



EnviTec Biogas



Interim Report Business Year 2010

Quarter II/10

Overview

(Million Euro)	Q2 2010	Q2 2009
Sales revenue	33.2	23.5
Gross result	11.7	7.6
EBITDA	1.3	-0.8
EBIT	-0.6	-2.2
Surplus	-0.4	-1.0
Employees	411	377

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Business picks up clearly.

**Dear shareholders, dear customers and business partners,
dear colleagues,**



*from top to
bottom:
Olaf von Lehmden (CEO),
Jürgen Tenbrink
(CTO),
Jörg Fischer
(CFO) and
Roel Slotman
(CCO)*

Both the global economy and the biogas market currently present an encouraging picture. Across Europe we are experiencing strong demand for biogas as a component of the energy mix of the future. This is true in the established markets of Germany, Belgium and Italy as well as in such emerging biogas markets as France and the UK where the biogas industry is still at an early stage. Moreover, we see renewed momentum in the eastern European markets which had been impacted particularly severely by the financial and economic crisis.

Being the industry leader, EnviTec Biogas has benefited from these trends. Following on from the start of the year which was marked by the harsh winter weather, our business activity clearly picked up steam in the second quarter of 2010. In June our construction activities tested our capacity limits. All told, our turnover in the second quarter rose to EUR 33.2 million, up 55.8% on the first three months of 2010. This brought EnviTec Biogas' first half sales to EUR 54.4 million, an improvement by 27.5% on the prior-year period. Our operating profitability, too, strengthened in the course of the first half which saw us reduce our first-quarter loss of EUR -0.9 million to EUR -0.6 million in the second quarter. We anticipate continuing this trend in the second half of the year and work towards reporting a clearly positive result once again.

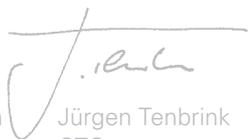
Order books at a record level of EUR 270.6 million provide EnviTec Biogas with an excellent basis for continued growth. At present we are almost working to full capacity both at home and abroad and this situation will not change over the coming months. We have also made good progress on the expansion of our Own Plant Operation activities. At the reporting date, plants with a total rated capacity of 16.3 MW were connected to the grid. Another nine MW of generating capacity are currently under construction and will largely be completed within 2010. We are clearly setting the course for 2011.

As you can see, EnviTec Biogas is really “stepping on the gas”. In view of the favourable business trend seen across all segments we expect the second half of the year to bring a significant improvement of sales and profits both compared to the prior year period and the first half of 2010. Moreover, we anticipate securing new orders from domestic and international customers to keep our order books very well filled.

Thank you very much for the confidence placed in us.



Olaf von Lehmden
CEO



Jürgen Tenbrink
CTO



Jörg Fischer
CFO



Roel Slotman
CCO

Group interim business report

of EnviTec Biogas AG for the six-month period ended 30 June 2010

1. Corporate structure

EnviTec Biogas AG, based in Lohne, Germany, is a leading manufacturer and operator of biogas plants. The company is a single-source provider of all services related to the construction and operation of biogas plants. In addition the company operates own plants which produce renewable energy. Our subsidiaries, joint ventures and sales offices give us a presence in 16 countries.

The Group's structure is based on three segments: Plant Construction, Own Plant Operation and Service. All three areas are closely interrelated in strategic, technical and economic terms. The consolidated financial statements of EnviTec Biogas AG comprise 153 subsidiaries of which 100 were fully consolidated.



2. Development of the economy and the biogas industry

Economic development

Following on from the crisis year 2009, the global economy embarked on a clearly positive course in the first half of the year. The Kiel Institute for the World Economy (IfW) has revised its forecast upwards already twice in 2010 and now expects the world economy to grow by 4.6%. This is mainly due to the booming nations of China, India and Brazil which have emerged as drivers of the world economy. In contrast, the recovery has been moderate in the western industrialised nations including Germany. According to preliminary computations by the Deutsches Institut für Wirtschaftsforschung (DIW), Germany's Q2 GDP rose by 1.1% compared to the first quarter of the year, placing the German economy ahead of the rest of the eurozone. While domestic demand has remained weak, the growth engine is being fuelled by exports, as companies and consumers worldwide can now afford to buy more products "made in Germany" again. According to the IfW economists, the international recovery rests on fragile foundations. The outlook is clouded by the high government indebtedness of many industrialised nations. Fiscal policy tensions in the European economic area including the issue of bank solvency remain a source of uncertainty. A stable world economy will be a key prerequisite for a positive trend in Germany's export-dependent economy.

The European construction sector showed a negative performance also in the second quarter. 2010 will probably see European construction output decline for the third year in a row. According to the assessment by the 19 Euroconstruct institutes partnered with the German ifo Institute, the decline will come to approximately 4% in 2010. According to these projections, the volume of construction activities will decline by a total of approximately 15% to some EUR 1.26 trillion in the 2008 to 2010 period. The biogas sector has detached itself from this trend and continues to experience strong demand and lively construction activity.

Performance of the biogas sector

The environment in the markets which are important to EnviTec Biogas have not changed materially during the first half of 2010. Numerous markets benefit from an attractive environment and offer opportunities for growth.

