

Verbio

Biofuel and Technology

**Interim Report 1
2015/2016**

Group key figures

[in EUR million]

Profitability	Q1 2015/2016	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	Q4 2014/2015	2014/2015
Sales	155.9	162.1	145.7	139.6	171.1	618.5
EBITDA	14.6	14.1	11.8	12.2	12.6	50.7
EBIT	9.4	8.5	6.2	6.8	7.0	28.5
EBIT-margin (%)	6.0	5.2	4.3	4.9	4.1	4.6
EBT	9.1	7.7	5.3	5.1	6.6	24.7
period result	7.9	7.2	4.6	4.8	10.3	26.9
Earnings per share (EUR)	0.12	0.12	0.07	0.07	0.17	0.43
Operating data	Q1 2015/2016	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	Q4 2014/2015	2014/2015
Productions (tons)	169,746	173,060	170,188	166,974	180,748	690,970
Productions (MWh)	132,761	125,212	102,329	106,607	135,037	469,185
Utilization Biodiesel/ Bioethanol (%)	95.6	97.5	95.9	94.1	101.8	97.3
Utilization Biomethane (%)	110.6	104.3	85.3	88.8	112.5	97.7
Investments in property, plant and equipment	4.1	3.0	3.4	2.2	4.6	13.2
Number of employees ¹⁾	491	507	495	493	491	491
Net asset position	30.9.2015	30.9.2014	31.12.2014	31.3.2015	30.6.2015	30.6.2015
Net financial assets	14.4	-21.7	-20.3	-9.9	7.8	7.8
Equity	219.1	192.5	196.6	200.6	209.7	209.7
Equity ratio (%)	72.7	60.9	64.6	65.8	70.8	70.8
Balanca sheet total	301.2	315.9	304.2	304.7	296.3	296.3
Financial position	Q1 2015/2016	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	Q4 2014/2015	2014/2015
Operating cash flow	10.9	3.9	10.3	10.6	21.8	46.6
Operating cash flow per share (EUR)	0.17	0.06	0.17	0.16	0.35	0.74
Cash and cash equiva- lents ¹⁾	28.8	31.9	28.7	27.7	26.7	26.7

¹⁾ at the balanca sheet date

Segment key figures

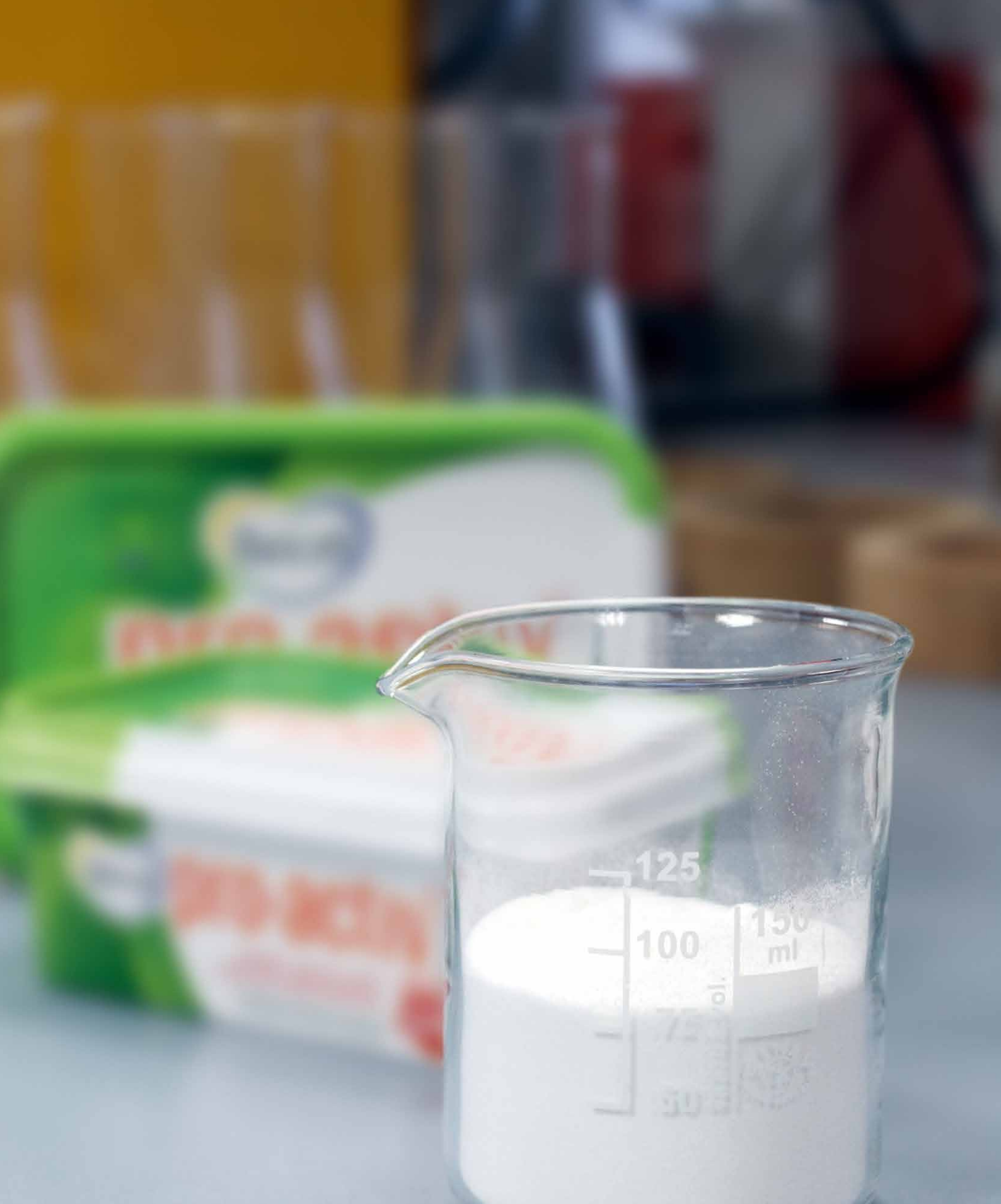
[in EUR million]

Biodiesel	Q1 2015/2016	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	Q4 2014/2015	2014/2015
Sales	103.9	100.8	94.7	93.7	107.8	397.0
EBITDA	7.1	6.7	6.8	6.8	6.6	26.9
EBIT	6.0	5.4	5.6	5.5	5.2	21.7
Production (t)	111,254	108,896	109,058	109,909	115,004	442,867
Utilization (%)	98.9	96.8	96.9	97.7	102.2	98.4
Number of employees ¹⁾	110	108	105	106	111	111

