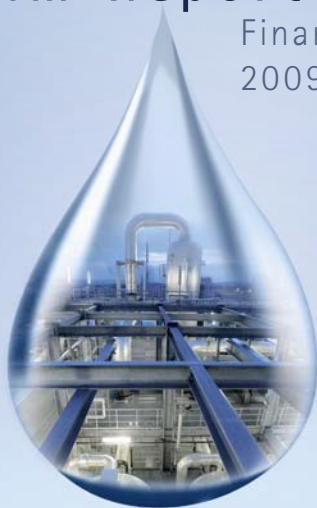


# Interim Report

Financial Year  
2009/10



1<sup>st</sup> Half

1 March to 31 August 2009

Mannheim, 14 October 2009



The figures stated in brackets on the following pages refer to the same period or point in time in the previous year.

CropEnergies AG's financial year differs from the calendar year.  
The periods stated are defined as follows:

2<sup>nd</sup> quarter: 1 June to 31 August

1<sup>st</sup> half: 1 March to 31 August

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## Highlights 1<sup>st</sup> Half 2009/10

- Revenues up 26% to € 184.3 (146.3) million
- EBITDA falls to € 7.5 (15.8) million due to start-up costs at the new plant in Belgium but increase of € 6.1 million in the 2<sup>nd</sup> quarter versus the 1<sup>st</sup> quarter of 2009/10 to € 6.8 million
- Operating result of € -0.8 (11.1) million: positive result of € 2.4 million achieved in the 2<sup>nd</sup> quarter after € -3.2 million in the 1<sup>st</sup> quarter
- Net earnings in the 1<sup>st</sup> half still negative at € -2.0 (5.8) million due to start-up costs in Wanze
- Bioethanol production up 67% to 294,000 (176,000) m<sup>3</sup>

## Interim management report

### Operating environment

#### EU climate and energy package now at the implementation stage

With the passing of the "Renewable Energies Directive" and the revision of the "Fuel Quality Directive" the European Council and the European Parliament have created a new statutory framework for promoting the use of biofuels in the transportation sector. Following its publication in the Official Journal of the European Union, the extensive legislative package came into force on 25 June 2009, and has to be implemented in national law by the member states by 5 December 2010.

On 30 June 2009, the European Commission set the implementation of the "Renewable Energies Directive" in motion with the publication of a harmonised template for the national action plans for promoting the use of renewable energies. The purpose of the common template is to guarantee the completeness and comparability of the member states' national plans. A mandatory blending rate of 10% of renewable energies has to be assured in the transportation sector for the year 2020. Each member state must formulate indicative annual interim targets for the years to 2020 which the European Commission will be monitoring for compliance every two years.

A core element of the "Renewable Energies Directive" is the sustainability criteria it contains whose aim is to ensure the use of sustainably produced biofuels in the transportation sector. In connection with the implementation of the directive the European Commission was requested to put forward proposals by the end of 2010 on how the growth in the cultivation of raw materials for the production of biofuels can be reconciled with the protection of areas of acknowledged high ecological value (such as the rain forests of Brazil and Indonesia). The European Commission began consultations with the interest groups concerned in July 2009 and will probably publish its proposals already in spring 2010.

With the amendment of the "Fuel Quality Directive" the EU has also established the technical parameters for the introduction of E10 fuel, i.e. the blending of 10 vol.-% of bioethanol in petrol, throughout Europe. France was the first EU member state to start introducing E10 fuel nationwide in April 2009. In preparation for this, several automobile manufacturers issued additional clearances for the use of E10 fuels for their vehicles. Against this background, the prompt, full-fledged nationwide introduction of E10 continues to be an important task for biofuel policy in Germany.

In Germany, the Act Amending the Promotion of Biofuels came into force at the end of June 2009. Besides adjusting the overall quota for diesel fuel and petrol to 5.25% for 2009 and setting an overall quota of 6.25% until the year 2014, it is also planned that from 2015 onwards the biofuel quotas will no longer be defined on the basis of calorific value but according to greenhouse gas reduction targets, with the reduction of greenhouse gas emissions in the fuel sector rising from 3 wt.-% in 2015 to 7 wt.-% in 2020. In June 2009, the German government also submitted the draft of a biofuel sustainability ordinance to the European Commission within the framework of the notification process. This ordinance links the promotion of biofuels from liquid biomass and biogas through tax incentives and biofuel quota obligations to compliance with certain sustainability criteria. At the end of September 2009, the European Commission reviewed the biofuel sustainability ordinance for conformity with the provisions of the "Renewable Energies Directive" and did not raise any objections.

In Belgium, a law came into force on 1 July 2009 that makes the blending of at least 4 vol.-% of bioethanol in petrol mandatory for oil companies.

### **Moderate recovery of ethanol prices in Europe**

After a low of US\$ 335/m<sup>3</sup> at the end of March 2009 ethanol prices in Brazil continued their recovery and reached around US\$ 530/m<sup>3</sup> FOB Santos at the end of August 2009. On the Chicago Board of Trade (CBOT) and the Chicago Mercantile Exchange (CME), on the other hand, ethanol prices eased slightly. The one-month futures contract sank from about US\$ 1.80/gallon<sup>1</sup> at the beginning of June 2009 to around US\$ 1.60/gallon at the end of August 2009, which was comparable with the level at the beginning of the 2009/10 financial year.

