



**Press and analysts' conference
VERBIO Vereinigte BioEnergie AG**

Claus Sauter (CEO)
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**Market environment
2012/2013**



First biodiesel imports, than UCOME and discussion about E10

- Massive distortion of competition on the german biofuel market
 - Import of subsidised palmoil biodiesel from Argentina and Indonesia
 - Flood of UCOME from all over the world

- Anewed discussion about „Tank or Teller“ as instrument of party-political profiling

DETs – Differential Export Taxes

= differentiated taxation for the export of soyabeans, soya oil and soya biodiesel (SME) resp. palm fruits, palm oil and palm biodiesel



- Indonesia and Argentina set impulses for local raw material processing as well as local value creation





Subsidised biodiesel imports

Functioning of DETs

- Lower raw material prices for biodiesel production due to DETs for Argentinean and Indonesian producer than on international markets

Produkt	Nominaler Wert	Angewendeter Wert	Rabatt	Realer Wert
Sojabohnen	35,00%	35,00%	0,00%	35,00%
Sojaöl	32,00%	32,00%	0,00%	32,00%
Sojabiodiesel	20,00%	16,67%	2,50%	14,16%

- Biodiesel production from soya and/or palm from Indonesia and Argentina subsidised towards the world market
→ leads to distortion of competition on the world market

Biodiesel	Argentina	Indonesia
EU-imports 2011	1,7 million tons	1,1 million tons
	Largest biodiesel exporter	2nd largest biodiesel exporter



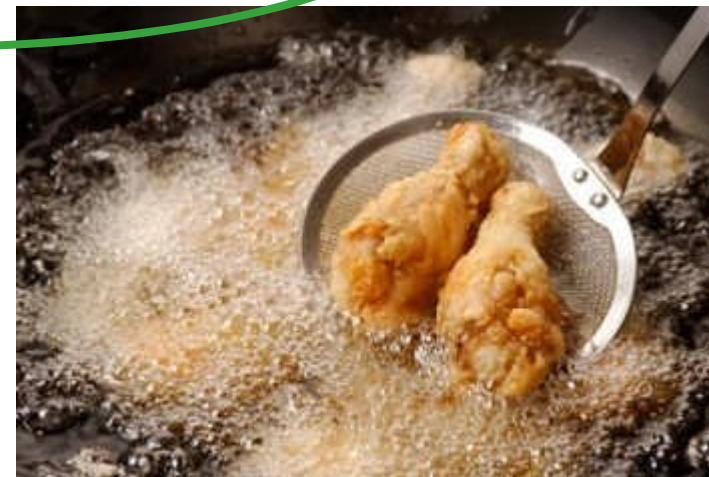
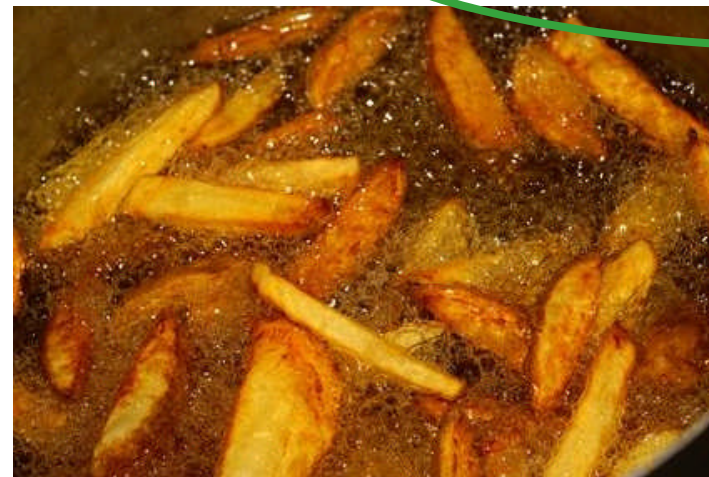
UCOME: distortion of competition on the biodiesel

- Residue based biodiesel **UCOME (Used Cooking Oil Methyl Ester)** **counts double** compared to biodiesel based on fresh oil (rapeseed, soya)
- **Illegale trafficking in UCOME** by simple misdeclaration of biodiesel based on rapeseed
- The double-counting of qualified biodiesel requires a correct and detailed documentation in terms of sustainability

Quantity of UCOME on the German market

Product	2011	2012
UCOME	116 kt	500 kt

ORIGIN?



