

## Contact

### CropEnergies AG

Gottlieb-Daimler-Strasse 12  
68165 Mannheim

### Heike Bosserhoff

Investor Relations  
Tel.: +49 (621) 714190-30  
Fax: +49 (621) 714190-03  
ir@cropenergies.de

### Nadine Dejung

Public Relations / Marketing  
Tel.: +49 (621) 714190-65  
Fax: +49 (621) 714190-03  
presse@cropenergies.de

<http://www.cropenergies.com>

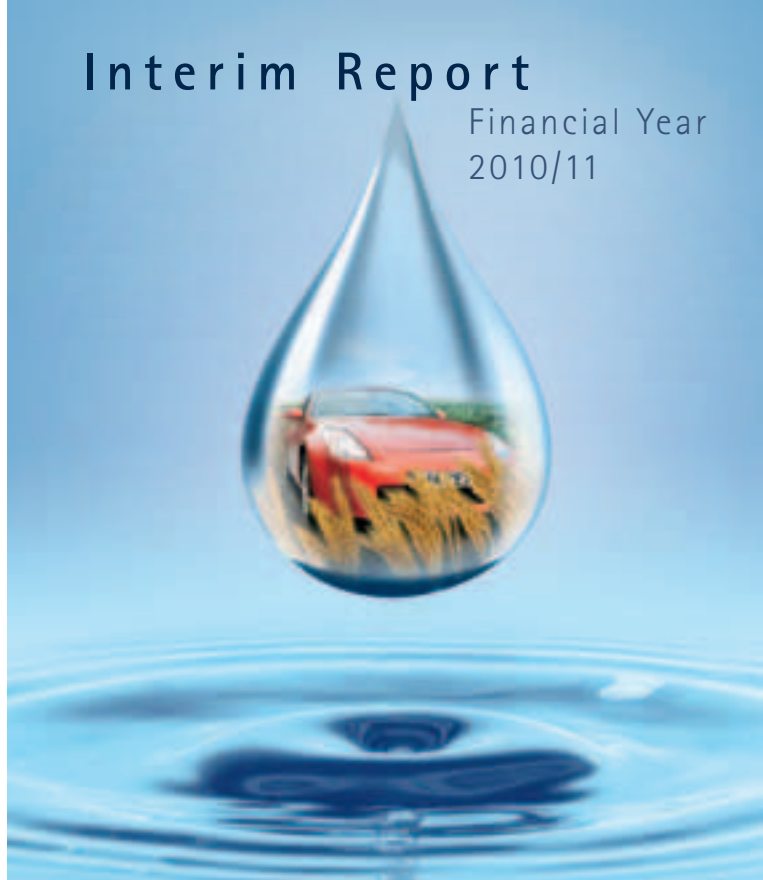
#### Disclaimer

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



# Interim Report

Financial Year  
2010/11



1<sup>st</sup> - 3<sup>rd</sup> Quarter

1 March to 30 November 2010

Mannheim, 11 January 2011



## Contents

<b>Highlights</b>	<b>4</b>
<b>Interim management report</b>	<b>4</b>
Operating environment	4
Developments within the CropEnergies Group	8
Business development	11
Opportunities and risks	15
Outlook	17
<b>Interim financial statements</b>	<b>18</b>
Statement of comprehensive income	18
Cash flow statement	19
Balance sheet	20
Development of shareholders' equity	21
<b>Notes to the interim financial statements</b>	<b>22</b>
<b>Financial calendar</b>	<b>27</b>

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

CropEnergies AG's financial year differs from the calendar year.

The periods stated are defined as follows:

3<sup>rd</sup> quarter: 1 September to 30 November

1<sup>st</sup> – 3<sup>rd</sup> quarter: 1 March to 30 November

The interim report is also available in German. This English translation is provided for convenience only and should not be relied upon exclusively. The German version of the interim report is definitive and takes precedence over this translation.

## Highlights of the first three quarters of 2010/11

- Revenues up 24% to € 348.5 (280.3) million
- EBITDA triples to € 54.6 (16.9) million and reaches a margin of 15.7% (6.1%)
- Operating result improves to € 32.0 (3.6) million
- Net earnings reach € 19.2 (-1.1) million
- Bioethanol production up 16% to 509,000 (438,000) m<sup>3</sup>

## Outlook for the 2010/11 financial year

- Strong growth of approximately 20% in revenues to over € 440 (374) million
- Operating result to more than triple to over € 40 (12) million

## Interim management report

### Operating environment

#### European climate and energy package in the implementation phase

With the passing of the "Renewable Energies Directive" and the revision of the "Fuel Quality Directive", the EU has created the statutory framework for promoting the use of renewable energies in the transport sector. The focus is the blending target of 10% for renewable energies in this sector which is mandatory for 2020. The extensive legislative package was to be implemented in national law by the member states by 5 December 2010. To facilitate its implementation, the European Commission had already provided the member states in June 2010 with an implementation guideline with transitional rules for handling raw material from the 2010 harvest for the purposes of biomass certification and the mass balance system.