In Europe, ethanol prices were slightly firmer. After trading at around € 455/m<sup>3</sup> at the beginning of June 2009, ethanol prices rose to about € 515/m<sup>3</sup> FOB Rotterdam by the end of August. This rise was mostly due to a supply shortage caused by temporary capacity shutdowns at European production plants. Ethanol prices were also supported by higher petrol prices on signs of a slight recovery of the world economy and lower ethanol exports from Brazil.

With rising blending quotas, more and more bioethanol is being blended directly with petrol in Europe. For instance, approximately 425,000 m<sup>3</sup> of bioethanol was blended directly with petrol in Germany from January to June 2009, an increase of 265% over the same period last year. By contrast, the amount of bioethanol used for the production of ETBE declined in the same period by 37% to 150,000 m<sup>3</sup>. Owing to the strong rise in petrol prices since the beginning of 2009 sales of E85 recovered from the downturn in the 1<sup>st</sup> quarter of 2009 and were roughly 10% higher between April and June 2009 than in the same period last year.

### **Good course of the harvest season causes grain prices to ease**

Harvest estimates published by the US Department of Agriculture (USDA) suggest a good supply situation for grain worldwide. On the basis of its estimates of 11 September 2009, the USDA

expects a moderate decline in world grain production (excluding rice) for the 2009/10 grain year to approximately 1,754 million tonnes (-1.6%). Nonetheless, despite this decline, global stock levels should rise further to around 366 million tonnes (+2.4%), as production will probably exceed grain consumption, which is estimated to be up 2.2% to approximately 1,745 million tonnes, by 9 million tonnes. For the EU, the USDA forecasts an above-average harvest of 288 million tonnes for the 2009/10 grain year.

The good supply situation was reflected in the prices on MATIF (Euronext) in Paris. The one-month wheat futures contract had risen initially in the 1<sup>st</sup> quarter of the 2009/2010 financial year from € 138/t in March 2009 to € 151/t at the end of May 2009 despite a comfortable supply situation. This was due partly to price rises in the USA where there were concerns over weather-induced delays in sowing and a pronounced increase in speculative activity in the wake of firmer prices on other commodity markets. However, as a result of the good harvests, especially in the EU, the USA and the Ukraine, and the resulting confirmation of the comfortable grain supply situation, wheat prices then fell to € 127/t at the end of August 2009.

Owing to continued high meat consumption the demand for animal feed remains buoyant. Coupled with a significantly smaller soybean harvest in Argentina, the world's third largest producer of soybean, the one-month soybean futures contract on CBOT traded within a narrow corridor ranging from about US\$ 10 to US\$ 12.50 per bushel between May and August 2009. In Europe, the prices of soybean meal largely followed the lead of the US prices and traded at around € 325/t at the end of August 2009. However, the supply situation in Europe worsened from August 2009 onwards after genetically modified organisms that are not permitted in the EU were discovered in soy imports from the USA. However, as the EU market is well supplied with other animal feeds, such as rapeseed meal, their prices did not follow the prices of soybean meal at first. The reduced supply of soybean meal at the end of the reporting period then made alternative high-protein animal feeds more attractive, with rapeseed meal prices

rising € 20/t to around € 135/t in August 2009. Despite this rise, the prices of rapeseed meal are still about € 30/t below their level at the beginning of the financial year.

## **Developments within the CropEnergies Group**

### **Production of bioethanol up 67%**

CropEnergies increased its bioethanol production by 67% to 294,000 m<sup>3</sup> in the 1<sup>st</sup> half of the 2009/10 financial year. This growth is the result of the capacity expansion to over 700,000 m<sup>3</sup> of bioethanol per year completed in 2008. Production at the plants in Zeitz and Loon-Plage went according to plan. The start-up phase in Wanze was successfully continued. Good progress was achieved in the gluten separation and drying processes and in energy production from the biomass boiler.

Large and medium-sized oil companies as well as independent ETBE producers at home and abroad were supplied in the reporting period. CropEnergies continued to focus on inland destinations that can be supplied at favourable freight costs through the logistics network that has been created. In Belgium, the market position was successfully expanded with the conclusion of further contracts with local oil companies in preparation for the introduction of the blending obligation in July 2009. Various measures were undertaken to further accelerate the distribution of the quality fuel CropPower85 that is used in Flexible Fuel Vehicles (FFVs). Besides extending the filling station infrastructure and demonstrating the quality and performance of this standardised fuel at motor sports events, various marketing and advertising measures were launched to increase brand awareness and sales.

Through Ryssen Alcools SAS (Ryssen), CropEnergies also addressed market segments outside the fuel market in the reporting period with high-quality products tailored to the customers' individual requirements. In addition to well-known companies in the beverages industry, Ryssen's customers also include companies in the cosmetics, pharmaceutical and chemical industries.

