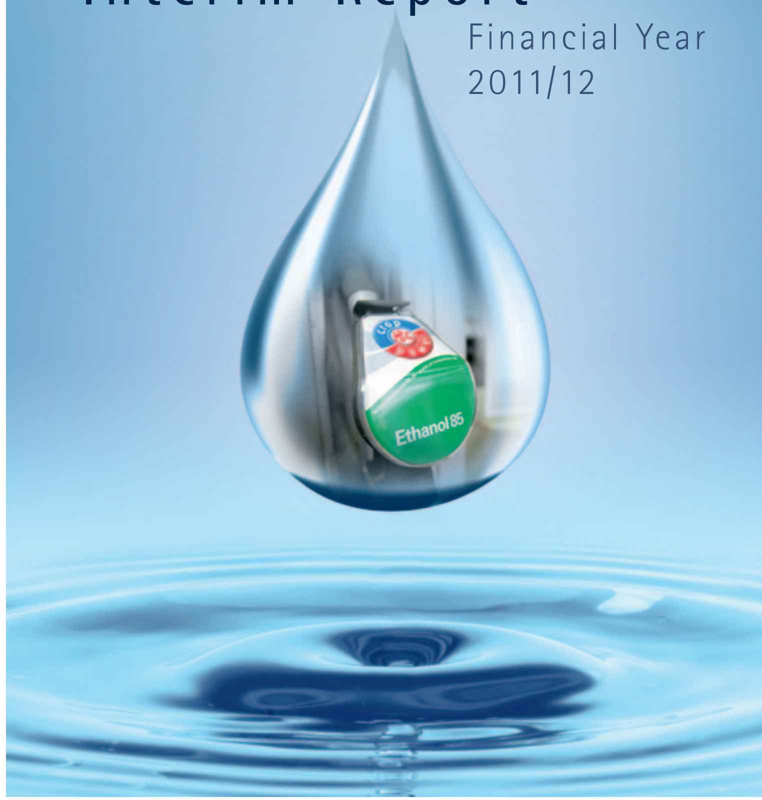
Interim Report

Financial Year
2011/12



1st Quarter
1 March to 31 May 2011

Mannheim, 12 July 2011

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creative regeneration of power

Member of the Group SÜDZUCKER

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

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Contents

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

CropEnergies AG's financial year differs from the calendar year. The 1st quarter relates to the period from 1 March to 31 May.

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 1st quarter 2011/12

- Revenues up 41% to € 132.1 (93.5) million
- EBITDA improves to € 23.0 (9.7) million and reaches a margin of 17.5% (10.4%)
- Operating profit rises to € 15.3 (2.4) million
- Net earnings in the 1st quarter reach € 9.7 (0.9) million
- Bioethanol production up 14% to 157,000 (138,000) m^3

Outlook for the 2011/12 financial year

- Revenue growth to € 520 to 570 (473) million
- Operating margin expected to reach approximately 10% (9.7%)

Interim management report

Operating environment

Implementation of the European climate and energy package progressing

With the "Renewable Energies Directive" and the revision of the "Fuel Quality Directive", the EU has created the statutory framework for the mandatory blending target of 10% renewable energies in the transport sector by the year 2020. Initially, only Germany and Austria had met the EU requirements for the implementation of the "Renewable Energies Directive", especially the introduction of sustainability criteria, in national law by the deadline of December 2010. Meanwhile, other member states have made progress in implementing this directive. Sustainability requirements have been anchored in Dutch and Swedish law for instance. Several member states, including Belgium, France, and Great Britain, plan to create the statutory framework for implementing the EU rules in the 2nd half of 2011. The implementation process should gather momentum in the other member states, too, once EU-wide certification systems are approved. After the deliberations within the Committee on the Sustainability of Biofuels and Other Liquid Fuels on 27 May 2011, it is expected that several voluntary certification schemes will be approved by the EU Commission shortly.