Each member state was required to submit a national action plan for promoting the use of renewable energies to the European

Commission by 30 June 2010. Besides the measures for promoting renewable energies, indicative interim targets have to be specified for their use. The action plans published so far indicate the high growth potential of the bioethanol market in Europe. It is estimated that by the year 2020 the demand for bioethanol will more than triple compared to 2009.

Only Germany and Austria have met the European Union's deadline for the implementation of the rules of the "Renewable Energies Directive", especially the introduction of sustainability criteria, into national law.

### Introduction of E10 in Germany from 1 January 2011

To prepare the way for the introduction of E10 fuel, the existing German E10 fuel standard (DIN 51626) was adapted to the requirements of the EU "Fuel Quality Directive". After the amendment of the "Tenth Regulation for the Implementation of the Federal Emissions Control Act" has been passed by both the Bundestag (Lower House) and the Bundesrat (Upper House) of the German Parliament, it is expected that E10 fuel will be introduced at German filling stations from January 2011 onwards. A grandfathering rule will ensure that petrol with a bioethanol content of max. 5 vol.-percent (E5) that is suitable for all petrol engines will continue to be available. In light of the E10 clearances issued by the automobile manufacturers, the German Ministry of the Environment and the industry associations involved assume that about 90% of all petrol-engine vehicles in Germany can use E10 fuel without any problems.

In Germany, the promotion of liquid and gaseous fuels produced from biomass is linked to compliance with specific sustainability criteria as from the 2010 harvest. The sustainable production of biofuels has to be documented as from 1 January 2011 using a certification system such as REDcert, that was developed by the agricultural and biofuel industry associations.

## Ethanol prices reach high for the year

The start of the 2010/11 sugar cane harvest initially eased the tight supply situation which led to a fall in ethanol prices to approximately US\$ 485/m<sup>3</sup> FOB Santos in Brazil at the beginning of June 2010. However, lower harvest expectations as a result of the dry weather conditions and the continued high domestic demand for bioethanol then caused Brazilian ethanol prices to rise, initially to around US\$ 620/m<sup>3</sup> at the beginning of September 2010 and of late to a level of US\$ 745/m<sup>3</sup> at the end of November 2010.

Ethanol prices also increased on the Chicago Board of Trade (CBOT) and the Chicago Mercantile Exchange (CME). Driven by higher raw material costs, the one-month futures contract rose from around US\$ 1.94/gallon<sup>1</sup> at the beginning of September 2010 to about US\$ 2.10/gallon at the end of November 2010. In the USA, bioethanol prices were supported by the approval of E15, a petrol fuel with a bioethanol content of 15 vol.-%, for vehicle models manufactured in 2007 and later, and the resulting expected growth in demand.

In Europe, ethanol prices recovered from their low for the year of € 430/m<sup>3</sup> FOB Rotterdam in mid-April 2010 to around € 485/m<sup>3</sup> in mid-July due to rising demand for fuel and the firmer US dollar. They then gathered momentum, reaching a high for the year of around € 655/m<sup>3</sup> FOB Rotterdam in mid-September. Next to higher raw material prices, this price increase was driven by the growth in bioethanol blending in the European fuel sector, coupled with moderate import activities. However, uncertainties over the implementation of the "Renewable Energies Directive" in the individual EU member states then reduced the demand of some market players in November 2010. As a result, bioethanol prices eased, reaching a level of around € 590/m<sup>3</sup> at the end of November 2010.

Market observers expect demand for fuel ethanol in the EU in 2010 to rise to 5.3 (4.4) million m<sup>3</sup> due to higher blending rates.

Germany continues to be the largest market for bioethanol in the EU, with a consumption of around 923,000 m<sup>3</sup> in the months from January to September 2010. That is a 4.6% increase compared to the previous year. Roughly 83%, or 764,000 m<sup>3</sup>, of the bioethanol consumed was blended directly with petrol. The use of bioethanol for the production of the octane booster ETBE has continued to decline, falling by 28% to 149,000 m<sup>3</sup> in the same period. On the other hand, given relatively high petrol prices, sales of E85 fuel were up by about 56% over the same period last year.

## Grain prices remain at a high level

As a result of adverse weather conditions in important grain-growing regions, especially in the EU and Russia, the US Department of Agriculture (USDA) has lowered its harvest expectations for the 2010/11 grain year significantly in the course of the year. In its forecast published on 10 December 2010, the USDA estimates that world grain production (excluding rice) will be down 3.1% to approximately 1,735 million tonnes for the 2010/11 harvest. The USDA forecasts grain consumption of approximately 1,791 million tonnes (+2.1%). Contributing to a slight improvement in the global supply situation were good harvests in Canada and in the southern hemisphere especially in Argentina. Given world grain stocks of about 339 million tonnes at the end of the current grain year, the global supply situation should remain good. For the EU, the USDA expects supply and demand to be more or less balanced in the 2010/11 grain year, with a harvest of 275 million tonnes of grain. With net grain exports of about 17.9 million tonnes, the EU's high contribution to the world grain supply situation remains the same despite the weather-related harvest shortfalls.