With the start-up of the production plant in Wanze, CropEnergies

has successfully broadened the portfolio of food and animal feed products. Approximately 55,000 tonnes of gluten and about 200,000 tonnes of CDS (Condensed Distillers' Solubles), a liquid protein animal feed, can be produced per year in Wanze. Owing to its nutritional and technical properties gluten is used above all in the food industry and special areas of the animal feed market. It is distributed through BENEÓ-Orafti, a Belgian subsidiary of Südzucker AG, under the brand name BeneoPro W. Thanks to successful quality enhancement measures it was also possible to penetrate market segments with high quality requirements and realise attractive selling prices in the reporting period. After securing the required product quality CropEnergies also officially announced the start of production of ProtiWanze® as a branded CDS product during the Belgian agricultural show in Libramont at the end of July 2009. ProtiWanze® is made from the proteins and other components of the fermented wheat grain that are left over after the distillation process and is used for feeding cattle and pigs.

The high-quality protein animal feed ProtiGrain® produced as a co-product in Zeitz has become firmly established in the animal feed market in Europe thanks to its outstanding quality. The significantly higher volume produced as a result of the changed feedstock mix and further optimisations at the Zeitz plant was successfully marketed. CropEnergies achieved attractive selling prices for ProtiGrain® especially by comparison with the development of grain prices.

### **Preparations have begun for the construction of the CO<sub>2</sub> liquefaction plant in Zeitz**

CropEnergies and Tyczka Energie GmbH, Geretsried, are building a CO<sub>2</sub> liquefaction and purification plant right next to the CropEnergies bioethanol plant in Zeitz. The plant is being constructed and will be operated by the joint venture CT Biocarbonic that was established following antitrust approval in June 2009. The raw material will be biogenic CO<sub>2</sub> from CropEnergies' bioethanol production. This is produced during the fermentation of grain and sugar syrups into bioethanol. The plant will have an annual capacity of 100,000 tonnes of liquefied CO<sub>2</sub> and is due to come on stream in 2010. The site preparation work was begun in August 2009.

With the construction of the CO<sub>2</sub> liquefaction plant CropEnergies is increasing the earning power of the Zeitz location by exploiting another co-product from bioethanol production while improving the bioethanol plant's greenhouse gas balance at the same time. The special chemical properties of liquefied CO<sub>2</sub> open up a broad spectrum of applications in diverse sectors. In addition to carbon dioxide for the beverages industry, liquefied CO<sub>2</sub> is also used among other things as a refrigerating and frosting agent for food and as a protective gas in the packaging industry.

## Business development

### Revenues and net earnings

€ thousands	2 <sup>nd</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> half year	
	2009/10	2009/10	2008/09	2009/10	2008/09
<b>Revenues</b>	<b>95,288</b>	<b>88,963</b>	<b>89,875</b>	<b>184,251</b>	<b>146,304</b>
<b>EBITDA</b>	<b>6,750</b>	<b>723</b>	<b>8,065</b>	<b>7,473</b>	<b>15,812</b>
<i>EBITDA margin</i>	<i>7.1%</i>	<i>0.8%</i>	<i>9.0%</i>	<i>4.1%</i>	<i>10.8%</i>
Depreciation*	-4,377	-3,931	-2,426	-8,308	-4,695
<b>Operating profit (loss)</b>	<b>2,373</b>	<b>-3,208</b>	<b>5,639</b>	<b>-835</b>	<b>11,117</b>
<i>Operating margin</i>	<i>2.5%</i>	<i>-3.6%</i>	<i>6.3%</i>	<i>-0.5%</i>	<i>7.6%</i>
Restructuring costs and special items	10	-36	-2,119	-26	-4,277
<b>Income (loss) from operations</b>	<b>2,383</b>	<b>-3,244</b>	<b>3,520</b>	<b>-861</b>	<b>6,840</b>
Financial result	-2,438	-1,465	-728	-3,903	-834
<b>Earnings (loss) before income taxes</b>	<b>-55</b>	<b>-4,709</b>	<b>2,792</b>	<b>-4,764</b>	<b>6,006</b>
Taxes on income	674	2,118	-27	2,792	-198
<b>Net earnings (loss) for the period</b>	<b>619</b>	<b>-2,591</b>	<b>2,765</b>	<b>-1,972</b>	<b>5,808</b>
<b>Earnings (loss) per share (€)</b>	<b>0.01</b>	<b>-0.03</b>	<b>0.03</b>	<b>-0.02</b>	<b>0.07</b>

\* without restructuring costs and special items

### Business development: 2<sup>nd</sup> quarter

CropEnergies continued on its growth path in the 2<sup>nd</sup> quarter of the 2009/10 financial year according to plan. Supported by higher capacity utilisation especially in Zeitz and in Wanze, and the resulting growth in sales volume, Group revenues were up 7.1% on the 1<sup>st</sup> quarter, rising from € 89.0 million to € 95.3 million. The Group's earnings also improved significantly versus the 1<sup>st</sup> quarter. After earnings had been affected in the 1<sup>st</sup> quarter by high start-up costs for the new bioethanol plant in Belgium, the 2<sup>nd</sup> quarter saw a substantial improvement in EBITDA to € 6.8 (Q1: 0.7) million.