The only exception was the amendment of the Gas Grid Access Directive in Germany. The objective of this amendment was to feed at least 6 billion cbm of biogas into the gas grid from 2020 and at least 10 billion cbm from 2030. This is why the German legislature decided to facilitate access to the natural gas grid for biogas plant operators. This refers primarily to the physical network access points; plant operators will have to bear only 25% of the costs while the balance has to be covered by the network operators. In addition, biogas plant operators' contribution to the costs of up to one kilometre long access pipelines has been capped at EUR 250,000. There has been no change in the "avoided network usage" remuneration of 0.7 cents per kwh paid to the biogas plant operator, despite the biogas sector's calls for a rise. The fact that the remuneration has now been fixed for a 15-year period is considered a partial success.

3. Business performance in the first six months

EnviTec Biogas experienced clearly stronger business momentum in the second quarter of 2010. While Plant Construction was still affected by the cold winter at the start of the year, construction activities clearly increased in the following months and tested the company's capacity limits in the course of June. The Own Plant Operation segment and the Service segment recorded growth as well. As a result, Group sales for the April to June period were clearly up both on the first quarter (+ 55.8%) and on the prior year's period (+ 41.1%). Coming in at EUR -0.6 million, earnings before interest and taxes (EBIT) show an improvement but failed to move into the black. The strong construction activity and the ongoing inflow of orders should continue in the further course of the year.

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Own Plant Operation

EnviTec Biogas increasingly acts as an operator of its own biogas plants, frequently in conjunction with partners. In the first half of 2010 alone, some EUR 7.3 million were invested in the construction of new plants. As of 30 June 2010, 22 own plants with an electric output of 16.3 MW were in operation, while twelve plants with an output of eight MW were under construction and are scheduled for completion during the current year. Apart from producing stable cash flows and supporting good margins, the production of electricity and heat from biogas is of strategic importance particularly in foreign markets, where the plants are used as showcases and door openers for the company's Plant Construction segment.

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In May EnviTec Biogas and BKN biostrom AG established a shared holding company, ETBKN GmbH & Co. KG, for the construction and operation of biogas plants, with EnviTec Biogas taking a majority stake. Both partners have extensive technological expertise from the construction to the operation of biogas plants.

Order book remains at record levels

Demand for biogas plants remains high across all customer groups from farmers to professional energy producers. Demand for 500 kW electrification plants is particularly strong. Accordingly, the company is not dependent on individual major projects. Apart from Germany, demand has been particularly strong in Italy. EnviTec Biogas has successfully entered the French market where the first four orders with a total value of EUR 12.5 million have been received. Construction is already under way.

The order book has continued to grow notwithstanding the lively construction activity in the second quarter. At the end of June EnviTec Biogas had in place orders worth EUR 270.6 million, i.e. EUR 43.8 million more than in the previous year and EUR 34.8 million more than at the end of March 2010. Note that EnviTec



**Incoming
orders**
in the prior year
+ 19.8 %



Employees
in the prior year
+ 34

Biogas eliminated orders worth EUR 10 million from its order books because these orders were not expected to materialise in light of financing and/or approval-related problems.

At the end of the first half of 2010, the order backlog breaks down as follows: EUR 169.4 million is accounted for by German customers (prior year: EUR 164.7 million). This means that the domestic market, at 62.6%, remains the single most important market. Apart from this German business, the company currently has orders from customers in eleven countries on its books. The order book is particularly strong in Italy (EUR 45.6 million) and France (EUR 11.8 million). Interest in biogas is also strong in such countries as Belgium and Britain.

Changes on the Executive Board

Kunibert Ruhe, co-founder as well as Chief Sales and Technology Officer of EnviTec Biogas, retired from the management team effective 1 July 2010. Mr Ruhe will again focus on his activities in agriculture and bioenergy generation. He will remain available to the company in a consultant capacity. His future tasks comprise research and development and cooperation ventures with universities. He will also represent the company's interests on the Biogas Council in Berlin.

Effective 1 July 2010 Jürgen Tenbrink was appointed Chief Technology Officer. He assumed responsibility for project management, research and development, purchasing and quality assurance. Mr Tenbrink is a graduated engineer. Before becoming a technical director at EnviTec in 2002, he served as departmental head for biogas at EnviTec-Mall Umweltsysteme GmbH, where he was instrumental in building the biogas segment.

Jürgen Tenbrink looks back on more than 20 years of plant engineering experience. The other tasks previously fulfilled by Kunibert Ruhe were assigned to other Executive Board members. Responsibility for domestic sales was transferred to Olaf von Lehmden, while CFO Jörg Fischer is responsible for marketing and lobbying activities.

Employees

Qualified and committed employees are an important prerequisite for successful growth. On 30 June 2010, EnviTec Biogas had 411 employees (prior year: 377) on its worldwide payroll. The bulk of employees (333) are based in Germany. A total of 78 employees are based in the leading biogas company's foreign locations.

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4. Results of operations, net assets and financing position

Sales

The second quarter of 2010 saw a very gratifying sales performance on the part of EnviTec Biogas. Revenues of EUR 33.2 million in the April to June period mean a 55.8% rise on the first three months of 2010. Compared to the second quarter of 2009, the increase was 41.1% (Q2 2009: EUR 23.5 million). All segments contributed to this dynamic development. In Germany sales grew by 13.3% from EUR 31.5 million in the prior year's period to EUR 35.7 million. Foreign sales rose by 67% to EUR 18.7 million (H1 2009: EUR 11.2 million). Apart from Germany, Italy is currently the most important market in terms of sales revenues.