After trading at around € 130/tonne in the 1<sup>st</sup> quarter of 2010/11, wheat prices on the NYSE Euronext in Paris then surged to around € 230/tonne by the end of August 2010 due to lower harvest expectations and increasing speculation on the global commodity futures markets. Owing to strong demand, wheat prices remained at a high level, moving within a range from

<sup>1</sup> A gallon is the equivalent of 3.7854 litres

€ 200 to 230/tonne in the 3<sup>rd</sup> quarter of 2010/11, despite good harvest expectations for the southern hemisphere. At the end of November 2010 the one-month futures contract for milling wheat in Paris was trading at around € 224/tonne.

The one-month soybean futures contract on CBOT has risen since the beginning of the financial year from US\$ 9.50/bushel to US\$ 12.43/bushel at the end of November 2010. Lower harvest forecasts and strong global demand for soy, especially from Asia, even drove the price above the US\$ 13/bushel mark in mid-November 2010 for the first time again since September 2008. In Europe, soy meal prices rose by about € 65/tonne over the same period, and were around € 335/tonne at the end of November 2010. Other high-protein animal feeds such as rapeseed meal benefited from this trend. At the end of November 2010, rapeseed meal was trading at € 210 to 220/tonne, which was about € 30 to 40/tonne higher than at the beginning of March 2010.

### **Developments within the CropEnergies Group**

#### **Bioethanol production up 16% in the first three quarters of 2010/11**

Bioethanol production at CropEnergies in the first nine months of the 2010/11 financial year was up 16% year over year to 509,000 m<sup>3</sup>. After bioethanol production had been below the previous year's level in the 1<sup>st</sup> quarter of 2010/11 due to the five-year overhaul in Zeitz, CropEnergies increased the production of bioethanol, and thus production of the co-products, too, substantially in the further course of the year especially as a result of higher capacity utilization at the production plant in Wanze.

In October 2010, the bioethanol plants in Zeitz and Wanze were certified by DQS GmbH Deutsche Gesellschaft zur Zertifizierung von Managementsystemen, Frankfurt am Main, according to the REDcert certification system. Consequently, the bioethanol produced there satisfies all the requirements of the German Biofuel Sustainability Regulation. Within the framework of the certification it was confirmed that the plants comply with the minimum

greenhouse gas reduction requirements of the "Renewable Energies Directive". With a greenhouse gas reduction of over 60%, the production plant in Wanze today already meets the standards that will apply within the EU as from 2017. After further process optimizations, the plant will reach the target of greenhouse gas savings of up to 70% compared to petrol across the entire value chain. The plant in Zeitz also comfortably exceeds the statutory minimum requirement of a 35% greenhouse gas reduction compared to fossil petrol. The greenhouse gas savings at the bioethanol plant in Zeitz will be further increased once the CO<sub>2</sub> liquefaction plant, which was completed at the end of 2010, reaches normal operation. Consequently, going forward, CropEnergies will continue to serve as a reliable partner for the mineral oil industry, which has to meet its blending quota obligations in Germany as from 1 January 2011 with bioethanol certified as sustainable. With the successful certification, CropEnergies is consolidating its pioneering position in the European bioethanol market.

CropEnergies supplied large and medium-sized oil companies as well as independent ETBE producers at home and abroad in the reporting period. CropEnergies continued to focus on inland destinations that can be supplied at favourable freight costs through the logistics network that has been created. Through Ryssen Alcools SAS, CropEnergies also supplied high-quality products to companies in the beverage, cosmetics, pharmaceuticals, and chemical industries in the reporting period.

The E85 quality fuel CropPower85 produced to DIN 51625 standards (bioethanol-petrol mixture) was able to expand its leading market position in the German E85 market further in the reporting period, with growth of over 70% in sales. Sales of CropPower85 thus continued to grow faster than the market as a whole. About 30% of the E85 filling stations in Germany currently sell CropPower85.

CropEnergies has a broad portfolio of high-grade food and animal feed products derived from the bioethanol production process.

With the IFS (International Food Standard) certification completed in May 2010, the gluten produced in Wanze is now also being successfully marketed in the price-attractive food sector, for instance in the bakery goods industry. The liquid protein animal feed Proti-Wanze® has been successfully established in the market, especially among stock breeders in the Benelux countries. The penetration of the market for liquid protein animal feeds was pursued further in close cooperation with the distribution partners, and its use as cattle feed especially was significantly expanded. The high-quality protein animal feed ProtiGrain® produced in Zeitz is firmly established in the animal feed market in Europe and is highly competitive compared to rapeseed meal and other alternative animal feeds. A focus of the marketing activities was the development of the local animal feed market to minimize the cost of transportation to customers. With the rise in the prices of oilseed meals, CropEnergies was able to achieve attractive selling prices for ProtiGrain®.