This was due also to higher capacity utilisation in Wanze, despite remaining burdens from the start-up phase. The operating result was increased to € 2.4 (Q1: -3.2) million despite higher depreciation. This was equivalent to an again positive operating margin of 2.5%. Since there were no longer any significant one-off expenses, income from operations corresponded more or less to the operating result.

After a financial result of € -2.4 million and a tax result of € 0.7 million, net earnings improved versus the 1<sup>st</sup> quarter of the current financial year from € -2.6 million to € 0.6 million.

Compared to the 2<sup>nd</sup> quarter of the previous year revenues were up 6.0% to € 95.3 (89.9) million. The operating result was down 57.9% to € 2.4 (5.6) million due to the start-up costs following the commissioning of the new bioethanol plant in Belgium. On the other hand, the restructuring costs and special items in the amount of € 2.1 million that were incurred in the 2<sup>nd</sup> quarter of the previous year due to the build-up in Belgium fell away, resulting in income from operations of € 2.4 (3.5) million. After considering the financial result of € -2.4 (-0.7) million and a tax result of € 0.7 (0) million, net earnings came to € 0.6 (2.8) million.

### **Business development: 1<sup>st</sup> half**

In the first six months of the 2009/10 financial year Group revenues increased significantly by 26% to € 184.3 (146.3) million. EBITDA fell to € 7.5 (15.8) million due to the start-up costs at the bioethanol plant in Wanze. This was equivalent to an EBITDA margin of 4.1% (10.8%). Due to the significantly improved operating result of € 2.4 million in the 2<sup>nd</sup> quarter, the loss was reduced to € -0.8 (11.1) million in the reporting period even though depreciation almost doubled to € 8.3 (4.7) million. Excluding the start-up costs for the plant in Wanze, the operating result would have been higher than in the 1<sup>st</sup> half of the previous year.

After income from operations had been burdened in the previous year by one-off expenses of € 4.3 million, these fell away almost completely in the reporting period. Income from operations therefore amounted to € -0.9 (6.8) million.

The financial result decreased to € -3.9 (-0.8) million due to the higher debt as a result of the capital investments. After allowing for a tax result of € 2.8 (-0.2) million, net earnings for the 1<sup>st</sup> half came to € -2.0 million. This compares with net earnings of € 5.8 million in the same period of the previous year.

### Statement of changes in financial position

€ thousands	1 <sup>st</sup> half year	
	2009/10	2008/09
<b>Gross cash flow</b>	<b>2,504</b>	<b>10,050</b>
Change in net working capital	-28,788	6,607
<b>Net cash flow from operating activities</b>	<b>-26,284</b>	<b>16,657</b>
Investments in intangible assets, property, plant and equipment	-20,009	-87,971
Acquisitions of, and investments in, non-current financial assets	0	-13,586
Investment subsidies received	4,764	4,000
Cash received on disposal of non-current assets	467	130
Cash received on the selling of securities in current assets	0	41,366
<b>Cash flow from investing activities</b>	<b>-14,778</b>	<b>-56,061</b>
<b>Cash flow from financing activities</b>	<b>41,710</b>	<b>3,172</b>
<b>Change in cash and cash equivalents</b>	<b>648</b>	<b>-36,232</b>

Cash flow declined to € 2.5 (10.1) million mainly due to the lower net earnings for the period.

The cash outflow from the change in net working capital in the amount of € 28.8 million was largely due to the settlement of trade payables, also in connection with the capital investments.

Capital expenditure on property, plant and equipment was substantially lower at € 20.0 million after € 88.0 million in the 1<sup>st</sup> half of the previous year, with the Wanze location accounting for € 16.3 million and the Zeitz location for € 3.5 million. The remaining € 0.2 million was invested at CropEnergies AG and Ryssen Alcools SAS.

To finance the investments, the cash inflow from financing activities rose to € 41.7 million.

## Balance sheet structure

€ thousands	31 August 2009	31 August 2008	Change	28 Febru- ary 2009
<b>Assets</b>				
Non-current assets	512,671	417,555	95,116	497,652
Current assets	79,162	76,923	2,239	74,887
<b>Total assets</b>	<b>591,833</b>	<b>494,478</b>	<b>97,355</b>	<b>572,539</b>
<b>Liabilities and shareholders' equity</b>				
Shareholders' equity	304,602	308,969	-4,367	308,619
Non-current liabilities	174,449	90,757	83,692	132,072
Current liabilities	112,782	94,752	18,030	131,848
<b>Total liabilities and shareholders' equity</b>	<b>591,833</b>	<b>494,478</b>	<b>97,355</b>	<b>572,539</b>
Net financial debt	-208,929	-77,876	-131,053	-167,867
Equity ratio	51.5%	62.5%		53.9%

Non-current assets as of 31 August 2009 reflect the capacity expansion at the Wanze and Zeitz locations, and increased year on year by € 95.1 million to € 512.7 million. This includes goodwill in the amount of € 4.3 million.