Bioethanol (incl. Biomethane)	Q1 2015/2016	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	Q4 2014/2015	2014/2015
Sales	50.0	59.2	48.9	43.3	61.5	212.9
EBITDA	7.2	7.1	4.4	4.9	6.0	22.4
EBIT	3.2	3.0	0.4	1.0	1.9	6.3
Production (t)	58,491	64,164	61,130	57,065	65,744	248,103
Production (MWh)	132,761	125,212	102,329	106,607	135,037	469,185
Utilization Bioethanol (%)	90.0	98.7	94.0	87.8	101.1	95.4
Utilization Biomethane (%)	110.6	104.3	85.3	88.8	112.5	97.7
Number of employees ¹⁾	226	239	233	228	226	226

Other	Q1 2015/2016	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	9 M 2014/2015	2014/2015
Third party sales	4.4	3.8	3.7	4.2	4.1	15.8
EBIT	0.2	0.1	0.2	0.3	-0.1	0.5

¹⁾ at the balance sheet date



We have installed a new technology which enables us to manufacture phytosterol as a by-product of the biodiesel production process. It is used, among other things, to manufacture hormone treatments and as a dietary supplement to reduce cholesterol levels.

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Group Interim Management Report

for the period from July 1 to September 30, 2015

Economic report

Economic and political environment

Market conditions in Germany

Statistics for diesel fuels published by the German Federal Office of Economics and Export Control (BAFA) by the date of this report are available for the period from January until July 2015. They show an increase in petrol-based and diesel fuel consumption of 1.7 percent to 31.5 million tonnes (Q1 2014/2015: 31 million tonnes). As in previous years, this net figure includes a fall in consumption of petrol-based fuels (a fall of 1.8 percent, or 0.2 million tonnes) accompanied by an increase in the consumption of diesel fuel (an increase of 3.5 percent, or 0.7 million tonnes).

The BAFA statistics show a further fall in the use of biodiesel additives (including HVO – hydro-treated vegetable oil) of approximately 28,000 tonnes, or 2.1 percent in the 2015 period compared to the same period in 2014.

There was a decline in the use of bioethanol and ETBE for additive blending purposes in the period from January to July 2015. Only 666 thousand tonnes of bioethanol and ETBE were consumed for blending in the first seven months of 2015 compared to a combined total of 689 thousand tonnes in the same period of 2014, representing a fall of 3.3 percent. Within this total the strongest fall was recorded in the use of ETBE, with a fall of 17 thousand tonnes. There was also a slight fall in blending for E5 and E10 fuels, reflecting the changing share of the market attributable to E10. The monthly average in the period from January to July 2015 fell to 14 percent compared to 15.4 percent in the previous year. In overall terms this trend is disappointing and can be attributed to the continued misinformation of consumers concerning the suitability of E10 for use in vehicle engines and the reduction of the price differential between E5 and E10 initiated by the oil companies, falling from 4 to 2 eurocents.

Market conditions in other sales markets

Compressed natural gas (CNG)/biomethane as biofuel

The share of biomethane added to compressed natural gas (CNG) fuels has progressed well in recent years. Whereas in 2011 the blended share was 4.3 percent for the market taken as a whole, the share in 2012 was already at least 15.3 percent, rising to 21.6 percent in 2013 and 23.3 percent in 2014.

The statistical reports issued by the Federal Ministry of Finance used to provide data on the fulfilment of

the biofuels quota only report separate data for biomethane from 2012. The figures are available up to 2013, and show a significant increase in the use of biomethane in the fuels sector. 472 GWh were applied to the quota from biomethane in 2013, an increase of approximately 42 percent compared to 2012 (333 GWh). Further increases can be expected for 2014 and 2015, although the growth rate will be significantly lower.

Markets outside Germany

The sales markets for biofuels in Europe are still affected by the fact that the Renewable Energy Directive (RED) is being implemented very differently in the different EU member states. On the one hand, this situation offers arbitrage possibilities. However, it can also result in market entry barriers for certain countries.

Globally, biofuels are becoming more competitive. Biodiesel manufactured from palm and soya oil is already traded at a discount compared to the local prices charged for premium petrol and diesel in some countries.

Biofuels are gaining in importance in countries with predominantly agricultural economies in Asia and South America, with incentives for its use, e.g. tax incentives or compulsory blending requirements, being introduced or increased. As a result, investments are being made in new local biofuel production capacity.

Sales price trends

Prices for biodiesel and ethanol have been looking stable in the first quarter of 2015/2016, at a level which is higher than in the fourth quarter of 2014/2015.

The average price of biodiesel FAME –10 RED FOB Rotterdam in the first quarter of 2015/2016 was EUR 785/tonne. The price premium to diesel fuel has increased significantly, and amounts to approximately EUR 346/tonne (Q4 2014/2015: approximately EUR 251/tonne). The gross margin in the first quarter of 2015/2016 approximated EUR 85/tonne.

The average price of T2 German Specs FOB Rotterdam bioethanol increased in the first quarter 2015/2016, averaging approximately EUR 579/per m3 (Q4 2014/2015: EUR 554/per m3). Accordingly bioethanol has been priced at a premium to petrol since the beginning of the calendar year 2015. The gross margin in the first quarter of 2015/2016 amounted to EUR 154/tonne. It can be assumed that the production margin will come under increased pressure given the sufficiency of production capacity available in the market and the secure availability of raw material supplies as a result of the very good feed grain harvest and the good sugar harvest in Europe.

The significant price premium for biofuels, together with the higher than expected GHG reduction potential generated by biofuels, has resulted in a reduced level of blending by oil companies and a reduced demand for ethanol and biodiesel.

Trends in raw material prices

Prices for grain and oil seed fell by the end of September 2015, and have stabilised at a comparatively low level on average in the first quarter of 2015/2016.

Grain

The fall in grain prices over the course of the 2015 calendar year is due to the good grain production climatic conditions worldwide. Estimates published by the United States Department of Agriculture (USDA) on October 9, 2015 indicate that the global production of grain will total 2,474 million tonnes in the 2015/2016 harvest year, following 2,501 million tonnes in the 2014/2015 harvest year. The demand for grain will increase by approximately 9 million tonnes compared to the previous year.

Based on the USDA estimates described above, wheat production in 2015/2016 will be 732 million tonnes, exceeding the record harvest of 725 million tonnes in 2014/2015. The consumption of wheat will be 716 million tonnes, above the previous year's level of 707 million tonnes.

