BDI
BioDiesel International

Annual Report 2009

5 BioDiesel plants handed over successfully in 3 countries

EU "Sustainable Biodiesel Producer" award for BDI plant in Motherwell, UK

Strategic realignment continued successfully

Start of "RetroFit": programme for the optimisation of existing BioDiesel plants supplied by other manufacturers

Plant concept for the obtainment of high-quality omega-3 fatty acids about to be launched on the market

Joint venture with a local plant manufacturer in Brazil

Positive annual earnings in spite of the difficult environment

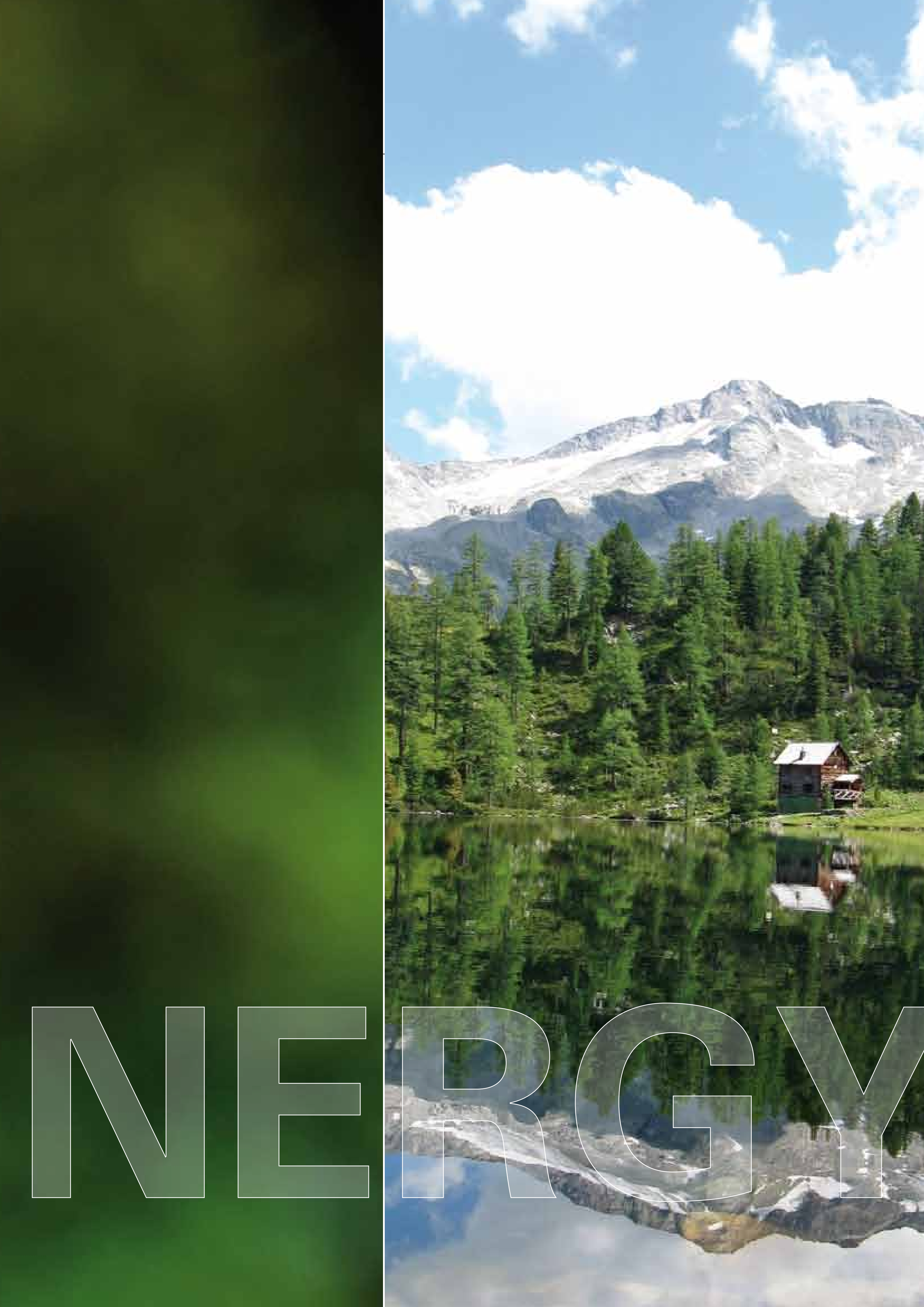
Selected key figures as per 31. December 2009

	2009	2008	Change
Orders on hand (on 31.12.)	**€ 39.3 million**	**€ 25.3 million**	**+ 55.2%**
Sales	**€ 33.9 million**	**€ 61.7 million**	**– 45.0%**
National	€ 1.2 million	€ 1.2 million	+ 4.1%
International	€ 32.7 million	€ 60.5 million	– 46.0%
EBIT	**€ 1.8 million**	**€ 5.0 million**	**– 64.8%**
EBIT margin	5.2%	8.2%	–
EBT	**€ 2.5 million**	**€ 6.3 million**	**– 59.7%**
EBT margin	7.5%	10.2%	–
Period earnings	€ 2.5 million	€ 4.6 million	– 45.3%
Balance sheet total (on 31.12.)	€ 97.2 million	€ 107.6 million	– 9.7%
Equity (on 31.12.)	€ 68.1 million	€ 68.1 million	0.0%
Equity ratio (on 31.12.)	70.0%	63.3%	–
Cashflow from operating activity	€ 0.0 million	€ 12.5 million	–
No. of employees (on 31.12.)	132	151	– 12.6%
Lead time for major orders	18 – 22 month	18 – 22 month	–
No. of major orders processed	7	14	–

Contents

This is a translation of the German Report. Only the German Report is authoritative.


BIOE


NERGY

Løsnig, Denmark

market and technology leader in multi-feedstock BioDiesel plants

Market and technology leader

BDI – BioDiesel International is market and technology leader in the construction of customised BioDiesel plants that use the multi-feedstock process the company has developed itself. The range of services provided by BDI includes public authority, basic and detailed engineering, installation and start-up as well as after-sales support for plants that are designed for the industrial processing of renewable raw materials. BDI carries out research on the development of processes for the exploitation of new raw materials at its own large laboratories and has been co-operating successfully with external institutes and universities for many years now.

Core waste to energy skill

BDI's core skill is the development and implementation of processes for the obtainment of Bio-Diesel that produce high yields and provide tremendous flexibility in the raw materials they use. The BDI multi-feedstock process, which was already used for the first time in 1994, enables customers to produce BioDiesel that is better than required by the strictest worldwide standards, is environmentally sound, minimises resource input and produces yields of up to 100% from different raw materials, like vegetable oil, used cooking oil or animal fats. The high yield, the quality of the product manufactured and the dependability of BDI's plants guarantee excellent value for money. BDI intends to continue strengthening its core waste to energy skill via the strategic expansion of its product and service portfolio as well as via intensive R&D operations.

specialist for the construction of waste to energy plants

Strong market position

BDI – BioDiesel International AG operates globally as a reliable specialist for the construction of high-quality waste to energy plants with a focus on in-depth service. Thanks to its many years of experience with biofuels, one of the alternative energies that is in the greatest demand at the moment, BDI is in a position to implement even the most demanding of projects. The company's good reputation on the market is attributable to its experience, the high quality and economic performance of the plants and its strong R&D skills. BDI has handed a total of 28 plants over to customers all over the world.

Strategic alignment

BDI focusses on the development of comprehensive solutions for the industrial use of renewable resources for energy generation, with a special emphasis on waste materials. The company has developed from being a pioneer in the construction of BioDiesel plants to being a leading global supplier of BioDiesel plants and **particularly waste to energy plants.**

BDI is a high-quality manufacturer that concentrates on the provision of intensive advice, maximum output and optimum after-sales service. The aim is to set standards for sustainable energy generation with innovative technologies and plants, with BDI providing security for any investor as a result.

obtainment of energy from difficult raw materials

BDI expects the obtainment and utilisation of energy from difficult raw materials – such as grease trap waste, palm sludge oil or palm fatty acid distillate – to become more and more important in future. The company therefore intends to continue increasing its **technology leadership** with waste to energy solutions steadily using its multi-feedstock technology. As part of a strategic realignment exercise, BDI has also decided to focus on **introducing new products and entering new markets,** in order to generate further growth for the company in future.

Expansion of BDI's product and service range has been made possible primarily by the systematic **exploitation of synergy potential** within the BDI Group. In addition to pooling know-how, BDI intends to take greater advantage of synergy benefits in sales, purchasing and the use of administration capacities.

The company will also be investigating the **possibility of further acquisitions** that help to broaden the current range, in order to continue expanding the product portfolio.

co-operation with Brazilian plant manufacturer

BDI has strengthened its sales team with the aim of intensifying **coverage of future markets.** In Brazil, one of the most important BioDiesel markets in the world, co-operation with a local plant manufacturer who already holds an excellent position on the Brazilian market in the oil and fat industry will enable BDI to act as a single, integrated supplier that covers the entire added value chain with an operating base in the country. The planned joint venture with the local plant manufacturer is about to be concluded.

STRATEGIC DIMENSIONS

Financials	Products	Markets/ Customers	Development/ Positioning	Processes/ Organisation
Growth – new products – new markets – acquisitions Profitability	Innovative and proven technology Sustainable technology Main focus: renewable energy	International approach Flexibility Customization	Technological leadership Quality supplier	R&D strength Technical solution skills Full value chain

Expansion of the product and service portfolio

New products: BioGas, omega-3 fatty acids, RetroFit, RepCat

BDI is systematically continuing to expand its product and service portfolio as part of the strategic realignment of the company: the new fields include **BioGas** operations and the obtainment of **omega-3 fatty acids.** A plant concept for the obtainment of omega-3 fatty acids planned with the German subsidiary UIC, one of the world's leading short-path distillation companies, is about to be launched on the market.

The company adapts and optimises existing BioDiesel plants manufactured by other suppliers in the context of the **"RetroFit"** programme, with which new customers are being approached too. The "RetroFit" programme takes account of the need not only to adapt existing plants all over the world to new BioDiesel standards but also to maximise efficiency, raw material flexibility and quality.

BDI has developed the **"RepCat"** process for the processing of raw materials containing a very high proportion of free fatty acids, so that it is now ready for marketing. "RepCat" is a technology that has been developed specially for fats from waste management sources, which can consist of up to 100% free fatty acids.

The company is also investing in intensive R&D operations: the medium- to long-term goal is to supply other biofuel manufacturing processes above and beyond the BioDiesel production process, with the emphasis in the research projects on **biomass to liquid** and **BioDiesel from algae.**


Mag. Dagmar Heiden-Gasteiner Wilhelm Hammer Helmut Gössler

Waste to energy is our strength

**Interview with the BDI Management Board:
Wilhelm Hammer (CEO), Helmut Gössler (CTO) and
Dagmar Heiden-Gasteiner (CFO)**

The impact of the global economic crisis continued to depress the international markets strongly in the 2009 fiscal year. The market for BioDiesel plants was affected by this development too – it was difficult to obtain funding for major projects and there was reluctance to invest for this reason too. BDI has taken advantage of this situation to broaden its strategic focus.

Mr Hammer, what is your assessment of economic developments and their impact on the renewable energies sector?

Hammer: According to the forecasts published recently by well-known analytical institutes, the global economy is slowly starting to recover. To an increasing extent, international environmental and climate protection programmes are being backed by national efforts to make countries more independent of energy imports and finite fossil energy sources. Renewable energies, for which there are no sensible alternatives, remain an industry with a bright future! We are confident that a recovery of the world economy will have a positive impact on the implementation of major BioDiesel projects too.

there are no sensible alternatives to renewable energies

What significant developments are there in the BioDiesel industry?

Hammer: There are various positive developments in our target markets: on the one hand, the EU states have, for example, reached agreement about use of 10% renewable energies for transport purposes by 2020. Penal duties have, on the other hand, been imposed on BioDiesel from the USA to eliminate price dumping on the European market, on the other hand. The programmes announced by the government in the USA, which involve the pumping of billions into the promotion of renewable energies, make it likely that extensive investments will be made in the obtainment of alternative fuels. More and more countries in Asia are making BioDiesel addition mandatory too. It is encouraging to note that these developments have had a positive effect on our business: demand for capacity increases from our existing customers has, for example, increased substantially in the last few months. Our new product RetroFit – a programme for the optimisation of existing BioDiesel plants manufactured by other suppliers – is attracting great interest as well. This makes us optimistic about the future!

Ms Heiden, how did BDI develop economically in the difficult general conditions experienced in 2009?

Heiden: As expected, sales and earnings were down on the previous year. We nevertheless succeeded in generating positive earnings in 2009 in spite of a difficult environment. We optimised our costs and acquired new orders with a volume of EUR 47.9 million, which represent the basis for utilisation of our capacities in 2010.

Where do you think the greatest potential for the BioDiesel industry is?

the CO_2 saved by using waste materials will count double

Heiden: International financial organisations and authorities are putting more and more emphasis on the promotion of investments in the use of renewable energy sources. The EU, for example, has decided that the CO_2 saved by using waste materials for BioDiesel production will count double.