Current assets were more or less unchanged versus the same period of the previous year. Owing to the expanded volume of business, inventories increased by € 15.9 million to € 34.3 million. At the same time receivables were reduced by € 5.2 million to € 38.2 million. As a result of the capital expenditures cash and cash equivalents declined by € 10.6 million to € 3.7 million.

Non-current liabilities increased by € 83.7 million year over year to € 174.4 million as of 31 August 2009 largely due to loans taken up to finance the capital expenditures.

The increase in current liabilities by € 18.0 million versus the previous year to € 112.8 million is due primarily to growth of € 40.0 million in financial liabilities to € 62.5 million, while trade payables were reduced by € 17.8 million to € 47.9 million.

Net financial debt reflects the capital investments undertaken since 31 August 2008 and increased to € 208.9 (77.9) million. Of this amount, € 150.1 million is long-term debt and € 62.5 million is short-term debt. Set against this, there is cash and cash equivalents of € 3.7 million.

Shareholders' equity amounts to € 304.6 (31 August 2008: 309.0) million. This corresponds to an equity ratio of 51.5% (31 August 2008: 62.5%).

## **Opportunities and risks**

### **Opportunities**

Security of energy sources, climate protection and the strengthening of regional structures are the goals which the European Union is pursuing with the creation of a European bioethanol market. Framework conditions have been created that promote the increased use of bioethanol in the fuel sector. Opportunities are presented by the resulting market growth. With the expansion of its capacities in Germany, Belgium and France, CropEnergies has laid the foundations to profit from the future market growth as one of the most efficient producers of bioethanol in Europe.

Profitability is largely influenced by the development of the selling prices for ethanol and the costs of the raw materials used.

Opportunities also exist if grain prices fall and/or if increases in grain prices are offset by higher prices for bioethanol. CropEnergies can shield itself to some extent from the volatility of the grain markets through the possibility of using sugar syrups as raw material. Additionally, CropEnergies benefits from its energy-optimised production and from the reduction of its net raw material costs through increases in the prices of the high-grade co-products.

### **Risks**

The CropEnergies Group's risk management system is aimed at identifying risks early on, monitoring them and taking timely counter-action when necessary. For detailed information on the

opportunities and risk management system and the Group's risk situation please refer to the "Risk Report" on pages 42 to 44 of the Annual Report for the 2008/09 financial year. The comments there are still valid.

No risks posing a threat to the company's continued existence exist or are discernible at the present time.

## **Outlook**

CropEnergies expects the company's growth to continue in the 2009/10 financial year. As a result of the capacity expansions realised in Germany and Belgium, the entry into the French market and the anticipated growth in demand for bioethanol in Europe, production and sales volumes will be significantly above the previous year's levels. The processing and marketing of additional co-products will also have a positive impact on Group revenues. At the same time, CropEnergies sees chances of a further recovery of ethanol prices in the course of the year. CropEnergies therefore assumes that it can increase revenues significantly over the previous year.

While the burdens from the start-up phase in Belgium predominated in the first six months of the financial year, CropEnergies expects a substantial improvement in the operating result in the 2<sup>nd</sup> half of the financial year along with further advances in productivity. For the full year it is expected that both EBITDA and the operating result will exceed the previous year's level. At the same time, CropEnergies will benefit from the non-recurrence of the non-operational expenditures incurred during the construction of the new bioethanol plant in Belgium. All in all, income from operations will therefore be significantly up on the previous year's level.

CropEnergies expects a further increase of sales and earnings in the 2010/11 financial year, too, as the expanded production capacities will be available for the full year, the raw material costs are expected to be lower, and the operational start-up costs for the plant in Wanze will fall away. Moreover, CropEnergies is

confident that, as an innovative company with a strong capital base, it is well positioned to benefit from the market growth for bioethanol in Europe and further expand its technology and cost leadership.

# Interim financial statements

## Statement of comprehensive income

€ thousands	2 <sup>nd</sup> quarter		1 <sup>st</sup> half year	
	2009/10	2008/09	2009/10	2008/09
Income statement				
<b>Revenues</b>	<b>95,288</b>	<b>89,875</b>	<b>184,251</b>	<b>146,304</b>
Change in work in progress and finished goods, inventories and internal costs capitalised	7,195	2,808	5,692	931
Other operating income	1,295	526	2,094	526
Cost of materials	-79,924	-75,483	-152,706	-117,142
Personnel expenses	-5,457	-3,476	-11,256	-6,748
Depreciation	-4,377	-2,438	-8,308	-4,707
Other operating expenses	-11,637	-8,292	-20,628	-12,324
<b>Income (loss) from operations</b>	<b>2,383</b>	<b>3,520</b>	<b>-861</b>	<b>6,840</b>
Financial income	6	134	40	784
Financial expense	-2,444	-862	-3,943	-1,618
<b>Earnings (loss) before income taxes</b>	<b>-55</b>	<b>2,792</b>	<b>-4,764</b>	<b>6,006</b>
Taxes on income	674	-27	2,792	-198
<b>Net earnings (loss) for the period</b>	<b>619</b>	<b>2,765</b>	<b>-1,972</b>	<b>5,808</b>
<b>Earnings (loss) per share (€)</b>	<b>0.01</b>	<b>0.03</b>	<b>-0.02</b>	<b>0.07</b>