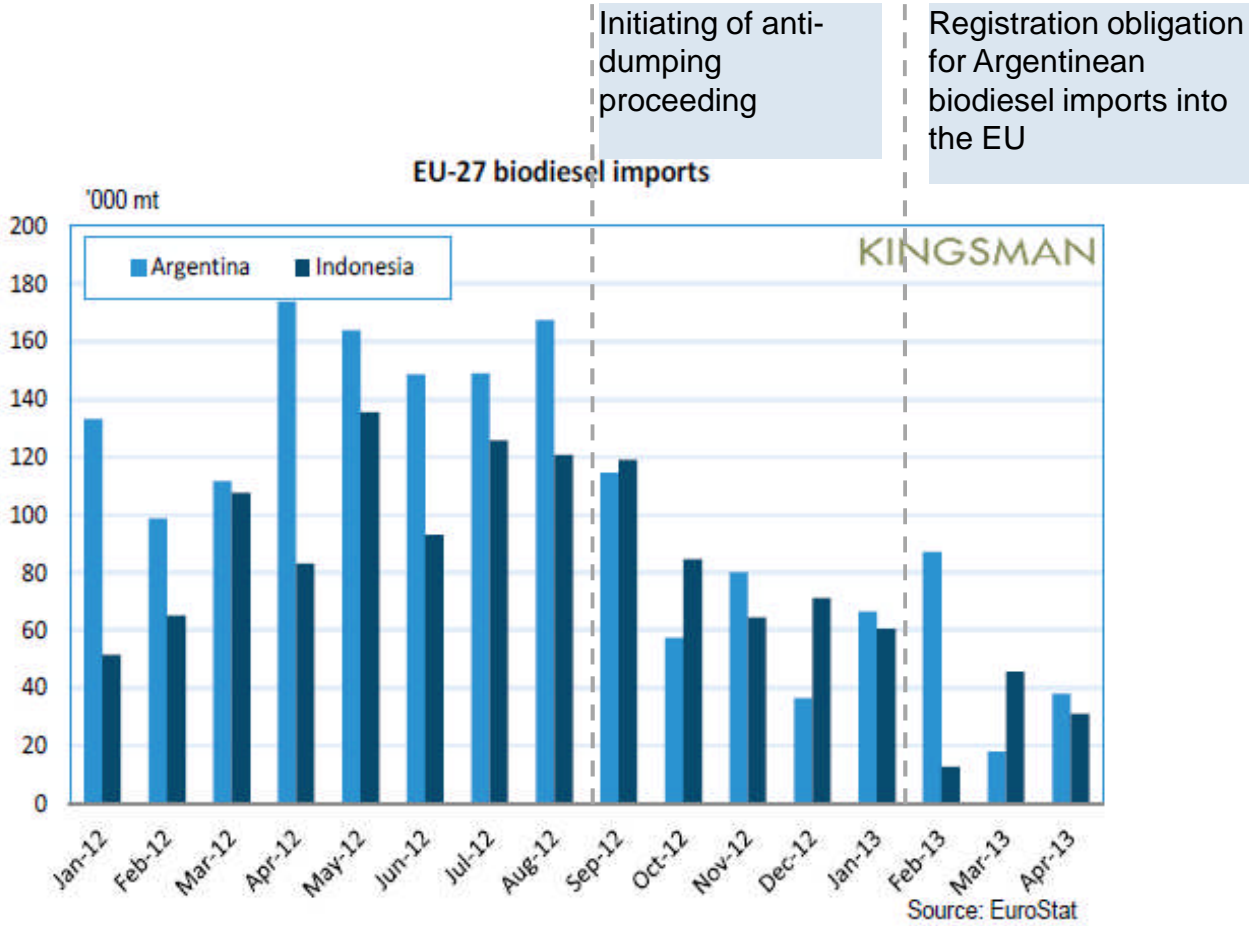


Effects on the German biodiesel market

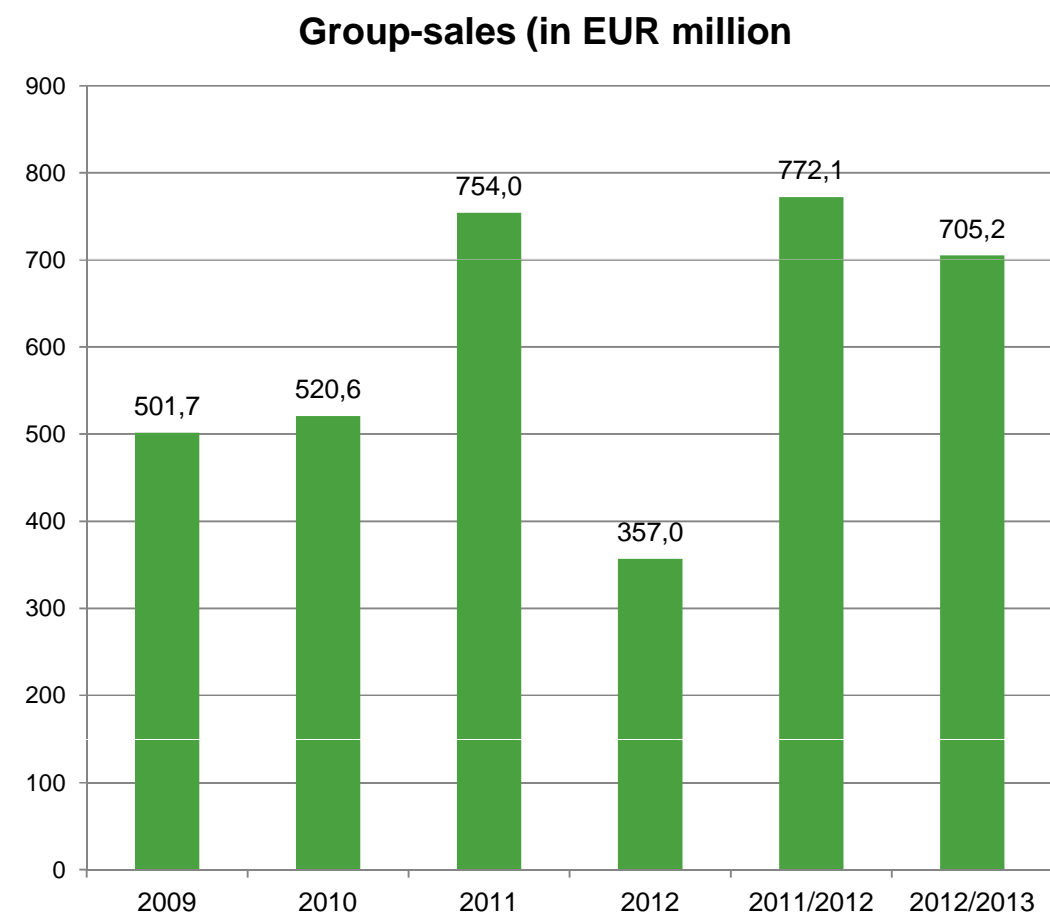
- Decreasing biodiesel sales in Germany
 - 1. HY 2012: ~ 1.232 million tons
 - 1. HY 2013: ~ 1.038 million tons

