

Corporate News

VERBIO AG maintains positive business development and adjusts earnings forecast for financial year 2013/2014 again

- Biofuel production remains on a high level
- Increases in EBITDA to EUR 28.9 million and EBIT to EUR 12.4 million
- Strengthening of the equity ratio to nearly 60 percent
- Adjustment of the financing structure to future financing needs completed
- Raising of the earnings forecast for financial year 2013/2014

Leipzig, May 8, 2014 – VERBIO AG announces that company expectations for the business performance to date and the future were exceeded in financial year 2013/2014. For the continuing operations of the Group, consolidated sales rose compared with the prior-year figure by 7.3 percent to EUR 573.1 million (9 M 2012/2013: EUR 534 million). This increase in sales is essentially demand-related. With 466,890 tons from July 2013 to March 2014, nearly 24 percent more biodiesel and bioethanol were produced than in the corresponding period of the previous year. The biomethane production from July 2013 to March 2014 amounted to 219,223 MWh. Meanwhile, the gross profit margin also improved by nearly 67 percent from EUR 32.4 million to EUR 54.0 million. Personnel expenses decreased by 6 percent amounting to EUR 16.5 million (9 M 2012/2013: EUR 17.5 million), other operating expenses decreased significantly by almost 22 percent, or EUR 4.9 million, to EUR 17.5 million compared to the previous year. As a result, earnings before interest, taxes, depreciation and amortization (EBITDA) rose significantly by EUR 29.7 million to EUR 28.9 million. Increased production and sales volumes as well as targeted cost reduction measures contributed to these improved earnings. Operating profit (EBIT) for the reporting period 2013/2014 was EUR 12.4 million (9 M 2012/2013: EUR -120.1 million). Consolidated earnings before taxes (EBT) for the reporting period were EUR 9.7 million (9 M 2012/2013: EUR -123.1 million), and net income for the period was EUR 8.7 million (9 M 2012/2013: -123.1 million). This resulted in (diluted/undiluted) earnings per share of EUR 0.14 (9 M 2012/2013: EUR -1.95).

The equity ratio increased further over the course of the financial year to a comfortable 59.3 percent (June 30, 2013: 43.4 percent). The sharp increase is mainly due to the reduction in total assets of nearly 23 percent from EUR 410.4 million (June 30, 2013) to EUR 317.1 million, essentially through the unscheduled repayment of short-term bank borrowing and other loans as well as the reduction of inventories.

The reduction in short-term debt in the third quarter by a further EUR 27.7 million was particularly achieved through the positive cash flow resulting from current operating activities and the cash

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inflow from the sale of the Märka sites. Thus, apart from some long-term financing, all liabilities to banks as of March 31, 2014 and April 1, 2014 were reduced, and the financing structure was adjusted to the changed strategy and future financing needs.

With net debt of EUR 42.1 million, the ratio of net debt to EBITDA based on the total financial year 2013/2014 is clearly below two.

As of the reporting date March 31, 2014, a cash balance resulted in the amount of EUR 16.9 million.

Development of the segments

Utilization of biodiesel production capacity still over 90 percent at slightly lower margins

The biodiesel capacity of VERBIO was utilized in the first three quarters of financial year 2013/2014 at a rate of 93.2 percent, which is almost full. Overall, 314,600 tons of biodiesel (and thus, significantly more) was produced in this period than in the comparative period (9 M 2012/2013: 253,027 tons). This is mainly due to the elimination of the market turmoil of the comparative period 2012/2013 and a continued strong demand from abroad.

During reporting period 2013/2014, sales revenues in the biodiesel segment in the amount of EUR 360.9 million (9 M 2012/2013: EUR 329.9 million) were achieved. The cost of materials amounted to EUR 327.1 million, after EUR 308.2 million in the comparative period 2012/2013. Overall, the gross profit margin improved through increased sales and reduced pressure on margins clearly. Segment operating profit improved significantly from EUR -85.7 million in the comparative period 2012/2013 to EUR 15.4 million in the reporting period. In the previous year, segment operating income was negatively impacted by impairment losses in accordance with IAS 36 as well as book losses from the sale of biofuel quotas in the amount of EUR 88.0 million.