#### Successful start-up of the CO<sub>2</sub> liquefaction plant in Zeitz

October 2010 saw the start of the trial operation of the plant in Zeitz for the purification and liquefaction of an annual 100,000 tonnes of biogenic CO<sub>2</sub>. First customers could already be supplied during the trial phase. The CO<sub>2</sub> liquefaction plant, built right next to the CropEnergies bioethanol plant, uses biogenic CO<sub>2</sub> as raw material, which is released during the bioethanol production process. CropEnergies and Tyczka Energie GmbH, Geretsried, invested over € 10 million in the plant for the liquefaction, purification and recovery of the CO<sub>2</sub> using the infrastructure of the existing bioethanol plant. By commercially exploiting the CO<sub>2</sub>, CropEnergies is not only enhancing the profitability of the Zeitz location but also increasing the greenhouse gas savings of the bioethanol produced there.

## Business development

### Revenues and net earnings

€ thousands	3 <sup>rd</sup> quarter		1 <sup>st</sup> - 3 <sup>rd</sup> quarter	
	2010/11	2009/10	2010/11	2009/10
<b>Revenues</b>	<b>133,811</b>	<b>96,039</b>	<b>348,515</b>	<b>280,290</b>
<b>EBITDA</b>	<b>22,224</b>	<b>9,473</b>	<b>54,590</b>	<b>16,946</b>
<i>EBITDA margin</i>	16.6%	9.9%	15.7%	6.1%
Depreciation*	-7,615	-5,052	-22,622	-13,360
<b>Operating profit</b>	<b>14,609</b>	<b>4,421</b>	<b>31,968</b>	<b>3,586</b>
<i>Operating margin</i>	10.9%	4.6%	9.2%	1.3%
Restructuring costs and special items	-51	-2,002	109	-2,028
<b>Income from operations</b>	<b>14,558</b>	<b>2,419</b>	<b>32,077</b>	<b>1,558</b>
Financial result	-1,862	-2,187	-5,886	-6,090
<b>Earnings (loss) before income taxes</b>	<b>12,696</b>	<b>232</b>	<b>26,191</b>	<b>-4,532</b>
Taxes on income	-3,915	613	-6,945	3,405
<b>Net earnings (loss) for the period</b>	<b>8,781</b>	<b>845</b>	<b>19,246</b>	<b>-1,127</b>
<b>Earnings (loss) per share (€)</b>	<b>0.11</b>	<b>0.01</b>	<b>0.23</b>	<b>-0.01</b>

\* without restructuring costs and special items

#### Business development: 3<sup>rd</sup> quarter

CropEnergies was able to continue the dynamic business trend in the 3<sup>rd</sup> quarter. The basis was a strong increase of 28% in bioethanol production to a record level of 186,000 (145,000) m<sup>3</sup>. This led to growth in the volumes of bioethanol and protein co-products sold. Overall, revenues in the 3<sup>rd</sup> quarter were up 39% to € 133.8 (96.0) million.

EBITDA rose to € 22.2 (9.5) million and reached a margin of 16.6% (9.9%). The improvement was mainly due to the growth in sales volumes and an improvement in co-product selling prices. On the other hand, the price increases on the grain markets had no significant impact thanks to timely hedging operations.

The operating result increased to € 14.6 (4.4) million. Income from operations rose to € 14.6 (2.4) million as there were only marginal restructuring costs and special items amounting to € -0.1 (-2.0) million.

After deducting the financial result, which improved to € -1.9 (-2.2) million, and tax expense of € -3.9 (0.6) million, the 3<sup>rd</sup> quarter closed with a tenfold increase in net earnings to € 8.8 (0.8) million.

#### Business development: 1<sup>st</sup> – 3<sup>rd</sup> quarter

Group revenues were up 24% to € 348.5 (280.3) million in the first nine months of the 2010/11 financial year. EBITDA tripled, especially as a result of the higher capacity utilization at the bioethanol plant in Wanze, to € 54.6 (16.9) million and reached a margin of 15.7% (6.1%). Despite higher depreciation, which rose to € 22.6 (13.4) million, the operating result improved to € 32.0 (3.6) million.

Income from operations came to € 32.1 (1.6) million, which more or less matched the operating result as only marginal restructuring costs and special items were incurred.

After a financial result of € -5.9 (-6.1) million and tax expense of € -6.9 (3.4) million, CropEnergies posted net earnings of € 19.2 (-1.1) million in the first nine months of the current 2010/11 financial year. That is equivalent to earnings per share of € 0.23 (-0.01).

#### Statement of changes in financial position

€ thousands	1 <sup>st</sup> – 3 <sup>rd</sup> quarter	
	2010/11	2009/10
<b>Gross cash flow</b>	<b>47,324</b>	<b>6,879</b>
Change in net working capital	-2,959	-27,002
<b>Net cash flow from operating activities</b>	<b>44,365</b>	<b>-20,123</b>
Investments in property, plant and equipment and intangible assets	-18,834	-24,320
Cash received on disposal of non-current assets	327	603
Investment subsidies received	369	4,764
<b>Cash flow from investing activities</b>	<b>-18,138</b>	<b>-18,953</b>
<b>Cash flow from financing activities</b>	<b>-23,422</b>	<b>42,218</b>
<b>Change in cash and cash equivalents</b>	<b>2,805</b>	<b>3,142</b>

Cash flow improved strongly to € 47.3 (6.9) million due to the higher EBITDA.

