

SUPERVISORY BOARD REPORT

Dear Shareholders,

CropEnergies demonstrated strength and continued to develop successfully in a difficult market environment in the 2011/12 financial year. The difficult start for E10 in Germany and the sharp increase in subsidised imports from the USA put pressure on bioethanol prices in Europe and, together with high raw material costs, made it necessary to operate with prudence and foresight. The record levels achieved in revenues and operating profit show that the foundations laid over the past years have made CropEnergies robust. Furthermore, CropEnergies took its internationalisation further forward and placed the group on a broader footing in the 2011/12 financial year.

With growth of 21% to € 572 million in revenues and a further strong improvement of 15% to € 53 million in operating profit, CropEnergies again set standards in the renewable energies sector. This gratifying performance enables CropEnergies to propose to the shareholders an increased dividend of € 0.18 (0.15) per share while at the same time further reducing its net financial debt. Especially in times of high uncertainty on the international capital markets, low levels of debt and high sustainable cash flows provide the basis for future growth.

The supervisory board again concerned itself closely with the business development, the financial position and the prospects of the CropEnergies Group in the reporting period. The supervisory board continued the trustful and goal-oriented cooperation with the executive board in the 2011/12 financial year, thereby performing the duties assigned to it by law, the articles of association, and the rules of procedure in supervising and advising the executive board in the management of the company's affairs.

Cooperation between the supervisory board and the executive board | The supervisory board was directly involved in all decisions of fundamental importance relating to the CropEnergies Group, and was kept continuously informed in a timely and comprehensive manner about the corporate planning and the course of business, the position and the development of the CropEnergies Group, including the risk situation, and about risk management. The executive board determined the strategic orientation of CropEnergies in consultation with the supervisory board. The business transactions that are important for the company were discussed in detail on the basis of the reports of the executive board.

The supervisory board had regular contact with the executive board between the supervisory board meetings and kept itself regularly informed about all events of major importance and the current development of the company's position. The executive board also reported on corporate policy, profitability, risk management, and the corporate, financial, investment, research and personnel planning related to CropEnergies AG and the CropEnergies Group.

Supervisory board meetings and resolutions | Four regular meetings of the supervisory board took place in the 2011/12 financial year. The focus of the deliberations at the supervisory board meetings were the developments on the raw materials and sales markets, the hedging of market price risks, the political framework conditions for biofuels, the progress of production and investments, and the current earnings situation. Following thorough review and discussion, the supervisory board agreed to all the resolution proposals of the executive board.

At its annual accounts meeting on 11 May 2011 the supervisory board devoted its attention to the annual financial statements and management reports of CropEnergies AG and the consolidated group for 2010/11, issued with an unqualified opinion by the independent auditor. The independent auditor reported on the focus and result of the audit, which also included the internal control system. After detailed discussion, the supervisory board adopted the annual financial statements and approved the consolidated financial statements. At this meeting it also discussed the proposals to the 2011 annual general meeting, and approved the short and medium-term investment planning and a proposed equity investment.

The focus of the supervisory board meeting on 19 July 2011 was the medium-term planning. At the meeting on 14 November 2011, the supervisory board discussed the earnings forecast for the current financial year. As in previous years, the focus of the meeting was on corporate governance matters. After conducting the review of the efficiency of its activities, the supervisory board approved the declaration of conformity for 2011 and a further equity investment. At the meeting on 13 January 2012, the earnings projection for the current 2011/12 financial year was presented, and the bringing forward of investments on property, plant and equipment from the 2013/14 budget year was approved.

The supervisory board also discussed Dr. Lutz Guderjahn's appointment as a member of the executive board of Südzucker AG Mannheim/Ochsenfurth with effect as of the close of its 2012 annual general meeting.

All the meetings were attended by all members of the supervisory board and the executive board in person, with the exception of Dr. Spettmann who, for reasons of ill health, attended less than half of the meetings. To the extent that the supervisory board chairman was unable to perform his duties, these duties were performed by the deputy chairman.

Supervisory board committees | The audit committee, to which the supervisory board members Thomas Kölbl (Chairman), Prof. Dr. Markwart Kunz and Dr. Theo Spettmann belong, convened five times in the 2011/12 financial year. In accordance with the recommendations of the German Corporate Governance Code (Code), the chairman of the audit committee is not at the same time chairman of the supervisory board.

