Council, which acts as a source of advice and port of call for policy-makers, the corporate sector and special interest groups and aims to eliminate prejudices. The aim is to promote the agricultural and industrial orientation of biogas technology and to represent the industry's shared interests with regard to legislation and products.

EnviTec Biogas intends to expand its international activities, which gives rise to a number of risks. These include potential changes in the political, economic, social, legal, cultural and fiscal conditions prevailing in individual countries. In addition, there is the risk of unexpected changes in local laws and regulations, which may have an adverse impact on the business activity of EnviTec Biogas. Some countries in which we are already active or plan to become active are considerably less stable in economic, political and legal terms than the member states of the European Union. This applies to Asia, in particular. Inadequate legal and administrative systems may make it more difficult or even impossible to obtain official permits; hamper the completion of customers' orders or jeopardise the enforcement of financial and other claims. The company has built up substantial know-how in the foreign representative offices and the Group management team and aims to anticipate potential changes and to prepare itself and its customers accordingly. Moreover, the processes and docu-

ments needed to obtain local approvals are optimised with regard to specific local requirements. Countries in which EnviTec Biogas sees no opportunities following close monitoring are not taken into account by the management or exited by the company. With a view to preventing the loss of receivables, the company has optimised its receivables management process as well as the creditworthiness review.

Order, sales and default risk

The effects of the economic developments on the company's customers and its order and sales situation are difficult to assess. A decline in the order backlog due to cancellations or a lack of new orders would have an impact on the future sales and earnings position. EnviTec Biogas has intensified its communication with its customers to anticipate any potential postponement of orders and supports its customers in the approval processes.

With a view to preventing the loss of receivables, the company has optimised its receivables management process as well as the creditworthiness review. The open positions are reported to the Executive Board in a weekly report. Moreover, every responsible project manager is informed of the outstanding receivables at 14-day intervals so that dunning can be initiated. In conjunction with the imminent loss of a major claim, a comprehensive collateral package has been developed together with the customer to secure our claim.

Currency risks

All sales and purchases are made in the Group currency, the euro. This does not entail major currency risks. Currency risks may arise in conjunction with the Czech subsidiary, as material payment flows arise both in euros and in Czech korunas. The same applies to the subsidiary in the UK and the future US subsidiary. Exchange rates are therefore monitored on an ongoing basis to ensure that currency hedging measures can be taken at an early stage.

To hedge risks in conjunction with contracts in the Czech Republic and the USA, currency forward contracts in an amount of EUR 2.7 million were signed. They are used to hedge payments expected to be received by the Czech subsidiary.

Competitive risks

The market for biogas plants offers attractive prospects for the future. For this reason, both existing and future competitors could attempt to win additional market shares by way of aggressive pricing and acquisition policies. This competition is made even fiercer by the continuous reduction in the minimum remuneration paid for electricity which is fed into the public grid from biogas plants in accordance with the German Renewable Energy Sources Act (EEG) and the associated imperative to permanently cut costs, as well as by similar trends in other countries.

Technological risks

Biogas plants are subject to rapid technological change. The market for biogas plants is driven by constantly improved products and services and is characterised by short product lifecycles and frequently changing customer requirements. We assume that this will continue to be the case going forward. By introducing new products or services earlier or at more favourable conditions than our company, our competitors could gain a lead or secure exclusive rights to new technologies. The future success of EnviTec Biogas therefore depends on its ability to continuously develop new products and services and to enter into technology partnerships.

Procurement risks

The components needed to build biogas plants are to a large extent purchased from suppliers. Particularly the combined heat and power units are only produced and supplied by a small number of manufacturers worldwide. This could give rise to supply bottlenecks or rising prices for the components. We aim to prevent this by maintaining close business relationships and signing fixed-price agreements.

Supply bottlenecks may also result from environmental

disasters or poor weather conditions affecting large areas. The latter may lead to lost harvests of the substrates used in the operation of biogas plants, i.e. renewable or organic resources and waste. Prices for the required input materials may rise as a result of the high demand. This could jeopardise the cost-efficiency of the biogas plants operated by EnviTec's Own Plant Operation segment. Among other things, long-term delivery contracts are concluded with regional agricultural operations in order to reduce this risk. Particularly outside Germany, the strategy of EnviTec Biogas is to involve regional farmers directly in the operation of the plants, as partners, and thus assure the supply of raw materials.

Corporate growth and internal risks

EnviTec Biogas has established internal organisational structures and management processes that must keep pace with the company's expansion in the recent past. These include the organisation for financial accounting according to IFRS, the necessary IT systems and strict receivables management. The EnviTec Group has an internal controlling and risk management system regarding the accounting process, which defines suitable structures that are implemented in the organisation. This system is designed to ensure timely, consistent and correct accounting of all business processes and transactions. It also guarantees compliance with legal standards, accounting regulations and internal instructions.

The consolidated accounts are produced centrally on the basis of the data of the consolidated subsidiaries. Specially trained employees are responsible for consolidation.

The management teams of the Group's member companies are responsible for implementing and monitoring the local internal controlling systems.

Generally, it should be noted that an internal controlling system, irrespective of the size and structure, does not provide 100% security that material misstatements in the accounts are avoided or identified. However, it serves to prevent with sufficient certainty that corporate risks have a material effect.

The future processes will make high demands on our organisation and will tie down substantial management resources. There is a risk that the company's organisation and structure will be unable to keep pace with the company's requirements. The company therefore attaches top priority to developing and refining the necessary organisational, information and management structures.

Personnel risks

The growth of EnviTec Biogas depends first and foremost on the creation of a workforce of highly qualified employees. Growth will be slowed if it is not possible to hire well trained employees as soon as possible. The company makes consistent and intensive use of recruitment tools and constantly coordinates the company's hiring needs with the individual departments. At the same time, the company continues to train and educate its employees and expands its knowledge by cooperating with the scientific departments of technical colleges.

Post balance sheet events

After the balance sheet date, no events occurred that were of material importance for EnviTec Biogas.

OTHER INFORMATION

Related party disclosures

In accordance with section 312 of the German Stock Corporation Act (AktG), the company published related party disclosures, which ended with the following statement: "Each of the transactions mentioned in the related party disclosures was made on terms equivalent to those that prevail in arm's length transactions, based on the circumstances known to us at the time when such transactions were made. There were no reportable measures at the instigation or in the interest of the controlling company." The auditors of EnviTec Biogas AG, Rödl & Partner GmbH, audited the related party disclosures and issued an unqualified audit certificate.

Basic elements of the compensation system

The information required pursuant to section 315 II No. 4 of the German Commercial Code (HGB) is contained in the compensation report of the Corporate Governance Report on page 15 of the Annual Report; the compensation report also forms part of the combined management report of EnviTec Biogas AG and the Group.

Forecast Report

Macroeconomic environment remains stable

Most economic research institutes expect growth in the world economy to slow down further in 2012. In the light of the European sovereign debt crisis, most economic forecasts have recently been downgraded. The Kiel Institute for the World Economy reduced its forecast for global economic growth in 2012 to 3.4% and has warned of high risks to the economy. The experts expect the gross domestic product of the industrialised countries as a whole to pick up by a moderate 1.4%. At -0.1%, they even see the risk of a recession for the eurozone. According to their forecasts, the German economy will grow by only 0.5%. Against the background of the economic slowdown in the western industrialised countries, the forecast for the developing and emerging countries is also weaker than in the years before. These countries are nevertheless expected to increase their economic output by more than 3%.

Transformation of the German biogas market

As outlined under "Economic environment", the new 2012 EEG will have a strong impact on the development of the biogas industry in Germany. The world's largest biogas market will change in 2012. In particular, the production of electricity in biogas plants in accordance with actual requirements and the direct marketing of the electricity generated will become much more important. Market participants are yet to develop suitable business models for this environment and establish them in the market. EnviTec Biogas therefore expects growth in the German biogas market to slow down markedly in 2012 compared to the exceptionally high level of business seen in 2011.

As a leading player in the market, we want to shape this transformation actively and exploit the new opportunities of energy marketing. EnviTec has set the course for this by establishing the new Energy segment. Through EnviTec Energy GmbH & Co. KG we offer heat customers what we call "contracting models". Moreover, our new subsidiary, EnviTec Stromkontor GmbH & Co KG., will market "EEG electricity" in accordance with actual requirements and offer balancing energy to the transmission network operators. We have won a strong partner to market the energy, namely EGL Deutschland GmbH, a subsidiary of Swiss electricity company EGL AG.

The conditions in the gas upgrading segment will remain good as they have been strengthened by the EEG and the German Gas Grid Access Directive. EnviTec expects growing demand in this segment. Announced in early 2012, our cooperation with Evonik Industries has resulted in technological progress; the membrane technology now offered by our company is the most efficient process currently available in the market.

Positive trend abroad

The international operations should continue to grow in 2012 and contribute to the stable performance of EnviTec Biogas. About 51% or EUR 87.2 million of our total order backlog as of the end of 2011 came from international customers. Besides Italy, which will remain the most important market outside Germany, the Czech Republic and the UK will make the biggest contributions to the company's international growth.

Strong revenue and earnings growth in Own Plant Operation segment

The strong capacity expansion in the Own Plant Operation segment will clearly leave its marks on revenues and earnings in 2012. As of the end of 2011, a capacity of 42 MW was connected to the grid. EnviTec will

continue to expand the Own Plant Operation segment, which generates high margins. Own plants with a total electrical output of at least 10 MW are to be built in 2012. This should increase the capacity of the Own Plant Operation segment to a minimum of 52 MW by the end of 2012.

Revenues expected to decline in 2012, which will be a year of transition

2012 will be a year of transition for EnviTec. Following the exceptionally good year 2011, the transformation of the German market will lead to a sharp drop in the Plant Construction segment's domestic revenues. This will be partly offset by growth abroad. We project growing revenues also in the Own Plant Operation and Service segments. The operating result will remain clearly positive. We expect to put both the sales forecast and the earnings forecast in more concrete terms as the year progresses.

General statement on the future outlook

EnviTec is optimistic about the future, building on a strong technological and financial foundation on which to defend our leading position in the market. We aim to make the existing corporate structures more flexible so as to be able to respond more quickly to changing conditions in the individual countries. After all, opportunities for growth still exist; in Germany, both the new EEG and the gas feeding market offer opportunities we want to exploit in the long term. At an international scale, there are opportunities for growth in both existing and new markets. Accordingly, Group revenues should pick up again in 2013 compared to 2012. For this to happen it is important that the German market adapts to the new framework and that the legal framework in foreign markets remains stable.

Information pursuant to section 289 para. 4 of the German Commercial Code (HGB) and section 315 para. 4 of the German Commercial Code (HGB)

Composition of the subscribed capital

The share capital of EnviTec Biogas AG is made up of 15,000,000 registered no-par-value shares. There are no different share classes. Each share is fully entitled to vote and share in the dividends. Each share held is entitled to one vote at the Annual General Meeting.

Restrictions on transfer and voting rights

There are no restrictions on transfer and voting rights other than those that are applicable by law.

Equity holdings exceeding 10 percent of the voting rights:	2011	2010
Von Lehmden Beteiligungs GmbH (shares held directly)	48.60 %	44.30 %
TS Holding GmbH (shares held directly)	21.86 %	21.86 %
Ruhe Verwaltungs GmbH (shares held directly)	12.02 %	11.96 %

Shares with special rights granting powers of control

There are no shares with special rights.

Voting controls if employees hold equity shares and do not exercise their right of control directly

There are no voting controls.

Statutory regulations and provisions in the statutes concerning the appointment and dismissal of members of the Executive Board and amendment of the statutes

Pursuant to section 76 para. 2 AktG and No. 6.1. of the statutes of EnviTec Biogas AG, the Executive Board may be composed of one or several persons. According to

section 84 para. 1 of the German Stock Corporation Act (AktG), the Supervisory Board appoints the members of the Executive Board and determines their period of office. Pursuant to No. 6.1 of the statutes of EnviTec Biogas AG, the Supervisory Board determines the number of Executive Board members. If several persons are appointed members of the Executive Board, the Supervisory Board may appoint one of the members Chairman pursuant to section 84 para. 2 AktG.

Section 179 para. 1 sentence 1 of the German Stock Corporation Act (AktG) stipulates that a resolution must be adopted by the Annual General Meeting for every amendment of the statutes. Pursuant to section 179 para. 2, resolutions that amend the statutes may be adopted by the Annual General Meeting only by a majority representing at least three quarters of the capital present when the resolution is adopted. The statutes may stipulate a different majority, although the majority stipulated for the amendment of the object of the company can only be higher than set out above (section 179 para. 2 of the German Stock Corporation Act (AktG)). This option was used in No. 163 of the statutes of EnviTec Biogas AG, which stipulates that a simple majority of the capital present when the resolution is adopted is sufficient to adopt amendments to the statutes unless a higher majority is required by law or by the statutes. No. 11 of the statutes of EnviTec Biogas AG authorises the Supervisory Board to decide on amendments of the statutes which only relate to the wording of the statutes.

Powers of the Executive Board, particularly with regard to the possibility of issuing or buying back shares

According to No. 4.3 of the statutes, the Executive Board is authorised to increase the company's share capital, with the consent of the Supervisory Board, by up to EUR 7,500,000 altogether, on one or more occasions until 6 July 2016, through cash or non-cash contributions, by issuing new bearer shares with a calculated share in the company's share capital of EUR 1.00 each (authorised capital 2011). Shareholders must be granted a subscription right. Pursuant to section 186 para. 5 AktG, the new shares may also be taken over by a bank or by a consortium of banks with the obligation to offer them to the shareholders for subscription. Subscription rights are excluded in the following cases:

- In the case of a capital increase through non-cash contributions, in particular for the purpose of acquiring other companies, equity holdings in other companies or parts of other companies,
- when settling fractional amounts,
- when granting subscription rights to holders of conversion and option rights to be issued from debentures,
- for the purpose of issuing shares as staff shares for employees of the company or affiliated companies.

The Executive Board is authorised, subject to the consent of the Supervisory Board, to determine the further details of capital increases from authorised capital.

1. Pursuant to No. 4.4. of the statutes, the share capital of the company is conditionally increased by up to EUR 4,500,000.00 through the issue of up to 4,500,000 new bearer shares, which are entitled to dividend from the beginning of the year in which the shares are issued. This conditional capital increase serves to grant shares to the holders and creditors of bonds with options and/or convertible bonds issued by the company or a subordinated Group on the basis of authorisation granted by the Annual General Meeting on 26 June 2007. The shares will be issued at the option exercise or conversion price to be determined in accordance with the above authorisation. The conditional capital increase must be effected only to the extent that option and/or conversion rights arising from bonds issued against cash are exercised and/or conversion obligations from such bonds are met and no cash compensation is granted or own shares used to meet such obligations. The Executive Board is authorised to determine the further details of the conditional capital increase (conditional capital I).

2. The Annual General Meeting of 24 June 2010 authorised the company, in accordance with section 71 para. 1 No. 8 AktG, to acquire through the stock exchange own shares representing up to 10% of the share capital that existed at the time the resolution was adopted. The shares acquired on the basis of this authorisation, together with other own shares already acquired and still held by the company or attributable to it pursuant to section 71d or section 71e of AktG, must at no time represent more than 10% of the respective share capital. The company

may not use the authorisation for the purpose of trading in own shares. The purchase price per share paid by the company when exercising the authorisation (excluding associated costs) may not be more than 10% higher or lower than the price determined for shares in the company on the respective trading day in the Xetra opening auction of Deutsche Börse AG (or a similar system replacing it). The authorisation may be exercised in full or in partial amounts once or several times by the company, its Group companies or third parties acting on their account. The authorisation to acquire own shares granted on 24 June 2010 will expire as soon as a new authorisation to acquire own shares pursuant to section 71 para. 1 No. 8 AktG becomes effective, with no express revocation being required. This notwithstanding, the authorisation to acquire own shares granted on 24 June 2010 will expire no later than 23 June 2015.

The Executive Board is authorised,

> subject to the consent of the Supervisory Board, to sell the own shares acquired under the present or a previous authorisation other than fully or partially via the stock exchange or via an offering to all shareholders if the own shares acquired are sold at a cash price that is not materially below the stock market price of the company's shares of the same time at the time of the sale. This authorisation applies only on the condition that the shares sold ex rights do not represent more than 10% of the company's share capital both at the time of the coming into effect and the exercise of this authorisation. The maximum limit of 10% of the share capital will be reduced by the proportionate amount of the share capital attributable to those shares that are issued in the context of an ex-rights capital increase during the term of this authorisation pursuant to section 186 para. 3 sentence 4 AktG or are necessary to service warrant-linked or convertible bonds that are issued ex rights during the term of this authorisation by analogous application of section 186 para. 3 sentence 4 AktG;

> subject to the consent of the Supervisory Board, to use own shares acquired under the present or a previous authorisation as (partial) consideration in the context of business combinations or for the acquisition of companies, investments in companies, operations or other assets;

> eigene Aktien der Gesellschaft, die aufgrund dieser oder einer früher erteilten Ermächtigung erworben wurden, zur Erfüllung von durch die Gesellschaft oder ihren Konzernunternehmen eingeräumten Umtausch- oder Bezugsrechten aus Wandel- oder Optionsschuldverschreibungen zu verwenden;

> to use own shares acquired under the present or a previous authorisation to satisfy conversion or subscription rights under convertible bonds or bonds with warrants granted by the company or its Group companies;

> to fully or partially redeem own shares acquired under the present or a previous authorisation, subject to the consent of the Supervisory Board, without any further shareholders' resolution being required.

Shareholders' subscription rights are excluded in the execution of the above measures. The authorisation to use own shares acquired under the present or a previous authorisation may be exercised in full or in partial amounts.

Significant agreements concluded by the company subject to the condition of a change of control following a takeover bid, and the resultant consequences

There are no significant agreements concluded by the company subject to the condition of a change of control following a takeover bid.

Agreements on compensation concluded by the company with members of the Executive Board or employees in the event of a takeover bid

There are no such agreements at EnviTec Biogas AG.

The corporate governance declaration required pursuant to section 289 a of the German Commercial Code (HGB) can be found on our website at WWW.ENVITEC-BIOGAS.COM.