The cash outflow from investing activities declined to € 18.1 (19.0) million. Of the total capital expenditure on property, plant and equipment and on intangibles of € 18.8 (24.3) million, € 11.2 million was attributable to BioWanze SA, € 4.2 million to CropEnergies Bioethanol GmbH, and € 2.8 million to CT Biocarbonic GmbH.

The repayment of financial liabilities and the first dividend payout of € 4.3 million in July 2010 led to a cash outflow from financing activities of € 23.4 (cash inflow: 42.2) million.

## Balance sheet structure

€ thousands	30 November 2010	30 November 2009	Change	28 February 2010
<b>Assets</b>				
Non-current assets	516,748	514,480	2,268	518,308
Current assets	102,583	81,318	21,265	90,555
<b>Total assets</b>	<b>619,331</b>	<b>595,798</b>	<b>23,533</b>	<b>608,863</b>
<b>Liabilities and shareholders' equity</b>				
Shareholders' equity	330,779	305,911	24,868	311,686
Non-current liabilities	155,224	155,554	-330	164,935
Current liabilities	133,328	134,333	-1,005	132,242
<b>Total liabilities and shareholders' equity</b>	<b>619,331</b>	<b>595,798</b>	<b>23,533</b>	<b>608,863</b>
Net financial debt	193,457	206,943	-13,486	215,434
Equity ratio	53.4%	51.3%		51.2%

With the final capital expenditures in Wanze and Zeitz, non-current assets increased marginally by € 2.3 million to € 516.7 million as of 30 November 2010. This includes goodwill, which was unchanged at € 4.3 million.

Current assets rose by € 21.3 million to € 102.6 million. This was mainly due to the growth in business volume. Trade receivables and other assets increased by € 16.4 million to € 57.3 million. This also includes higher positive market values from derivative hedging instruments. At € 32.4 million, inventories were slightly higher than in the same period of the previous year.

Non-current liabilities declined by € 0.3 million to € 155.2 million, with a reduction of € 7.3 million in long-term financial liabilities to € 122.8 million set against an increase of € 7.5 million in deferred tax liabilities to € 28.6 million.

Current liabilities decreased by € 1.0 million to € 133.3 million. Trade payables and other liabilities declined by € 3.1 million to € 44.4 million and short-term financial liabilities by € 1.2 million to € 81.8 million, while current provisions increased by € 3.1 million to € 5.1 million.

Net financial liabilities declined to € 193.5 (206.9) million due to the surplus cash flow in excess of capital expenditure. Of the total, € 122.8 million is long term and € 81.8 million is due in the short term. Set against this, there were cash and cash equivalents of € 11.1 million.

Shareholders' equity rose to € 330.8 (30 November 2009: 305.9) million. This corresponds to an equity ratio of 53.4% (30 November 2009: 51.3%).

## Opportunities and risks

### Opportunities

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

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

Opportunities are presented by lower grain prices and/or by higher prices for bioethanol and for the co-products that are processed into food and animal feed products. CropEnergies can shield itself to some extent from the volatility of the grain markets through the use of sugar syrups as raw material. Additionally, CropEnergies benefits from the proceeds from the sale of high-grade food and animal feed products, which reduce its net raw material costs, and from its energy-optimised production.

### Risks

The CropEnergies Group is exposed to the operating risks typical of a manufacturing company, especially the market risks arising



as a result of changes in the prices of end products, raw materials, and energy. The CropEnergies Group's risk management system is aimed at identifying risks early on, monitoring them and taking timely counter-action when necessary. For detailed information on the opportunities and risk management system and the Group's risk situation please refer to the "Risk Report" on pages 51 to 54 of the Annual Report for the 2009/10 financial year. The comments there are still valid.

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

## Outlook

CropEnergies continues to expect a dynamic and profitable development for the 4<sup>th</sup> quarter despite firmer grain prices. With the production and distribution network that has been created, CropEnergies is excellently positioned to profit from the growing European bioethanol market. Additionally, CropEnergies has an attractive portfolio of high-grade food and animal feed products derived from the bioethanol production process that reduces its exposure to developments on the ethanol and raw material markets.

As already announced on 17 December 2010, CropEnergies is raising its forecast for revenues and earnings for the 2010/11 financial year again. Revenues are now expected to be up by approximately 20% to over € 440 (374) million, while operating profit should be in excess of € 40 (12) million and thus more than treble compared to the previous year.