At its meeting on 6 May 2011, the audit committee closely studied the annual financial statements of CropEnergies AG and the consolidated financial statements in the presence of the independent auditor. It prepared the annual accounts meeting of the supervisory board during which the supervisory board, after being briefed by the chairman of the audit committee, accepted the recommendations of the audit committee. Furthermore, the audit committee submitted a recommendation to the supervisory board for its proposal to the annual general meeting concerning the election of the independent auditor. The latter's independence had been examined beforehand. At the meeting on 19 July 2011, the mandate was issued to the independent auditor and the focus of the 2011/12 annual audit was defined. On 4 October 2011, the audit committee discussed the six-month report and, at the supervisory board's instruction, also the monitoring of the financial reporting process, the effectiveness of the internal control system, the risk management system, and the internal auditing system. The meetings on 5 July 2011 and 9 January 2012 were devoted to a discussion of the quarterly reports.

The nomination committee, which consists of the supervisory board members Thomas Kölbl (Chairman), Prof. Dr. Markwart Kunz and Dr. Theo Spettmann, had no occasion to convene in the 2011/12 financial year.

All the committee meetings were attended by all the members in person, with the exception of Dr. Spettmann who, due to illness, attended less than half of the meetings.

The chairman of the respective committees reported on the content and results of the committee meetings at the next supervisory board meeting.

Review of the supervisory board's efficiency | The supervisory board again reviewed the efficiency of its activities in accordance with the recommendation pursuant to paragraph 5.6 of the German Corporate Governance Code. This is performed each year on the basis of a questionnaire without external support. The questionnaire is adapted in each case to the changes in the Code. The evaluation of the questionnaires, the discussion of the results, and the deliberations on proposed improvements took place at the meeting on 14 November 2011. The objective is the continuous improvement of the activities of the supervisory board and its committees.

Corporate Governance | Comprehensive information on corporate governance at CropEnergies, including the wording of the supervisory board's diversity objectives for its future composition, and the declaration of conformity for 2011 issued jointly by the executive board and supervisory board can be found in the declaration on corporate management / corporate governance report on pages 41 of this annual report. Additionally, all the relevant information is available on the CropEnergies website at www.cropenergies.com in the investor relations pages.

The executive board fulfilled the duties to inform the supervisory board assigned to it by law and the rules of procedure in an exhaustive and timely manner. The supervisory board also convinced itself of the due and proper conduct of the company's affairs and the effectiveness of the company's organisation, and discussed these matters at length in talks with the independent auditor. The same applies with regard to the effectiveness of the CropEnergies Group's risk management system.

The supervisory board was not notified in the reporting period by any of its members of a conflict of interest – especially no conflict of interest that could arise as a result of an advisory function or position on a board or committee at customers, suppliers, creditors, or other business partners.

Annual financial statements | PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt/Main, which was elected by the annual general meeting at the proposal of the supervisory board, has audited the annual financial statements and management report of CropEnergies AG for the 2011/12 financial year, the proposal of the executive board on the appropriation of profit, and the consolidated financial statements and the group management report for 2011/12, and has issued an unqualified audit opinion in each case. Further, the auditor has confirmed that the executive board has suitably complied with the measures that were incumbent upon it pursuant to § 91 (2) AktG. In particular, it has created an appropriate information and monitoring system in line with company requirements that appears suited to its purpose of identifying developments in good time that could be a threat to the company's existence.

The documents to be examined and the auditor's reports were distributed in good time to each supervisory board member. The independent auditor was present at the audit committee's meeting on 3 May 2012 and at the supervisory board's annual accounts meeting on 7 May 2012, and reported in detail on the procedures and findings of its audit. After detailed discussions the supervisory board noted and agreed with the auditor's reports. The findings of the audit committee's prior review and the findings of the supervisory board's own review are fully consistent with the findings of the independent audit. The supervisory board raised no objections to the financial statements presented. It approved the annual financial statements of CropEnergies AG prepared by the executive board as well as the consolidated financial statements of the CropEnergies Group at its meeting on 7 May 2012.

With this approval, the annual financial statements of CropEnergies AG have been adopted. The supervisory board has agreed with the executive board's proposal on the appropriation of CropEnergies AG's retained net profit, with the distribution of a dividend of € 0.18 per share.

Related Parties | In light of the notice given by Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) that, including the 71% shareholding held by Südzucker AG, it directly and indirectly holds a total of 78% of the voting rights the executive board has drawn up a report pursuant to § 312 AktG. The independent auditor has reviewed this report, has provided a written report on the results of its review, and confirmed that the actual facts set out in the

report are correct, payments by the company in connection with legal transactions referred to in the report were not unreasonably high, and no circumstances indicate any materially different assessment than that given by the executive board.

The supervisory board noted and agreed with the result of the independent auditor's examination. Following the conclusive results of its own examination – the auditor was present at the deliberations – the supervisory board raised no objections to the executive board's statement at the end of the report.

Mannheim, 7 May 2012

On behalf of the Supervisory Board

A handwritten signature in blue ink, appearing to read 'Kunz', is written over a light blue circular stamp.

Prof. Dr. Markwart Kunz
Deputy Chairman