

Verbio

Biofuel and Technology

**Quarterly interim
statement for the period
ended March 31, 2016
(Q3 2015/2016)**

Group key figures

[in EUR million]

Profitability	Q1 2015/2016	Q2 2015/2016	Q3 2015/2016	9 M 2015/2016
Sales	155.9	174.9	148.6	479.4
EBITDA	14.6	24.5	11.4	50.5
EBIT	9.4	19.3	6.2	34.9
EBIT-margin (%)	6.0	11.0	4.2	7.3
EBT	9.1	19.0	5.7	33.8
period result	7.9	13.7	4.5	26.1
Earnings per share (EUR)	0.12	0.23	0.07	0.41
Operating data	Q1 2015/2016	Q2 2015/2016	Q3 2015/2016	9 M 2015/2016
Production (tons)	169,646	176,361	164,123	510,130
Production (MWh)	132,761	131,242	132,496	396,499
Utilisation Biodiesel/ Bioethanol (%) ¹⁾	95.6	99.4	92.5	95.8
Utilisation Biomethane (%) ¹⁾	110.6	109.4	110.4	110.1
Investments in property, plant and equipment	4.1	1.9	2.7	8.7
Number of employees ²⁾	491	481	481	481
Net asset position	30.09.2015	31.12.2015	31.03.2016	
Net financial assets	14.4	40.5	36.1	
Equity	219.1	234.8	232.0	
Equity ratio (%)	72.7	74.4	76.4	
Balance sheet total	301.2	315.8	303.6	
Financial position	Q1 2015/2016	Q2 2015/2016	Q3 2015/2016	9 M 2015/2016
Operating cash flow	10.9	28.0	4.2	43.1
Operating cash flow per share (EUR)	0.17	0.44	0.07	0.68
Cash and cash equivalents	28.8	56.2	50.7	50.7

¹⁾ In relation to the production capacity

²⁾ At the balance sheet date

	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	9 M 2014/2015
	162.1	145.7	139.6	447.4
	14.1	11.8	12.2	38.1
	8.5	6.2	6.8	21.5
	5.2	4.3	4.9	4.8
	7.7	5.3	5.1	18.1
	7.2	4.6	4.8	16.6
	0.12	0.07	0.07	0.26
	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	9 M 2014/2015
	173,060	170,188	166,974	510,222
	125,212	102,329	106,607	334,148
	97.5	95.9	94.1	95.8
	104.3	85.3	88.8	92.8
	3.0	3.4	2.2	8.6
	507	495	493	493
	30.09.2014	31.12.2014	31.03.2015	
	-21.7	-20.3	-9.9	
	192.5	196.6	200.6	
	60.9	64.6	65.8	
	315.9	304.2	304.7	
	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	9 M 2014/2015
	3.9	10.3	10.6	24.8
	0.06	0.17	0.16	0.39
	31.9	28.7	27.7	27.7

Business report and the Group's position

VERBIO AG reports significantly improved results for the first nine months of the current financial year compared to the equivalent period in the previous year, although in the third quarter of the current financial year it was not possible to maintain the trend set in the second quarter.

Group revenues increased by 7 percent to EUR 479.4 million compared to the same period in the previous year (9 M 2014/2015: EUR 447.4 million).

Earnings before interest, taxation, depreciation and amortisation (EBITDA) for the nine-month period amounted to EUR 50.5 million, 33 percent ahead of the comparative period in the previous year (9 M 2014/2015: EUR 38.1 million). The Group result before taxation and interest (EBIT) in the same period amounted to EUR 34.9 million, an increase of 62 percent (9 M 2014/2015: EUR 21.5 million). The Group result before tax (EBT) totals EUR 33.8 million (9 M 2014/2015: EUR 18.1 million), and the net result for the period is EUR 26.1 million (9 M 2014/2015: EUR 16.6 million). Based on the result for the period, earnings per share is EUR 0.41 (9 M 2014/2015: EUR 0.26).

Net assets and financial position

Cash flows

Cash flow from operating activities in the first nine months of the financial year 2015/2016 amounted to EUR 43.1 million (9 M 2014/2015: EUR 24.8 million). The increase is due to a significant increase in the result for the period, lower interest payments, and to the fact that income taxes are not yet due for payment.

The total cash outflows from investment activities in the first nine months of 2015/2016 were EUR 8.5 million (9 M 2014/2015: EUR 6.5 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 -10.5 million (9 M 2014/2015: EUR -14.8 million). Of this, EUR 6.3 million resulted from the payment of the dividend for the financial year 2014/2015.

As a result, cash and cash equivalents increased by EUR 24.0 million in the period July 1, 2015 to March 31, 2016. Cash and cash equivalents totalled EUR 50.7 million at March 31, 2016.

Net cash balance

The remaining bank and loan finance arrangements are more than offset by cash and cash equivalents of EUR 50.7 million, so that the reported net cash balance at March 31, 2016 amounted to EUR 36.1 million (June 30, 2015: EUR 7.8 million).