## Interim financial statements

### Statement of comprehensive income

€ thousands	3 <sup>rd</sup> quarter		1 <sup>st</sup> - 3 <sup>rd</sup> quarter	
	2010/11	2009/10	2010/11	2009/10
Income statement				
<b>Revenues</b>	<b>133,811</b>	<b>96,039</b>	<b>348,515</b>	<b>280,290</b>
Change in work in progress and finished goods inventories and internal costs capitalised	-1,154	-5,462	-9,136	230
Other operating income	909	833	6,779	2,927
Cost of materials	-94,709	-68,673	-241,410	-221,379
Personnel expenses	-6,121	-5,577	-16,804	-16,833
Depreciation	-7,618	-5,078	-22,679	-13,386
Other operating expenses	-10,560	-9,663	-33,188	-30,291
<b>Income from operations</b>	<b>14,558</b>	<b>2,419</b>	<b>32,077</b>	<b>1,558</b>
Financial income	107	2	234	42
Financial expense	-1,969	-2,189	-6,120	-6,132
<b>Earnings (loss) before income taxes</b>	<b>12,696</b>	<b>232</b>	<b>26,191</b>	<b>-4,532</b>
Taxes on income	-3,915	613	-6,945	3,405
<b>Net earnings (loss) for the period</b>	<b>8,781</b>	<b>845</b>	<b>19,246</b>	<b>-1,127</b>
<b>Earnings (loss) per share €</b>	<b>0.11</b>	<b>0.01</b>	<b>0.23</b>	<b>-0.01</b>

### Table of other comprehensive income

<b>Net earnings (loss) for the period</b>	<b>8,781</b>	<b>845</b>	<b>19,246</b>	<b>-1,127</b>
Mark-to-market gains and losses	-3,441	464	4,097	-1,581
<b>Income and expenses recognised directly in equity</b>	<b>-3,441</b>	<b>464</b>	<b>4,097</b>	<b>-1,581</b>
<b>Total comprehensive income</b>	<b>5,340</b>	<b>1,309</b>	<b>23,343</b>	<b>-2,708</b>

### Cash flow statement

€ thousands	1 <sup>st</sup> - 3 <sup>rd</sup> quarter	
	2010/11	2009/10
Net earnings (loss) for the period	19,246	-1,127
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	22,679	13,386
Other items	5,399	-5,380
<b>Gross cash flow</b>	<b>47,324</b>	<b>6,879</b>
Change in net working capital	-2,959	-27,002
<b>I. Net cash flow from operating activities</b>	<b>44,365</b>	<b>-20,123</b>
Investments in property, plant and equipment and intangible assets	-18,834	-24,320
Cash received on disposal of non-current assets	327	603
Investment subsidies received	369	4,764
<b>II. Cash flow from investing activities</b>	<b>-18,138</b>	<b>-18,953</b>
Dividends paid	-4,250	0
Receipt of financial liabilities	0	53,438
Repayment of financial liabilities	-19,172	-11,220
<b>III. Cash flow from financing activities</b>	<b>-23,422</b>	<b>42,218</b>
<b>Change in cash and cash equivalents (Total of I., II. and III.)</b>	<b>2,805</b>	<b>3,142</b>
Cash and cash equivalents at the beginning of the period	8,328	3,078
<b>Cash and cash equivalents at the end of the period</b>	<b>11,133</b>	<b>6,220</b>

## Balance sheet

€ thousands	30 November 2010	30 November 2009	Change	28 February 2010
<b>Assets</b>				
Intangible assets	9,509	4,801	4,708	8,840
Property, plant and equipment	477,677	486,395	-8,718	483,218
Receivables and other assets	3,388	0	3,388	1
Deferred tax assets	26,174	23,284	2,890	26,249
<b>Non-current assets</b>	<b>516,748</b>	<b>514,480</b>	<b>2,268</b>	<b>518,308</b>
Inventories	32,387	32,069	318	41,085
Trade receivables and other assets	57,316	40,911	16,405	41,131
Current tax receivables	1,747	2,118	-371	11
Cash and cash equivalents	11,133	6,220	4,913	8,328
<b>Current assets</b>	<b>102,583</b>	<b>81,318</b>	<b>21,265</b>	<b>90,555</b>
<b>Total assets</b>	<b>619,331</b>	<b>595,798</b>	<b>23,533</b>	<b>608,863</b>

Liabilities and shareholders' equity				
Subscribed capital	85,000	85,000	0	85,000
Capital reserves	211,333	211,333	0	211,333
Revenue reserves	34,446	9,578	24,868	15,353
<b>Shareholders' equity</b>	<b>330,779</b>	<b>305,911</b>	<b>24,868</b>	<b>311,686</b>
Provisions for pensions and similar obligations	3,376	2,673	703	2,925
Other provisions	456	1,287	-831	1,023
Non-current financial liabilities	122,806	130,145	-7,339	139,638
Other liabilities	0	324	-324	129
Deferred tax liabilities	28,586	21,125	7,461	21,220
<b>Non-current liabilities</b>	<b>155,224</b>	<b>155,554</b>	<b>-330</b>	<b>164,935</b>
Other provisions	5,109	2,034	3,075	1,383
Current financial liabilities	81,784	83,018	-1,234	84,124
Trade payables and other liabilities	44,437	47,506	-3,069	43,932
Current tax liabilities	1,998	1,775	223	2,803
<b>Current liabilities</b>	<b>133,328</b>	<b>134,333</b>	<b>-1,005</b>	<b>132,242</b>
<b>Total liabilities and shareholders' equity</b>	<b>619,331</b>	<b>595,798</b>	<b>23,533</b>	<b>608,863</b>