The company's sales for the first half year of 2010 totalled EUR 54.4 million, up 27.5% on the prior year's period (H1 2009: EUR 42.7 million).

Segment performance

Having been negatively impacted by the harsh winter weather earlier in the year, the Plant Construction segment increased its construction activities through the ensuing months and almost reached full capacity utilisation at the end of June. Accordingly the second quarter saw the segment's sales rise by 71.4% compared to the first three months of the year to EUR 25.0 million (Q1 2010: EUR 14.6 million). First-half revenues from the sale of biogas plants to domestic and international customers came to EUR 39.6 million, up 27.1% on the previous year (H1 2009: EUR 31.1 million). These segment revenues represent 72.7% of Group revenues. The operating result of the Plant Construction segment in the first six months of 2010 was minus EUR 3.8 million (H1 2009: EUR -5.7 million). The dynamic sales performance anticipated for the coming months should lead to a positive EBIT result in the second half of the year.

EnviTec Biogas also continued to expand the capacities of its Own Plant Operation segment during the first half of 2010. Accordingly segment sales in the January to June period increased by 28.1% from the prior year period's EUR 7.9 million to EUR 10.2 million, with EBIT rising by 78.0% to EUR 2.2 million (H1 2009: EUR 1.2 million).

More and more biogas plant owners rely on EnviTec's specialist expertise in the operation of biogas plants. The company's Service segment saw its first-half sales rise from EUR 3.6 million to EUR 4.7 million. The operating result surged to EUR 173k, putting the segment into the profit zone.



Earnings

The dynamic second quarter performance across all segments also had a positive impact on profitability, even though the company is yet to move back into the black. As sales continue to rise in the coming months, EBIT should turn clearly positive in the second half of the year.

The sales growth entailed an increase in the cost of materials which amounted to EUR 36.4 million in the first half of 2010 (H1 2009: EUR 29.7 million). Cost of materials as percentage of sales improved from 69.6% to 66.9%. During the same period the company raised its gross profit by 51% from EUR 13.8 million to EUR 20.8 million.

During the first six months of 2010 personnel expenses rose from EUR 8.0 million to EUR 8.8 million, i.e. at a slower pace than sales revenues. Accordingly, personnel expenses as percentage of sales declined from the prior year period's 18.7% to 16.2%. The increase in depreciation from EUR 2.6 million to EUR 3.4 million is mainly due to the expansion of the company's Own Plant Operations. Other operating expenses, which include operating, administration and sales costs, came in at EUR 10.1 million (H1 2009: EUR 8.0 million) for the period.

Compared to the first three months of 2010, the operating result improved from EUR -0.9 million to EUR -0.6 million. This means that EnviTec Biogas reduced its half-year deficit by 69.5% from EUR -4.8 million to EUR -1.5 million compared to the prior year period. At the bottom line, net income for the first six months of 2010 improved from the prior year period's EUR -1.7 million to EUR -1.1 million. This is equivalent to earnings per share of EUR -0.08 (H1 2009: EUR -0.11).

Net assets and financing position

EnviTec Biogas remains a well capitalised and liquid company also after the first half of 2010. Its financial position permits to create the capacities required to manage the high order backlog through the coming months. In addition, the company will be able to push ahead its research and development projects.

On 30 June 2010, EnviTec Biogas' equity capital stood at EUR 174.0 million (Dec. 2009: EUR 175.1 million). Total assets amounted to EUR 231.3 million (Dec. 2009: EUR 231.4 million). At 75.3%, the equity ratio remained at a high level (Dec. 2009: 75.7%). The equity capital compared with debt amounting to EUR 57.2 million (Dec. 2009: EUR 56.3 million).

Non-current assets declined slightly by EUR 1.4 million in the first half of 2010.

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While investments in Own Plant Operation entailed an increase in property, plant and equipment and investments accounted for using the equity method by EUR 3.9 million and EUR 0.9 million, respectively, other long-term receivables were reduced by EUR 7.0 million. Current assets rose by EUR 3.8 million to EUR 155.5 million. The rise in other current financial assets from EUR 23.2 million to EUR 39.4 million is due to the growth in Own Plant Operation where projects were pre-financed in the development phase and stocks were built up or taken over. The rise in inventories and trade payables equally reflects the growth of the company's business volume.

Liquidity analysis

The liquidity position of EnviTec Biogas remains very solid at the end of first half of 2010, affording the company sufficient scope to act on growth opportunities. On the reporting date, liquid means amounting to EUR 31.7 million contrasted with non-current liabilities amounting to only EUR 27.8 million. Cash flow from operating activities stood at EUR -4.9 million (H1 2009: EUR 9.1 million). The decline compared to the prior year is mainly due to the expansion of the Own Plant Operation activities and the related increase in other short term assets.

5. The Share

Capital market environment

The German stock market looks back on a sobering first half of 2010. Insecurities were fuelled, in particular, by the euro crisis as well as by concerns about the austerity measures taken by many governments and their likely potential impact on the world economy. The DAX failed to maintain its upward trend at the beginning of the second quarter and dropped back to the mark below 6,000. Eventually the leading German stock market index finished the first half of the year slightly down by 1.4% at 5,966 points. The same period saw growing pressure on the TecDAX. The technology stocks index lost 12.0% during the first six months of 2010. The ÖkoDax, which includes the EnviTec share, also showed a clearly negative performance, finishing down 21.7%.