Development of the Biodiesel and Bioethanol segments

The primary drivers of earnings growth in the first half year were the high margins for bioethanol, especially in the second quarter, continued high sales volumes in biodiesel and bioethanol, as well as high levels of capacity usage for the biomethane production plant. However, the third quarter of the current financial year was again characterised by significantly lower margins, and accordingly the results in the third quarter of the current financial year were largely comparable with the equivalent period in the previous year. The production volume of biodiesel and bioethanol in the period July 1, 2015 to March 31, 2016 totalled 510,130 tonnes, compared to 510,222 tonnes in the same period in the previous year. In addition, 396.5 GWh of biomethane were produced in the first nine months of the financial year 2015/2016 (9 M 2014/2015: 334.1 GWh), an increase of 19 percent compared to the same period in the previous year.

Outlook, opportunity and risk report

Outlook

VERBIO maintains the earnings forecast published in an ad-hoc-report on January 25, 2016. Accordingly, EBITDA is expected to be around EUR 70 million and the net cash balance at the end of the financial year is expected to increase to around EUR 58 million.

Risk and opportunity 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.

Consolidated profit and loss statement

for the period from July 1, 2015 to March 31, 2016

EUR (thousands)	Q3 2015/2016	Q3 2014/2015	9 M 2015/2016	9 M 2014/2015
1. Revenue (including energy taxes collected)	148,716	140,959	483,758	457,998
less: energy taxes	-134	-1,347	-4,352	-10,561
Revenue	148,582	139,612	479,406	447,437
2. Change in unfinished and finished goods	3,110	1,273	9,591	2,605
3. Capitalised production of own plant and equipment	42	102	228	258
4. Other operating income	3,127	2,277	8,581	7,719
5. Cost of materials	-128,581	-119,804	-405,124	-387,786
6. Personnel expenses	-6,872	-5,789	-20,721	-17,108
7. Depreciation and amortisation	-5,263	-5,383	-15,626	-16,575
8. Other operating expenses	-7,934	-5,838	-23,028	-17,161
9. Result from commodity forward contracts	0	332	1,606	2,133
10. Operating result	6,211	6,782	34,913	21,522
11. Interest income	4	87	26	110
12. Interest expense	-498	-1,720	-1,162	-3,511
13. Financial result	-494	-1,633	-1,136	-3,401
14. Result before tax	5,717	5,149	33,777	18,121
15. Income tax expense	-1,200	-331	-7,641	-1,514
16. Net result for the period	4,517	4,818	26,136	16,607
Result attributable to shareholders of the parent company	4,469	4,684	25,957	16,557
Result attributable to non-controlling interests	48	134	179	50
Result per share (basic and diluted)	0.07	0.07	0.41	0.26

Consolidated balance sheet

at March 31, 2016

EUR (thousands)	31.03.2016	30.06.2015
Assets		
A. Non-current assets		
I. Other intangible assets	220	148
II. Property, plant and equipment	169,915	180,044
III. Financial assets	57	57
IV. Deferred tax assets	23	4,472
Total non-current assets	170,215	184,721
B. Current assets		
I. Inventories	40,174	22,190
II. Trade receivables	25,620	41,429
III. Derivatives	861	2,062
IV. Other short-term financial assets	2,890	8,878
V. Tax refunds	33	1,153
VI. Other assets	13,123	9,253
VII. Cash and cash equivalents	50,693	26,657
Total current assets	133,394	111,622
Total assets	303,609	296,343

EUR (thousands)	31.03.2016	30.06.2015
Equity and liabilities		
A. Equity		
I. Share capital	63,000	63,000
II. Additional paid-in capital	487,680	487,680
III. Fair value reserve	192	-2,279
IV. Retained earnings	-319,604	-339,261
V. Reserve for translation differences	-29	-9
Total equity, excluding non-controlling interests	231,239	209,131
VI. Non-controlling interests	712	533
Total equity	231,951	209,664
B. Non-current liabilities		
I. Bank loans and other loans	10,042	11,554
II. Provisions	153	152
III. Deferred investment grants and subsidies	8,151	9,012
IV. Other non-current liabilities	3,964	3,588
V. Deferred tax	395	337
Total non-current liabilities	22,705	24,643
C. Current liabilities		
I. Bank loans and other loans	4,559	7,283
II. Trade payables	26,083	31,250
III. Derivatives	583	5,346
IV. Other current financial liabilities	6,332	6,170
V. Tax liabilities	8,111	3,899
VI. Provisions	412	1,745
VII. Deferred investment grants and subsidies	1,013	1,025
VIII. Other current liabilities	1,860	5,318
Total current liabilities	48,953	62,036
Total equity and liabilities	303,609	296,343

Financial calendar 2015/2016

September 23, 2015	Publication of annual report 2014/2015 Analyst's conference/annual financial statements press conference
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 4, 2016	Publication of the third quarterly interim statement for the period ended March 31, 2016 (July 2015 to March 2016)
September 21, 2016	Publication of annual report 2015/2016 Analyst's conference/annual financial statements press conference

Contact address and imprint

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VERBIO Vereinigte BioEnergie AG

Contact

VERBIO Vereinigte BioEnergie AG
Ritterstraße 23 (Oelßner's Hof)
04109 Leipzig
Tel.: +49 341 308530-0
Fax: +49 341 308530-999
www.verbio.de

Forward-looking statements

This quarterly statement 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 quarterly statement.

This quarterly statement 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.
Tel.: +49 341 308530-251
Fax: +49 341 308530-999
E-Mail: ir@verbio.de

VERBIO Vereinigte BioEnergie AG

Ritterstraße 23 (Oelßner's Hof)

04109 Leipzig

T: +49 341 308530-0

F: +49 341 308530-999

ir@verbio.de

www.verbio.de