CON-SOLIDATED FINANCIAL STATEMENTS

Consolidated profit and loss account for financial year 2011

		2011 in EUR	2010 in EUR	Notes
1.	Sales	243,910,084	148,015,410	21.
2.	Other operating income	7,617,709	8,891,341	22.
	Total performance	**251,527,793**	**156,906,751**	
3.	Cost of materials	175,748,033	108,795,131	23.
	Gross result	**75,779,760**	**48,111,620**	
4.	Staff costs			
	a) Wages and salaries	17,535,814	14,679,372	
	b) Social security, pensions and other benefits	3,989,948	3,420,317	24.
		21,525,762	**18,099,689**	
5.	Depreciation	9,491,669	7,254,001	25.
6.	Other operating expenses	34,003,386	21,711,893	26.
	Operating income	**10,758,944**	**1,046,037**	
7.	Result from at-equity valued participations	-99,447	-90,096	27.
8.	Interest earnings	2,372,293	3,465,916	28.
9.	Interest expenses	2,085,162	1,864,626	29.
	Pretax income	**10,946,627**	**2,557,231**	
10.	Income tax expense	3,226,421	1,186,183	30.
11.	**Net income**	**7,720,206**	**1,371,048**	
12.	Income inputable to minority interests	170,217	-919,125	
13.	**Consolidated profit**	**7,549,989**	**2,290,173**	
Earnings per share in EUR				
Earnings per share in EUR (basic)		0.51	0.15	
Earnings per share in EUR (diluted)		0.51	0.15	31.
Weighted average shares outstanding				
Basic		14,850,000	14,850,000	
Diluted		14,850,000	14,850,000	

Consolidated Statements of Comprehensive Income for financial year 2011

	12/31/11 in EUR	12/31/10 in EUR
Consolidated profit	**7,549,989**	**2,290,173**
Changes in fair value of derivates designated as cash flow hedges	34,870	-39,380
Recognized in profit and loss account	0	0
Changes recognized outside profit and loss (cash flow hedges)	**34,870**	**-39,380**
Changes in fair value of available-for-sale financial assets	0	0
Recognized in profit and loss account	0	-37,034
Changes recognized outside profit and loss (available-for-sale financial assets)	**0**	**-37,034**
Exchance differences on translation of operations outside the euro zone	-20,009	-32,167
Recognized in profit and loss account	0	0
Changes recognized outside profit and loss (exchange differences)	**-20,009**	**-32,167**
Other comprehensive income (changes recognized outside profit and loss)	**14,861**	**-108,581**
Total comprehensive income	**7,564,850**	**2,181,592**

Consolidated balance sheet as at 31 december 2011

Assets

A.	Fixed assets	12/31/11 in EUR	12/31/10 in EUR	Notes
I.	Intangible Assets	2,719,682	3,382,640	5.
II.	Tangible Assets	86,961,021	60,825,361	5.
III.	Shares in at-equity valuation of participations	6,972,520	5,360,158	6.
IV.	Other long-term receivables	13,683,332	12,699,226	8.
V.	Deferred taxes	1,544,403	1,966,108	30.
Total fixed assets		**111,880,958**	**84,233,493**	

B.	Current assets			
I.	Stocks	34,412,949	24,968,517	10.
II.	Receivables from long-term construction contracts	58,168,341	58,063,808	9.
III.	Trade receivables	21,977,551	22,123,462	11.
IV.	Other short-term financial assets	61,786,116	45,141,672	12.
V.	Tax receivables	6,799,187	4,551,336	13.
VII.	Liquid funds	13,853,055	12,787,610	35.
Total current assets		**196,997,200**	**167,636,405**	

Total assets	**308,878,157**	**251,869,898**	

Equity and liabilities

A.	Equity	12/31/11 in EUR	12/31/10 in EUR	Notes
I.	Subscribed capital	14,850,000	14,850,000	
II.	Capital reserves	132,995,741	132,995,741	
III.	Revenue reserves			
	1. Currency translation reserves	-74,447	-54,438	
	2. Other reserves	478,452	443,582	
	3. Other revenue reserves	10,000,000	10,000,000	
IV.	Retained earnings brought forward	18,497,937	16,207,764	
V.	Minority interests	-444,821	-665,773	
VI.	Consolidated profit	7,549,989	2,290,173	
Total equity		**183,852,851**	**176,067,049**	14.

B.	Non-current liabilities			
I.	Long-term provisions	594,000	505,000	15.
II.	Long-term financial liabilities	46,784,594	28,861,615	16.
III.	Deferred taxes	6,080,516	4,540,988	30.
Total noncurrent liabilities		**53,459,110**	**33,907,603**	

C.	Current liabilities			
I.	Short-term provisions	9,523,734	8,769,299	15.
II.	Short-term financial liabilities	35,499,564	9,994,616	16.
III.	Trade payables	16,570,931	14,403,720	17.
IV.	Liabilities from long-term construction orders	3,645,129	3,332,672	9.
V.	Other short-term liabilities	3,052,614	3,780,282	18.
VI.	Tax liabilities	3,274,225	1,614,657	19.
Total current liabilities		**71,566,196**	**41,895,246**	

Total equity and liabilities	**308,878,157**	251,869,898

Consolidated cash flow statement for financial year 2011

	12/31/11 in EUR	12/31/10 in EUR
Consolidated net income before minority interests	7,720,206	1,371,048
Incoem tax expenses	3,226,421	1,186,183
Net interest income	-287,131	-1,601,290
Profit (-) losses (+) from at-equity companies	1,095,962	645,284
Paid income tax	-3,003,477	-3,929,512
Depreciation on tangible and intangible assets	9,491,669	7,254,001
Increase in other provisions	843,435	2,870,431
Profit (-) losses (+) on the sale of tangible assets	-27,304	3,898
Profit (-) losses (+) on the sale of non-current assets held for sale	0	-456,564
Gross cash flow	**19,059,781**	7,343,479
Increase in stocks	-9,444,432	-10,899,546
Increase in receivables from long-term construction contracts	-104,533	-17,697,573
Increse/decrease in liabilities from long-term construction contracts	312,457	-486,125
Decrease/increase in trade receivables	145,911	-3,620,388
Increase in trade payables	2,167,211	3,869,555
Increase in other short-term finanical assets	-17,362,369	-22,297,729
Increase/decrease in other long-term receivables	-984,106	8,281,634
Decrease/increase in deferred taxes	421,705	-446,882
Decrease of financial assets	0	12,000,000
Decrease/increase in other short-term liabilities	-727,668	1,801,979
Increase of tax receivables	-2,247,851	-2,683,906
Increase in liabilities from transaction tax and tax deductions	2,976,153	2,316,532
Other non cash payments	65,596	-427,469
Interest received	2,372,293	3,465,916
Flow from operative activities (net cashflow)	**-3,349,852**	-19,480,523

	12/31/11 in EUR	12/31/10 in EUR
Proceeds from derecognition	439,124	0,00
Proceeds from disposals of tangible assets	136,180	307,198
Payments for intangible assets	-131,934	-139,364
Payments for tangible assets	-34,662,512	-18,377,529
Payments for at-equity investments	-2,813,324	-4,271,340
Proceeds from partnership drawing für at-equity investments	105,000	0
Procceds from disposals of non current assets held for sale	0	2,983,295
Flow from investment activities	**-36,927,466**	-19,497,740
Proceeds from bank loans	46,132,998	6,823,432
Payment for debt redemption	-3,808,439	-2,733,151
Increase in other long-term financial liabilities	433,779	3,505,803
Increase in other short-term financial liabilities (without short-term bank loans and overdrafts)	669,588	4,272,072
Interest paid	-2,085,162	-1,864,626
Flow from financial activities	**41,342,764**	**10,003,530**
Change in cash and cash equivalents	**1,065,445**	**-28,974,733**
Cash balance on 1 January	**12,787,610**	**41,762,343**
Cash and cash equivalents balance on 31 December	**13,853,055**	**12,787,611**

Statement of changes in equity as at 31 december 2011

in EUR	Subscribed capital	Capital reserves	Revenue reserves incl. OCI	Other revenue reserves
Balance at 01/01/10	**14,850,000**	**132,995,741**	**497,725**	**10,000,000**
Reclassifications	0	0	0	0
Minority interests	0	0	0	0
Total comprehensive income	0	0	-108,581	0
Balance at 12/31/10	**14,850,000**	**132,995,741**	**389,144**	**10,000,000**
Balance at 01/01/11	**14,850,000**	**132,995,741**	**389,144**	**10,000,000**
Reclassifications	0	0	0	0
Minority interests	0	0	0	0
Total comprehensive income	0	0	14,861	0
Balance at 12/31/11	**14,850,000**	**132,995,741**	**404,005**	**10,000,000**

Retained earnigs brought forward	Consolidated profit/loss	Total shareholders interests	Minority interests	**Total**
14,944,734	**1,263,030**	**174,551,230**	**572,240**	**175,123,470**
1,263,030	-1,263,030	0	0	0
0	0	0	-318,888	-318,888
0	2,290,173	2,181,592	-919,125	1,262,467
16,207,764	**2,290,173**	**176,732,822**	**-665,773**	**176,067,049**
16,207,764	**2,290,173**	**176,732,822**	**-665,773**	**176,067,049**
2,290,173	-2,290,173	0	0	0
0	0	0	50,735	50,735
0	7,549,989	7,564,850	170,217	7,735,067
18,497,937	**7,549,989**	**184,297,672**	**-444,821**	**183,852,851**

NOTES TO THE 2011 CON-SOLIDATED FINANCIAL STATEMENTS

1. General information

In accordance with section 315a of the German Commercial Code (HGB), the consolidated financial statements of EnviTec Biogas AG for the year ended 31 December 2011 were prepared to the International Financial Reporting Standards (IFRS) of the International Accounting Standard's Board (IASB), London, valid at the balance sheet date and recognised by the European Union, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRS IC).

EnviTec Biogas AG is a Germany-based company operating on an international scale, whose main activity is the construction and sale of biogas plants; through its subsidiaries, the company also operates its own biogas plants and provides technical and biological services.

Headquartered in Lohne (Oldenburg), Industriering 10a, Germany, EnviTec Biogas AG is the parent company of the EnviTec Group and adopted the status of a listed joint stock company under German law in July 2007. The consolidated financial statements and the Group Management Report of EnviTec Biogas AG for the year ended 31 December 2011 are available via the electronic Federal Gazette and the Company Register as well as our website WWW.ENVITEC-BIOGAS.DE.

On 23. April 2012, the Executive Board of EnviTec Biogas AG released the consolidated financial statements for presentation to the company's Supervisory Board. The latter has the task to review the consolidated financial statements and to declare whether they are approved.

The information below comprises disclosures and comments which, in addition to the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the segment report and the cash flow statement, must be included in the consolidated financial statements as notes in accordance with IFRS.

The financial statements were prepared in euros. Unless otherwise stipulated, all amounts are rounded to full euros (EUR) or to thousands of euros (EUR k).

In the income statement, as well as in the balance sheet, individual items are combined for purposes of clarity and explained in the Notes. The nature of expense method was used to prepare the income statement. Assets and liabilities are classified in the balance sheet in accordance with their maturities. Assets and liabilities are regarded as current if they are due or to be sold within one year; accordingly, assets and liabilities are classified as non-current if they are likely to be held by the company for more than one year. Trade receivables and payables as well as inventories and construction contracts are generally recognised as current items. Deferred taxes are generally recognised as non-current.

2. Effects of new financial reporting standards

2.1. Financial reporting standards first applied in the fiscal year

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have adopted a number of amendments to existing International Financial Reporting Standards (IFRS) as well as several new IFRS and interpretations, which are effective for the EnviTec Group from the fiscal year 2011.

The amendments to IAS 24 "Related Party Disclosures" provide clarity about the definition of related parties. The new definition reinforces the symmetric approach in the determination of relations with related parties and explains the circumstances under which individuals and individuals in key positions influence the relations with a company's related parties. The amendment also leads to a partial exemption from the disclosure duties of IAS 24 for transactions with government-related entities and with companies that are controlled, jointly managed or significantly influenced by the same government-related entity as the reporting company. The application of the amended standard has no impact on the net worth, financial and earnings position of the EnviTec Group but results in additional disclosures in the Notes.

The following new or revised standards and interpretations also had to be applied for the first time in fiscal 2011 but had no impact on the presentation in the consolidated financial statements.

IFRS 1 Limited Exemption from Capital Comparative IFRS 7 Disclosures for First-time Adopters (amendment)

IFRS 32 Classification of Rights Issues (amendment)

IFRIC 14 Prepayments of a Minimum Funding Requirement (amendment)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

In the context of the annual improvements process (2008-2010), a large number of minor amendments were implemented, which had no impact on the figures presented in the consolidated financial statements. Most of the amendments are effective for annual periods beginning on or after 1 January 2011. They relate to:

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 3 Business Combinations

IFRS 7 Financial Instruments: Disclosures

IAS 1 Presentation of Financial Statements

IAS 27 Consolidated and Separate Financial Statements

IAS 34 Interim Financial Reporting

IFRIC 13 Customer Loyalty Programmes

2.2. Newly published financial reporting standards that have not been applied yet

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have adopted additional standards and interpretations, whose application was not mandatory for fiscal 2011. Application of these IFRS requires their approval by the EU, which has not yet been granted for all of them. The company did not opt for early application.

The following new and revised standards and interpretations are effective from the fiscal year 2012 or thereafter. The impacts of these standards and the time at which they will be applied are currently being reviewed.

Standard	Regulation	Effective date
IFRS 7	Disclosures – Transfers of Financial Assets	Annual periods beginning on or after 1 January 2012
IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters	Annual periods beginning on or after 1 January 2012
IAS 12	Deferred Tax – Recovery of Underlying Assets	Annual periods beginning on or after 1 January 2012
IAS 1	Presentation of Items of Other Comprehensive Income	Annual periods beginning on or after 1 January 2013
IFRS 7/IAS 32	Offsetting Financial Assets and Financial Liabilities	Annual periods beginning on or after 1 January 2013/2014
IFRS 9	Financial Instruments - classification and measurement of financial assets and financial liabilities	Annual periods beginning on or after 1 January 2015
IFRS 10	Consolidated Financial Statements	Annual periods beginning on or after 1 January 2013
IFRS 11	Joint Arrangements	Annual periods beginning on or after 1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	Annual periods beginning on or after 1 January 2013
IFRS 13	Fair Value Measurement	Annual periods beginning on or after 1 January 2013
IAS 27	Separate Financial Statements	Annual periods beginning on or after 1 January 2013

IAS 28	Investments in Associates and Joint Ventures	Annual periods beginning on or after 1 January 2013
IAS 19	Employee Benefits	Annual periods beginning on or after 1 January 2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	Annual periods beginning on or after 1 January 2013

3. Basic principles of the consolidated financial statements

3.1. 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 net worth, financial and earnings 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.

If required, the financial statements of subsidiaries are adjusted to align the accounting and valuation methods with those applied by the Group.

Business combinations are accounted for in accordance with IAS 27 (Consolidated Financial Statements and Accounting for Investments in Subsidiaries) using the purchase method by netting the carrying amounts of the investments with the remeasured equity capital of the subsidiaries at the time of their acquisition. Assets, liabilities and contingent liabilities of acquired subsidiaries are recognised at their respective fair values. A positive difference remaining after the purchase price allocation is capitalised as goodwill, while negative differences are immediately recognised in profit or loss upon subsequent review.

Receivables and liabilities between the consolidated companies are netted. Unrealised results of intragroup transactions are eliminated, and deferred tax assets and liabilities resulting from consolidation recognised in profit or loss are taken into account. Intragroup sales as well as all intragroup earnings are netted with the respective expenses and recognised in equity.

The equity method is used to measure joint ventures and associated companies which are under the joint management (joint ventures) or controlling influence (associated companies) of EnviTec Biogas AG. The cost of investments consolidated at equity is increased or reduced each year by the equity changes that correspond to EnviTec's share in the capital. Upon the initial consolidation of investments using the equity method, differences resulting from the initial consolidation are treated according to the principles of full consolidation. The changes in pro-rated equity which are recognised in profit or loss are shown separately in the income statement. The Notes to the consolidated financial statements include additional information on the EnviTec Group's at-equity investments. Goodwill included in a recognised investment is tested for impairment once a year and whenever there are indications of impairment.

The same consolidation methods as in the previous year were applied.

Changes in the basis of consolidation and the consolidated companies are addressed below.

3.2. Basis of consolidation

The basis of consolidation in the period from 1 January 2011 until 31 December 2011 had developed as follows:

	Germany	Abroad	Total
EnviTec Biogas AG and consolidated companies			
12/31/10	89	32	121
Additions of subsidiaries	15	3	18
Disposal of subsidiaries	2	3	5
12/31/11	**102**	**32**	**134**

	Germany	Abroad	Total
Companies valued at equity			
12/31/10	48	7	55
Additions of companies valued at equity	10	0	10
Disposal of companies valued at equity	0	0	0
12/31/11	**58**	**7**	**65**

As at the balance sheet date, the EnviTec Group comprised 199 (previous year: 176) companies, including EnviTec Biogas AG, of which 134 (previous year: 121) are fully consolidated. For a list of the subsidiaries and associated companies, refer to point 7. The list of shareholdings is published in the electronic Federal Gazette. The changes to the basis of consolidation in the fiscal year 2011 are shown in the table below:

Name and head offices of the company	Capital share in %
Addition Germany	
Biogas Weyhausen GmbH & Co. KG, Garrel	100.00
Biogas Weyhausen Verwaltungs GmbH & Co. KG, Garrel	100.00
Biogas Genshagen GmbH & Co. KG, Garrel	100.00
Biogas Genshagen Verwaltungs GmbH, Garrel	100.00
Biogas Neutrebbin GmbH & Co. KG, Neutrebbin	100.00
Biogas Neutrebbin Verwaltungs GmbH, Neutrebbin	100.00
Biogas Trüstedt GmbH & Co. KG, Garrel	100.00
Biogas Trüstedt Verwaltungs GmbH, Garrel	100.00
Biogas Mühlengeez GmbH & Co. KG, Garrel	100.00
Biogas Mühlengeez Verwaltungs GmbH, Garrel	100.00
Biogas Böddenstedt GmbH & Co KG, Salzwedel	100.00

Biogas Böddenstedt Verwaltungs GmbH, Salzwedel	100.00
Biogas Schönwalde GmbH & Co. KG, Schönwalde	100.00
Biogas Schönwalde Verwaltungs GmbH, Schönwalde	100.00
EnviTec Stromkontor GmbH & Co. KG, Lohne	100.00
Addition outside Germany	
EnviTec Biogas Service Italy srl, Italy	100.00
EnviTec Biogas Service UK, Ltd, Great Britain	60.00
EnviTec Biogas USA, Inc., USA	100.00
Disposals	
EnviTec Biogas Korea Inc., Seoul/South Korea	100.00
EnviTec Biogas Romania s.r.l., Arad/Romania	100.00
EnviTec Biogas Polska Sp.z o.o., Posen/Poland	100.00

Additions

In the course of the fiscal year, 15 domestic and three foreign companies were established and joined the basis of consolidation. The newly established companies are project companies of the Own Plant Operation segment, whose business purpose is the operation of biogas plants at one or several sites. The company also established EnviTec Stromkontor GmbH & Co. KG, which corporate purpose comprises the trading and marketing of electricity and balancing energy capacity generated from renewable energy sources. Moreover, eight companies were newly recognised at-equity; their business purpose is the operation of biogas plants. These acquisitions were not accounted for in accordance with IFRS 3 "Business Combinations", as they do not meet the definition of a "business". Instead, the acquisitions were accounted for as the acquisition of a group of assets; the acquisition costs of the group were allocated to the individual identifiable assets and liabilities on the basis of the present value.

Under a contract dated 15 September 2011, EnviTec Biogas Betriebs GmbH & Co. KG sold 25% of the limited liability capital of EUR 25k of Biogas Reinsfeld GmbH & Co. KG as well as 25% of the share capital of EUR 25k of Biogas Reinsfeld Verwaltungs GmbH at a total price of EUR 50k. This sale resulted in the loss of control over the two companies. In accordance with IAS 27.34d, the deconsolidation was recognised in profit/loss. The companies are no longer fully consolidated but accounted for using the equity method. The deconsolidation resulted in a profit of EUR 3k.

Further changes

Effective 1 July 2011, EnviTec Biogas AG acquired another 10.9% of the limited liability capital of EUR 500k in eeMaxx Anlagen- und Betriebs GmbH & Co. KG as well as another 10.9% of the share capital of EUR 25k of eeMaxx Verwaltungs GmbH at a price of EUR 578k. The business purpose of these companies is the operation of plants for the production of energy from biomass, especially biogas, as well as investments in companies of the same type. The acquisition did not lead to a change of status and was treated as a transaction between equity investors and recognised in equity. The acquisition reduced the minority interest by EUR 3k.

Five (previous year: five) joint ventures as well as 60 (previous year: 50) companies in which EnviTec holds more than 20% are consolidated at equity pursuant to IAS 31 and IAS 28, respectively. As far as associated companies with a percentage holding of 50% are concerned significant influence is just based on contractual and actual conditions.

In fiscal 2011, the exemption rule provided for in section 264b of the German Commercial Code (HGB) was applied by the following fully consolidated German Group companies.