Given the overall balance of supply and demand and the almost unchanged closing inventories no prolonged increase in grain prices is expected.

Oil seed

The price of oil seed also fell in the course of the 2015 calendar year in a manner consistent with the price trends for grain. In accordance with the USDA forecast published on October 9, 2015 the worldwide production of oil seed will total 531 million tonnes in the 2015/2016 harvest year, just short of the record of 536 million tonnes recorded in the previous year.

Sugar

Sugar prices have been firm over the past twelve months at a comparatively stable level. Given the expected excess demand, accompanied by a reduction of the very high sugar inventories worldwide, a significant increase in sugar prices can be expected in the 2016 calendar year.

The following table shows the average price movements for selected raw materials and products on international markets.

Development of selected raw materials and products

	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	Q4 2014/2015	2014/2015	Q1 2015/2016
Crude oil (Brent; USD/barrel)	102	77	54	61	73	50
Gasoil FOB Rotterdam (EUR/ton)	663	559	473	525	555	439
Biodiesel (FAME -10 RED; EUR/ton)	753	752	741	776	756	785
Gasoline FOB Rotterdam (EUR/ton)	710	585	483	600	594	504
Bioethanol (T2 German Specs; EUR/cbm)	492	469	466	554	495	579
Rapeseed oil (EUR/ton)	649	671	673	715	677	699
Palm oil (EUR/ton)	579	566	595	596	584	512
Wheat (MATIF; EUR/ton)	172	176	190	182	180	176
Sugar (EUR/ton)	265	279	276	248	267	224

Political environment for biofuels

Current regulatory situation in the European Union

We refer to the explanations provided in the 2014/2015 Annual Report for a description of the current regulatory situation. There have been no changes since then which have had an effect on the net assets, financial position and results of operations.

Regulatory environment in Germany

We refer to the explanations provided in the 2014/2015 Annual Report for a description of the Regulatory situation in Germany. There have been no changes since then which have had an effect on the net assets, financial position and results of operations.

(Energy) tax environment

Since January 1, 2013 the energy tax for pure biodiesel (B100) has amounted to 45 cents/litre. This is almost the same as the tax level applied to fossil diesel.

As the law stands at present, fuels with a bioethanol content in excess of 70 percent (E85 with 85% ethanol content) and biomethane remain tax-free until the end of 2015. In our view there will not be a prolongation of the tax-free status despite the numerous political efforts at the individual company and trade association level. In addition, the window of opportunity for an initiative in this direction is now closed.

Tax benefits are granted to natural gas and liquid petroleum gas as additional fuel materials. These are subject to a reduced tax rate of 1.39 cents/kWh or 18.03 cents/kilogram until 2018. An agreement to provide for the continued application of reduced tax rates for natural gas and liquid petroleum gas beyond 2018 was included in the coalition agreement.

Business report and the Group's position

Results of operations

VERBIO produced 169,746 tonnes of biodiesel and bioethanol in the first quarter of the 2015/2016 financial year, compared to 173,060 tonnes in the comparative period in the previous year. This represents a continued capacity utilisation rate substantially in excess of 90 percent. In addition, 132,761 MWh of biomethane were produced in the first three months of the financial year 2015/2016 (Q1 2014/2015: 125,212 MWh).

As a result of the slight reduction in production and sales volumes, group revenues fell by 4 percent to EUR 155.9 million (Q1 2014/2015: EUR 162.1 million). More details are provided in the reports on the individual segments.

Other operating income amounted to EUR 3.0 million (Q1 2014/2015: EUR 1.8 million). The increase is primarily due to the release of provisions in Q1 2015/2016.

Material costs amounted to EUR 137.3 million. Consistent with the corresponding revenues, this figure is slightly lower than in the same period of the comparative year 2014/2015 (Q1 2014/2015: EUR 140.9 million). Taking account of changes in inventory of unfinished and finished goods, the gross margin amounted to EUR 24.1 million and was comparable with the previous year's level (Q1 2014/2015: EUR 23.6 million).

Personnel expenses in the first three months of the financial year 2015/2016 amounted to EUR 6.6 million (Q1 2014/2015: EUR 5.7 million).

Other operating expenses amounted to EUR 7.0 million in the period (Q1 2014/2015: EUR 5.6 million). Other operating expenses primarily include the costs of repair and maintenance, outgoing freight costs, motor vehicle costs and insurance and contributions. The increase is primarily due to the costs of repair and maintenance measures undertaken.

Earnings before interest, taxes and depreciation (EBITDA) amounted to EUR 14.6 million, almost identical to the comparative period in the previous year (Q1 2014/2015: EUR 14.1 million).

After deduction of depreciation charges, the Group operating result (EBIT) amounted to EUR 9.4 million, EUR 0.9 million above the comparative period in the previous year (Q1 2014/2015: EUR 8.5 million).

The financial result (EUR -0.4 million; Q1 2014/2015: EUR -0.8 million) consists almost entirely of interest expenses (EUR 0.4 million; Q1 2014/2015: EUR 0.8 million).

Accordingly, the Group result before taxes (EBT) totals EUR 9.0 million (Q1 2014/2015: EUR 7.7 million), and the net result for the period is EUR 7.9 million (Q1 2014/2015: EUR 7.2 million). Based on the result for the period, earnings per share (basic and diluted) is EUR 0.12 (Q1 2014/2015: EUR 0.12).

Further information is presented in the detailed comments on the individual segments.

Net assets and financial position

Assets and liabilities

The balance sheet total at September 30, 2015 amounted to EUR 301.2 million, representing only a slight increase compared to June 30, 2015 (June 30, 2015: EUR 296.3 million).

On the asset side of the balance sheet, the major changes of note were the increase in current assets.

The non-current assets fell only slightly, amounting to EUR 181.6 million at the balance sheet date (June 30, 2015: EUR 184.7 million), whereby the fall was primarily due to scheduled depreciation charges.

The EUR 7.9 million increase in current assets from EUR 111.6 million at June 30, 2015 to EUR 119.5 million is due to increases in inventory (EUR 15.0 million) and cash and cash equivalents (EUR 2.1 million) offset by trade receivables, which fell back by EUR 8.4 million following the increase due to the effects of timing factors around the June 30, 2015 balance sheet date.

The increase in inventories is primarily due to the higher inventories of raw materials due to the addition of grain following the 2015/2016 harvest. Details of changes in the balance of cash and cash equivalents are provided in the comments on the cash flow statement.