We are continuing to focus on our core waste to energy skill – the processing of waste and residual material has the greatest global potential. Our multi-feedstock process enables BDI customers to obtain BioDiesel that is better than required by the strictest standards, is environmentally sound, minimises resource input and produces yields of up to 100% from many different raw materials. Processing waste materials is at the same time an environmentally sound solution to disposal problems. Further advantages of these raw materials: they are available in large quantities all over the world and do not take food off anyone's plate.

process used cooking oil and grease trap waste from restaurants as raw material

Hammer: An impressive example of this in China: BDI is currently building a BioDiesel plant with a capacity of 100 000 tonnes per year in Hong Kong. This corresponds to about 4 500 road tankers. In this case, our patented multi-feedstock technology makes it possible to process various waste and residual materials like used cooking oil and grease trap waste, most of which comes from the many restaurants in the huge city, as raw material. Up to now, these very problematic fats have been disposed of on open landfill sites and, unfortunately, dumped at sea very often too – with no prior treatment of any kind. This project, which is being backed by the government, will enable high-quality BioDiesel to be made from such fats in future for local use. Projects of this kind could be carried out in other crowded urban areas of China too – and, of course, in other cities round the world. The potential is tremendous!

How will BDI be continuing to develop at the strategic level?

Hammer: The aims of our acquisition policy in recent years have been, on the one hand, to strengthen BDI's international alignment and, on the other hand, to expand our core skills. We have decided to focus primarily on introducing new products and entering new markets, in order to generate further growth in future. We have intensified our sales operations, made new additions to our range of products and services, increased our R&D activities even more and strengthened our presence on international markets. These measures are not only improving our core skills; at the same time, we are also making good progress in continuing to expand BDI's portfolio so that the company is transformed from being a special plant manufacturer for the BioDiesel industry to being a comprehensive supplier of industrial solutions in the bioenergy field.

Mr Gössler, if expansion of the product and service portfolio is the objective, what additional technologies will BDI be supplying in future?

BDI will be supplying BioGas plants in future

Gössler: In addition to BioDiesel plants with the proven multi-feedstock technology, BDI will be supplying BioGas plants in future: the "Enbaferm" BioGas technology developed by our corporate partner Enbasys does not depend on biomass from agricultural sources; it processes industrial and municipal residual and waste materials instead. This waste to fuel concept has already proved to be successful in our BioDiesel plants and enables us to take advantage of an existing customer base to some extent.

We have also co-operated with the German company UIC, which is another member of our corporate group, to develop a plant concept for the obtainment of omega-3 fatty acids from fish oil. These extremely high-quality fatty acids play an important role in the food and pharmaceutical industries in particular. With our proven technology and our plant manufacturing know-how, we have the necessary core skills to enter this attractive area of business with a completely new concept. The market for omega-3 fatty acids has developed particularly strongly in South America in the last few years.

What action are you taking to strengthen BDI's core skills in plant manufacturing?

Hammer: We are concentrating on the ongoing optimisation and improvement of our technologies, on the expansion of our service portfolio and on optimum after-sales service. We will also be optimising existing BioDiesel plants manufactured by other suppliers in the context of our new "RetroFit" programme in future, with the aims of upgrading the plants to satisfy modern standards and maximising efficiency, raw material flexibility and quality – irrespective of the location of the plants. Changes to the main BioDiesel standards and the more exacting demands they involve are making it necessary for many plant operators all over the world to adapt their plants to the latest state of the art. We are confident that we will be able to attract customers from new areas with our "RetroFit" programme.

"RepCat" is a technology for particularly difficult raw materials

Gössler: BDI has developed the "RepCat" process for the processing of raw materials containing a very high proportion of free fatty acids, so that it is now ready for marketing. "RepCat" is a technology that has been developed for particularly difficult raw materials from waste management sources (e.g. grease trap waste). We think that there is potential for use of this process primarily on the North American market and in the Asian / Pacific region, where as yet unused waste from the palm oil industry can be processed.

What are BDI's main emphases in its R&D operations?

main emphases in R&D: BioDiesel from algae and BtL

Gössler: Processes for the obtainment of fuel from oil and fats are already established today. Agricultural capacities and the availability of fats and oils are limited, however. BDI is therefore working intensively on research into new raw materials and alternative technologies: we are focussing here on the technologies for BioDiesel production from algae and for biomass to liquid (BtL), which are to be developed to the marketing stage in the medium to long term. We are constantly on the lookout for additional funding for these areas of research. Because our innovations are what guarantee BDI a viable future and create openings for further growth. BDI is making good progress, as you can see!

Which new markets will BDI be concentrating on in future?

joint venture with a local plant manufacturer is about to be concluded in Brazil

Hammer: We co-operate with regional partners to increase our presence on international markets. At the moment, a joint venture with a local plant manufacturer is about to be concluded in Brazil. The increase in mandatory BioDiesel addition (B5) from 2010 onwards and the national efforts to raise BioDiesel use in urban areas to B20 indicate that the prospects in Brazil will be stable in future. Further investments are expected there in the medium term, because sufficient raw materials are available too. We will also be focussing intensively on Eastern Europe, the CIS states, North and South America, South-East Asia and India, since they are markets with a promising future.

Wilhelm Hammer	Helmut Gössler	Mag. Dagmar Heiden-Gasteiner
CEO	CTO	CFO

The BDI share

Stock market optimism

2009 was a stock market year of extremes: investors' hopes of a end to the global economic and financial crisis led last year to what were in some cases large share price fluctuations. The DAX, for example, succeeded in recovering from its low of 3 589 points in March 2009 to reach 5 957 points by the end of the year – an increase of about 66%. Over the year as a whole, it rose by about 24%.

BDI: large increase in the share price in 2009

The BDI BioDiesel share benefitted to a disproportionately large extent from investors' optimism about the future: the share improved from the final price of EUR 6.24 on 30. December 2008 to EUR 14 at the end of 2009. This corresponds to an increase of more than 124%. In the course of the year, the share reached a high of EUR 16.5 on 3. June 2009. Investors' confidence in BDI's long-term market potential has grown.

Good start to 2010

The BDI share has made an encouraging start to the new year: the price of the share increased by about 6% up to the end of January 2010.

Further financial information can be found at http://www.bdi-biodiesel.com/.

Basic data about the BDI share (31. December 2009)

ISIN	AT 0000A02177
Number of shares	3 800 000
Free float	18.61%
Earnings per share	€ 0.67
Price-to-earnings ratio	20.89
Book value / share	17.92
Share price	€ 14.00
Market capitalisation	€ 53.20 million
52-week high / low	16.50 / 6.24

Barcelona, Spain

The share capital of BDI – BioDiesel International AG amounted to EUR 3 800 000 on 31. December 2009. The Annual Shareholders' Meeting that was held on 14. August 2006 passed a resolution authorising the Management Board to increase the share capital of the company by up to EUR 1 500 000 with the approval of the Supervisory Board up to 5 years after entry of the change in the company's legal form in the commercial register by issuing up to 1 500 000 new bearer shares with no par value. One tranche of EUR 800 000 was used before the IPO. The Supervisory Board is authorised to pass resolutions about changes to the articles of association that are necessary as a result of the issuing of shares from authorised capital.

The Annual Shareholders' Meeting that was held on 18. May 2009 passed a resolution authorising the Management Board to acquire company shares amounting to a maximum total of 10% of the share capital during a period of 30 months. No use was made of this authorisation in 2009. The resolution passed by the Annual Shareholders' Meeting on 18. May 2009 also authorised the Management Board to sell company shares that have been acquired by other means than via the stock exchange or a public offer within five years from the date when the resolution was passed with the approval of the Supervisory Board. No use was made of this authorisation in 2009.

Corporate governance report

Responsible and transparent company management is very important to BDI – BioDiesel International AG. High priority is therefore given to the rules specified in the **Austrian Corporate Governance Code.** The aim of this voluntary self-regulation code is to facilitate responsible management and control, with the focus on the sustained, long-term creation of value. In the final analysis, shareholders benefit from this to a particularly large extent: a high degree of transparency is achieved via clear structures, effective control mechanisms and a good information policy.

The Austrian Corporate Governance Code includes not only the standard international principles of good company management but also the most important rules of Austrian company law. The current version is made available by the Austrian corporate governance task force at www.corporate-governance.at. The Code includes 83 rules, which are divided up into three categories:

Legal requirement (L): rules that are based on legal regulations which have to be observed.

Comply or explain (C): rules that are based on standard international regulations; failure to observe them must be explained and justified for it to be considered that the company is acting in compliance with the Code.

Recommendation (R): rules that have the character of a recommendation; failure to observe them neither has to be disclosed nor justified.

BDI – BioDiesel International AG has issued a statement in accordance with the Austrian Corporate Governance Code of January 2009. This statement confirms that all the “L rules“ (legal requirements) and all the “C rules“ (comply or explain) are observed, with the following exceptions:

Rule 21: As an issuer whose shares have not been admitted for domestic trading on a regulated market, BDI is not covered by the compliance decree for issuers.

Rule 41 and 43: The assignments of the nomination and compensation committee are carried out by the Supervisory Board as a whole – particularly in view of the fact that the Supervisory Board consists of no more than six members – as a result of which an appropriate body exists.


Malchin, Germany

Rule 53 and 54: The members of the Supervisory Board cannot be considered independent. However, they either have crucial know-how that makes them key people responsible for the current and future success of the company's business or they are longstanding legal advisors and / or tax consultants of the company who also have important know-how, so that their integration in the Supervisory Board is in the interests of the company. In addition to this, they must be considered economically independent because of the rest of their professional activities and their resources.

Rule 83: The functionality of the risk management is evaluated within the framework of the internal reporting and is directly reported to the Board. In addition, the Auditing Committee and the Supervisory Board ensure that they will gain a sufficiently comprehensive picture of the functionality of the risk management by requiring specific conditions to be met in the reports.

The company management implemented the objectives of the Code – responsible management and control, transparency and sustained, long-term creation of value – in the 2009 fiscal year. It is confirmed herewith that all the rules of the Corporate Governance Code approved by the company boards and published on the website were observed in full in the 2009 fiscal year, with the exception of the rules mentioned above. Further information about corporate governance, such as the corporate governance report, directors' dealings and the company's articles of association, can be found in the "Investor relations" section of the company website: www.bdi-biodiesel.com.

Report by the Supervisory Board

The Supervisory Board of BDI – BioDiesel International AG carried out the assignments for which it is responsible according to the legal regulations and the articles of association in the 2009 fiscal year. It held five Supervisory Board meetings in this fiscal year, at which it kept itself informed about the situation, strategy, business development and risk management of the company.

The bookkeeping records, the annual financial statements and the management report as well as the consolidated financial statements and the consolidated management report for the 2009 fiscal year were audited by PwC INTER-TREUHAND GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The audit did not lead to any objections being raised. The auditors confirmed without any qualifications that the annual financial statements prepared in accordance with the Austrian Corporate Code (UGB) and the consolidated financial statements prepared in accordance with the IFRS comply with the relevant accounting standards and present as faithful a picture as possible of the asset, financial and earnings development of the company.

The Supervisory Board confirmed the outcome of the audit by the auditors in the course of its own independent review. It approved the annual financial statements prepared by the Management Board, which have therefore been adopted in accordance with § 125 Paragraph 2 of the Companies Act (AktG). The management report, the consolidated financial statements and the consolidated management report were noted with approval by the Supervisory Board.

The Supervisory Board agrees with the proposal made by the Management Board about appropriation of the profit for the year.

The Supervisory Board proposes to the Annual Shareholders' Meeting in accordance with § 270 Paragraph 1 of the UGB that PwC INTER-TREUHAND GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, is appointed to be auditor of the annual financial statements and consolidated financial statements for the 2010 fiscal year.

The Supervisory Board would like to express its thanks and respect to the Management Board and the company's employees for their successful work in the past fiscal year.

Grambach, March 2010

For the Supervisory Board:

Dr Gunter Griss, Chairman


FOR

OU

Summary of business development

BDI – BioDiesel International AG's (hereinafter referred to as BDI) most important key figures developed as follows in the 2009 fiscal year compared with the same period the previous year:

Due to the lower level of orders on hand at the beginning of the year and to delays in order intake relating to major projects, **sales** dropped by 45.0% to EUR 33.9 million in 2009 from EUR 61.7 million in 2008.

The lower sales meant that **EBIT** (operating result) decreased over the previous year. EBIT remained positive at EUR 1.8 million (previous year: EUR 5.0 million), however, thanks to efficiency improvements and successfully implemented measures taken to reduce fixed costs.

Earnings before tax (EBT) were lower than in the previous year (EUR 6.3 million) at EUR 2.5 million.

Period earnings were positive at EUR 2.5 million, compared with EUR 4.6 million in the previous year. The earnings per share therefore amounted to EUR 0.67. Earnings per share in the previous year were EUR 1.22.

Equity remained at the high level of EUR 68.1 million at the end of the year. The equity ratio increased from 63.3% to 70.0%.

BDI and the companies affiliated with it had 132 **employees** on 31. 12. 2009. This was 70.0% fewer than on the same date the previous year.

Total orders on hand on 31. 12. 2009 amounted to EUR 39.3 million, after EUR 25.3 million in the previous year. This represents a sound basis for starting the 2010 fiscal year, guaranteeing utilisation of the capacities.

The **cash flow from operating activity** amounted to EUR 0.0 million, after EUR 12.5 million in the previous year.

Market environment

The financial and economic crisis that started to develop in 2007 hit international economic output with full force last year. According to International Monetary Fund (IMF), the Gross Domestic Product (GDP) of the EU decreased by 3.9% in 2009. In the meantime, there are plenty of indications that an economic recovery is taking place on the global markets: order intake has increased and there has been a broad-based rise in production. World trade, which declined into the spring, increased again substantially in the summer of 2009. The International Monetary Fund (IMF) has issued a positive forecast for the current year: in the outlook for the world economy that it published in early January, the IMF reveals that it is expecting the global Gross Domestic Product (GDP) to increase by 3.9 % in 2010.