Name and head office of the company	
EnviTec Beteiligungs GmbH & Co. KG, Lohne	Biogas Falkenberg GmbH & Co. KG, Falkenberg
Zweite EnviTec Beteiligungs GmbH & Co. KG, Lohne	EnviTec Service GmbH & Co. KG, Lohne
RePro Beber GmbH & Co. KG, Lohne	Biogas Heilemann-Holsten GmbH & Co. KG, Rotenburg
Biogas Schönthal GmbH & Co. KG, Willebadessen	ETBKN GmbH & Co. KG, Lohne
Biogas Thomasburg GmbH & Co. KG, Lohne	Biogas Sachsendorf GmbH & Co. KG, Schwarz
Biogas Nieheim GmbH & Co. KG, Lohne	Biogas Dambeck GmbH & Co. KG, Friesoythe
Biogas Heilemann GmbH & Co. KG, Rotenburg/Wümme	Biogas Schenkenhorst GmbH & Co. KG, Garrel
Biogas Friedland GmbH & Co. KG, Lohne	Biogas Kalbe GmbH & Co. KG, Garrel
Biogas Angern GmbH & Co. KG, Lohne	Biogas Brehna GmbH & Co. KG, Garrel
Biogas Hirl GmbH & Co. KG, Bresegard	Biogas Schönhausen GmbH & Co. KG, Garrel
EnviTec Biogas Betriebs GmbH & Co. KG, Lohne	Biogas Düben GmbH & Co. KG, Garrel
GLC Biogas GmbH & Co. KG, Lohne	Biogas Schinne GmbH & Co. KG, Garrel
Biogas Wanzleben GmbH & Co. KG, Wanzleben	Biogas Glauzig GmbH & Co. KG, Garrel
Erste Biogas Anklam Betriebs GmbH & Co. KG, Anklam	Biogas Dingelstedt GmbH & Co. KG, Garrel
Zweite Biogas Anklam Betriebs GmbH & Co. KG, Anklam	eeMaxx Anlagen- und Betriebs GmbH & Co. KG, Garrel
Dritte Biogas Anklam Betriebs GmbH & Co. KG, Anklam	Biogas Wesenberg GmbH & Co. KG, Lohne
Vierte Biogas Anklam Betriebs GmbH & Co. KG, Anklam	Biogas Osterburg GmbH & Co. KG, Lohne
Fünfte Biogas Anklam Betriebs GmbH & Co. KG, Anklam	Biogas Klein Mühlingen GmbH & Co. KG, Vogelsang
Sechste Biogas Anklam Betriebs GmbH & Co. KG, Lohne	Biogas Ringleben GmbH & Co. KG, Lohne
EWS Biogas Projektentwicklungs-GmbH & Co. KG, Lohne	Biogas Gramzow GmbH & Co. KG, Lohne
Biogas Kalefeld GmbH & Co. KG, Kalefeld	Biogas Weyhausen GmbH & Co. KG. Garrel
Biogas Sondershausen GmbH & Co. KG, Lohne	Biogas Genshagen GmbH & Co. KG, Garrel
Biogas Herzberg GmbH & Co. KG, Lohne	Biogas Neutrebbin GmbH & Co. KG, Neutrebbin
Biogas Lüchow GmbH & Co. KG, Lohne	Biogas Trüstedt GmbH & Co. KG, Garrel
Biogas Bad Wilsnack GmbH & Co. KG, Lohne	Biogas Mühlengeez GmbH & Co. KG, Garrel
EnviTec Energy Contracting GmbH & Co. KG, Lohne	Biogas Böddenstedt GmbH & Co KG, Salzwedel
Biogas Quakenbrück GmbH & Co. KG, Lohne	Biogas Schönwalde GmbH & Co. KG, Schönwalde
ETC EnviTec Technologie-Centrum GmbH & Co. KG, Lohne	EnviTec Stromkontor GmbH & Co. KG, Lohne
Biogas Groß Warnow GmbH & Co. KG, Karstädt	

3.3. Currency translation

Receivables and liabilities generally arise on a euro basis, which means that no currency translation is required. The financial statements of the consolidated companies are prepared in euros save for seven exceptions. The equity is translated at the historical rates, the assets and liabilities in the foreign-currency financial statements are translated at the mean rates on the balance sheet date. Expense and income items are translated at average annual exchange rates. Exchange differences are recognised in equity. For details, please refer to the statement of changes in equity and the statement of comprehensive income. The foreign-currency financial statements of the companies valued at equity are translated using the closing rate method.

3.4. General accounting and valuation principles

The financial statements of the companies included in the consolidated financial statements are based on consistent accounting and valuation methods.

The acquisition cost principle was used as the general measurement concept in the consolidated financial statements. Where other measurement principles are required under IFRS, these are used. In the following information on the measurement of asset and liability items, this is specifically mentioned.

Sales revenues and other operating income

Sales revenues from the sale of completed biogas plants – after tax and sales deductions – are realised at the time delivery is taken of the plants. Sales revenues from construction contracts for biogas plants that have not been completed or of which delivery has not been taken as at the balance sheet date are determined using the percentage-of-completion (POC) method. In this context, both the percentage of the work completed in relation to the total volume of the contract and the profit from the complete contract are estimated. Sales revenues from services provided and from the operation of own biogas plants – after tax and, if applicable, sales deductions – are realised at the time the service is provided and if there is sufficient likelihood that the resulting economic benefit will flow to the company. Sales revenues under long-term maintenance contracts are recognised only to the extent that the expenses incurred can be recovered.

Goodwill and other intangible assets

Purchased intangible assets are capitalised at cost. If they have a determinable useful life, they are written off over a period of up to ten years using the straight-line method, unless the actual depreciation requires a write-off depreciation period. Both the expected useful lives and the write-off periods are determined on the basis of estimates of the period and the distribution of cash flows from the intangible assets over time.

Development expenses were not capitalised pursuant to IAS 38, as the conditions for their capitalisation were not in place as at the balance sheet date.

Goodwill is not amortised but tested for impairment on an annual basis. For details of the impairment test, please refer to point 3.7 "Impairment test".

Property, plant and equipment

Property, plant and equipment are carried at acquisition or production costs less accumulated straight-line depreciation – with the exception of land and leasehold rights – and impairment losses.

Acquisition costs comprise the purchase price, ancillary costs and subsequent acquisition expenditure as well as cost reductions.

Production costs include all direct costs attributable to the production process and a reasonable portion of the production-related overheads. Financing costs are not recognised.

The cost of the repair of property, plant and equipment, such as current maintenance expenses, are generally recognised in profit or loss. Subsequent costs are capitalised if the costs relating to the property, plant or equipment will result in a future economic benefit.

Accumulated depreciation of property, plant and equipment is performed according to the straight-line method.

The useful lives on which depreciation is based reflect the estimated/anticipated useful lives for the Group and are shown in the table below:

	Useful life
Buildings	20 to 40 years
Other buildings	10 to 20 years
Technical equipment	6 to 20 years
Machinery and appliances	6 to 12 years
Operating and office equipment	3 to 11 years
Vehicles	5 to 8 years
EDP equipment	3 to 5 years

Financial assets

Financial assets are generally divided into the following categories:

> financial assets measured at fair value through profit or loss

> loans and receivables

> held-to-maturity investments

> available-for-sale financial assets

The classification of a financial asset into a given category depends on the purpose for which the financial asset was acquired.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss comprise financial assets held for trading as well as all financial assets that are to be measured at fair value by the management from the very beginning at the time of acquisition. Assets of this category are recognised in the 2011 financial statements of EnviTec Biogas AG in a amount of EUR 41k (previous year: EUR 0).

Loans and receivables

Loans and receivables are original or acquired loans and receivables with fixed or determinable payments, which are not listed in an active market. They are usually created by providing money, goods or services. They form part of the current assets, with the exception of those loans and receivables that are due more than twelve months after the balance sheet date. Financial instruments of this category are measured at amortised cost. Trade receivables, financial receivables and loans included in other non-current receivables, receivables and loans included in other current financial assets as well as cash and cash equivalents fall into this category. If there are indications that a receivable is impaired, it is written down to the present value of the expected future cash flows. Indications of impairment include, in particular, several years in which the entity reported operating losses, a substantial deterioration in creditworthiness, a high probability of bankruptcy or other forms of financial reorganisation of the debtor. Loans and receivables are shown under trade receivables and other current assets.

Held-to-maturity investments

Held-to-maturity investments are characterised by: fixed or determinable payments, fixed maturity and the intent and ability of EnviTec Biogas AG to hold these investments to maturity. No financial assets of this category are recognised in the 2011 financial statements of EnviTec Biogas AG.

Available-for-sale financial assets

This category comprises all financial assets that do not fall in any of the other three categories or that are subjectively classified by the management as available-for-sale financial assets. The assets are generally measured at the fair value. Gains and losses resulting from the fair value measurement are recognised in equity. This does not apply to permanent or material impairments or currency-related changes in the value of financial instruments. These are recognised in profit or loss.

At every balance sheet date, the company examines whether there are objective indications of an impairment of a financial asset or a group of financial assets.

Inventories

In accordance with IAS 2 (Inventories), assets that are consumed in the execution of construction contracts (materials or supplies) are recognised under inventories. Inventories are measured at the average costs of purchase. If the current purchase price is lower than the average costs of purchase, inventories are recognised at the lower value, unless they are incorporated in finished products that are expected to be sold at or above cost (IAS 2.32). Borrowing costs are not capitalised as the requirements of IAS 23 are not met.

The costs of purchase include all costs incurred to convey the inventories to their present place and to put them in their present state.

Construction contracts in progress

In accordance with IAS 11, construction contracts are accounted for using the percentage-of-completion (POC) method. The underlying stage of completion is determined using the cost-to-cost method. Contracts whose revenues exceed the advance payments received as at the balance sheet date are recognised under the gross amount due from customers for contract work. Contracts whose advance payments received

exceed the revenues as at the balance sheet date are recognised under the gross amount due to customers for contract work.

Held-for-sale assets

Non-current assets are classified as being held for sale if the associated carrying amount is realised largely through a sales transaction and not through continuous use. This condition will be regarded as fulfilled only if the disposal is highly probable and the non-current asset is available for immediate sale in its current condition. Management must have committed to a sale. In this context, it must be assumed that the sales transaction will take place within a year of such classification.

Non-current assets classified as being held for sale are shown at the lower of their original carrying amount and the fair value less costs to sell.

Deferred taxes, tax liabilities, tax refund claims

Taxes imposed on the companies' taxable income and the changes to deferred taxes are recognised as income taxes. Current income taxes are measured on the basis of the statutory regulations enacted or substantially enacted as at the balance sheet date at the amount in which they are expected to be paid.

Deferred taxes are calculated in accordance with IAS 12 (Income Taxes). Deferred taxes are determined for temporary differences between the asset and liability amounts recognised in the IFRS balance sheet (carrying amounts) and the tax balance sheet (tax base), for consolidation as well as for tax loss carryforwards that are likely to be utilised. The calculation is based on the tax rates expected to apply at the time of utilisation. These are based on the tax laws that are applicable on the balance sheet date. Deferred tax assets and liabilities are offset if they refer to taxes levied by the same tax authority.

Deferred tax assets for deductible temporary differences and tax loss carryforwards are capitalised if it is probable that future taxable profit will be available against which the tax loss carryforwards can be utilised. The assessment of the value of deferred tax assets resulting from temporary differences and tax loss carryforwards are subject to an entity's individual projections, e.g., regarding the future profit situation of the respective Group company.

For more information on income taxes, refer to point 30 in the Notes.

Provisions

Provisions are established for obligations resulting from past events that will probably lead to an outflow of resources and whose amount can be estimated reliably.

Other provisions are measured in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), with the best estimate of the expenses that would be needed to meet the current obligation as at the balance sheet date.

Potential legal disputes and administrative proceedings are examined on a case-to-case basis. We assess the possible outcomes of such legal disputes on the basis of available information and following consultation with our lawyers.

Financial liabilities

Financial liabilities relate to original and derivative liabilities.

Original liabilities are measured at amortised cost. This means that current liabilities are recognised at the repayment or settlement amount. Non-current financial liabilities are recognised at amortised cost.

Derivatives are initially recognised at the fair value at the time the contract is signed and are subsequently measured at the fair value at each reporting date. The resulting gain or loss is immediately recognised in profit or loss unless the derivative qualifies for hedge accounting. In this case, the time of recognition in profit or loss depends on the type of hedge.

Financial liabilities are derecognised if the contractual obligation is discharged, cancelled or expires.

Other assets and other liabilities

Deferrals, advance payments as well as non-financial assets and liabilities are recognised at amortised cost. They are released on a straight-line basis or in accordance with the performance of the service.

3.5. Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents in the course of the fiscal year as a result of the inflow and outflow of funds. In accordance with IAS 7, a distinction is made between cash flows from operating, investing and financing activities. The liquidity shown in the capital finance account includes cash in hand as well as cash in banks.

3.6. Segment reporting

Pursuant to IFRS 8, operating segments must be separated from Group segments on the basis of internal reporting, which is regularly reviewed by the chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance.

In view of the product-oriented management of the business activity of the EnviTec Group, the company continued to identify the following segments: Plant Construction, Own Plant Operation and Service, which are also used for internal reporting. Plant Construction comprises the planning, approval planning and construction of biogas plants, while the Service segment comprises the technical and biological maintenance of biogas plants. The Own Plant Operation segment comprises the company's own biogas plants.

in kEUR	Plant construction		Service		Own Plant Operation		Reconciliation		Group	
Sales revenues	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
- External revenues	201,004	116,074	14,352	9,804	28,554	22,137	0	0	243,910	148,015
- Internal revenues	5,208	5,768	3,694	2,547	4,439	3,646	-13,341	-11,961	0	0
Operating result	7,729	-4,287	-1,577	-2	4,607	5,335	0	0	10,759	1,046
Cost of materials	153,742	96,254	12,410	7,858	16,257	11,656	-6,661	-6,973	175,748	108,795
Personnel expenses	17,262	15,010	2,828	1,989	1,435	1,101	0	0	21,525	18,100
Other operating expenses	26,930	16,624	1,595	982	9,535	7,264	-4,057	-3,158	34,003	21,712
At-equity result	0	0	0	0	-99	-90	0	0	-99	-90
Interest income	2,130	3,201	2	30	240	23	0	0	2,372	3,466
Interest expense	635	516	10	3	1,440	1,346	0	0	2,085	1,865
Income taxes	2,477	845	180	185	569	156	0	0	3,226	1,186
Earnings after taxes	8,432	-900	-1,728	-160	3,125	3,978	-2,279	-1,547	7,550	1,371
Segment assets	277,203	229,331	11,089	6,711	148,970	113,636	-128,384	-97,808	308,878	251,870
Segment liabilities	85,043	55,152	6,826	3,605	108,827	79,135	-75,671	-60,269	125,025	77,623
Depreciation/ amortisation	3,682	2,522	103	73	6,051	4,942	-344	-283	9,492	7,254

Capital expenditure	2,034	2,266	261	47	32,500	16,204	0	0	34,795	18,517
Write-downs for impairment of construction contracts	0	2,086	0	0	0	0	0	0	0	2,086
Write-downs for impairment	443	0	0	0	0	0	0	0	443	0
Carrying amounts of investments accounted for at equity	0	0	0	0	6,973	5,360	0	0	6,973	5,360

The accounting and valuation principles of the reportable segments are the same as those described under 3.4 above. This also applies to business transactions between the segments.

The regional segmentation is based on the country in which the construction activity takes place / services are provided and is shown in the table below:

	Sales revenues		Non-current segment assets		Acquisition cost	
in kTEUR	**2011**	2010	**2011**	2010	**2011**	2010
Germany	180,775	101,056	117,002	80,779	33,471	16,947
Belgium	-	0	-	1,571	-	0
Czech Republic	16,948	12,379	868	1,198	47	56
Italy	26,150	26,505	4,166	3,296	1,168	203
Other countries	20,037	8,075	661	3,618	109	1,311
Reconciliation	0	0	-10,816	-6,228	0	0
Group	**243,910**	148,015	**111,881**	84,234	**34,795**	18,517

Of the sales revenues generated by the Plant Construction segment, EUR 16.6 million (previous year: EUR 10.1 million) were related to the Group's largest customer. The second largest customer accounted for EUR 6.5 million (previous year: EUR 8.6 million).

EUR 8.7 million (previous year: EUR 8.4 million) of the sales revenues generated by the Own Plant Operation segment were related to the segment's largest customer, while the second largest customer accounted for EUR 8.5 million (previous year: EUR 3.8 million). No other customers accounted for more than 10% of the sales revenues.

3.7. Impairment test

Pursuant to IFRS 3, in conjunction with IAS 36 and IAS 38, goodwill is regularly tested for impairment.

If goodwill can be allocated to a cash-generating unit, these assets must be tested for impairment annually or, if events or circumstances arise that suggest that the assets may be impaired, at shorter intervals. In this context, the carrying amount of the unit is compared with the recoverable amount of the unit, i.e. the higher of its fair value less costs to sell and its value in use.

If the carrying amount of the cash-generating unit exceeds the recoverable amount of the unit (value in use), the entity must recognise an impairment loss in the amount of the difference. The recoverable amount is determined on the basis of the present value of the future cash flows expected to arise from the continuing use of the asset until its disposal. The projections of future cash flows for the determination of the recoverable amount are based on the current planning of the EnviTec Group, with a planning period of 14 years taken as the basis.

As of 31 December 2011, the carrying amount of the cash-generating entity was EUR 6,963k (previous year EUR 6,173k).

The interest rate used to discount the estimated cash flows is 7.65% and is equivalent to the weighted average cost of capital (WACC) of the EnviTec Group. The interest rate is based on assumptions and estimates regarding specific cost of capital. Risk adjustment is performed by comparison with peer companies operating in the same sector. No growth rate was taken into account in the calculation.

The sensitivity analysis is based on the assumption that the future cash flows will decline by 10% and the WACC will increase by 10%, as such changes are assumed to be reasonably possible. Based on these assumptions, the impairment test has revealed no need for recognition of an impairment loss.

The estimates performed are deemed to be appropriate with regard to the expected useful lives of certain assets, the assumptions regarding macroeconomic conditions and trends in the sectors in which the EnviTec Group operates and the estimate of the present value of future cash flows. Modified assumptions or changed conditions may nevertheless require corrections, which may lead to write-downs for impairment.

The full amount of the goodwill recognised (EUR 2,229k) relates to the five biogas plants in Anklam. No other intangible assets with indefinite useful lives exist.

4. Uncertainty of estimates

Consolidated financial statements are prepared on the basis of certain assumptions and estimates which have an effect on the amount and presentation of the reported assets, liabilities, income and expenses. Assumptions and estimates primarily relate to the definition of the useful lives of fixed assets, the measurement of construction contracts, the collectibility of receivables and the provisions for guarantees. Our estimates are based on past experience and other assumptions that are regarded as realistic under the given circumstances. The actual values may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis.

Accounting and valuation principles are regarded as being important to the extent that they have a material impact on the presentation of the net worth, financial and earnings position and the cash flows of the Group and require a difficult, subjective and complex assessment of facts and circumstances, which are often uncertain by nature and may change in subsequent reporting periods and whose consequences are therefore difficult to assess. The most important accounting and valuation principles are described in point 3.4 of the Notes. Not all important accounting rules require a difficult, subjective or complex assessment of facts and circumstances. The following accounting and valuation principles may nevertheless be regarded as being important:

Intangible assets and property, plant and equipment

Intangible assets with certain useful lives and property, plant and equipment are amortised/depreciated over their expected useful lives. The expected useful life is based on estimates in the period in which the intangible assets or property, plant and equipment generate cash flows.