The EU Commission had submitted a report on the impact of indirect Land Use Changes (iLUC) on the greenhouse gas emission balance of biofuels to the European Parliament and the European Council on 22 December 2010. In view of the considerable uncertainty of the model calculations, the EU Commission is studying possible options in an impact assessment and wants to report on this at the latest by the end of July 2011 and, if necessary, put forward proposals on possible legislative measures.

E10 on the advance

E10 fuel has been available in France since April 2009. Finland and Sweden began introducing E10 fuel in the market in January and May 2011, respectively. Greece, Malta, Spain, and the Czech Republic, too, have created the statutory framework for its market introduction.

In Germany, it has been possible for E10 to be offered at filling stations since 1 January 2011. Most of the refitted filling stations had begun selling E10 in February 2011 and in that same month had already sold some 115,000 tonnes. That was a good deal more than French filling stations managed to sell almost two years after it was first introduced. In April 2011, E10 sales reached approximately 149,000 tonnes, equivalent to a market share of over 9%. By mid-June 2011 E10 was already available at about half of the filling stations in Germany. Nonetheless, as around 93% of all petrol-engine vehicles in Germany can use E10 without any problem, the comparatively low market share indicates the need to supply motorists with objective information and to convince them with legally binding clearances. Bioethanol industry associations as well in Germany (BDBe) as at the EU level (ePURE) and CropEnergies have supported the market introduction of E10 through intensive communication.

European ethanol prices at a high level

A due to weather conditions exceptionally long "intercrop period", as the period between two sugar cane harvests is known, led to a tight supply situation in Brazil. As a result, ethanol prices surged from around US$ 935/m³ at the beginning of March 2011 to over US$ 1,800/m³ FOB Santos in mid-April 2011. With the improvement in harvesting conditions, ethanol prices fell to US$ 775/m³ by the end of May 2011.

Ethanol prices on the Chicago Board of Trade (CBOT) and the Chicago Mercantile Exchange (CME) moved sideways. At the end of May 2011 the one-month futures contract was trading at around US$ 2.65/gallon* of bioethanol, which was only marginally higher than at the beginning of March 2011 (US$ 2.60/gallon). High raw material and petrol prices had a stabilising effect on prices.

In Europe, ethanol prices held up above € 600/m³ FOB Rotterdam, supported by high raw material costs and rising demand for bioethanol in the European fuel sector. However, uncertainties over the implementation of the "Renewable Energies Directive" in individual EU member states and consumer acceptance of E10 in Germany, which was lower than had been expected, led to a moderate price fall, with the price of ethanol easing from € 650/m³ at the beginning of March 2011 to € 635/m³ at the end of May 2011.

Market observers expect demand for fuel ethanol in the EU in 2011 to rise to 6.4 million m³ on the back of higher blending rates. In Germany, bioethanol consumption is expected to grow by about 9% to 1.6 million m³. 450,000 m³ of bioethanol was sold from January to April 2011. That was an increase of 5.1% compared to the same period last year. Roughly 84% of the bioethanol consumed were blended directly with petrol. After the use of bioethanol for the production of the octane booster ETBE had already been on the decline in the preceding years due to the growth in direct blending, it increased by 48% to 68,000 m³ from January to April 2011. This development is due to higher demand for Super Plus grade petrol. As a result of high petrol prices, sales of the much cheaper E85 fuel were up by about 17% over the same period last year.

Grain prices remain at a high level

After adverse weather conditions in important grain-growing regions, especially in the EU and Russia, had led to appreciable harvest shortfalls in the 2010/11 grain year, the US Department of Agriculture (USDA) expects the supply situation to remain tight in the 2011/12 grain year. In its forecast published on 9 June 2011, the USDA expects growth of 4.1% in world grain production (excluding rice) to 1,808 million tonnes for the 2011/12 harvest. The USDA forecasts a grain consumption of 1,819 million tonnes (+1.6%). Given world grain stocks of 330 million tonnes (-3.3%) at the end of the 2011/12 grain year, the global supply situation should remain stable. For the EU, the USDA expects a harvest on the previous year's level of 275 million tonnes of grain, which should be slightly above the estimated consumption of approximately 271 million tonnes.

