ANNUAL REPORT 2008/09

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creative regeneration of power

Member of the Group SÜDZUCKER

CROPENERGIES AG MANNHEIM

Group Annual Report for 2008/09
1 March 2008 to 28 February 2009

CropEnergies is excellently positioned in the growing market for sustainably produced bioethanol in Europe. The ambitious investment program to triple production capacity to over 700,000 m^3 of bioethanol per year has been successfully implemented. With three efficient bioethanol plants in Germany, Belgium and France, CropEnergies has evolved from a German bioethanol producer into an international group of companies that is well placed to meet the requirements of today's and tomorrow's markets.

CROPENERGIES – GROUP FIGURES OVERVIEW

IFRS/IAS		2008/09	2007/08	2006/07	2005/06
Result					
Revenues	€ thousands	328,434	186,771	146,804	60,540
EBITDA	€ thousands	28,602	30,953	29,014	-7,371
in % of revenues	%	8.7	16.6	19.8	-12.2
Operating profit	€ thousands	18,193	22,025	21,036	-13,357
in % of revenues	%	5.5	11.8	14.3	-22.1
Income/loss from operations	€ thousands	7,134	16,987	18,607	-18,089
Net earnings (+)/loss for the year (-)	€ thousands	5,854	20,154	11,158	-31,722
in % of revenues	%	1.8	10.8	7.6	-52.4
Earnings per share	€	0.07	0.24	0.16	-0.53
Cash flow and capital expenditures					
Cash flow	€ thousands	10,096	26,031	27,110	-16,093
in % of revenues	%	3.1	13.9	18.5	-26.6
Capital expenditures in tangible assets*	€ thousands	170,110	146,644	42,434	8,710
Balance sheet					
Total assets	€ thousands	572,539	444,320	406,422	150,466
Net financial assets (+) / Net financial debt (-)	€ thousands	-167,867	13,480	114,277	-130,449
Equity	€ thousands	308,619	303,771	282,203	1,032
in % of total liabilities and shareholders' equity	%	53.9	68.4	69.4	0.7
Dividends					
Dividend per € 1 share	€	0.00	0.00	0.00	n.a.
Production					
Bioethanol	1,000 m³	436	247	229	104
Employees					
Employees (average during the year)		272	130	76	55

**including intangible assets*

CONTENTS

The numbers in brackets in this annual report relate to the previous year.

CropEnergies AG Mannheim (Germany)

- Leading producer and distributor of bioethanol in Europe with sites in Germany, Belgium and France
- Germany's largest bioethanol producer
- Annual capacity of over 700,000 m³ of bioethanol
- Technological leader in Europe with innovative plant concepts
- Know-how in the industrial processing of agricultural raw materials into high-quality products and their marketing accumulated over many years
- **Attractive product portfolio:**
  - Bioethanol for fuel applications
  - Bioethanol for traditional and technical applications
  - High-grade food and animal feed co-products from bioethanol production
- **Established brands:** CropEnergies (Bioethanol), ProtiGrain® (DDGS protein animal feed), ProtiWanze® (CDS protein animal feed), CropPower85 (E85)
- Majority shareholder: Südzucker AG Mannheim/Ochsenfurt (71%)

Europe's largest:

Zeitz, Germany

Subsidiary
CropEnergies Bioethanol GmbH

Annual capacity
360,000 m³ of bioethanol for fuel applications
260,000 t ProtiGrain® (DDGS)

Raw materials
Grain and sugar syrups

Characteristic
Unique flexibility in raw material processing

Europe's next generation:

Wanze, Belgium

Subsidiary
BioWanze SA

Annual capacity
Up to 300,000 m³ of bioethanol for fuel applications
Approx. 55,000 t of gluten
Over 200,000 t of ProtiWanze® (CDS)

Raw materials
Wheat and sugar syrups

Characteristic
Innovative CO_2-optimized production process with reductions of 70% in greenhouse gas emissions by using biomass as energy source

Customer focus:

Loon–Plage, France

Subsidiary
Ryssen Alcools SAS

Annual capacity
100,000 m³ of bioethanol for fuel applications
80,000 m³ for traditional and technical applications

Raw material
Raw alcohol

Characteristic
Focussing on flexibility in meeting customer requirements in terms of product specifications and supply volumes

SUPERVISORY BOARD AND EXECUTIVE BOARD

Supervisory Board

Dr. h. c. Eggert Voscherau
Chairman

Ludwigshafen
Former deputy chairman of the executive board of BASF SE

Prof. Dr. Markwart Kunz
Deputy chairman

Worms
Member of the executive board of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt

Dr. Hans-Jörg Gebhard

Eppingen
Chairman of the Association of Süddeutsche Zuckerrübenanbauer e. V.

Thomas Kölbl

Mannheim
Member of the executive board of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt

Franz-Josef Möllenberg

Rellingen
Chairman of the Gewerkschaft Nahrung-Genuss-Gaststätten (Union)

Norbert Schindler

Bobenheim am Berg
Member of Bundestag (lower house of German Parliament)

Executive Board

Dr. Lutz Guderjahn
Chief Operating Officer (COO)

Offstein
Production, purchasing, sales, marketing, public affairs, business development and personnel

Joachim Lutz
Chief Financial Officer (CFO)

Mannheim
Finance, accounting, investor relations, controlling, risk management and administration

From left: Dr. Lutz Guderjahn, Joachim Lutz

A list of mandates can be found on page 86 onwards of the annual report.


bio. wanze
Capacity expansion at Europe's largest bioethanol plant in Zeitz.
Completion of Europe's most innovative bioethanol plant in Wanze.
Integration of Europe's most flexible bioethanol plant of Ryssen.
Three efficient bioethanol facilities as the basis for further growth.
Tab

CropEnergies AG – Well positioned for tomorrow's challenges – As promised!

The expansion program launched in 2006 to triple production capacity to over 700,000 m³ of bioethanol per year was completed as planned.

FOREWORD BY THE EXECUTIVE BOARD

Dear Shareholders,

CropEnergies AG continued on its path to success in the past 2008/09 financial year. The implementation, according to plan, of the investment drive announced at the time of the initial public offering in 2006 lays the foundations for sustained growth. With the tripling of production capacities to over 700,000 m³ of bioethanol per year, the CropEnergies Group is the leading bioethanol company in Europe, not only in terms of the market position it has attained but also, and especially, on account of the forward-pointing, efficient standards set by the production facilities in Zeitz, Wanze and Loon-Plage.

The CropEnergies Group's capacity expansion comes at a time when the framework conditions for bioethanol as fuel have improved significantly within the EU. With the passing of the "Renewable Energies Directive", the EU has laid the foundations for a dynamic development of the market for sustainably produced bioethanol. The blending rate of 10% set as a mandatory target for the year 2020 represents a market potential of about 20 million m³ of bioethanol per year. That is eight times as much bioethanol than was consumed in the entire EU fuel market in 2007. Against this backdrop, the amendment of the Biofuel Quota Act passed by the lower house of the German Parliament in April 2009 has to be seen as a setback. The reduction of the overall quota and the fixing of the minimum quota for petrol at 2.8% as from 2009 will slow the growth of the German bioethanol market.

With the introduction of so-called sustainability criteria, the EU is also ensuring that biofuels, and the biomass required for their production, are produced sustainably and meet defined social and environmental standards. Foremost is the requirement that in future biofuels must reduce greenhouse gas emissions by 35%, and from 2017 by as much as 50%, compared to fossil fuels. Studies by reputable research institutes such as the Institut für Energie- und Umweltforschung (IFEU) in Heidelberg – which advised the German government in the drafting of the sustainability regulation for biofuels – have demonstrated that bioethanol produced from grain and sugar beet in European plants can reduce greenhouse gas emissions by at least three times as much as bioethanol produced from sugar cane or second-generation biofuels. CropEnergies believes that the introduction of sustainability criteria will further strengthen the competitiveness of European biofuel producers.

Besides the new insights into the greenhouse gas reductions achievable with bioethanol, the easing of the situation on the grain markets and concerns arising in the wake of the conflicts over gas supplies between Russia and the Ukraine have accelerated the reappraisal of the value of bioethanol as a "home-grown", regenerative energy source. Agriculture has convincingly demonstrated its efficiency and responsiveness worldwide, and has eliminated temporary imbalances on the grain markets through growth in production. At the same time, financial investors have liquidated trading positions in the commodity markets in order to cover liquidity needs in the wake of the economic and financial crisis. The ensuing sharp fall in grain prices indicates what influence speculative capital had previously had on the agricultural markets. That renewable energies not only help to protect the climate but also make an important contribution towards the security of energy supplies was demonstrated during the gas dispute in winter 2008. Also lower fossil energy prices do not place in question the need for a proportion of renewable energies in the energy mix.

These developments show that CropEnergies is operating in a growth market with the right business model. With the rigorous implementation of the expansion programme, also in difficult framework conditions, CropEnergies has entered a new dimension and evolved from a national bioethanol producer into a pan-European group of companies with an attractive product portfolio. The efficient, forward-pointing CropEnergies plants set new standards in terms of cost efficiency, sustainability, feedstock flexibility, and customer orientation. Through the timely expansion of its capacities CropEnergies has secured a competitive advantage, and thus established a good starting position in the growing European bioethanol market.

The first successes of this tour de force are already visible in the respectable performance achieved in the 2008/09 financial year. Following the successful start-up of the plant in Wanze and the second production line in Zeitz, and the integration of Ryssen, CropEnergies increased its production of bioethanol by 77% to approximately 436,000 (247,000) m³. This makes CropEnergies one of the largest bioethanol producers in Europe. In Germany, CropEnergies accounts for over 50% of domestic bioethanol production. With the increased production and the expanded trading activities, sales of bioethanol rose by 73% to around 482,000 (279,000) m³.

Group revenues in the 2008/09 financial year were even up 76% on the previous year's level at € 328.4 (186.8) million. CropEnergies managed to operate profitably also in an environment marked by difficult market conditions, with substantial increases in raw material costs, and despite the effects of the global financial crisis. At € 18.2 million, the group's operating profit was only 17% below the previous year's good level of € 22.0 million. The Group achieved net earnings of € 5.9 (20.2) million for the year despite high start-up costs for the new plant in Belgium, higher financing costs for the capacity expansion, and the non-recurrence of the one-off tax income booked the year before. The parent company CropEnergies AG improved its net earnings for the year significantly to € 6.0 (1.3) million, enabling the remaining loss carry-forwards from the start-up years to be offset. CropEnergies AG shows an unappropriated net profit of € 0.3 million as of 28 February 2009. As the development of CropEnergies demonstrates, a superior business concept and solid financing are the basis for a company's success.

The focus in the 2009/10 financial year will be on the utilisation and optimisation of our production facilities. CropEnergies has considerably increased the efficiency of the plant in Zeitz in the past by improving yields and reducing the consumption of energy and auxiliary materials. Our aim is to achieve improvements of this kind also at the newly installed plant in Wanze and on the new production line in Zeitz. Only an efficient operation of the plants assures the necessary basis for continued organic growth. Investments are to be made at the locations to extend the value chain. We will also be intensifying our research and development activities in the area of second-generation biofuels and the use of bioethanol in fuel cells with a view to tapping new growth potential in the long term. In addition, opportunities may also emerge for further growth through acquisitions.

For the current 2009/10 financial year we expect production and sales volumes to be significantly above last year's levels due to the enlarged capacities now in place and the increasing blending targets in Europe. This growth will have a positive impact on turnover and lead to revenues of over € 400 million. Despite volatile raw material prices and lower bioethanol prices we expect to be able to improve on last year's operating profit. In a difficult industry environment, our goal is to continue growing profitably and further expand on our foremost position among the top listed biofuel producers.

Our employees contributed with their energy and commitment to the company's success in the past financial year and, together with our colleagues in the Südzucker Group, have taken CropEnergies further forward on its path to success. We are grateful to all those involved.

We would like to thank you, dear shareholders, for the confidence you have shown us. We shall do everything in the future, too, to merit this.

Yours sincerely,

Dr. Lutz Guderjahn
Chief Operating Officer (COO)

Joachim Lutz
Chief Financial Officer (CFO)

SUPERVISORY BOARD REPORT

Dear Shareholders,

In the 2008/09 financial year CropEnergies further expanded its position in the European market for sustainably produced bioethanol with significant growth in revenues to € 328.4 million. At the same time, it managed to contain the cost increases caused by rising raw material prices and achieved an, on comparison with the industry as a whole, good operating profit of € 18.2 million. This is the result of superior flexibility, cost structure and market position.

In the past 2008/09 financial year the supervisory board concerned itself closely with the business development, the financial position and the prospects of the CropEnergies Group, and performed in full the duties assigned to it by law, the articles of association, and the rules of procedure. The supervisory board advised and supervised the executive board closely in the management of the company's affairs.

Cooperation between the supervisory board and the executive board I The supervisory board was directly involved in all decisions of fundamental importance relating to the CropEnergies Group, and was kept regularly informed in a timely and comprehensive manner about all relevant matters of corporate planning and strategic development, about the course of business, the position and development of the CropEnergies Group, including the risk situation, and about risk management.

The executive board reported to the supervisory board about all events of major importance between the supervisory board meetings. The content of these reports was mainly the company's position and development, corporate policy, profitability, and the corporate, financial, investment, research and personnel planning related to CropEnergies AG and to the CropEnergies Group. In addition, the chairman of the supervisory board or his deputy was regularly informed about all important business events.

Supervisory board meetings in the 2008/09 financial year and resolutions I The focus of the deliberations at each of the four supervisory board meetings were the developments on the raw materials and sales markets, the political framework conditions for biofuels, the progress of production and investments, and the current earnings situation.

At its meeting on 14 May 2008 the supervisory board also devoted its attention to the company's and the group's annual financial statements for 2007/08, issued with an unqualified opinion by the independent auditor, and the company's and the group's management report for 2007/08. It also discussed the agenda of the annual general meeting and passed the short and mid-term investment planning. Finally, the establishment of CropEnergies Beteiligungs GmbH – now integrated with CropEnergies AG through a control and profit and loss transfer agreement – and the participation in an investment project were approved at that meeting.

At its meeting on 25 July 2008 the supervisory board discussed the situation on the raw material markets and the political framework conditions for the promotion of renewable energies in Germany and in Europe. Another topic was the company's corporate governance.

At its meeting on 14 November 2008 the supervisory board discussed the earnings projection for the full financial year, the latest scientific insights into the hitherto clearly underestimated greenhouse gas reduction potential of European bioethanol, and the effects of the financial crisis on the prices of agricultural raw materials. The supervisory board also discussed corporate governance issues at that meeting.

Topics discussed at the meeting on 19 January 2009 were the earnings projection, the development of bioethanol prices in Europe, the implementation of the capacity enlargements in Zeitz and Wanze, and the optimisation of the supply of raw materials.

All the meetings were attended by all the members of the supervisory board and all the members of the executive board, with one exception when a supervisory board member was unable to attend due to a flight cancellation.

Corporate Governance I At its meeting on 25 July 2008 the supervisory board resolved to discuss also the six-month and quarterly reports in advance in the audit committee in accordance with the new recommendation of the German Corporate Governance Code. This resolution was implemented with immediate effect.

At its meeting on 14 November 2008 the supervisory board dealt in detail with the compliance with the recommendations and suggestions of the German Corporate Governance Code (including the changes introduced on 6 June 2008) and passed a resolution adopting the supervisory board's and executive board's joint declaration of conformity pursuant to § 161 AktG (German Stock Corporation Act).

Comprehensive information on corporate governance at CropEnergies, including the wording of the declaration of conformity for 2008 issued jointly by the executive board and supervisory board, can be found in the corporate governance report on page 15 of this annual report. Additionally, all the relevant information is available on the Internet at www.cropenergies.com.

At its meeting on 14 November 2008 the supervisory board examined the efficiency of its activities on the basis of a questionnaire distributed to the members of the supervisory board in good time before the meeting. Among the issues examined were the procedures within the supervisory board, the flow of information between the audit committee and the full supervisory board, and the timely and, in terms of content, adequate briefing of the supervisory board by the executive board. Measures to increase efficiency were also analysed.

No conflicts of interest arose in the reporting period.

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. Further, the supervisory board convinced itself of the effectiveness of the CropEnergies Group's risk management system, and was kept regularly informed about this by the executive board.

Committees of the supervising board I The audit committee, comprising supervisory board members Thomas Kölbl (chairman), Prof. Dr. Markwart Kunz and Dr. h.c. Eggert Voscherau, convened four times in the 2008/09 financial year. At its meeting on 7 May 2008, at which the independent auditor was also present, it dealt at length with the annual financial statements of CropEnergies AG and the Group. It undertook the preparations for the annual accounts meeting of the full supervisory board which, following the report by the audit committee chairman, adopted the audit committee's recommendations. At its meeting on 25 July 2008 the audit committee issued the mandate to the independent auditor and defined the focuses of the audit for 2008/09. The meetings on 10 October 2008 and 7 January 2009 were held to discuss the six-month and quarterly reports.

All the committee meetings were attended by all the members, with one exception when a member was unable to attend for an important reason. In line with the recommendations of the German Corporate Governance Code the chairman of the audit committee is not at the same time the chairman of the supervisory board.

The nomination committee, comprising supervisory board members Thomas Kölbl (chairman), Prof. Dr. Markwart Kunz and Dr. h.c. Eggert Voscherau, had no reason to convene.

Annual financial statements of the company and the Group I PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, which was elected by the annual general meeting to audit the annual financial statements for the 2008/09 financial year, audited the annual financial statements and management report of CropEnergies AG, the proposal on the appropriation of the unappropriated net profit, and the consolidated financial statements and the management report of the CropEnergies Group, 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 8 May 2009 and at the supervisory board's annual accounts meeting on 19 May 2009, and reported in detail on the procedures and findings of its audit. After detailed discussions the supervisory board has noted and agrees 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 19 May 2009. With this, the annual financial statements of CropEnergies AG are adopted. The supervisory board agrees with the executive board's proposal that the unappropriated net profit of € 336,172.38 of CropEnergies AG be carried forward.

Related Parties I 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 which ends with its statement that the company received a reasonable consideration in all transactions in light of the circumstances known to it at the time the transaction was undertaken. The auditor has reviewed this report, has provided a written report of the results of its review, and has issued the following auditor's opinion: "Following our mandatory audit and assessment we confirm that the facts set out in the report are correct, the performance rendered by the company in the transactions listed in the report was not unreasonably high." The supervisory board has noted and agrees with the result of the 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.

Personalia I There were no changes in the composition of the supervisory board and the executive board in the 2008/09 financial year.

The supervisory board thanks all the employees and the executive board for the commitment and successful work in the past 2008/09 financial year.

Mannheim, 19 May 2009
On behalf of the supervisory board
Dr. h.c. Eggert Voscherau
Chairman

CORPORATE GOVERNANCE REPORT

Good corporate governance guarantees responsible and transparent corporate management that is geared towards long-term success. Its purpose is to promote the trust of shareholders and investors, the financial markets, business partners, employees and the general public, and thus create value on a sustainable, long-term basis.

The executive and supervisory boards of CropEnergies are committed to the principles of good corporate governance. With its listing in the Prime Standard CropEnergies fulfils the most stringent transparency requirements on German stock exchanges. Compliance with the German Corporate Governance Code (the Code) underlines the commitment to transparent corporate management.

The executive board reports below pursuant to paragraph 3.10 of the Code on corporate governance at CropEnergies, also in the name of the supervisory board. This and other information is published and regularly updated on the Investor Relations/Corporate Governance pages of the CropEnergies website.

Shareholders and the general meeting

The shareholders are the owners of the company. They exercise their rights at the general meeting and vote there. Among other things, they resolve on amendments to the articles of association, on the appropriation of unappropriated net profit, on capital measures, on the ratification of the acts of the executive board and the supervisory board, on the election of the members of the supervisory board, and on the appointment of the independent auditor. The annual general meeting is held within the first eight months of the financial year.

CropEnergies publishes all the documents required for attendance at, and participation in the general meeting beforehand on the Internet. A representative is named whom the shareholders can authorise to exercise their voting rights at the general meeting and who may only exercise those voting rights in accordance with their express instructions. Each CropEnergies share confers the same rights.

Supervisory board and executive board

The task of the supervisory board is regularly to advise and supervise the executive board in the management of the company. It appoints and dismisses the members of the executive board. Its approval is required for decisions of fundamental importance taken by the executive board. The supervisory board adopts the annual financial statements of CropEnergies AG and approves the consolidated financial statements of the group. The supervisory board of CropEnergies consists of six persons. It has formed an audit committee and a nomination committee in accordance with the Code.

The executive board is responsible for independently managing the company and develops the company's strategy. It keeps the supervisory board regularly informed in a timely and comprehensive manner about all relevant matters concerning business development, corporate planning, financing, risk situation, risk management, and compliance. The executive board of CropEnergies consists of two members.

The executive board and the supervisory board cooperate closely to the benefit of the company. More detailed information on the cooperation between the executive board and the supervisory board of CropEnergies, and on the composition and work of the committees can be found in the supervisory board report.

Financial reporting and independent audits

The CropEnergies consolidated financial statements are prepared according to IFRS standards, while the separate annual financial statements of the parent company are prepared according to the accounting standards of the German Commercial Code (HGB). The two sets of financial statements are prepared by the executive board, audited by the independent auditor, and approved by the supervisory board.

Transparency

CropEnergies reports on its business development and results in the form of annual and quarterly reports, press releases and, where necessary, ad hoc announcements. All groups of interested parties are treated equally according to the principle of "fair disclosure". In addition, there are the annual report press conference when the results for the financial year are announced, at least one

analysts' conference, and presentations at various specialist and capital market conferences in Germany and abroad. All announcements and the latest capital market presentation are published on the Investor Relations pages of the CropEnergies website.

Declaration of conformity with the German Corporate Governance Code

"The executive board and the supervisory board of CropEnergies AG, Mannheim, passed a resolution on 14 November 2008 to issue the following declaration of conformity with the German Corporate Governance Code pursuant to § 16 AktG:

The annual general meeting of CropEnergies AG passed a resolution on 17 July 2007 to waive individual disclosure of executive board compensation for a period of five years.

CropEnergies AG complies with the recommendations of the "Government Commission of the German Corporate Governance Code" in the version of the Code as of 6 June 2008 (in the future, too) with the following exceptions:

[Paragraph 4.2.1 The management board should be comprised of several persons and have a chairman or spokesman ...]

The election of a chairman or spokesman is not necessary. The executive board of CropEnergies AG comprises two members. They manage the company on an equal footing – with clearly defined areas of responsibility.

[Paragraph 4.2.3 In concluding management board contracts, care shall be taken to ensure that payments made to a management board member on premature termination of his contract without serious cause do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the contract ...]

The executive board contracts of CropEnergies AG do not provide for a severance payment cap. We see no need for this in the future either, especially as there are legal reservations about such contractual clauses.

[Paragraph 5.4.6 Compensation of the members of the supervisory board should be reported individually in the corporate governance report, subdivided according to components ...]

We report supervisory board compensation according to fixed and performance-related components. There is no stock option plan at CropEnergies AG. The company does not comply with the Code's recommendation that supervisory board compensation should be reported individually. In our opinion, the associated encroachment on privacy is disproportionate to the benefits of such practice. The corporate governance report does not therefore contain any individualised information on supervisory board compensation."

Compliance

For CropEnergies, compliance, in other words conduct in conformity with law, is a self-evident standard of good corporate management. Its object is to ensure the lawful conduct of the company's executive bodies and its employees, to be prescribed by the company, in respect of the duties, obligations and prohibitions imposed by law. The aim of the company's compliance procedures is to protect employees from infringing or violating the law, and to support them in applying legal requirements and company guidelines correctly and appropriately.

In implementing compliance, CropEnergies uses the compliance standards and programmes of Südzucker AG. The objective is to see that the aforesaid standards are enforced throughout the CropEnergies Group by utilising the existing reporting procedures and information flows. Focuses are capital market compliance (especially insider rules and ad-hoc disclosures), risk management, the prevention of corruption, and competition law.