## Development of shareholders' equity

€ thousands	Subscribed capital	Capital reserves	Retained earnings incl. carry-forwards	Revaluation reserve	Net profit (loss)	Total consolidated shareholders' equity
<b>1 March 2009</b>	<b>85,000</b>	<b>211,333</b>	<b>5,344</b>	<b>1,088</b>	<b>5,854</b>	<b>308,619</b>
Unappropriated net profit carried forward			5,854		-5,854	0
Net earnings (loss) for the period					-1,127	-1,127
Mark-to-market gains and losses on cashflow hedging instruments				-1,581		
Income and expenses recognised directly in equity				-1,581		-1,581
Total comprehensive income				-1,581	-1,127	-2,708
Dividends paid			0			0
<b>30 November 2009</b>	<b>85,000</b>	<b>211,333</b>	<b>11,198</b>	<b>-493</b>	<b>-1,127</b>	<b>305,911</b>

<b>1 March 2010</b>	<b>85,000</b>	<b>211,333</b>	<b>11,198</b>	<b>-260</b>	<b>4,415</b>	<b>311,686</b>
Unappropriated net profit carried forward			4,415		-4,415	0
Net earnings (loss) for the period					19,246	19,246
Mark-to-market gains and losses on cashflow hedging instruments				4,097		
Income and expenses recognised directly in equity				4,097		4,097
Total comprehensive income				4,097	19,246	23,343
Dividends paid			-4,250			-4,250
<b>30 November 2010</b>	<b>85,000</b>	<b>211,333</b>	<b>11,363</b>	<b>3,837</b>	<b>19,246</b>	<b>330,779</b>

## Notes to the interim financial statements

### Basis of preparation of the interim consolidated financial statements

The interim financial statements of the CropEnergies Group as of 30 November 2010 have been prepared according to the rules for interim financial reporting of IAS 34 in compliance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC).

The standards and interpretations applicable for the first time to the interim reporting in the 2010/11 financial year had no impact on the presentation of the financial statements or on the assets, liabilities, financial position and results of operations of the Group. These rules are set out on pages 62 to 64 of the Annual Report for the 2009/10 financial year. Otherwise, the same accounting and valuation methods as used in the preparation of the annual financial statements as of 28 February 2010 have been applied. The explanatory details in the notes to the financial statements on pages 66 to 70 of the Annual Report for the 2009/10 financial year therefore apply accordingly.

### Consolidated companies

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
- BioWanze SA, Brüssel (Belgium)
- Compagnie Financière de l'Artois SA, Paris (France)
- Ryssen Alcools SAS, Loon-Plage (France)

The joint venture

- CT Biocarbonic GmbH, Zeitz

has been consolidated on a proportional basis. On the basis of this proportional consolidation, 50% of its assets, liabilities and contingent liabilities, and of its income statement are included in the consolidated financial statements of CropEnergies AG.

### Earnings per share

The net earnings of € 19.2 million are fully attributable to the shareholders of CropEnergies AG. Earnings per share (IAS 33) have been calculated on the basis of 85 million shares. This results in earnings per share for the 1<sup>st</sup> – 3<sup>rd</sup> quarter of the 2010/11 financial year of € 0.23 (-0.01).

### Inventories

€ thousands	30 November	
	2010	2009
Raw materials and supplies	11,955	9,756
Work in progress	1,854	1,937
Finished goods and merchandise	18,578	20,376
	<b>32,387</b>	<b>32,069</b>

Inventories changed only marginally to € 32.4 (32.1) million.

### Trade receivables and other assets

€ thousands	30 November	
	2010	2009
Trade receivables	33,906	28,701
Receivables from affiliated companies	5,481	2,871
Other assets	17,929	9,339
	<b>57,316</b>	<b>40,911</b>

Trade receivables increased in the reporting period due to the growth in business volume.

Other assets mainly consist of the positive market values of derivative hedging instruments amounting to € 5.8 (0.5) million, claims arising from the production of renewable energies of € 3.7 (0.8) million, VAT tax refunds due of € 3.4 (2.3) million, investment subsidies receivable of € 2.7 (2.0) million, advance payments of € 1.3 (2.3) million, and other receivables of € 1.0 (1.4) million.

## Shareholders' equity

Shareholders' equity amounts to € 330.8 (30 November 2009: 305.9) million and includes a revaluation reserve of € 3.8 million.

## Trade payables and other liabilities

€ thousands	30 November	
	2010	2009
Trade payables	21,345	30,437
Payables to affiliated companies	8,703	8,046
Other liabilities	14,389	9,023
	<b>44,437</b>	<b>47,506</b>

The decrease in trade payables is largely due to the discharge of liabilities from capital expenditures in connection with the construction of the bioethanol plant in Wanze.

Other liabilities mainly consist of liabilities of € 5.6 (4.0) million in respect of other taxes, liabilities of € 4.3 (2.9) million in respect of personnel expenditures, the negative mark-to-market values of derivative hedging instruments amounting to € 2.9 (1.1) million, and liabilities of € 0.6 (0.4) million in respect of outstanding invoices.