The EnviTec share

The EnviTec share remained in a range between EUR 11.0 and 12.5 for most of the first half of 2010. The closing price at the end of the reporting period was EUR 11.52, down 9.1% on the start of the period. The annual high and the annual low were marked at EUR 12.44 on 8 January and at EUR 10.95 on 25 May, respectively.





DEVELOPMENT OF THE ENVITEC SHARE BY COMPARISON

Basic information on the EnviTec Biogas share

ISIN	DE000A0MVLS8
WKN	A0MVLS
Stock exchange symbol	ETG
Number of shares	15,000,000
Market capitalisation at end of quarter	172.8m Euro
Highest price (8 January 2010)	13.44 Euro
Lowest price (25 May 2010)	10.95 Euro
Price on 30 June 2010	11.52 Euro
Earnings per share in the first half of 2010	-0.08 Euro

All figures refer to XETRA prices

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Shareholder structure on 30 June 2010	Shares	Percent
von Lehmden Beteiligungs GmbH	6,328,017	42.19
TS Holding GmbH	3,280,000	21.86
Ruhe Verwaltungs GmbH	1,793,707	11.96
Freefloat	3,598,276	23.99

Investor Relations

At the ordinary Annual General Meeting on 24 June the Executive Board presented a positive account of the first half of the year. In his speech to shareholders CEO Olaf von Lehmden pointed to the successes achieved in the Plant Construction, Own Plant Operation and Service segments as well as to the company's leading position among Europe's manufacturers of biogas plants. Shareholders expressed their appreciation of the company's performance and approved all items on the agenda with a large majority. The actions of both the Executive Board and the Supervisory Board in the financial year 2009 were formally approved by a 99%+ majority. The AGM also endorsed a new share repurchase programme entitling EnviTec Biogas to buy back own shares representing up to 10% of the company's share capital in the stock market by 23 June 2015. The Executive Board's presentation and the voting results were published in the Investor Relations section of www.envitec-biogas.de following the event.

On 20 April Close Brothers Seydler published their first analyst study of EnviTec Biogas. The firm will continue to cover EnviTec Biogas going forward. This brings the number of analyst firms covering EnviTec Biogas on a regular basis to five. Coverage by Commerzbank, another renowned institution, is expected to commence in the second half of the year.

6. Risk report

The risk situation of EnviTec Biogas AG was presented in detail in the Group Management Report and the Management Report for the period ended 31 December 2009. Typical risks were listed and described in detail in these reports. The Executive Board is currently not aware of any risks that could jeopardise the continued existence of the company.

7. Related party disclosures

Transactions that were made with related parties in the reporting period and could have a material impact on the net worth, financial and earnings position are described in detail in the notes to the interim consolidated financial statements.

8. Forecast Report

EnviTec Biogas moves forward into the second half of 2010 with optimism.

A record order book of EUR 270.6 million gives the company an excellent basis for continued growth. Capacity utilisation at home and abroad will remain at a very high level. Germany and Italy will continue to be the most important markets for EnviTec Biogas. In addition, the company anticipates a sustained positive business trend in emerging biogas markets such as France and the UK. Fresh stimulus is also expected in eastern Europe.

EnviTec Biogas will continue to invest in its Own Plant Operation segment. In the third quarter, plants with total combined capacity ratings of nine MW were under construction and these projects are scheduled for completion within the current year. Capital expenditure for this segment will total some EUR 30 – 50 million in the full year 2010 and 2011.

In light of the positive developments across all segments, the Executive Board anticipates a clear improvement in sales and profitability compared to both the prior year's period and the first half of 2010. Delays in approval procedures and financing arrangements may lead to postponements of construction starts, resulting in revenues shifting to the following year. This is why the exact amount of growth in the year 2010 is difficult to plan. In consideration of the above, EnviTec Biogas anticipates reporting improved sales and earnings for the full year 2010.

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Interim financial statements

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	04/01-06/30/2010	01/01-06/30/2010	04/01-06/30/2009	01/01 - 06/30/2009
1. Sales	33,160,789	54,444,457	23,495,902	42,692,848
2. Other operating income	1,308,982	2,778,804	316,521	820,873
Total performance	34,469,771	57,223,261	23,812,423	43,513,721
3. Cost of materials	22,762,234	36,403,765	16,232,751	29,727,073
Gross result	11,707,537	20,819,496	7,579,672	13,786,648
4. Staff costs				
> Wages and salaries	3,840,128	7,194,971	3,249,004	6,510,932
> Social security, pensions and other benefits	849,578	1,613,620	763,420	1,457,433
	4,689,706	8,808,591	4,012,424	7,968,365
5. Depreciation	1,864,550	3,379,543	1,378,583	2,627,501
6. Other operating expenses	5,745,727	10,091,595	4,363,245	7,972,829
Operating income	-592,446	-1,460,233	-2,174,580	-4,782,047
7. Result from at-equity valued participations	-14,062	104,014	68,014	207,825
8. Interest earnings	763,062	1,517,939	1,200,258	2,504,179
9. Interest expenses	466,266	821,364	290,044	570,135
10. Pretax income	-309,712	-659,644	-1,196,353	-2,640,179
11. Income tax expense	118,690	330,333	-206,948	-529,597
12. Net income	-428,402	-989,977	-989,405	-2,110,582
13. Income inputable to minority interests	14,265	149,423	36,401	-389,939
14. Consolidated loss/profit	-442,667	-1,139,400	-1,025,805	-1,720,642
Earnings per share in EUR				
Earnings per share in EUR (basic)	-0,03	-0,08	-0,07	-0,11
Earnings per share in EUR (diluted)	-0,03	-0,08	-0,07	-0,11
Weighted average shares outstanding				
Basic	14,850,000	14,850,000	14,897,843	14,935,508
Diluted	14,850,000	14,850,000	14,897,843	14,935,508