The liabilities and equity side of the balance sheet includes equity of EUR 219.1 million (June 30, 2015: EUR 209.7 million), representing approximately 72.7 percent (June 30, 2015: 70.8 percent) of the balance sheet total.

Cash flows

The operating cash flow for the reporting period totalled EUR 10.9 million (Q1 2014/2015: EUR 3.9 million). The increase was primarily due to the cash flow effect of the decreased level of trade receivables (a decrease of EUR 8.5 million; Q1 2014/2015: an increase of EUR 3.6 million) and the increase in the trade payables balance of EUR 5.9 million (Q1 2014/2015: decrease of EUR 0.1 million).

Cash outflows from investments in the Q1 2015/2016 reporting period totalled EUR 4.4 million as a result of investment activities (Q1 2014/2015: EUR 2.6 million). This primarily resulted from payments made for investments in property, plant and equipment.

The cash flow from financing activities for the reporting period totalled EUR -4.5 million (Q1 2014/2015: EUR 6.2 million), due to the repayment of current loan liabilities to financial institutions of EUR 5.0 million (Q1 2014/2015: EUR 0.2 million). Cash flows in the first quarter of the financial year 2014/2015 were primarily affected by net draw downs of financial loans of EUR 6.4 million.

As a result, cash and cash equivalents increased by EUR 2.1 million in the period July 1, 2015 to September 30, 2015. Cash and cash equivalents totalled EUR 28.8 million at September 30, 2015.

Net cash balance

The remaining bank and loan finance arrangements are more than offset by cash and cash equivalents of EUR 28.8 million, so that the reported net cash balance at the balance sheet date amounted to EUR 14.4 million (June 30, 2015: EUR 7.8 million).

Investment

Investments in property, plant and equipment totalling EUR 4.1 million were made in the first three months of the 2015/2016 financial year (Q1 2014/2015: EUR 3.0 million). The investments were primarily made in the Biodiesel segment (EUR 2.4 million) for the construction of the phytosterol (sterol) production plant at the Bitterfeld location, among other items.

Segment reporting

Biodiesel

VERBIO has an annual biodiesel production capacity of 450,000 tonnes. Production in the first three months of 2015/2016 totalled 111,254 tonnes, 2.2 percent higher than in the corresponding period in the previous year (Q1 2014/2015: 108,896 tonnes). Accordingly, the production was almost at full capacity with a capacity utilisation rate of 98.9 percent (Q1 2014/2015: 96.8 percent).

Revenues in the Biodiesel segment in Q1 2015/2016 totalled EUR 103.9 million, following EUR 100.8 million in the corresponding period in 2014/2015. The increase in revenues is due to both a slight increase in sales and production volumes and slightly higher average sales price levels.

The cost of materials amounted to EUR 95.2 million (Q1 2014/2015: EUR 90.1 million), higher than in the corresponding period in the previous year, consistent with the trend in revenues. Taking into consideration the change in inventories, gross profit increased from EUR 10.6 million to EUR 11.3 million as a result of the increased volumes.

Personnel expenses in Q1 2015/2016 amounted to EUR 2.3 million (Q1 2014/2015: EUR 1.7 million). Other operating expenses totalled EUR 3.0 million (Q1 2014/2015: EUR 2.9 million). Together with the gains on futures transactions (EUR 0.7 million; Q1 2014/2015: EUR 0.3 million), the segment result for the period is EUR 6.0 million (Q1 2014/2015: EUR 5.4 million). Investments in property, plant and equipment amounted to EUR 2.4 million in Q1 2015/2016 (Q1 2014/2015: EUR 1.8 million).

Bioethanol

VERBIO has an annual bioethanol production capacity of 260,000 tonnes. Production in the first three months of 2015/2016 totalled 58,491 tonnes, below the level of the corresponding period in the previous year (Q1 2014/2015: 64,164 tonnes). However, it should be taken into account that production down time was needed in Q1 2015/2016 to perform planned repair and maintenance procedures so that it was not possible to use the capacity in full. On the other hand, the production of biomethane in Q1 2015/2016 was higher than in the same period in the previous year, totalling 132,761 MWh (Q1 2014/2015: 125,212 MWh).

In total, the Bioethanol segment generated revenues of EUR 50.0 million in Q1 2015/2016 (Q1 2014/2015: EUR 59.2 million). The lower reported revenues correspond to the lower production and sales volumes.

The cost of materials fell compared to the previous year to EUR 40.2 million (Q1 2014/2015: EUR 49.2 million), with the consequence that gross margin increased only slightly from EUR 12.3 million in the previous year to EUR 12.7 million in the reporting period, taking the change in inventories into account. The change in gross profit despite the lower production and sales volumes was due to the implementation of further technical improvements, and the slight increase in processing margins.

The straw biomethane plant at the Schwedt/Oder site, which is supported under the EU Commission NER 300 project, commenced operations in September 2014. Since then it has consistently pumped increasing volumes of biogas into the natural gas net-

work. It contributed EUR 0.5 million to the segment result in Q1 2015/2016.

Other operating income in this segment in the reporting period amounted to EUR 2.7 million (Q1 2014/2015: EUR 1.8 million). The increase primarily results from out-of-period income from the release of provisions.

Personnel costs amounted to EUR 3.4 million (Q1 2014/2015: EUR 3.1 million).

Other operating expenses amounted to EUR 5.2 million, after EUR 3.6 million in the comparative period Q1 2014/2015. Other operating expenses primarily include the costs of outgoing freight costs and repair and maintenance costs, whereby the latter increased as a result of planned repair and maintenance measures.

The segment result before interest and taxation totalled EUR 3.2 million, after EUR 3.0 million in the corresponding period of the previous year.

Investments in this segment totalled EUR 1.5 million (Q1 2014/2015: EUR 1.1 million). This primarily comprised investments in optimising and adjusting the biomethane plants at the Schwedt/Oder and Zörbig sites (EUR 0.7 million; Q1 2014/2015: EUR 0.6 million).

Other

Revenues generated in the Other segment totalled EUR 4.4 million in the first three months of the 2015/2016 financial year and primarily represent revenues from transport and logistic services (Q1 2014/2015: EUR 3.8 million). The segment result amounted to EUR 0.2 million (Q1 2014/2015: EUR 0.1 million).