After European wheat prices had more than doubled in the 2010/11 financial year from € 122/tonne to € 258/tonne at the end of February 2011 on the back of lower harvest expectations and increasing speculation on the global commodity futures markets, they also remained at a high level in the 1st quarter of 2010/11. This was mainly due to speculation over harvest shortfalls as a result of insufficient rainfall in important European wheat-growing regions and difficult sowing conditions due to heavy rainfall in North America. At the end of May 2011, the one-month futures contract for milling wheat on the NYSE Liffe in Paris was trading at around € 236/tonne.

The one-month soybean futures contract on CBOT traded within a narrow range from US$ 13 to 14/bushel in the 1st quarter of 2011/12.

*A gallon is the equivalent of 3.7854 litres

At the end of May 2011 a bushel of soybean cost US$ 13.76, which was only 8 US cents more than at the beginning of the financial year. On the other hand, the prices of soy meal in Europe fell by about € 30/tonne over the same period to around € 280/tonne due to record harvests in important export countries such as Brazil and Paraguay. Given lower expectations for the European rapeseed harvest, the prices of other high-protein animal feeds were relatively firm. Rapeseed meal was trading at around € 200/tonne at the end of May 2011, which was roughly € 10/tonne higher than at the beginning of March 2011.

Developments within the CropEnergies Group

Bioethanol production up 14% in the 1st quarter of 2011/12

Bioethanol production at CropEnergies in the first three months of the 2011/12 financial year was up 14% year over year to 157,000 m^3. Capacity constraints were eliminated during routine maintenance work at the plant in Wanze. Following the completion of the maintenance and optimisation measures, the plant in Wanze can be operated at a higher rate of capacity utilisation.

The bioethanol plants in Zeitz and Wanze were already certified as sustainable according to the REDcert certification system in October 2010. Consequently, the bioethanol produced there complies with all the requirements of the German Biofuel Sustainability Regulation (Biokraft-NachV). The sustainable production of bioethanol in Wanze and Zeitz was confirmed by control audits in April 2011. In Zeitz the sustainability certification was updated, so CropEnergies Bioethanol GmbH is now also certified as primary distributor, which means that raw materials can be supplied directly from farms and processed into sustainable bioethanol. With the successful certification, CropEnergies is consolidating its trendsetting role in the European bioethanol market and its position as a reliable partner for the mineral oil industry.

In the reporting period CropEnergies supplied large and medium-sized oil companies at home and abroad. It continued to focus on inland destinations that can be supplied at favourable freight costs through its logistics network. Thanks to its high logistical flexibility, CropEnergies was able to meet customers' wishes at all times during the market introduction phase for E10 fuel. 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 80% in sales. 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 non-fermentable parts of the raw materials used. The gluten produced in Wanze is marketed not only for special feed applications but also in the attractive food sector, from a price point of view, for instance in the baking industry. The liquid protein animal feed ProtiWanze® has become successfully established in the market, especially among stock breeders in the Benelux countries. 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 protein animal feeds. Thanks to the dynamic demand for protein food and feed products, CropEnergies was able to achieve attractive selling prices for these products.

CT Biocarbonic GmbH in Zeitz, a joint venture in which CropEnergies has a 50% interest, has been purifying and liquefying carbon dioxide derived from bioethanol production since October 2010. Capacity utilisation at the plant, which is designed for an annual capacity of 100,000 tonnes of liquefied carbon dioxide, was successively ramped up. Owing to its biogenic origin and high quality, the product is in demand especially in the food industry, where it replaces carbon dioxide of conventional origin. By commercially exploiting the CO_2, CropEnergies is not only enhancing the profitability of the Zeitz location but is also increasing the greenhouse gas savings of the bioethanol produced there.