- Massive margin pressure caused by price dumping

Development of biodiesel imports from Argentina/Indonesia

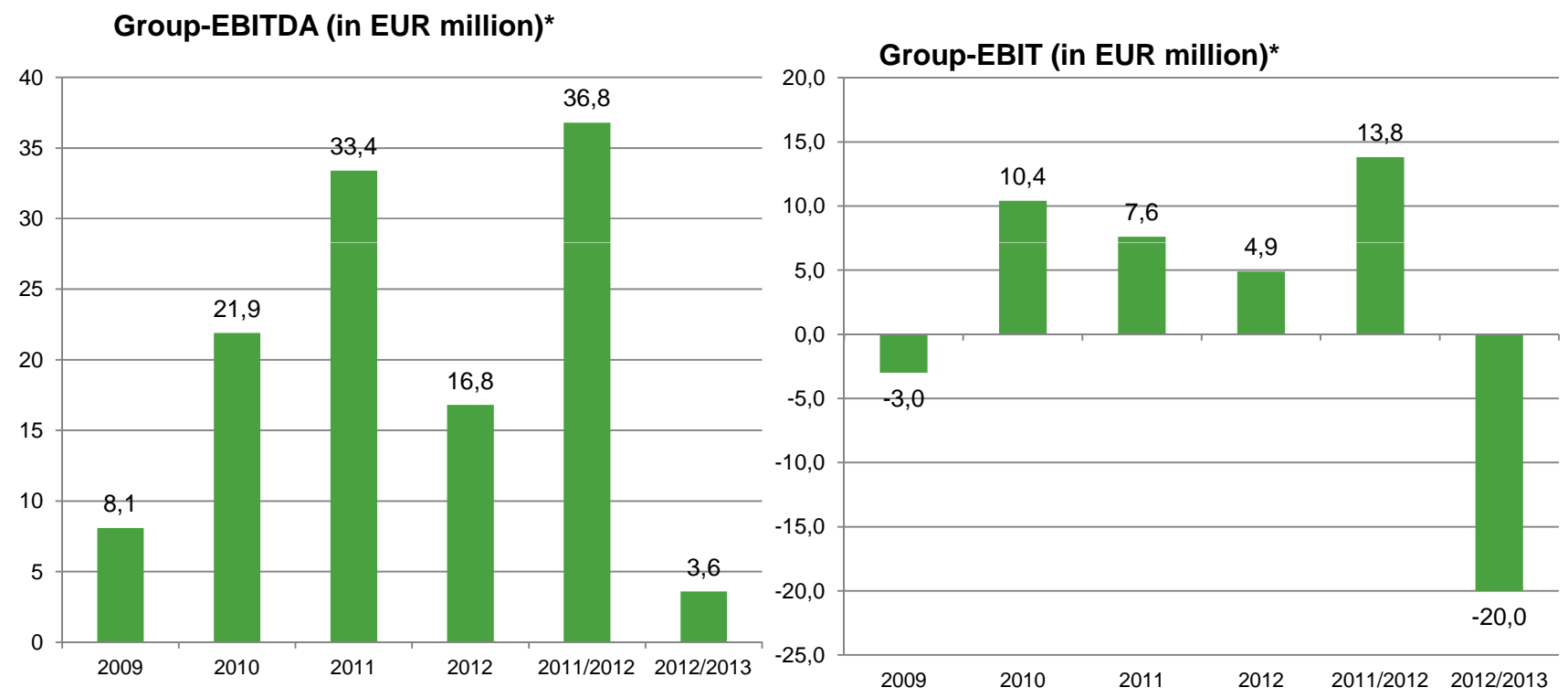


**Financial figures
2012/2013**



Group-sales strongly dependent on the price levels of the raw materials and biofuels

Financial figures 2012/2013 – EBITDA* and EBIT*



Impairment:

Biodiesel goodwill: 70.7 EUR million (completely)
 Bioethanol property, plant and equipment: 19.8 EUR million

Disposal :