Outlook, opportunity and risk report

Outlook

VERBIO has been able to implement the GHG quota system which came into effect in Germany from January 1, 2015 and has successfully met the challenges associated with the new system. Both biofuels segments were able to consolidate and build on their market position. The biofuels produced by VERBIO, which have high GHG values compared to competing products, and VERBIO's unique product portfolio, providing supply of all the three fuel types with significant volumes from one source, have been well received by customers. We assume that this situation will continue to apply for the current financial year. After the first quarter of the current financial year 2015/2016 has been completed according to plan, our EBITDA forecast of approximately EUR 50 million remains unchanged.

Risk and opportunity report

VERBIO's risk management system ensures that existing risks are systematically recognised, analysed, evaluated and reported on a timely basis. The risk management system ensures that all organisational units and processes are included in the risk management process, thereby ensuring that all risks are identified, evaluated and communicated.

VERBIO consolidates and aggregates all risks reported by the Group's various divisions and functions in accordance with its risk management guidelines.

Detailed information on the VERBIO Group's risk management system and on the Group's opportunities and risks is presented in the risk and opportunity report included in the 2014/2015 annual report.

There have been no changes from the opportunities and risks presented in the 2014/2015 annual report, and no changes in the risks and opportunities profile of the VERBIO Group during the reporting period.

There are no present risks or discernible potential risks that present a threat to the ability of the Group to continue as a going concern.

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Consolidated statement of comprehensive income

for the period July 1, 2015 to September 30, 2015

EUR (thousands)	Q1 2015/2016	Q1 2014/2015
1. Revenue (including energy taxes collected)	160,680	162,300
less: energy taxes	-4,825	-165
Revenue	155,855	162,135
2. Change in unfinished and finished goods	5,517	2,305
3. Capitalised production of own plant and equipment	112	83
4. Other operating income	3,017	1,794
5. Cost of materials	-137,265	-140,845
6. Personnel expenses	-6,600	-5,666
7. Depreciation and amortisation	-5,182	-5,613
8. Other operating expenses	-7,035	-5,579
9. Result from commodity forward contracts	1,003	-85
10. Operating result	9,422	8,529
11. Interest income	11	17
12. Interest expense	-363	-827
13. Financial result	-352	-810
14. Result before tax	9,070	7,719
15. Income tax expense	-1,213	-498
16. Result from continuing operations	7,857	7,221
Result attributable to shareholders of the parent company	7,786	7,252
Result attributable to non-controlling interests	71	-31
Income and expenses recognized directly in equity:		
Items, to be reclassified either as profit or loss:		
Translation of foreign operations	-17	-17
Fair value remeasurement on cash flow hedges	2,377	1,921
Deferred taxes recognized in equity	-737	-203
17. Income and expenses recognized directly in equity	1,623	1,701
18. Comprehensive result	9,480	8,922
Comprehensive result attributable to shareholders of the parent company	9,409	8,953
Comprehensive result attributable to non-controlling interests	71	-31
Result per share (basic and diluted)	0.12	0.12

Consolidated balance sheet

at September 30, 2015

EUR (thousands)	30.09.2015	30.06.2015
Assets		
A. Non-current assets		
I. Other intangible assets	194	148
II. Property, plant and equipment	178,258	180,044
III. Financial assets	57	57
IV. Deferred tax assets	3,123	4,472
Total non-current assets	181,632	184,721
B. Current assets		
I. Inventories	37,191	22,190
II. Trade receivables	32,974	41,429
III. Derivatives	780	2,062
IV. Other short-term financial assets	8,197	8,878
V. Tax refunds	927	1,153
VI. Other assets	10,711	9,253
VII. Cash and cash equivalents	28,751	26,657
Total current assets	119,531	111,622
Total assets	301,163	296,343

EUR (thousands)	30.09.2015	30.06.2015
Liabilities and equity		
A. Equity		
I. Share capital	63,000	63,000
II. Additional paid-in capital	487,680	487,680
III. Fair value reserve	-639	-2,279
IV. Retained earnings	-331,475	-339,261
V. Reserve for translation differences	-26	-9
Total equity, excluding non-controlling interests	218,540	209,131
VI. Non-controlling interests	604	533
Total equity	219,144	209,664
B. Non-current liabilities		
I. Bank loans and other loans	11,550	11,554
II. Provisions	152	152
III. Deferred investment grants and subsidies	8,739	9,012
IV. Other non-current liabilities	4,364	3,588
V. Deferred tax	337	337
Total non-current liabilities	25,142	24,643
C. Current liabilities		
I. Bank loans and other loans	2,805	7,283
II. Trade payables	36,920	31,250
III. Derivatives	1,409	5,346
IV. Other current financial liabilities	6,608	6,170
V. Tax liabilities	5,008	3,899
VI. Provisions	1,327	1,745
VII. Deferred investment grants and subsidies	1,024	1,025
VIII. Other current liabilities	1,776	5,318
Total current liabilities	56,877	62,036
Total equity and liability	301,163	296,343

Consolidated cash flow statement

for the period July 1, 2015 to September 30, 2015

EUR (thousands)	Q1 2015/2016	Q1 2014/2015
Net result for the period	7,857	7,221
Income taxes expense (prior-year period: income)	1,213	498
Interest result	352	810
Depreciation and amortization	5,182	5,613
Non-cash expense	655	356
Loss (prior-year period: gains on disposal of property, plant and equipment and disposal of investment grants)	16	-163
Release of deferred investment grants and subsidies	-259	-288
Non-cash changes in derivative financial instruments	-278	-219
Increase in inventories	-15,001	-6,385
Decrease (prior-year period: increase) in trade receivables	8,455	-3,576
Increase (prior-year period: decrease) in trade receivables	-944	1,714
Change in provisions	-424	-828
Increase (prior-year period: decrease) in trade payables	5,876	-136
Decrease (prior-period year: increase) in other current financial and non-financial liabilities	-2,328	409
Interest paid	-345	-839
Interest received	281	11
Income taxes paid (prior-period year: received)	628	-307
Cash flows from operating activities	10,936	3,891
Proceeds from investment grants	0	652
Acquisition of intangible assets	-76	-6
Acquisition of property, plant and equipment	-4,280	-3,414
Proceeds from disposal of property, plant and equipment	0	216
Cash flows from investing activities	-4,356	-2,552
Payments for the redemption of financial liabilities	-5,003	-206
Proceeds from the assumption of financial liabilities	521	6,448
Cash flows from financing activities	-4,482	6,242
Cash-effective change in cash funds	2,098	7,581
Change in cash funds due to effects of exchange rates	-4	-3
Cash funds at beginning of year	26,657	24,288
Cash funds at end of year	28,751	31,866
Cash funds at year end comprise the following:		
Restricted cash and cash equivalents	100	3,192
Cash and cash equivalents	28,651	28,674
Cash funds at end of year	28,751	31,866