Business development

Revenues and net earnings

€ thousands	1st quarter	
	2011/12	2010/11
Revenues	**132,075**	**93,466**
EBITDA	**23,044**	**9,725**
EBITDA margin	*17.5%*	*10.4%*
Depreciation*	-7,760	-7,372
Operating profit	**15,284**	**2,353**
Operating margin	*11.6%*	*2.5%*
Restructuring costs and special items	-124	-2
Income from operations	**15,160**	**2,351**
Financial result	-1,846	-1,980
Earnings before income taxes	**13,314**	**371**
Taxes on income	–3,581	575
Net earnings for the period	**9,733**	**946**
Earnings per share (€)	**0.11**	**0.01**

* without restructuring costs and special items

CropEnergies continued the dynamic and profitable business trend in the 1st quarter of the 2011/12 financial year. Unlike in the same quarter of the previous year, maintenance and optimisation measures were only carried out at the bioethanol plant in Wanze. As a result, bioethanol production was up 14% to 157,000 m^3. The higher volumes of bioethanol and co-products sold, coupled with higher average selling prices for bioethanol, led to an improvement of 41% in consolidated group revenues to € 132.1 (93.5) million.

EBITDA rose strongly to € 23.0 (9.7) million and reached a margin of 17.5% (10.4%). This improvement was mainly driven by the higher level of capacity utilisation, which reduced the cost ratios for personnel and other operating expenses. The material expense ratio (as a percentage of total output) decreased to 73% (74%) as the price level for bioethanol rose more strongly than raw material costs.

With depreciation and amortisation more or less constant at € 7.8 (7.4) million, there was a strong improvement in operating profit to € 15.3 (2.4) million. The operating margin reached 11.6% (2.5%). As there were only marginal special items, income from operations rose to € 15.2 (2.4) million.

After considering the financial result of € -1.8 (-2.0) million and income taxes of € -3.6 (0.6) million, CropEnergies achieved net earnings in the 1st quarter of € 9.7 (0.9) million.

Statement of changes in financial position

€ thousands	1st quarter	
	2011/12	2010/11
Gross cash flow	**20,556**	**8,337**
Change in net working capital	2,918	2,019
Net cash flow from operating activities	**23,474**	**10,356**
Investments in property, plant and equipment and intangible assets	-5,597	-2,319
Cash received on disposal of non-current assets	15	16
Cash flow from investing activities	**-5,582**	**-2,303**
Cash flow from financing activities	**-17,649**	**-7,224**
Change in cash and cash equivalents	**243**	**829**

Driven by the growth in EBITDA, cash flow improved strongly to € 20.6 (8.3) million. Including the change in net working capital, the cash inflow from operating activities increased to € 23.5 (10.4) million.

The cash outflow from investing activities rose to a total of € 5.6 (2.3) million. € 5.6 (2.2) million of this was attributable to investments in property, plant and equipment. These investments mainly served to increase the efficiency of the production plants.

The scheduled repayment of financial liabilities led to a cash outflow from financing activities of € 17.6 (7.2) million.

Balance sheet structure

€ thousands	31 May 2011	31 May 2010	Change	28 February 2011
Assets				
Non-current assets	507,366	515,571	-8,205	512,893
Current assets	136,438	93,349	43,089	125,512
Total assets	**643,804**	**608,920**	**34,884**	**638,405**
Liabilities and shareholders' equity				
Shareholders' equity	356,409	315,021	41,388	339,996
Non-current liabilities	143,193	161,946	-18,753	157,324
Current liabilities	144,202	131,953	12,249	141,085
Total liabilities and shareholders' equity	**643,804**	**608,920**	**34,884**	**638,405**
Net financial debt	177,135	207,381	-30,246	195,027
Equity ratio	55.4%	51.7%		53.3%

Non-current assets decreased by € 8.2 million to € 507.4 million as of 31 May 2011. This includes goodwill, which was unchanged at € 4.3 million.