The BioDiesel industry felt the severe economic slump mainly in the first half of 2009: following a phase of high and, in some cases, rising raw material prices that continued from 2007, this trend reversed in mid-2008 when the global financial crisis started, affecting not only the price of crude oil but also the costs of raw materials for BioDiesel production. Although BioDiesel producers benefitted from this in their raw material buying activities, the sales market became more difficult because of decreasing crude oil prices. An improvement in the situation became apparent in the second half of 2009: demand stabilised in a more positive overall economic environment. The optimistic forecasts about the future have restored some confidence in the economy and this is having a positive impact on the BioDiesel industry too. General interest in BioDiesel projects is growing again, which is in turn improving the chances of obtaining project funding thanks to greater activities by the World Bank, development banks and other potential investors. Raw material prices have returned to normal to a large extent at the same time.

Increasing the use of biofuels in the transport sector is one of the most important measures taken in **Europe** to reach the goals of the Kyoto Protocol. In December 2008, the contents of the EU Renewable Energy Directive were approved by the EU Parliament. All in all, the EU confirms the line it has taken up to now and specifies that renewable sources are to account for 10% of the energy required in the member states in the transport sector in 2020. This figure includes not only first- and second-generation biofuels but also hydrogen and electricity that are obtained from renewable sources. Fuels obtained from waste materials like used cooking oil or animal fats – one of BDI's core skills – count double in this context.

Account is to be taken of the concerns about misguided use of agricultural resources in connection with the obtainment of BioDiesel by including sustainability standards. To be recognised, biofuels also have to demonstrate CO_2 savings of at least 35%. This percentage increases to CO_2 savings of 50% from 2017 onwards. CO_2 savings of as much as 60% are required for new systems a year later, i.e. in 2018. This means that BioDiesel and bioethanol are the only environmentally sound alternatives to diesel and petrol that are available at the moment and for the foreseeable future. The EU is, however, expecting fuels from what is called the second generation (biomass to liquid) and other technologies to be added in the course of the coming years.

In view of the small proportion of total consumption currently accounted for by biofuels (about 2%), growth of the BioDiesel production capacity in Europe can be assumed. This assumption is supported by the elimination of cheap imports of biodiesel/diesel blends (B99) from the USA, which undercut European manufacturers' prices in recent years thanks to multiple subsidies. This practice known as „splash & dash" was stopped in 2008 by legal regulations introduced in the USA and the EU. The negative effects of this splash & dash policy continued to be felt in early 2009 due to large stocks. The pressure on the European BioDiesel industry increased in the course of the year because of direct imports from South America.

In contrast to the EU, **North and South America** have focussed mainly on bioethanol production in the biofuel field. In Brazil – the South American "bioethanol country" – BioDiesel addition is now being expanded too with the increase from B2 to B5.

Small plants with conventional technology are primarily in operation in the USA for BioDiesel production at the present time. Due to the programme announced by the new government, which involves the investment of billions in the promotion of renewable energies, an expansion of the capacities can be expected. The production of BioDiesel from waste and residual materials (waste to energy) is being supported by the state with doubled funding per gallon. It can be assumed that the biofuel funding scheme which expired in 2009 will be extended. The investment decisions in this context still have to be taken.

The introduction of B2 BioDiesel addition is being prepared in Canada. Expansion of government funding is creating an attractive climate for investment.

In **Eastern Europe** and the former **CIS states,** large agricultural reserves are available – in such countries as Ukraine and Kazakhstan: tax relief for the construction of BioDiesel plants and the sale of BioDiesel is planned in Ukraine. If potential investors are found and/or if funding can be obtained via other means, BDI has very good chances of implementing new projects in the CIS states too.

The price of fossil diesel is subsidised by the government in **Asia** in general and **South-East Asia** in particular. This means that domestic use of biofuels is not very attractive for the time being at least. Manufacturers are focussing on exports to the EU and USA. Only BioDiesel of the highest quality (EN14214 or ASTM standard) is suitable for export to these countries. Many existing plants in Asian countries do not meet these mandatory quality requirements and therefore need to be retrofitted and/or optimised. This is leading to increased interest in "RetroFit", a new BDI programme for the optimisation of plants manufactured by other suppliers.

Individual governments, for example in South Korea, Malaysia and Thailand, are already introducing biofuel addition rules, are working hard on developing energy independence and are encouraging the establishment of energy-autonomous regions. Alongside the mandatory addition of BioDiesel that was introduced on 1. January 2009, there is also a debate in Indonesia about the funding of BioDiesel, since fossil diesel is heavily subsidised too. There are plans to invest EUR 1.44 billion in renewable energy projects on the Philippines within the next three years. The prospects for "RepCat" plants from BDI, which process palm sludge oil (PSO) as an inexpensive raw material, are attractive in Indonesia and Malaysia as well. Companies in South Korea, where BioDiesel addition is already mandatory, are also interested in the upgrading of existing plants ("RetroFit") as well as in new plants that are able to process the most difficult waste materials ("RepCat").

India is discussing mandatory addition of 20% BioDiesel, so that it can reach the Kyoto targets.

Sales and earnings development

Lower sales than planned

Sales in the past fiscal year were depressed to a very low level by the difficult market environment, which led to delays and a lack of new orders for major projects.

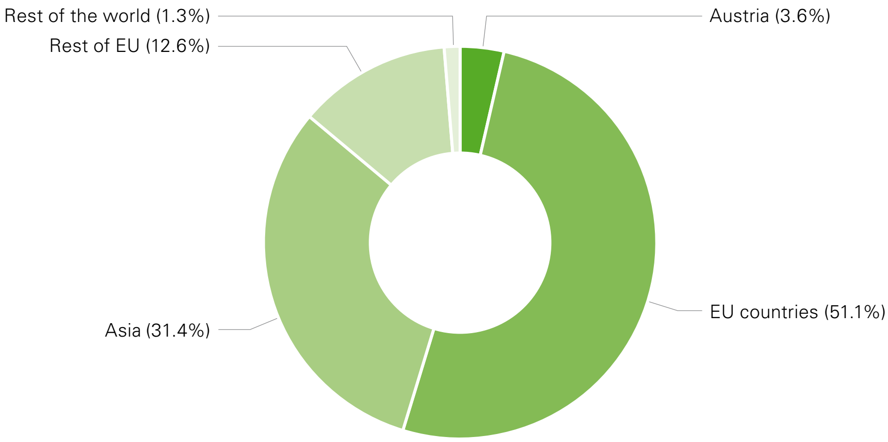
A total of 7 projects were processed in 2009; none of them were engineering commissions and 5 more projects were at the installation/start-up stage. 5 BioDiesel plants in 3 different countries were handed over to the customers successfully in the course of the year.

The after-sales business and smaller optimisation projects involving the retrofitting and upgrading of BioDiesel plants developed encouragingly. The aims of the expansion of this area of the company's operations and the introduction of the "RetroFit" programme are to broaden BDI's business base and to intensify customer loyalty. The clear focus on the optimisation of existing BioDiesel plants manufactured by other suppliers ("RetroFit") is strengthening BDI's market position and is enabling references to be obtained for the BDI technology in new markets too.

Thanks to its solution-oriented approaches, UIC GmbH bucked the difficult economic trend in component business and succeeded in making a positive contribution to BDI's sales as a result.

The foreign sales by the Group amounted to 96.4% of total sales in the period under review (previous year: 98.1%), which underlines the major importance of export business to BDI. With 51.1% of sales, countries of the EU again represented the biggest sales market, followed by asia with 31.4%.

Sales by region



Positive earnings in spite of the difficult environment

The expansion of the product range via intensification of the services business and component supplies by UIC GmbH, Alzenau, Germany, is reducing dependence on large-volume project business. Combined with increases in project profitability and successfully implemented measures to cut fixed costs, this meant that earnings before interest and tax (EBIT) were positive at EUR 1.8 million in spite of the poor sales.

The delays in order intake made it necessary to shed personnel in 2009. Personnel expenses were 16.8% lower than in the previous year at EUR 9.0 million. BDI's safely invested cash assets led to a financial result of EUR 1.3 million (previous year: EUR 2.7 million). The difference from the previous year is attributable to the negative development in interest rates and transfers of money market deposits to the capital market. The earnings from associated companies of EUR – 0.5 million included the company's shares in the earnings of M&R Holding AG, Grambach, and VTU Holding GmbH, Grambach.

Earnings before tax (EBT) were 59.7% lower than in the previous year (2008: EUR 6.3 million) at EUR 2.5 million. The period earnings in 2009 were EUR 2.5 million, following EUR 4.6 million in the previous year. Earnings per share therefore amounted to EUR 0.67, compared with EUR 1.22 in the previous year.

Order intake creates a stable basis

In mid-2009, BDI was commissioned to construct a new BioDiesel plant with an annual capacity of 100 000 tonnes. This project with an order volume of about EUR 31 million is part of an innovative energy farm in the port of Amsterdam. The company also obtained various commissions for projects to expand and optimise existing BDI plants in Lithuania, Norway, Germany, Austria and Hong Kong. These orders create a sound basis for utilising the capacities in 2010.

Total orders on hand amounted to EUR 39.3 million at the end of 2009 (previous year: EUR 25.3 million).

Financial and asset development

Financial management principles and objectives

BDI's financial and liquidity planning is based on responsibility to all stakeholders and on a conservative investment policy. No use was made of derivative financial instruments in the past fiscal year.

A strong financial position is a particularly crucial factor in making sure companies maintain their freedom to operate strategically at times when the financial and capital markets are only functioning to a limited extent. BDI has therefore defined the following strategic financial management principles:

Maintenance of the large cash portfolio for further acquisitions and investments
Stable cash flow from operating activity
Control of liquidity risks via integrated risk management
Maintenance of financial stability and flexibility

Large cash portfolio creates freedom to take strategic action

The balance sheet items "Securities held as non-current assets" and "Liquid funds" totalled EUR 71.5 million on 31. 12.

The cash portfolio obtained via the IPO is managed carefully – and this has proved to be a particularly clear advantage for BDI in the current financial market crisis. The conservative investment policy – every investment is always examined and chosen carefully, taking opportunities and risks as well as the company's responsibility to shareholders and other stakeholders into consideration – safeguards the sound equity position and enables us to make further acquisitions and investments in research and development. In order to take account of the current interest rate level and BDI's stronger focus on spreading risks, money market deposits were transferred to medium-term capital market-oriented investments.

Cash flow from operating activity amounted to EUR 0.0 million on 31. 12. 2009 (same date the previous year: EUR 12.5 million). The changes in the cash flow are attributable to the change in working capital and thus to the current status of the projects with customers.

Investments and acquisitions

The objectives of BDI's acquisition policy are to strengthen the international alignment of the company and to broaden the range of core skills. Systematic further steps are to be taken to expand BDI's portfolio with the aim of transforming the company from being a specialised plant manufacturer for the BioDiesel industry to being a comprehensive supplier of industrial solutions in other sectors as well.

BDI has already made major progress in the BioGas field: it is taking advantage of the highly efficient technology from the Group company Enbasys GmbH, Grambach, in its concept for the marketing and construction of BioGas plants. Like the multi-feedstock technology for the production of BioDiesel, different raw materials can be processed into high-quality BioGas here too.

Together with UIC GmbH, Alzenau, Germany, the company acquired in 2008, BDI has developed the first concept for a complete plant to obtain valuable omega-3 fatty acids from fish oil. The market for omega-3 fatty acids that are obtained from fish oil has developed very fast in recent years. The acquisitions made so far enable the company to position itself on the market as a comprehensive supplier – BDI can act as a single, integrated source of most services. BDI worked systematically with its associated companies and equity investments to evaluate and exploit existing synergy potential in the past fiscal year – the positive impact of this is already being felt in the sales, purchasing and administration fields.

Sound asset development

The non-current assets in BDI's balance sheet include capitalised know-how of EUR 3.9 million, a goodwill of 3.5 million attributable to the acquisition of UIC GmbH and a large proportion of securities held as non-current assets.

BDI's balance sheet total decreased by 9.7% over the end of 2008 to EUR 97.2 million. The earnings generated in 2009 maintained equity at a very high level of EUR 68.1 million. The equity ratio was 70.0% (previous year: 63.3%).

Not only the fair value of the development of the BtL technology but also development costs of EUR 1.6 million were included in the "capitalised development costs" item in the intangible assets. The capitalised development costs of the BtL technology (EUR 2.8 million) were written off, because the company considers that there is sufficient short- and medium-term market potential for an innovative new process – "biocracking" – for the combined processing of solid biomass with heavy-duty mineral oils to produce diesel-like fuel rather than for the "classic" BtL process.

The investments in associated companies amounted to EUR 9.0 million on 31. 12. 2009 (previous year: EUR 10.3 million). This item is attributable to the interests held in M&R Holding AG, Grambach, and VTU Holding GmbH, Grambach.

In the current assets, the receivables from production orders decreased by 54.3% to EUR 1.8 million due to the fact that 5 plants were handed over to the customer. Other receivables amounted to EUR 3.7 million (31. 12. 2008: EUR 6.5 million) and include payments on account to suppliers of EUR 1.6 million. The liquid funds of EUR 37.0 million on 31. 12. 2009 consist of sight and time deposits, in order to guarantee coverage of short-term financial requirements and implementation of the risk-free investment policy.

The trade accounts payable amounted to EUR 5.0 million (31. 12. 2008: EUR 8.3 million).

The prepayments received item decreased from EUR 8.9 million at the end of 2008 to EUR 2.0 million on 31. 12. 2009. These figures were determined on the basis of the prepayments actually received and the percentage of project completion in accordance with IAS 11.

With 10.3 million the current provisions and deferrals remained on the level of the previous year and essentially included project-based provisions for agreed commission and licence fees, allocations of products and services that had not been invoiced yet, bonuses and warranties. The provisions for warranties increased by 50.5%.