Intangible assets with certain useful lives and property, plant and equipment must be tested for impairment if certain events or changed circumstances indicate that the carrying amount of the asset may be impaired.

The management considers the estimates of the expected useful lives of certain assets and the assumptions regarding the macroeconomic environment and development of the sector in which the company operates to be appropriate. Nevertheless, corrections may be required as a result of changes in assumptions or circumstances. These may lead to impairment losses or reversals of impairment losses if the developments anticipated by the company change.

In order to determine whether goodwill is impaired, it is necessary to determine the value in use of the cash-generating unit to which the goodwill is allocated. The calculation of the value in use requires an estimate of future cash flows from the cash-generating unit as well as a suitable discount rate for the calculation of the present value.

Sales revenues

The Group's sales revenues are also the result of revenues under construction contracts as defined in IAS 11 (Biogas Plants). To measure the sales revenues of the contracts in progress (projects) as at the balance sheet date, it is necessary to determine the total profit and the stage of completion. To determine these figures, the individual project calculations and the documents of the project management department are used. These documents necessarily include estimates, as the total profit and the stage of completion of projects in progress depend on the development of the projects after the balance sheet date.

At the time of the preparation of the consolidated financial statements, the assumptions and estimates used were not subject to any material risks, which means that it is safe to assume, at the present time, that the carrying amounts of the assets and liabilities recognised in the consolidated balance sheets will not have to be adjusted in the next fiscal year.

Notes to the consolidated balance sheet

5. Intangible assets and property, plant and equipment

The changes in property, plant and equipment and intangible assets in the fiscal year 2011 are shown in the fixed-asset movement schedule. Land and buildings primarily include office buildings on the company's own land in Saerbeck and Lohne as well as land and buildings related to the biogas plants. The additions to land and buildings in fiscal year 2011 relate to the construction of various buildings in connection with the erection of biogas plants. Plant and machinery mainly comprise the own biogas plants operated by the company. Fixtures and fittings primarily include equipment for the construction of biogas plants and motor vehicles as well as equipment for the provision of services.

Property, plant and equipment in an amount of EUR 47,739k (previous year: EUR 26,460k) are subject to restraints on disposal in the form of land charges and property assignments. The disposals of property, plant and equipment resulted from the sale of assets.

In the past fiscal years, intangible assets were written down for impairment in an amount of EUR 443k (previous year: EUR 0k). They related to a license for the construction of gas upgrading facilities whose value was impaired.

6. Investments in companies valued at equity

The changes in investments in companies valued at equity in the fiscal year 2011 are shown in the fixed-asset movement schedule.

The tables below summarise the aggregated financial information (income statements and balance sheets) of the companies consolidated at equity in the consolidated financial statements of EnviTec.

The list of shareholdings to be prepared pursuant to section 313 para. 2 no. 2,3 of the German Commercial Code (HGB) contains additional information on investments in companies valued at equity.

7. Investments in affiliated companies

The list of shareholdings to be prepared pursuant to section 313 para. 2 no. 1 of the German Commercial Code (HGB) contains additional information on investments in affiliated companies.

Financial information of the companies valued at equity as at 31 December 2011

Income figures of the investments accounted for using the equity method pursuant to IAS 28	2011 in EUR	2010 in EUR
Sales revenues	16,232,254	7,367,123
Gross profit	10,383,882	4,491,330
Net income for the year	-631,584	-543,651
Result from companies accounted for at equity	100,385	-118,609

Combined financial information of the investments accounting for using the equity method pursuant to IAS 28	2011 in EUR	2010 in EUR
Non-current assets	65,974,283	33,930,504
Current assets	21,396,538	13,366,863
Non-current liabilities	36,317,562	16,328,098
Current liabilities	37,389,268	22,357,061
Equity capital	13,663,991	8,612,208
Carrying amount of investments valued at equity	6,319,799	4,807,606

Income figures of the investments accounted for using the equity method pursuant to IAS 31	2011 in EUR	2010 in EUR
Sales revenues	2,365,361	4,857,767
Gross profit	213,003	1,641,958
Net income for the year	-375,190	412,772
Result from companies accounted for at equity	-199,832	28,513

Combined financial information of the investments accounting for using the equity method pursuant to IAS 31	2011 in EUR	2010 in EUR
Non-current assets	2,121,189	2,183,882
Current assets	3,285,878	2,441,006
Non-current liabilities	4,259	0
Current liabilities	3,676,027	2,846,261
Equity capital	1,726,781	1,778,627
Carrying amount of investments valued at equity	652,721	552,552

List of shareholdings

List of consolidated companies and other equity investments as at 31 December 2011

I. Subsidiaries (fully consolidated)	Group share in %		Equity capital in EUR		Result in EUR	
	2011	2010	2011	2010	2011	2010
EnviTec Service GmbH & Co. KG, Lohne	100	100	3,992,990	3,449,294	890,448	1,726,284
Zweite EnviTec Beteiligungs GmbH & Co. KG, Lohne	100	100	8,900,626	8,732,921	167,706	50,437
Zweite EnviTec Verwaltungs GmbH, Lohne	100	100	32,714	29,581	3,133	1,643
ET Agro Trade GmbH, Lohne	100	100	109,769	38,120	71,648	76,095
EnviTec Biogas Nederland B.V., Enter/Niederlande	100	100	-354,675	-118,504	-236,313	216,968
EnviTec Baltic SIA, Riga/Lettland	100	100	-718,024	-624,968	-181,240	-374,846
EnviTec Iberica S.L., Bilbao/Spanien	100	100	-592,792	-432,869	-147,547	-109,109
EnviTec Italia GmbH, Lohne	100	100	-839,591	-839,591	6,168	-6,168
EnviTec Italia S.r.l., Sommacampagna/Italien	100	100	693,528	157,167	535,515	121,708
EnviTec Energy Contracting GmbH & Co. KG, Lohne	100	100	862,943	1,089,583	-226,640	47,187
EnviTec Energy Contracting Verwaltungs GmbH, Lohne	100	100	27,280	26,617	663	1,546
EWS Biogas Projektentwicklungs- GmbH & Co. KG, Lohne	100	100	70,468	68,577	1,892	2,176
EWS Biogas Projektentwicklung Verwaltungs GmbH, Lohne	100	100	33,204	31,506	1,698	1,664
Biogas Anklam Verwaltungs GmbH, Lohne	100	100	821,323	770,128	51,195	274,854
Erste Biogas Anklam Betriebs GmbH & Co. KG, Anklam	93.85	93.85	520,006	358,611	161,395	206,495
Zweite Biogas Anklam Betriebs GmbH & Co. KG, Anklam	100	100	585,094	392,301	192,792	216,335
Dritte Biogas Anklam Betriebs GmbH & Co. KG, Anklam	100	100	550,132	341,006	209,126	220,567
Vierte Biogas Anklam Betriebs GmbH & Co. KG, Anklam	100	100	561,875	371,186	190,689	209,777
Fünfte Biogas Anklam Betriebs GmbH & Co. KG, Anklam	100	100	756,382	635,363	121,020	199,620
Sechste Biogas Anklam Betriebs GmbH & Co. KG, Anklam	100	100	96,204	97,822	-1,619	-2,178
Biogasanlage Coevorden GmbH, Lohne	100	100	13,338	19,072	-5,734	-4,417
ETC EnviTec Technologie-Centrum GmbH & Co. KG, Lohne	100	100	38,038	40,534	-2,496	-55,101
EnviTec Biogas Korea Inc., Seoul/Republik Korea	100	100	0	-90,166	0	-138,513
EnviTec Biogas Romania s.r.l., Aras/Rumänien	100	100	0	-89,328	0	-99,756
EnviTec Biogas Polska Sp.z o.o., Poznan/Polen	100	100	0	-158,278	0	-130,820
Pieve D'Olmi Biogas Soc. Agricola a.r.l., Bozen/Italien	100	100	-1,501	10,227	-181,729	-58,734
Stagno Lombardo Biogas Soc. Agricola a.r.l., Bozen/Italien	100	100	22,942	10,135	-67,193	-86,827
EnviTec Beteiligungs GmbH & Co. KG, Lohne	94.92	94.92	1,438,825	1,295,943	242,882	181,350
EnviTec Verwaltungs GmbH, Lohne	95.12	95.12	35,977	34,321	1,657	1,454
Biogas Falkenberg GmbH & Co. KG, Falkenberg	91.5	100	460,083	524,929	-64,845	-12,653
Biogas Falkenberg Verwaltungs GmbH, Falkenberg	91.5	100	27,413	25,701	1,711	1,562
Biogas Groß Warnow GmbH & Co. KG, Karstädt	91.5	91.5	100,303	60,425	-60,122	-24,881
Biogas Groß Warnow Verwaltungs GmbH, Karstädt	91.5	91.5	27,959	26,357	1,602	1,484

EnviTec Biogas Betriebs GmbH & Co. KG, Lohne	91.5	91.5	4,796,719	394,944	-539,225	-516,607
GLC Biogas GmbH & Co. KG, Lohne	91.5	91.5	106,891	101,902	4,989	3,155
Biogas Herzberg GmbH & Co. KG, Lohne	91.5	91.5	41,869	26,508	-384,639	-512,585
Biogas Kalefeld GmbH & Co. KG, Kalefeld	91.5	91.5	97,258	101,212	-3,954	2,071
Biogas Lüchow GmbH & Co. KG, Lohne	91.5	100	564,198	97,579	-77,381	-2,117
Biogas Quakenbrück GmbH & Co. KG, Lohne	91.5	91.5	-4,143	72,784	-206,926	-119,389
EnviTec Projektentwicklung GmbH , Lohne	87.5	87.5	1,267,823	1,466,601	-198,777	516,276
Biogas Friedland GmbH & Co. KG, Lohne	87.5	87.5	724,912	492,185	232,727	630,109
Biogas Bad Wilsnack GmbH & Co. KG, Lohne	87.5	87.5	28,207	62,178	-33,972	-336
Biogas Böddenstedt GmbH & Co. KG, Salzwedel	100	0	277,646	0	-40,450	0
Biogas Böddenstedt Verwaltung GmbH, Salzwedel	100	0	26,587	0	1,006	0
Biogas Sondershausen GmbH & Co. KG, Lohne	87.5	87.5	111,970	107,971	3,999	5,147
Biogas Friedland Verwaltungs GmbH, Lohne	87.4	87.4	76,422	55,487	20,936	15,455
EnviTec Biogas d.o.o., Zagreb/Kroatien	85	85	-41,675	-41,675	-39,607	-39,607
Biogas Varadzin d.o.o., Zagreb/Kroatien	85	85	0	0	0	0
Biogas Schönthal GmbH & Co. KG, Willebadessen	79	79	131,723	340,927	90,796	81,684
Biogas Schönthal Verwaltungs GmbH, Willebadessen	79	79	31,925	30,262	1,663	1,584
Biogas Angern GmbH & Co. KG, Lohne	87.6	87.6	418,579	608,404	210,175	287,201
Biogas Angern Verwaltungs GmbH, Lohne	87.6	87.6	33,688	31,000	1,663	1,624
Baura Biogas Soc. Agricola a.r.l., Bozen/Italien	75	75	57,021	63,847	-54,826	-14,369
Fabrico Biogas Soc. Agricola a.r.l., Bozen/Italien	75	75	23,045	40,812	-38,017	-11,155
Rolo Biogas Soc. Agricola a.r.l., Bozen/Italien	80	80	36,295	42,748	-6,453	-11,219
Malombra Biogas Soc. Agricola a.r.l., Bozen/Italien	75	75	847	9,243	-8,396	-23,962
Latina Biogas Soc. Agricola a.r.l., Bozen/Italien	100	100	-420	3,630	-4,050	-6,370
Formignana Biogas Soc. Agricola a.r.l., Bozen/Italien	100	100	-62,657	10,598	-203,255	-94,401
Brazzolo Biogas Soc. Agricola a.r.l., Bozen/Italien	100	100	-67,302	10,048	-177,349	-107,952
Biogas Operating Holding S.r.l., Sommacampagna/Italien	85	85	53,592	-10,447	-25,961	-20,447
Pressanna Biogas Soc. a.r.l., Sommacampagna/Italien	100	100	11,467	11,010	-6,543	-5,990
Urbana Biogas Soc. a.r.l., Sommacampagna/Italien	100	100	13,284	11,285	-23,001	-14,715
Schio Biogas Soc. a.r.l., Sommacampagna/Italien	100	100	6,492	6,264	-6,508	-3,736
Cona Biogas Soc. a.r.l., Sommacampagna/Italien	100	100	-32,203	-2,773	-42,203	-35,273
Foresti Biogas Soc. a.r.l., Sommacampagna/Italien	100	100	-30,329	-2,685	-47,279	-35,185
Caldogno Biogas Soc. a.r.l., Sommacampagna/Italien	100	100	12,352	8,214	-7,648	-1,786
Merlara Biogas Soc. a.r.l., Sommacampagna/Italien	100	100	20,110	12,438	-18,328	-22,562
Massa Fiscaglia Biogas Soc. a.r.l., Sommacampagna/Italien	100	100	3,049	10,483	-7,434	-4,517
A3 Water Solutions GmbH, Gelsenkirchen	70	70	1,332,662	1,232,424	100,238	-122,316
MMF MaxFlow Membran Filtration GmbH, Gelsenkirchen	70	70	-43,473	-29,562	-13,911	-348,431
Biogas Wanzleben GmbH & Co. KG, Lohne	70	70	357,238	434,119	83,119	-146,600

Biogas Wanzleben Verwaltungs GmbH, Wanzleben	70	70	31,539	29,894	1,644	1,709
Biogas Heilemann GmbH & Co. KG, Rotenburg/Wümme	70	70	94,878	-387,464	182,342	19,909
Biogas Heilemann Verwaltungs GmbH, Rotenburg/Wümme	70	70	34,275	31,408	2,867	2,177
Biogas Heilemann-Holsten GmbH & Co. KG, Rotenburg/Wümme	100	100	290,441	-27,686	-101,873	-115,070
Second Biogas Operating Holding S.r.l., Sommacampagna/Italien	66	66	76,563	105,401	-218,839	10,612
Envitec France sarl, Tregueux/Frankreich	65	65	54,457	-503,032	15,104	-246,728
Biogas Thomasburg GmbH & Co. KG, Lohne	65.6	65.6	-275,796	-192,328	-83,468	-122,571
Biogas Thomasburg Verwaltungs GmbH, Lohne	65.6	65.6	32,085	30,300	1,785	1,663
Biogas Nieheim GmbH & Co. KG, Lohne	64.8	64.8	658,936	582,196	76,739	119,878
Biogas Nieheim Verwaltungs GmbH, Lohne	64.8	64.8	31,754	30,144	1,610	1,583
RePro Beber GmbH & Co. KG, Lohne	64.6	64.6	340,534	125,040	215,494	63,757
RePro Beber Verwaltungs GmbH, Lohne	64.6	64.6	33,007	31,403	1,604	1,497
Biogas Hirl GmbH & Co. KG, Bresegard	64	64	244,178	195,423	48,755	-59,715
Biogas Hirl Verwaltungs GmbH, Bresegard	64	64	30,753	28,593	2,160	1,444
Envitec Biogas UK ltd, Rugeley/Großbritannien	60	60	-136,768	-459,099	211,403	-189,734
Biogas Nordholz GmbH, Minden	60	60	158,629	132,450	26,179	74,994
EnviTec Biogas SK s.r.o., Levice/Slowakei	100	100	-104,926	4,742	-109,668	-258
EnviTec Biogas Central Europe s.r.o., Tschechien	55	55	-563,338	44,451	1,637,807	669,687
ETBKN GmbH & Co. KG, Lohne	75	75	1,986,144	1,981,203	4,941	-18,797
ETBKN Verwaltungs GmbH, Lohne	75	75	25,437	24,677	760	-323
Biogas Gramzow GmbH & Co. KG, Lohne	100	100	97,531	98,805	-1,273	-1,196
Biogas Wesenberg GmbH & Co. KG, Lohne	100	100	481,605	92,600	-10,995	-7,400
Biogas Ringleben GmbH & Co. KG, Lohne	100	100	81,404	94,912	13,508	-5,088
Biogas Osterburg GmbH & Co. KG, Lohne	100	100	511,040	98,892	-37,852	-1,108
Biogas Klein Mühlingen GmbH & Co. KG, Vogelsang	100	100	351,863	97,177	-45,314	-2,823
Biogas Schönwalde GmbH & Co. KG, Schönwalde	100	0	468,975	0	-83,349	0
Biogas Schönwalde Verwaltung GmbH, Schönwalde	100	0	27,343	0	1,161	0
Biogas Sachsendorf GmbH & Co. KG, Schwarz Sachsendorf	100	100	607,990	38,154	-426,363	-60,055
eeMaxx Anlagen- und Betriebs GmbH & Co. KG, Garrel	61	50.1	6,757,768	4,923,112	75,070	36,255
eeMaxx Verwaltungs GmbH, Garrel	61	50.1	23,809	22,511	1,298	284
Biogas Schenkenhorst GmbH & Co. KG, Garrel	85	85	1,833	161,628	-159,795	-34,036
Biogas Schenkenhorst Verwaltungs-GmbH, Garrel	100	100	28,325	26,641	1,684	168
Biogas Brehna GmbH & Co. KG, Garrel	90	90	392,106	524,488	-131,132	-25,512
Biogas Brehna Verwaltungs- GmbH, Garrel	100	100	26,435	24,787	1,648	-213
Biogas Kuck Verwaltungs- GmbH, Garrel	100	100	27,923	26,471	1,451	-2
Biogas Düben GmbH & Co. KG, Garrel	90	90	11,021	22,780	-11,759	-2,220
Biogas Düben Verwaltungs- GmbH, Garrel	100	100	26,083	24,293	1,790	-707

Biogas Dambeck GmbH & Co. KG, Garrel	100	100	569,391	511,898	57,492	-106,193
Biogas Dambeck Verwaltungs- GmbH, Garrel	100	100	28,874	26,934	1,941	495
Biogas Kruse Verwaltungs- GmbH, Garrel	100	100	25,041	23,982	1,059	-1,316
Biogas Schönhausen GmbH & Co. KG, Garrel	100	100	6,024	22,494	-16470	-2,506
Biogas Schönhausen Verwaltungs- GmbH, Garrel	100	100	26,505	24,272	2,233	-728
Biogas Kalbe GmbH & Co. KG, Garrel	100	100	529,210	336,981	56,229	-256,998
Biogas Kalbe Verwaltungs- GmbH, Garrel	100	100	28,680	26,957	1,723	483
Biogas Glauzig GmbH & Co. KG, Garrel	100	100	8,341	23,697	-15,356	-1,303
Biogas Glauzig Verwaltungs- GmbH, Garrel	100	100	25,341	24,025	1,316	-975
Biogas Schinne GmbH & Co. KG, Garrel	100	100	3,557	23,699	-20,142	-1,301
Biogas Schinne Verwaltungs- GmbH, Garrel	100	100	25,127	24,025	1,101	-975
Biogas Dingelstedt GmbH & Co. KG, Garrel	100	100	-4,774	21,605	-26,379	-3,395
Biogas Dingelstedt Verwaltungs- GmbH, Garrel	100	100	25,538	24,325	1,212	675
Biogas Genshagen GmbH & Co. KG, Garrel	100	0	18,892	0	-6,108	0
Biogas Genshagen Verwaltungs- GmbH, Garrel	100	0	24,383	0	-647	0
Biogas Trüstedt GmbH & Co. KG, Garrel	100	0	18,337	0	6,663	0
Biogas Trüstedt Verwaltungs- GmbH, Garrel	100	0	24,079	0	-921	0
Biogas Neutrebbin GmbH & Co. KG, Garrel	100	0	1,268,982	0	-76,083	0
Biogas Neutrebbin Verwaltungs- GmbH, Garrel	100	0	25,457	0	457	0
Biogas Mühlengeez GmbH & Co. KG, Garrel	100	0	18,105	0	-6,895	0
Biogas Mühlengeez Verwaltungs- GmbH, Garrel	100	0	24,909	0	-91	0
Biogas Weyhausen GmbH & Co. KG, Garrel	100	0	18,730	0	-6,270	0
Biogas Weyhausen Verwaltungs- GmbH, Garrel	100	0	23,828	0	-1,172	0
EnviTec Biogas USA, Inc., Rochester/USA	100	0	-61,789	0	-62,044	0
EnviTec Stromkontor GmbH & Co. KG	100	0	48,540	0	-1,460	0
EnviTec Biogas Service Italy S.r.l., Sommacampagna/Italien	100	0	58,122	0	-41,878	0
EnviTec Biogas Service UK Ltd., Rugeley/Großbritannien	60	0	-21,679	0	-31,679	0

II. Joint ventures (valued at equity)	Group share in %		Equity capital in EUR		Result in EUR	
EnviTec Biogas kft., Ungarn*	51.14	51.14	-417	-33,530	33,117	39,328
EnviTec Biogas (India) Private Limited, Indien	50	50	1,264,891	1,702,672	-437,781	340,815
ETFT EnviTec Filtration Technik GmbH, Lohne	50	50	-59,538	-17,076	-7,145	-52,393
P. Theunissen Holding B.V., Niederlande	50	50	0	-58,204	0	-76,204
Envitec van de Velde Service B.V.B.A., Belgien	50	50	59,316	59,316	17,559	17,559

* Due to certain clauses in the articles of incorporation of EnviTec Biogas SEE kft, the Envitec Group cannot control the company; accordingly, EnviTec Biogas SEE kft. continues to be accounted for using the equity method.