Consolidated statement of changes in equity

for the period July 1, 2015 to September 30, 2015

EUR (thousands)	Share capital	Additional paid-in capital	Fair value reserve	Retained earnings	Reserve for translation adjustments	Total equity excluding non-controlling interests	Non-controlling interests	"Total equity"
July 1, 2014	63,000	487,680	-1,543	-366,041	-6	183,090	454	183,544
Translation adjustments	0	0	0	0	-8	-8	0	-8
Fair Value changes on cash flow hedges (after tax)	0	0	1,718	0	0	1,718	0	1,718
Income and expenses recognized directly in equity	0	0	1,718	0	-8	1,710	0	1,710
Net result for the period	0	0	0	-827	0	-827	-810	-1,637
Comprehensive result for the period	0	0	1,718	-827	-8	883	-810	73
September 30, 2014	63,000	487,680	175	-366,868	-14	183,973	-356	183,617
July 1, 2015	63,000	487,680	-2,279	-339,261	-9	209,131	533	209,664
Translation adjustments	0	0	0	0	-17	-17	0	-17
Fair Value changes on cash flow hedges (after tax)	0	0	1,640	0	0	1,640	0	1,640
Income and expenses recognized directly in equity	0	0	1,640	0	-17	1,623	0	1,623
Net result for the period				7,786	0	7,786	71	7,857
Comprehensive result for the period	0	0	1,640	7,786	-17	9,409	71	9,480
September 30, 2015	63,000	487,680	-639	-331,475	-26	218,540	604	219,144

Selected explanatory disclosure notes

Condensed consolidated interim financial statements

Basis for preparation of the consolidated financial statements

The VERBIO Vereinigte BioEnergie AG interim report and consolidated financial statements as of June 30, 2015 were prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the EU. The rules contained in IAS 34 "Interim financial reporting" were applied accordingly. The interim financial statements of all companies included in the consolidated financial statements of VERBIO AG were prepared using uniform accounting and valuation methods.

These condensed interim consolidated financial statements do not include all the information that is required when annual consolidated financial statements are prepared. Accordingly, they should be read in conjunction with the consolidated financial statements as of June 30, 2015.

The condensed consolidated financial statements are prepared in euros (EUR). All amounts are reported in thousands of euros (EUR thousand) unless stated otherwise. Amounts are rounded in accordance with common commercial practice. Rounding differences may occur.

The condensed consolidated financial statements have been prepared under the assumption that the Group is a going concern.

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

There have been no changes in the composition of the Group since June 30, 2015. Further, the consolidation methods and the principles for the translation of amounts denominated in foreign currencies used in preparing the Group's consolidated financial statements for the year ended June 30, 2015 have been applied consistently in the preparation of these interim financial statements.

Accounting and valuation methods

Given that the interim financial reports are based on the consolidated financial statements, please refer to the notes to the consolidated financial statements as of June 30, 2015 for a detailed description of the Group's accounting, valuation and consolidation methods. The accounting and valuation methods are consistent with those used in the previous year. The implementation of new accounting standards and the effect of amendments to existing standards applicable to the Group for the first time from July 1, 2015 did not have a material effect on the presentation of the financial statements.

Notes to individual items in the consolidated statement of comprehensive income

Other operating income

Other operating income amounted to EUR 3,017 thousand in the reporting period (Q1 2014/2015: EUR 1,794 thousand). This includes an amount of EUR 1,094 thousand (Q1 2014/2015: EUR 12 thousand) resulting from the release of provisions and from other out-of-period income. In addition, other operating income primarily includes electricity and energy tax reimbursements of EUR 587 thousand (Q1 2014/2015: EUR 603 thousand) and income from the release of investment grants and subsidies of EUR 259 thousand (Q1 2014/2015: EUR 288 thousand).

Cost of materials

The cost of materials primarily includes costs incurred for the purchase of raw materials, consumables and supplies for ongoing production requirements, and the cost of merchandise. Please refer to the segment reporting section of these disclosure notes for an analysis by segment.

Other operating expenses

Other operating expenses in the period amounted to EUR 7,035 thousand (Q1 2014/2015: EUR 5,579 thousand). Significant items in other operating expenses included expenses for repair and maintenance of EUR 2,582 thousand (Q1 2014/2015: EUR 1,489 thousand), outgoing freight costs of EUR 1,271 thousand (Q1 2014/2015: EUR 1,327 thousand), vehicle costs of EUR 623 thousand (Q1 2014/2015: EUR 569 thousand) and insurance and contributions of EUR 306 thousand (Q1 2014/2015: EUR 381 thousand).

Result from commodity forward contracts

Gains and losses resulting from the change in value and closing out of forward commodity contracts for which hedge accounting could not be applied and the ineffective portion of forward commodity contracts for which hedge accounting (cash flow hedges) was applied totalled EUR 1,003 thousand (Q1 2014/2015: EUR -85 thousand).

Income tax expense

Income tax expense for the period from July 1, 2015 to September 30, 2015 amounted to EUR 1,213 (Q1 2014/2015: EUR 498 thousand), comprising a current tax expense of EUR 602 thousand (Q1 2014/2015: EUR 730 thousand) and deferred tax expenses of EUR 611 thousand (Q1 2014/2015 deferred tax income of EUR 232 thousand).

Earnings per share

Earnings per share was calculated in accordance with IAS 33. The earnings per share is calculated by dividing the earnings for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding. VERBIO AG has 63,000,000 no-par shares in circulation. Each share has a nominal value of EUR 1. The total number of shares outstanding is identical to the average number of shares outstanding for the period. There was no dilutive effect. The Group result for the period attributable to the shareholders of the parent company for the period from July 1, 2015 to September 30, 2015 totalled EUR 7,786 thousand (Q1 2014/2015: EUR 7,252 thousand). The result per share (basic and diluted) amounted to EUR 0.12 (Q1 2014/2015: EUR 0.12).

Notes to individual items in the consolidated balance sheet

Non-current assets

Property, plant and equipment

Movements on property, plant and equipment included scheduled depreciation (EUR 5,152 thousand), disposals (EUR 683 thousand), new investments in property, plant and equipment (EUR 4,050 thousand) and the effects of changes in currency exchange rates (EUR -1 thousand). As a result, the carrying value of property, plant and equipment fell to EUR 178,258 thousand (June 30, 2015: EUR 180,044 thousand).