Employees

BDI and its fully consolidated companies had 132 employees on 31. December 2009, about 13% fewer than at the end of the 2008 fiscal year (151 employees). This reflects BDI's response to the general economic slump and the effects of it on the company.

Staff qualifications are playing an increasingly important role in view of the company's internationalisation strategy. Systematic investment has been made in ongoing basic and advanced training of the BDI employees for several years now. The **"further training campaign",** that started in 2009 and is being supported by funding from the state and federal governments, was continued successfully. The main features in 2009 were a project manager course with subsequent certification, training to improve quality and processes at the company, increases in employees' knowledge of foreign languages via courses with native speakers, communication and management training to stabilise the new organisational structures and specific advanced training in the individual areas of the company's operations. Another emphasis in personnel development during 2009 was on the internal development of staff. Meetings with employees form the basis for purposeful training in this context.

The overall level of BDI's staff qualifications is high. 40% of the employees are university graduates, while 36% have AHS or BHS qualifications.

The company is proud of the **large percentage of female employees** (about 35%). In the autumn of 2009, BDI was awarded the state equal opportunities prize for research and development by the Ministry of Transport, Innovation and Technology. The training programme for female research scientists, which was launched in 2007 and aims to increase expertise in technical / scientific fields, was continued successfully. In addition to this, BDI systematically implements company health promotion measures, in order to support all employees as effectively as possible and to provide an optimum working environment.

Research and development

Research and development activities are of elementary importance to BDI, so that it can continue to set standards in sustainable energy generation with the help of in-house research and technology operations. Apart from using its own laboratory facilities, the company takes advantage of long-standing co-operation arrangements with universities and research institutes in this context. In 2009, research and development spending amounted to about EUR 4 million and thus 11.8% of sales.

BDI works constantly not only on new developments but also on the optimisation of its processes, in order to increase raw material flexibility. The aim is still to satisfy in advance the quality requirements and standards that will apply in future – with the help of higher BioDiesel quality – and to develop a competitive edge as a result.

The **"RepCat" BioDiesel production process** developed since 2002 with financial support from the Austrian research promotion authorities (FFG) has proved to be successful on a major industrial scale too. For more than two years now, "RepCat" – the new production process with a reusable catalyst – has been in operation at the BioDiesel plant in Arnoldstein (BDK) and is producing top-quality BioDiesel, which in fact exceeds the current requirements made by the strict European BioDiesel quality standard EN14214. The expectations on the new process have been fulfilled in every respect in daily industrial production operations, so that the new "RepCat" system can now be marketed by BDI all over the world.

In the context of the expansion of its product and service portfolio, BDI together with its subsidiary UIC GmbH started to develop a new overall plant concept of its own for the obtainment of **omega-3 fatty acid products** in 2009. These high-price products are forecast to have tremendous growth potential in the food and food supplement industry in particular. The process for manufacturing omega-3 fatty acid products from fish oil consists of numerous complex processing operations. Some of the key process operations – e.g. transesterification (BDI) and product purification via short-path distillation (UIC) – are used in a similar form in the production of high-quality BioDiesel from difficult fat raw materials as well, however. This means that BDI has been able to base process development in these areas on existing expertise and many years of experience. The process operations that needed to be added have also been developed in a separate new research project with financial support from the Austrian research promotion authorities (FFG). The new overall concept, one of the outstanding features of which is excellent economic performance, has already confirmed its viability on a pilot scale. BDI has now set itself the goal of commercial implementation of the entire new process on an industrial scale in 2010.

BDI is at the cutting edge of international research with its emphasis on **biomass to liquid** and **BioDiesel from algae.** Plenty of inquiries, awards presented for research projects in the environmental engineering field and research funding confirm this. In the longer term, it will be possible as a result to supply other biofuel manufacturing processes in addition to the BioDiesel production process.

In acquiring a majority interest of 70% in the research and technology company Lignosol in 2007, BDI obtained access to advanced research and is working on bringing the **biomass to liquid (BtL) process** to market for economic implementation on an industrial scale. The process BDI is using in BtL development is based on the oiling of raw materials; this means that the company is opting for a more energy-efficient process, with which medium-sized plants can be operated economically.

Alongside this "classic" BtL process, however, BDI also developed an innovative new process for the combined processing of solid biomass with heavy-duty mineral oils to produce diesel-like fuel in 2009, filing a patent application for it too. The fuel phase produced on the one hand contains significant amounts of biogenic carbon from the biomass, while it can on the other hand be turned into diesel fuel of the required final quality using existing refinery units. The process makes it possible to combine use of existing infrastructure with renewable raw materials in the mineral oil industry and could therefore help to a major extent to reach the climate targets set for fuels in Europe for 2020. The innovative new process is being scaled up to the pilot scale in 2010 in co-operation with a partner from the mineral oil industry.

The development work in co-operation with Vienna University connected with the research to obtain **BioDiesel from algae** continued. The basic research was successfully implemented in process development at the pilot scale under real production conditions in 2009. In addition to this, a valuable tool for efficient process monitoring was created with the in-house development of an innovative backup analytical system that will help to a crucial extent to make sure that the future research projects (e.g. algal phyla selection) can be carried out even more efficiently. The work done in the context of the current, multi-year algae research project – with financial support from the Austrian research promotion authorities (FFG) – has produced results fully satisfactorily in compliance with the ambitious timetable so far. In addition to their own research projects, BDI staff are acknowledged experts who are playing a leading role in the establishment of a European knowledge platform that focusses on the use of algae in their capacity as members of relevant international bodies.

Risk management

In its global operations, BDI – BioDiesel International AG is exposed to numerous risks that are unavoidable when companies carry out business activities.

Order intake and sales continue to depend on a few individual decisions, which means that there can be sizable fluctuations – although they are, however, standard in the industry. Any forecasts about the future – including any in this report – involve uncertainty. The effects of the global financial crisis and the very slow recovery of the economy in the most important regions of the world represent a serious risk for the financial development of BDI as well in 2010.

BDI has made it clear that one of its objectives is to identify and deal with the risks of which it becomes aware via practical process management, internal and external reviews and external audits and by involving appropriately qualified experts. The company's employees are acknowledged experts in their fields. It is not possible to eliminate risks completely all the same.

Risk management at BDI can be outlined as follows:

Obtainment of orders

Financial and technical risks are reviewed by a specially appointed group of people, with appropriate action being taken as a result if required.

Processing of orders

Services are provided in teams, which are headed by a project manager. In addition to constant and very open communication between staff members, reports about the progress made with projects are presented to the Management Board in monthly project reviews. Risks are analysed and reports about them are presented to the Management Board at monthly intervals too.

Default risk

The best possible protection against payment defaults is provided by obtaining appropriate guarantees and/or insurance cover or by taking alternative measures.

Currency translation risk

The company has a policy of carrying out all foreign business transactions in euros.

Major company risks

Major risks are communicated in the standardised meetings with the Management Board. Necessary action is taken and recorded.

Non-financial risks

In the engineering services field, BDI's strategy is based on in-house services and appropriate outsourcing of engineering services. As a result of this, demand peaks can be managed better and optimum utilisation of the existing in-house capacities can be achieved.
In the personnel field, performance-oriented pay and personnel development programmes are the preconditions for highly qualified staff. Comprehensive deputisation arrangements make sure that know-how remains at the company when staff leave.
Employees – particularly those responsible for safety and waste management – have been given training in safety and waste management issues.
Information about market, liquidity, credit and currency translation risks as well as the risks associated with financial instruments is provided in the special risk report included in the notes.

All in all, no risks are apparent in connection with the future development of the company that could endanger its survival. Our risk management system confirms that neither individual risks nor the total overall risks have a sustained adverse effect on asset, financial and earnings development.

Prospects

The consequences of the global financial crisis for the market players in the biofuel industry are still being felt strongly – it continues to be difficult to obtain funding for major projects in particular. The economic environment has improved for the BioDiesel industry as well all over the world even so.

This crisis has at the same time demonstrated that economical use of raw materials and sensible processing of waste materials are becoming increasingly important issues. BDI has focussed its strategy on further expansion of its core skill in the waste to energy field: the emphases in this context are on two objectives – “more energy from new renewable sources” and “higher energy efficiency”. Obtainment of BioDiesel from waste and residual materials has the greatest worldwide potential and enables such materials to be disposed of in an environmentally sound way too. Such milestone projects as the BioDiesel plant in Hong Kong, which processes grease trap waste and used cooking oil to produce energy, are confirmation of this.

Strategic orientation

In the context of its strategic realignment, BDI will be focussing primarily on the introduction of its new products, on operations in new markets and on the intensification of customer relationships in 2010. Expansion of the product and service portfolio, with particular emphasis on after-sales services and the optimisation of BioDiesel plants, is increasing BDI’s flexibility.

With the “RetroFit” programme, the company offers its customers the optimisation of existing BioDiesel plants supplied by other manufacturers – upgrading them to satisfy the latest standards and maximise efficiency, raw material flexibility and quality. The introduction of more demanding BioDiesel standards is making it necessary for many plant operators all over the world to adapt their plants to the latest state of the art. The aim of the “RetroFit” programme is to broaden the company’s customer base and to obtain new references.

“RepCat” is a technology that has been specially developed for raw materials from waste management sources that are inexpensive but difficult. This innovative BioDiesel production process has proved to be successful on an industrial scale too: for more than two years now, “RepCat” has been in operation at the Arnoldstein (A) BioDiesel plant, where it produces top-quality BioDiesel that is in fact better than is currently required by the strict European BioDiesel quality standard. The expectations on the new process have been fulfilled in every respect in daily industrial production operations, so that the new “RepCat” system is now being marketed actively all over the world. “RepCat” has particular market potential in the processing of grease trap waste in the USA and of palm sludge oil (PSO) and palm fatty acid distillate (PFAD) in South-East Asia.

BDI together with its subsidiary UIC GmbH started to develop a new overall plant concept of its own for the obtainment of omega-3 fatty acid products in 2009 too. This concept is now about to be launched on the market. The high-price omega-3 fatty acid products are forecast to have tremendous growth potential in the food and food supplement industry in particular. One of the outstanding features of the new plant concept is particularly economical use of raw materials: the materials left over after omega-3 fatty acids have been obtained from fish oil are in turn used in the production of biofuels.

In addition to BioDiesel plants with the proven multi-feedstock technology, BDI will in future be supplying **BioGas plants** that are designed mainly for industrial customers. The Enbaferm BioGas technology developed by the corporate partner Enbasys GmbH, Grambach, does not depend on biomass from agricultural sources; it primarily processes industrial and municipal residual and waste materials instead. This waste to fuel concept has already proved to be successful in our BioDiesel plants and enables BDI to take advantage of existing partnerships to some extent.

BDI has strengthened its sales team with the aim of intensifying coverage of future markets, such as Eastern Europe, the CIS states, North and South America, South-East Asia and India. In Brazil, one of the most important BioDiesel markets in the world, co-operation with a local partner will enable BDI to act as a single, integrated supplier that covers the entire added value chain with an operating base in the country. The joint venture with the local plant manufacturer in Brazil is about to be concluded.

Sales and earnings development

It continues to be difficult to make reliable forecasts about the development of BDI’s operations, since the economy is only recovering slowly and there is still great reluctance to commit to major investments. BDI has laid the foundations for new growth with its new strategic alignment and intensive R&D operations. The company will also be investigating the possibility of further acquisitions that are an appropriate addition to the current range in the waste to energy field and that help to continue expansion of the product portfolio.

At the current time, positive annual earnings are guaranteed with the existing orders on hand. They at the same time create a basis for capacity utilisation and safeguard jobs that have a promising future. In the medium term, the company expects to reach the sales level of previous years again and still aims to reach an EBIT margin of up to 10%.

Events after the end of the fiscal year

A joint venture with a Brazilian company, that is facilitating entry and access to and coverage of the local market, was established in January 2010. The share capital of the joint venture amounts to BRL 100,000, with BDI do Brasil Participações Ltda ("BDI do Brasil") holding 45% of the shares, while the Brasilian corporate partner holds 55% of the shares. BDI do Brasil is a BDI subsidiary that was established specially for this joint venture project at the beginning of the year.

Negotiations are currently being held with a company that is consolidated at equity about the possible takeover of 51% of the shares in a technology company organised in its corporate group. The basis for this strategic decision is to take advantage of both the internationally focussed sales operations and plant skills of BDI AG.