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	04/01 – 06/30/2010	04/01 – 06/30/2009	01/01 – 06/30/2010	01/01 – 06/30/2009
Consolidated profit	-442,667	-1,025,805	-1,139,400	-1,720,642
Changes in fair value of derivatives designated as cash flow hedges	-25,313	-61,406	-29,823	-111,102
Recognized in profit and loss account	0	0	0	0
Thereon apportionable to income tax	0	0	0	0
Changes recognized outside profit and loss (cash flow hedges)	-25,313	-61,406	-29,823	-111,102
Changes in fair value of available-for-sale financial assets	11,458	52,136	-542	38,723
Recognized in profit and loss account	0	-48	3,911	-1,657
Thereon apportionable to income tax	0	-86	-152	-715
Changes recognized outside profit and loss (available-for-sale financial assets)	11,458	52,002	3,217	36,351
Exchange differences on translation of operations outside the euro zone	-17,746	-37,844	-13,914	-25,821
Recognized in profit and loss account	0	0	0	0
Thereon apportionable to income tax	0	0	0	0
Changes recognized outside profit and loss (exchange differences)	-17,746	-37,844	-13,914	-25,821
Other comprehensive income (changes recognized outside profit and loss)	-31,601	-47,248	-40,520	-100,572
Total comprehensive income	-474,268	-1,073,053	-1,179,920	-1,821,214

CONSOLIDATED BALANCE SHEET

Assets

A. Fixed assets	06/30/2010	12/31/2009
I. Intangible Assets	3,482,272	3,586,579
II. Tangible Assets	53,221,698	49,299,842
III. Shares in at-equity valuation of participations	2,622,629	1,734,102
IV. Other long-term receivables	13,952,600	20,980,860
V. Deferred taxes	2,449,271	1,519,226
Total fixed assets	75,728,470	77,120,609
B. Current assets		
I. Stocks	16,791,650	14,068,971
II. Receivables from long-term construction contracts	39,485,914	40,366,235
III. Trade receivables	25,489,832	18,503,074
IV. Other short-term financial assets	39,370,516	23,213,728
V. Tax receivables	2,720,981	1,867,430
VI. Available for sale financial assets	0	12,000,000
VII. Liquid funds	31,681,346	41,762,343
Total current assets	155,540,239	151,781,781
C. Non-current assets held for sale		
	0	2,526,732
Total assets	231,268,709	231,429,122

Equity and liabilities

A. Equity		06/30/2010	12/31/2009
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	-36,185	-22,271
	2. Other reserves	493,390	519,996
	3. Other revenue reserves	10,000,000	10,000,000
IV.	Retained earnings brought forward	16,207,764	14,944,734
V.	Minority interests	668,460	572,240
VI.	Consolidated profit	-1,139,400	1,263,030
Total equity		174,039,770	175,123,470
B. Non-current liabilities			
I.	Long-term provisions	530,868	510,499
II.	Long-term financial liabilities	25,362,402	24,036,171
III.	Deferred taxes	3,576,801	3,758,400
Total noncurrent liabilities		29,470,071	28,305,070
C. Current liabilities			
I.	Short-term provisions	5,933,568	5,893,369
II.	Short-term financial liabilities	4,014,468	2,951,905
III.	Trade payables	10,245,672	10,534,165
IV.	Liabilities from long-term construction orders	1,889,811	3,818,797
V.	Other short-term liabilities	4,116,473	1,978,303
VI.	Tax liabilities	1,558,876	2,824,043
Total current liabilities		27,758,868	28,000,582
Total equity and liabilities		231,268,709	231,429,122

CONSOLIDATED EQUITY CAPITAL CHANGE STATEMENT

	Subscribed capital	Capital reserves	Revenue reserves incl. OCI	Other revenue reserves
Balance at 01/01/2009	15,000,000	134,927,281	489,527	0
Reclassifications	0	0	0	0
Minority interests	0	0	0	0
Other reclassification	0	0	0	10,000,000
Dividend payments	0	0	0	0
Own shares	-150,000	-1,931,540	0	0
Total comprehensive income first quarter 2009	0	0	-100,572	0
Balance at 06/30/2009	14,850,000	132,995,741	388,955	10,000,000
Balance at 01/01/2010	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 first quarter 2010	0	0	-40,520	0
Balance at 06/30/2010	14,850,000	132,995,741	457,205	10,000,000