Customer relationships: 11.8 EUR million

All information concern the continuing operations

* excluding impairment and disposal of customer relationships

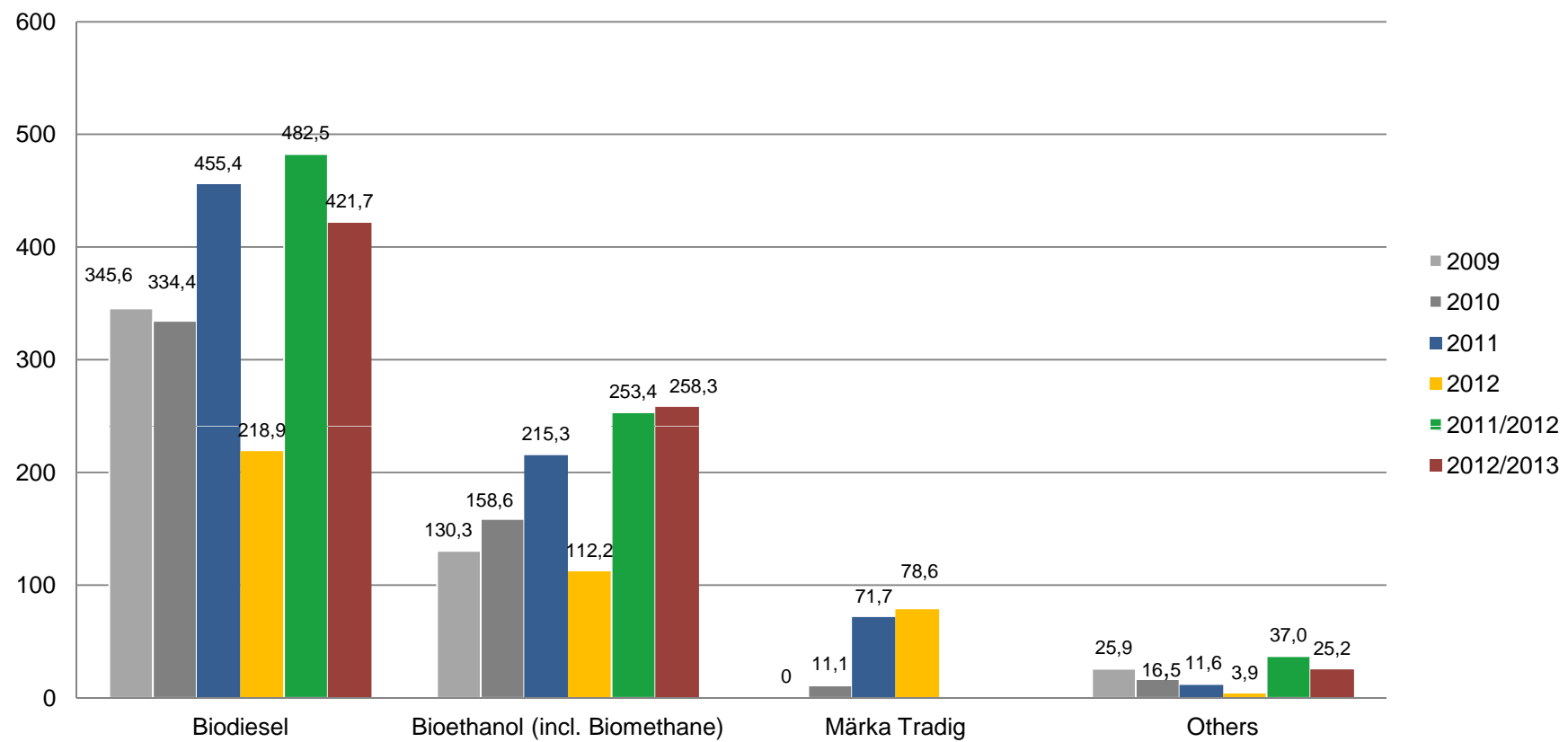
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Financial figures 2012/2013 – segment sales



Segment sales strongly dependent on the price levels of the raw materials and biofuels