Grambach, 15. March 2010

Wilhelm Hammer	Helmut Gössler	Mag. Dagmar Heiden-Gasteiner
CEO	CTO	CFO

Consolidated financial statements

Consolidated balance sheet as at 31. December 2009

Assets EUR '000	Notes	31. 12. 2009	31. 12. 2008
Non-current assets			
Intangible assets	(11)		
Concessions, software and other intangible assets		1 339	1 850
Goodwill		3 484	3 484
Capitalised development costs		3 928	6 597
		8 751	**11 931**
Tangible assets	(12)	2 143	2 294
Investments in associated companies	(13)	8 977	10 312
Securities	(14)	34 499	11 154
		54 370	**35 691**
Current assets			
Inventories	(15)	419	626
Receivables from production orders	(16)	1 765	3 861
Income taxes receivable	(16)	4	716
Other receivables and assets	(16)	3 684	5 772
Liquid funds	(17)	36 968	60 983
		42 840	**71 958**
Total assets		**97 210**	**107 649**

Equity and liabilities EUR '000	Notes	31. 12. 2009	31. 12. 2008
Equity	(18)		
Share capital		3 800	3 800
Reserves			
Capital reserves		43 839	43 839
Revenue reserves		17 915	15 825
		61 754	**59 664**
Profit for the year		2 539	4 641
		68 093	**68 105**
Minority interest			
Minority interest excluding limited partners		16	16
		68 109	**68 121**
Long-term liabilities			
Provisions for severance	(20)	440	347
Provisions for pensions	(21)	1 665	1 635
Deferred tax liabilities	(19)	4 773	6 736
Other long-term provisions	(22)	2 751	2 773
Other long-term deferrals	(22)	245	0
Minority interest, limited partners	(23)	0	507
Other long-term liabilities	(23)	751	733
		10 625	**12 731**
Short-term debt			
Other short-term provisions	(22)	3 350	7 875
Other short-term deferrals	(22)	3 917	0
Tax liabilities	(23)	3 075	596
Liabilities to banks	(23)	1	3
Prepayments received	(23)	2 045	8 866
Accounts payable trade	(23)	5 048	8 314
Accounts payable associated companies	(23)	100	256
Other liabilities	(23)	940	887
		18 476	**26 797**
Total equity and liabilities		**97 210**	**107 649**

Consolidated income statement

EUR '000	Notes	01. 01. – 31.12. 2009	01. 01. – 31.12. 2008
Sales	(1)	33 904	61 678
Other company-produced additions to fixed assets		499	2 751
Other operating income	(3)	4 601	2 955
Spending on material and other services procured	(2)	– 16 211	– 34 655
Personnel expenses	(4)	– 8 985	– 10 801
Depreciation	(5)	– 3 961	– 2 551
Other operating expenses	(6)	– 8 076	– 14 344
Operating result (EBIT)		**1 771**	**5 033**
Earnings from associated companies	(8)	– 503	– 1 383
Income from securities	(9)	1 561	2 887
Financing costs	(9)	– 286	– 220
Earnings before taxes		**2 543**	**6 317**
Taxes on income and earnings	(10)	– 512	– 1 762
Profits before limited partners		**2 031**	**4 555**
Results carried forward from previous years to limited partners		507	85
Net profit or loss for the period		**2 539**	**4 640**
Minority interest		0	– 1
Profit attributable to the BDI AG shareholders		**2 539**	**4 641**
Earnings per share (undiluted) in EUR		0.67	1.22
Earnings per share (diluted) in EUR		0.67	1.22
Number of weighted average shares outstanding (undiluted)		3 800 000	3 800 000
Number of weighted average shares outstanding (diluted)		3 800 000	3 800 000

Consolidated statement of comprehensive income

EUR '000	Notes	01. 01. – 31.12. 2009	01. 01. – 31.12. 2008
Income for the period		2 539	4 640
Actuarial profits and losses, gross	(18)	310	195
Market evaluation of securities (AfS), gross	(18)	102	16
Deferred tax	(18)	– 113	– 46
Total other income	(18)	299	165
Consolidated income		**2 838**	**4 805**
Other shareholders' share of the period earnings		0	1
BDI Shareholders' share of the period earnings		**2 838**	**4 806**

Consolidated cash flow statement

EUR '000	01. 01. – 31.12. 2009	01. 01. – 31.12. 2008
Earnings before tax	2 543	6 317
Adjustments for:		
Depreciation of non-current assets	3 961	2 551
Interest income	– 1 380	– 2 873
Earnings from the disposal of non-current assets	– 46	0
Other revenues and expenses affecting cash flows	503	1 684
Cash flow from earnings	**5 581**	**7 679**
Change in inventories	207	– 76
Change in receivables and other assets	4 370	9 940
Change in liabilities and provisions	– 10 142	– 5 012
Cash flow from operating activities	**16**	**12 531**
Tax payments	428	– 565
Interest expense	– 27	– 14
interest income	1 407	2 887
Net cash flow from operating activity	**1 824**	**14 839**
Investments in intangible assets and tangible assets	– 635	– 3 043
Investments in financial assets (securities)	– 23 205	– 11 009
Proceeds from companies accounted for by the equity method	832	0
Investments in financial assets (equity interests)	0	– 14 521
Cash flow from investing activity	**– 23 008**	**– 28 573**
Change in financial liabilities	18	– 85
Distributions to shareholders	– 2 850	0
Cash flow from financing activity	**– 2 832**	**– 85**
Change in cash and cash equivalents	**– 24 016**	**– 13 819**
Cash and cash equivalents at the beginning of the period	60 983	74 802
Cash and cash equivalents at the end of the period	**36 967**	**60 983**

Consolidated statement of changes in equity

EUR '000	Share capital	Capital reserves	Revenue reserves	Profit for the year	Subtotal	Minority interest	Assign. to the majority
01. 01. 2008	**3 800**	**43 839**	**10 120**	**5 540**	**63 299**	**17**	**63 316**
Transfer to revenue reserves	0	0	5 540	– 5 540	0	0	0
Comprehensive income	0	0	165	4 641	4 806	– 1	4 805
31. 12. 2008	**3 800**	**43 839**	**15 825**	**4 641**	**68 105**	**16**	**68 121**
01. 01. 2009	**3 800**	**43 839**	**15 825**	**4 641**	**68 105**	**16**	**68 121**
Transfer to revenue reserves	0	0	4 641	– 4 641	0	0	0
Profit distribution	0	0	– 2 850	0	– 2 850	0	– 2 850
Comprehensive income	0	0	299	2 539	2 838	0	2 838
31. 12. 2009	**3 800**	**43 839**	**17 915**	**2 539**	**68 093**	**16**	**68 109**


FUTUR

1. General explanations

BDI – BioDiesel International AG (hereinafter referred to as „the Group", „the company" or „BDI") is a company limited by shares that is incorporated under Austrian law, has its registered office in Grambach, Austria, and has been listed at Frankfurt Stock Exchange since September 2006. The company creates comprehensive solutions for the industrial use of renewable resources, with technologies for the production of high-quality BioDiesel from different raw materials representing the core skill.

BDI – BioDiesel International AG is a world market and technology leader in the production of customised, turnkey, multi-feedstock BioDiesel plants that can process different raw materials independently of each other to produce BioDiesel of EN 14214 quality.

The consolidated financial statements have been prepared by the Management Board, which released them for publication on the date of signature. The financial statements of the parent company, which are included in the consolidated financial statements as well following reconciliation to the applicable accounting standards, are being presented to the Supervisory Board for review and adoption on 26. March 2010. The Supervisory Board and, in the case of submission to the Annual Shareholders' Meeting, the shareholders may change the financial statements of the parent company in a way that affects presentation of the consolidated financial statements too.

2. Preparation principles

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards („IFRS“) issued by the International Accounting Standards Board (IASB) as adopted by the EU, including the interpretations issued by the International Financial Reporting Interpretations Committee that also have to be applied.

In line with the materiality principle, individual items in the consolidated balance sheet, the consolidated statement of comprehensive income, the consolidated cash flow statement and the presentation of the elements of company equity are combined to improve clarity; they are discussed in the notes.

The reporting currency is the euro, which is the functional currency of BDI – BioDiesel International AG too. Unless information to the contrary is provided, the figures quoted in the consolidated financial statements and in the explanatory notes have been rounded to the nearest thousand. +/- rounding differences may occur with respect to a unit (EUR '000, %) in the tables due to specifications in computer routines.

New IFRS

With the exception of presentation in accordance with IAS 1 – Presentation of Financial Statements, the changes in the accounting regulations over 31. 12. 2008 do not have any impact on the consolidated financial statements. IFRS 8 – Operating Segments has been applied for the first time without any major changes being made as a result.

New standards and interpretations taken over by the European Union

IFRS 3 (revised) – Business Combinations – In the case of future business combinations that are covered by this standard, the company plans to apply the amended standards for reporting periods that start on or after 1. January 2010.

IAS 27 (amended) – Consolidated and Separate Financial Statements – applicable to reporting periods that start on or after 1. July 2009.

A number of amendments to standards, new standards and interpretations have already been published but have not yet been taken over by the European Union. Since the impact of these arrangements on the consolidated financial statements of the company is not material, they are not presented in detail.

The Management Board is working on the assumption that the above-mentioned standards and interpretations will not be applied in advance and that application of these standards will not have any material impact on the equity and earnings reported in the consolidated financial statements for the year when they are applied for the first time.

Consistent criteria

Accounting and valuation within the Group are based on consistent criteria. As a fundamental rule, the principle of historical acquisition cost has been applied, with the exception of the accounting and valuation principles outlined in Note 4 "Accounting and valuation principles". The consolidated financial statements have been prepared on the assumption that the company will be continuing to operate.

3. Consolidated companies and consolidation principles

Consolidated companies

The companies consolidated are determined in accordance with IAS 27. Subsidiaries and equity interests are included for the first time at the time when they or the interests in them are acquired.

Companies on which the company exerts major influence directly or indirectly ("associated companies") are accounted for by the equity method.

Goodwill is not subject to scheduled amortization, but instead reviewed for impairment in accordance with IAS 36 on the basis of the recoverable amount for the asset's cash generating unit. This impairment test must be carried out at least once a year or if internal or external indicators suggest that impairment has occurred.

There was no change in the companies consolidated by BDI – BioDiesel International AG from the previous year, so they are as follows:

Name	Group interest	Method of inclusion
UIC GmbH, Alzenau	100%	Full consolidation
Lignosol Technologie GmbH & Co KG, Grambach	70%	Full consolidation
Lignosol Technologie GmbH, Grambach	70%	Full consolidation
M&R Holding AG, Grambach	26%	At Equity
M&R Automation GmbH, Grambach	26%	1
M&R Automation Canada Inc., Toronto	26%	1
AutomationX GmbH, Grambach	15.6%	1
aX grid solutions GmbH, Grambach	15.6%	1
automationX Deutschland GmbH, Sternenfels	12.48%	1
automationX (Schweiz) GmbH, Solothurn	12.48%	1
automationX Industrial Solutions Canada Inc., Vancouver	2.96%	1
eposC process optimization GmbH, Grambach	12.48%	1
Alicona Imaging GmbH, Grambach	12.74%	1
Alicona Corporation, Larchmont	12.74%	1
Alicona UK Ltd., Kent	12.74%	1
Alicona Korea Pacific Co. Ltd., Seoul	12.74%	1
VTU Holding GmbH, Grambach	25.0025%	At Equity
VTU Engineering GmbH, Grambach	25.0025%	2
VTU Technology Technologieentwicklungs-gesellschaft m.b.H., Grambach	25.0025%	2
Deutsche VTU-Engineering GmbH, Frankfurt	25.0025%	2
VTU Energy GmbH, Grambach	15.0015%	2
Enbasys GmbH, Grambach	17.5018%	2

1) Included via the consolidated financial statements of M&R Holding AG
2) Included via the consolidated financial statements of VTU Holding GmbH

Consolidation principles

The financial statements of the individual companies included were prepared to have the same qualifying date (31. December 2009) as the consolidated financial statements.

Capital consolidation is carried out by eliminating the acquisition costs (= book value) and the pro rata equity of the investment in question revalued at the time of acquisition.

Positive differences resulting from initial consolidation are capitalised as goodwill in accordance with IFRS 3, while negative differences resulting from initial consolidation that are due to a favourable purchase price are immediately posted to earnings. Companies in which the BDI Group holds an interest of more than 50% are consolidated in full if a controlling influence is exercised. The proportion of equity and earnings that is accounted for by external shareholders is shown separately in the consolidated balance sheet and the consolidated income statement.

Receivables and payables between companies that are consolidated in full are offset against each other in debt consolidation. Interim profits from internal deliveries of non-current assets and inventories within the Group are not eliminated since they are of minor importance.

All expenses and income from internal deliveries and services within the Group are offset against each other in the context of expense and income elimination.

4. Accounting and valuation principles

Historical acquisition costs are the basis for valuation of intangible assets, tangible assets, inventories, receivables and payables.

The fair value on the balance sheet date is the standard for valuation of securities available for sale.

Irrespective of whether non-current assets are still being used in operations or are being held for sale, a review is made of tangible or intangible asset impairment in accordance with IAS 36 "Impairment of Assets" whenever events or changes in circumstances indicate a reduction in value.

Impairment of assets

The value of tangible or intangible assets is reduced whenever the book value is higher than the net proceeds of sale or value in use. The net proceeds of sale are the recoverable proceeds of sale after deduction of the costs that can be allocated directly to the sale. The use in value is the present value of the estimated net payment flows from use of the asset and its disposal value at the end of the useful life. Impairments are shown in the „Depreciation" item of the income statement.

Intangible assets

Intangible assets are included at acquisition or production cost minus depreciation charged up to the balance sheet date. Depreciation is determined on the basis of the estimated useful lives by the straight-line method. The average useful life of these assets is 4 – 7 years.

The depreciation charge for the fiscal year is included in the depreciation of intangible and tangible assets item of the income statement.

If an impairment is determined that is not merely temporary, the relevant intangible assets are reduced to the fair value. If and when the impairment no longer applies, a write-up is made to the fair value, but at most to the value that is arrived at on application of the depreciation plan to the original acquisition or production costs.

Development costs are capitalised in accordance with the provisions of IAS 38, when a newly developed product or process can be clearly defined, is technically feasible and either use by the company itself or marketing is planned. Research spending is expensed in the period in which it is incurred.

Tangible assets

The tangible assets items are included at acquisition or production cost minus depreciation charged up to the balance sheet date. Depreciation is determined on the basis of the estimated useful lives by the straight-line method. The estimated useful lives of these assets are:

	Service life
Plant and machinery, EDP equipment	3 – 10 Years
Buildings	80 Years
Factory and office equipment	4 – 10 Years

The depreciation charge for the fiscal year is included in the depreciation of intangible and tangible assets item in the income statement.

If an impairment is determined that is not merely temporary, the relevant tangible assets items are reduced to the fair value. If and when the impairment no longer applies, a write-up is made to the fair value, but at most to the value that is arrived at on application of the depreciation plan to the original acquisition or production costs. Major remodelling is capitalised, while regular maintenance, repairs and minor remodelling are included in expenses at the time when they are carried out.