III. Associated companies (valued at equity)	Group share in %		Equity capital in EUR		Result in EUR	
Biogas Lüken-Feldmann KG, Harkebrügge	50	50	290,652	222,159	130,437	142,513
EnviTec Assekuranzmakler GmbH, Lohne	50	50	65,122	58,337	6,785	21,911
Biogas Neu Sterley GmbH & Co. KG, Lohne	50	50	656,924	696,497	170,428	125,426
Biogas Neu Sterley Verwaltungs GmbH, Lohne	50	50	31,703	29,929	1,774	2,488
Biogas Spekendorf GmbH & Co. KG, Lohne	50	50	324,639	217,085	107,554	207,218
Biogas Spekendorf Verwaltung GmbH, Lohne	50	50	33,941	32,140	1,800	1,666
Biogas Golzow GmbH & Co. KG, Golzow	48	48	1,212,761	90,868	-116,507	-6,352
Biogas Golzow Verwaltungs GmbH, Golzow	48	48	28,566	25,445	3,121	620
Biogas Gut Rigterink GmbH & Co. KG, Bad Bentheim	46	46	268,391	385,250	-116,859	-284,252
Biogas Gut Rigterink Verwaltungs GmbH, Bad Bentheim	46	46	29,207	27,521	1,686	1,719
Biogas Putzar GmbH & Co. KG, Putzar	50	50	447,611	338,459	-90,849	-34,304
Biogas Putzar Verwaltungs GmbH, Putzar	50	50	28,820	27,155	1,665	1,801
Knipgas GmbH & Co. KG, Kleve	50	50	489,990	473,256	16,734	-121,624
Knipgas Verwaltungs GmbH, Kleve	50	50	27,302	25,763	1,539	1,574
Biogas Güntner GmbH & Co. KG, Barßel-Harkebrügge	44	44	-50,604	-81,197	30,592	-53,561
Biogas Güntner Verwaltungs GmbH, Barßel-Harkebrügge	44	44	28,427	28,509	-82	1,550
Biogas Löschenrod GmbH & Co. KG, Lohne	44	44	42,349	57,542	-15,193	-80,928
Biogas Löschenrod Verwaltungs GmbH, Lohne	44	44	31,984	30,490	1,494	1,550
Biogas Dishley GmbH & Co. KG, Lohne	50	50	539,758	426,952	112,806	-64,176
Biogas Dishley Verwaltungs GmbH, Lohne	50	50	26,575	25,061	1,514	1,376
Biogas Exter GmbH & Co. KG, Vlotho-Exter	49	0	632,647	0	-35,576	0
Biogas Exter Verwaltungs GmbH, Vlotho-Exter	49	0	27,922	0	801	0
Biowatt Sarl, Frankreich	50	50	853,834	784,451	160,038	-42,608
Biogas Reinsfeld GmbH & Co. KG, Lohne	50	75	672,487	731,262	-98,775	-21,418
Biogas Reinsfeld Verwaltung GmbH, Lohne	50	75	27,980	26,381	1,599	1,154
Biogas Ihorst GmbH & Co. KG, Holdorf	27.5	27.5	313,302	283,908	29,394	30,770
Biogas Ihorst Verwaltungs GmbH, Holdorf	27.5	27.5	27,706	25,841	1,866	753
Rentech Bioenergas S.A., Athen/Griechenland	21	21	0	0	0	0
Helianthus srl, San Dona di Piave/Italien	50	50	0	0	0	0
Biogas Potthast GmbH & Co. KG, Beverungen	50	50	484,761	562,051	-77,289	-21,949
Biogas Potthast Verwaltungs GmbH, Beverungen	50	50	27,680	25,936	1,744	936
Biogas Kleve GmbH & Co. KG, Kleve	50	50	14,494	90,769	-76,275	-14,231
Biogas Kleve Verwaltungs GmbH, Kleve	50	50	26,522	25,048	1,474	48
Biogas Medebach GmbH & Co. KG, Medebach	50	50	83,662	96,411	-12,749	-3,589
Biogas Medebach Verwaltungs GmbH, Medebach	50	50	26,831	25,108	1,723	108
Biogas Altentreptow GmbH & Co. KG, Altentreptow	50	50	295,996	97,557	-116,561	-2,443
Biogas Altentreptow Verwaltungs GmbH, Altentreptow	50	50	26,766	25,184	1,582	184

Biogas Roga GmbH & Co. KG, Datzetal	50	50	512,896	565,876	-52,980	-8,887
Biogas Roga Verwaltungs GmbH, Datzetal	50	50	25,901	24,879	1,022	-121
Biogas Produktion Nonnendorf GmbH & Co. KG, Nonnendorf	50	50	88,119	98,282	-10,163	-1,718
Biogas Produktion Nonnendorf Verwaltungs GmbH, Nonnendorf	50	50	25,497	24,818	679	-182
Biogas Elm GmbH & Co. KG, Bremervörde	49	49	290,536	373,469	-82,933	-306,861
Biogas Elm Verwaltungs GmbH, Bremervörde	49	49	29,267	27,259	2,008	1,699
Biogas Brakel GmbH & Co. KG, Brakel	50	50	500,866	559,592	-58,726	-15,408
Biogas Brakel Verwaltungs GmbH, Brakel	50	50	26,869	25,035	1,834	35
Biogas Penzlin GmbH & Co. KG, Lohne	50	50	332,923	99,756	-86,832	-244
Biogas Penzlin Verwaltungs GmbH, Lohne	50	50	25,718	24,312	1,406	-688
Biogas Dirkes GmbH & Co. KG, Südmerzen	50	50	650,957	584,823	66,133	-14,665
Biogas Dirkes Verwaltungs GmbH, Südmerzen	50	50	26,841	25,343	1,498	851
Biogas Grieben GmbH & Co. KG, Grieben	49	0	240,118	0	-18,524	0
Biogas Grieben Verwaltungs GmbH, Grieben	49	0	26,331	0	1,586	0
Biogas Rönnau GmbH & Co. KG, Ahlhorn	50	50	345,866	408,430	-62,564	-89,251
Biogas Rönnau Verwaltungs GmbH, Ahlhorn	50	50	26,965	25,442	1,523	1,028
Biogas Kruse GmbH & Co. KG, Garrel	50	50	794,697	1,044,678	-249,981	-111,304
Biogas Meetzen GmbH & Co. KG, Holdorf	49	0	7,495	0	-2,505	0
Biogas Meetzen Verwaltungs GmbH, Holdorf	49	0	25,007	0	7	0
Biogas Talge Verwaltungs- GmbH, Garrel	49	49	26,040	24,241	1,798	-759
Biogas Talge GmbH & Co. KG, Garrel	49	49	517,426	21,836	-52,034	-3,164
Biogas Barby GmbH & Co. KG, Lohne	50	0	95,555	0	1,962	0
Biogas Barby Verwaltungs GmbH, Lohne	50	0	25,892	0	717	0
Biogas Kuck GmbH & Co. KG, Garrel	49	90	336,360	220,099	122,381	-104,658
Saergas GmbH & Co. KG, Saerbeck	33.33	0	875,051	0	-69,949	0

Equity and earnings figures are based on the financial statements prepared to the German Commercial Code (HGB) or local GAAP principles.

With the exception of EnviTec Biogas (India) Private Limited, all companies prepare their financial statements as of 31 December.

8. Other non-current receivables

As in the previous year, other non-current receivables exclusively relate to fixed-interest loans with a residual term of more than one year granted to external third parties.

9. Construction contracts

The table below shows the construction contracts as at 31 December 2011:

Construction contracts	2011 in EUR	2010 in EUR
Gross amount due from customers for biogas plant contract work in progress		
Contract revenue recognised in the fiscal year	194,662,668	112,493,163
Accumulated costs incurred	172,687,818	101,703,753
Accumulated profits recognised	21,974,849	15,149,566
Accumulated advance payments received	-136,494,326	-58,789,511
Gross amount due from customers for contract work	**58,168,341**	**58,063,808**
Gross amount due to customers for biogas plant contract work in progress		
Contract revenue recognised in the fiscal year	6,975,836	6,503,682
Accumulated costs incurred	5,889,360	2,471,635
Accumulated profits recognised	1,235,816	-437,464
Accumulated advance payments received	-10,770,305	-5,366,843
Gross amount due to customers for contract work	**3,645,129**	**3,332,672**

During the past financial year, no construction contracts were written down for impairment (previous year: EUR 2,085,683).

10. Inventories

Inventories comprise the following:

Inventories	2011 in EUR	2010 in EUR
Raw materials and supplies	30,794,053	19,088,513
Advance payments	3,618,896	5,880,003
	34,412,949	24,968,517

Inventories were written down for impairment in an amount of EUR 44,486 (previous year: EUR 25,795) in the past financial year. The carrying amount of those inventories amounts of EUR 3,038k.

11. Trade receivables

All trade receivables are due within one year. The table below shows the changes in itemised allowances on receivables:

Trade receivables	2011 in EUR	2010 in EUR
Accumulated allowances as at 1 Jan.	97,469	436,144
Additions	3,045,912	60,500
Reversal	78,911	399,175
Accumulated allowances as at 31 Dec.	**3,064,470**	**97,469**

Specific bad debt reserves were established for receivables due from third parties experiencing unexpected financial difficulties. The amount of the bad debt reserves was calculated in accordance with the expected net payment defaults. The impairments are shown in the consolidated results as other operating expense.

Receivables in an amount of EUR 6,511k (previous year: EUR 6,438k) are not due yet.

The following table summarises the overdue receivables for which no bad debt reserves have been established in EUR k:

Analyse of receivables	2011 in EUR	2010 in EUR
31 < 90 days	2,870	3,212
91 > 180 days	1,418	2,935
181 < 360 days	894	5,362
> 360 days	10,284	4,176
Total	**15,466**	**15,685**

Overdue receivables are usually secured by way of contract performance guarantees requested from the customer or by other securities such as the assignment of receivables from electricity generation or the assignment of investments and/or other assets. The amount of actual bad dept was EUR 40k (previous year: 421k).

12. Other current assets

Other current assets comprise the following:

The other current assets	2011 in EUR	2010 in EUR
Loans to third parties	22,865,734	25,651,998
Receivables from associated companies	30,663,639	14,548,704
Interest claims	47,005	67,126
Prepaid expenses	1,543,022	1,316,691
Receivables from employees	101,499	79,650
Receivables from minority shareholders	362,302	0
Refund of transaction taxes	147,190	1,189,916
Supplier refund	1,675,000	0
Outstanding credits / charges	2,481,889	1,186,534
Currency forward transaction	67,347	0
Other short-term receivables	1,831,489	1,101,053
Total	**61,786,116**	**45,141,672**

The table below shows the changes in itemised aalowances on other current assets:

	2011 in EUR	2010 in EUR
Accumulated allowances as at 1 Jan.	307,785	0
Additions	79,715	307,785
Reversal	0	0
Accumulated allowances as at 31 Dec.	**387,500**	**307,785**

Value adjustments on current assets from third parties, who are in unexpected economic difficulties has been made. The assessment of these value adjustments is based on the expected net payment default. The impairment of value has been recognized in the depreciation of the group result.

13. Tax refund claims

The tax refund claims relate to income taxes and transaction taxes of the current fiscal year, which have not yet been refunded by the tax authority. They are recognised at the amount of the expected tax refund.

14. Equity

14.1. Changes in equity

The individual equity components and their changes in 2010 and 2011 are shown in the statement of changes in equity.

The company's share capital amounts to EUR 15,000k. It is divided into 15,000,000 bearer shares with a par value of EUR 1.00 per share.

As of 31 December 2011, EnviTec Biogas AG held 150,000 (previous year: 150,000) shares in EnviTec Biogas AG with a par value of EUR 1.00. The acquisition costs of EUR 2,082k were deducted from the carrying amount of equity capital. Taking account of the acquisition of own shares, a total of 14,850,000 shares were outstanding as of 31 December 2011. For more information, please refer to the statement of changes in equity.

The Annual General Meeting on 26 June 2007 authorised a conditional increase in the share capital by an amount of up to EUR 4,500,000.00 (authorised capital 2007/I). The purpose of the conditional capital increase

is to enable the issue of shares to the holders and creditors of bonds with warrants and/or convertible bonds that will be issued by the company or a subordinated Group company by 25 June 2012 once or several times based on the authorisation granted by the Annual General Meeting on 26 June 2007. The shares will be issued at the warrant exercise or conversion price to be determined in accordance with the above authorisation. The conditional capital increase must be effected only to the extent that option and/or conversion rights arising from bonds issued against cash are exercised and/or conversion obligations from such bonds are met and no cash compensation is granted or own shares are used to meet such obligations. The Executive Board is authorised to define the further details of the conditional capital increase.

The capital reserve primarily relates to the premium of the IPO on 12 July 2007. As a result, the capital reserve after deduction of IPO expenses (EUR 7,092k) pursuant to IAS 32.37 increased by EUR 133,479k. For further details of the capital reserve, please refer to the statement of changes in equity.

Based on a resolution adopted by the Annual General Meeting on 25 June 2009, EUR 10,000,000 of the profit carried forward was allocated to the newly established revenue reserve.

The currency translation reserve in an amount of EUR -74,447k (previous year: EUR -54,438) essentially comprises the difference resulting from the translation of the financial statements of the fully consolidated companies, whose reporting currency is not the euro. These are the subsidiaries in Great Britain, the Czech Republic, Croatia, Latvia and the USA. The reserve increased in an amount of EUR 20,009 because of the deconsolidsation of three foreign subsidaries.

Other reserves comprise the effects of the adoption of IFRS as of 1 January 2005 in an amount of EUR 480k and mainly relate to the capitalisation of construction contracts as well as to the recognition in equity of "available-for-sale financial assets" and currency forwards in an amount of EUR 0k (previous year: EUR 35k).

Results out of other comprehensive income with an amount of EUR 14,861 (previous year: EUR -108,581) are included into equity on 31.12.2011.

The balancing item for minority interests in an amount of EUR -445k (previous year: EUR -666k) comprises minority interests in fully consolidated Group companies.

14.2. Capital management

EnviTec Biogas AG manages its capital with the aim of maximising the return on capital. This also includes optimising the debt-to-equity ratio. The focus is on long-term value creation in the interest of investors, employees and customers.

As is standard practice in the biogas sector, the company monitors its capital on the basis of leverage, which is calculated as the relation between debt capital and total capital. The total capital relevant for this purpose comprises shareholders' equity and financial liabilities. Shareholders' equity includes subscribed capital, capital reserves, revenue reserves, profit carried forward, minority interests and the consolidated net income for the year. Financial liabilities comprise all financial obligations including current financial liabilities and trade payables.

As at 31 December 2011, the equity ratio stood at 59.5% (previous year: 69.9%).

EnviTec Biogas AG is not subject to any capital requirements in its statutes.

External minimum capital requirements apply to a credit line in an amount of EUR 25,000k, for which a minimum equity ratio of 25% was agreed.

For more information, please refer to the disclosures on risk management in the management report.

15. Provisions

The table below shows the changes in the individual provision categories in the fiscal year 2011:

	As at 01/01/11 in EUR	Use 2011 in EUR	Reversal 2011 in EUR	Allocation 2011 in EUR	As at 12/31/11 in EUR
Provisions for unbilled work	7,358,259	7,358,259	0	7,408,279	7,408,279
Thereof current	7,358,259	7,358,259	0	7,408,279	7,408,279
Warranty and goodwill provisions	907,241	795,139	112,102	1,053,081	1,053,081
Thereof current	402,241	290,139	112,102	459,081	459,081
Other provisions	1,008,799	846,439	162,360	1,656,374	1,656,374
Thereof current	1,008,799	846,439	162,360	1,656,374	1,656,374
	9,274,299	**8,999,837**	**274,462**	**10,117,734**	**10,117,734**
Thereof current	8,769,299	8,494,837	274,462	9,523,734	9,523,734

The table below shows the changes in the individual provision categories in the fiscal year 2010:

	As at 01/01/10 in EUR	Use 2010 in EUR	Reversal 2010 in EUR	Allocation 2010 in EUR	As at 12/31/10 in EUR
Provisions for unbilled work	4,719,288	4,719,288	0	7,358,259	7,358,259
Thereof current	4,719,288	4,719,288	0	7,358,259	7,358,259
Warranty and goodwill provisions	928,514	928,514	0	907,241	907,241
Thereof current	426,514	426,514	0	402,241	402,241
Other provisions	756,066	615,817	140,249	1,008,799	1,008,799
Thereof current	747,567	607,318	140,249	1,008,799	1,008,799
	6,403,868	**6,263,619**	**140,249**	**9,274,299**	**9,274,299**
Thereof current	5,893,369	5,753,120	140,249	8,769,299	8,769,299

The expected cash flows for the provisions recognised in 2010 and 2011 are shown below:

Expected outflow of funds	12/31/11 in EUR	Expected outflow of funds	12/31/10 in EUR
2012	9,523,734	2011	8,769,299
2013	594,000	2012	505,000
	10,117,734		**9,274,299**

The provisions for unbilled work refer to work performed by third parties whose amount and time of completion is still uncertain.

The warranty and goodwill provisions refer to contractually agreed warranties on biogas plants built and sold. The provisions are based on management's best estimate of the future outflow of funds through the fulfilment of warranty obligations. The estimate was made on the basis of historical figures and may fluctuate because of new materials and/or other factors. A deduction in an amount of EUR 28k was made (previous year: EUR 21k). This effect is included in the presentation of the provisions. Discounting is performed on the basis of the discount rate published by Deutsche Bundesbank for a remaining term of 2 years. The discount rate is 3.94%.