Dealings in company shares by members of the executive board and supervisory board (Directors' Dealings)

Pursuant to § 15a WpHG (German Securities Trading Act) the purchase and sale of company shares by the company's directors and supervisors, and parties closely

associated with them, must be reported if the total sum of the transactions exceeds € 5 thousand in a calendar year. In the past financial year, the executive board member Joachim Lutz (CFO) purchased a total of 7,600 shares in three transactions at an average price of € 2.86 per share, and executive board member Dr. Lutz Guderjahn (COO) purchased 3,000 shares at a price of € 2.67 per share. CropEnergies publishes these share dealings on the Investor Relations/Corporate Governance pages of the company's website, in the German Register of Companies (www.unternehmensregister.de), and Europe-wide through various financial media (e. g. Reuters, Bloomberg).

Ownership of company shares by members of the executive board and supervisory board (Directors' Holdings)

As of 28 February 2009 the members of the executive board held a total of 20,600 CropEnergies AG shares. This is equivalent to 0.02% of all CropEnergies shares. As of the same date the members of the supervisory board held a total of 800 CropEnergies AG shares.

Compensation report

CropEnergies discloses here the level and structure of the compensation paid to the executive board (paragraph 4.2.5 of the Code) and the supervisory board (paragraph 5.4.7 of the Code). These disclosures required by the German Corporate Governance Code overlap to a certain extent with the statutory requirements in the notes to the financial statements (§ 314 HGB) and the management report (§ 315 HGB).

CropEnergies AG waives individualised disclosure of executive board and supervisory board compensation as the associated encroachment on privacy is out of reasonable proportion to the benefits. The annual general meeting on 17 July 2007 passed a resolution not to disclose individualised information on executive board compensation for a period of five years by a large majority (opting out). The decision to waive individualised disclosure of supervisory board and executive board compensation was reflected in the declaration of conformity.

Executive board compensation

The compensation of the executive board of CropEnergies AG is made up of a fixed salary and a variable salary. Executive board compensation is determined by the supervisory board and is reviewed at regular intervals. The fixed salary including fringe benefits in the 2008/09 financial year was € 438 (458) thousand for the entire board. The variable salary depends on the achievement of agreed targets and on the operating profit achieved by the company. It amounted to € 131 (189) thousand for the entire board. In the past financial year € 121 (36) thousand was allocated to the pension provisions for pension commitments to the executive board. There is no stock option plan.

Supervisory board compensation

In compliance with the recommendations of the German Corporate Governance Code (paragraph 5.4.7) the members of the supervisory board receive a performance-related compensation in addition to a fixed compensation. The chair positions and membership of supervisory board committees are compensated separately. In the past 2008/09 financial year each member of the supervisory board received a fixed compensation of € 20 (20) thousand in addition to the reimbursement of their expenses and the value-added tax incurred in connection with their supervisory board activities. The chairman received double and his deputy one-and-a-half times this amount. The fixed compensation was increased by 25% for each membership of a supervisory board committee. For the chair position in a committee the rate of increase is 50%. There was no variable compensation. The compensation for the entire activities of the supervisory board members of CropEnergies AG amounted to € 170 (170) thousand for the 2008/09 financial year.

Financial loss liability insurance (D&O insurance)

The company has taken out a financial loss liability insurance with a suitable deductible which incorporates cover for the activities of the members of the executive board and the supervisory board (D&O insurance).

CROPENERGIES SHARE AND THE CAPITAL MARKET

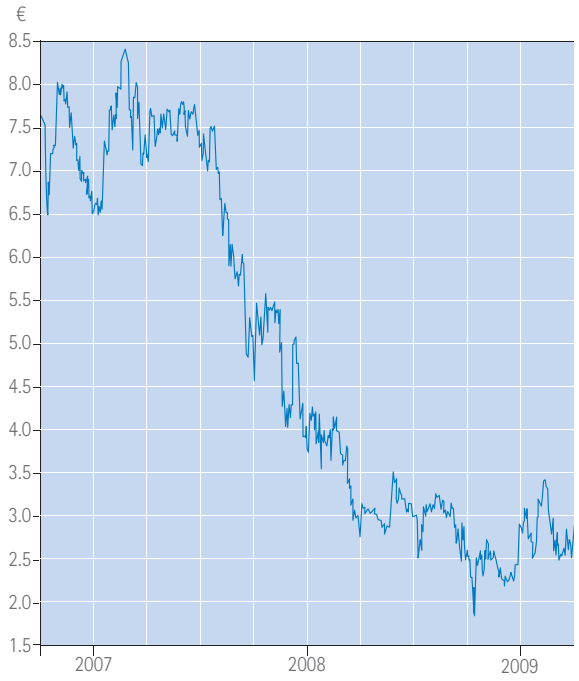
Capital market environment

In the CropEnergies 2008/09 financial year the global capital markets witnessed one of the weakest years since the Second World War. The subprime crisis in the USA escalated into a global financial crisis as a result of defaults on low-quality exposures that had been securitised and sold on. Although the US government managed to avert a total collapse of the US property market by taking over control of leading US mortgage banks, at the latest with the bankruptcy of the prestigious investment bank Lehman Brothers in September 2008 the crisis spread to the global banking and financial sector as a whole. Central banks around the world reacted by cutting interest rates and injecting liquidity, while governments launched rescue plans of unprecedented proportions running into the billions.

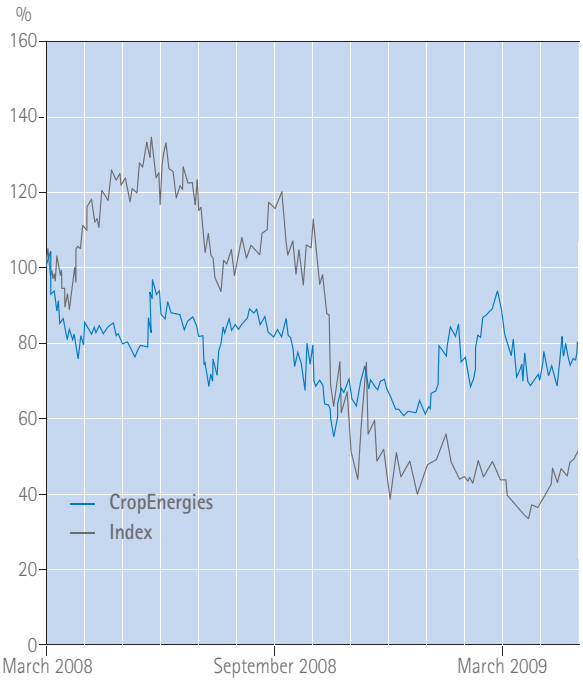
The financial crisis, and the economic crisis this caused, was reflected in the share indices. The Dow Jones, DAX®, MDAX® and TecDAX® lost between 40% and 50% in the reporting period.

The biofuel industry was not able to decouple from the general stockmarket trend either. In addition, the high prices for agricultural raw materials squeezed the industry's margins, with the result that some manufacturers shut down production. One of the biggest US bioethanol producers even had to file for Chapter 11 bankruptcy protection. The share prices of the top three US producers and the top three European producers lost 77% on average over the reporting period.

Performance of the CropEnergies share



Price performance of the CropEnergies share since the initial public offering on 29 September 2006 until 30 April 2009 (XETRA® closing prices)



Performance of the CropEnergies share versus the DAX® Renewable Energies Subsector Performance Index from 1 March 2008 until 30 April 2009

Compared to the generally difficult stockmarket situation and the share price losses at other biofuel producers, the loss sustained by the CropEnergies share in the 2008/09 financial year was less pronounced.

The share opened the past financial year at a price of € 3.61 (3 March 2008) and mostly traded above € 3 until into August. From September 2008 onwards the price fell to reach a low of € 2.04 (10 October 2008), and then moved sideways in a range between € 2.30 and € 2.50. From the beginning of 2009 the share managed to recover some of its losses, closing the financial year on 27 February at € 2.60 (€ 3.65).

With a loss of 29% in the past financial year, the CropEnergies share outperformed its benchmark index, the Deutsche Börse DAX sub-sector of Renewable Energies, in the difficult year 2008/09. This index, which includes all the shares from the "renewable energies" sector listed in the Prime Standard, lost approximately 60% over the same period.

Stock exchange listing and shareholder structure

The CropEnergies share (ISIN DE000A0LAUP1) has been listed in the official market (Prime Standard) on the Frankfurt Stock Exchange since 29 September 2006. The share is also traded in the XETRA® electronic trading system and in the over-the-counter market at the stock exchanges in Frankfurt, Stuttgart, Düsseldorf, Hamburg, Munich and Berlin.

Südzucker AG continues to be the majority shareholder of CropEnergies AG with an unchanged 71% of the shares. The largest other single shareholder is Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) with 7% of the shares. The latest shareholder survey shows that 19% of the free float of 19 million shares is held by institutional investors and 81% by private investors. CropEnergies currently has 16 thousand private investors. Of the total number of shares of 85 million, 85% are held in Germany.

Details

CropEnergies AG		
ISIN		DE000A0LAUP1
WKN		A0LAUP
Symbol		CE2
Prime Sector		Industrial
Industry Group		Renewables
Transparency Standard		Prime Standard
Market Segment		Regulated Market
Stock Exchanges		XETRA®, Frankfurt, over-the-counter market: Stuttgart, Düsseldorf, Hamburg, Munich, Berlin
Class of Share		Bearer shares without par value
Number of Shares		85,000,000
Subscribed Capital	(€)	85,000,000
Authorized Capital	(€)	85,000,000
First Listed / IPO		29 September 2006
Shareholder Structure		Südzucker AG (71%), Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (7%), free float (22%)

Key figures

		2008/09	2007/08
Financial year-end closing price	(€)	2.60 (27/02/2009)	3.65 (29/02/2008)
High	(€)	3.82 (05/03/2008)	8.01 (09/03/2007)
Low	(€)	2.04 (10/10/2008)	3.55 (22/01/2008)
Market capitalisation at financial year-end (in € million)		221.00	310.25
Average daily turnover (number of shares)		40,203	110,561
Earnings per share according to IAS 33	(€)	0.07	0.24

Source: Deutsche Börse AG, XETRA® data

Market capitalisation and turnover

CropEnergies AG's market capitalisation was € 221 million as of the reporting date (28 February 2009). This makes CropEnergies one of the world's largest companies in the bioenergy sector in terms of market capitalisation despite the fall in share price.

In the past financial year, 10 million CropEnergies shares were traded on all the German stock exchanges*. This is equivalent to an average daily turnover of approximately 40,000 shares.

Annual General Meeting 2008

About 800 shareholders and guests attended the CropEnergies AG annual general meeting held on 25 July 2008 in Mannheim, representing 81% of subscribed capital.

Other items on the agenda, besides the ratification of the acts of the executive board and the supervisory board, were the election of the independent auditor, and the conclusion of a control and profit and loss transfer agreement. All the proposals put forward by the executive board and the supervisory board were passed in each case by majorities of over 99%.

Special focuses of interest among the shareholders and the representatives of the shareholder associations were the strategic goals pursued by CropEnergies, the implementation of the investment programme to triple production capacity in the 2008/09 financial year, and new developments in the growth market of renewable energies.

Investor Relations

An open and continuous dialogue with private and institutional capital market participants is central to the investor relations activities at CropEnergies.

In light of the undiminished keen interest in renewable energies the activities offered were also in strong demand in the past financial year. Interested private investors for instance took advantage of the occasion of the annual general meeting and various discussion forums and conferences, or by contacting the Investor Relations department directly by phone, for an exchange of information.

CropEnergies published information primarily in the form of financial reports and press releases, which were placed on the website (www.cropenergies.com) and distributed to the circle of e-mail addressees in a timely manner.

Institutional investors and analysts were kept informed by CropEnergies through presentations at two analysts' conferences in Frankfurt, three roadshows in Paris and Frankfurt, eight capital market conferences in Frankfurt, Zurich, Munich and London, and numerous investor meetings in Mannheim. Also, three conference calls were held on the occasion of the announcement of the quarterly results. In the past financial year, CropEnergies informed analysts and investors about the company and the market environment at a total of eighty intensive one-on-one meetings.

Source: Deutsche Börse AG, Stock Reports March 2008 to February 2009

Zeitz – Europe's largest bioethanol plant. Unrivalled efficiency for profitable growth.

Expanded to a total capacity of 360,000 m^3 of bioethanol per year, the plant in Zeitz sets new standards in terms of its size, the energy efficiency of its production processes, and its broad raw materials base.

REPORT ON BUSINESS OPERATIONS

Developments on the world market for bioethanol

Ethanol production I In 2008, world production of bioethanol rose by 23,6% versus 2007 from 63.9 million m^3 to 79.0 million m^3. The growth was attributable to the increased production of bioethanol for applications in the fuel sector. In all, 65.6 (49.6) million m^3 of bioethanol, and thus 83.0% of total production, was produced for the fuel sector. First estimates for 2009 anticipate growth to over 90 million m^3. However, it remains to be seen what impact the global financial and economic crisis will have. Several companies have shelved their expansion strategies, especially in the USA and Brazil.

The USA significantly expanded its position as the world's largest producer of bioethanol, increasing production by 38.6% to 34.0 (24.5) million m^3. Production was also expanded in Brazil, rising by 22.5% from 20.0 to 24.5 million m^3.

In the EU, ethanol production grew by 21.4% to 4.4 (3.6) million m^3. Following the global trend, this growth was driven by the increasing use of bioethanol in the fuel sector, which accounted for 2.8 million m^3, or 63.6%, of the bioethanol produced in the EU. As in the previous year, the growth is largely attributable to higher production volumes in France. There were also significant increases in production in Germany, Hungary, and Austria.

Production of the octane booster ETBE continues to be the main application of bioethanol in the European fuel sector. However, as the mandatory blending rates rise, more and more bioethanol is also being used for direct blending. In Germany, a total of 321,000 m^3 of bioethanol was used for direct blending in 2008, which is 184% more than in the year before. The use of bioethanol in the octane booster ETBE was more or less constant at 469,000 m^3. In October 2008, for the first time, more bioethanol was directly blended with petrol than via ETBE in Germany. Sales of bioethanol in E85 also witnessed dynamic growth with an increase of 43%. However, the momentum has slackened somewhat in recent months due to the strong fall in petrol prices since August 2008.

Ethanol prices I At present there are futures markets for bioethanol in Brazil on BM&FBOVESPA, which was created in 2008 by the merger of Bolsa de Mercadorias & Futuros (BM&F) and Bolsa de Valores de São Paulo (BOVESPA). In the USA, futures contracts have been traded on the Chicago Board of Trade (CBOT) and the Chicago Mercantile Exchange (CME) since the beginning of 2005.

Similarly to the trends on other commodity markets, bioethanol prices in Brazil fluctuated strongly in the course of the year. Weather-induced delays in the sugar cane harvest in Brazil, growing demand for bioethanol as an alternative fuel both in Brazil and worldwide as a result of rising oil prices, and strong export demand mostly from the USA led to rising prices at first in the first half of the financial year. The prices for the one-month ethanol future rose from US$ 485/m^3 at the beginning of March 2008 to US$ 610/m^3 at the end of July 2008. From October 2008 onwards not only the difficult situation on the credit markets and the price fall on the commodity markets but also the strong appreciation of the US dollar against the Brazilian real had a negative impact on ethanol prices in Brazil, which are quoted in US$. Owing to liquidity problems a number of Brazilian producers were forced to sell their ethanol also under unfavourable market conditions. In the course of this development the price of bioethanol sank through to the end of the financial year to reach a level of US$ 400/m^3 in February 2009.

The trend in the USA was similar. The prices of the ethanol futures on CBOT and CME sank from a level of US$ 2.40/gallon at the beginning of March 2008, and a high of US$ 2.94/gallon in mid-June 2008, to US$ 1.54/gallon by the end of February 2009. This market development, too, is due, among other factors, to the financial and economic crisis which had originated in the USA and led in 2008 to the first decline in petrol consumption in the USA since 1991. Besides declining demand for petrol, US suppliers were also confronted with falling oil prices, and thus less incentive for bioethanol blending. Despite the difficult situation, market observers expect the demand for bioethanol to continue to grow in the USA as a result of rising blending targets in the fuel sector. The blending target for 2009 is approximately 39.7 million m^3 of bioethanol, which is an increase of 16.7% over last year.

In Europe, there are no comparable futures markets for ethanol as yet. European market prices are therefore usually oriented to the market prices in Brazil, allowing for exchange rates plus applicable freight costs and customs duties. However, with the growth in European production capacities and rising blending targets, price levels in Europe are also influenced increasingly by local market conditions.

Despite rising blending rates, prices in Europe were unable to escape the international price trends in Brazil and the USA. From a level of € 565/m³ at the beginning of March 2008 European bioethanol prices reached their high for the year of around € 635/m³ FOB Rotterdam in September 2008. In line with the international trends, this was then followed by price setbacks in the second half of the financial year, although on the whole these were not as pronounced. An added factor was the good supply situation for bioethanol in Europe, as several European bioethanol producers had brought new plants on stream and production capacities that had been shut down were taken back into operation after the sharp fall in grain prices. At the end of the financial year, bioethanol prices in Europe were around € 490/m³.

Developments on the raw material and animal feed markets

Grain markets I According to figures published by the US Department of Agriculture (USDA) of 9 April 2009, world grain production in the 2008/09 grain year (excluding rice) is estimated at 1.780 billion tonnes, an increase of about 5.6% over last year's level of 1.686 billion tonnes. The increase in world grain production is attributable to good weather and growth conditions, and to an expansion of acreage in important grain-growing regions. Much of the growth in world grain production was due to 12.0% higher wheat production, which rose from 609 to 682 million tonnes. There were significant increases in wheat production above all in the Ukraine, in Russia, in the EU, and in the USA. In the 2008/09 grain year, world production exceeded consumption, which is estimated at 1.717 billion tonnes, for the first time again since 2004/05. With an increase in stock levels by 22.1% to 344.2 million tonnes, the supply situation on the international grain markets has improved significantly compared to the previous year.

Grain production in the EU rose by as much as 21.1% from 258.2 to 312.8 million tonnes. The main reasons were both an increase in the average crop yield by 15% to 5.2 tonnes per hectare as well as growth in grain acreage by 6.4% to 60.5 million hectares. In Europe, the main use of grain is still as animal feed, representing about 55% of domestic production. Only 6.2 million tonnes, or about 2%, of the grain produced in the EU-27 was used for the production of bioethanol. According to the USDA, the improved grain supply situation has increased stock levels in the EU by 63.1% to 38.2 million tonnes, which is also attributable in part to official stockpiling. Owing to the good harvest and the resulting price falls, 1.2 million tonnes of grain were bought up by official agencies up to the end of April 2009, and stockpiled. Over half of this came from Hungary.

There was a pronounced trend reversal on the world grain market in the 2008/09 grain year. After poor harvests, low stock levels, high oil prices, and weakness of the US dollar combined with strong international demand had driven up grain prices rapidly in the 2007/08 grain year, there has been an equally sharp price fall in the current grain year. Financial investors, who had to close out speculative trading positions on the commodity markets to generate liquidity in the wake of the financial and economic crisis, were also partly responsible for this development. After trading at around € 290/tonne at the beginning of March 2008, the one-month futures contract for milling wheat on MATIF (Euronext) in Paris fell below the € 200/tonne mark again on 24 April 2008 on signs of an improved supply situation. This downward trend continued, with the price dropping to € 138/tonne by the end of February 2009, and thus to the level seen in August 2006.

After a record harvest in 2008/09 and the fall in grain prices, a moderate reduction in grain production is expected for the 2009/10 harvest. The International Grain Council estimates a decline of one percent in world wheat acreage to 222 million hectares. Assuming average crop yields, the world wheat harvest would be 650 million tonnes, about 4.8% less than in the record year 2008/09.

In the case of coarse grains such as maize, too, there are indications of slightly lower acreages in the EU-27 as well as in Eastern Europe (especially in Russia and in the Ukraine). Maize acreage is also expected to decline in the USA as a result of growth in soy bean acreage. However, given sharp falls in soy bean prices meanwhile, the cultivation of maize has become more attractive again. It remains to be seen how far this has affected sowings in the USA.

In the EU-27, indications are that there will again be an above-average harvest in the 2009/10 grain year. The European Commission expects farmers in the EU to allot approximately 59.7 million hectares to grain and, assuming normal weather conditions, to produce 293.4 million tonnes of grain. That would be a decline of 19.4 million tonnes (-6.2%) versus last year but still 35.0 million tonnes more grain than in 2007/08.

Sugar markets I For the sugar industry year 2008/09 market analysts expect a decline of 3.9% in world sugar production to 161 million tonnes. World sugar consumption is set to continue rising, with growth of 1.8% to 162 million tonnes. A slight reduction in global sugar stockpile levels to 76 million tonnes, equivalent to 47% of annual consumption, is therefore expected for 2008/09.

In Europe, the surrender of a total of 5.64 million tonnes of sugar quotas to the Restructuring Fund, to which almost all EU sugar producers contributed, will have full effect for the first time. The European Commission therefore expects total sugar production to decline to 16.7 (18.5) million tonnes in 2008/09.

At the end of February 2009, at US$ 400/tonnes, the price of the white sugar futures contract on the London International Financial Futures and Options Exchange (LIFFE) was more or less at the same level as at the beginning of March 2008, despite the fluctuations that had taken place in the meantime. The sugar price was not left unscathed by the effects of the financial crisis and at the end of 2008 had reached a low for the year of US$ 295/tonnes.

Animal feed markets I The USDA expects meat consumption to continue rising despite the downturn in the world economy. Growth of 1.4% is estimated for 2009. In view of this development, the demand for animal feed remains buoyant. The use of grain as animal feed has become more attractive again given the strong price falls. The good supply situation for animal feed grain was also confirmed by the USDA. The USDA reckons with a moderate increase in maize stock levels in its monthly grain estimates since December 2008. The changed market situation has also led to markdowns in the prices of high-protein alternatives such as soy meal. After rising from below US$ 8/bushel at the beginning of December 2008 to over US$ 10/bushel at the beginning of February 2009, the price of the one-month soy bean futures contract on CBOT fell to US$ 8.75/bushel again at the end of February 2009. In Europe, the prices of soy meal in the 2008/09 grain year moved within a range between € 350/tonne in June 2008 and € 220/tonne in December 2008. However, European soy meal prices picked up again since the turn of the year, as market observers expect lower crop yields in Argentina, the world's third largest exporter of soy bean, due to rainfall. As a result of the trend in soy meal prices, rapeseed meal and other protein animal feed prices were also firmer of late.

Developments in the political framework

European Union I At the beginning of December 2008 the European Council and the European Parliament reached a compromise on the "Renewable Energies Directive" and on the revision of the "Fuel Quality Directive". With this, the Council and Parliament in principle followed the proposal put forward by the European Commission, which had passed an extensive package of measures on 23 January 2008 for implementing the commitments to climate protection and the promotion of renewable energies as well as a European strategy for improving the security of energy supplies resolved by the European Council. The package of measures provides for an increase in the proportion of renewable energies to 20%* by the year 2020 as a mandatory target for the EU.

In the transportation sector, the proportion of renewable energies is to be increased to 10% over the same period. This mandatory target blending rate applies not only to biofuels but to all renewable energies used in the trans-

**Unless stated otherwise, the percentage figures used in connection with energy are energy percentages.*

portation sector, including electric power and hydrogen produced from renewable sources for instance. The introduction of sustainability criteria in the EU also ensures that in future only sustainably produced biofuels are used in the transportation sector. It is required that biofuels reduce greenhouse gas emissions by at least 35 wt.-%, and from 2017 by as much as 50 wt.-% compared to fossil fuels. New biofuel plants constructed after 2017 must achieve greenhouse gas reductions of 60 wt.-%. Besides meeting a minimum level for greenhouse gas reductions, biofuels are also required to satisfy other environmental and social standards. The aim of this is, among other things, to prevent areas that are recognised as being of high ecological value (e.g. forests and conservation areas) from being used for the production of biofuels.