Current assets

Inventories

Inventories consist of the following:

EUR (thousands)	30.09.2015	30.06.2015
Raw materials, consumables and supplies	21,795	11,423
Work in process and finished products	15,227	9,710
Merchandise	169	1,057
Inventories	37,191	22,190

Trade receivables

Trade receivables amounted to EUR 32,974 thousand at the balance sheet date (June 30, 2015: EUR 41,429 thousand) and are presented net of valuation allowances of EUR 1,470 thousand (June 30, 2015: EUR 1,537 thousand). All trade receivables have a remaining term of up to one year.

Tax refund receivables

The tax refund receivables of EUR 927 thousand (June 30, 2015: EUR 1,153 thousand) consist of corporation tax and trade tax.

Other current financial assets

Other current financial assets of EUR 8,197 thousand (June 30, 2015: EUR 8,878 thousand) include deferred unrealised results from forward commodity contracts totalling EUR 6,675 thousand (June 30, 2015: EUR 5,763 thousand).

Other assets

Other assets of EUR 10,711 thousand (June 30, 2015: EUR 9,253 thousand) include investment subsidies not yet received of EUR 4,765 thousand (June 30, 2015: EUR 4,422 thousand) and reimbursements of electricity and energy tax of EUR 4,431 thousand (June 30, 2015: EUR 3,425 thousand).

Derivatives

Forward contracts have been entered into to hedge the supply price for rapeseed oil and grain. In addition, sales swaps are entered into to hedge revenues under sales contracts linked to the price of bioethanol. The positive market value of these derivatives at September 30, 2015 amounted to EUR 780 thousand (June 30, 2015: EUR 2,062 thousand) and derivatives with negative market values amounted to EUR 1,409 thousand (June 30, 2015: EUR 5,346 thousand). A discussion of the impact on the consolidated statement of comprehensive income is provided in the explanatory notes describing the result from commodity forward contracts and the description of other reserves.

The fair values of the derivatives are based on the following "fair value hierarchy levels" of the instruments as follows:

- Level 1 (based on quoted prices on an active market): assets of EUR 297 thousand (June 30, 2015: EUR 0 thousand).
- Level 2 (established by valuation methods using directly observable market data: assets of EUR 483 thousand (June 30, 2015: EUR 579 thousand), liabilities of EUR 1,409 thousand (June 30, 2015: EUR 4,009 thousand).

There were no reclassifications between the individual hierarchy levels in the period from July 1 to September 30, 2015 or in the corresponding period in the previous year.

Cash and cash equivalents

Cash and cash equivalents include unrestricted cash and cash equivalents of EUR 28,651 thousand June 30, 2015: EUR 26,557 thousand) and restricted cash of EUR 100 thousand (June 30, 2015: EUR 100 thousand).

Equity

Other reserves

The other reserves include the cumulative change in value of the valuation changes of forward commodity contracts that qualify as cash flow hedges. Cash flow hedges with a value of EUR 342 thousand were transferred from equity to material costs in the period as part of the cash flow hedge accounting (reduction of material costs: Q1 2014/2015; increase in material costs: EUR 399 thousand) and EUR 4,825 thousand were transferred from equity to revenues (reducing revenues; Q1 2014/2015: EUR 0 thousand). The change in the fair values of cash flow hedges thereafter amounted to EUR -2,017 thousand. Deferred tax assets of EUR 287 thousand have been recorded at September 30, 2015 (June 30, 2015: EUR 1,024 thousand).

Non-current liabilities

Investment grants and subsidies

Movements on the investment grants and subsidies balance of EUR 9,763 thousand (June 30, 2015: EUR 10,037 thousand) result almost exclusively from the effect of scheduled releases to income.

Current liabilities

Tax liabilities

Tax liabilities include obligations for trade taxes of EUR 2,568 thousand (June 30, 2015: EUR 1,807 thousand) and corporation tax of EUR 2,440 thousand (June 30, 2015: EUR 2,092 thousand).

Other current liabilities

The other current liabilities at September 30, 2015 of EUR 1,776 thousand (June 30, 2015: EUR 5,318 thousand) primarily include short-term liabilities for value added taxes of EUR 836 thousand (June 30, 2015: EUR 4,445 thousand).

Other disclosures

Segment reporting

The risks and returns of the Group are primarily those of the Group's segments. The VERBIO Group consists of the segments Biodiesel, Bioethanol, and Other, in line with the Group's internal organisation and management structure. The Other segment is a collective segment that includes the Group's transport and logistics activities.

Segmentation on a geographical basis is not reported as this is not used for the VERBIO Group's internal management purposes.

Segments according to internal corporate management

Revenues are presented net of energy taxes of EUR 4,825 thousand (Q1 2014/2015: EUR 165 thousand). The Biodiesel and Bioethanol segments generate revenues from the sale of goods. In the Other segment, revenues are generated through the rendering of services. The valuation and accounting methods used for segment reporting purposes and for the purposes of reporting transactions between reportable segments are identical to those used by the Group as a whole in preparing its consolidated financial statements.

Segment reporting for the period from July 1, 2015 to September 30, 2015

EUR (thousands)	Biodiesel		Bioethanol		Other		Total segments	
	Q1 2015/ 2016	Q1 2014/ 2015	Q1 2015/ 2016	Q1 2014/ 2015	Q1 2015/ 2016	Q1 2014/ 2015	Q1 2015/ 2016	Q1 2014/ 2015
Sales revenues	103,863	100,815	49,986	59,199	4,438	3,843	158,287	163,857
Change in finished and unfinished products	2,552	-46	2,965	2,351	0	0	5,517	2,305
Capitalized production of own plant and equipment	56	42	56	42	0	0	112	84
Other operating income	292	302	2,721	1,784	66	213	3,079	2,299
Cost of materials	-95,158	-90,131	-40,231	-49,239	-2,499	-2,147	-137,888	-141,517
Personnel expenses	-2,299	-1,723	-3,429	-3,061	-872	-882	-6,600	-5,666
Depreciation and amortization	-1,056	-1,271	-3,996	-4,053	-130	-289	-5,182	-5,613
Other operating expenses	-2,981	-2,870	-5,158	-3,630	-767	-635	-8,906	-7,135
Result of forward contract transactions	706	289	297	-374	0	0	1,003	-85
Segment result	5,975	5,407	3,211	3,019	236	103	9,422	8,529
Financial result	-96	-152	-256	-648	0	-10	-352	-810
Result before taxes	5,879	5,255	2,955	2,371	236	93	9,070	7,719