Securities

The securities are not only securities available for sale but also securities held to maturity. Valuation of the securities available for sale has been made at the market value. The market value of securities is the stock exchange price on the balance sheet date. Realised profits and losses are included in income from securities, while unrealised profits and losses are included directly in equity and are not recognised in net profit. Valuation of the securities held to maturity has been made at amortized acquisition cost.

Financial assets accounted for by the equity method

The associated companies on which the company exerts major influence are accounted for by the equity method. In the equity method, the shares in associated companies are included initially at acquisition cost. After this, the book value of the shares increases or decreases according to the shareholders' share of the associated company's period earnings. The share of the shareholder in the performance of the associated company is included in its period earnings. Distributions received from the associated company reduce the book value of the shares.

On the balance sheet date, the company held 26% of the shares in M&R Holding AG (Austria) and 25.0025% of the shares in VTU Holding GmbH (Austria).

Inventories

Inventories are valued at the lower of acquisition or production cost and net realisable value.

Production orders and revenue realisation

Provided that the requirements of IAS 11 are satisfied, production orders are accounted for by the percentage-of-completion method.

In accordance with this method, the production costs incurred plus a profit mark-up corresponding to the degree of completion are included as sales in the receivables from production orders item. The percentage of completion is determined as a ratio of the expenses incurred to the anticipated total expenses (cost-to-cost method). When it is expected that losses will be made with orders, these losses are covered by provisions that are determined by taking the apparent risks into account. The prepayments received are deducted from the receivables from production orders. If the balance for a production order is negative as a result of this, this balance is included under liabilities as a prepayment received.

Projects in which the order consists mainly of engineering with/without delivery of parts of the process equipment are valued by what is known as the milestone principle. This principle means that the progress made in the project and thus the sales and part of the profit are determined when a specified milestone has been reached.

Receivables and other current assets

Receivables are stated with their probable recoverable amount. The items that are still outstanding at the end of the year are reviewed to determine whether they are collectible and allowances are if necessary made for doubtful accounts. Uncollectible debts are written off when it is determined that they are uncollectible.

Liquid funds

Liquid funds consist of cash on hand and at banks and are stated at current values.

Tax deferrals

Deferred tax assets and liabilities are determined for the respective assets and liabilities on the basis of the difference between the values in the consolidated financial statements and the values used in tax calculation, with the tax rates legally specified for the qualifying date of the financial statements for the year in which the differences are expected to be released being applied.

The income tax expenditure (income tax credit) consists of the taxes actually paid and the deferred taxes. In the case of transactions included directly in equity, the income tax associated with them is included in equity rather than in the income statement too.

Commitments from pension entitlements and similar commitments

The commitments about severance payments arise from promises of severance payments after the end of a specific period of service that are included in individual contracts. The size of the severance payments is determined by the final salary.

The commitments from pension entitlements are specified in benefit-oriented pension schemes. The pension benefits are determined by the final salary and the number of years of service.

The commitments from promises of severance payments and the benefit-oriented pension schemes are valued in accordance with IAS 19.

Actuarial profits and losses are included completely in the period in which they are incurred, in accordance with IAS 19.93 A. As stipulated in the paragraphs 19.93B-93D, they are included separately from the period earnings in the other income.

The company is in addition obliged by law to pay 1.53% of pay into a staff provision fund for employees whose employment contracts are subject to Austrian law.

Commitments in connection with employees‘ anniversaries

On the basis of provisions in collective agreements, BDI – BioDiesel International AG is obliged to make anniversary payments to employees once they have been working for the company for a specific period of time. These payments are determined by the employee‘s pay at the time when the relevant anniversary is reached. No assets have been removed from the company and no contributions have been made to a pension fund to cover these commitments. The anniversary payment provisions are valued in accordance with IAS 19 (interest rate 6.0%, previous year: 5.25%; salary increase 2.5%, previous year: 2.5%).

Operating leasing

Economic ownership of the object leased is assigned to the party to a leasing contract that has the main opportunities and risks associated with the object leased. If the lessor has the main opportunities and risks (operating leasing), then the object leased is included on the lessor's balance sheet.

Translation of foreign currencies

Receivables and payables in foreign currencies are valued at the exchange rate that applies on the qualifying date.

Public grants

Income from public grants paid as subsidies for expenses are included in the income statement in the period in which the corresponding expenses are incurred. The income from subsidies is shown in the other operating income rather than being balanced with the expenses in the income statement.

Trade accounts payable and other current liabilities

The fair value of the service received is determined at the time when the trade accounts payable are created. After this, these accounts payable are valued at current acquisition costs. Other accounts payable that do not result from the provision of products and services are included with their nominal amount.

Financial instruments according to IAS 39 and IFRS 7

Financial assets and liabilities disclosed in the balance sheet include liquid funds, securities held as non-current assets, receivables and trade accounts payable, other receivables and other liabilities.

Financial assets are included and eliminated on the date of trading. This is the day on which a financial asset is bought or sold, when the conditions of the contract stipulate provision of the financial asset within the period of time that is standard for the market in question.

Financial assets can be classified in the categories "financial assets held to maturity" or "financial assets available for sale".

Financial assets are checked to determine whether there is any indication of impairment on every balance sheet date. Financial assets have been impaired when there is objective evidence that the anticipated future cash flows with the financial asset have changed negatively due to one or more events.

Provisions

Provisions are made when the company has a legal or de facto commitment to a third party on the basis of a past event, when it is probable that this commitment will lead to an outflow of resources and when it is possible to make a reliable estimate of the size of the commitment. The provisions are included with the value that represents the best possible estimate of the expense that will be necessary to satisfy the commitment.

Use of estimates

The preparation of financial statements in accordance with the IFRS requires the management to make certain estimates and assumptions that affect not only the figures included for assets, liabilities and equity but also the assessment of contingent assets and liabilities on the qualifying date for the financial statements as well as the income and expense items. The actual amounts may differ from these estimates.

5. Explanatory notes about the consolidated income statement

(1) Sales and segment reporting

The reduction of 45% in sales in 2009 to EUR 33.9 million is attributable to delays in the placing of major orders for projects by customers due to funding difficulties experienced by the customers as a result of the economic crisis.

Segment reporting is by areas of operation (segmentation) and regions (information about geographical territories):

Segments in 2009	Information about geographical territories
BioDiesel plant construction	Austria
Fine vacuum distillation	EU (excluding Austria)
	Rest of the world

Segmentation by areas of operation corresponds to the internal reports compiled by BDI and UIC GmbH, Alzenau, Germany. Business transactions between these segments are carried out on an arm's length basis.

Segmentation by regions is based on the location of the customer. EBIT are also allocated in accordance with this criterion, with the fixed costs and depreciation being allocated in line with the earnings generated in the projects with customers.

Segmentation by areas of operation

1 – 12/2009 EUR '000	BioDiesel plant construction	Fine vacuum distillation	Group
Sales	29 580	4 324	33 904
EBIT	1 394	377	1 771
Financial result	1 302	– 27	1 275
Shares in the earnings of associated companies	– 503	0	– 503
Depreciation	3 511	450	3 961
Segment assets	90 630	6 580	97 210
Segment liabilities	27 397	1 705	29 102
Investments in tangible and intangible assets	622	13	635
Investments in associated companies	8 977	0	8 977
Employees	104	28	132

1 – 12/2008 EUR '000	BioDiesel plant construction	Fine vacuum distillation	Group
Sales	55 052	6 626	61 678
EBIT	6 768	– 1 735	5 033
Financial result	2 654	13	2 667
Shares in the earnings of associated companies	– 1 383	0	– 1 383
Depreciation	385	2 166	2 551
Segment assets	100 313	7 336	107 649
Segment liabilities	36 531	2 997	39 528
Investments in tangible and intangible assets	6 511	16	6 527
Investments in associated companies	10 312	0	10 312
Employees	122	29	151

Information about geographical territories

1 – 12/2009 EUR '000	Austria	EU (excl. Austria)	Rest of the world	Group
Sales	1 224	17 322	15 358	33 904
EBIT	64	927	780	1 771
Depreciation	156	2 008	1 797	3 961
Shares in the earnings of associated companies	– 503	0	0	– 503
Book value of the assets	90 577	6 158	475	97 210
Liabilities	25 360	3 209	533	29 102
Investments in tangible and intangible assets	622	13	0	635

1 – 12/2008 EUR '000	Austria	EU (excl. Austria)	Rest of the world	Group
Sales	1 176	35 843	24 659	61 678
EBIT	220	3 327	1 486	5 033
Depreciation	33	964	1 554	2 551
Shares in the earnings of associated companies	– 1 383	0	0	– 1 383
Book value of the assets	97 500	8 890	1 259	107 649
Liabilities	27 940	6 676	4 912	39 528
Investments in tangible and intangible assets	6 511	16	0	6 527

(2) Spending on material

The spending on material can be broken down as follows:

EUR '000	2009	2008
Spending on material	13 190	29 572
Spending on services procured	3 021	5 083
	16 211	**34 655**

(3) Other operating income

The other operating income can be broken down as follows:

EUR '000	2009	2008
Charges	276	251
Spending on services procured	681	65
Income from research funding	1 003	783
Income from the release of allowances	978	830
Miscellaneous other income	1 663	1 026
	4 601	**2 955**

(4) Personnel expenses

The personnel expenses can be broken down as follows:

EUR '000	2009	2008
Wages and salaries	6 848	8 525
Severance payment expenses	233	234
Pension expenses	148	227
Mandatory social security expenses	1 556	1 659
Voluntary welfare expenses	200	156
	8 985	**10 801**

BDI – BioDiesel International AG had the following average number of employees in the fiscal years:

	2009	2008
Employees	132	154
thereof workers	9	9

(5) Depreciation of intangible and tangible assets

The intangible and tangible assets depreciation charge of EUR 3.961 million (2008: EUR 2.551 million) includes scheduled depreciation of EUR 1.164 million (2008: EUR 2.551 million) and unscheduled depreciation of EUR 2.797 million (2008: EUR 0).

Unscheduled depreciation relates essentially to capitalised development costs of the BtL technology, because the company considers that there is sufficient short- and medium-term market potential for an innovative new process – BioCrack – for the combined processing of solid biomass with heavy-duty mineral oils to produce diesel-like fuel rather than for the "classic" BtL process.

(6) Other operating expenses

The other operating expenses include the expenses that relate to the business operations and do not have to be shown in a different item in accordance with the cost summary method.

EUR '000	2009	2008
Licences and commission	768	3 201
Travel expenses	745	1 430
Legal and consulting expenses	1 066	1 381
Insurance expenses	232	265
Rental and leasing expenses	1 055	1 240
Allowances	1 643	2 289
Project-based damages	0	1 754
Miscellaneous expenses	2 567	2 784
	8 076	**14 344**

(7) Research and development

The research and development expenses amounted to EUR 4 008 million in the fiscal year (2008: EUR 4 242 million). They are included in the spending on material and services procured, the personnel expenses and the other operating expenses.

(8) Earnings from associated companies

The earnings from associated companies of EUR – 503 million (2008: EUR – 1 383 million) related to the at equity valuation of M&R Holding AG, Grambach, und der VTU Holding GmbH, Grambach.

EUR '000	M&R 2009	M&R 2008	VTU 2009	VTU 2008
Earnings from associated companies	**7**	**– 492**	**– 510**	**– 891**
Share of earnings	894	– 151	– 137	81
Release of hidden reserves	– 887	– 341	– 373	– 972

(9) Financial result

EUR '000	2009	2008
Interest income and similar income from securities	635	143
Other interest and similar income	926	2.744
Interest expense on provisions for personnel costs	– 119	– 89
Other interest and similar expenses	– 167	– 131
	1 275	**2 667**

(10) Income tax

Not only the current income tax expenses but also the income/expenses from the deferred taxes are included as income tax.

EUR '000	2009	2008
Current income tax expenses:		
Relating to the current fiscal year	2 496	981
Relating to previous years	92	0
	2 588	**981**
Deferred taxes	– 2 076	781
	512	**1 762**

Reconciliation of the calculated tax expenses in accordance with the legally stipulated corporation tax rate and the actual tax expenses is as follows:

EUR '000	2009	2008
Earnings before tax	2 543	6 317
Income tax expenses at the 25% tax rate	636	1 579
Research allowance	– 312	– 324
Expenses that are not deductible	240	435
Deferred taxes from previous years not posted	– 151	106
Differences in tax rates	7	– 34
Taxes from previous years	92	0
Actual tax expenses/income	**512**	**1 762**
Actual tax expenses/income in %	**20.1**	**27.9**

6. Explanatory notes about the consolidated balance sheet

(11) Intangible assets

EUR '000	Capitalised development costs	Goodwill	Concessions, software and other intang. assets	Payments on account	Total
Acquisition costs					
01. 01. 2009	6 597	3 484	4 626	0	14 707
Additions	499	0	76	0	575
Disposals	0	0	0	0	0
Transfers	0	0	0	0	0
Changes in companies consolid.	0	0	0	0	0
31. 12. 2009	7 096	3 484	4 702	0	15 282
Accumulated depreciation					
01. 01. 2009	0	0	2 776	0	2 776
Additions	3 168	0	587	0	3 755
Disposals	0	0	0	0	0
31. 12. 2009	3 168	0	3 363	0	6 501
Book value on 31. 12. 2008	**6 597**	**3 484**	**1 850**	**0**	**11 931**
Book value on 31. 12. 2009	**3 928**	**3 484**	**1 339**	**0**	**8 751**

The goodwill is attributable to the acquisition of UIC GmbH, Alzenau, Germany and is assigned to the fine vacuum distillation segment as the cash generating unit.