The European Commission will report every two years, starting in 2012, on compliance with the sustainability criteria as well as prescribed social and environmental standards and on the food situation especially in the developing countries. However, it still needs to be clarified how greenhouse gas effects from so-called indirect land use changes are to be taken into consideration. The European Commission has been called upon to put forward proposals by the end of 2010 for limiting the undesirable effects of indirect land use changes in the production of raw materials for biofuels. The sustainable production of agricultural raw materials and of the biofuels derived from them is already guaranteed within the EU today under existing EU rules ("cross-compliance").

Parallel with the "Renewable Energies Directive", an amendment of the "Fuel Quality Directive" was resolved. In adapting this directive the EU is establishing the technical parameters for the introduction of E10 fuel, i.e. the blending of 10 vol.-% of bioethanol in petrol, throughout Europe. In other countries such as the USA petrol already contains up to 10 vol.-% of bioethanol, while in Europe the blending rate is restricted to 5 vol.-%. In addition, fuel producers will be required to lower the greenhouse gas emissions of their fuels by 10 wt.-% by the year 2020. This is to be achieved to a large extent by using biofuels. France was the first EU member state to start introducing E10 fuel nationwide in April 2009.

With the enactment of the integrated climate and energy package the 27 EU member states are now required to implement the rules into national law.

Germany I In Germany a mandatory blending quota has been in force since 1 January 2007 following the introduction of the Biofuels Quota Act, with specific quotas for diesel and petrol. For biofuels which – like bioethanol – substitute petrol, the mandatory blending quota for 2008 was 2.0% of petrol consumption based on energy content. This is to be raised each year by 0.8% to 3.6% by the year 2010. In addition, the law stipulates total biofuel quotas for 2009 and 2010 of 6.25% and 6.75%, respectively. This is to be raised each year by 0.25% to 8% by the year 2015. While the bioethanol used to meet the quotas is liable in full to mineral oil tax, the bioethanol used for the production of E85 will remain exempt until 2015.

The German government launched several legislative initiatives in the area of biofuels in 2008. On 4 April 2008 the Ministry of the Environment withdrew the plan to raise the upper limit for the blending of biofuel in petrol from 5 to 10 vol.-%, the rate which is customary for instance in the USA. Accordingly, the raising of the quota for biofuels to 17% in 2020 that had been proposed in a draft bill to amend the Biofuel Quota Act, intended for the purposes of achieving energy and climate policy goals, was not pursued further. Instead, in a second draft bill it was proposed to lower the overall quota for diesel and petrol from 6.25 to 5.25% for 2009 and to raise it to 6.25% from 2010 onwards. 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% in 2015 to 7% in 2020.

As a result of trade policy reservations on the part of the European Commission and a controversial debate, the bill was not passed by the lower house of Parliament until the end of April 2009. In light of the EU target to increase the quota for renewable energies in the transportation sector to 10% in the year 2020, the amendment of the Biofuel Quota Act has to be seen as a setback.

The Commission had previously suspended implementation of the Biomass Sustainability Regulation in the course of the notification procedure as it intended to draw up a catalogue of sustainability criteria and define common rules for the EU within the framework of the "Renewable Energies Directive". Now that the sustainability criteria have been passed at the EU level, the German government has to implement them in national law.

On 30 January 2009, new quality and labelling requirements for fuel grades came into force under the amended version of the "10th Regulation for the Implementation of the Federal Emissions Control Act". With these new requirements, the government is ensuring that only E85 fuel conforming to the E85 fuel standard (DIN 51625) is distributed. In April 2009, with the publication of the fuel standard DIN 51626, the technical basis was also created for the introduction of E10, i.e. petrol containing 10 vol.-% of bioethanol. However, the government did not yet allow for this development in the regulation. Instead, the distribution of E10 was confined for the present to company petrol pumps. The opportunities presented by the EU "Fuel Quality Directive" have therefore not been allowed for so far.

Developments in the CropEnergies Group

CropEnergies AG holds directly or indirectly 100% of the following German and foreign subsidiary companies:

- 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 was established in May 2008 and, as a German intermediate holding company, has no own production.

Südzucker Bioethanol GmbH changed its name to CropEnergies Bioethanol GmbH on 17 February 2009 in order to assure a common corporate identity with CropEnergies AG in the market. CropEnergies Bioethanol GmbH operates Europe's largest bioethanol plant in Zeitz, and has been producing bioethanol and the animal feed ProtiGrain® as well as steam and electricity there since 2005. The work on expanding the annual production capacity from 260,000 m³ to 360,000 m³ of bioethanol was completed in the 2008/09 financial year with the commissioning of a second production line for processing sugar syrups.

BioWanze SA operates a plant in Wanze (Belgium) for the production of bioethanol, gluten, protein animal feed, and electricity. The plant has an annual production capacity of up to 300,000 m³ of bioethanol. In addition, over 55,000 tonnes of gluten and 200,000 tonnes of protein animal feed can be produced per year. The plant has been producing bioethanol under a phased start-up concept since the end of December 2008. The facility has a biomass plant – the only one of its kind so far – in which the bran from the wheat grains delivered is used to generate a large part of the process energy required. The bioethanol produced with this innovative energy concept reduces CO_2 emissions by 70% compared to fossil fuels, and thus today already clearly exceeds the EU sustainability criteria that will apply from the year 2017.

Compagnie Financière de l'Artois SA (COFA) is a French intermediate holding company with no own production, and was acquired by CropEnergies from Saint Louis Sucre SA in June 2008. COFA owned 92.8% of Ryssen until the interest was increased to 100% in November 2008. Ryssen is therefore fully integrated in in the CropEnergies Group.

Ryssen operates a plant for the rectification and dehydration of raw alcohol in Loon-Plage near Dunkirk (France). The annual capacity for the dehydration (drying) of raw alcohol for the fuel sector is 100,000 m³ of bioethanol. For the rectification (purification) of raw alcohol for traditional and technical applications there is an annual capacity of 80,000 m³ of alcohol. CropEnergies has already been operating a tank storage facility with a capacity of 20,000 m³ in the immediate vicinity of Ryssen together with Bioenergy Loon-Plage SAS since 2006. This company was merged into Ryssen with effect as of 23 February 2009

Production I In the 2008/09 financial year the CropEnergies Group increased its production of bioethanol by over 77% to 436,000 m³. This growth is a result of the

investment programme initiated in 2006, which CropEnergies has successfully completed with the start-up of the new plant in Wanze, the second production line in Zeitz, and the integration of Ryssen. The volume of the high-grade protein animal feed ProtiGrain® produced increased by 16% to 221,000 tonnes.

A separate fermentation and distillation plant with an annual capacity of 60,000 m³ of bioethanol was brought on stream at the Zeitz location in July 2008. It produces bioethanol from sugar syrups from the Südzucker AG sugar refinery nearby. Together with the previously completed expansion of the existing grain-processing plant, the Zeitz location now has a total annual capacity of 360,000 m³ of bioethanol and 260,000 tonnes of ProtiGrain®.

The second production line in Zeitz started production in July 2008.

Through systematic optimisations and enlargements CropEnergies has continuously increased the average daily output in Zeitz. After the scheduled shutdown phase for maintenance and overhaul work in October 2008, which was also used for further efficiency enhancements on the new facilities that had been put into operation, daily production was raised successively to over 1,000 m³ of bioethanol. In addition, further progress was achieved in the 2008/09 financial year in increasing bioethanol yields and reducing specific energy consumption. The growth in the volume of the high-protein animal feed ProtiGrain® produced as a co-product is due to the completed expansion measures and a changed raw material mix.

In the past financial year CropEnergies exploited the flexibility of the production plant to adjust the raw material mix continuously to the conditions on the raw material markets. Barley, triticale – a cross between wheat and rye – and maize were also used in addition to wheat. The proportion of maize especially was increased significantly. Since the beginning of the 2007/08 financial year the Zeitz plant has also been continuously processing sugar syrups from the Südzucker AG sugar factory nearby. These sugar syrups can be used on the new production line as well as on the grain-processing line. Owing to the stronger weight of sugar syrups in the raw material mix the high grain prices in the first half of the past financial year had a less-than-proportional impact on the development of raw material costs. In the second half of the financial year the raw material mix was adjusted to the changed market conditions, with more grain being used again from the third quarter onwards after grain prices had fallen.

The bioethanol plant in Wanze, Belgium, came on stream in December 2008 after 20 months of construction.

The new bioethanol plant in Wanze (Belgium) was brought on stream in December 2008 after a construction period of about 20 months. In a phased start-up process the distillation, rectification and alcohol drying were taken into operation first. This was then followed by the thick juice fermentation. The plant has also been processing wheat since March 2009. With the commissioning of the grinding mill and gluten units, the whole production process is now in operation. The proper functioning of the peripheral installations, such as effluent treatment and the ship loading and unloading facility, was assured in autumn 2008.

At the heart of the production plant is a biomass plant, the only one of its kind in Europe so far, which uses the bran of the wheat grains delivered to generate a large part of the heat and electrical power that is needed for the process. This boiler also stands out for a high thermal efficiency and increased availability compared to other biomass boilers, and is fitted with a latest-generation flue gas cleaning system. Following a trial run in August 2008, the biomass boiler has supplied the required process energy together with a gas-fired boiler since the beginning of January 2009.

The integration of Ryssen Alcools SAS was taken forward successfully with the acquisition of the remaining shares in November 2008. In the reporting period Ryssen produced a broad range of products for customers in different sectors. Both the dehydration (drying) of raw alcohol for the fuel sector and the rectification (purification) of raw alcohol for traditional and technical applications were up to target with high levels of capacity utilisation. Adjustments in the alcohol drying for the production of neutral alcohol for the cosmetics industry progressed successfully. Raw alcohol from European production was mostly used as feedstock.

Besides bioethanol for fuel applications, Ryssen Alcools also produces alcohol for traditional and technical applications.

Central to the CropEnergies Group's sourcing policy is that the raw materials required are procured locally, thus keeping freight costs to a minimum. The feedstock flows required for the plants in Zeitz and Wanze were secured in good time by concluding framework agreements. Additionally, CropEnergies made greater use of derivative financial instruments in order to limit the price risk for grain. The supply of sugar syrups is partly secured by long-term contracts.

Various measures were undertaken during the financial year to further optimise the supply of raw materials. Among other things, concepts were discussed with the Thüringer Landesanstalt für Landwirtschaft (Agricultural Institute of the State of Thüringen) to encourage local farmers to grow maize, which is ideal for the production of bioethanol in Zeitz owing to its high starch content. In Wanze, the focus of the activities was on building up a supplier network. With the participation at Belgium's largest agricultural fair and the organisation of an Open Day in Wanze it was possible to intensify the contacts especially with local traders and producers, and establish good supply relationships. With Ryssen's integration in the CropEnergies Group, synergies were also realised between the trading activities and the sourcing of raw alcohol.

To be able to forecast the trends on the grain, sugar and animal feed markets better CropEnergies has intensified the dialogue with commodities experts within and outside the Südzucker Group. The current developments on the commodity markets and their implications for the CropEnergies Group's sourcing strategy were discussed at various meetings of the agricultural advisory committee that was set up last year. CropEnergies also organised a seminar with its main grain suppliers and animal feed customers on 17 September 2008, the chief purpose of which was to discuss what impact the new harvest would have on the grain and animal feed markets. Further, with its participation as an exhibitor at the European Commodity Futures Trade Fair in Munich, CropEnergies documented its leading position as a bioethanol producer and an important buyer on the grain markets.

Bioethanol sales I CropEnergies increased its sales of bioethanol in the 2008/09 financial year by over 73% to 482,000 m³, with traded commodities accounting for about 110,000 (43,000) m³. The increase in traded commodities is due to growth in the marketing of Austrian bioethanol and targeted trading activities aimed at

winning new customers in preparation for the capacity expansions coming on stream. A special focus was on the Belgian market, where contracts were successfully concluded with local oil companies, and first bioethanol shipments were made from Wanze, mostly by inland waterway.

In the past financial year, large and medium-sized oil companies as well as independent ETBE producers were supplied, and the customer base was further diversified. CropEnergies focused on inland destinations in order to exploit existing logistical advantages. Additional volumes were shipped to customers in Rotterdam.

With the expansion of capacity and to increase logistical flexibility CropEnergies now also has a tank storage facility in Duisburg, Europe's largest inland port. This not only improves supplies to the refineries along the so-called Rhine corridor but also strengthens the distribution of the quality E85 fuel CropPower85 to filling stations in Germany. Together with the tank storage facilities at the production locations and the leased tank storage facilities in Rotterdam CropEnergies is excellently positioned in Europe with the established logistics network.

Sales of the quality fuel CropPower85, which is used on Flexible Fuel Vehicles (FFVs), are continuing to develop more dynamically than the overall market. CropEnergies is therefore expanding its leading position in the German market for E85 fuel. Generally, this market is still at the development stage but presents considerable growth potential thanks to the exemption of the bioethanol contained in E85 from mineral oil tax until the end of 2015. More and more vehicles are also being offered in Europe as so-called Flexible Fuel Vehicles (FFVs) that can run on bioethanol-petrol mixtures with a bioethanol content of about 85%.

CropEnergies undertook a number of measures to accelerate the spread of E85 fuel. Continued efforts were made to push the expansion of the E85 filling station network in Germany. Together with Franz Göhler GmbH & Co. KG Tank- und Industrieanlagen, CropEnergies organised seminars and informed interested filling station operators about the opportunities for marketing E85. At the end of February 2009, about one-fourth of the roughly 230 E85 filling stations already offered CropPower85. In addition, filling station operators already distributing CropPower85 were supported in their marketing activities through a seminar. CropEnergies AG is also represented in various specialist bodies. The issues addressed range from the development of international quality standards for bioethanol and the use of bioethanol in conventional petrol engines through to cooperation in adapting the rules and arrangements for filling stations that want to offer E85. CropEnergies was also involved in the development of a fuel standard for E85 (DIN 51625) that was adopted by the Mineral Oil and Fuel Standards Committee of the Deutsches Institut für Normung e.V. in August 2008. In supplying E85 fuel conforming to this standard CropEnergies is guaranteeing the quality of CropPower85 in the developing E85 market.

In April 2009, with the DIN standard 51626, the technical basis was created for the introduction of petrol with a bioethanol content of up to 10 vol.-%. Previously, the bioethanol content of petrol was limited to 5 vol.-%. CropEnergies was also involved in the formulation of this fuel standard. It contributed particularly to the establishment of practice-oriented analytical methods.

With Ryssen, the CropEnergies Group has also opened up market segments outside the fuel market. As a specialist in the refining of raw alcohol, Ryssen produces and markets high-quality products for traditional and technical applications that are tailored to the customer's specific wishes. In addition to well-known beverage companies, Ryssen's customers also include companies from the cosmetics, pharmaceutical and chemical industries.

Animal feed sales | With the start-up of the production plant in Wanze, CropEnergies has broadened its portfolio of food and animal feed products. By processing the non-fermentable substances into high-quality products, CropEnergies fully exploits all the constituents of the raw materials used.

The high-protein animal feed ProtiGrain® produced as a co-product in Zeitz has become firmly established in the animal feed market thanks to its outstanding quality. The

total volume of ProtiGrain® sold was increased by over 15% versus the previous year to 219,000 tonnes. ProtiGrain® therefore again demonstrated its market strength, also in the face of difficult market conditions with an abundant supply of rapeseed meal and other alternative animal feeds. The proceeds derived from ProtiGrain® continue to make a substantial contribution towards reducing net raw material costs.

ProtiGrain® is marketed Europe-wide through trade partners. In the past financial year the focus was placed on destinations that were favourable from freight cost considerations. The main sales regions alongside Germany are the Netherlands, France, Great Britain and Denmark. The sale of ProtiGrain® was also successfully expanded in Eastern Europe. Around two-thirds are sold to compound feed producers and one-third to farms. Trials have been initiated in cooperation with the German Oilseed Processing Industry (OVID) to test whether the soy content in the feed rations can be replaced by simultaneously increasing the proportion of rapeseed meal and ProtiGrain®.

Approximately 55,000 tonnes of gluten and over 200,000 tonnes of CDS (Condensed Distillers' Solubles) can be produced annually at the plant in Wanze as co-products from the production of bioethanol from grain. The gluten is separated off during the grain grinding process and is dried. Owing to its nutritional and technical properties gluten is used above all in the food industry and special areas of the animal feed market, such as fish farms. It attracted strong interest when the product was presented at the 2008 Eurotier livestock trade fair. The product is distributed through BENEO-Orafti, a Belgian subsidiary of Südzucker AG, under the brand name BeneoPro W. BENEO-Orafti specialises in marketing ingredients for food and animal feed, and has a global sales network.

CDS (Condensed Distillers' Solubles) is won from the proteins and other components of the fermented wheat grain and is used as a high-protein animal feed for cattle and pigs. The product is marketed in liquid form under the name ProtiWanze® together with distribution partners. Sales were already secured through long-term supply contracts before it was launched in the market. The product was presented at Belgium's biggest agricultural trade fair. Before its launch, tests were conducted at animal nutrition research institutes to identify the best applications with a view to fully exploiting the market opportunities for the new animal feed.

GROUP ACCOUNTS, RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

Prior-year figures are stated in each case in brackets after the figures for the past financial year.

Group revenues and earnings

€ thousands	2008/09	2007/08
Revenues	328,434	186,771
EBITDA	**28,602**	**30,953**
EBITDA margin	*8.7%*	*16.6%*
Depreciation*	-10,409	-8,928
Operating profit	**18,193**	**22,025**
Operating margin	*5.5%*	*11.8%*
Restructuring costs and special items	-11,059	-5,038
Income from operations	**7,134**	**16,987**
Financial result	-3,523	2,896
Earnings before income taxes	**3,611**	**19,883**
Taxes on income	2,243	271
Net earnings for the year	**5,854**	**20,154**
Earnings per share, diluted/undiluted (€)	**0.07**	**0.24**

** without restructuring costs and special items*

Group revenues
Revenues of the CropEnergies Group rose strongly in the 2008/09 financial year, mainly through organic growth but also acquisition-related. Including Ryssen Alcools SAS (Ryssen), which was acquired on 30 June 2008, group revenues were up 76% to € 328.4 (186.8) million. Adjusted for this acquisition, the organic growth due to higher bioethanol production and trading volumes was 46%.

The growth in revenues was also attributable to significantly higher proceeds from ProtiGrain® and to an increase in other revenues from € 10.7 million to € 15.7 million. These revenues consist of proceeds from the sale of grain, work and services performed, and the sale of energy.

Cost of materials
The increase in the cost of materials to € 273.8 (133.0) million largely reflects the growth in revenues. Costs were additionally increased by higher grain prices. However, the growth in the cost of materials was contained by the early conclusion of supply contracts, the hedging of wheat prices through futures contracts, and the increased use of sugar syrups.

Personnel expenses
The average number of employees in the 2008/09 financial year doubled versus the previous year to 272 (130). This was especially due to new hirings for the Wanze and Zeitz locations, and the employees taken over from Ryssen. As a result, personnel expenses doubled to € 17.2 (8.5) million.

The personnel expense ratio (as a percentage of overall performance) was 5.1 (4.4)%.

Other operating expenses
Other operating expenses, amounting to € 29.0 (25.9) million, comprise selling and advertising expenses of € 12.4 (6.0) million, operating and administrative expenses

of € 6.4 (5.7) million, and other expenses of € 10.1 (14.2) million. The latter include € 6.6 (5.2) million for services provided by the Südzucker Group, start-up costs for the production plant in Wanze in the amount of € 4.0 (3.2) million and amounts released from the related provisions.

Group operating profit
As a result of the much higher raw material costs compared to the previous year and the commissioning of the plant in Wanze in the last quarter, with only small revenues to set against the operating costs, group operating profit (income from operations before special items) sank to € 18.2 (22.0) million. The operating margin was 5.5 (11.8)% of revenues.

The start-up costs for the construction of the production plant in Wanze incurred prior to its commissioning in the fourth quarter are reported as special items.

Income from operations / special items
Income from operations declined to € 7.1 (17.0) million. This was mainly due to special items amounting to a net € -11.1 (-5.0) million, which largely represent the start-up costs for the new plant constructed in Wanze incurred up to the time it was taken into operation.

Financial income and expenses
As a result of the planned capital expenditures, financial income and expenses decreased to a net € -3.5 (2.9) million. Interest income from financial investments declined to € 0.4 (5.2) million, while interest expenses rose to € 4.6 (3.2) million due to borrowings.

Taxes on income
Earnings before tax declined to € 3.6 (19.9) million. Set against the current tax expenses of € 3.0 (3.3) million there was deferred tax income of € 5.2 (3.6) million, which was mainly due to the loss carry-forward and to specific Belgian tax rules at BioWanze SA.

Net earnings for the year
The 2008/09 financial year closed with net earnings for the year of € 5.9 (20.2) million, which was a satisfactory result in view of the start-up costs for capacity expansion and the increases in raw material costs. The net earnings for the year are fully attributable to the shareholders of CropEnergies AG.

Earnings per share
Earnings per share (EPS) came to € 0.07 (0.24).

Statement of changes in financial position

€ thousands	2008/09	2007/08
Gross cash flow	**10,096**	26,031
Change in net working capital	2,096	17,200
Net cash flow from operating activities	**12,192**	**43,231**
Investments in property, plant and equipment and intangible assets	-170,110	-146,644
Acquisitions of, and investments in, non-current assets	-17,084	0
Cash received on disposal of non-current assets	368	52
Cash received / paid on the selling / purchase of securities in current assets	41,366	-39,989
Investment subsidies received	4,000	1,663
Cash flow from investing activities	**-141,460**	**-184,918**
Cash flow from financial activities	**81,760**	**-71**
Change in cash and cash equivalents	**-47,508**	**-141,758**

Cash flow
Given higher grain prices and start-up costs in Wanze as well as the lower net balance of financial income and expenses, cash flow declined to € 10.1 (26.0) million.

The net cash outflow from investing activities was € 141.5 (184.9) million. This includes capital expenditures of € 170.0 (146.6) million on property, plant and equipment, set against which there were subsidies of € 4.0 (1.7) million. To partly finance these capital expenditures, held-for-sale securities were sold in the amount of € 41.4 million. The acquisitions and investments in non-current financial assets relate to the payments on the purchase price for the acquisition of 100% of the shares in Ryssen in the amount of € 22.8 million less the € 5.7 million of cash and cash equivalents taken over.

The net cash inflow of € 81.8 million from financing activities represents the balance of borrowings of € 95.0 million and repayments of € 13.2 million.

As of 28 February 2009 the CropEnergies Group had net financial debt of € 167.9 (-13.5) million.

Investments in property, plant and equipment
In the 2008/09 financial year CropEnergies invested € 170.0 (146.6) million. The main focus of the investments was the construction of the bioethanol plant in Wanze and the expansion of capacities in Zeitz. Of the total capital expenditure, CropEnergies Bioethanol GmbH accounted for € 19.8 (41.3) million, BioWanze SA for € 149.5 (105.0) million, and Ryssen Alcools SAS for € 0.7 (-) million.

In the 2008/09 financial year CropEnergies received € 4.9 (6.8) million in investment benefits.

Balance sheet

The growth of the balance sheet to € 572.5 (444.3) million reflects the strong capacity expansion. Shareholders' equity rose to € 308.6 (303.8) million. The CropEnergies Group therefore has a solid equity ratio of 54 (68)%.