### Additional disclosures on other comprehensive income pursuant to IAS1

<b>Net earnings (loss) for the period</b>	<b>619</b>	<b>2,765</b>	<b>-1,972</b>	<b>5,808</b>
Mark-to-market gains and losses on cash flow hedging instruments	-1,301	1,525	-2,047	-1,618
Other changes	-2	1,008	2	1,008
<b>Income and expenses recognised in shareholders' equity</b>	<b>-1,303</b>	<b>2,533</b>	<b>-2,045</b>	<b>-610</b>
<b>Total comprehensive income</b>	<b>-684</b>	<b>5,298</b>	<b>-4,017</b>	<b>5,198</b>

## Cash flow statement

€ thousands	1 <sup>st</sup> half year	
	2009/10	2008/09
Net earnings (loss) for the period	-1,972	5,808
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	8,308	4,707
Other items	-3,832	-465
<b>Gross cash flow</b>	<b>2,504</b>	<b>10,050</b>
Change in net working capital	-28,788	6,607
<b>I. Net cash flow from operating activities</b>	<b>-26,284</b>	<b>16,657</b>
Investments in intangible assets, property, plant and equipment	-20,009	-87,971
Acquisitions of, and investments in, non-current financial assets	0	-13,586
Investment subsidies received	4,764	4,000
Cash received on disposal of non-current assets	467	130
Cash received on the selling of securities in current assets	0	41,366
<b>II. Cash flow from investing activities</b>	<b>-14,778</b>	<b>-56,061</b>
Receipt of financial liabilities	47,443	10,017
Repayment of financial liabilities	-5,733	-6,845
<b>III. Cash flow from financing activities</b>	<b>41,710</b>	<b>3,172</b>
<b>Change in cash and cash equivalents (Total of I., II. and III.)</b>	<b>648</b>	<b>-36,232</b>
Cash and cash equivalents at the beginning of the period	3,078	50,586
<b>Cash and cash equivalents at the end of the period</b>	<b>3,726</b>	<b>14,354</b>

## Balance sheet

€ thousands	31 August 2009	31 August 2008	Change	28 February 2009
<b>Assets</b>				
Intangible assets	4,822	4,407	415	4,859
Property, plant and equipment	487,194	403,845	83,349	476,608
Receivables and other assets	0	78	-78	0
Deferred tax assets	20,655	9,225	11,430	16,185
<b>Non-current assets</b>	<b>512,671</b>	<b>417,555</b>	<b>95,116</b>	<b>497,652</b>
Inventories	34,259	18,374	15,885	34,940
Trade receivables and other assets	38,247	43,471	-5,224	35,741
Current tax receivables	2,930	724	2,206	1,128
Cash and cash equivalents	3,726	14,354	-10,628	3,078
<b>Current assets</b>	<b>79,162</b>	<b>76,923</b>	<b>2,239</b>	<b>74,887</b>
<b>Total assets</b>	<b>591,833</b>	<b>494,478</b>	<b>97,355</b>	<b>572,539</b>

<b>Liabilities and shareholders' equity</b>				
Subscribed capital	85,000	85,000	0	85,000
Capital reserves	211,333	211,333	0	211,333
Revenue reserves	8,269	11,628	-3,359	12,286
Minority interest in equity	0	1,008	-1,008	0
<b>Shareholders' equity</b>	<b>304,602</b>	<b>308,969</b>	<b>-4,367</b>	<b>308,619</b>
Provisions for pensions and similar obligations	2,563	1,891	672	2,344
Other provisions	1,163	1,153	10	1,370
Non-current financial liabilities	150,120	69,672	80,448	108,539
Other liabilities	325	129	196	167
Deferred tax liabilities	20,278	17,912	2,366	19,652
<b>Non-current liabilities</b>	<b>174,449</b>	<b>90,757</b>	<b>83,692</b>	<b>132,072</b>
Other provisions	1,778	2,153	-375	898
Current financial liabilities	62,535	22,558	39,977	62,406
Trade and other payables	47,868	65,699	-17,831	61,285
Current tax liabilities	601	4,342	-3,741	7,259
<b>Current liabilities</b>	<b>112,782</b>	<b>94,752</b>	<b>18,030</b>	<b>131,848</b>
<b>Total liabilities and shareholders' equity</b>	<b>591,833</b>	<b>494,478</b>	<b>97,355</b>	<b>572,539</b>