Reconciliation

EUR (thousands)	Total segments		Intersegment revenues and expenses and other corrections		Group	
	Q1 2015/2016	Q1 2014/2015	Q1 2015/2016	Q1 2014/2015	Q1 2015/2016	Q1 2014/2015
Sales revenues	158,287	163,857	corrections	-1,722	155,855	162,135
Change in finished and unfinished products	5,517	2,305	0	0	5,517	2,305
Capitalized production of own plant and equipment	112	84	0	0	112	84
Other operating income	3,079	2,299	-62	-505	3,017	1,794
Cost of materials	-137,888	-141,517	623	671	-137,265	-140,846
Personnel expenses	-6,600	-5,666	0	0	-6,600	-5,666
Depreciation and amortization	-5,182	-5,613	0	0	-5,182	-5,613
Other operating expenses	-8,906	-7,135	1,871	1,556	-7,035	-5,579
Result of forward contract transactions	1,003	-85	0	0	1,003	-85
Segment result	9,422	8,529	0	0	9,422	8,529
Financial result	-352	-810	0	0	-352	-810
Result before taxes	9,070	7,719	0	0	9,070	7,719

Contingent liabilities and other financial commitments*Litigation*

There are no open litigation issues that present a significant risk to VERBIO at September 30, 2015.

Rental and leasing contracts

Other financial obligations totalling EUR 15,121 thousand arise from various long-term lease agreements. Of this total, EUR 3,056 thousand falls due within one year, EUR 5,574 thousand falls due after more than one year and within five years, and EUR 6,491 thousand falls due after more than five years.

Further details are provided in the notes to the consolidated financial statements for the 2014/2015 financial year.

Order commitments

Open purchase obligations for investments total EUR 546 thousand at September 30, 2015 (June 30, 2015: EUR 2,341 thousand).

Related party disclosures

Detailed information is provided in the related party disclosures in the notes to the consolidated financial statements for the financial year 2014/2015.

Significant events subsequent to the end of the reporting period

There have been no significant events with an effect on the net assets and financial position since September 30, 2015.

Audit of the interim financial statements and the interim management report

These interim consolidated financial statements and the interim management report have not been audited or been subject to review by auditors.

Executive bodies of the Company

Supervisory Board



Alexander von Witzleben

Chairman of the Supervisory Board

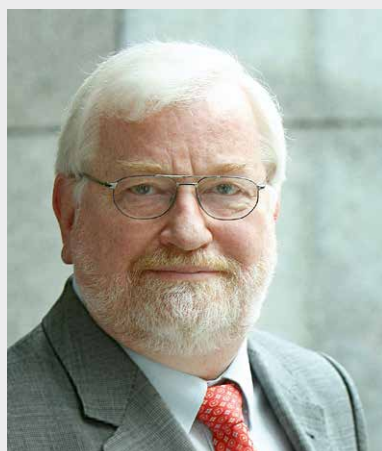
- President of the Board of Directors, Feintool International Holding AG, Lyss, Switzerland
- President of the Board of Directors (since April 17, 2015), AFG Arbonia-Forster-Holding AG, Arbon, Switzerland
- Member of the Board of Directors (since May 20, 2015), Artemis Holding AG, Aarburg, Switzerland
- Chairman of the Supervisory Board, PVA TePla AG, Wetzlar
- Chairman of the Supervisory Board, Siegwerk Druckfarben AG & Co. KGaA, Siegburg
- Member of comparable advisory committee, Kaefer Isoliertechnik GmbH & Co. KG, Bremen



Ulrike Krämer

Vice-Chairman of the Supervisory Board

Auditor and tax advisor, Ludwigsburg



Dr.-Ing. Georg Pollert

Member of the Supervisory Board

Chemist and process engineer, Berlin

Vice-Chairman of Arbeitsgemeinschaft
Qualitätsmanagement Biodiesel e.V.

Management Board



Claus Sauter
Chairman of the Management Board

Responsible for strategic corporate development, business development, sales and trading, procurement (liquid primary products), contract management, finance and accounting, taxes, press and publicity, investor relations and legal matters



Dr. Oliver Lüdtke
*Management Board,
Bioethanol/Biomethane
Vice-Chairman of the Management
Board*

Responsible for the Bioethanol/Biomethane segment (production, technical investment planning, research and development, procurement of auxiliary materials, media, occupational safety), controlling, risk management and data protection



Theodor Niesmann
*Management Board, Biodiesel, Plant
Engineering and Human Relations*

Responsible for the Biodiesel segment (production, technical investment planning, research and development, procurement of auxiliary materials and media, occupational safety), plant engineering, human relations, quality management, occupational safety and IT



Bernd Sauter
*Management Board, Procurement and
Logistics*

Responsible for procurement of solid raw materials, logistics and transport, storage, contract management, vehicle fleet and facility management, occupational safety (procurement and logistics) and insurance

Financial calendar 2015/2016

November 5, 2015	Publication of the first quarterly interim report 2015/2016 (July 2015 to September 2015)
January 29, 2016	Annual General Meeting, Radisson Blu Hotel, Leipzig
February 4, 2016	Publication of the half-yearly interim report 2015/2016 (July 2015 to December 2015)
May 5, 2016	Publication of the third quarterly interim report 2015/2016 (July 2015 to March 2016)
September 21, 2016	Publication of the Annual Report 2015/2016 Analyst conference/annual financial statements press conference

Contact address and imprint

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Forward-looking statements

The Annual Report includes various statements concerning forecasts, expectations and information that relate to the future development of the VERBIO Group and VERBIO Vereinigte BioEnergie AG. These statements are based on assumptions and estimates and may be associated with known and unknown risks and uncertainties. Actual developments and results as well as the financial and asset situation may therefore differ substantially from the expectations and assumptions stated. Such differences may be due, among other things, to market fluctuations, changes in worldwide market prices for raw materials as well as financial markets and exchange rates, changes in national and international laws and directives, or fundamental changes in the economic and political climate. VERBIO does not intend to and does not undertake an obligation to update or revise any forward-looking statements to adapt them to events or developments after the publication of this Annual Report.

This annual report is published in German (original version) and in English (non-binding translation).
It is available for download at <http://www.verbio.de> in both languages.

We will be delighted to send you additional information about VERBIO Vereinigte BioEnergie AG on request at no charge.

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