(12) Tangible assets

EUR '000	Land and buildings	Plant and machinery	Factory and office equipment	Payments on acc. + constr. in progress	Total
Acquisition costs					
01. 01. 2009	1 800	540	512	0	2 852
Additions	3	6	51		60
Disposals	0	9	34	0	43
Changes in companies consolid.	0	0	0	0	0
31. 12. 2009	1 803	537	529	0	2 869
Accumulated depreciation					
01. 01. 2009	18	348	192	0	558
Additions	24	88	94	0	206
Disposals	0	8	30	0	38
31. 12. 2009	42	428	256	0	726
Book value on 31. 12. 2008	**1 782**	**192**	**320**	**0**	**2 294**
Book value on 31. 12. 2009	**1 761**	**109**	**273**	**0**	**2 143**

Operating lease contracts

There are commitments from leasing and rental contracts for tangible assets that are not shown in the balance sheet. Expenses of EUR 1 055 million (2008: EUR 1 240 million) from leasing and rental contracts were included in the operating expenses for 2009. The future rental and leasing payments for vehicles and office premises can be broken down by years as follows:

EUR '000	2009	2008
In the following year	971	881
In the following 2 – 5 years	3 971	3 391
Total	**4 942**	**4 272**

(13) Investments in associated companies

The following investments were valued by the equity method in the consolidated financial statements:

EUR '000	31. 12. 2009	31. 12. 2008
VTU Holding GmbH (Austria)	5 491	6 001
M&R Holding AG (Austria)	3 486	4 311

M&R Holding AG, Grambach, always prepares its consolidated financial statements as per 31. March. Consolidated interim financial statements in accordance with IFRS as per 31. December 2009 were prepared for the M&R Holding AG Group for the purposes of at equity valuation at BDI.

The consolidated financial statements of VTU Holding AG, Grambach, as per 31. December 2009 form the basis for the at equity valuation of VTU Holding AG.

The economic data about the investments are as follows:

EUR '000	VTU	M&R
Assets	10 286	30 728
Equity[1]	3 795	6 595
Liabilities	6 491	24 133
Sales	18 332	23 056[2]
Period earnings	– 653	– 323[2]

1) including minorities
2) 1. 4. 2009 – 31. 12. 2009

(14) Securities

EUR '000	Acquisition costs on 31. 12. 2009	Write-downs/-ups posted to profit/loss	Book value 31. 12. 2009	Book value 31. 12. 2009
Securities	34 384	0	34 499	11 154

The securities consist of shares in various investment funds, a near money market floater, a money market fund and bank debentures and are valued at stock market prices:

2009 EUR '000	Market value	Average actual yield in %	Income in the fiscal year
Floater (HtM)	4 495	1.87	84
Bank debentures (HtM)	11 050	2.80	263
Money market fund (AfS)	8 812	1.90	111
Investment funds (AfS)	969	2.64	23
Certificates (HtM)	1 002	2.64	0
pension funds (AfS)	8 171	3.72	154

2008 EUR '000	Market value	Average actual yield in %	Income in the fiscal year
Floater (HtM)	4 495	4.94	140
Bank debentures (HtM)	2 012	4.19	0
Money market fund (AfS)	4 543	4.32	0
Investment funds (AfS)	104	2.95	3

HtM Held-to-Maturity Investments
AfS Available-for-Sale Financial Assets

The securities were valued individually to determine the price gains and losses.

(15) Inventories

This item includes raw materials, auxiliary materials and factory supplies worth EUR 419 000 (2008: EUR 626 000).

(16) Receivables and other assets

EUR '000	31. 12. 2009	31. 12. 2008
Receivables from production orders	1 765	3 861
Other receivables and assets	3 688	6 488
Total	**5 453**	**10 349**

There were unimpaired overdue trade receivables of EUR 66,000 on the qualifying date. There were individual provisions of EUR 2.085 million (2008: EUR 2.818 million) for trade receivables on the qualifying date.

The receivables from production orders include:

EUR '000	31. 12. 2009	31. 12. 2008
Receivables from projects handed over	3 608	5 674
Receivables from current projects	257	1 031
minus: allowances for bad debts	– 2 100	– 2 844
Total	**1 765**	**3 861**

Receivables from current projects are balanced with payments on account of EUR 21.682 million received from the project customers.

EUR '000	31. 12. 2009	31. 12. 2008
Production orders		
Costs incurred in the period under review	33 165	54 848
Profits generated in the period under review	20 721	37 739
Prepayments received	– 26 230	– 49 920

The other receivables include:

EUR '000	31. 12. 2009	31. 12. 2008
Payments on account made to suppliers	1 646	2 845
Receivables from income taxes	4	716
Credit balances with domestic and foreign tax authorities	922	2 153
Miscellaneous other receivables	1 116	774
Total	**3 688**	**6 488**

(17) Liquid funds

Liquid funds consist of cash on hand as well as immediately available credit balances and time deposits at banks.

The average interest rate paid for the credit balances at banks on 31. December 2009 amounted to about 2.0% (2008: about 4.0%).

(18) Equity

The share capital of BDI – BioDiesel International AG that is shown is the same as in the previous year at EUR 3 800 000. The share capital is fully paid and is divided up into 3 800 000 bearer shares.

Capital risk management

The Group controls its capital with the aim of maximising the income from its business operations and corporate investments. Care is taken in this context to make sure that all the Group companies can work on the basis of continuing operation.

The capital structure of the Group consists of debt, liquid funds and equity, to which the shareholders are entitled. The latter consists of the shares issued, the capital reserves and the revenue reserves (as indicated in the consolidated statement of changes in equity).

Shares

The shares grant the standard rights to which shareholders are entitled in accordance with the Austrian Companies Act. They include the right to payment of the dividend agreed by the shareholders' meeting on the basis of the individual financial statements of the company prepared according to Austrian law (UGB) as well as to the exercising of the right to vote at the shareholders' meeting. The retained earnings according to UGB amounted to EUR 10 million on 31. December 2009 (2008: EUR 2.850 million).

Earnings per share amounted to EUR 0.67 (2008: EUR 1.22).

Authorised capital

The Management Board is authorised to increase the share capital in accordance with § 169 Paragraph 3 of the Companies Act (AktG) by up to EUR 1 500 000.– with the approval of the Supervisory Board up to 5 years after entry of the change in the company's legal form in the commercial register by issuing up to 1 500 000 new bearer shares with no par value in return for the injection of cash or other assets, including the partial or complete suspension of the shareholders' subscription right, and to specify the issue price and the issue conditions. One tranche of EUR 800 000.– was used in September 2006 in the context of the IPO.

Capital reserves

The capital reserves involve the premium from the capital increase in the context of the IPO at Frankfurt Stock Exchange minus the costs of the IPO, which have to be included in the capital reserves rather than in the income statement after deduction of the deferred taxes in accordance with the IFRS rules.

Revenue reserves

The breakdown of the revenue reserves was as follows:

EUR '000	31. 12. 2009	31 .12. 2008
Adjustment item for securities	86	9
Gross	114	12
Minus deferred taxes	– 28	– 3
Adjustment item for actuarial profits and losses for pension and severance provisions	541	280
Gross	721	373
Minus deferred taxes	– 180	– 93
Impact of the adaptation of the financial statements to the IFRS rules and accumulated retained earnings from the previous years	17 288	15 536
Total	**17 915**	**15 825**

Expenses and income not affecting operating result

EUR 102 000 (2008: EUR 16 000) from the valuation of the securities (available for sale) not affecting operating result, EUR 310 000 (2008: EUR 195 000) from the actuarial losses relating to the pension and other commitments, and the corresponding deferred taxes of EUR – 113 000 (2008: EUR – 46 000) were included directly in equity in the fiscal year instead of in the income statement.

(19) Deferred taxes

In accordance with IAS 12, deferred tax assets and liabilities have to be formed for all differences between the applicable tax rates and the balance sheet items, with the exception of differences relating to goodwill, which is not relevant from the tax point of view. The tax advantage of losses carried forward that have not yet been used also has to be taken into account, to the extent that use of them is probable.

Deferred tax assets and liabilities are shown as a balance per taxpayer.

Deferred tax assets of EUR 802 000 (2008: EUR 469 000) arising from temporary differences in connection with investments in associated companies were not included.

The deferred taxes relate to the following balance sheet items:

EUR '000	Deferred tax assets	Deferred tax liabilities
As per 31. 12. 2008		
Intangible assets	0	– 2 061
Tangible assets	0	– 361
Financial assets	237	– 6
Provisions for severance	87	0
Pension provisions	96	0
Long-term assets	**420**	**– 2 428**
Inventories	457	0
Receivables and other assets	0	– 960
Miscellaneous provisions and deferral	538	– 254
Prepayments received	163	– 4 672
Short-term assets	**1 158**	**– 5 886**
Total	**1 578**	**– 8 314**
Settlement	– 1 578	1 578
	0	**– 6 736**

EUR '000	Deferred tax assets	Deferred tax liabilities
As per 31. 12. 2009		
Intangible assets	0	– 1 292
Tangible assets	0	– 363
Financial assets	255	– 28
Provisions for severance	110	0
Pension provisions	68	0
Long-term assets	**433**	**– 1 683**
Inventories	362	0
Trade receivables	0	– 65
Receivables and other assets	320	– 732
Miscellaneous provisions	454	– 224
Liabilities	185	– 3 822
Short-term assets	**1 321**	**– 4 843**
Total	**1 754**	**– 6 526**
Settlement	– 1 754	1 754
	0	**– 4 773**
Change in 2009		
Included directly in equity	– 113	
Change in the companies consolidated	0	
Included via the income statement	2 076	
	1 963	

(20) Provisions for severance

Commitments to provide severance payments after the end of individual employment contracts have been made at BDI – BioDiesel International AG. The commitments are not covered by specific assets or employers' liability insurance.

The most important of the assumptions made are:

Actuarial parameters in %	2009	2008
Interest rate p.a.	5.5	6.0
Salary increases p.a.	2.5	2.5

The calculation was made on the basis of the mortality tables according to „AVÖ-P99 ANG". The assumed pension age was 65 years.

The following amounts were included in the income statement with reference to these commitments:

EUR '000	2009	2008
Current employment expenses	155	150
Interest expenses	21	10
	176	**160**

The current employment expenses are included in the personnel expenses as expenses for severance payments, while the interest expense is shown in the financial result.

The present value of the commitments to provide severance payments developed as follows:

EUR '000	2009	2008
Present value of the commitment (DBO) on 1. 1.	**347**	**194**
Current employment expenses	155	150
Interest expenses	21	10
Actuarial profits / losses	– 83	– 7
Present value of the commitment (DBO) on 31. 12.	**440**	**347**

The severance payment commitment relates to two members of the Management Board (Mr Wilhelm Hammer and Mr Helmut Gössler). The rights to severance payments held by the company's employees have been transferred to a staff provision fund.

(21) Provisions for pensions

BDI – Biodiesel International AG has a benefit-oriented pension scheme, which provides pension benefits on the basis of the number of years of service and the salary / wages paid to the employees who are members of the scheme. The commitments are not covered by specific assets or employers' liability insurance.

A pension age of 65 years is assumed in the BDI – BioDiesel International AG pension scheme. The calculation was made on the basis of the mortality tables according to „AVÖ-P99 ANG".

The most important of the assumptions made are:

Actuarial parameters in %	2009	2008
Interest rate p.a.	5.5	6.0
Salary increases p.a.	2.5	2.5
Pension increases p.a.	1.5	1.5

The following amounts were included in the income statement with reference to these commitments:

EUR '000	2009	2008
Current employment expenses	198	213
Interest expenses	98	79
	296	**292**

The current employment expenses are included in the personnel expenses as pension expenses, while the interest expenses are shown in the financial result.

The present value of the commitments made in the benefit-oriented pension schemes developed as follows:

EUR '000	2009	2008
Present value of the commitment (DBO) on 1. 1.	**1 635**	**1 505**
Current employment expenses	198	213
Interest expenses	98	79
Actuarial profits / losses	– 266	– 162
Present value of the commitment (DBO) on 31. 12.	**1 665**	**1 635**

(22) Provisions and deferrals

The company's provisions and deferrals can be broken down as follows:

EUR '000	01. 01.	Change in companies consolid.	Required/ released	Added	31. 12.	of which current	of which non-current
Provisions							
Anniversary payments	62		0	18	80	0	80
Warranties	4 000		2 833	4 854	6 021	3 350	2 671
Provisions Total	4 062		2 833	4 872	6 101	3 350	2 751
Deferrals							
Legal and consulting expenses	86		86	141	141	141	0
Holiday entitlements	306		270	225	261	261	0
Commission and licences	1 613		1 296	565	882	637	245
Uncharged expenses / projects handed over	1 910		1 910	1 899	1 899	1 899	0
Bonuses	2 272		2 272	710	710	710	0
Miscellaneous	399		399	269	269	269	0
Deferrals Total	**6 586**		**6 233**	**3 809**	**4 162**	**3 917**	**245**

The provision for commission and licences is based on allocation of these items in accordance with the duration of the projects.

The provision for warranties includes provisions for costs incurred for services provided after the plants have been taken over and is calculated on the basis of estimates of the anticipated outflow of funds.

No further details are provided here in view of the minor impact on asset, financial and earnings development.

(23) Liabilities

EUR ’000	31. 12. 2009	31. 12. 2008
Prepayments received	2 045	8 866
Liabilities to banks	1	3
Accounts payable to associated companies	100	256
Trade accounts payable	5 048	8 314
Tax liabilities	3 075	596
Miscellaneous liabilities	1 691	1 620
Total	**11 960**	**19 655**

EUR 2 054 million of the prepayments received (2008: EUR 8 866 million) were prepayments received from customers, which could not be deducted in assets from the corresponding receivables from production orders in accordance with IAS 11.