## Statement of changes in shareholders' equity

€ thousands	Subscribed capital	Capital reserves	Retained earnings incl. carryforwards	Revaluation reserve	Minority interest in equity	Net profit (loss)	Total consolidated shareholders' equity
<b>1 March 2009</b>	<b>85,000</b>	<b>211,333</b>	<b>5,344</b>	<b>1,088</b>	<b>0</b>	<b>5,854</b>	<b>308,619</b>
Net earnings (loss) for the period						-1,972	-1,972
Unappropriated net profit carried forward			5,854			-5,854	0
Mark-to-market gains and losses on cash flow hedging instruments				-2,047			
Other changes				2			
Income and expenses recognised in shareholders' equity	0	0	0	-2,045	0	0	-2,045
<b>31 August 2009</b>	<b>85,000</b>	<b>211,333</b>	<b>11,198</b>	<b>-957</b>	<b>0</b>	<b>-1,972</b>	<b>304,602</b>
<b>1 March 2008</b>	<b>85,000</b>	<b>211,333</b>	<b>-14,810</b>	<b>2,094</b>	<b>0</b>	<b>20,154</b>	<b>303,771</b>
Net earnings (loss) for the period						5,808	5,808
Unappropriated net profit carried forward			20,154			-20,154	0
Mark-to-market gains and losses on cash flow hedging instruments				-1,618			
Other changes					1,008		
Income and expenses recognised in shareholders' equity	0	0	0	-1,618	1,008	0	-610
<b>31 August 2008</b>	<b>85,000</b>	<b>211,333</b>	<b>5,344</b>	<b>476</b>	<b>1,008</b>	<b>5,808</b>	<b>308,969</b>

# Notes to the interim financial statements

## Basis of preparation of the interim consolidated financial statements

The interim financial statements of the CropEnergies Group as of 31 August 2009 have been prepared according to the rules for interim financial reporting of IAS 34 in compliance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). The interim consolidated financial statements have not been subject to an independent audit or review.

In the preparation of the interim financial statements the new version of IAS 1 (Presentation of Financial Statements) that is applicable as from the 2009/10 financial year has been complied with. The new version of IAS 1 provides, among other things, for a statement of comprehensive income that includes the income and expenses previously recognised in shareholders' equity and not through profit or loss. The revision of the standard affects the presentation of the financial statements but not the assets, liabilities, financial position and results of operations of the Group. Otherwise, the same accounting and valuation methods as used in the preparation of the consolidated annual financial statements as of 28 February 2009 have been applied.

## Consolidated companies

The following German and foreign subsidiaries are included on a fully consolidated basis in the consolidated Group financial statements of CropEnergies AG:

- CropEnergies Beteiligungs GmbH, Mannheim
- CropEnergies Bioethanol GmbH, Zeitz
- BioWanze SA, Brussels (Belgium)
- Compagnie Financière de l'Artois SA, Paris (France)
- Ryssen Alcools SAS, Loon-Plage (France)

CropEnergies Beteiligungs GmbH, Mannheim, and Tyczka Energie GmbH, Geretsried, founded

■ CT Biocarbonic GmbH, Zeitz

effective as of 29 June 2009, with an equity interest of 50% each.

CT Biocarbonic GmbH is a joint venture established for the liquefaction and sale of biogenic CO<sub>2</sub> in food quality and was proportionately consolidated for the first time in the 2<sup>nd</sup> quarter. On the basis of this proportionate consolidation, only 50% of the assets, liabilities and contingent liabilities, and of the income statement are included in the consolidated financial statements of CropEnergies AG.

### Earnings per share

The net loss of € 2.0 million in the 1<sup>st</sup> half of the year is fully attributable to the shareholders of CropEnergies AG. There are no minority interests. Earnings per share (IAS 33) have been calculated on the basis of 85 million shares. This produces earnings per share for the 1<sup>st</sup> half of the 2009/10 financial year of € -0.02 (0.07).

### Inventories

€ thousands	31 August	
	2009	2008
Raw materials and supplies	9,009	6,888
Work in progress	1,708	617
Finished goods	23,542	10,869
	<b>34,259</b>	<b>18,374</b>

The strong increase in inventories to € 34.3 (18.4) million is due to the start of production in Wanze, the expansion of production capacity at the plant in Zeitz, and the integration of Ryssen.

### Trade receivables and other assets

€ thousands	31 August	
	2009	2008
Trade receivables	28,850	34,181
Receivables from affiliated companies	2,607	606
Other assets	6,790	8,684
	<b>38,247</b>	<b>43,471</b>

Trade receivables were reduced despite the strong growth in business volume.

Other assets mainly include investment subsidies for the bioethanol plant in Wanze amounting to € 2.0 (2.9) million, reclaimable input taxes of € 1.6 (3.3) million, advance payments amounting to € 2.2 (1.3) million, and other receivables.

### Shareholders' equity

Shareholders' equity amounts to € 304.6 (31 August 2008: 309.0) million and includes a revaluation reserve in the amount of € -1.0 million. The revaluation reserve comprises the negative market values of grain and currency hedging instruments.

### Trade payables and other liabilities

€ thousands	31 August	
	2009	2008
Trade payables	33,065	44,305
Payables to affiliated companies	5,950	8,729
Other liabilities	8,853	12,665
	<b>47,868</b>	<b>65,699</b>

The decrease in trade payables is mainly due to the discharge of liabilities relating to the capital investments in connection with the construction of the bioethanol plant in Wanze.

Other liabilities mainly consist of liabilities in respect of other taxes, personnel expenditures, the negative market values of grain and currency hedging instruments, and outstanding invoices.