ASSETS

€ thousands	28/02/2009	29/02/2008
Non-current assets	497,652	315,454
Current assets	74,887	128,866
Total assets	**572,539**	**444,320**

LIABILITIES AND SHAREHOLDERS' EQUITY

€ thousands	28/02/2009	29/02/2008
Shareholders' equity	308,619	303,771
Non-current liabilities	132,072	86,818
Current liabilities	131,848	53,731
Total liabilities and shareholders' equity	**572,539**	**444,320**
Net financial debt (-) / Net financial assets (+)	-167,867	13,480
Equity ratio	53.9%	68.4%

The increase in non-current assets by € 182.2 million to € 497.7 million is due almost entirely to the investment-related growth in property, plant and equipment to € 476.6 (308.8) million.

Current assets decreased by € 54.0 million to € 74.9 million. On the one hand, the securities and cash and cash equivalents held the previous year were invested, as planned, in the capacity expansion. On the other hand, inventories and trade receivables increased versus the previous year's reporting date of 29 February 2008 due to the growth in business volume and the Ryssen acquisition.

Non-current liabilities increased by € 45.3 million to € 132.1 million, especially as the result of a loan of € 45.0 million from Südzucker International Finance B. V. for financing the capital expenditures.

Current liabilities rose by € 78.1 million to € 131.8 million. This was mainly due to a short-term bank borrowing of € 50 million and an increase in trade payables.

Appropriation of profit

Overall, the CropEnergies Group achieved net earnings for the year of € 5.9 (20.2) million according to IFRS accounting standards.

Net earnings for the year based on the separate financial statements of CropEnergies AG prepared according to German commercial accounting law, which is the relevant net earnings figure for appropriation purposes, amounted to € 6.0 million. After offsetting this with the remaining loss carry-forward from the previous year, the unappropriated net profit of CropEnergies AG is € 0.3 million.

The executive board and supervisory board will propose to the annual general meeting on 16 July 2009 that the unappropriated net profit be carried forward.

Disclosures pursuant to § 289 (4) and § 315 (4) HGB; executive board's explanatory report pursuant to § 175 (2) AktG

Pursuant to § 315 (4) HGB the company is required to report on certain company law structures and other legal circumstances in order to present a better view of the company and any obstacles to a takeover that may exist.

§ 315 (4) No. 1 HGB
The share capital of CropEnergies AG is € 85.0 million and is divided into 85 million individual bearer shares. Each share has one voting right. The company holds no treasury stock as of the reporting date.

§ 315 (4) No. 2 HGB
Restrictions on voting rights can result from the provisions of the German Stock Corporation Act (AktG). In certain circumstances shareholders might be precluded from exercising their voting right (§ 136 AktG). Further, the company has no voting right on treasury stock (§ 71 b AktG). We have no knowledge of any contractual arrangements that restrict voting rights or the transfer of shares.

§ 315 (4) No. 3 HGB
The company received the following notices in respect of direct and indirect ownership interests in the share capital of CropEnergies AG exceeding 10%: Südzucker Aktiengesellschaft Mannheim/Ochsenfurt last notified us in writing on 5 October 2006 pursuant to § 21 (1) and (1a) WpHG that it holds 71% of the voting rights in CropEnergies AG. Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG last notified us in writing on 9 October 2006 pursuant to § 21 (1) and (1a) WpHG in conjunction with § 22 (1) No. 1 WpHG that it holds 78% of the voting rights in CropEnergies AG, 71% via its subsidiary company Südzucker Aktiengesellschaft Mannheim/Ochsenfurt attributable to it pursuant to § 22 (1) No. 1 WpHG, and 7% directly.

§ 315 (4) No. 6 HGB
Pursuant to § 84 (1) AktG the members of the executive board are appointed and dismissed by the supervisory board. Pursuant to § 6 (1) of the articles of association of CropEnergies AG the executive board must consist of at least two persons. Otherwise, the supervisory board determines the number of members of the executive board. The supervisory board can appoint a chairman and a deputy chairman of the executive board. The members of the executive board were each appointed for a term of five years.

Pursuant to § 179 (1) AktG changes to the articles of association require a resolution to be passed by the annual general meeting. The articles of association of CropEnergies AG take advantage of the option provided for in § 179 (2) AktG and stipulate that resolutions may be passed in principle by a simple majority of votes and, insofar as a majority of the share capital is required, may be passed by a simple majority of the share capital. Authority to make amendments that only concern the wording was conferred on the supervisory board.

§ 315 (4) No. 7 HGB
By resolution passed by the annual general meeting on 29 August 2006 the executive board was authorised, subject to the consent of the supervisory board, to increase the company's share capital by a total of up to € 30 million in the period up to 28 August 2011 by issuing new bearer shares for cash and/or in return for non-cash contributions (Authorised Capital 2006). In specific cases as defined in § 4 (3) of the articles of association of CropEnergies AG the executive board is thereby authorised to exclude the shareholders' statutory subscription rights.

§ 315 (4) No. 8 HGB
No relevant agreements that are contingent upon a change of control as the result of a takeover bid have been made. No explanatory comments are therefore required.

§ 315 (4) No. 9 HGB
An explanation of compensation agreements concluded by the company with the members of the executive board or employees in the event of a takeover bid is not necessary as no such agreements exist.

The other disclosures stipulated in § 289 (4) and § 315 (4) HGB also relate to circumstances that do not apply at CropEnergies AG.

Executive and supervisory board compensation

The compensation system for the executive board of CropEnergies AG consists of fixed and variable components. The executive board compensation is determined by the supervisory board and is reviewed at regular intervals. The annual general meeting on 17 July 2007 passed a resolution not to disclose individualised information on executive board compensation for a period of five years by a large majority (opting out).

The fixed salary including fringe benefits in the 2008/09 financial year was € 438 (458) thousand for the entire board. The variable salary depends on the achievement of agreed targets and on the operating profit achieved by the company. It amounted to € 131 (189) thousand for the entire board. In the past financial year € 121 (36) thousand was allocated to the pension provisions for pension commitments to the executive board. There is no stock option plan.

The members of the supervisory board receive a performance-related compensation in addition to a fixed

compensation. The chair positions and membership of supervisory board committees are compensated separately. In the past 2008/09 financial year each member of the supervisory board received a fixed compensation of € 20 (20) thousand in addition to the reimbursement of their expenses and the value-added tax incurred in connection with their supervisory board activities. The chairman received double and his deputy one-and-a-half times this amount. The fixed compensation was increased by 25% for each membership of a supervisory board committee. For the chair position in a committee the rate of increase is 50%. There was no variable compensation. The compensation for the entire activities of the supervisory board members of CropEnergies AG amounted to € 170 (170) thousand for the 2008/09 financial year, plus € 1 thousand in reimbursed expenses.

The company has taken out financial loss liability insurance with a suitable deductible which incorporates cover for the activities of the members of the executive board and the supervisory board (D&O insurance).

Wanze – Europe's most advanced bioethanol plant. Pioneering technology for sustained profitability.

The next-generation bioethanol plant in Wanze meets economic and environmental requirements in exemplary fashion with CO_2 reductions of 70 percent compared to fossil fuels.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RISK REPORT

Risk management system

CropEnergies AG has implemented a risk management system to identify and monitor opportunities and risks. This is an integral part of the overall planning, control and reporting process within all relevant units. It includes an early risk warning system for the purposes of § 91 (2) AktG which, as part of the risk management system, is aimed at the early detection of developments which might threaten the company's existence.

Risk policy is aimed at detecting risks early on, assessing the impact of risks on the company's results, and implementing counter-measures where necessary.

An internal risk reporting process ensures that the executive board has a regularly updated overview of the risks identified and any implemented and/or possible counter-measures.

The Südzucker Group's internal auditing organisation also performs its auditing functions at units of the CropEnergies Group. Through selective audits it ensures the correctness of the company's business processes and monitors the efficacy of the internal control system.

The risk management system has also proven effective especially in the present financial market crisis.

Strategic performance and risk controlling at the operating level

Operating risks and group holdings are controlled centrally by the CropEnergies Group Controlling department in terms of production costs, on the one hand, and selling prices, on the other. This serves to control and monitor the achievement of business and financial targets at all subsidiaries. A continuous reporting system keeps the executive board regularly informed.

In addition, the departments of Südzucker AG Mannheim/ Ochsenfurt responsible for Controlling perform advisory functions.

Regulatory and political environment

As discussed in detail in the section "Developments in the political framework" in the Management Report, the CropEnergies Group is embedded within various biofuel industry-specific legal and political framework conditions at the national as well as the European level. This can give rise to additional opportunities, for instance if the national mandatory blending rates are increased beyond the standards set by the EU. Conversely, changes in these framework conditions can present risks, for instance if the blending targets at the EU level are lowered.

Operational risks

Procurement risk

To produce bioethanol the CropEnergies Group requires agricultural raw materials containing carbohydrates such as sugar syrups and grain. Price fluctuations on the world markets for agricultural commodities have a direct impact on the cost of materials. While the substantial rise in grain prices from spring 2007 onwards had increased the materials expense ratio in the European bioethanol industry, grain prices eased again in the past financial year.

CropEnergies can partly offset changes in grain prices by adjusting the selling prices for protein co-products such as ProtiGrain® in the same direction (so-called natural hedge).

In addition, CropEnergies can significantly reduce the impact of a rise in grain prices on raw material costs through a far-sighted procurement policy and through the increased use of sugar syrups.

In future, it will continue to be CropEnergies' business policy to reduce the remaining risks from increases in raw material prices by concluding longer-term supply agreements and by using futures contracts as well as alternative raw materials. Nonetheless, depending on the market situation, there is still the risk that it might not be possible to close hedging transactions that cover the costs or that increases in raw material prices that have taken place cannot be passed on to bioethanol customers.

Competition risk

The construction of new bioethanol plants and the expansion of existing capacities could lead to a significant rise

in levels of production capacity for bioethanol in the EU in the coming years. This growth could increase competition among bioethanol producers. However, since the majority of EU member states have adopted regulations to promote higher blending rates for bioethanol in the fuel sector and need to introduce additional rules to comply with the "Renewable Energies Directive" with its target quota of 10% by the year 2020, CropEnergies expects the demand for bioethanol to rise in the next few years.

With the passing of the integrated climate and energy package, the 27 EU member states will be required to implement the rules in national law.

CropEnergies also competes with non-European bioethanol producers, which, due to local conditions (especially in Brazil and the USA), benefit from lower production costs. Additionally, it was observed in Brazil that, as a result of the financial crisis, some producers were forced to sell ethanol also under unfavourable market conditions and to offer it cheaply on the European market.

Sales risk
Large customers account for the bulk of the CropEnergies Group's sales of bioethanol. The CropEnergies Group cannot rule out the possibility that supply contracts with individual large customers might be cancelled prematurely or might not be renewed when they expire.

Should, in this event, the CropEnergies Group not be able to replace the lost customer with an economically equivalent customer, or to sell the corresponding bioethanol volumes on economically equivalent terms in some other way, for instance via spot transactions, this could have a material impact on the group's assets, liabilities, financial position and results of operations.

Other operational risks
CropEnergies monitors product quality and environmental risks with the aid of a quality assurance system and modern process control technology. The risk of unplanned production stoppages is minimised by continuous maintenance measures and highly trained staff.

In the areas of information technology (IT), administration and research & development, CropEnergies is able to draw on the support of the specialist departments of Südzucker AG Mannheim/Ochsenfurt under a shared services agreement.

Legal risk
There are no legal disputes pending against the CropEnergies Group that could have a material effect on the group's financial position.

Financial risks

The CropEnergies Group is exposed to market risks as a result of changes in the prices of bioethanol, grain and energy, as well as changes in interest rates and, to a small extent, in exchange rates. The currency, interest rate and commodity risks are hedged on a limited scale through derivative instruments. The use of hedging instruments takes place within defined limits and exposures, and is subject to continuous controls.

Liquidity risks

Risks arising as a result of fluctuations in cash flows are identified early on and are managed within the framework of the liquidity planning, which is an integral part of the corporate planning process.

Credit risks

The credit risk in respect of receivables is reduced at CropEnergies, on the one hand, by constantly monitoring the creditworthiness, payment morale and credit lines of debtors and, on the other hand, through credit sale insurance and guarantees. Credit risks arising from financial investments are minimised by concluding transactions exclusively with banks and partners of prime standing.

Detailed information on currency, interest rate and price risks as well as liquidity and credit risks can be found in the notes to the financial statements under item (27) "Risk management within the CropEnergies Group".

Overall risk

Including possible risks presented by the general financial market crisis that are currently identified, there are no

discernible risks that could threaten the survival of the group at present or in the foreseeable future, or could have a significant negative impact on the group's financial position, business activity or results of operations.

Opportunities of future development

Opportunities can arise if grain prices decrease and/or a rise in bioethanol prices were to offset the higher cost of raw materials. 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 as a result of increases in the prices of its high-quality co-products.

Opportunities are also presented by the expected market growth for bioethanol. With the capacity expansion in Germany, Belgium and France, CropEnergies has created the basis to profit from the future market growth as one of the most efficient producers of bioethanol in Europe.

Profitability will thereby be determined to a large extent by the development of the average selling prices for ethanol and the cost situation for the raw materials used.

EVENTS AFTER THE BALANCE SHEET DATE

No events took place after the balance sheet date that have a significant impact on the assets, liabilities, financial position and results of operations.

RESEARCH AND DEVELOPMENT

General

The research and development activities of CropEnergies AG are coordinated and conducted at the Central Research, Development and Services Department (ZAFES) of Südzucker AG Mannheim/Ochsenfurt. The defined and closely coordinated tasks include the optimisation of existing processes as well as forward-looking projects such as technological support in developing design concepts for new facilities and the handling of marketing-related issues, especially in connection with fuel and bioethanol quality standards.

The various services are organised into projects and are settled on the basis of a service agreement concluded with Südzucker AG Mannheim/Ochsenfurt. In the past financial year, CropEnergies AG's overall budget for research and development services was € 2.9 (2.6) million.

Raw material base and fermentation modifications

An important strategic aim of CropEnergies is to be able to use a broad base of fermentable raw material flexibly according to conditions on the raw material markets.

A focus in the past financial year was therefore development work on the production of bioethanol from thick juice. Selecting the most effective yeast strains, defining the optimal nutrient composition, and setting the ideal process parameters were the main focus of attention. The insights gained were already applied in the commissioning of the new fermentation and distillation units in Zeitz and were also transferred to the new plant in Wanze when it was taken into operation.

Concepts with immobilised cell cultures, aimed at further reductions in production costs, were also developed to the pilot plant scale.

Optimisation of production plants

The aim of the modifications carried out on the production plants was to increase the efficiency of the production processes. A focus of the activities was on measures to improve performance during the commissioning of the second production line in Zeitz and the new plant in Wanze. In addition, by minimising the input of raw and auxiliary materials, eliminating undesirable viscosity-increasing accompanying elements, and reducing energy consumption it was possible to make the processes at the existing facilities in Zeitz more cost efficient and, thanks to the resulting reduction of CO_2 emissions, more sustainable.

In the area of water supply at the Zeitz plant potential was identified and tested for improvements that reduce water consumption per unit of production significantly, especially in the summer months.

The heat recovery concept for the Zeitz location that had previously been tested on a pilot plant scale was successfully implemented at Zeitz while the plant was in operation. This concept results in a significant reduction of energy costs in the grain mashing process. Energy consumption per unit of production was further reduced by exploiting synergies arising in connection with the capacity expansion.

With process engineering and analytical support, extensive tests and trials were conducted on an industrial scale in the area of primary energy sources. The aim of these trials was to reduce the input of fossil fuels, and at the same time further improve the greenhouse gas balance of the bioethanol produced, by using renewable fuels as a source of primary energy. Concepts based on research studies were also developed for extending the production and use of biogas.

Commercialisation of co-products

With the start-up of the new production plant in Wanze, CropEnergies is widening its product portfolio of high-grade food and animal feed products. Market research for the gluten product has revealed that there is strong demand for it in the food and animal feed industries, especially in pelletised form. An extensive programme of tests was therefore conducted on the drying and pelletising processes to determine the relevant process parameters for production.

The high-protein quality animal feed ProtiGrain® arising from the production of bioethanol in Zeitz could

present interesting opportunities as a raw material for other high-quality products that need to be explored more intensively.

Standards – Quality-relevant activities

In the past 2008/09 financial year CropEnergies was actively involved in the standards committees for ethanol, ethanol fuel E85, and petrol at the German and European level. Practice-oriented analytical methods were developed as the basis for specification parameters. The active participation led to the development and establishment of gas chromatography-based analytical methods that were evaluated in ring tests and were discussed as a proposal within the standards committees. A further ring test to determine the conductivity of ethanol and E85 is already in progress.

In creating and further improving the quality management system for the production facilities, essential documentation, including the HACCP food and animal feed safety concept, was switched to an international, and thus comparable, standard.

Bioethanol production – New production concepts

The production of bioethanol from lignocellular raw materials based on fermentation of the hemicellulose and cellulose fractions is the subject of a number of research projects. The evaluation of potential industrial partners for implementing this concept was initiated, and its incorporation in existing plants is being reviewed.

Another aspect of these research activities is the use of thermophile microorganisms in combination with innovative downstream processes which contribute especially towards improving the energy balance of the process and can therefore play an important role in the future.

Bioethanol fuel cells

In the development of fuel cells that can be used to convert the chemical energy stored in bioethanol directly into electric power, various projects were continued together with the cooperation partners at the Fraunhofer-Gesellschaft. Parallel with this, contacts with other research networks were also intensified.

EMPLOYEES

As of 28 February 2009, the CropEnergies Group had 310 (169) employees. This was broken down into 29 (26) employees at CropEnergies AG, 101 (99) at CropEnergies Bioethanol GmbH, 132 (44) at BioWanze SA, and 48 (0) at Ryssen Alcools SAS. The growth in the number of employees is due to the build-up of personnel in connection with the construction of the new plant in Wanze, the expansion of the plant in Zeitz, and the integration of Ryssen.

The average number of employees in the CropEnergies Group in the 2008/09 financial year was 272 (130).

Training

For a company that is evolving from a national player into an international group of companies, the rapid integration of new employees, especially in preparation for the start-up of large-scale industrial plants, is of crucial importance for the company's success. Special job familiarisation and qualification programmes in Wanze and Zeitz were therefore the main focus of the training measures. The transfer of know-how and networking within the group of companies was furthered through internal training schemes and exchange programmes. Employees at BioWanze SA, for instance, were able to acquire practical experience and a good knowledge of the bioethanol production process by actively working at the bioethanol plants in Zeitz and Loon-Plage already before the plant in Wanze was brought on stream. This was flanked by special training programmes developed jointly with the suppliers of the plant and process technology. A focus of these programmes was on involving employees in the function tests and trial run-up of the plant. In this way they were able to familiarise themselves early on with the specific processes within their areas of responsibility.

Internal suggestion scheme

In the past financial year employees of the CropEnergies Group submitted a total of 84 (70) suggestions for improvements, of which 39 (36) received awards.

Safety-at-work

Safety-at-work and health protection have high priority at all companies of the CropEnergies Group. The related measures are an integral part of the management system. They contribute significantly towards the company's performance and to the health of its employees. As a member of the Südzucker Group, the standards in force at CropEnergies AG are those of a major international company. The focus of the preventive measures is on conducting hazard assessments, testing tools and other working equipment, and instructing employees. Before the plants in Wanze and Zeitz were taken into operation, extensive process safety assessments were carried out and so-called HAZOP studies were drawn up. The CropEnergies Group has a very good track record in terms of both the number of accidents and the number of working hours lost as a result of accidents.

Acknowledgement

The executive board wishes to thank all the employees of the CropEnergies Group for their commitment and achievements in the past 2008/09 financial year. We are also grateful to the employees of the Südzucker Group who have provided valuable support in the further development of CropEnergies AG.

INVESTMENTS

€ 170.0 (146.6) million was invested in property, plant and equipment. Of the total, CropEnergies Bioethanol GmbH accounted for € 19.8 million, BioWanze SA for € 149.5 million, and Ryssen Alcools SAS for € 0.7 million.

In the past 2008/09 financial year, CropEnergies brought the investment programme that it announced when it went public in 2006 to a successful conclusion, and has almost tripled its production capacity to over 700,000 m³ of bioethanol per year. Besides the integration of Ryssen, CropEnergies completed the capacity expansion at the site in Zeitz and the construction of the new plant in Wanze (Belgium) according to plan, and has successfully taken these facilities into operation. In all, CropEnergies invested € 162.4 million, and thus 95.5% of the total invested in the past financial year, in capacity expansion.

A second production line with an annual capacity of 60,000 m³ of bioethanol was brought on stream in Zeitz in July 2008 that produces bioethanol from sugar syrups from the sugar refinery nearby. After a short commissioning phase, the second production line meets all the expectations in terms of the quantity and quality of the bioethanol produced. Together with the previously completed enlargement of the existing plant, the Zeitz location now has a total capacity of 360,000 m³ of bioethanol and 260,000 tonnes of ProtiGrain® per year. CropEnergies invested € 12.9 million in the expansion of this, Europe's largest bioethanol plant.

Another € 6.9 million was invested in environmental and optimisation measures at the Zeitz location. The largest single project was the installation of a regenerative thermal oxidation system, in which approximately € 1.2 million was invested. This system, the first of its kind to be installed at a German bioethanol plant, burns the off-gas flows from the fermentation process on the existing production line as well as all the off-gas flows from the new production line. The system can use natural gas, biogas and fusel oil as primary energy source. With the completion of this investment, CropEnergies has invested about € 10 million in active environmental protection at the Zeitz location since 2005.

In Wanze (Belgium), the new bioethanol plant with an annual production capacity of up to 300,000 m³ of bioethanol was brought on stream in December 2008 after a construction period of about 20 months. In a phased start-up process the distillation, rectification and alcohol drying were taken into operation first. This was then followed by the thick juice fermentation. The plant has also been processing wheat since March 2009. With the commissioning of the grinding mill and gluten units, the whole production process is now in operation. The proper functioning of the peripheral installations, such as effluent treatment and the ship loading and unloading facility, was assured in autumn 2008. At the heart of the production plant is a biomass plant, the only one of its kind in Europe so far, which uses the bran of the wheat grains delivered to generate a large part of the heat and electrical power that is needed for the process. The bioethanol produced with this innovative energy concept reduces CO_2 emissions by 70% compared to fossil fuels, and thus today already clearly exceeds the EU sustainability criteria for the production of bioethanol that will apply from the year 2017. The biomass boiler has a high thermal efficiency and increased availability compared to other biomass boilers, and is fitted with a latest-generation flue gas cleaning system. Following a trial run in August 2008, the biomass boiler has supplied the required process energy together with a gas-fired boiler since the beginning of January 2009.

In addition, € 22.8 million was invested in the acquisition of Ryssen Alcools SA. The acquisition includes € 5.7 million of cash and cash equivalents taken over.

OUTLOOK

CropEnergies has set itself the goal to command a leading position in the growing market for bioethanol in Europe and to systematically expand it. With the capacity expansion in Germany and Belgium, and its entry into the French market, CropEnergies made decisive strides in this direction in the past 2008/09 financial year.

At the European level, with the passing of the "Renewable Energies Directive" and the "Fuel Quality Directive" at the beginning of December 2008, the foundations have been laid for dynamic market growth beyond the year 2010. The mandatory blending target of 10% for the year 2020 provided for in the draft directive has been retained. With the introduction of sustainability criteria, the EU is also ensuring that only sustainably produced biofuels are used in the transportation sector in the future. Parallel with the "Renewable Energies Directive", a revision of the "Fuel Quality Directive" was also resolved. In adapting this directive the EU is establishing the technical parameters for the introduction of E10 fuel, i.e. the blending of 10 vol.-% of bioethanol in petrol, throughout Europe. As the issue of sustainability plays an important role in both sets of legislation, further dynamic growth in the demand for sustainably produced bioethanol in Europe is likely.

CropEnergies completed its investment programme, aligned to the expected growth in demand for bioethanol, in the past 2008/09 financial year. Capital expenditure on property, plant and equipment will therefore be much lower in the current 2009/10 financial year. CropEnergies now has an installed annual production capacity of over 700,000 m³ of bioethanol at its disposal. The CropEnergies Group's production facilities will meet the requirements regarding the reduction of greenhouse gas emissions provided for in the new legislation and thus further increase the group's competitiveness.