16. Financial liabilities

Financial liabilities are composed as shown below:

	Total in EUR	Thereof current in EUR	Total in EUR	Thereof current in EUR
	12/31/11		12/31/10	
Liabilities to banks	70,935,469	30,084,953	28,610,909	5,249,593
Liabilities to minority shareholders	5,569,088	158,330	5,917,438	552,114
Advance payments received	5,066,419	5,066,419	3,322,252	3,322,252
Other financial liabilities	713,182	189,862	1,005,632	870,657
	82,284,158	**35,499,564**	**38,856,231**	**9,994,616**

Financial liabilities have the following maturities:

Due in	12/31/11 in EUR	Due in	12/31/10 in EUR
2012	35,499,564	2011	9,994,616
2013	4,937,537	2012	3,098,626
2014	4,935,191	2013	2,942,462
2015	4,782,646	2014	2,937,574
2016	4,421,128	2015	2,785,696
2017 and thereafter	27,708,092	2016 and thereafter	17,097,257
	82,284,158		**38,856,231**

Current financial liabilities totalled EUR 35,499,564 (previous year: EUR 9,994,616). The weighted average interest rate was 3.42%.

Non-current liabilities to banks primarily comprise loans for the financing of office buildings, biogas plants as well as fixtures and fittings. Liabilities to banks are secured by land charges and property assignments.

As at 31 December 2011, the following securities for liabilities to banks existed:

Lenders	Liability as at 12/31/11 in EUR	Liability as at 12/31/10 in EUR	Type of security	Carrying amount of security as at 12/31/11 in EUR	Carrying amount of security as at 12/31/10 in EUR
Landesspar-kasse zu Olden-burg	239,243	295,028	Land charge of EUR 2,250,000 in the property in Saerbeck, Boschstraße 2 and also land charge of EUR 2,000,000 in the property in Lohne, Industriering 10a	347,347	1,157,020
Landesspar-kasse zu Olden-burg	326,699	402,687	Land charge of EUR 2,250,000 in the property in Saerbeck, Boschstraße 2 and also land charge of EUR 2,000,000 in the property in Lohne, Industriering 10a	474,320	1,579,229
Landesspar-kasse zu Olden-burg	333,567	401,033	Land charge of EUR 2,250,000 in the property in Saerbeck, Boschstraße 2 and also land charge of EUR 2,000,000 in the property in Lohne, Industriering 10a	484,291	1,572,743
Landesspar-kasse zu Olden-burg	4,000,000	0	Land charge of EUR 2,250,000 in the property in Saerbeck, Boschstraße 2 and also land charge of EUR 2,000,000 in the property in Lohne, Industriering 10a	5,807,417	0
Landesspar-kasse zu Olden-burg	340,904	386,360	Subordinated land charge of EUR 1,430,000 in the property in Rotenburg, Kesselhofskamp 2, Assign-ment of biogas plants including machinery and equipment, Assignment of claims of electricity producers	312,897	332,406
Landesspar-kasse zu Olden-burg	542,041	614,315	Subordinated land charge of EUR 1,430,000 in the property in Rotenburg, Kesselhofskamp 2, Assign-ment of biogas plants including machinery and equipment, Assignment of claims of electricity producers	497,510	528,528
Landesspar-kasse zu Olden-burg	21,775	56,435	Subordinated land charge of EUR 1,430,000 in the property in Rotenburg, Kesselhofskamp 2, Assign-ment of biogas plants including machinery and equipment, Assignment of claims of electricity producers	19,986	48,554
Landesspar-kasse zu Olden-burg	992,724	1,116,816	Subordinated land charge of EUR 1,430,000 in the property in Rotenburg, Kesselhofskamp 2, Assign-ment of biogas plants including machinery and equipment, Assignment of claims of electricity producers	911,168	960,857
Landesspar-kasse zu Olden-burg	363,632	409,088	Subordinated land charge of EUR 1,430,000 in the property in Rotenburg, Kesselhofskamp 2, As-signment of biogas plants including machinery and equipment Assignment of claims of electricity producers	333,758	351,960
Landesspar-kasse zu Olden-burg	63,700	90,700	Subordinated land charge of EUR 1,430,000 in the property in Rotenburg, Kesselhofskamp 2, As-signment of biogas plants including machinery and equipment Assignment of claims of electricity producers	58,467	78,034
Landessparkass zu Oldenburg	568,126	722,794	First priority registered land charge of EUR 1,100,000,00 in the property in Angern, Loitscher Weg 5, Assignment of biogas plants including machinery and equipment, Assignment of claims of electricity producers	733,591	900,074
Bremer Landes-bank	1,972,616	1,271,050	First priority land charge of EUR 1,725,000.00 in the property in Friedland, Am Schwarzen Weg, Assign-ment of biogas plants, Assignment of claims of energy utilities	1,633,627	2,886,652

Bremer Landesbank	3,000,000	782,605	First priority land charge of EUR 1,725,000.00 in the property in Friedland, Am Schwarzen Weg, Assignment of biogas plants, Assignment of claims of energy utilities	2,484,458	1,777,356
Bremer Landesbank	499,995	590,905	First priority land charge of EUR 7,500,000.00 in the site in Anklam, Konrad-Zuse-Str. 8; assignment of biogas plant, Assignment of claims of energy utilities	761,749	793,516
Bremer Landesbank	35,705	107,135	First priority land charge of EUR 7,500,000.00 in the site in Anklam, Konrad-Zuse-Str. 8; assignment of biogas plant, Assignment of claims of energy utilities	54,397	143,870
Bremer Landesbank	499,995	590,905	First priority land charge of EUR 7,500,000.00 in the site in Anklam, Konrad-Zuse-Str. 8; assignment of biogas plant, Assignment of claims of energy utilities	761,749	783,276
Bremer Landesbank	35,705	107,135	First priority land charge of EUR 7,500,000.00 in the site in Anklam, Konrad-Zuse-Str. 8; assignment of biogas plant, Assignment of claims of energy utilities	54,397	142,013
Bremer Landesbank	499,995	590,905	First priority land charge of EUR 7,500,000.00 in the site in Anklam, Konrad-Zuse-Str. 8; assignment of biogas plant, Assignment of claims of energy utilities	761,749	782,961
Bremer Landesbank	35,705	107,135	First priority land charge of EUR 7,500,000.00 in the site in Anklam, Konrad-Zuse-Str. 8; assignment of biogas plant, Assignment of claims of energy utilities	54,397	141,956
Bremer Landesbank	499,995	590,905	First priority land charge of EUR 7,500,000.00 in the site in Anklam, Konrad-Zuse-Str. 8; assignment of biogas plant, Assignment of claims of energy utilities	770,310	801,757
Bremer Landesbank	35,705	107,135	First priority land charge of EUR 7,500,000.00 in the site in Anklam, Konrad-Zuse-Str. 8; assignment of biogas plant, Assignment of claims of energy utilities	55,008	145,364
Bremer Landesbank	505,547	649,993	First priority land charge of EUR 7,500,000.00 in the site in Anklam, Konrad-Zuse-Str. 8; assignment of biogas plant, Assignment of claims of energy utilities	972,992	1,106,691
Oldenburgische Landesbank	1,577,313	1,800,000	First priority land charge of EUR 1,800,000.00 in the site in Wanzleben, Vor dem Schlosstor 2; , assignment of claims of energy utilities as well as various claims resulting from the operation of the biogas plant	1,742,599	1,942,639
Oldenburgische Landesbank	1,590,909	1,750,000	First priority land charge of EUR 1,750,000.00 in the site Thomasburg, Hagenweg; , assignment of claims of energy utilities as well as various claims resulting from the operation of the biogas plant	1,656,953	1,957,832
Bremer Landesbank	1,600,316	1,768,772	First priority land charge of EUR 2,003,000.00 in the property in Willebadessen, Schönthal 25; assignment of biogas plant, Assignment of claims of energy utilities	1,601,097	1,754,462
Bremer Landesbank	1,727,270	1,909,090	First priority land charge of EUR 2,350,000.00 in the site in Nieheim, Steinheimer Straße 99; assignment of biogas plant, Assignment of claims of energy utilities	2,237,442	2,506,034
Bremer Landesbank	1,492,362	1,649,454	First priority land charge of EUR 2,128,000.00 in the site in Bresegard, Hauptstraße 42; assignment of biogas plant, Assignment of claims of energy utilities	1,549,022	1,790,436
Volksbank Gelsenkirchen	201,968	218,464	First priority land charge of EUR 1,111,000.00 in the site in Gelsenkirchen, Magdeburger Straße 16a	952,866	979,302
Deutsche Kreditbank	2,062,692	2,243,356	First priority land charge of EUR 2,400,000.00 in the site in Minden, Stemmer Landstraße 151; assignment of biogas plant and inventory, Assignment of claims of energy utilities	2,067,992	2,205,715

Bremer Landesbank	1,926,086	1,504,362	First priority land charge of EUR 1,726,000.00 in the site in Beber, Zum Dachtelfeld 29; assignment of biogas plant, Assignment of claims of energy utilities	3,297,892	1,056,335
Oldenburgische Landesbank AG	1,660,909	1,740,000	First priority land charge of EUR 1,740,000.00 in the site in Kalbe, An der Bahn; assignment of biogas plant, Assignment of claims of energy utilities	2,323,631	2,314,835
Oldenburgische Landesbank AG	1,727,735	1,597,500	First priority land charge of EUR 1,810,000.00 in the site in Salzwedel, Im Dorf; assignment of biogas plant, Assignment of claims of energy utilities	2,302,948	2,085,601
Deutsche Kreditbank	5,409,000	0	First priority land charge of EUR 5,609,000.00 in the site in the local subdistrict of Neunaundorf; assignment of biogas plant , Assignment of claims of energy utilities	4,297,832	0
Oldenburgische Landesbank AG	1,802,000	0	First priority land charge of EUR 1,802,000.00 in the site in Sandersdorf-Brehna; assignment of biogas plant, Assignment of claims of energy utilities	2,200,679	0
Landessparkasse zu Oldenburg	2,013,330	0	First priority land charge of EUR 2,160,000 in the sheet 574 of the Bötersen Land Register , Assignment of biogas plants including machinery and equipment Assignment of claims of electricity producers	2,161,073	0
Bremer Landesbank	2,000,000	0	First priority land charge of EUR 6,269,000 in the local subdistrict of Groß Rosenburg-Sachsendorf, sheets 409 and 312,	4,469,571	0
Bremer Landesbank	1,620,000	0	First priority land charge of EUR 2,436,000 in the local subdistrict of Schönwalde, sheet 271, assignment of biogas plants including machinery and equipment Assignment of claims of electricity producers,	2,492,747	0
Bremer Landesbank	1,590,000	0	First priority land charge of EUR 2,260,000 in the local subdistrict of Salzwedel, sheet 14046 cadastral district 80, assignment of biogas plants including machinery and equipment Assignment of claims of electricity producers,	2,458,638	0
Bremer Landesbank	1,964,000	0	First priority land charge of EUR 2,184,000 in the local subdistrict of Osterburg, sheet 10359 cadastral district 5, assignment of biogas plants and inventories including machinery and equipment. Assignment of claims of electricity producers	2,896,490	0
	47,379,264	25,389,457		**59,055,057**	33,830,652

Liabilities to shareholders in an amount of EUR 158k (previous year: EUR 552k) relate to short-term loans granted by minority shareholders in the context of the liquidity management for the company's own biogas plants. These loans carry an interest rate of 5%. An amount of EUR 5,519k (previous year: EUR 5,365) relates to compensation claims of minority interests. Other financial liabilities in an amount of EUR 748k (previous year: EUR 543k) represent loan payables towards third parties that are no banks or minority shareholders.

17. Trade payables

All trade payables are due within one year.

18. Other current financial liabilities

Other current financial liabilities comprise the following:

Other current financial liabilities	12/31/11 Total in EUR	12/31/10 Total in EUR
Payroll liabilities	1,451,017	1,004,095
Social security liabilities	26,309	89,815
Liabilities from transaction taxes and amounts of withholding taxes	267,985	859,872
Deferred income	362,111	172,806
Other current liabilities	945,192	1,653,694
	3,052,614	**3,780,282**

The liabilities from transaction taxes and amounts of withholding tax represent turnover tax and wage and church tax due as at the balance sheet date.

Other current liabilities relate to short-term loans granted by third parties to various subsidiaries, debtors with credit balances as well as unbilled work whose amount is certain but whose time of completion is still uncertain. The loans carry an interest rate of 5% p.a. and are used for short-term liquidity management. The other financial liabilities also includes the negative market value of the currency forward transaction in an amount of EUR 26k.

19. Tax liabilities

Tax liabilities relate to the income tax of the current fiscal year, which has not yet been paid to the tax authorities. They are recognised at the amount in which they are expected to be paid.

20. Disclosures on financial instruments

20.1. Financial risk management

Due to non-current and current financial liabilities carrying variable interest rates, EnviTec Biogas AG is exposed to an interest rate risk, i.e. changes in the value of future payments under a financial instrument. The interest rate risk is managed and analysed by the company's management. Derivative financial instruments are used to hedge the interest rate risk from a floating-rate long-term loan. A variable interest rate based on the EURIBOR has been agreed for this loan currently amounting to EUR 568,126 (previous year: 669,662). Economically speaking, the interest cap contract represents a hedge. The possibility to hedge accounting is made no use of. Changes in the fair value of this financial instruments are immediately recognised in the income statement taking deffered taxes into account.

The compensation for the difference between the cap and the variable interest rate is paid by Landessparkasse zu Oldenburg, Oldenburg. The floating interest rate is calculated on the basis of the 3-month EURIBOR plus a margin of 1.25%. As at the balance sheet date, the interest rate was 2.64%.

Due to a lack of materiality, no sensitivity analysis is performed. Fixed interest rates have been agreed for long-term loans exposed to a fair value risk. Accordingly, possible interest rate increases represent no significant risk for the company.

The EnviTec Group aims to raise its long-term loans at fixed interest rates during times of low interest rates to achieve maximum planning certainty. In the past fiscal year 2011, EnviTec Biogas AG had current floating-rate financial liabilities in an amount of EUR 24,411k (previous year: EUR 697k). The loans carry a floating interest rate based on the EONIA plus a margin. Fluctuations by +/- 50 base points or 0.5% p.a. were used in the sensitivity analysis. An increase by 50 basis points would decrease the financial result by EUR 119k, while a decline would increase the financial result by EUR 119k. Accordingly, equity would decline/increase by EUR 86k. At the end of the year long term loans are EUR 46,534k (previous year: 22,793k). Interest rates are fixed between 2,4% and 5.65%. Regardless loans named above long term loans with variable interests rates do not exist.

Sales and purchases are generally effected in the company currency and entail no material CURRENCY RISKS. Currency risks may arise in conjunction with the Czech subsidiary, as material payments are made in euros and in Czech koruna. Exchange rates are therefore monitored on an ongoing basis to ensure that currency hedging measures can be taken at an early stage. Derivative financial transactions are subject to close monitoring, which is ensured through the separation of functions.

In 2011, the company signed currency forward transactions in an amount of CZK 64,398k (previous year: CZK 154,663k) plus USD 678k (previous year: USD 0). These are used to hedge future cash flows from transactions that are highly likely to materialise. For these instruments no hedge accounting is used. Changes in values are shown in other operating expenses and in other operating income respectively.

The value of receivables and other financial assets may be adversely affected where counterparties fail to meet their payment or other obligations. The amounts of the financial assets stated in the balance sheet represent the maximum default risk in the event that business partners fail to meet their obligations. Credit risks are mitigated by constant monitoring of the individual receivables as well as by appropriate hedging measures such as creditworthiness checks by external agencies and the presentation of financing commitments from banks. One loan is secured by a substanial Collateral security. the amount of the loan is EUR 8,875k (previous year: EUR 15,000k). Actual defaults in the past were low. As of the reporting date, the EnviTec Group had term and overnight accounts with German banks that are members of the "Einlagensicherungsfonds" (German deposit guaranty fund). A material creditworthiness risk does not exist.

LIQUIDITY RISKS are mitigated by advance payments from customers, which are matched to the specific contract and the stage of completion. The construction of the properties in Lohne and Saerbeck was financed with long-term bank loans carrying fixed interest rates. Liquidity management measures include the daily reporting of the liquidity status and monthly liquidity budgets based on the company's budgets as well the holding of a sufficient reserve of liquid funds. Due to the existing credit lines, no liquidity risks exist. Unused credit limits on 31.12.2011 are EUR 10,220k (previous year: EUR 20,594k).

The expected cash flow for the financial liabilities recognised in 2010 and 2011 are shown below:

Due in	12/31/2011 in EUR	Due in	12/31/10 in EUR
2012	73,410,292	2011	43,708,894
2013	7,151,449	2012	5,412,850
2014	6,346,532	2013	4,562,554
2015	5,986,807	2014	4,348,915
2016	5,446,655	2015	3,989,857
2017 and thereafter	36,462,007	2016 and thereafter	25,337,171
	134,803,742		**87,360,241**

20.2. Presentation of financial instruments

The table below shows the measurement categories and carrying amounts of financial assets and liabilities:

Financial instruments 2011 and 2010	IAS 39 Measurement		Carrying amount In kEUR		Fair Value in kEUR	
	2011	2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Assets						
Other non-current receivables	LAR	LAR	13,683	12,699	14,851	13,194
Trade receivables	LAR	LAR	21,978	22,123	21,978	22,123
Loans to third parties	LAR	LAR	22,866	25,652	22,866	25,652
Receivables from associated companies	LAR	LAR	30,664	14,549	30,664	14,549
Interest claims	LAR	LAR	47	67	47	67
Other short-term receivables	LAR	LAR	6,203	3,479	6,203	3,479
Currency forward transaction	HfT	n.a.	67	0	67	0
Liquid funds	LAR	LAR	13,853	12,788	13,853	12,788
Liabilities						
Non-current financial liabilities	FLAC	FLAC	46,785	28,862	45,281	27,463
Current financial liabilities	FLAC	FLAC	35,400	9,995	35,540	9,995
Trade payables	FLAC	FLAC	16,571	14,404	16,571	14,404
Currency forward transaction	HfT	n.a.	26	0	26	0

Financial instruments 2011

Thereof aggregated by measurement categories pursuant to IAS 39:

Loans and Receivables (LAR): EUR 109.294k
Financial Liabilities at
Amortised Costs (FLAC): EUR 98.756k
Held for Trading: EUR 41k

Financial instruments 2010

Thereof aggregated by measurement categories pursuant to IAS 39:

Loans and Receivables (LAR): EUR 91,357k

Financial Liabilities at
Amortised Costs (FLAC): EUR 53,261k

Trade receivables, other non-current receivables (without derivate financial instruments) and cash and cash equivalents are accounted as book vlaue is equal to the fair value. Short term financial liabilities (without derivative financial instruments) are accounted as book value is equal to the fair value. The fair value of long term financial liabilities and long term financial receivables arises out of the cash value of the expected future payments. Discounting is on basis of interest rates of date of financial statement date.

The fair value of the long-term financial liabilities of EUR 415k (previous year: EUR 691k) was determined using the DCF method and relates to the obligation to compensate minority shareholders/partners, specifically the atypical silent partners in Biogas Nordholz GmbH, Minden. The underlying WACC is 57%. The maximum default risk results from the recognition in the balance sheet and amounts to EUR 415k (previous year: EUR 691k). According to the fair value hierarchy defined in IFRS 7, this is a fair value of level 3 (measurement using factors not based on observable market data). The change in the fair value by EUR 276k (previous year: EUR 0k) was recognised in other operating income.

Liabilities to minority shareholders amounts to EUR 5,569 (previous year: 5,917). They have been accounted under the anticipated purchase method.

Fair value of currency forward transactions is a value of level 2 (valuation on basis of coefficient of input which are not part of listed prices in level 1 but which are directly (that means as a price) or indirectly (that means as derivation of prices) monitored for the financial instrument. The valuation method for the fair value of currency forward transactions arises out of genreally accepted accounting principles by third parties

Of the financial liabilities shown, an amount of EUR 2,019k (previous year: EUR 2,197k) has been furnished as collateral for liabilities to banks.