Continuous production increase in the bioethanol segment reflects increased demand; reduction of the selling prices for bioethanol strains segment result

With a production of 152,290 tons of bioethanol in the first three quarters of financial year 2013/2014, there were 28,398 more tons produced than in the corresponding period of the previous year (9 M 2012/2013: 123,892 tons). The capacity utilization of the bioethanol plants was thus 75.2 percent during the reporting period (9 M 2012/2013: 61.2 percent). The production of biomethane in the corresponding period was 219,150 MWh and was able to be significantly increased with a production of 86,762 MWh, especially in the third quarter of 2013/2014.

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Overall, sales revenues of EUR 197.4 million were announced for the bioethanol segment in the reporting period 2013/2014, after EUR 193.7 million (9 M 2012/2013). The cost of materials amounted to EUR 178.6 million (9 M 2012/2013: EUR 177.8 million). Despite lower sales prices for bioethanol in financial year 2013/2014 and a sideways movement of the raw materials required for production, the segment operating profit improved in the reporting period 2013/2014 from EUR -32.1 million by EUR 31.7 million to EUR -0.4 million. Segment earnings for the previous year were negatively impacted in the third quarter of 2012/2013 by impairment losses in accordance with IAS 36 as well as book losses from the sale of biofuel quota totaling EUR 25.1 million.

Renewed increase in the earnings forecast for financial year 2013/2014

Due to the business development emerging for the remaining quarter, the Board has adjusted the earnings forecast for financial year 2013/2014 again. Accordingly, for continuing and discontinued operations in financial year 2013/2014, EBITDA of between EUR 36 million and EUR 40 million (previously: EUR 30 million to EUR 35 million) and EBIT in the range of EUR 10 million and EUR 14 million (previously: EUR 3 million to EUR 8 million) are expected.

Detailed information about the business development from July 1, 2013 to March 31, 2014 can be found in the 9-Month Report 2013/2014, which is available at www.verbio.de.

Information about VERBIO Vereinigte BioEnergie AG (VERBIO)

VERBIO is one of the leading independent producers and providers of biofuels and is at the same time the only large industrial producer of biodiesel, bioethanol and biomethane in Europe. The nominal capacity is at a rounded 450,000 tons biodiesel, 270,000 tons bioethanol and 480 gigawatt hours biomethane per year. In the production of its highly efficient fuels, the company uses energy-saving production processes and innovative technologies of own development. The biofuels of VERBIO achieve CO₂ reductions of up to 90 percent compared to petrol or diesel. VERBIO delivers its products directly to the European mineral oil conglomerates, mineral oil trading companies, independent gas stations, freight forwarders, municipal utilities and vehicle fleets. In addition, VERBIO markets high-quality pharma glycerine for the consumer goods and cosmetics industry (glycerine is gained as a by-product in biodiesel production). Within the group, VERBIO Vereinigte BioEnergie AG acts as Management Holding. The operative business is exercised by the subsidiaries, VERBIO Diesel Bitterfeld GmbH & Co. KG, VERBIO Diesel Schwedt GmbH & Co. KG, VERBIO Ethanol Schwedt GmbH & Co. KG, VERBIO Ethanol Zörbig GmbH & Co. KG and Märka GmbH. The VERBIO stock (ISIN DE000A0JL9W6 / WKN A0JL9W) has been listed at the Prime Standard of the Frankfurt stock exchange since October 2006.

Important notice

This publication contains certain forward-looking statements concerning the VERBIO group of companies. The forward-looking statements contained herein represent the judgment of VERBIO as of the date of this release and involve risks and uncertainties. Should actual conditions differ from the Company's assumptions, actual results and actions may differ from those anticipated. VERBIO does not intend to update any of these forward-looking statements as far as the wording of the relevant publication is concerned.

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