In the current 2009/10 financial year, CropEnergies will successively raise the level of utilisation of its installed capacity, further optimise production, and thus strengthen its position as one of Europe's leading bioethanol producers.

The market for bioethanol will also continue to grow globally. Price levels in Europe will probably remain influenced by developments in Brazil, the biggest exporter. There, too, the difficult situation on the credit markets has forced a number of producers to sell ethanol even under unfavourable market conditions in order to maintain their liquidity. Although CropEnergies assumes that world supply and demand for bioethanol will remain in balance, and therefore expects that the prices for bioethanol will tend to move sideways, a factor of uncertainty is how demand on the world markets will develop in the wake of the recession sparked by the global financial and economic crisis.

A second important factor of influence for the profitability of CropEnergies, besides the average level of product prices, is the development of raw material prices. Production estimates for the 2008/09 grain year (1 July 2008 to 30 June 2009) have been revised upwards a number of times over the past months in expectation of a good harvest. A good supply situation is also expected for the 2009/10 grain year. CropEnergies assumes that prices on the grain markets, which have come down compared with the previous year, will now move sideways.

CropEnergies expects the company's growth to continue in the current 2009/10 financial year. Based on 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 last year's levels. The processing and marketing of additional co-products will also have a positive impact on group revenues. CropEnergies expects to be able to increase revenues to over € 400 million. Despite volatile raw material prices and lower bioethanol prices, CropEnergies forecasts an operating profit above last year's level. The earnings forecast takes account of the changes in the political framework conditions in Germany.

For the 2010/11 financial year and beyond, CropEnergies is confident that, as an innovative company with a strong capital base, it is well positioned to be able to benefit from the market growth for bioethanol in Europe and further expand its technology and cost leadership in Europe.

Loon-Plage – Europe's most flexible bioethanol plant of Ryssen. Multi-faceted product portfolio for customers in different sectors.

The ability to tailor product and service to the customer's individual wishes is Ryssen's strength.

CONSOLIDATED FINANCIAL STATEMENTS

Income statement

1 March 2008 to 28 February 2009

€ thousands	Note	2008/09	2007/08
Revenues	(5)	**328,434**	**186,771**
Change in work in progress and finished goods inventories and internal costs capitalised	(6)	7,322	5,576
Other operating income	(7)	2,022	889
Cost of materials	(8)	-273,805	-132,963
Personnel expenses	(9)	-17,226	-8,451
Depreciation		-10,639	-8,928
Other operating expenses	(10)	-28,974	-25,907
Income from operations	(11)	**7,134**	**16,987**
Financial income	(12)	1,635	6,184
Financial expenses	(12)	-5,158	-3,288
Earnings before income taxes		**3,611**	**19,883**
Taxes on income	(13)	2,243	271
Net earnings for the year		**5,854**	**20,154**
Earnings per share, diluted/undiluted (€)		**0.07**	**0.24**

Cash Flow Statement

1 March 2008 to 28 February 2009

€ thousands	Note	2008/09	2007/08
Net earnings for the year		5,854	20,154
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	(15), (16)	10,639	8,928
Change in non-current provisions and deferred taxes		-4,895	-2,146
Other income not affecting cash		-1,502	-905
Gross cash flow		**10,096**	**26,031**
Gain (-) / Loss (+) on disposal of non-current assets and securities		-882	24
Decrease (-) / Increase (+) in current provisions		-3,233	4,099
Increase (-) / Decrease (+) in inventories, receivables and other current assets		-2,556	1,585
Increase in liabilities (excluding financial liabilities)		8,767	11,492
Decrease in working capital		2,978	17,176
I. Net cash flow from operating activities		**12,192**	**43,231**
Investments in property, plant and equipment and intangible assets	(15), (16)	-170,110	-146,644
Acquisition of, and investments in, non-current financial assets		-17,084	0
Investments		**-187,194**	**-146,644**
Cash received on disposal of non-current assets		368	52
Cash paid on the purchase of securities in current assets		0	-39,989
Cash received on the selling of securities in current assets		41,366	0
Investment subsidies received		4,000	1,663
II. Cash flow from investing activities		**-141,460**	**-184,918**
Receipt of financial liabilities		95,000	0
Repayment of financial liabilities		-13,240	-71
III. Cash flow from financial activities		**81,760**	**-71**
IV. Change in cash and cash equivalents (total of I., II. and III.)		**-47,508**	**-141,758**
Cash and cash equivalents at the beginning of the year		50,586	192,344
Cash and cash equivalents at the end of the year		**3,078**	**50,586**

Additional comments on the cash flow statement can be found in item (30) of the notes to the financial statements.

Balance sheet

28 February 2009

ASSETS

€ thousands	Note	28/02/2009	29/02/2008
Intangible assets	(15)	4,859	493
Property, plant and equipment	(16)	476,608	308,796
Receivables and other assets		0	3
Deferred tax assets	(13)	16,185	6,162
Non-current assets		**497,652**	**315,454**
Inventories	(17)	34,940	13,178
Trade receivables and other assets	(18)	35,741	23,784
Current tax receivables		1,128	424
Securities	(23), (24)	0	40,894
Cash and cash equivalents	(23), (24)	3,078	50,586
Current assets		**74,887**	**128,866**
Total assets		**572,539**	**444,320**

LIABILITIES AND SHAREHOLDERS' EQUITY

€ thousands	Note	28/02/2009	29/02/2008
Subscribed capital		85,000	85,000
Capital reserves		211,333	211,333
Revenue reserves		12,286	7,438
Shareholders' equity	(19)	**308,619**	**303,771**
Provisions for pensions and similar obligations	(20)	2,344	1,446
Other provisions	(21)	1,370	1,251
Non-current financial liabilities	(23), (24)	108,539	68,250
Other payables		167	129
Deferred tax liabilities	(13)	19,652	15,742
Non-current liabilities		**132,072**	**86,818**
Other provisions	(21)	898	4,130
Current financial liabilities	(23), (24)	62,406	9,750
Trade and other payables	(22)	61,285	35,472
Current tax liabilities		7,259	4,379
Current liabilities		**131,848**	**53,731**
Total liabilities and shareholders' equity		**572,539**	**444,320**

Changes in shareholders' equity

1 March 2008 to 28 February 2009

€ thousands	Subscribed capital	Capital reserves	Retained earnings incl. carryforwards	Revaluation reserve	Net profit	Total consolidated shareholders' equity
1 March 2007	85,000	212,013	-25,968	0	11,158	282,203
Net earnings for the year					20,154	20,154
Unappropriated net profit carried forward			11,158		-11,158	0
Mark-to-market gains and losses on cash flow hedging instruments				2,094		
Other changes		-680				
Total change in other comprehensive income	0	-680	0	2,094	0	1,414
29 February 2008/ 1 March 2008	85,000	211,333	-14,810	2,094	20,154	303,771
Net earnings for the year					5,854	5,854
Unappropriated net profit carried forward			20,154		-20,154	0
Mark-to-market gains and losses on cash flow hedging instruments				-967		
Other changes				-39		
Total change in other comprehensive income	0	0	0	-1,006	0	-1,006
28 February 2009	85,000	211,333	5,344	1,088	5,854	308,619

Changes in shareholders' equity are explained in item (19) of the notes to the financial statements.

Notes to the consolidated financial statements for the financial year from 1 March 2008 to 28 February 2009

General notes

(1) Principles for drawing up the consolidated financial statements

The consolidated financial statements of CropEnergies AG were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, taking into account the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applicable in the EU. In addition, account was taken of the requirements of German commercial law pursuant to § 315a (1) of the German Commercial Code (HGB).

All IFRS pronounced by the IASB in force at the time the present consolidated financial statements were prepared and applied by CropEnergies have been adopted by the European Commission for application within the EU.

The consolidated financial statements for 2008/09 were examined, approved and cleared for publication by the supervisory board of CropEnergies AG at its meeting on 19 May 2009.

The consolidated financial statements are prepared in euro. Unless stated otherwise, all amounts are in thousand euro (€ thousand).

In addition to the income statement, the cash flow statement and the balance sheet, changes in shareholders' equity are reported. The disclosures in the notes also include a segment report.

In order to improve the clarity of the presentation, various items of the balance sheet and the income statement have been grouped together in summarised form. These items are reported separately and explained in the notes. The income statement is drawn up on the basis of the type of expenditures format.

The changes in IAS 39 (Financial Instruments: Recognition and Measurement) and IFRS 7 (Financial Instruments: Disclosures) mandatory for the first time as from the 2008/09 financial year had no impact on the financial reporting. The segment report has been prepared on the basis of voluntary, early application of IFRS 8 (Operating Segments). This requires that the segment reporting is aligned in structure and content to the organisation of the regular internal reporting to the company's chief operating decision makers. The standard would have been mandatory as from the 2009/10 financial year.

The following revised standards and new interpretations, which have been adopted by the EU in European law, will be mandatory for the first time as from the 2009/10 financial year:

The new version of IAS 1 (Presentation of Financial Statements) provides, among other things, in future for a statement of comprehensive income for the period to be published that includes the components of income and expense that were previously recognised in shareholders' equity without effect on profit or loss. The amount of income tax attributable to each component has to be disclosed. Application of the revised IAS 1 will lead to changes especially in the presentation of the income statement and the statement of changes in shareholders' equity.

The revision of IAS 10 (Events after the Reporting Date) clarifies that dividends resolved after the reporting date may not be reported as a liability already as of the reporting date because no obligation exists at that time.

IAS 16 (Property, Plant and Equipment) and IAS 7 (Statements of Cash Flows) have been changed with regard to the reporting of property, plant and equipment and cash receipts from the disposal of items of property, plant and equipment sold to third parties at the end of a lease.

The further revision of IAS 19 (Employee Benefits) has defined more precisely the criteria for the demarcation of negative past service cost from plan curtailments and the demarcation of employee benefits due in the short term from employee benefits that are due in the long term.

The adjustment of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) stipulates that the interest benefit of a government loan granted at a below-market rate of interest is to be accounted for as a benefit according to the rules of IAS 20.

IAS 23 (Borrowing Costs) has been revised to the effect that interest expense which can be attributed to the acquisition or production of so-called qualifying assets (construction of new manufacturing plants, significant add-on investments) must be capitalised as acquisition or production costs until the investment measure is completed. The previous option of expensing borrowing costs immediately – which has been applied to date by CropEnergies – will therefore be abolished. A qualifying asset (construction of new manufacturing plants, significant add-on investments) is defined as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In future, companies are therefore required to capitalise such borrowing costs as part of the acquisition cost of the qualifying assets. The standard has to be applied for the first time to borrowing costs for qualifying assets whose date of initial recognition for capitalisation is on or after 1 January 2009. CropEnergies has established the conditions for the recognition of qualifying assets in its capital investment authorisation procedure and will be applying IAS 23 (Borrowing Costs) as from 1 March 2009.

The adjustments in IAS 27 (Consolidated and Separate Financial Statements) regulate the restructuring of groups with the creation of a new group parent company. With the revision of IAS 27 (Consolidated and Separate Financial Statements to IFRS) it is also clarified that financial instruments at fair value according to IAS 39 must continue to be measured at fair value also if they are classifiable as "available-for-sale" according to IFRS 5.

With the amendment of IAS 28 (Investments in Associates) and, accordingly, of IAS 32 (Financial Instruments: Presentation) and IFRS 7 (Financial Instruments: Disclosures) it was clarified that for the purposes of impairment tests the investment in an associated company is to be treated as a uniform asset and that any reversals of impairments have to be recognised.

The revised IAS 31 (Interests in Joint Ventures) stipulates that certain joint ventures carried at market value are subject to the rules of IAS 39 (Financial Instruments; Recognition and Measurement).

The revisions in IAS 32 (Financial Instruments: Presentation) and IAS 1 relate to changes in the classification of puttable financial instruments and of obligations only arising on liquidation. Some financial instruments that currently satisfy the definition of a financial liability will classify as shareholders' equity. IAS 32 contains detailed criteria for identifying such instruments.

The revision of IAS 34 (Interim Financial Reporting) clarifies that undiluted and diluted earnings per share have to be disclosed in the income statement in the interim financial reporting.

The additions to IAS 36 (Impairment of Assets) extend the disclosures on the goodwill impairment test in the notes to the financial statements.

The revision of IAS 38 (Intangible Assets) stipulates that expenses for advertising campaigns and sales promotion measures may not be capitalised; the CropEnergies Group is not affected by this rule.

The additions to IAS 39 (Financial Instruments: Recognition and Measurement) in conjunction with IFRS 7 (Financial Instruments: Disclosures) concern rules for the reclassification of financial instruments that are recognised at fair value through profit or loss, and changes in the interest rate applied when using the effective interest method.

The adjustments in IAS 40 (Property Investments) relate to property in the process of construction or development that is intended to be held in future as financial investments; the application of this standard has no relevance for CropEnergies.

The revision of IAS 41 (Agriculture) defines more specifically how cash flows are determined in measuring the transformation of biological assets into agricultural produce.

The adjustments in IFRS 1 (First-Time Adoption of International Financial Reporting Standards) in conjunction IAS 27 (Consolidated and Separate Financial Statements to IFRS) regulate the measurement of subsidiaries, jointly controlled entities and associates when IRFS are applied for the first time.

The changes in IFRS 2 (Share-Based Payment) are not relevant for CropEnergies as there are no share-based payments.

IFRIC 13 (Customer Loyalty Programmes) and IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) regulate matters that are not relevant for CropEnergies.

All the revised standards listed so far have to be applied for the first time for financial years beginning on or after 1 January 2009. Insofar as these changes are relevant for the CropEnergies Group, the implications that they have for its assets, liabilities, financial position and results of operations are being examined.

The changes to IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations) clarify that, also in the event of a partial disposal if this results in a loss of control over a consolidated entity, all the assets and liabilities of the consolidated entity must be reclassified as "available for sale". Application of the revised standard is mandatory for financial years beginning on or after 1 July 2009. The revised standard will therefore have to be applied at CropEnergies Group as from the 2010/11 financial year. Depending on the nature and scale of future transactions these changes could have implications for the assets, liabilities, financial position and results of operations of the CropEnergies Group.

IFRIC 12 (Service Concession Arrangements) regulates accounting treatment and measurement in connection with the provision by private investors of obligations that have the nature of a public service. This has no relevance for the CropEnergies Group. The interpretation has to be applied for financial years beginning on or after 28 March 2009. The interpretation would therefore be applicable for the first time as from the 2010/11 financial year.

Revised versions of IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements to IFRS) were published in January 2008. The new IFRS 3 contains rules on scope, purchase price components, the treatment of

minority interests and goodwill, and the recognition of assets, liabilities and contingent liabilities. The standard also contains rules on accounting for loss carry-forwards and the classification of contracts of the acquired entity. The new IAS 27 makes application of the "economic entity approach" mandatory when accounting for acquisitions and disposals of ownership interests upon obtaining control or if control is retained. This requires that transactions with minority interests are to be recognised in shareholders' equity without effect on profit or loss. In case of successive acquisitions that lead to control over an entity, or to loss of control if ownership interests are sold, the standard requires that the ownership interests already held, or the remaining ownership interests, are to be adjusted to fair value.

The revised versions of IFRS 3 and IAS 27, which have not yet been adopted by the EU in European law, will probably not have to be applied for the most part until financial years beginning on or after 1 January 2010. Depending on the nature and scale of future transactions these changes will have implications for the assets, liabilities, financial position and results of operations of the CropEnergies Group as from the 2010/11 financial year.

(2) Scope of consolidation

The following German and foreign subsidiary companies, which are directly or indirectly wholly owned by CropEnergies AG and over which it has direct or indirect economic control, are included in the consolidated financial statements in line with full consolidation principles:

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

The establishment of CropEnergies Beteiligungs GmbH was entered in the Trade Register on 19 May 2008.

Bioenergy Loon-Plage SAS, Paris, was merged into Ryssen Alcools SAS with effect as of 23 February 2009.

With effect as of 30 June 2008 CropEnergies AG acquired 92.8% of the shares in Ryssen indirectly through the acquisition of the intermediate holding company Compagnie Financière de l'Artois SA (COFA). The purchase price was € 21.5 million plus incidental acquisition costs of € 0.2 million and was paid in cash. The purchase price included consideration for the € 6.5 million of financial assets that were taken over. On 28 November 2008 COFA acquired the remaining 7.2% of the shares in Ryssen for € 1.1 million.

The assets and liabilities acquired break down as follows: property, plant and equipment € 14.1 million, inventories € 10.0 million, trade receivables € 10.2 million, other assets € 9.8 million, cash and cash equivalents € 5.7 million, provisions € 0.3 million, financial liabilities € 11.1 million, trade payables € 9.1 million and other liabilities € 10.8 million. The book values of the assets and liabilities correspond to their current values. For the full 2008/09 financial year COFA/Ryssen achieved revenues of € 83.3 million and net earnings for the year of € 3.4 million.

The purchase price is based on usual market going-concern methods of valuation. The difference between the book values and the purchase price paid gave rise to goodwill of € 4.3 million. The main factors that led to the recognition of this goodwill are the expected future cash flows. With the acquisition, CropEnergies is expanding its activities in the important French market and now has a raw alcohol dehydration or drying capacity there of 100,000 m³ of bioethanol per year for the fuel sector. Ryssen is also a specialist for the rectification or purification of raw alcohol for traditional

**Exempted from the financial reporting requirements pursuant to § 264 (3) HGB*

and technical applications, with a capacity of 80,000 m³ of alcohol per year. At the same time, CropEnergies is therefore broadening its product portfolio with the addition of high-quality alcohols for traditional and technical applications, for instance in the beverage, perfume and cosmetics industries. There are no other intangible assets.

(3) Consolidation methods

Capital consolidation of the subsidiaries is carried out according to the purchase accounting method by offsetting the acquisition cost with the group's interest in the subsidiary company's equity at the time of acquisition. An excess is allocated to the assets to the extent that their current value exceeds their book value. A remaining goodwill upon first-time consolidation is recognised under intangible assets. In accordance with IFRS 3 (Business Combinations) goodwill is not amortised over its anticipated useful life but is tested for impairment at least once a year (impairment-only approach).

Intercompany sales, expenses and income as well as all receivables and liabilities or provisions and contingent liabilities between the consolidated companies are eliminated. There were no material intercompany profits recognised in fixed assets and inventories.

(4) Accounting policies

Acquired goodwill is reported under intangible assets. Intangible assets acquired within the framework of a business combination are reported separately from goodwill if they are separable in accordance with the definition in IAS 38 (Intangible Assets) or emanate from a contractual or legal right and the current value can be reliably measured. Other intangible assets acquired for consideration are reported at their acquisition cost and are regularly amortised on a straight-line basis over their anticipated useful life. Self-constructed intangible assets are capitalised insofar as the recognition criteria of IAS 38 are fulfilled.

Goodwill is not amortised but is tested for impairment annually and whenever there are indications of impairment (impairment test).

In conducting the impairment tests, the goodwill has to be allocated to the cash generating units at the segment level.

The recoverable amount is measured by determining the value in use. The value in use is the present value of the future cash flows that can probably be produced from the cash generating units. The value in use is determined on the basis of a going concern valuation model (discounted cash flow method). For this purpose, cash flow forecasts are used that are based on the 5-year planning approved by the executive board and valid at the time of conducting the impairment tests.

The 5-year planning takes account of economic data of a general nature and is based on the expected development of the macroeconomic framework data derived from external economic and financial studies.

The cost of capital has to be calculated as the weighted average of the cost of equity and the cost of debt based on their respective share of total capital. The cost of equity corresponds to the return expectations of the CropEnergies shareholders. The cost of debt that is applied reflects the company's current financing terms. In December 2008, the discount rate derived from the CropEnergies Group's cost of capital was 9.3% before tax and 6.5% after tax.

For extrapolating the cash flows in the cash generating units (CGUs) beyond the planning period CropEnergies applies a constant growth rate of 1.5%. This growth rate used for discounting the perpetuity value is lower than the growth

rate determined in the detailed planning period and mainly serves to compensate for general inflation. The cash flows are determined net of the capital expenditures necessary to generate the assumed cash flow growth. These estimated reinvestment rates are based in empirical values from the past and take account of the replacements of productive resources provided for in the planning period.

In the past 2008/09 financial year, no write-downs of goodwill were necessary in the light of the annual impairment test or other circumstances because the value in use of the CGUs was above book value. The goodwill impairment test is based on forward-looking assumptions. Judging from today's vantage point, changes in these assumptions will not cause the book values of the CGUs to exceed their recoverable amount (value in use) so that they would need to be adjusted in the following financial year. The value in use of the CGUs was well above their book value as of the valuation date.

Property, plant and equipment are valued at acquisition or production cost less straight-line depreciation. In the year of acquisition the asset values of property, plant and equipment are written off on a pro rata temporis basis. Government grants and subsidies are deducted from acquisition cost. The production cost of self-constructed assets includes direct costs as well as proportional allocable material and production overhead costs. Debt capital costs are not capitalised as part of acquisition or production cost. Maintenance costs are recognized through profit or loss at the time when they accrue. They are only capitalised if the general capitalisation criteria, such as the inflow of economic benefits and the reliable measurement of the allocable costs, are fulfilled.

Property, plant and equipment and intangible assets with a defined useful life are depreciated on the basis of the following expected useful lives:

	Expected useful lives
Intangible assets	3 to 8 years
Buildings	15 to 50 years
Technical plant and machinery	6 to 30 years
Office furniture and equipment	3 to 15 years

Property, plant and equipment and intangible assets with a defined useful life are written down according to IAS 36 (Impairment of Assets) if the recoverable amount of the asset has fallen below book value. The recoverable amount is reported as fair value less selling costs or the value of the expected inflow of economic benefits from the use of the asset (value in use), whichever is greater. Write-downs are reversed through profit or loss when the original reasons for the impairments no longer apply, whereby the write-up may not exceed the carrying amount that would have been reported if no impairment had been recognised in prior periods.

Inventories are reported at acquisition or production cost. The average cost method is applied or – in the case of raw materials – the FIFO method (first in – first out) since this corresponds to the actual order in which they are consumed. Production cost includes the production-related full costs measured on the basis of normal capacity. Specifically, production cost includes the direct costs as well as fixed and variable production overheads (material and manufacturing overhead costs) including depreciation on production facilities. Included in particular are the costs incurred at the specific production cost centres. Financing costs are not included. If necessary, the lower realisable net selling value less costs still to be incurred is applied. This is always based on the realisable net selling value of the end product.

The realisable net selling value is the estimated proceeds realisable in the normal course of business from the sale of the product less the variable selling costs required to sell it.

The reported receivables and other assets are recognised at their current value at the time when they accrue and are subsequently valued at amortised cost on the basis of the effective interest method. Adequate specific valuation adjustments have been made for default and other risks contained in the receivables.

Valuation adjustments are made where necessary for any remaining risk residual in respect of trade receivables based on the actual default risk. The maximum risk position arising from trade receivables corresponds to the book value of these receivables.

Cash and cash equivalents are reported at their nominal value, which corresponds as a rule to their market value. Cash and cash equivalents consist of cash and balances held with banks with a maximum term of three months.

Write-downs on non-current and current assets, with the exception of goodwill and available-for-sale equity instruments, are reversed through profit or loss when the original reasons for the impairments no longer apply.

CO_2 emission rights are accounted for as intangible assets and are reported under other assets. They are valued at acquisition cost, which is zero in the case of emission rights that are allocated at no cost. If actual emissions exceed the allocated certificates, a provision for CO_2 emissions is created and expensed. The provision is measured on the basis of the acquisition cost of purchased emission certificates or the market value of emission certificates on the respective valuation date.