Tax liabilities in the amount of EUR 3 075 million (2008: 596 000) are mainly attributable to the current profit costs of BDI.

The miscellaneous liabilities include:

EUR ’000	31. 12. 2009	31. 12. 2008
Participation right liability	751	663
Research funding loans	101	170
Liabilities to district health insurance funds	129	150
Tax liabilities	590	250
Others	120	387
Total	**1 691**	**1 620**

The IFRS specify that minority interest / limited partners must be shown as liabilities. Pro rata losses in the fiscal year of EUR 775 000 (2008: EUR 85 000) were offset against the balance sheet item minority interest / limited partners in 2009.

The participation right liability of EUR 751 000 has a fixed interest rate of 12.92%; the market value of the liability is the same as the book value and the liability is due in 2012 at the earliest. The research funding loans of EUR 101 000 have a fixed interest rate averaging 2.00%; the market value of the liability is approximately the same as the book value and the liability is due in 1.5 years.

(24) Financial instruments

EUR '000	IAS 39 valuation category	Book value 31. 12. 2009	Current acquisition costs	Acquisition costs	Fair value not affect. operating result	Fair value 31. 12. 2009
Assets						
Securities held as non-current assets						
of which available for sale	AfS	17.952	0	17.837	114	17.952
of which held to maturity	HtM	16.547	16.547	0	0	16.547
Receivables from production orders	LaR	1.765	1.765	0	0	1.765
Other receivables and assets	LaR	3.688	3.688	0	0	3.688
Liquid funds	LaR	36.968	36.968	0	0	36.968
Equity and liabilities						
Liabilities to banks	FLAC	1	1	0	0	1
Prepayments received	FLAC	2.045	2.045	0	0	2.045
Accounts payable trade	FLAC	5.048	5.048	0	0	5.048
Other liabilities	FLAC	940	940	0	0	940

HtM	Held-to-Maturity Investments
AfS	Available-for-Sale Financial Assets
FLAC	Financial Liabilities Measured at Amortised Cost
LaR	Loans and Receivable

7. Explanatory notes about the consolidated cash flow statement

The consolidated cash flow statement is based on the indirect method. The cash and cash equivalents include not only the cash on hand and credit balances at banks but also time deposits of EUR 23 285 million.

Interest payments of EUR 1 380 million are shown in the net cash flow from operating activity.

Cash flows from the acquisition of consolidated companies are included in the cash flow from investing activity.

8. Miscellaneous information

Contingent liabilities

The company did not have any contingent liabilities on 31. December 2009.

Domestic banks had assumed guarantees for prepayments, contract performance and warranty commitments for the company on the balance sheet date. Bank credit balances of EUR 3 185 million and securities of EUR 0 million were pledged as security for such guarantees.

Unsettled legal disputes

On 31. December 2009, there were no legal disputes that would have had a major impact on the annual financial statements.

Business transactions with related parties

The related parties include the shareholders, the associated companies and the members of the boards of BDI – BioDiesel International AG.

The scope of the mutual supplies and services was as follows:

Supplies and services charged to BDI:

EUR '000	Designation	1 – 12/2009	1 – 12/2008
PDC Verfahrenstechnische Entwicklungsgesellschaft m.b.H.	Rent, research and development expenses	833	648
VTU Holding GmbH and subsidiaries	Planning services	1 685	2 633
M&R Holding AG and subsidiaries	Supplies and services	369	2 005
Griss & Partner, Steir. Wirtschaftstreuhand GmbH, Steirische Prüfungs- und Beratungs GmbH	Legal and tax consultancy	173	205
Supervisory Board members	Supervisory Board compensation	53	50
Management Board members	Fixed compensation	293	291
Mr Hammer, Mr Gössler, Dr Koncar	Licence and patent fees	1 274	1 215

Supplies and services charged by BDI:

EUR '000	Designation	1 – 12/2009	1 – 12/2008
PDC Verfahrenstechnische Entwicklungsgesellschaft m.b.H.	Administration	224	251

All the supplies and services were provided at standard market rates.

From the 2007 fiscal year onwards, the Management Board members Mr Wilhelm Hammer and Mr Helmut Gössler are each receiving a bonus amounting to 3% of EBIT. This performance bonus (including the payments made to them as inventors) may not exceed an amount of EUR 270 000 each per year and the value is guaranteed. If a member of the Management Board leaves the company in the course of a fiscal year, he is entitled to the annual bonus on a pro rata basis.

Mr Wilhelm Hammer and Mr Helmut Gössler are beneficiaries of the company's pension and severance payment commitments.

The pension and severance payment commitments therefore relate exclusively to Management Board members. There were no major outstanding receivables from or liabilities to related parties on 31. 12. 2009.

25.0025% of VTU Holding GmbH, in which Dr Koncar holds an interest of 18.34%, were acquired as per 1. 1. 2008. Information about the purchase price can be found in the notes about the companies consolidated.

Auditors' expenses

The auditors' expenses amounted to EUR 56 700 and can be broken down as follows:

EUR	2009
Auditing of the consolidated financial statements and financial statements	48 000
Other auditing assignments	8 700
	56 700

Events after the balance sheet date

A joint venture with a Brazilian company, that is facilitating entry and access to and coverage of the local market, was established in January 2010. The share capital of the joint venture amounts to BRL 100,000, with BDI do Brasil Participações Ltda ("BDI do Brasil") holding 45% of the shares, while the Brasilian corporate partner holds 55% of the shares. BDI do Brasil is a BDI subsidiary that was established specially for this joint venture project at the beginning of the year.

Negotiations are currently being held with a company that is consolidated at equity about the possible takeover of 51% of the shares in a technology company organised in its corporate group. The basis for this strategic decision is to take advantage of both the internationally focussed sales operations and plant skills of BDI AG.

Risk management

The company is exposed to various financial risks, including market risk, default risk, liquidity risk, currency translation risk and interest change risk. There are clear strategies for managing financial risks, which are specified and monitored by the company management on an ongoing basis. The objective of the risk management system is to minimise financial risks.

In order to detect these risks at an early stage, BDI has implemented a control management system, the main assignment of which is to identify risks early on while they are still developing and to take countermeasures promptly.

The main risks for the development of the company's operations in 2010 relate primarily to the dependence on the general development of the global economy and the finance markets as well as to the obtainment of major projects.

The monitoring and management of project and financial risks are important elements of the company-wide controlling and accounting system. The aim of ongoing controlling and regular reporting is to identify major risk very early on.

Market risk

The company is exposed to standard price risks, for which it is not covered, in the market on which it operates.

Liquidity risk

What is meant by liquidity risk is the risk involved in being able to obtain funds at all times to pay liabilities that have been entered into. The company counters this risk by carrying out liquidity planning. The funding of outstanding orders is also guaranteed by means of contractual arrangements with the customers.

Credit and default risk

The credit risk is the risk of asset losses that can occur due to the failure of individual business partners to meet contractual commitments. Bank securities (guarantees) are obtained to cover a large proportion of the solvency risk inherent in the basic business transaction, so that it is limited to the book value of the receivables shown.

Currency translation risk

The currency translation risk is the risk involved in changes in the exchange rates. So far, this risk has been of minor importance to the company.

Interest change risk

The interest change risk is the risk arising from changes in the value of financial instruments, other balance sheet items and/or interest-related payment flows attributable to market interest rates.

On the balance sheet date, the company had fixed-interest assets of EUR 23 285 million and variable-interest assets of EUR 13 683 million. The company also had fixed-interest financial debt of EUR 852 million. BDI values the fixed-interest financial instruments at the fair value and not through profit and loss. A change in the interest rates by 100 basis points does not therefore have any impact on BDI's earnings.

Derivative financial instruments

Instruments designed to hedge the above risks are restricted to the measures outlined. Derivative financial instruments were not used.

9. Company boards of the parent company

Supervisory Board

Dr Gunter Griss (Chairman of the Supervisory Board)
Mr Friedrich Rothwangl (Deputy Chairman of the Supervisory Board)
Dr Michael Koncar
Dr Hubert Zankel

Management Board

Mr Wilhelm Hammer (CEO)
Mr Helmut Gössler (CTO)
Ms Dagmar Heiden-Gasteiner (CFO), since 29. January 2009

Shares owned by board members of the parent company

31. December 2009	Number of shares
Mr Hammer	153 220
Mr Gössler	105 150
Dr Griss	0
Mr Rothwangl	0
Dr Koncar	0
Dr Zankel	200
BDI Beteiligungs GmbH (shareholders: Mr Hammer and Mr Gössler with a total interest of 86%)	2 787 284

Grambach, 15. March 2010

The Management Board:

Wilhelm Hammer
CEO

Helmut Gössler
CTO

Mag. Dagmar Heiden-Gasteiner
CFO

Assurance by the legal representatives in accordance with § 37y No. 1 of the Securities Trading Act in connection with §§ 297 Paragraph 2 Sentence 3 and 315 Paragraph 1 Sentence 6 of the Commercial Code

We confirm to the best of our knowledge that the consolidated financial statements comply with the accounting principles which have to be applied and communicate a true and fair picture of the Group asset, financial and earnings development, that the consolidated management report presents the development of the business, including the business results and the situation of the Group, in such a way that a true and fair picture is communicated and that the main opportunities and risks of the probable development of the Group are outlined.

Assurance in accordance with § 82 Paragraph 4 Section 3 of the Austrian Stock Exchange Act

We confirm that

a) the consolidated financial statements comply with the relevant accounting standards and to the best of our knowledge communicate as faithful a picture as possible of the asset, financial and earnings development of the BDI Group and

b) the management report communicates as faithful a picture as possible of the asset, financial and earnings development as well as the main risks and uncertainties.

The Management Board of BDI AG

Grambach, 15. March 2010

Auditor's Report

We draw attention to the fact that the English translation of this auditor's report is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BDI – BioDiesel International AG, Grambach, for the fiscal year from January 1 to December 31, 2009. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2009, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended December 31, 2009, and the notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements and for the Account-ing System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the supplementary provisions of Section 245a UGB (Austrian Commercial Code). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate ac-counting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards re-quire that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2009 and of its financial performance and its cash flows for the fiscal year from January 1 to December 31, 2009 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the supplementary provisions of Section 245a UGB (Austrian Commercial Code).

Comments on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, March 15, 2010

PwC INTER-TREUHAND GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

signed:
Mag. Werner Krumm
Austrian Certified Public Accountant

Disclosure, publication and duplication of the financial statements together with the auditor's report according to Section 281 (2) UGB in a form not in accordance with statutory requirements and differing from the version audited by us is not permitted. Reference to our audit may not be made without prior written permission from us.

Financial calendar

31. 03 .2010	2009 financial statements
12. 05. 2010	Interim report about the 1st quarter of 2010
18. 05. 2010	2010 Annual Shareholders' Meeting, Graz
13. 08. 2010	Interim report about the 2nd quarter of 2010
12. 11. 2010	Interim report about the 3rd quarter of 2010
22. – 24. 11. 2010	German Equity Forum, autumn 2010, Frankfurt

Contact

BDI – BioDiesel International AG
Parkring 18
8074 Grambach
Austria
T +43 - 316 - 4009 - 100
F +43 - 316 - 4009 - 110
www.bdi-biodiesel.com
ir@bdi-biodiesel.com

This annual report was published in German and English on 31. March 2010 and can be downloaded from our website.

Please do not hesitate to contact us if you have any questions.

Forward-looking statements

This document contains forward-looking statements that are based on the current assumptions and assessments of the corporate management of BDI – BioDiesel International AG. Forward-looking statements are indicated by the use of such words as expect, intend, plan, anticipate, assume, believe, estimate etc. These statements may not be taken as guarantees that these expectations will prove to be correct. Future developments and the results actually achieved by both BDI – BioDiesel International AG and its Group companies depend on a number of risks and uncertainties and may therefore deviate substantially from the forward-looking statements. Some of these factors are outside the control of BDI – BioDiesel and cannot be predicted precisely, e.g. the future economic environment as well as the action taken by competitors and other market players. There are no plans to update the forward-looking statements and BDI – BioDiesel has not committed itself to do so.

Imprint

Owner and media proprietor:

BDI – BioDiesel International AG
Parkring 18
8074 Grambach
Austria
T +43 - 316 - 4009 - 100
F +43 - 316 - 4009 - 110
www.bdi-biodiesel.com
bdi@bdi-biodiesel.com

Trade directory court: Graz state / commercial court

Trade directory number: FN 149076f

VAT identification no.: ATU 41154503

Our future – clean energy

With its mission „waste to energy" BDI – BioDiesel International AG focuses on renewable energy and energy efficiency. Hence it is firmly anchored in the company strategy to accomplish an important contribution to environmental protection.

It goes without saying that this annual report was produced and printed in accordance with the highest requirements in terms of environmental and climate protection.

Climate neutral printing

For the calculation of the CO_2 emissions resulting from the printing of this annual report, all relevant parameters have been considered. The emissions created were compensated by purchasing ecologically valuable emission reduction certificates from recognized climate protection projects.

Ecologically sustainable: PEFC-paper / environmentally friendly printing

The printing company producing this annual report has been chosen according to ecological standards.

The paper used is certified according to PEFC. This internationally valid qualification confirms that the paper comes from ecologically, economically and socially responsible forestry. This comprises the forest management, including transport of timber to the forest track and the subsequent treatment of the final product.

For this printing process environmentally friendly printing ink and other printing means were used that have been produced on a purely biological basis.

PEFC

Print O_2 geprüft
Klimaneutrale Produktion

BDI

BioDiesel International