Retained earnings brought forward	Consolidated profit/loss	Total shareholders interests	Minority interests	Total
23,625,067	5,774,667	179,816,542	-31,708	179,784,834
5,774,667	-5,774,667	0	0	0
0	0	0	787,462	787,462
-10,000,000	0	0	0	0
-4,455,000	0	-4,455,000	0	-4,455,000
0	0	-2,081,540	0	-2,081,540
0	-1,720,642	-1,821,214	-389,939	-2,211,153
14,944,734	-1,720,642	171,458,788	365,815	171,824,603
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	-53,203	-53,203
0	-1,139,400	-1,179,920	149,423	-1,030,497
16,207,764	-1,139,400	173,371,310	668,460	174,039,770

CONSOLIDATED CAPITAL FLOW STATEMENT

	01/01 – 06/30/2010	01/01 – 06/30/2009
Consolidated net income before minority interests	-989,977	-2,110,582
Income tax expenses	330,333	-529,597
Net interest income	-696,575	-1,934,044
Profit (-) losses (+) from at-equity companies	124,911	-124,814
Paid income tax	-1,134,736	-2,009,153
Depreciation on tangible and intangible assets	3,379,543	2,627,501
Increase /decrease in other provisions	60,568	-1,782,295
Profit (-) losses (+) on the sale of tangible assets	-6,695	-5,488
Profit (-) losses (+) on the sale of non-current assets held for sale	-456,564	0
Brutto Cashflow	610,808	-5,868,472
Increase in stocks	-2,722,679	-4,281,732
Decrease in receivables from long-term construction contracts	880,321	21,058,646
Decrease in liabilities from long-term construction orders	-1,928,986	-483,947
Increase/Decrease in trade receivables	-6,986,758	9,560,080
Decrease/increase in trade payables	-288,493	566,111
Increase in other short-term financial assets	-16,156,788	-814,370
Decrease/Increase in other long-term receivables	7,028,260	-15,917,960
Increase in deferred taxes	-930,045	-725,208
Decrease/increase of financial assets	12,000,000	-48,000
Increase in other long-term liabilities	1,521,080	6,336
Increase in other short-term liabilities	2,138,170	852,837
Increase/decrease of tax receivables	-853,551	815,641
Decrease/increase in liabilities from transaction tax and tax deductions	-642,363	1,162,560
Other non cash payments	-93,722	686,894
Interest received	1,517,939	2,504,179
Flow from operative activities (net cashflow)	-4,906,808	9,073,595

	01/01 – 06/30/2010	01/01 – 06/30/2009
Proceeds from disposals of tangible assets	199,218	44,118
Payments for intangible assets	-84,539	-49,045
Payments for tangible assets	-7,305,076	-5,609,866
Proceeds from payments in consolidated companies	0	-319,889
Payments for at-equity investments	-1,013,438	-736,997
Proceeds for financial investments	0	35,385,000
Proceeds from disposals of non current assets held for sale	2,983,295	0
Flow from investment activities	-5,220,540	28,713,321
Proceeds from bank loans	1,465,355	764,763
Payments for debt redemption	-1,153,204	-1,280,605
Payments to shareholder	0	-4,455,000
Payments for own shares	0	-2,081,540
Decrease/increase in other short-term financial liabilities (without short-term bank loans and overdrafts)	555,562	-2,146,910
Interest paid	-821,364	-570,135
Inflow from financial activities	46,350	-9,769,427
Change in cash and cash equivalents	-10,080,997	28,017,489
Cash balance on 1 January	41,762,343	22,930,987*
Cash and cash equivalents balance on 30 June	31,681,346	50,948,476

* A discrepancy in the preparation of the liquid funds in the balance sheet in the amount of EUR 35.4 million is due to funds that are not in accordance with the definition of IAS 7.7.

Notes to the Consolidated Financial Statements

for the period ended June 30th 2010 of EnviTec Biogas AG, Lohne

1. Principles applied in the preparation of the interim financial statements

EnviTec Biogas AG, Lohne, continued to apply the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), in preparing its consolidated financial statements for the 2009 financial year. Accordingly, this set of abbreviated financial statements as of June 30, 2010 was also prepared in accordance with IAS 34 regulations.

The interim financial statements were reviewed by the auditors.

The interim financial statements were prepared in euros. All amounts are rounded to full euros unless otherwise stated.

Individual items are combined for purposes of clarity in both the income statement and the balance sheet, and are explained in the notes to the financial statements.

2. Seasonal influences

Being a manufacturer of biogas plants, EnviTec Biogas AG is exposed to weather-related, seasonal influences. Depending on the duration and intensity of cold spells, construction activities may be continued only with restrictions, or not at all. In the first quarter of 2010, weather influences had a greater impact than in the first quarter of 2009.

3. Accounting and valuation principles

In preparing these interim consolidated financial statements and calculating the previous year's comparable figures, the company consistently applied the same accounting and valuation principles as in the 2009 consolidated financial statements. A detailed description of these methods was published in the notes to the consolidated financial statements in the 2009 annual report. They can also be downloaded from the internet at www.envitec-biogas.de.

The EnviTec Group is required to apply for the first time from the 2010 financial year the following new standards, amendments and interpretations that were adopted by the EU:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 2 Share-based payments between Group companies
- IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 12 Service Concession Arrangements
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers

None of the new accounting regulations has a significant impact on the net assets, financing position and results of operations, nor on the earnings per share of the current accounting period.