In the case of defined-benefit pension plans the provisions for pensions and similar commitments are measured on the basis of the projected credit method according to IAS 19 (Employee Benefits). This method not only incorporates the known pension benefits and the future pension benefits accumulated as of the reporting date but also takes account of future salary and pension adjustments. The calculation is based on actuarial valuations taking biometric data into account.

The provision for pensions and similar commitments is reduced by the plan assets of the fund created to cover the pension obligations. The service cost component is recognised in personnel expenses, while the interest cost component, representing the increase in the present value of the accrued benefit obligations over time, and the expected return on the plan assets are recognised in net financial income and expenses.

Gains and losses from unplanned changes in the present value of the future benefit obligations and changes to the actuarial assumptions within a 10% margin of the present value of the future benefit obligations are not taken into account. Only when this margin is exceeded or is fallen short of, are these gains/losses distributed over the remaining time of service and recognised in provisions.

Other provisions are recognised when a current obligation arises from a past event, the likelihood of an outflow of resources embodying economic benefits to settle the obligation is more probable than not, and this can be estimated with sufficient reliability. This means that the degree of probability must be more than 50%. Measurement is on the basis of the outcome of the obligation with the highest degree of probability or, in the case of equal probability, on the expected value of the obligation. Provisions are only created for legal and de facto obligations to third parties. Provisions are reported at the discounted present value of the expected expense, whereby the discount rate is oriented to the current market expectation and the specific risks of the obligation. Provisions are written back in the expense item under which they were created.

Deferred taxes are calculated on temporary differences in the values of assets and liabilities between IFRS and the tax accounting as well as on loss carry-forwards to the extent that they can be used for tax purposes. Deferred tax assets and deferred tax liabilities are reported as separate items. Deferred tax assets and deferred tax liabilities have been netted with each other if the income tax is levied by the same tax office. Deferred taxes were calculated in accordance with IAS 12 (Income Tax) taking the country and location-specific income tax rates into account.

Non-current liabilities are reported at amortised cost. Differences between historical cost and the repayment amount are accounted for on the basis of the effective interest method. Current liabilities are valued at market value upon initial recognition and thereafter at amortised cost.

Financial assets are subdivided into the following categories: a) financial assets measured at fair value through profit or loss, and b) loans and receivables. Financial liabilities are classified as liabilities at amortised cost upon initial recognition.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets upon their initial recognition and reviews the classification at each reporting date. Similarly to the procedure for financial assets, the classification of financial liabilities also depends on their respective purpose.

The CropEnergies Group uses derivative financial instruments for hedging grain prices in order to minimise risks and costs caused by fluctuations in raw material prices. These hedging transactions, which are based on hedged items relating to the company's operating activities, are treated as cash flow hedges, so gains or losses are recognised in earnings at the time when the hedged item affects earnings. Authoritative for the initial recognition of a financial instrument is the date of performance.

Contracts which are concluded for the purposes of receiving or delivering non-financial items according to the company's operational planning are not reported as derivative financial instruments but as pending transactions.

Proceeds from the sale of products and merchandise are recognised when the delivery or service owed has been performed and transfer of the material opportunities and risks has taken place. Reductions and price allowances are also taken into consideration.

Government subsidies are recognised at their fair value if it can be assumed with a high degree of certainty that the subsidies will materialise and CropEnergies meets the conditions for the subsidies to be granted.

Development costs for new products are capitalised at production cost provided that the costs are clearly allocable and both the technical feasibility and the marketing of these newly developed products are assured. In addition, the product development must lead to a future inflow of economic benefits with a sufficient degree of probability. Research costs cannot be capitalised according to IAS 38 and are directly expensed in the income statement.

Discretionary decisions have to be taken when applying the accounting policies.

This applies especially with regard to the following issues: with certain contracts it has to be decided whether they are to be treated as derivatives or are to be accounted for as pending transactions like in-house consumption contracts.

The preparation of the consolidated financial statements according to IFRS requires assumptions and estimations to be made. These assessments by management can affect the value of the assets and liabilities as well as the income and expenses reported, and the recognition of contingent liabilities.

These assumption and estimations relate, for instance, to the recognition and measurement of provisions. In the case of provisions for pensions and similar commitments the discount rate assumed is an important variable. The discount rate is determined on the basis of the yields of prime fixed-rate corporate bonds prevailing on the financial markets as of the reporting date. Assumptions are also made about pensionable age, life expectancy, staff fluctuation, and future salary and pension increases.

The assessment of goodwill impairments is based on cash flow forecasts for the next five years and the application of a discount rate that is adjusted for industry and company-specific risk.

Deferred tax assets are recognised if the realisation of future tax benefits is probable. However, the actual taxable earnings situation in future periods, and thus the actual extent to which the deferred tax assets can be utilised, may differ from the assessment at the time the deferred tax assets were recognised.

Further details on the assumptions and estimations underlying these consolidated financial statements can be found in the notes on the individual items of the financial statements.

All assumptions and estimations are based on the circumstances and assessments on the balance sheet date. The assessment of probable business development also takes account of assumptions regarding the group's future operating environment that were considered realistic at that time. Should the framework conditions develop differently than we have assumed, the actual outcomes may differ from the estimates. If this is the case, the assumptions and, if necessary, the book values of the assets and liabilities concerned are adjusted.

Notes on the income statement

(5) Sales revenues

€ thousands	2008/09	2007/08
Bioethanol and co-products	312,688	181,738
Other revenues	15,746	5,033
	328,434	**186,771**

The growth in sales revenues is mostly due to the higher production and sales volumes of bioethanol, volume and price-related increases in animal feed, growth in trading business, and the Ryssen acquisition.

Other revenues relate mainly to the sale of grain, work and services performed, and the sale of energy.

(6) Changes in inventories and other internal costs capitalised

The item change in inventories and other internal costs capitalised includes own work capitalised in the amount of € 36 (49) thousand.

(7) Other operating income

The other operating income of € 2,022 (889) thousand mostly relates to income from cost transfers.

(8) Cost of materials

€ thousands	2008/09	2007/08
Cost of raw materials, consumables and supplies and of purchased merchandise	263,978	126,408
Cost of purchased services	9,827	6,555
	273,805	**132,963**

The growth in the cost of materials reflects the higher volume of bioethanol sold, which, including the Ryssen acquisition, rose by 73% to € 482 (279) thousand m³, and higher raw material costs due to the strong rise in grain prices. The growth in the cost of materials was moderated by the increasing use of sugar syrups.

(9) Personnel expenses

€ thousands	2008/09	2007/08
Wages and salaries	13,236	6,978
Social security, pension and welfare expenses	3,990	1,473
	17,226	**8,451**

Number of employees (annual average)		
	2008/09	2007/08
Number of employees by region		
Germany	131	110
Other European countries	141	20
	272	**130**
Number of employees by category		
Wages earners	134	59
Salary earners	138	71
	272	**130**

The average number of employees in the 2008/09 financial year doubled versus the previous year to 272 (130). This was especially due to new hirings for the Wanze and Zeitz locations, and the 48 employees taken over from Ryssen. As a result, personnel expenses doubled to € 17.2 (8.5) million.

The personnel expense ratio (as a percentage of overall performance) was 5.1 (4.4)%.

(10) Other operating expenses

€ thousands	2008/09	2007/08
Selling and advertising expenses	12,447	6,068
Operating and administrative expenses	6,434	5,668
Other expenses	10,093	14,171
	28,974	**25,907**

Selling and advertising expenses increased primarily due to the growth in business volume and the acquisition of Ryssen.

The other expenses of € 10.1 (14.2) million mainly comprise costs of shared services provided by the Südzucker Group in the amount of € 6.6 (5.2) million, start-up costs of € 4.0 (3.2) million for the production plant in Wanze (Belgium), and income from amounts released from the related provisions.

(11) Income from operations

€ thousands	2008/09	2007/08
Income from operations	**7,134**	**16,987**
of which operating profit	18,193	22,025
of which restructuring costs and special items	-11,059	-5,038

The income from operations for the past 2008/09 financial year of € 7.1 (17.0) million comprises the operating profit of € 18.2 (22.0) million and net restructuring costs and special items of € -11.1 (-5.0) million.

The special items in the 2008/09 financial year relate mainly to the start-up costs for the new bioethanol plant in Wanze (Belgium).

The operating margin was 5.5% (11.8%) of sales revenues.

(12) Financial income and expenses

€ thousands	2008/09	2007/08
Interest income	434	5,201
Other financial income	1,201	983
Financial income	**1,635**	**6,184**
Interest expense	-4,610	-3,206
Other financial expense	-548	-82
Financial expense	**-5,158**	**-3,288**
Net financial result	**-3,523**	**2,896**

Net financial income and expenses decreased by € 6.4 million versus the previous year to € -3.5 (2.9) million. This was mainly due to higher liabilities to banks and reduced financial investments as a result of the capital expenditures. Interest expenses include expenses of € 0.1 (0.1) million for pensions and similar commitments.

(13) Taxes on income

The theoretical tax rate of 29.9% for the 2008/09 financial year is derived from application of the German corporate income tax rate of 15.0% plus the solidarity surcharge of 5.5%, and municipal trade tax on income.

€ thousands	2008/09	2007/08
Earnings before tax on income	3,611	19,883
Theoretical tax rate	*29.9%*	*29.9%*
Theoretical tax expense	**1,081**	**5,951**
Change in theoretical tax expense as a result of:		
German Corporate Tax Reform	0	-3,477
Foreign tax rate differentials	-2,305	-2,014
Tax-free dividends	-591	-205
Different tax rates	-853	-56
Fixed asset valuation differences	-674	-676
Non-deductible expenses	1,011	74
Trade tax adjustment	238	230
Other	-150	-98
Taxes on income	**–2,243**	**–271**
Effective tax rate	**–,–**	**–,–**

A tax reduction of € 2.3 (2.0) million was realised in the reporting period owing to specific Belgian tax rules.

Set against the current tax expenses of € 3.0 (3.3) million there was deferred tax income of € 5.2 (3.6) million, which was mainly due to the loss carry-forward and to specific Belgian tax rules at BioWanze SA.

In the previous year one-off deferred tax income of € 3.5 million had been booked owing to the changes under the German Company Tax Reform Act.

The deferred taxes result from the individual balance sheet items as follows:

€ thousands	Deferred tax assets		Deferred tax liabilities	
February 28/29	2009	2008	2009	2008
Property, plant and equipment	0	87	18,433	15,452
Inventories	0	31	456	0
Other assets	12	11	448	453
Provisions	118	826	317	0
Liabilities	11	0	24	597
Tax loss carry forwards	16,070	5,967	0	0
	16,211	6,922	19,678	16,502
Offsets	-26	-760	-26	-760
Balance sheet	**16,185**	**6,162**	**19,652**	**15,742**

Of the deferred tax assets of € 16,185 (6,162) thousand, € 12,945 (3,393) thousand are non-current. Of the deferred tax liabilities amounting to € 19,652 (15,742) thousand, € 18,433 (15,452) thousand are non-current.

The deferred tax assets and liabilities not recognised through profit or loss amount to € 0.2 (0) million and € 1.0 (0.9) million, respectively.

Deferred tax claims and deferred tax liabilities are netted with each other if the income tax is levied by the same tax office and it is admissible to offset them.

(14) Research and development costs

The research and development activities of the CropEnergies Group are focused on increasing raw material flexibility, optimising the production concepts of existing plant and new facilities, the commercialisation of co-products, the development of standards, the production of bioethanol from lignocellular raw materials, and the development of bioethanol fuel cells.

Research and development costs amounted to € 2.9 (2.6) million. All research and development costs were fully expensed in the income statement in the year they accrued and are reported under the items "Cost of materials" and "Other operating expenses". Development costs for new products were not capitalised as future economic benefits can only be identified when the existence of a market for products can be identified.

Notes on the balance sheet

(15) Intangible assets

The intangible assets relate to the goodwill resulting from the first-time consolidation of Ryssen and to acquired EDP software.

2008/09 € thousands	Goodwill	Concessions, industrial and similar rights	Total
Acquisition costs			
1 March 2008	0	1,046	1,046
Cons. Group changes	12	14	26
Additions	4,346	104	4,450
Transfers	0	9	9
28 February 2009	4,358	1,173	5,531
Amortisation and impairment write-downs			
1 March 2008	0	-553	-553
Cons. Group changes	0	-1	-1
Amortisation for the year	0	-118	-118
28 February 2009	0	-672	-672
Net book value at 28 February 2009	**4,358**	**501**	**4,859**

2007/08 € thousands	Concessions, industrial and similar rights
Acquisition costs	
1 March 2007	963
Additions	89
Investment subsidies and grants	-6
29 February 2008	1,046
Amortisation and impairment write-downs	
1 March 2007	-333
Amortisation for the year	-220
29 February 2008	-553
Net book value at 29 February 2008	**493**

(16) Property, plant and equipment

2008/09 € thousands	Land, land rights and buildings including buildings on leased land	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construction	Total
Acquisition costs					
1 March 2008	42,450	128,426	3,044	157,026	330,946
Cons. Group changes	3,141	11,096	1,897	230	16,364
Additions	4,792	9,219	687	150,408	165,106
Transfers	5,757	26,430	70	-32,266	-9
Disposals	-203	-716	-78	-35	-1,032
28 February 2009	55,937	174,455	5,620	275,363	511,375
Depreciation and impairment write-downs					
1 March 2008	-3,593	-17,839	-718	0	-22,150
Cons. Group changes	-279	-1,785	-202	0	-2,266
Depreciation for the year	-1,374	-8,482	-436	0	-10,292
Impairment losses	0	-205	-24	0	-229
Transfers	479	-481	2	0	0
Disposals	18	123	29	0	170
28 February 2009	-4,749	-28,669	-1,349	0	-34,767
Net book value at 28 February 2009	**51,188**	**145,786**	**4,271**	**275,363**	**476,608**

2007/08 € thousands	Land, land rights and buildings including buildings on leased land	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construction	Total
Acquisition costs					
1 March 2007	39,985	119,113	2,798	29,663	191,559
Additions	2,413	8,673	630	128,082	139,798
Transfers	52	667	0	-719	0
Disposals	0	-27	-384	0	-411
29 February 2008	42,450	128,426	3,044	157,026	330,946
Depreciation and impairment write-downs					
1 March 2007	-1,972	-11,149	-655	0	-13,776
Depreciation for the year	-1,454	-6,843	-385	0	-8,682
Impairment losses	0	-19	-7	0	-26
Transfers	-167	167	0	0	0
Disposals	0	5	329	0	334
29 February 2008	-3,593	-17,839	-718	0	-22,150
Net book value at 29 February 2008	**38,857**	**110,587**	**2,326**	**157,026**	**308,796**

The additions include investment benefits in the amount of € 4,900 (6,763) thousand which are deducted from acquisition cost.

(17) Inventories

€ thousands	28/02/2009	29/02/2008
Raw materials and supplies	15,541	4,040
Work in progress	1,756	607
Finished goods and merchandise	17,643	8,531
	34,940	**13,178**

The growth in raw materials and supplies as well as in finished goods reflects the strongly increased volume of business that was also due to the Ryssen acquisition. The inventories include an impairment write-down of € 0.2 (0.0) million.

(18) Trade receivables and other assets

€ thousands	28/02/2009	29/02/2008
Trade receivables	24,788	14,234
Other assets	10,953	9,550
	35,741	**23,784**

Trade receivables rose substantially due to the strong growth in business volume and the Ryssen acquisition.

The book value of trade receivables after valuation adjustments was as follows:

€ thousands	28/02/2009	29/02/2008
Total trade receivables	25,014	14,605
Allowance for doubtful receivables	-226	-371
Book value	**24,788**	**14,234**

The valuation adjustments to trade receivables have developed as follows:

€ thousands	2008/09	2007/08
Allowance for doubtful receivables at 1 March	**371**	**88**
Additions	161	308
Utilised	-25	-3
Released	-281	-22
Allowance for doubtful receivables at 28/29 February	**226**	**371**

The following table gives details of the credit risks contained in trade receivables:

€ thousands	28/02/2009	29/02/2008
Receivables not yet due and not doubtful	21,502	13,836
Past due receivables but not doubtful		
less than 10 days	2,211	329
between 11 and 30 days	330	47
between 31 and 90 day	679	12
more than 90 days	66	10
Book value	24,788	14,234
Valuation allowances for doubtful receivables	226	371
Total trade receivables	25,014	14,605

Other assets, amounting to € 11.0 (9.6) million, mainly consist of investment subsidies for the new bioethanol plant in Wanze amounting to € 6.0 (5.1) million, the positive market value of currency derivatives of € 1.3 (0.0) million and reclaimable input taxes of € 1.6 (1.0) million as well as prepayments and other receivables.

(19) Shareholders' equity

CropEnergies AG's share capital amounts to € 85,000,000.00. It is divided into 85,000,000 bearer ordinary shares of no par value, each representing a proportional amount of € 1.00 of the share capital. The share capital is fully paid in.

The capital reserve was unchanged at € 211.3 million as of the balance sheet date.

The revaluation reserve amounting to € 1.1 (2.1) million relates to currency, interest rate and grain derivatives. There were positive effects from currency derivatives, negative effects from wheat and interest rate derivatives, and a one-off effect from the Ryssen acquisition. € 1.0 (3.2) million was added to the reserve for changes in the market value of cash flow hedges, and € 2.1 (0.2) million was written back in the cost of materials. In addition, deferred taxes of € 0.1 (0.9) million were recognised. The amounts reported in the revaluation reserve are recognised through profit or loss in the next financial year.

Together with revenue reserves of € 12.3 million, shareholders' equity amounts to € 308.6 (303.8) million.

(20) Provisions for pensions and similar commitments

The company pension scheme of CropEnergies AG and its subsidiaries is based on direct defined-benefit commitments. As a general rule the pensions are calculated on the basis of the time served with the company and the relevant salary or wage base.

The pension provisions are measured on an actuarial basis according to the projected unit credit method pursuant to IAS 19 (Employee Benefits) taking future development into consideration.

The net present value of the future benefit obligations is calculated applying a discount rate of 5.5% (5.5%). The discount rate is determined on the basis of the yields of prime fixed-rate corporate bonds prevailing on the financial

markets as of the reporting date. In addition, an expected annual average rate of increase of 2.5% (2.0%) in wages and salaries and 1.8% (1.8%) in pensions is assumed. The expected return on plan assets is calculated on the basis of an interest rate of 5.5% (5.5%). In Germany, the Heubeck 2005 G tables serve as the basis for biometric calculations.

Pension expenses break down as follows:

€ thousands	2008/09	2007/08
Current service costs	437	164
Past service costs non-vested benefits recognised	50	60
Actuarial losses (+) and gains (-) expensed in the current year	-1	6
Interest costs for pension rights vested in previous years	85	61
Expected return on plan assets	-2	-1
	569	**290**

There were no expenses or income due to changes in pension commitments and benefits.

For defined-contribution pension plans the company pays into state or private pension insurance schemes on the basis of statutory regulations, contractual agreements or on a voluntary basis. The current premium payments are reported as expense under personnel expenses. They amount to € 582 (457) thousand. By paying the contributions the company has no further payment obligations.

Interest costs for pension rights vested in prior years are recognised in the interest result. The current service cost for pension rights vested in the financial year and actuarial gains and losses recognised through profit or loss are reported under personnel expenses. In addition to the cost of pension rights vested in the financial year, service cost includes special effects from pension obligations that were transferred.

The carrying value of the provisions has developed over time as follows:

€ thousands	2008/09	2007/08
Provisions at 1 March	**1,446**	**1,174**
Change in companies consolidated (and other)	268	0
Transference	61	-18
Pension expense	569	290
Provisions at 28/29 February	**2,344**	**1,446**

The pension obligations relate solely to future pension benefits; no current pension benefits have been paid. We do not expect any pension benefits to be paid in the 2009/10 financial year either.

The present value of the pension obligations has developed as follows:

€ thousands	2008/09	2007/08
1 March	**1,554**	**1,355**
Change in companies consolidated (and other)	219	0
Transference	927	-18
Current service costs for pension rights vested in financial year	182	164
Effect of plan amendment	0	208
Interest costs for pension rights vested in previous years	85	61
Actuarial gains / losses	173	-216
28/29 February	**3,140**	**1,554**

The plan assets have developed as follows:

€ thousands	2008/09	2007/08
1 March	**38**	**37**
Transferences	592	0
Expected return on plan assets	2	1
28/29 February	**632**	**38**

The plan assets mainly consist of insurance policies. The expected return on the plan assets largely matched the actual return on the plan assets.

Historical summary of pension obligations and similar commitments:

€ thousands	28/02/2009	29/02/2008	28/02/2007	28/02/2006	28/02/2005
Defined benefit obligations	3,140	1,554	1,355	167	13
Fair value of plan assets	-632	-38	-37	-1	-1
Obligations not covered by plan assets	2,508	1,516	1,318	166	12
Unamortised actuarial gains and losses	-66	78	-144	-55	0
Unrecognised past service costs	-98	-148	0	0	0
Provisions for pensions and similar obligations	**2,344**	**1,446**	**1,174**	**111**	**12**

(21) Development of other provisions

2008/09 € thousands	Personnel expenses	Uncertain obligations	Total
1 March 2008	423	4,958	5,381
Additions	234	1,523	1,757
Utilised	-84	-978	-1,062
Released	-162	-3,646	-3,808
28 February 2009	411	1,857	2,268

The provisions for personnel expenses mainly consist of provisions for employers' liability insurance contributions and service anniversary expenses. Of the total of € 411 thousand, € 146 thousand will probably be used in the 2009/10 financial year.

The provisions for uncertain liabilities amounting to € 1,857 (4,958) thousand mainly consist of provisions for litigation risks and costs (€ 1.1 million) and provisions for emission rights (€ 0.3 million). Of the total, € 752 thousand will probably be used in the 2009/10 financial year.

The liquidation of the provisions for contingent losses for price risks in bioethanol supply contracts created in the previous year in the amount of € 3.6 million was matched by a corresponding operating expense.

It is unlikely that further significant expenses beyond the amounts appropriated as of 28 February 2009 will be incurred.

(22) Trade payables and other liabilities

€ thousands	28/02/2009	29/02/2008
Trade payables	46,117	26,180
Other payables	15,168	9,292
	61,285	35,472

All trade payables and other liabilities are short-term. The increase in trade payables is mainly due to the capital investments in connection with the construction of the bioethanol plant in Wanze and the growth-related higher purchasing requirements in Zeitz, and to the integration of Ryssen.

(23) Financial liabilities (net financial debt)

		Remaining term			Remaining term	
€ thousands	28/02/2009	to 1 year	over 1 year	29/02/2008	to 1 year	over 1 year
Liabilities to banks	**125,857**	62,406	63,451	**78,000**	9,750	68,250
Liabilities to affiliated companies	**45,088**	0	45,088	**0**	0	0
Financial liabilities	**170,945**	**62,406**	**108,539**	**78,000**	**9,750**	**68,250**
Securities	0			-40,894		
Cash and cash equivalents	-3,078			-50,586		
Securities and cash and cash equivalents	**-3,078**			**-91,480**		
Net financial assets (-)/ Net financial debt (+)	**167,867**			**-13,480**		

As of 28 February 2009 there was net financial debt of € 167.9 million. This compares with net financial assets of € 13.5 million the year before.

There was an increase in liabilities to banks, especially for financing the capital investments. The liabilities to affiliated companies relate to long-term financial liabilities to Südzucker International Finance B.V.

The securities were sold in the 2008/09 financial year to finance the further growth of the CropEnergies Group.

Capital management within the CropEnergies Group serves to control the company's cash, equity and debt positions. CropEnergies' aim is a balance sheet structure with a suitable relationship between equity and debt to secure its growth strategy.

On the balance sheet date there were no encumbrances or other liens assigned.