Net result and allowances by measurement categories:

EURk	12/31/2011	12/31/2010
Loans and receivables	-3,198	1,196
Thereof allowances on receivables	-3,494	-415
Thereof interests earnigs from loans and receivables	2,373	+3,466
Thereof interest expenses for financial liabilities	-2,067	-1,865

Disclosures on the consolidated income statement

21. Sales revenues

Sales revenues are primarily generated from the sale of biogas plants. Sales revenues also include revenues from projects in progress as at the balance sheet date based on the stage of completion of these projects. Sales revenues comprise service revenues in an amount of EUR 14,352k (previous year: EUR 9,804k) as well as income from the feeding-in of electricity and the supply of heat in an amount of EUR 28,554k (previous year: EUR 22,137k). The table below shows the changes in sales revenues:

2011	2010	Change	
in EUR	in EUR	in EURk	in %
243,910,084	148,015,410	+95,895	64.8

Sales revenues from the manufacture and sale of biogas plants include invoiced sales in an amount of EUR 122,769k (previous year: EUR 97,433k) and revenues under long-term construction contracts in an amount of EUR 78,235k (previous year: EUR 18,641k). The plants are sold to farmers and industrial investors.

22. Other operating income

Other operating income primarily includes income from the sale of raw materials for biogas plants of EUR 1,696k (previous year: EUR 4.918), income from the sale of shares of EUR 0k (previous year: EUR 457k), employee deductions for non-monetary compensation in an amount of EUR 343k (previous year: EUR 300k), income from the release of itemised allowances on receivables in an amount of EUR 79k (previous year: EUR 399k), income from costs charging of EUR 822k (previous year: EUR 747k), income from the release of provisions in an amount of EUR 274k (previous year: EUR 140k), income from supplier refunds of EUR 1,625k (previous year: EUR 0k), income from credit notes in an amount of EUR 0k (previous year: EUR 135k), income from service charging of EUR 1,437k (previous year: EUR 393k), income from the release of obligations to compensate minority shareholders of EUR 276k (previous year: EUR 0k) as well as income from insurance claims in an amount of EUR 249k (previous year: EUR 632k).

2011	2010	Change	
in EUR	in EUR	in EURk	in %
7,617,709	8,891,341	-1,274	-14.3

23. Cost of materials

The cost of materials primarily includes material costs (EUR 161,519k, previous year: EUR 98,909k) as well as the cost of outside services for the construction and operation of biogas plants (EUR 1,998, previous year: EUR 763k) This item also includes project planning expenses (EUR 824k, previous year: EUR 1,277k) as well as expenses for substrates (EUR 11,407k, previous year: EUR 7,846k). The changes in the cost of materials are shown below:

2011	2010	Change	
in EUR	in EUR	in EURk	in %
175,748,033	108,795,131	+66,953	61.5

24. Personnel expenses and employees

Personnel expenses

Personnel expenses include wages and salaries in an amount of EUR 17,536k (previous year: EUR 14,679k) as well as social security expenses and pension and support expenses in an amount of EUR 3,990k (previous year: EUR 3,420k). Special payments to employees in an amount of EUR 503k (previous year: EUR 231k) are also included in personnel expenses. Personnel expenses increased primarily because of the expansion of the international activities, the expansion of the Service segment as well as overtime worked and changed as follows:

2011	2010	Change	
in EUR	in EUR	in EURk	in %
21,525,762	18,099,689	+3,426	+18.9

Employees

An average of 461 people were employed in 2011 (previous year: 413), which represents an increase of 11.6% over the previous year. Of the average headcount, 325 people are white-collar workers while 136 people are blue-collar workers. Most employees are employed in the production and technology departments.

25. Amortisation and depreciation

Depreciation and amortisation increased significantly compared to the previous year, primarily as a result of the expansion of the Own Plant Operation segment. The changes in depreciation and amortisation are shown below:

2011	2010	Change	
in EUR	in EUR	in EURk	in %
9,491,669	7,254,001	+2,238	+30.8

Depreciation and amortisation includes depreciation of current assets in an amount of EUR 718k (previous year: EUR 370k) as well as write-downs for impairment on licenses in an amount of EUR 443k. For further details on depreciation and amortisation, please refer to the fixed-asset movement schedule.

26. Other operating expenses

Other operating expenses comprise operating expenses, administrative expenses and selling expenses. Selling expenses rose against the previous year due to the higher sales commissions (EUR 6,326k (previous year: EUR 1,172k)). The increase in operating expenses is primarily due to much higher expenses for external staff and sourced services for the construction of plants. At the same time, the repair and maintenance costs in the Own Plant Operation segment stayed at the high level of the previous year. Administrative expenses rose by EUR 1,342k to EUR 5,032k, primarily because of allowances on receivables. The changes in other operating expenses are shown below.

2011	2010	Change	
in EUR	in EUR	in EURk	in %
34,003,386	21,711,893	+12,291	+56.6

Other operating expenses comprise the following items:

	2011 in EUR	2010 in EUR
Operating expenses	13,856,313	10,918,872
Selling expenses	15,115,373	7,103,038
Administrative expenses	5,031,700	3,689,983
Total	**34,003,386**	**21,711,893**

27. Result from companies valued at equity

The result from companies consolidated at equity comprises the pro-rated results of 65 (previous year: 55) companies.

Pursuant to IAS 28.37g, losses that exceed the interest in an associate are not recognised but carried in separate account to be offset against potential profits subsequently reported by the associate. Losses not recognised due to this provision totalled EUR 25k in the fiscal year (cumulative: EUR 76k).

2011	2010	Change	
in EUR	in EUR	in EURk	in %
-99,447	-90,096	-9	-10.4

28. Interest income

Other interest income primarily relates to interest income from loans granted. The decline reflects the lower interest rates in the financial year 2011 and the increase in capital expenses. The changes in other financial income are shown below:

2011	2010	Change	
in EUR	in EUR	in EURk	in %
2,372,293	3,465,916	-1,094	-31.6

29. Interest expense

Interest expenses include interest and similar expenses, especially for bank liabilities and current liabilities for the liquidity management of related parties. The changes in other financial expenses are shown below:

2011	2010	Change	
in EUR	in EUR	in EURk	in %
2,085,162	1,864,626	+221	+11.8

A breakdown of interest expenses into non-current financial liabilities, current financial liabilities and other liabilities is provided below:

	2011 in EUR	2010 in EUR
Non-current financial liabilities	1,778,178	1,545,480
Current financial liabilities	288,578	279,643
Other liabilities	18,406	39,503
Total	**2,085,162**	1,864,626

30. Income taxes

Tax expenses

Income taxes paid or due as well as deferred tax assets and liabilities are shown as income taxes. In the fiscal year 2011 and the previous year, deferred taxes primarily resulted from taxable temporary differences between the carrying amounts and the tax bases of the balance sheet items "gross amount due from and to customers for contract work". Changes in tax expenses are shown below:

2011	2010	Change	
in EUR	in EUR	in EURk	in %
3,226,421	1,186,183	+2,040	+172.0

Tax expenses break down as follows:

	2011 in EUR	2010 in EUR
Deferred tax income/expense	1,590,394	443,183
Income taxes paid or due	1,636,027	743,000
Total	**3,226,421**	1,186,183

Tax reconciliation

Current tax expenses of the year 2011 in an amount of EUR 3,226k (previous year: EUR 1,186k) deviated by EUR 152k (previous year: EUR 468k) from the expected tax expenses in an amount of EUR 3,074 (previous year: EUR 718k), which would result from the application of an average tax rate on the company's pre-tax profit. This average tax rate is determined on the basis of corporate income tax (15%), solidarity surcharge (5.5%) and a trade tax rate of 12.25%. The reasons for the difference between expected and current tax expenses are illustrated below:

	2011 in EUR	2010 in EUR
Earnings before income taxes	10,946,627	2,557,231
Applicable tax rate	28.08%	28.08%
Expected tax expenses	**3,073,813**	**718,070**
Tax-free income	0	-128,727
Loss carryforwards that cannot be used and/or use of unrecognised loss carryforwards and depreciation of loss carryforwards	840,660	379,170
Difference between expected and current trade tax rates	-259,073	-64,309
Profits/losses attributable for tax purposes only	25,003	10,745
Result from companies accounted for at equity	27,925	25,299
Deviations from tax rates at subsidiaries in other jurisdictions	-51,178	91,006
Non-deductible expenses	28,488	114,833
Off-period taxes	-400,360	60,430
Miscellaneous	-58,857	-20,334
Current tax expenses	**3,226,421**	1,186,183

The table below shows the deferred tax assets and liabilities as of 31 December 2011 and 31 December 2010:

	12/31/2011 in EURk	12/31/2010 in EURk
Tax loss carryforwards	1,312	1,799
Current assets	44	12
Non-current financial liabilities	188	155
Deferred tax assets	**1,544**	**1,966**
Property, plant and equipment	1,450	1,205
Construction contracts	4,625	3,303
Current assets	6	33
Deferred tax liabilities	**6,081**	**4,541**

The change in deferred taxes was largely recognised in the income statement.

Deferred tax assets were recognised for the tax losses carried forward by foreign subsidiaries and companies of the Own Plant Operation segment, as these companies could determine with sufficient certainty that it will be possible to offset these against future profits.

31. Earnings per share

Basic earnings per share are the quotient of the Group profit (2011: EUR 7,549k, 2010: EUR 2,290k) and the weighted average (2011: 14,850,000, 2010: 14,850,000) of the shares outstanding in the fiscal year.

The conditional increase in the share capital by up to EUR 4,500,000.00 approved by the Annual General Meeting on 26 June 2007 serves to grant shares to the holders of option and/or convertible bonds issued by EnviTec Biogas AG or a subordinate Group company once or several times by 25 June 2012 in accordance with the authorisation of the Annual General Meeting. This instrument may potentially dilute the basic earnings per share in future. It was not taken into account in the calculation of the diluted earnings, as it had no diluting influence in the reporting period.

Disclosures on the statement of cash flows

Compared to the previous year the presentation of net cash-flows as well as the cash flow from financing ativities has been adapted. The other long-term financial liabilities comprising EUR 433,779 (previous year: EUR 3,505,803) have been stated under cash flow from financing activities. This will reduce previous years' net cash-flow from EUR -15,974,720 to EUR 19,480,523. Previous years' cash flow from financing activities rose from EUR 6,497,727 to EUR 10,003,530.

The statement of cash flows shows the changes in cash and cash equivalents of the EnviTec Group in the course of the fiscal year as a result of cash inflows and outflows. In accordance with IAS 7, a distinction is made between cash flows from operating, investing and financing activities. Cash and cash equivalents shown in the statement of cash flows comprise cash in hand and cash at banks.

32. Cash inflows/outflows from operating activities

The gross cash flow in an amount of EUR 19,060k (previous year: EUR 7,343k) shows the operating cash flow before any changes in working capital. The outflow of funds from operating activities (net cash flow) in an amount of EUR -3,350k (previous year: outflow of EUR -19,481k) additionally reflects the changes in working capital, especially in conjunction with construction contracts, and in other net assets as well as other non-cash transactions.

33. Cash outflows from investing activities

Cash outflows from investing activities amounted to EUR 34,663k in 2011 (previous year: inflows of EUR 18,378k) and were mainly attributable to investments in property, plant and equipment (biogas plants) as well as plant and office equipment. An amount of EUR 2,813k (previous year: EUR 4,271k) was invested in the ongoing expansion of the Own Plant Operation segment, where

further project companies were established and existing ones supplied with additional capital. The inflow of cash in the previous year (EUR 2,983k) resulted from the sale of a 26% subsidiary of the Own Plant Operation segment.

34. Cash inflows from financing activities

Cash inflows from financing activities totalled EUR 41,343k (previous year: EUR 10,004k). Inflows resulting from the raising of loans from banks in an amount of EUR 46,133k (previous year: EUR 6,823k) and of short-term financial liabilities of EUR 670k (previous year: 4,272k) were offset primarily by outflows from the repayment of long-term and short-term financial liabilities of EUR 3,808k (previous year: EUR 2,733k).

35. Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at banks with a term of up to 3 months.

Other disclosures

36. Contingent liabilities and other financial obligations

Contingent liabilities

As of the reporting date, the Group had extended a guaranty in a total amount of EUR 1,000k towards Bremer Landesbank for obligations of four fully consolidated subsidiaries and a subsidiary accounted for using the equity method (previous year: EUR 1,000k). No claims are expected to be raised under this guaranty.

Moreover, the Group has extended a guaranty in an amount of EUR 200k (previous year: EUR 200k) towards Sparkasse Rotenburg-Bremervörde for obligations of a subsidiary accounted for using the equity method. The risk of claims being raised under this guaranty is below 50%.

The Group has issued a guaranty to Landessparkasse zu Oldenburg for obligations in an amount of EUR 236k (previous year: 0) of another subsidiary accounted for using the equity method. The risk of claims being raised under this guaranty is below 50%.

Other financial obligations

As of the balance sheet date, the company had other financial liabilities from purchase commitments in an amount of EUR 6,188k (previous year: EUR 6,510k). They are due within one year.

37. Related party disclosures

Companies under joint control or having a material impact on the company

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.

On 27 June 2007, von Lehmden Beteiligungs GmbH, Lohne, Ruhe Verwaltungs GmbH, Lüsche, and TS Holding GmbH, Visbek, signed a consortium agreement on the pooling of voting rights. Under this agreement, the shares held by these companies at the time of the IPO of EnviTec Biogas AG are fully attributable to the respective companies. This excludes all common shares in Envitec Biogas AG acquired by a partner in the consortium on the stock exchange. As a result, 74.90% (previous year: 70.56%) of the voting rights in EnviTec Biogas AG were attributable to each of the companies as of 31 December 2011. No transactions with this consortium occurred in the past fiscal year or the previous year. Transactions with individual companies of the consortium are listed further below.

Members of the management in key positions

Please refer to "Disclosures on Corporate Officers". These include the members of the Executive Board and the Supervisory Board. In this context, are also shown relationships with companies controlled by members of the Executive Board.

Subsidiaries, joint ventures and associated companies

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

In the context of its operations, EnviTec Biogas AG sources materials, inventories and services from numerous business partners. These include companies that are related to controlling bodies or shareholders of the company.

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

Transactions with related parties	Transaction Amount in EUR		Receivable Amount in EUR		Liability Amount in EUR	
	2011	2010	2011	2010	2011	2010
Members of the management in key positions of the company						
Ruhe Verwaltungs GmbH	0	155	0	77	0	0
von Lehmden Beteiligungs GmbH	-79,075	-1,738	707	734	135	0
Associated companies/joint ventures						
Accumulated	22,232,411	9,824,640	29,606,598	21,766,418	24,381	13,630
Related parties						
Schulz Systemtechnik GmbH	-11,936,705	-8,473,664	0	1,152	-248,397	807,505
Agrico Handelsgesellschaft mbH	150,300	193,058	3,272,285	3,093,730	0	0
BGF GmbH & Co. KG	44,160	29,129	5,938	0	0	2,874
LvL GmbH	-77,914	-102,993	0	0	7,140	5,929
MVL Verwaltungs GmbH	-114,570	-79,716	0	601	8,711	7,283

Transactions whose amounts are marked with a negative sign are expenses incurred for the EnviTec Group, while transactions whose amounts are marked with a positive sign represent income of the EnviTec Group.

The above transactions with members of the management relate to interest income in the context with a loan granted during the year.

Transactions with associated companies and joint ventures mainly relate to profits from interest income and the disposals of biogas plants and machines.

Income from transactions with related parties mainly results from goods purchased and services.

38. German Corporate Governance Code

The Management Board and the Supervisory Board of EnviTec Biogas AG have issued the declaration required by section 161 of the AktG and have made it accessible to the shareholders on the website www.envitec.biogas.de

39. Auditor's fees

The following fees were recognised as expenses for the services provided by the auditors of the consolidated financial statements, Rödl & Partner GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Munich:

	2011 in EURk	2010 in EURk
Audits of financial statements	126	91
Assurance and valuation services	28	23
Tax advisory services	31	28
Other services	0	0
Total	**185**	**142**

The audit fees comprise the fees for the audit of the consolidated financial statements and of the separate financial statements of EnviTec Biogas AG. In the past fiscal year, the fees for other advisory or valuation services exclusively relate to the review of the interim report. The tax advisory services relate to advice on VAT provided in conjunction with construction sites abroad.

40. Disclosures on corporate officers

Executive Board

The Executive Board had the following members in the fiscal year 2011:

Olaf von Lehmden, businessman, Lohne,
Chairman of the board (CEO)
since 1 July 2007

Jörg Fischer, businessman, Weyhe,
Finance director (CFO)
since 1 July 2007

Roel Slotman, businessman, Enter/Netherlands,
International sales director (CCO)
since 1 October 2009

Jürgen Tenbrink, engineer, Steinfurt
Technical director (CTO)
since 1 July 2010

The members of the Executive Board held no other mandates.

The compensation of the Executive Board consists of the following components:

> Fixed compensation in the form of a monthly salary

> Variable compensation based on the operating result of the EnviTec Group

As compensation for a competition prohibition imposed on them following the regular end of their activity as a member of the Executive Board, the members of the Executive Board will receive an ex gratia payment equal to 50% of the fixed compensation last received for a period of up to one year. In the event of premature termination of their activity as a member of the Executive Board, the ex gratia payment depends on the circumstances of the termination pursuant to section 75 of the German Commercial Code.

The following compensation was paid to the members of the Executive Board in the fiscal year 2011:

in EUR	Fixed compensation		Variable compensation		Other *		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Olaf von Lehmden	141,750	141,750	3,077	0	12,281	5,907	157,108	147,657
Kunibert Ruhe	-	70,875	-	0	-	3,995	-	74,870
Jörg Fischer	130,000	125,000	2,367	0	7,991	7,748	137,991	132,748
Roel Slotman	120,000	120,000	2,367	0	8,987	8,602	128,987	128,602
Jürgen Tenbrink	120,000	60,000	2,367	0	12,904	4,150	132,904	64,150

*Other compensation includes benefits in money's worth resulting from the use of company cars as well as the portions of the D&O insurance attributable to the Executive Board members

Supervisory Board

Appointees to the Supervisory Board in the reporting period:

> Mr Bernard Ellmann, businessman, (Chairman) Former Group Vice President of Unilever Group, Rotterdam/London; Member of the Supervisory Board of Unilever Deutschland Holding GmbH, Hamburg; Member of the Advisory Board of the Müller Group – Aretsried & Zurich, Member of the Supervisory Board of Nordsee GmbH, Hamburg

> Mr Hans-Joachim Jung, businessman, (vice Chairman); Former member of the Executive Board of KELAG Kärntner-Elektrizität Aktiengesellschaft

> Mr Michael Böging, businessman Managing Partner of Unternehmensgruppe Weiße Köpfe GmbH, Emstek

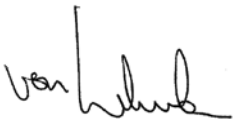
The expenses for the compensation of the Supervisory Board in the fiscal year 2011 include fixed compensation for the Supervisory Board activity at EnviTec Biogas AG in an amount of EUR 40,000 (previous year: EUR 40,000).

Other compensation (meeting attendance fees and refunds of expenses) totalled EUR 28,465 (previous year: EUR 29,117).

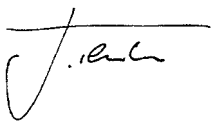
41. POST-CLOSE OCCURENCES

No events occurred after the balance sheet date.