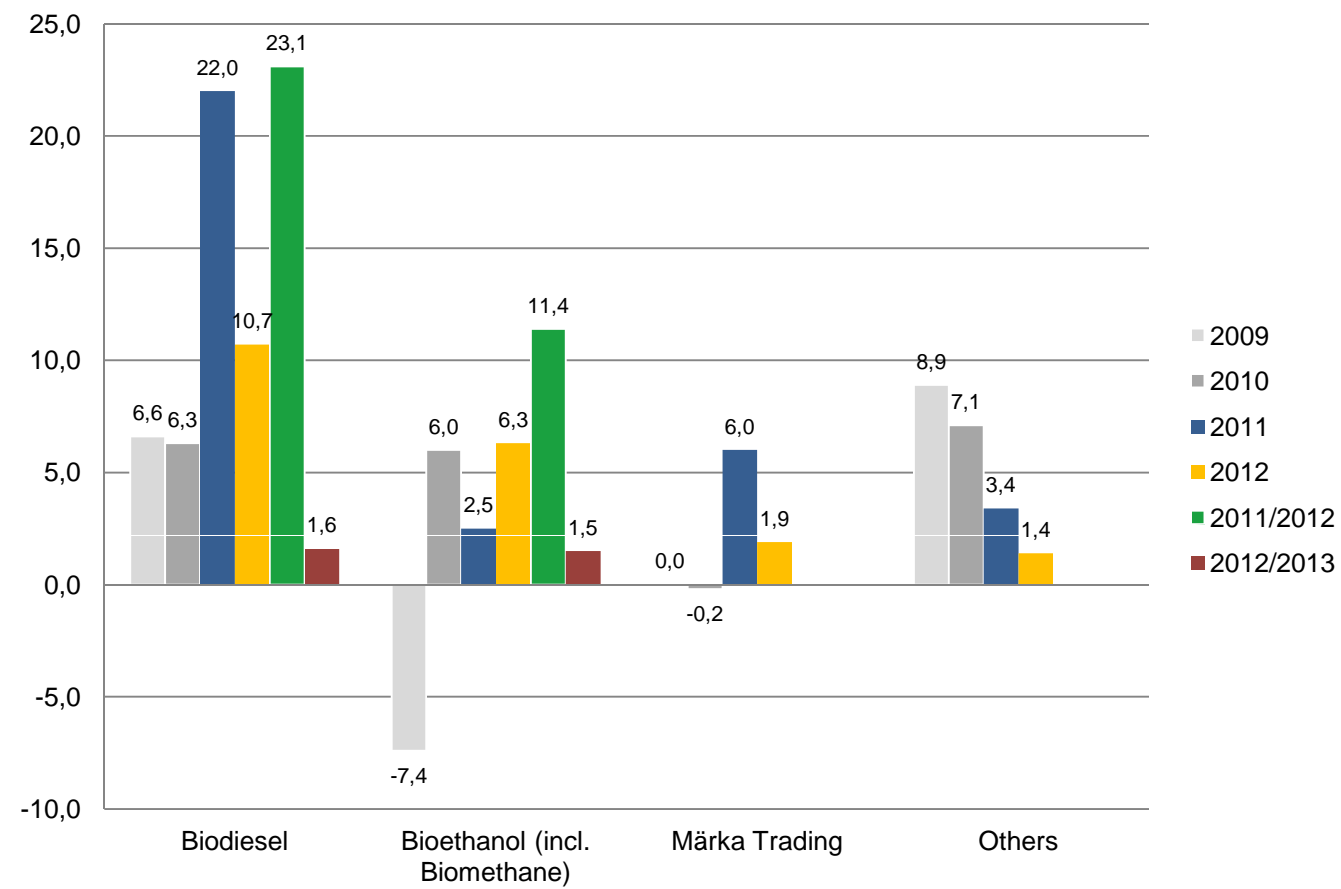
Segment sales by segments (in EUR million)



Financial figures 2012/2013 – segment-EBITDA*



EBITDA* by segments (in EUR million)



All information concern the continuing operations

* excluding impairment and disposal of customer relationships

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Financial figures 2012/2013

Company debts have been reduced by 97.1 million EUR in 2nd half of FY 2012/2013.

EUR million	30.06.2013	30.06.2012 (short financial year)
Balance sheet total	410.4	574.8
Equity ratio	43.4 %	58.4 %
Operating cashflow	-19.5	89.9
Liquid funds	17.7	40.7
Net financial debt	-94.3	-77.7
Investments	36.2	11.1
Number of employees (at cutoff date)	762	806

Current situation

Development of biodiesel imports from Argentina/Indonesia



Imports from Argentina and Indonesia

- Since January 2013 obligation to register biodiesel imports from Argentina and Indonesia into the EU
- End of May: EU imposed protective duties up to 10.6 percent
- Measures pay off: significant reduction of imports
- and increasing demand for *verbiodiesel*