4. Scope of consolidation and consolidation methods

The consolidated financial statements contain those companies in which EnviTec Biogas AG directly or indirectly holds the majority of the voting rights (subsidiaries), insofar as their influence on the Group's net assets, financial position, and results of operations is not of subordinate significance. Inclusion commences at the time when the possibility of control arises, and ends when the possibility of control ceases.

Including EnviTec Biogas AG, the consolidated financial statements as of December 31 2009 comprise 110 companies, of which 74 were fully consolidated. Changes to the consolidation scope in the 2009 financial year were presented in detail in the notes to the consolidated financial statements in the 2009 annual report.

Fourteen newly established domestic companies as well as ten newly established foreign companies were added to the consolidation scope. Twenty companies measured at equity were also added to the Group.

One company valued at equity was removed from the consolidation scope. This relates to the 26 % stake in AC Biogasanlagen Fünfzehn Management GmbH, Mün-

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ster. A disposal gain of kEUR 457 was generated on the sale. Due to the planned disposal, the stake had already been reclassified out of investments measured at equity and into the assets held for sale item as of December 31, 2009.

In addition, in two at equity companies the shares has been increased to over 50%, so that these companies are fully consolidated from now. The impact on group sales and net income are significant and therefore not further explained.

Changes to the consolidation scope between December 31, 2009 and June 30, 2010 are as follows:

	Germany	Abroad	Total
EnviTec Biogas AG and consolidated companies			
12/31/09	54	20	74
Additions of subsidiaries	16	10	26
06/30/10	70	30	100
Companies measured at equity			
12/31/09	29	7	36
Additions of at-equity measured companies	20	0	20
Disposals of at-equity measured companies	3	0	3
06/30/10	46	7	53

5. Segment reporting

Segment reporting for the period from January 1 to June 30 (in kEUR)

Revenue	Plant Construction		Service		Own Plant Operation		Reconciliation		Group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
External revenue	39,578	31,134	4,710	3,631	10,156	7,928	0	0	54,444	42,693
Internal revenue	1,157	630	1,035	684	1,271	1,142	-3,463	-2,456	0	0
Operating earnings	-3,847	-5,692	173	-334	2,214	1,244	0	0	-1,460	-4,782
Segment assets	195,737	158,136	6,090	3,377	81,368	44,398	-51,926	4,517	231,269	210,428

Reconciliations	2010	2009
EBIT		
Segment earnings (EBIT)	-1,460	-4,782
Adjustment of unallocated expenses and income	800	2,142
Consolidated pretax profit	-660	-2,640

EnviTec Biogas AG is required by IFRS 8 to include segment reporting in the notes to the consolidated financial statements. IFRS 8 requires business segments to be demarcated on the basis of the internal reporting of divisions that the company's key decision-maker regularly reviews in order to reach decisions concerning the distribution of resources to this division, and to measure its profitability.

Due to the product-oriented management of the EnviTec Group's business, the company continued to identify the individual segments of Plant Construction, Own Plant Operation and Service as relevant segments that are also used for internal reporting purposes. Plant Construction includes the general 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 covers the biogas plants operated by the company.

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6. Notes on selected items of the consolidated balance sheet and consolidated income statement

6.1. Tangible assets

Tangible assets increased by kEUR 3,922 primarily because of purchases made by the own plant operation segment.

Property, plant and equipment	06/30/2010	12/31/2009
Land, similar rights and buildings including buildings on third-party land	14,853,001	13,867,097
Technical plant and machinery	27,714,524	28,413,407
Other plant, operating and office equipment	7,087,736	6,699,550
Prepayments and plant under construction	3,566,437	319,787
	53,221,698	49,299,842

6.2. Construction contracts

Construction contracts are as follows as of June 30, 2010:

Gross amount due from customers for biogas plant contract work in progress	06/30/2010	06/30/2009
Contract revenue recognized during the quarter	21,236,953	15,494,750
Accumulated costs incurred	67,930,444	68,935,718
Accumulated profits recognized	8,931,469	9,366,770
Accumulated advance payments received including progress billings	-37,375,999	-46,098,607
Receivables from long-term construction contracts	39,485,914	32,203,881

Gross amount due to customers for biogas plant contract work in progress	06/30/2010	06/30/2009
Contract revenue recognised during the quarter	2,828,113	97,216
Accumulated costs incurred	13,552,691	3,120,649
Accumulated profits recognized	-1,108,589	914,451
Accumulated advance payments received including progress billings	-14,333,913	-4,384,721
Liabilities from long-term construction contracts	-1,889,811	349,621

6.3. Financial liabilities

Financial liabilities are composed as follows:

Financial liabilities	06/30/2010		12/31/2009	
	Total	of which current	Total	of which current
Bank borrowings	24,832,780	2,985,954	24,520,628	2,478,954
Liabilities to minority shareholders	3,558,172	288,324	1,924,394	154,898
Other financial liabilities	985,918	740,190	543,054	318,053
	29,376,870	4,014,468	26,988,076	2,951,905

6.4. Earnings per share

Undiluted earnings per share are calculated by dividing the consolidated net income by the weighted average number of shares in circulation during the financial year. The calculation is based on the income statement, and takes the share repurchase programme into consideration.

There were no circumstances during the reporting period that could have resulted in divergent diluted earnings per share.