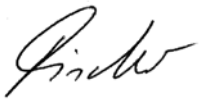
Lohne, 23 April 2012



Olaf von Lehmden



Jürgen Tenbrink



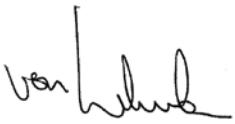
Jörg Fischer

Roel Slotman

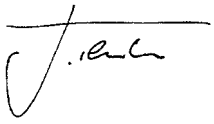
ASSURANCE GIVEN BY THE COMPANY'S LEGAL REPRESENTATIVES

"To the best of our knowledge and in accordance with the applicable reporting principles, we attest that the Group financial statements convey a true and fair picture of the asset, financial and income situation of the EnviTec Biogas Group, and the Group management report describes the business development and business results and actual situation of the Group in such a way that a correct picture of the actual situation and major risks and opportunities of the Group's probable development is described."

Lohne, 23 April 2012



Olaf von Lehmden



Jürgen Tenbrink

Jörg Fischer

Roel Slotman

Fixed asset schedule as at 31 december 2011

Fixed Assets in EUR		Balance on 01/01/2011	Addition 2011	Additions due to changes in the scope of consolidation	Disposals 2011	Rebooking 2011
		Historical costs				
I.	Intangible Assets					
1.	Concessions, industrial property and similar rights and assets, and licenses in such rights ans assets	1,901,650	131,934	237	0	2,033,347
2.	Goodwill	2,229,147	0	0	0	2,229,147
		4,130,797	**131,934**	**237**	**0**	**4,262,494**
II.	Tangible Assets					
1.	Land, similar-rights and buildings including buildings on leasehold hand	18,563,544	7,556,235	0	284,886	26,404,665
2.	Technical equipment and machinery	40,706,697	16,353,954	37,511	3,228,404	60,251,545
3.	Other equipment, factory and office equipment	13,464,917	3,414,403	484,503	7,310	16,402,128
4.	Prepayments and construction in process	5,313,013	7,337,920	381,486	-3,520,601	8,748,846
		78,048,171	**34,662,512**	**903,500**	**0**	**111,807,184**
		82,178,968	34,794,446	903,737	0	116,069,678

	Balance on 01/01/2011	Addition 2011	Disposals 2011	Balance on 12/31/2011	Balance on 12/31/2011
	Depreciation				Book value
	748,156	794,655	0	1,542,812	490,535
	0	0	0	0	2,229,147
	748,156	**794,655**	**0**	**1,542,812**	**2,719,682**
	1,935,124	841,054	0	2,776,179	23,628,487
	9,223,714	5,044,654	938	14,267,430	45,984,115
	6,063,973	2,093,380	354,799	7,802,554	8,599,573
	0	0	0	0	8,748,846
	17,222,811	**7,979,088**	**355,737**	**24,846,163**	**86,961,021**
	17,970,967	8,773,744	355,737	26,388,975	89,680,703

Fixed asset schedule as at 31 december 2010

Fixed Assets in EUR		Balance on 01/01/2010	Addition 2010	Disposals 2010	Rebooking 2010	Balance on 12/31/2010
		Historical costs				
I.	Intangible Assets					
1.	Concessions, industrial property and similar rights and assets, and licenses in such rights ans assets	1,765,807	139,364	3,521	0	1,901,650
2.	Goodwill	2,229,147	0	0	0	2,229,147
		3,994,954	**139,364**	**3,521**	**0**	**4,130,797**
II.	Tangible Assets					
1.	Land, similar-rights and buildings including buildings on leasehold hand	15,148,358	3,490,802	85,658	10,042	18,563,544
2.	Technical equipment and machinery	33,772,147	6,956,334	21,784	0	40,706,697
3.	Other equipment, factory and office equipment	11,329,175	2,927,125	791,383	0	13,464,917
4.	Prepayments and construction in process	319,787	5,003,268	0	-10,042	5,313,013
		60,569,467	**18,377,529**	**898,825**	**0**	**78,048,171**
		64,564,421	18,516,893	902,346	0	82,178,968

	Balance on 01/01/2010	Addition 2010	Disposals 2010	Balance on 12/31/2010	Balance on 12/31/2010
	Depreciation				Book value
	408,375	340,451	670	748,156	1,153,493
	0	0	0	0	2,229,147
	408,375	**340,451**	**670**	**748,156**	**3,382,640**
	1,281,261	737,049	83,186	1,935,124	16,628,420
	5,358,740	3,866,790	1,816	9,223,714	31,482,983
	4,629,625	1,939,926	505,578	6,063,973	7,400,945
	0	0	0	0	5,313,013
	11,269,626	**6,543,765**	**590,580**	**17,222,811**	**60,825,361**
	11,678,001	6,884,216	591,250	17,970,967	64,208,002

Independent Auditors' Report

We have audited the Consolidated Financial Statements prepared by the EnviTec Biogas AG, Lohne, comprising Consolidated Balance Sheet, Consolidated Income Statement and Consolidated statement of comprehensive income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Financial Statements, together with the group management report, which is combined with the management report of EnviTec Bioas AG for the business year from 1 January to 31 December 2011. The preparation of the Consolidated Financial Statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB ("Handelsgestzbuch":"German Commercial Code") and supplementary provisions of the shareholder agreement of incorporation are the responsibility of the parent company's management. Our responsibility is to express an opinion on the Consolidated Financial Statements and on the group management report based on our audit. In addition we have been instructed to express an opinion as to whether the Consolidated Financial Statements comply with full IFRS.

We conducted our audit of the Consolidated Financial Statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the Consolidated Financial Statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the Consolidated Financial Statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the Consolidated Financial Statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a (1) HGB and supplementary provisions of the shareholder agreement of incorporation and full IFRS and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report of the parent company is consistent with the Consolidated Financial Statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich

23 April 2012

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

gez. Prof. Dr. Jordan
German Public Accountant

gez. Ronald Hager
German Public Accountant

GLOSSARY

A

Acetic Acid
The oldest known and most important carbonic acid to this very day, it is an important base for methane accumulation.

Acid level
The total acid in the fermenter. High loads in the fermenter in the starting phase lead to a very high concentration of acid.

Adaptation
Ability of microorganisms to adapt to an elevated ph level without experiencing sustained disturbances in the process biology.

Aerobe
A microorganism that grows in the presence of oxygen. See Anaerobe organisms.

Agitator
Machine for the consistent mixing of substances in tanks.

Air Pollution Prevention
In some countries it may be necessary to observe the emissions of odours, harmful substances and dust.

Amino acid
Any of the 20 basic building blocks of proteins. Composed of a free amino (NH_2) end, a free carboxyl (COOH) end, and a side group (R).

Anaerobic organisms
Organisms which can temporarily or continuously live without free oxygen. Anaerobic bacteria convert biomass into fermentation (bio) gas.

Anhydrous mass
Organic and inorganic components of the input material. Only the organic part of the anhydrous mass can be used for methane production.

Anionic trash
Substances that can impair the functionality of the plant and are removed manually or mechanically.

Antibiotics
A class of natural and synthetic compounds that inhibit the growth of or kill other microorganisms. Also used as feed additives that inhibit the process biology and aerosis similar to the inhibitors NH_4 and NH_3 as well as the heavy metals copper and zinc.

B

Bacterium
A single-celled, microscopic prokaryotic organism: a single-cell organism without a distinct nucleus.

BHKW (Blockheizkraftwerk)
Block heat and power plant.

Biogas
Gas which develops during the anaerobe
decomposition of organic substances.

Biogas Cleaning
Precipitation of humidity and corrosive gas from the biogas to protect the engine.

Biomass
Energy source from organic substances, where scorched biomass releases only the amount of CO_2 which it has taken from the atmosphere during growth. That's why the energy production does not contribute to the greenhouse effect.

Block heat and power plant
Engine with an attached generator for production of electricity and heat.

C

Carbon dioxide
Gas that develops when fossil combustibles like coal, oil or natural gas are used. CO_2 is the main cause for the greenhouse effect that changes the climate.

Cellulose
Cell membranes which are hard to decompose microbially.

Coal
Fossil energy source with low energy content. Almost two thirds of the electricity used in Germany is produced in coal power plants. In comparison to all other energy sources, the coal causes the highest CO emissions.

Colonisation surfaces
Serve bacteria as location/surface habitat.

Combustion engine system
Engine for the production of electricity, steam, hot water and process heat.

Combustion heat output
Amount of energy from a BHKW that is necessary for a full load operation.

Condensate
Humidity that is separated from biogas through condensation.

Condensate shaft
Shaft for collecting and pumping down of the accumulating condensate.

Condensation
Transition from a gaseous to a fluid aggregate state.

Container load
> Digestor load

Corn acceptance
Accepting technique for supply inventory and consistent feeding of a biogas plant with corn silage.

Corrosion
Chemical alterations in the material at the surface of solid bodies, i.e. the fermenter.

Crusher
Conditioning method with the target to increase the accessible surface of the material.

D

Decomposition speed
Speed of decomposition of the organic substance. It depends on the condition, surface and composition of the basic substances as well as the temperature in the fermenter.

Deodorisation
Removal of disturbing odours of odour-intensive substances to avoid emission.

Deposits
Procedure that occurs especially in heterogeneous substances which tend to segregate and which can be avoided in a container with smooth walls, agitator and a flow temperature that is not too high.

Desulphurisation
Precipitation of hydrosulphide from biogas.

Digester
> Fermenter

Digester load
Amount of additives consisting of organic dry substances per cubic meter of fermenter volume and day.

Dry fermentation
Plant in which predominantly dry substrates are fermented to become compact and which cannot be agitated. This supplies less gas than wet fermentation.

DVGW-Codes
Codes for the manufacturing of gas containers.

E

Ecology
The study of the interactions of organisms with their environment and with each other.

Ecosystem
The organisms in a plant population and the biotic and abiotic factors which impact on them.

Electricity home requirements
Electricity requirement of the plant in order to hold up the operation.

Emission
Releasing of harmful substances, dust or odours into the environment.

Enzymes
Proteins that control the various steps in all chemical reactions.

F

Fermentation
Process of turning biomass into biogas with the aid of microorganisms.

Fermenter
Airtight heated tank for the anaerobe decomposition of organic substances.

Fermenterheater
Heating system in the fermenter for acceleration of decomposition of anaerobe substances.

Fermenting
Biochemical process in which organic sub-stances are decomposed through anaerobe microorganisms and energy is obtained.

Fermenting residue processing
Separation of the fermenting residue into solids, fertiliser concentrate and water in special treatment plants.

FederalimmissionProtectionLaw (Bimschg)
German law with the goal to protect people, animals, plants, soil, water, atmosphere, cultural and other real assets from harmful environmental effects.

Fertilising value
Quality of the fermenting residue regarding certain substances of content, e.g., nitrate, phosphate or potash.

Flare
Safety device for safe combustion of excess gas.

FlexoRoof
Roof cover made of foil for fermenters and storage tanks with or without gas storage bubble.

Flow temperature
Temperature in the heating water before the heat is withdrawn in heat usage.

Fos (volatile organic acids)
Amount of different acids in the fermenter measured in mg/l.

Fossil energy sources
Energy source which, in contrast to renewable raw materials, does not grow again. Brown coal, anthracite, natural gas and crude oil are such fossil energy sources.

Fuel cell
It turns hydrogen and oxygen into water by releasing energy and heat.

G

Gas engine
Piston-power machine that is driven by combustible gas. It is used among other things for power- and heat generation in block heat and power plants and biogas plants as well as drives for vehicles.

Gas injection
Method for mixing different substances in the fermenter. Biogas is compressed by high pressure through injectors at the bottom of the fermenter.

Gas membrane
Gastight foil for collecting and storing biogas.

Generation of methane
Process that occurs during the production of biogas.

Generation time
Time it takes for reproduction of bacterial cultures.

H

Hammermühle (hammermill)
Electrical device for processing input substances by crushing the material.

Heat exchanger
Apparatus for conveying heat between two heating systems.

Heat value
Energy contents of fuel gas; unit: kilowatt hour per norm cubic metre.

Hydrolyse
One of a total of four biochemical single processes in the fermenting of biomass. With the aid of microorganisms, amongst others, the biopolymers are separated into monomeric basic modules or other soluble decomposition products.

Hydrosulphide
Type of gas that is generated during the biogas production and has to be separated from biogas through desulphurisation before it can be used, because it can cause corrosion damage in the engine.

Hygienisation
Pasteurising, i.e. heating of the input material to 70 degrees centigrade for one hour to kill the bacteria and germs.

I

Immission Protection Law
Regulation for plants for biological treatment of waste products. According to this regulation, it may not come to a dangerous impact on humans, animals or nature

Immersion agitator
Fast-running propellers which mix the input substances evenly at 300–400rpm. variable position within the fermenter.

Inhibition
Process which slows down the generation of methane, e. g. through acids.

Input material
Substances which are suitable for the operation of a biogas plant, like liquid manure, dung, bio waste, renewable raw products, etc.

Insulation
Heat insulation of components against frost, protection against loss of heat and prevention of temperature fluctuation.

L

Lignin
Wood substance or an element in the wood which cannot be decomposed in the anaerobe process

Longdistance heating
Heat that develops during the power production in heating- or block heat and power plants. It gets to the consumer by help of steam or hot water through pipelines.

M

Maintenance
Regular testing, replacing and servicing of plant components.

Manhole
Inspection opening in the container wall

Membrane technique
Filtration technique with pore-membranes for cleaning of waste water.

Methane
Combustible type of gas which is generated during the bacterial decomposition of biomass. Methane is the substance in biomass that can be used for energy production. The higher its proportion the more valuable i. e. higher in energy is the biogas.

N

NawaRos (Nachwachsende Rohstoffe)
> Renewable primary products

Natural gas
Fossil fuel. Natural gas is considered the cleanest fossil energy source, because it contains the lowest amount of carbon in comparison to coal and crude oil and thus generates the least CO_2 emissions.

Noise emission
In the process of licensing a plant, some countries have noise emission levels that should not be exceeded.

Noise reduction
In some countries it may be necessary to consider the location, building materials and the execution of the construction because of the noise emission limitations.

Nuclear energy
Heat energy that is released when splitting uranium atomic nuclei. 27 % of the electricity in Germany comes from nuclear power plants. Because of the risks in splitting atomic nuclei and disposing of the fuel rods, the last German
nuclear power plant is planned to be taken off the net in 2025.

O

Oxygen
This is gas that is colorless, flavourless and odourless. Free oxygen is found as an element of the air. It makes approx. 20.8 % of the oxygen on earth. In its combined form, it can be found in water and many minerals. Altogether it makes 49.5 percent of the weight on the surface of the earth and is thus the most frequently found element.

Output
Capacity of a plant in tonnes or time units per day.

Organic Rankine cycle Plant (ORC)
Plant for the use of electricity from industrial waste heat using high-speed Organic Rankine cycle (ORC). An Organic Rankine Cycle uses a heated chemical instead of steam, as used in the original Rankine Cycle. Chemicals or refrigerants.

P

Pasteurising
> Hygienisation

Ph level
Measured level for the concentration of the hydrogen ions in a solution. A ph range between 6.5 and 7.2 is ideal, higher or lower levels disrupt the process biology.

Photovoltaics
Energy production through solar energy with the aid of solar collectors that convert light into electrical power.

Pilot injection gas engine
This is an engine on the basis of a diesel engine that was converted for biogas use. It needs backup firing equipment and is not as long living as a gas engine.

Placing into operation
Official start of plants or parts of plants, as a general rule the beginning of the warranty period.

Plant safety
Particular demands on hazardous areas, e.g., combustible atmosphere in gasholders through establishment of fire breaks, etc. according to the VDE regulations.

Powerheat
Process in which electricity is produced and at the same time the waste heat of the BHKW is used. KWK plants, in comparison to conventional technologies, reduce emissions of CO_2 and other harmful substances by 30– 40 %.

Pressure control device for pipes
Safety equipment for pressure monitoring.

Propagation calculation
Calculation of the immission prognosis of pollutants and odours. It considers wind direction, wind velocity, vertical temperature layers, etc.

Propinoic acid
Type of acid which is not desired in the process. It is generally enriched in process failures and is an additional obstruction for the aerobic metabolism.

Protein
Proteins are generally based on amino acids, which are the most important input substances next to carbohydrates and fats.

R

Raw glycerine
Substance that accrues when biodiesel is made.

Recirculation shaft
Insulated tank which holds fermenting substrate after it is taken from the fermenter. It is necessary, for example, when the fermenting substrate is used for mixing the fermenter input material.

Regenerative energy sources
Resources which are not limited in comparison to fossil energy sources, i. e. water, wind, photovoltaics and biomass. On top of this, they are climate- and environment-friendly.

Renewable energies
> Regenerative energy sources

Renewable primary products
Products from agriculture or forestry operations used for industry or the production of heat, electricity and other forms of energy.

Retention period
Time period that the substance remains in the fermenter and is incumbent to the organic decomposition.

Reverse cooling
Process in which the substances that are heated during hygienisation are cooled before being fed into the fermenter

Risk material
Input material that cannot be used for fermenting because of its risk potential.

Rotary piston pump
Device for inserting substances into the fermenter.

S

Sedimentation
> Sedimentary deposition

Sewage sludge regulation
Regulation which determines the limit value for the pollution of sewage sludge with heavy metal and other harmful substances, among other.

Stable disinfectant
Substances that can retard the biogas production when overdosed.

Steam production plant
Plant for production of hot steam and process steam.

Squeeze ramming separator
Device for separating particulate material from suspension.

Switching room
Location of the central control station of a biogas plant.

T

TA air
Technical manual for air pollution prevention.

TA noise
Technical manual for the evaluation of sonic immissions .

Total acid concentration
Amount of the different acids in the fermenter, measured in milligramme per litre.

U

Ultrafiltration
Procedure for the conditioning of fermenting residue. It normally takes place after the first compact/liquid separation and is the precursor of reverse osmosis.

V

Vaporising facility
Facility for vaporising water to lower the water contents in a product.

Vertical flow
Vertical movements of substrates in a tank.

W

Water power
Natural power source for the electricity production. More than 20 % of the electricity worldwide originates from water power plants. Only 20 % of the water power assets worldwide are used.

Watt
Unit of measurement for electrical power capacity according to James Watt (1736 – 1819), the inventor of the steam engine. 1 kilowatt = 1,000 watts; 1 megawatt (mw) = 1,000,000 watts.

Wet Fermentation Plant
Reactor where substrates are fermented within liquids.

Wind power
Inexhaustible energy source where the natural current energy of the wind is used for electricity production.

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26. APRIL 2012
RESULTS FY 2011

30. MAY 2012
RESULTS Q1 2012

24. JULY 2012
ANNUAL GENERAL MEETING

30. AUGUST 2012
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RESULTS Q3 2012

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EnviTec Biogas AG
Industriering 10 a
49393 Lohne
Tel.: +49 (0) 4442 / 8016-8100
Fax: +49 (0) 4442 / 8016-98100
E-Mail: info@envitec-biogas.de
www.envitec-biogas.de

INVESTOR RELATIONS

Olaf Brandes
Tel.: +49 (0) 4442 / 8016-8130
Fax: +49 (0) 4442 / 8016-98130
E-Mail: ir@envitec-biogas.de

MARKETING/PUBLIC RELATIONS

Katrin Selzer
Tel.: +49 (0) 2574 / 8888-810
Fax: +49 (0) 2574 / 8888-100
E-Mail: k.selzer@envitec-biogas.de

CONCEPT, REALIZATION

Kreutzmann Unternehmenskommunikation,
Hamburg

TEXT

IR.on Aktiengesellschaft,
Köln

EnviTec Biogas AG

Headquarters:
Industriering 10 a
D-49393 Lohne
Tel.: +49 (0) 4442 / 8016-8100
Fax: +49 (0) 4442 / 8016-98100

Sales:
Boschstraße 2
D-48369 Saerbeck
Tel.: +49 (0) 2574 / 8888-0
Fax: +49 (0) 2574 / 8888-800

info@envitec-biogas.com
www.envitec-biogas.com