(24) Lending and borrowing activities (primary financial instruments)

The CropEnergies Group took up a fixed-interest-rate bank loan for € 78.0 million in the 2005/06 financial year. After repayments, the remaining principal sum of the loan was € 68.25 million as of 28 February 2009. € 9.75 million of this is reported as current financial liabilities. The loan bears interest at the rate of 3.55% p.a. and is due to be repaid by 30 September 2015.

In 2006, CropEnergies AG joined a € 600.0 million syndicated bank credit facility arranged by Südzucker AG Mannheim/ Ochsenfurt with a sub-credit line of € 100.0 million, € 50.0 million of which has now been drawn. The interest rate on this short-term loan is based on the short-term interbank rate.

The decrease in cash and cash equivalents to € 3.1 (50.6) million is mainly due to the capital expenditures at the location in Zeitz and Wanze in the past financial year. Cash and cash equivalents consist of short-term bank deposits with banks of prime credit standing.

(25) Derivative financial instruments

a) Use of derivative financial instruments

The CropEnergies Group uses derivative instruments to a limited extent to hedge risks arising from its operating business. The use of these instruments is regulated within the framework of the risk management system by group-wide guidelines that set limits based on the hedged items, define authorisation procedures, exclude the use of derivative instruments for speculative purposes, minimise credit risks, and regulate the internal reporting and the separation of functions. Compliance with these guidelines and the due and proper execution and valuation of the transactions is regularly supervised, whereby it is ensured that the respective functions are strictly separated.

Currency risks can arise from transactions in foreign currency. Derivative hedging instruments are used to partially cover these risks. Raw materials were largely sourced in euro, and the products were largely sold in euro.

Interest rate risks mainly relate to financial liabilities. To the extent that interest rate risks cannot be excluded through fixed-rate arrangements, CropEnergies also uses derivative instruments to partially hedge variable-rate financial liabilities.

Raw material price risks can arise mainly in connection with the purchasing of agricultural commodities such as grain. Where price risks cannot be excluded through physical supply contracts, CropEnergies uses derivative financial instruments to partially hedge these risks.

b) Market values of derivative financial instruments

The nominal volumes, market values and credit risks of the derivative instruments within the CropEnergies Group are as follows:

€ thousands	Nominal value		Market value		Credit risk	
February 28/29	**2009**	2008	**2009**	2008	**2009**	2008
Grain derivatives	29,375	13,986	-601	2,989	0	0
Interest rate derivatives	20,000	0	-69	0	0	0
Currency derivatives	12,255	0	1,304	0	1,304	0
Total	61,630	13,986	634	2,989	1,304	0

The grain, interest rate and currency derivatives have a life of not more than one year.

The *nominal volume* of a derivative hedge is the arithmetical base on which payments are calculated. The hedged item and risk do not represent the nominal volume, only the changes in price or interest rate based thereon.

Market value represents the amount that CropEnergies would have to pay or would receive if the hedge were liquidated on the reporting date. Since all hedges are marketable, tradable financial instruments, the market value is determined on the basis of market quotations.

On the balance sheet date open grain contracts amounted to € 29.4 (14.0) million with a market value of € -0.6 (3.0) million. If grain prices had been 10% higher (lower) on the reporting date, the market value, reflected in shareholders' equity and to some extent in deferred tax liabilities, would have changed by € 2.9 (-2.9) million. In the previous year, the figures were € 1.7 (-1.7) million, respectively.

The volume of interest rate contracts under a three-month Forward Rate Agreement was € 20.0 million, with a negative market value of € 0.07 million.

The volume of currency derivatives was € 12.3 million, with a positive market value of € 1.3 million.

Credit risks can arise from positive market values of the derivatives and are minimised by only concluding financial derivatives with banks of prime credit standing or through commodity futures exchanges with daily marking to market.

All changes in the value of derivative transactions that are undertaken to hedge future cash flows (cash flow hedges) are initially recognised in the revaluation reserve without effect on profit or loss and are only recognised through profit or loss when the cash flow is realised. Their market value as of 28 February 2009 was € 0.6 (3.0) million.

(26) Additional disclosures on financial instruments

Book values and fair values of financial instruments

The following table shows the book values and fair values of the financial assets and liabilities. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.

	Valuation category (IAS 39)	28 February 2009		29 February 2008	
€ thousands		Book value	At fair value through profit or loss	Book value	At fair value through profit or loss
Financial assets					
Securities	Financial assets held for trading	0	0	40,894	40,894
Trade receivables	Loans and receivables	24,788	24,788	14,234	14,234
Other assets*	Loans and receivables	8,850	8,850	8,575	8,575
Cash and cash equivalents	Loans and receivables	3,078	3,078	50,586	50,586
		36,716	36,716	114,289	114,289
Financial liabilities					
Liabilities to banks	Other financial liabilities	125,857	128,470	78,000	76,791
Liabilities to affiliated companies	Other financial liabilities	45,088	45,088	0	0
Trade payables	Other financial liabilities	46,117	46,117	26,180	26,180
Other liabilities**	Other financial liabilities	10,720	10,720	7,648	7,648
		227,782	230,395	111,828	110,619

** Without assets for other taxes of € 2,103 (978) thousand*
*** Without liabilities for personnel expenses, other taxes and social security costs of € 4,615 (1,773) thousand*

	Net profit (+)/Net loss (-) according to valuation category IAS 39		28 February 2009		29 February 2008	
€ thousands	2008/09	2007/08	Book value	At fair value through profit or loss	Book value	At fair value through profit or loss
Financial assets held for trading	0	905	0	0	40,894	40,894
Loans and receivables	1,472	6,224	36,716	36,716	73,395	73,395
Other financial liabilities	-5,540	-3,229	227,782	230,395	111,828	110,619

The recognition of impairments on financial instruments was only necessary in trade receivables.

The total interest result from financial instruments not measured at fair value was € -4.2 (2.0) million.

The fair values of the financial instruments were measured on the basis of the market information available on the reporting date and the methods and assumptions set out below:

Owing to their short maturities it is assumed in the case of trade receivables, other receivables and payment instruments that fair value corresponds to the book values.

The positive and negative market values arising from derivatives relate solely to cash flow hedges and are reported in the revaluation reserve or in deferred tax liabilities.

Owing to their short maturities it is assumed in the case of trade payables and other current liabilities that fair value corresponds to the stated book values.

The fair values of liabilities to banks and affiliated companies are calculated as the present values of the payments associated with the liabilities, based on the applicable yield curve.

(27) Risk management within the CropEnergies Group

The CropEnergies Group is exposed to market price risks arising from changes in bioethanol, grain and energy prices as well as changes in interest rates and, to a small extent, in exchange rates.

Credit risks I The CropEnergies Group's trade receivables are mostly in relation to customers in the mineral oil and animal feed industries. The resulting credit risk is controlled on the basis of internal guidelines, limits and credit sale insurance.

Valuation adjustments are made where necessary for any remaining risk residual in respect of trade receivables based on the actual default risk. The maximum risk position arising from trade receivables corresponds to the book value of these receivables. The book values of overdue trade receivables and the residual value-adjusted trade receivables are stated in item (18) in the notes to the financial statements.

The maximum credit risk of other receivables and assets corresponds to the book value of these instruments and, in the assessment of CropEnergies, is not significant.

Liquidity risk I Liquidity risk denotes the risk that an enterprise may not be able to meet its financial obligations on time or sufficiently.

The CropEnergies Group generates liquidity from its operating business and – where necessary – through recourse to external finance. The funds serve to finance investments, acquisitions and working capital.

Additionally, to assure the CropEnergies Group's solvency at all times and to increase its financial flexibility, a liquidity reserve is maintained in the form of cash and cash equivalents but especially in the form of free credit lines.

Further, CropEnergies AG entered into a syndicated credit facility in 2006. The credit facility, which runs until 27 July 2012 with a credit line of up to € 100 million, can be drawn by CropEnergies AG flexibly according to its borrowing requirements. This credit line is backed by a guarantee from Südzucker AG Mannheim/Ochsenfurt.

The following table shows the maturities of the liabilities as of 28 February 2009. All cash outflows are not discounted to present value.

€ thousands 28 February 2009	Book value	Contractually agreed outflow of payments						
Financial liabilities		total	less than 1 year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	more than 5 years
Liabilities to banks	125,857	134,838	64,848	13,977	12,713	11,904	11,204	20,192
Liabilities to affiliated companies	45,088	52,091	2,745	2,745	46,601	0	0	0
	170,945	**186,929**	**67,593**	**16,722**	**59,314**	**11,904**	**11,204**	**20,192**
Liabilities from								
Trade payables	46,117	46,117	46,117	0	0	0	0	0
Other liabilities*	10,720	10,720	10,720	0	0	0	0	0
	56,837	**56,837**	**56,837**	**0**	**0**	**0**	**0**	**0**
	227,782	**243,766**	**124,430**	**16,722**	**59,314**	**11,904**	**11,204**	**20,192**

€ thousands 29 February 2008	Book value	Contractually agreed outflow of payments						
Financial liabilities		total	less than 1 year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	more than 5 years
Liabilities to banks	78,000	89,076	12,346	12,000	11,654	11,308	10,961	30,807
Liabilities to affiliated companies	0	0	0	0	0	0	0	0
	78,000	**89,076**	**12,346**	**12,000**	**11,654**	**11,308**	**10,961**	**30,807**
Liabilities from								
Trade payables	26,180	26,180	26,180	0	0	0	0	0
Other liabilities*	7,648	7,648	7,648	0	0	0	0	0
	33,828	**33,828**	**33,828**	**0**	**0**	**0**	**0**	**0**
	111,828	**122,904**	**46,174**	**12,000**	**11,654**	**11,308**	**10,961**	**30,807**

** Without liabilities for personnel expenses, other taxes and social security costs of € 4,615 (1,773) thousand*

The cash outflows, which are not discounted to present value, are based on repayment of the liabilities at the earliest due date, with the exception of liabilities to affiliated companies, which have been recognised on the basis of the planned cash outflow. Interest payments on financial instruments with variable interest rates have been calculated on the basis of the last applicable interest rates.

The negative market values from wheat and interest rate derivatives are included under other liabilities.

Currency risk I Currency risks can arise from transactions in foreign currency. Derivative hedging instruments are used to partially cover these risks. Raw materials were largely sourced in euro, and the products were largely sold in euro.

Where, in individual cases, financial receivables or liabilities are denominated in foreign currency, they are exposed to the risk of currency appreciation or depreciation until they are discharged. However, the volume of external financial assets and liabilities denominated in foreign currencies is of minor importance for the CropEnergies Group.

However, CropEnergies is exposed to general currency risks from fluctuations in the market value of the euro versus the US dollar and the Brazilian real, for instance as the result of effects on the world market prices for raw materials, energy and bioethanol.

Interest rate risk I The CropEnergies Group is exposed to interest rate risks in the euro zone. The interest rate risk relates mainly to financial liabilities. To the extent that interest rate risks cannot be excluded through fixed-rate arrangements, CropEnergies also uses derivative instruments to partially hedge variable-rate financial liabilities. Variable-rate financial assets were liquidated in the 2008/09 financial year to finance the further growth of the CropEnergies Group.

Of the € 170.9 million of loans drawn as of 28 February 2009, € 120.9 million were drawn at fixed rates of interest and € 50.0 million were drawn at variable rates of interest. If the level of market rates were 100 basis points higher (lower), the annual interest expenses for the loans would be € 0.5 million (higher) lower. In the previous year, the financial liabilities mainly carried fixed rates of interest. The effects of an increase (decrease) in the level of market rates on interest rate derivatives recognised in the revaluation reserve would be insignificant.

(28) Guarantees and other financial commitments

On the reporting date there were open purchase order commitments in the amount of € 26.2 (160.0) million for capital investments and € 197.1 (149.0) million for raw materials. The decrease in open purchase order commitments for capital investments is mainly due to the completion of the bioethanol plant in Wanze, while the open purchase order commitments for raw materials relate to purchases of grain and long-term contracts for the supply of sugar syrups for the second production line at the Zeitz plant.

The obligations resulting from leases for office premises amount to € 123 thousand.

CropEnergies AG has issued guarantees for its subsidiaries in the amount of € 16 million, especially for customs bonds.

CropEnergies may be liable to possible obligations arising from various claims or proceedings that are pending or could be filed. Estimates about future obligations in this respect are inevitably subject to numerous uncertainties. If a loss is probable and the amount can be reliably estimated, CropEnergies creates provisions for these risks.

Otherwise, there were no contingent liabilities or other financial commitments on the reporting date.

Other information

(29) Earnings per share

Group net earnings for the year amounted to € 5.9 (20.2) million. Earnings per share (EPS) came to € 0.07 (0.24).

(30) Information on the cash flow statement

The cash flow statement, which was drawn up in accordance with the provisions of IAS 7 (Cash Flow Statements), presents the change in the CropEnergies Group's net cash position from the three areas of operating activities, investing activities and financing activities.

Cash flow in the 2008/09 financial year totalled € 10.1 (26.0) million. The cash outflow for tax payments amounted to € 0.8 (1.5) million and is allocated to operating activities. In addition, there were interest payments of € 4.5 (3.0) million and interest receipts of € 0.4 (5.2) million. The capital expenditures of € 170.1 (146.6) million on property, plant and equipment and intangible assets were mostly for the construction of the bioethanol plant in Wanze (Belgium). In the past 2008/09 financial year subsidies in the amount of € 4.0 (1.7) million were received.

Cash and cash equivalents decreased from € 50.6 million to € 3.1 million mainly due to the capital expenditures and the acquisition.

(31) Group auditor's fees

For services performed by the group's annual auditor, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, auditing expenses of € 139 (164) thousand were incurred in the 2008/09 financial year for the auditing of the consolidated financial statements and for the auditing of the separate annual financial statements of CropEnergies AG and its German subsidiary CropEnergies Bioethanol GmbH.

In addition, the group auditor provided other advisory services in the amount of € 16 thousand in the current financial year.

(32) Declaration of conformity pursuant to § 161 AktG

The declaration of conformity with the German Corporate Governance Code pursuant to § 161 AktG was issued by the executive and supervisory boards on 14 November 2008. It is published permanently on the Internet on the company's website (www.cropenergies.com/de/investorrelations/Corporate_Governance).

(33) Related party transactions

"Related parties" for the purposes of IAS 24 (Related-Party Disclosures) are Südzucker AG Mannheim/Ochsenfurt as majority shareholder and its subsidiaries (Südzucker Group) as well as the executive board and supervisory board of CropEnergies AG.

Südzucker Group I The transactions with the Südzucker Group concern services amounting to € 6.4 (6.8) million and the supply of goods (especially raw materials for bioethanol production, bioethanol, consumables and supplies, and energy) amounting to € 70.5 (22.3) million. The strong increase compared to the previous year is due primarily to the procurement of sugar syrups from Südzucker AG Mannheim/Ochsenfurt for the first time for the full year and the distribution of bioethanol produced in Austria. In addition, the CropEnergies Group spent € 2.8 (2.6) million on research and development work performed on its behalf. Conversely, the CropEnergies Group sold energy and bioethanol to the Südzucker Group for € 5.4 (6.6) million and provided services in the amount of € 2.3 (0.7) million. The CropEnergies Group incurred net interest expense of € 0.8 (0.0) on intercompany lendings and borrowings. A fee of € 0.1 (0.1) million

was paid for a guarantee provided.

On the balance sheet date there were receivables of € 1.1 (0.0) million outstanding from the Südzucker Group and liabilities of € 7.1 (3.9) million outstanding to the Südzucker Group in respect of the aforesaid services and supplies. Non-current financial liabilities due to the Südzucker Group amounted to € 45.0 (0.0) million.

With effect as of 30 June 2008 CropEnergies AG acquired 92.8% of the shares in Ryssen indirectly through the acquisition of the intermediate holding company COFA. On 28 November 2008 COFA acquired the remaining 7.2% of the shares in Ryssen from Saint Louis Sucre SA, which is a company of the Südzucker Group. The total purchase price was € 22.8 million.

This acquisition and the supply and service transactions with Südzucker AG Mannheim/Ochsenfurt and its subsidiaries were settled at usual market prices and interest rates; the consideration matched the performance so there were no disadvantages caused. No other significant transactions were conducted with related parties.

Executive board I The compensation system for the executive board of CropEnergies AG consists of fixed and variable, performance-related components. Variable compensation of a long-term nature such as stock options and comparable schemes is not planned for.

Executive board compensation is determined by the supervisory board and is reviewed at regular intervals. The fixed compensation for the executive board paid by CropEnergies AG in the 2008/09 financial year amounts to € 438 (458) thousand. The variable compensation amounts to a total of € 131 (189) thousand; it consists of a performance bonus and an EBIT-linked component.

€ 121 thousand was added to provisions for pension commitments for active members of the executive board. Beyond that, there are no pension obligations in relation to the former executive board member of CropEnergies AG.

Supervisory board I In accordance with the articles of association of CropEnergies AG, in addition to the reimbursement of their expenses and the value-added tax incurred in connection with their supervisory board activities, each member of the supervisory board receives a fixed compensation of € 20 thousand payable after the close of the financial year as well as a variable compensation at the rate of € 1 thousand for each € 0.01 by which the dividend paid per share exceeds € 0.20. The chairman receives double and his deputy one-and-a-half times this compensation. Should the supervisory board's rules of procedure provide for the election of a presidium, the members of the presidium other than the chairman or deputy chairman of the supervisory board likewise receive one-and-a-half times this compensation.

The fixed compensation is increased by 25% for each membership of a supervisory board committee. For the chair position in a committee the rate of increase is 50%. This is conditional upon the respective committee having convened in the financial year. Excepted from this compensation arrangement is membership of the presidium.

Any changes in the supervisory board and/or its committees are taken into account in the compensation in proportion to the term in office, which is rounded up or down to the nearest full month.

The compensation for the entire activities of the supervisory board members of CropEnergies AG amounted to € 170 thousand for the 2008/09 financial year, plus € 1 thousand in reimbursed expenses.

(34) Supervisory board

Dr. h.c. Eggert Voscherau
Chairman

Ludwigshafen
Former deputy chairman of the executive board of BASF SE

Other positions held in national supervisory boards stipulated by law
- *Carl Zeiss AG, Oberkochen*
- *HDI Haftpflichtverband der Deutschen Industrie VvaG, Hanover*
- *SCHOTT AG, Mainz*
- *Talanx AG, Hanover*

Positions held in comparable national and foreign supervisory bodies
- *Carl-Zeiss-Stiftung, Heidenheim and Jena*
- *Nord Stream AG, Zug (Switzerland)*
- *Zentrum für Europäische Wirtschaftsforschung GmbH (ZEW), Mannheim*

Prof. Dr. Markwart Kunz
Deputy chairman

Worms
Member of the executive board of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt

Group positions
- *BENEO GmbH, Mannheim (Chairman)*
- *BENEO-Palatinit Asia-Pacific Pte Ltd., Singapur (Singapore)*
- *Raffinerie Tirlemontoise SA, Brussels (Belgium), (Chairman)*
- *Saint Louis Sucre SA, Paris (France), (Deputy chairman)*
- *Südzucker Polska SA, Wrocław (Poland)*
- *Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim*
- *Zuckerforschung Tulln Gesellschaft m.b.H., Tulln (Austria)*

Dr. Hans-Jörg Gebhard

Eppingen
Chairman of the Association of Süddeutsche Zuckerrübenanbauer e. V.

Other positions held in national supervisory boards stipulated by law
- *Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim (Chairman)*
- *VK Mühlen AG, Hamburg*

Positions held in comparable national and foreign supervisory bodies
- *AGRANA Beteiligungs-AG, Vienna (Austria)*
- *AGRANA Zucker, Stärke und Frucht Holding AG, Vienna (Austria), (Deputy chairman)*
- *Freiberger Holding GmbH, Berlin*
- *Raffinerie Tirlemontoise SA, Brussels (Belgium)*
- *Saint Louis Sucre SA, Paris (France)*
- *Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG), Ochsenfurt (Chairman)*
- *Vereinigte Hagelversicherung VVaG, Gießen*
- *Z & S Zucker und Stärke Holding AG, Vienna (Austria)*

Thomas Kölbl

Mannheim
Member of the executive board of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt

Positions held in comparable national and foreign supervisory bodies
- *Baden-Württembergische Wertpapierbörse GmbH, Stuttgart*

Group positions
- *AGRANA Bioethanol GmbH, Vienna (Austria)*
- *AGRANA Fruit SA, Paris (France)*
- *AGRANA Internationale Verwaltungs- und Asset-Management GmbH, Vienna (Austria)*
- *AGRANA Juice & Fruit Holding GmbH, Vienna (Austria)*
- *AGRANA Stärke GmbH, Vienna (Austria)*
- *AGRANA Zucker GmbH, Vienna (Austria)*
- *BENEO GmbH, Mannheim*
- *Freiberger Holding GmbH, Berlin*
- *Mönnich GmbH, Kassel (Chairman)*
- *PortionPack Europe Holding B. V., Oud-Beijerland (Netherlands), (Chairman)*
- *Raffinerie Tirlemontoise SA, Brussels (Belgium)*
- *Saint Louis Sucre SA, Paris (France)*
- *Südzucker Polska SA, Wrocław (Poland)*
- *Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim (Chairman)*

Franz–Josef Möllenberg

Rellingen
Chairman of the Gewerkschaft Nahrung-Genuss-Gaststätten (Union)

Other positions held in national supervisory boards stipulated by law
- *Kraft Foods Deutschland GmbH, Bremen (Deputy chairman)*
- *Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim (Deputy chairman)*

Positions held in comparable national and foreign supervisory bodies
- *Kreditanstalt für Wiederaufbau, Frankfurt am Main*

Norbert Schindler

Bobenheim am Berg
Member of Bundestag (lower house of German Parliament)

Positions held in comparable national and foreign supervisory bodies
- *Landwirtschaftliche Rentenbank, Frankfurt am Main*
- *Süddeutsche Krankenversicherung a. G., Fellbach*
- *Süddeutsche Lebensversicherung a. G., Fellbach*
- *Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG), Ochsenfurt*

(35) Executive board

Dr. Lutz Guderjahn (COO)

Offstein

Joachim Lutz (CFO)

Mannheim

(36) Appropriation of profit

Overall, the CropEnergies Group achieved net earnings for the year of € 5.9 (20.2) million according to IFRS accounting standards.

Net earnings for the year based on the separate financial statements of CropEnergies AG prepared according to German commercial accounting law, which is the relevant net earnings figure for appropriation purposes, amounted to € 6.0 million. After offsetting this with the remaining loss carry-forward from the previous year, the unappropriated net profit of CropEnergies AG is € 0.3 million.

The executive board and supervisory board will propose to the annual general meeting on 16 July 2009 that the unappropriated net profit be carried forward.

(37) Events after the balance sheet date

No events took place after the balance sheet date that have a significant impact on the assets, liabilities, financial position and results of operations.

(38) Segment report

The standard IFRS 8 (Operating Segments) was applied for the first time in the 2008/09 financial year. According to IFRS 8, information has to be disclosed on those segments that the company has created for internal reporting and control purposes (so-called management approach).

The CropEnergies Group produces only one homogeneous main product (bioethanol). Similar end products derived after several related or identical production processes can be commercially distributed independently. Management controls the entire group of companies on the basis of the information on the main product bioethanol. The CropEnergies Group therefore has only one segment.

The production of the co-product ProtiGrain® cannot be controlled independently, nor are the production costs separately identifiable. The available quantity of ProtiGrain® produced depends on the production of the main product bioethanol and, here, on the specific yield of the raw material used. Since the production processes are inseparably combined the energy consumption, for instance, of the two products cannot be clearly allocated to the individual material flows.