Current situation

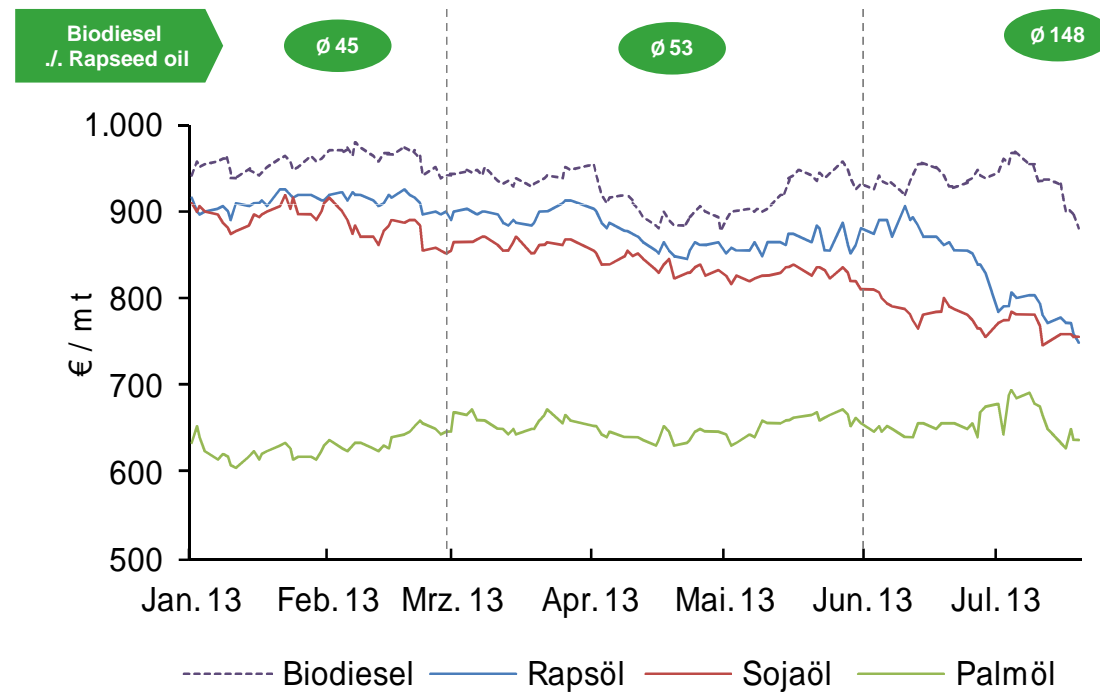
UCOME (Used Cooking Oil)

- Since January 2013, stricter documentation requirements about the origin
- Risk of non-accountability and declining UCOME volumes (appr. -90%) lead to higher demands and increasing prices for biofuel quota.

**Regulatory measures have positive impacts.
Demand for biodiesel and gross margins increase significantly**

Current situation

Price development of biodiesel and vegetable oils



- Price differential of vegetable oil and biodiesel determines profitability of biodiesel production.
- Significantly increasing average price differential between rapeseed oil /Biodiesel since the beginning of 2013.
- VERBIO profits from the usage of alternative vegetable oils (palm, Palmkern, cocos).
- Clearly improved capacity utilization of biodiesel plants and higher gross-margins.



Current situation – legal position

Amendment to the RED – currently discussed

- Cap of 6.0 percent for 1st generation biofuels
- 2.5 percent for „advanced biofuels“
- 2020: binding accounting of iLUC-factors

Decarbonization strategy in Germany

- 2015: Implementation of greenhouse gas emission quotas





Current situation

Biomethane of VERBIO is the fuel of the future

- Expansion of biofuel targets and therefore focus on biomethane production for the transportation sector
- Utilization of biomethane plants in 2012/2013 appr. 83 percent



Outlook

- Measures to the strategic realignment show first positive effects
- Current financial year with „special effects“ resulting from the measures implemented
- Clearly positive cash flows from operating activities
- CAPEX
 1. Up to 5 EUR million straw plant Schwedt/Oder
 2. Up to 1 EUR million biodiesel plant Bitterfeld (to increase the energetic efficiency)
- Outlook for 2013/2014
 1. Sales: 600 – 700 EUR million
 2. EBITDA: 17 EUR million
 3. EBIT: -5.0 EUR million
 4. positive EBIT in 2014/2015

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**Thanks for your
attention!**

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