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7. Other remarks

7.1. Events of particular significance during the reporting period and subsequent events

In May 2010, EnviTec Biogas AG together with BKN biostrom AG, Vechta, founded the joint venture ETBKN GmbH & Co. KG, which they intend to use to invest in biogas plants.

7.2. Contingent liabilities and other financial obligations

Contingent liabilities

As of the reporting date, the Group had issued a guarantee to the Bremer Landesbank for a total of kEUR 1,000 for obligations of five fully consolidated subsidiaries and one at-equity measured subsidiary (previous year: kEUR 0). The company does not anticipate that the guarantee will be utilised.

Other financial obligations

As of the balance sheet, the company has other financial liabilities from purchase commitments in an amount of kEUR 5,437 (previous year: kEUR 1,832). They are due within one year.

7.3. Dividend payment

No dividend was paid during the reporting period.

7.4. Related party disclosures

Individuals in key positions

Please refer to the section „Corporate officers“.

Subsidiaries, joint ventures and associated companies

Please refer to the sections concerning consolidation scope, consolidation methods and share-holdings.

IAS 24 defines related parties as individuals or parties that are able to exercise influence over EnviTec Biogas AG or may be influenced by EnviTec Biogas AG.

As part of its operating business, EnviTec Biogas AG sources materials, inventories and services from numerous business partners. These also include companies that are related to controlling bodies or shareholders of the company. Transactions with these companies occur on normal market terms. EnviTec Biogas AG was not involved in any material transactions whose conditions were unusual for the company itself or its related parties, and does not intend to enter into such transactions in the future.

Related parties include individuals and companies listed in the following table. There were no significant business relations with further related parties during the reporting period.

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Transactions with related parties	01/01 – 06/30/2010			01/01 – 06/30/2009		
	Transaction Amount	Receivable Amount	Liability Amount	Transaction Amount	Receivable Amount	Liability Amount
Shareholders						
Ruhe Verwaltungs GmbH	65,000	77,350	0	908	959	0
von Lehmden Beteiligungs GmbH	-3,216	0	0	-4,492	0	893
Associated companies						
Biogas Neu Sterley GmbH & Co. KG	40,628	67,554	0	145,829	339,729	0
Biogas Güntner GmbH & Co. KG	87,822	833,513	0	82,581	752,025	0
Biogas Löschenrod GmbH & Co. KG	18,939	419,105	0	108,084	1,714,252	0
Related parties						
Schulz Systemtechnik GmbH	-2,593,988	6,388	478,329	-2,790,755	1,152	231,045
Agrico Handelsgesellschaft mbH	49,546	3,259,958	0	381,211	163,871	5,534
BGF GmbH & Co. KG	15,795	529	0	26,233	18,082	502
LVL GmbH	-46,258	0	11,956	-24,000	381	5,141
MVL Verwaltungs GmbH	32,520	0	6,450	-28,920	0	5,736

The business transactions with amounts preceded by minus signs relate to EnviTec Group expenses, and business transactions with amounts preceded by plus signs relate to EnviTec Group income.

Business transactions with management members relate to the invoicing of travel costs, and the disposal of operating and office equipment. Related parties transactions relate mainly to interest income, and income from the disposal of biogas plants and machines.

Income from business relations with related parties primarily results from goods purchases and services.

7.5. Corporate officers

Executive Board

The Executive Board was composed of the following members during the reporting period:

Olaf von Lehmden, Lohne
Chairman of the Board (CEO)

Kunibert Ruhe, Bakum
Technical Director (CTO)
until June 30th, 2010

Jörg Fischer, Bremen
Finance Director (CFO)

Roel Slotman, Enter/Niederlande
International Sales Director (CCO)

Jürgen Tenbrink, Steinfurt
Technical Director (CTO)
since July 1st, 2010

The Executive Board members held no further mandates.

Supervisory Board

The following members were appointed to the Supervisory Board during the reporting period:

Bernard Ellmann (Chairman)

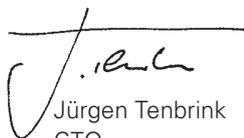
Hans-Joachim Jung (Vice Chairman)

Michael Böging

Lohne, August 19th, 2010



Olaf von Lehmden
CEO



Jürgen Tenbrink
CTO



Jörg Fischer
CFO



Roel Slotman
CCO

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8. Review Report

To EnviTec Biogas AG, Lohne

We have reviewed the condensed interim consolidated financial statements - comprising the condensed balance sheet, condensed statement of income, condensed statement of cash flows, condensed statement of changes in equity and selected explanatory notes - and the interim group management report of EnviTec Biogas AG, Lohne, for the period from January 1 to June 30, 2010 which are part of the half year financial report according to § 37 w WpHG (German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report which has been prepared in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a review report on these condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and conduct the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports.

Munich, August 25th, 2010

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Prof. Dr. Markus Jordan
German Public Accountant

Ronald Hager
German Public Accountant

9. Declaration of the legal representatives in accordance with WpHG

“To the best of our knowledge and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statement give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.”

Lohne, August 19th, 2010



Olaf von Lehmden Jürgen Tenbrink Jörg Fischer Roel Slotman

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Calendar

November 23th 2010 Analyst Conference – German Equity Forum, Frankfurt a.M.

November 25th 2010 Interim Report 3rd Quarter 2010

Imprint

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