Reconciliation of segment assets and liabilities

€ million	28/02/2009	29/02/2008
Total assets	572.5	444.3
./. Securities and cash and cash equivalents	-3.1	-91.5
./. Deferred tax assets	-16.2	-6.2
./. Current tax receivables	-1.1	-0.4
Segment assets	**552.1**	**346.2**
Total liabilities	572.5	444.3
./. Equity	-308.6	-303.8
./. Financial liabilities	-170.9	-78.0
./. Deferred tax liabilities	-19.7	-15.7
./. Current tax liabilities	-7.3	-4.4
Segment liabilities	**66.0**	**42.4**

Regional segments

€ million	28/02/2009	29/02/2008
Third-party revenues		
Germany	161.0	106.8
Other countries	167.4	80.0
	328.4	**186.8**
Segment assets*		
Germany	210.4	201.9
Other countries	341.7	144.3
	552.1	**346.2**
Investments in property, plant and equipment and intangible assets*		
Germany	19.9	41.5
Other countries	150.2	105.1
	170.1	**146.6**

** including assets under construction*

The allocation of sales revenues by country is based on the sales revenues actually achieved in each country.

In the reporting period there was other operating income of € 2.0 (0.9) million, depreciation and amortisation of € -10.6 (-8.9) million, other operating expenses of € -29.0 (-25.9) million, financial income of € 1.6 (6.2) million, financial expenses of € -5.2 (-3.3) million, and taxes on income of € 2.2 (0.3) million.

Mannheim, 7 May 2009

THE EXECUTIVE BOARD

Dr. Lutz Guderjahn Joachim Lutz

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the group, and the group management report 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.

Mannheim, 7 May 2009
THE EXECUTIVE BOARD

Dr. Lutz Guderjahn Joachim Lutz

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by the CropEnergies AG, Mannheim, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from 1 March 2008 to 28 February 2009. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) are the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standards on Auditing (ISA). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company´s Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 8 May 2009
PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Georg Wegener
Wirtschaftsprüfer
(German Certified
Public Accountant)

ppa. Olav Krützfeldt
Wirtschaftsprüfer
(German Certified
Public Accountant)

GLOSSARY

Additive I Additive or active ingredient for fuel, which reinforces certain desirable properties (improves ➔ Anti-knock properties or cold start conditions), respectively reduces undesirable properties (e. g. harmful emissions).

Alcohol I ➔ Ethanol

Alcohols I Collective term for specific organic compounds with OH group designation. Designated by the hydrocarbons from which they derive (e. g. methanol from methane (CH_4), ➔ Ethanol from ethane (C_2H_6), propanol from propane, butanol from butane etc.).

Alternative fuels I All fuels which are not of fossil origin are termed alternative fuels (e. g. ethanol, vegetable oils, biodiesel and biogas). By comparison with conventional fuels, alternative fuels normally have a better environmental impact.

Anti–knock properties I Important quality property of petrol, measured in ➔ Octane numbers.

BENEO–Orafti I A company of the Südzucker Group specializing in the production and global marketing of functional ingredients for the food and animal feed industries. B. distributes the ➔ gluten produced in Wanze under the brand name BeneoPro W.

Bioethanol I ➔ Alcohol obtained from regenerative raw materials. Sugar, starch or cellulose-containing biomasses are suitable raw materials. CropEnergies uses grains and sugar syrups as raw materials.

Biofuels I Fuels obtained from biomass (e. g. bioethanol, biodiesel, biogas, vegetable oil).

Biofuel Directive I European Parliament and Council Directive 2003/30/EG dated 8 May 2003 to promote the utilisation of ➔ Biofuels or other renewable fuels in the transport sector. The directive's indicative target is a biofuel quota of 5.75% of fuel consumption in 2010. A new directive for the promotion of energy from renewable sources, setting a mandatory minimum target for renewable energies of 10% of the fuel market for 2020, was passed by the European Parliament in December 2008 and adopted by the European Council in April 2009.

Biofuel Quota Act I A law that came into force in Germany on 1 January 2007 which sets minimum quotas for ➔ Biofuels to replace petrol and diesel based on energy content. A quota of 2.0% of bioethanol was originally stipulated for petrol for 2008, to be raised annually by 0.8% through to the year 2010. The blending rate for diesel is 4.4% of biodiesel. The law also stipulated total biofuel quotas for 2009 and 2010 of 6.25% and 6.75% respectively, which were to be raised annually by 0.25% to 8% by the year 2015. The law was amended in April 2009. The minimum quota for biofuels in petrol has now been reset at 2.8% for the year 2010. Following the amendment of the law, the total quota for biofuels is now 5.25% for 2009, rising to 6.25% as from 2010.

BioWanze SA I A company of the CropEnergies Group that operates a next-generation bioethanol plant with an annual capacity of up to 300,000 m^3 of bioethanol in Wanze (Belgium).

Blending (with petrol) I Adding bioethanol to petrol. In Europe the maximum technically admissible amount is regulated in standard EN 228, which allows the addition of 5 vol.-% ➔ Ethanol or 15 vol.-% ➔ ETBE. With the amendment of the ➔ Fuel Quality Directive that has been resolved, the standard for petrol is to be adjusted to allow the addition of 10 vol.-% of ethanol. Different ethanol blending rates apply around the world for conventional petrol (e. g. 20 – 25 vol.-% in Brazil; 10 vol.-% in the USA).

Bushel I A measure of volume used today primarily in the grain trade in the USA. One US bushel is equivalent to approximately 35.24 litres. Weights per bushel differ according to the type of grain. A bushel of wheat weighs approximately 27.22 kg.

Carbon dioxide (CO_2) I End product of the burning of any carbon-containing material and base product for the creation of vegetable biomass through photosynthesis. When biomass is burned, only the amount of CO_2 previously absorbed during growth is released. Carbon dioxide is the principal ➔ Greenhouse gas.

Carbohydrates I Group of diverse sugars and stored carbohydrates (starches, inulin) as well as structural substances of plants (➔ Cellulose, Hemicellulose). Main quantity of vegetable biomass. Based on carbon (C) and water (H_2O).

Cash flow I Measure of a company's financial or earning power. It shows how much cash has been generated by the company's business operations from its net earnings for the year. CropEnergies calculates cash flow by adjusting net earnings for the year by non-cash items. For this reason, changes in noncurrent provisions and deferred taxes and other non-cash income and expenses as well as write-offs and/or write-ups on fixed assets are eliminated from the group's net earnings for the year. The resources from cash flow can be used to finance investments, to discharge liabilities or to pay dividends.

CDS (Condensed Distillers' Solubles) I Liquid animal feed from ➔ Stillage produced in the production of bioethanol that is thickened.

Cellulose I Structural substance of plants, main component of cell walls. Cellulose is a polysaccharide consisting of several thousand ß-glucose components. It can be broken down by mineral acids, enzymes or fungi ("wood saccharification", "wood alcohol production"). Processes for the production of bioethanol from cellulose are currently under development.

CO_2 I ➔ Carbon dioxide

Coarse grains I General term for all types of grain except wheat and rice.

Commodity futures I ➔ Futures contracts for the acceptance or delivery of traded commodities, e. g. agricultural products.

Compliance I Observance of laws, guidelines and voluntary codes as an element of responsible corporate management (➔ Corporate Governance).

Co–products I Co-products arise if the production of one product results in the production of at least one other product as a necessary part of the production process. ➔ Stillage, for example, which is a co-product resulting from the production of bioethanol from grain, can be further processed into ➔ DDGS or ➔ CDS for instance.

Corporate Governance I Responsible corporate management and supervision. All principles and regulations pertaining to organisation, conduct and transparency which are directed at the interests of the shareholders which – while safeguarding the decision-making ability and efficiency of management – strive for a balanced relationship between management and supervision at the top corporate level. This increases the transparency of the company's affairs, improves the cooperation between the corporate bodies and assures the efficient supervision of the company's management. CropEnergies sees compliance with corporate governance principles as an important means of strengthening the confidence of investors, clients, employees and the general public in the company's management and supervision.

Corporate Governance Code I The code, which was legislated in 2002, provides the essential legal provisions for the management and supervision of German listed companies (corporate governance) and also incorporates internationally and nationally recognised standards of good and responsible corporate governance. Each year all German listed companies are legally bound to declare to what extent the recommendations were and are met.

CropEnergies AG I A company of the Südzucker Group and one of the largest bioethanol producers in Europe. CropEnergies produces bioethanol for the fuel market from biomass (grains and sugar syrups). It has been listed in the Prime Standard on the Frankfurt Stock Exchange since September 2006.

CropEnergies Bioethanol GmbH I Formerly Südzucker Bioethanol GmbH, a company of the CropEnergies Group that operates a bioethanol plant in Zeitz in the state of Saxony-Anhalt in Germany. It is the largest bioethanol plant in Europe and has an annual production capacity of 360,000 m^3 of bioethanol.

CropPower85 | CropPower85 is a quality E85 fuel (➔ E85) for Flexible Fuel Vehicles (➔ FFVs) manufactured to ➔ DIN 51625 standards. CropPower85 is a bioethanol-petrol mixture with a bioethanol content of up to 86%.

Cross compliance | Agricultural principle in the EU that farmers must comply with environmental standards in order to benefit from market support measures. Cross compliance was part of the reform of the EU's common agricultural policy within the framework of Agenda 2000 and has been mandatory since 2005. Examples of the environmental standards of cross compliance are adherence to the maximum admissible level of fertilizer per hectare and compliance with certain rules for the use of pesticides. A total of 19 statutes concerning environmental protection, human, livestock and plant health, and wildlife protection have been enacted.

DAX®/MDAX® | German Share Index/Mid Cap DAX®. In the German Share Index (DAX®), which was introduced in 1998, the 30 top German shares in terms of market capitalisation and order book turnover are listed. The DAX® is thus the leading share index on the German stock market. The MDAX®, in which Südzucker AG Mannheim/Ochsenfurt is also listed, includes 50 other shares primarily from classic sectors, which rank below the DAX® stocks on the aforesaid criteria, and therefore reflects the price performance of medium-sized companies (mid caps).

Dehydration | Term used for the so-called "drying" of alcohol. In this last step of the bioethanol production process virtually all the remaining water is removed from the alcohol so that a purity of over 99% in attained.

Derivatives | **Derivative financial instruments** | Financial products whose market value can be derived either from classic underlying instruments such as shares or commodities or from market prices such as interest rates or exchange rates. Derivatives exist in a multitude of forms such as ➔ Options or ➔ Futures.

Distillation | Separation of liquids which consist of different ingredients by means of controlled heating, e.g. fractional distillation of crude oil (petroleum) or separation of alcohol and water. This separation process is based on the various boiling points of the compound ingredients.

DDGS (Distillers' Dried Grains with Solubles) | Dry stillage. DDGS is the dried ➔ Stillage produced in the production of ethanol from grains and is used as a valuable protein animal feed. In addition to DDGS, there is also DDG (Distillers' Dried Grains) and DDS (Distillers' Dried Solubles) which differ according to the various dried stillage ingredients they contain.

DIN 51625 | German Industry Standard for E85 fuel (➔ E85)

DIN 51626 | German Industry Standard for E10 fuel (➔ E10)

E5 | Fuel for petrol engines which is made up of 5 vol.-% bioethanol and 95 vol.-% petrol. Pursuant to standard EN 228 approved in Europe for conventional petrol engines.

E10 | Fuel consisting of 10 vol.-% bioethanol and 90 vol.-% petrol. The extension of the ➔ Fuel Quality Directive, which was passed by the European Parliament in December 2008 and was adopted by the European Council in April 2009, has opened the way for the EU-wide introduction of E10 fuel. An adjustment of the standard for petrol that will allow a 10 vol.-% bioethanol blending rate on a European basis is currently being developed.

E85 | Fuel specially promoted in Germany for Flexible Fuel Vehicles (➔ FFVs). E85 is a bioethanol-petrol mixture with a bioethanol content of approximately 85%. In Germany, E85 is regulated by the standard DIN 51625. CropEnergies produces and distributes the E85 quality fuel throughout Germany under the brand name ➔ CropPower85.

Earnings before interest and taxes (EBIT) | Figure which measures the operative earning power of a company by eliminating tax expenses and interest results from the net earnings for the year. EBIT is a key measure for comparing companies that have different financial

structures or are not subject to comparable tax systems. The "Income from operations" reported by CropEnergies largely corresponds to the EBIT definition.

Earnings per share | The earnings attributable to the shareholders of CropEnergies AG after tax represented by one share. Earnings per share are calculated as the net earnings for the year after minority interests divided by the average number of shares in circulation in the financial year.

EBIT | → Earnings before interest and taxes

Emissions | Any type of emission of solid, liquid or gaseous substances, noise, odour, radiation, vibrations etc. into the environment. In most cases it refers to harmful substances (waste gas, exhaust air, effluent, solid or liquid waste, electrosmog, radioactivity etc.) from industrial plants.

Enzyme | A biochemical catalyst that helps to break down or change a substrate without being consumed itself. Enzymes consist of protein.

ETBE (ethyl tertiary butyl ether) | ETBE is a petrol additive component and is used to improve the antiknock properties of the fuel. It consists of 47% bioethanol and can be added to petrol in a ratio of up to 15 vol.-% under the applicable standard EN 228. ETBE today very largely replaces the antiknock agent methyl tertiary butyl ether.

Ethanol | Also known as ethyl alcohol. Belongs to the group of → Alcohols, and is synonymous with alcohol in the narrower sense. Ethanol is the main product of alcohol fermentation, and is the principal component of spirits and alcoholic beverages. Used as fuel additive (→ Bioethanol) and as a fuel on its own, but also in the chemical or pharmaceutical industry.

Fermentation | Process for the production of substances with the aid of microorganisms (bacteria, fungi, yeasts) on a technical scale. Examples are bioethanol production, biogas production, and biological waste water treatment.

FFVs (Flexible Fuel Vehicles) | FFVs are fuel flexible, that is to say they can be fuelled with both pure petrol and – in Germany – with up to 86% bioethanol. They have one tank and detect the mixture of → Bioethanol and petrol by means of a sensor. The engine management system adjusts the ignition timing automatically to the composition of the mixture.

Forward Rate Agreement (FRA) | An off-exchange forward interest rate contract (→ Derivatives → Futures) that enables an interest rate to be locked in for an agreed period – mostly only a few months – in the future.

Fraunhofer Gesellschaft | The Fraunhofer Gesellschaft conducts applied research for the direct benefit of companies and in the interest of society.

Fuel cell | Power (and heat) source where the chemical energy of the fuel is converted into electricity directly without the "detour" of combustion. In common usage the term fuel cell generally refers to the hydrogen-oxygen fuel cell.

Fuel Quality Directive | European Parliament and Council Directive 98/70/EG of 13 October 1998 which sets minimum standards for the quality and labelling of the quality specifications of fuels. In December 2008 the European Parliament passed an amendment proposed by the European Commission to reduce air pollution and greenhouse gas emissions from fuels. This also opened the way for the EU-wide introduction of E10 fuel. The European Council adopted the amendment in April 2009.

Futures | Contracts for the delivery or acceptance of a specified item at a future date at a price agreed at the time when the contract is concluded or at the price fixed on the exchange on the reference date.

Gallon | Measure of volume (dry or liquid measure) for which there are several definitions. The US liquid gallon customary for measuring liquids in the USA is equivalent to 3.785 litres.

Gluten | A tenacious elastic protein contained in cereal

grains. In industry gluten is used as a foodstuff and animal feed.

Grain year | Period of twelve months for statistical purposes for collecting data (e.g. acreage, crop yields) for each type of grain. The grain year begins with the start of the harvesting season. In Europe, the grain year for wheat runs from 1 July to 30 June.

Greenhouse gases | Besides methane, nitrous oxide and the fluorocarbons, carbon dioxide is the main anthropogenous greenhouse gas. The increasing concentration of greenhouse gases in the atmosphere is responsible for global warming. The main producer of CO_2 emissions is industry, followed by buildings (space heat, electrical appliances etc.) and transportation.

HACCP (Hazard Analysis Critical Control Point) | A systematic preventive approach in international use for analyzing hazards and monitoring critical control points in the production of foodstuffs and animal feed to ensure health safety.

HAZOP (hazard and operability study) | A method for identifying and dealing with hazards and causes of operating errors in technical systems and processes.

Hemicellulose | Component of the walls of plant cells serving (mostly together with cellulose) as a supporting and structural substance.

IAS (International Accounting Standards) | International accounting standards issued by the International Accounting Standards Board (IASB), an independent and privately financed committee set up in London in 1973. CropEnergies AG draws up its group accounts in line with the provisions of the IAS. The IAS are also incorporated in the IFRS which have been binding in Europe since 2005.

IFRS (International Financial Reporting Standards) | International accounting standards, the principles which have been binding since 2005 for drawing up the consolidated financial statements of all listed European companies. This is intended to assure a greater harmonisation in international accounting standards and a better comparability of the accounts of capital market oriented companies. The IFRS incorporate and supplement the International Accounting Standards (IAS) issued in 1973.

Issue | (lat. emittere = issue) Issue of new securities, particularly shares and bonds. The issue price is the offering price.

Knocking | Combustion fault due to the residual gases not yet combusted in the engine cylinder igniting too quickly. This leads to an excessive pressure surge that can lead to audible knocks at lower engine revs or non-audible (so-called high-speed knocks) at higher engine speeds.

Lignocellulose | Combination of ➔ Cellulose, Hemicellulose and lignin that forms the structural framework of plant cell walls. The production of ➔ Bioethanol from lignocellular raw materials such as straw or wood is currently at the development stage.

Mash | Alcohol-containing mixture of water and the biomass used for the production of bioethanol in which the sugar has been converted into ➔ Ethanol by fermentation with the aid of ➔ Yeasts.

Octane numbers (ON) | Measurement of the ➔ Anti-knock properties of petrol and additives, determined on the single-cylinder test bench engine. The high anti-knock properties of ➔ Bioethanol can best be exploited by modified engine designs with high compression.

Option | ➔ Derivative, with which the purchaser acquires the right to buy (call option) or sell (put option) an underlying asset, such as a share, at a predetermined price at a specified future date or over a specified period of time. Since the buyer, in contrast to the seller of an option, does not enter into any commitment except for the payment of the option premium (so-called option writer) it is a contingent ➔ futures contract. Options can be based not only on underlying assets but also on market prices such as exchange rates or interest rates or for example also on agricultural commodities.

P/E ratio (price/earnings ratio) I Important ratio for the valuation of shares, in particular for comparing companies with similar company profiles within a sector (peer companies). The price/earnings ratio is calculated by setting the stock market price of the share in relation to earnings per share. Similarly, the P/E ratio can be calculated by dividing the company's market capitalisation by net earnings for the year after minority interests. A share tends to be considered cheap if its P/E ratio is lower compared to the average for the peer companies or expensive if its P/E ratio is higher than the average for the peer companies.

Petrol I Formal designation for normal (regular) and super (premium) petrol for carburettors and fuel-injection engines with external ignition. European quality requirements are specified in EN 228.

ProtiGrain® I Brand name for the ➔ DDGS produced by CropEnergies and marketed as high-grade protein animal feed.

ProtiWanze® I Brand name for the ➔ CDS produced by CropEnergies in Wanze. ProtiWanze® is a protein-rich liquid animal feed.

Rectification I A step in the bioethanol production process in which the alcohol is purified and residues are removed.

Refinery I Plant in which crude oil is converted into marketable mineral oil products.

Renewable energies I Regenerative energies which in comparison to fossil energy sources are in theory in unlimited supply. Three groups – heat, power and fuels – are differentiated, which may in turn be subdivided.

Renewable Energies Directive I Draft directive for promoting the use of energy from renewable sources presented by the European Commission on 23 January 2008. Among other things, this sets a target quota for renewable energies of 10% of total fuel consumption by the year 2020. The directive also contains rules on the sustainable production of biofuels as a condition for support and crediting to the EU biofuel targets. Certification systems serve as proof of compliance with the legally defined requirements. The Renewable Energies Directive was passed by the European Parliament in December 2008 and was adopted by the European Council in April 2009.

Restructuring Fund I The fund was created to buy up quotas from EU member states with a view to achieving market balance by the 2009/10 sugar industry year.

Ryssen Alcools SAS I A company of the CropEnergies Group that operates a plant for the ➔ Rectification and ➔ Dehydration of agricultural raw alcohol in Loon-Plage (France). It has an annual capacity of 100,000 m^3 for the dehydration (drying) of raw alcohol for fuel applications and 80,000 m^3 for the rectification (purification) of raw alcohol for traditional and technical applications.

Stillage I Residues of non-fermentable substances produced from distillation. Stillage from grain is used as an animal feed for livestock due to its protein, nitrogen compounds and fat content. Dried and pelletised stillage is also referred to as ➔ DDGS (➔ ProtiGrain®).

Südzucker AG I Europe's largest sugar producer and international food group based in Mannheim (Germany) and the largest shareholder of ➔ CropEnergies AG with a shareholding of 71%.

Südzucker Bioethanol GmbH I ➔ CropEnergies Bioethanol GmbH

Sugar beet I Belongs to the botanical family of the foxtail plant, cultivated in Germany for more than 200 years.

Sugar cane I Belongs to the botanical family of grasses, an agricultural crop used for thousands of years. It is the most important agricultural crop for sugar production today.

Sugar Market Regulation I The aim of the Sugar Market Regulation, which runs until September 2015, is to assure the competitiveness of the sugar industry in the EU.

Sugar syrups | Intermediate products in sugar production. CropEnergies AG uses sugar syrups in its bioethanol plants as raw material for the production of bioethanol.

Sustainability criteria | Criteria that biofuels used for the purposes of meeting the targets of the ➔ "Renewable Energies Directive" and ➔ Biofuels benefiting from national support programmes are required to satisfy as proof of their ecological sustainability. Examples are a minimum reduction of ➔ Greenhouse gas emissions and the protection of areas of high biological diversity. Social sustainability criteria were taken into account, too, in the drafting of the "Renewable Energies Directive".

Sustainability Regulation | A regulation passed by the German government in December 2007 whose aim is to ensure that due consideration is given in the production of biofuels to the sustainable farming of agricultural land, the protection of natural habitats and the reduction of greenhouse gas emissions. The biomass sustainability regulation was stopped by the EU in March 2008 in order to establish common ➔ Sustainability criteria.

TecDAX® | Deutsche Börse sub-index for selected medium-sized companies (mid caps) in the technology sector. As a sub-index it is ranked immediately below the ➔ DAX® and includes 30 stocks admitted to the "Prime Standard" segment of the official market or regulated market.

Triticale | A hybrid variety of grain that is a cross between wheat and rye.

Viscosity | A measure of a fluid's resistance to flow. The higher the viscosity, the more resistant the fluid is to flow; the lower the viscosity, the less resistant the fluid is to flow.

Volume percent (volume concentration) | Written as vol.-% or v/v. Designation for the alcohol content of a fluid based on the volume at 20 °C.

Weight percent | Measure of the percentage of the mass of one component relative to the total mass of a mixture (abbreviated: wt.-%).

Working capital | Difference between non-interest-bearing current assets and non-interest-bearing current liabilities. Working capital includes inventories, receivables and other assets less trade payables, other non-interest bearing current liabilities and short-term provisions. The value expresses the extent to which a company ties up capital to generate sales.

Yeasts (saccharomycetes) | Fungi which are widespread in the natural world. For alcoholic fermentation so-called fermenting yeasts = culture yeasts (saccharomyces cerevisiae, brewing, distilling and baking yeasts) are used.

DISCLAIMER

Future-oriented statements and forecasts

This annual report contains forward-looking statements which are based on assumptions and estimations of the executive board of CropEnergies AG. Even if the executive board is convinced that these assumptions and plans are appropriate, actual future developments and events may deviate considerably from these assumptions and estimations due to a multitude of internal and external factors.

This includes for instance changes in the overall economic situation and regulatory framework conditions, and the development of raw material and oil prices.

CropEnergies assumes no guarantee or liability that future development and actual results achieved in the future will conform to the assumptions and estimations made in this annual report.

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Financial Calendar

1st quarterly report 2009/10	14 July 2009
Annual general meeting	16 July 2009
2nd quarterly report 2009/10	14 October 2009
3rd quarterly report 2009/10	13 January 2010
Annual report press and analysts' conference financial year 2009/10	19 May 2010

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