### Financial liabilities and cash and cash equivalents

€ thousands	31 August	
	2009	2008
Liabilities to banks	-70,460	-82,213
Liabilities to affiliated companies	-142,195	-10,017
<b>Financial liabilities</b>	<b>-212,655</b>	<b>-92,230</b>
Cash and cash equivalents	3,726	14,354
<b>Net financial debt</b>	<b>-208,929</b>	<b>-77,876</b>

The financial liabilities to banks were repaid as planned. There was an increase in financial liabilities to affiliated companies of the Südzucker Group, especially for financing the capital investments.

## Revenues, earnings, capital expenditure and employees

€ thousands	1 <sup>st</sup> half year	
	2009/10	2008/09
<b>Revenues</b>	<b>184,251</b>	<b>146,304</b>
<b>EBITDA</b>	<b>7,473</b>	<b>15,812</b>
<i>EBITDA margin</i>	<i>4.1%</i>	<i>10.8%</i>
Depreciation*	-8,308	-4,695
<b>Operating profit (loss)</b>	<b>-835</b>	<b>11,117</b>
<i>Operating margin</i>	<i>-0.5%</i>	<i>7.6%</i>
Restructuring costs and special items	-26	-4,277
<b>Income (loss) from operations</b>	<b>-861</b>	<b>6,840</b>
<b>Capital expenditure</b>	<b>20,009</b>	<b>87,971</b>
<b>Employees</b>	<b>312</b>	<b>212</b>

\* without restructuring costs and special items

EBITDA declined to € 7.5 (15.8) million due to the start-up costs for the bioethanol plant in Wanze. After depreciation, which almost doubled to € 8.3 (4.7) million, the operating result came to € -0.8 (11.1) million.

Capital expenditure on property, plant and equipment in the reporting period amounted to € 20.0 (88.0) million. Of this, € 16.3 million was invested at BioWanze SA, € 3.5 million at CropEnergies Bioethanol GmbH, € 0.1 million at CropEnergies AG, and € 0.1 million at Ryssen Alcools SAS.

The average number of employees in the 1<sup>st</sup> half of the 2009/10 financial year rose by 100 versus the same period of the previous year to 312 employees especially as a result of new hirings for the production plant in Wanze. Of the total, 29 were employed at CropEnergies AG, 103 at CropEnergies Bioethanol GmbH, 49 at Ryssen Alcools SAS, and 131 at BioWanze SA.

### Relations with related companies and persons (related parties)

Südzucker AG Mannheim/Ochsenfurt, as majority shareholder, and its subsidiaries are "related parties" for the purposes of IAS 24 (Related-party Disclosures).

In the 1<sup>st</sup> half of the 2009/10 financial year the transactions with the Südzucker Group included services worth € 1.8 million and R&D expenditures of € 1.2 million. In addition, goods worth € 27.8 million (especially sugar syrups, sundry supplies, finished goods and energy) were sourced from the Südzucker Group, set against which there were goods (especially energy and finished goods) worth € 2.2 million supplied by the CropEnergies Group to the Südzucker Group and service revenues of € 1.8 million. There was a negative net interest balance of € 2.4 million from inter-company loans.

From the aforesaid related party transactions there were receivables of € 2.6 (0.6) million due from the Südzucker Group and liabilities of € 6.0 (8.7) million due to the Südzucker Group as of 31 August 2009. The financial liabilities due to the Südzucker Group amounted to € 142.2 (10.0) million.

The related party transactions with Südzucker AG Mannheim/Ochsenfurt and its subsidiaries were settled at usual market prices. Services provided and received were equivalent, so no party was placed at a disadvantage.

### **Supervisory board personnel changes**

The annual general meeting of CropEnergies AG on 16 July 2009 elected Dr. Theo Spettmann to the supervisory board for a term ending at the close of the annual general meeting in 2012. At the supervisory board meeting held after the annual general meeting he was elected as chairman. Dr. Spettmann is succeeding Dr. h. c. Eggert Voscherau, who has been chairman of the supervisory board of CropEnergies AG since November 2006 and retired from the supervisory board at the end of the annual general meeting 2009.

CropEnergies thanks Dr. Voscherau for the valuable services he has rendered and his exceptional support at a time when CropEnergies has evolved from a purely German bioethanol producer into a pan-European group of companies.

## **Responsibility statement by the Executive Board**

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

Mannheim, 14 October 2009

CropEnergies AG

The Executive Board

Dr. Lutz Guderjahn

Joachim Lutz

## Financial calendar

- Report for the 3<sup>rd</sup> quarter of 2009/10 13 January 2010
- Annual report press and analysts' conference  
for the 2009/10 financial year 19 May 2010
- Report for the 1<sup>st</sup> quarter of 2010/11 13 July 2010
- Annual General Meeting 2010 15 July 2010
- Report for the 2<sup>nd</sup> quarter of 2010/11 13 October 2010

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#### Disclaimer

The interim report contains forward-looking statements which are based on current plans, estimates, forecasts and expectations. The assumptions are subject to risks and uncertainties which, if they materialise, could lead to divergences from the statements in this report. CropEnergies AG does not intend to adapt this report to subsequent events.