## Financial liabilities and cash and cash equivalents

€ thousands	30 November	
	2010	2009
Liabilities to banks	55,514	64,946
Liabilities to affiliated companies	149,076	148,217
<b>Financial liabilities</b>	<b>204,590</b>	<b>213,163</b>
Cash and cash equivalents	-11,133	-6,220
<b>Net financial debt</b>	<b>193,457</b>	<b>206,943</b>

Net financial debt as of 30 November 2010 was € 193.5 (206.9) million. € 122.8 (130.1) million of this is available to the CropEnergies Group long term.

Of the financial liabilities to banks, € 43.8 (52.1) million is due in more than one year. In the case of the financial liabilities to related companies of the Südzucker Group, € 79.0 (78.0) million is due in more than one year.

## Revenues, earnings, capital expenditure, and employees

€ thousands	3 <sup>rd</sup> quarter		1 <sup>st</sup> – 3 <sup>rd</sup> quarter	
	2010/11	2009/10	2010/11	2009/10
<b>Revenues</b>	<b>133,811</b>	<b>96,039</b>	<b>348,515</b>	<b>280,290</b>
<b>EBITDA</b>	<b>22,224</b>	<b>9,473</b>	<b>54,590</b>	<b>16,946</b>
<i>EBITDA margin</i>	16.6%	9.9%	15.7%	6.1%
Depreciation*	-7,615	-5,052	-22,622	-13,360
<b>Operating profit</b>	<b>14,609</b>	<b>4,421</b>	<b>31,968</b>	<b>3,586</b>
<i>Operating margin</i>	10.9%	4.6%	9.2%	1.3%
Restructuring costs and special items	-51	-2,002	109	-2,028
<b>Income from operations</b>	<b>14,558</b>	<b>2,419</b>	<b>32,077</b>	<b>1,558</b>
<b>Investments in property, plant and equipment and intangible assets</b>	<b>7,467</b>	<b>4,311</b>	<b>18,834</b>	<b>24,320</b>
<b>Employees</b>	<b>307</b>	<b>300</b>	<b>306</b>	<b>308</b>

\* without restructuring costs and special items

EBITDA tripled to € 54.6 (16.9) million especially as a result of the higher capacity utilization of the bioethanol plant in Wanze. The operating result improved accordingly to € 32.0 (3.6) million despite much higher depreciation.

Of the capital expenditures, € 17.8 (24.3) million was on property, plant and equipment. Of this, € 10.1 million was invested at BioWanze SA, € 4.2 million at CropEnergies Bioethanol GmbH, and € 2.8 million at CT Biocarbonic GmbH.

The average number of employees in the 1<sup>st</sup> – 3<sup>rd</sup> quarter of the 2010/11 financial year was 306 (308). Of the total, 33 were employed at CropEnergies AG, 106 at CropEnergies Bioethanol GmbH, 124 at BioWanze SA, and 43 at Ryssen Alcools SAS.

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

"Related parties" for the purposes of IAS 24 (Related-Party Disclosures) are Südzucker AG, as majority shareholder, and its subsidiaries (Südzucker Group), the joint venture CT Biocarbonic GmbH as well as the executive board and supervisory board of CropEnergies AG. Furthermore, there is Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG, Stuttgart, whose own holdings of Südzucker shares and the shares held in trust for its members represent a majority interest in Südzucker AG.

In the 1<sup>st</sup> – 3<sup>rd</sup> quarter of the 2010/11 financial year the transactions with the Südzucker Group included goods worth € 41.9 million sourced from the Südzucker Group (especially sugar syrups, sundry supplies, and finished goods). In addition, services worth € 3.1 million and research & development worth € 1.8 million were purchased. Set against this, the CropEnergies Group supplied goods worth € 21.4 million to the Südzucker Group and received from the latter compensation of € 2.0 million and service revenues of € 1.3 million. There was a negative net interest balance of € 4.1 million from intercompany loans.

From the aforesaid related party transactions there were receivables of € 5.5 (2.9) million due from the Südzucker Group and liabilities of € 8.7 (8.0) million due to the Südzucker Group as of 30 November 2010. The financial liabilities due to the Südzucker Group amounted to € 149.1 (148.2) million.

The related party transactions with Südzucker AG and its subsidiaries were settled at usual market prices and interest rates; performance and consideration were commensurate, so no party was placed at a disadvantage. No significant transactions were conducted with related persons.

There were no transactions with Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG in the 1<sup>st</sup> – 3<sup>rd</sup> quarter of the 2010/11 financial year.

Administrative services were rendered for the joint venture CT Biocarbonic GmbH in the 1<sup>st</sup> – 3<sup>rd</sup> quarter of the 2010/11 financial year. They were charged at usual market prices but were immaterial in terms of their amount.

Mannheim, 11 January 2011

CropEnergies AG

The Executive Board

Dr. Lutz Guderjahn

Joachim Lutz

## Financial calendar

- Annual press and analysts' conference for the 2010/11 financial year 12 May 2011
- Report for the 1<sup>st</sup> quarter of 2011/12 12 July 2011
- Annual General Meeting 2011 19 July 2011
- Report for the 1<sup>st</sup> half of 2011/12 11 October 2011
- Report for the 1<sup>st</sup> to 3<sup>rd</sup> quarter of 2011/12 11 January 2012