Current assets rose by € 43.1 million to € 136.4 million. This was mainly due to the growth in business volume. Inventories, for instance, increased by € 6.1 million to € 38.8 million, while trade receivables and other assets rose by € 33.1 million to € 84.5 million. This figure also includes the positive mark-to-market values from derivative hedging instruments of € 24.1 million.

Non-current liabilities declined by € 18.8 million to € 143.2 million, with a reduction of € 26.1 million in long-term financial liabilities to € 108.1 million set against an increase of € 5.1 million in deferred tax liabilities to € 28.9 million.

Current liabilities increased by € 12.2 million to € 144.2 million. At the same time, trade payables and other liabilities rose by € 12.6 million to € 58.2 million, especially as a result of the negative mark-to-market values from derivative hedging instruments of € 10.3 million included in this item. Short-term financial liabilities decreased by € 0.8 million to € 81.6 million.

Net financial debt declined to € 177.1 (207.4) million. Of the total, € 108.1 million is long term and € 81.6 million is due in the short term. Set against this, there were cash and cash equivalents of € 12.6 million.

Shareholders' equity rose to € 356.4 (315.0) million. The equity ratio was 55.4% (51.7%).

Opportunities and risks

Opportunities

Profitability is largely influenced by the development of the average selling prices for bioethanol 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.

Security of energy sources, climate protection and the strengthening of regional structures are the goals which the EU is pursuing with the development 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 the 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.

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 "Opportunities and Risk Report" on pages 51 to 55 of the Annual Report for the 2010/11 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

According to the action plans submitted by the member states bioethanol consumption is expected to rise steadily through to the year 2020. Higher blending targets and the introduction of E10 in some member states such as Germany will further increase the demand for bioethanol in the EU in the 2011/12 financial year. Owing to the sustainability criteria that have been introduced in the EU and the situation in the large bioethanol markets in Brazil and the USA, CropEnergies expects the EU market to be supplied increasingly by European bioethanol producers. In light of the situation on the markets for crude oil, sugar and grain, bioethanol and grain prices are expected to remain at the present level in Europe until the start of the new grain harvest.

CropEnergies will continue to grow profitably in the 2011/12 financial year also after the dynamic development over the past years driven by capacity expansion and the productivity improvements that have been achieved. After the successful start in the new financial year, CropEnergies expects revenues for 2011/12 in the region of € 520 to 570 (473) million. Provided that the higher raw material costs can continue to be offset through higher selling prices, the operating margin should be around 10% (9.7%). This will consolidate the company's leading position among the listed biofuel producers.

Interim financial statements

Statement of comprehensive income

€ thousands	1st quarter	
	2011/12	2010/11
Income statement		
Revenues	**132,075**	**93,466**
Change in work in progress and finished goods inventories and internal costs capitalised	13	-6,470
Other operating income	4,463	4,354
Cost of materials	-96,795	-64,791
Personnel expenses	-5,846	-5,414
Depreciation	-7,761	-7,384
Other operating expenses	-10,989	-11,410
Income from operations	**15,160**	**2,351**
Financial income	16	105
Financial expenses	-1,862	-2,085
Earnings before income taxes	**13,314**	**371**
Taxes on income	-3,581	575
Net earnings for the period	**9,733**	**946**
Earnings per share (€)	**0.11**	**0.01**

Table of other comprehensive income		
Net earnings for the period	**9,733**	**946**
Mark-to-market gains and losses*	6,680	2,389
Income and expenses recognised in shareholders' equity	**6,680**	**2,389**
Total comprehensive income	**16,413**	**3,335**

*after deferred taxes

Cash flow statement

€ thousands	1st quarter	
	2011/12	2010/11
Net earnings for the period	9,733	946
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	7,761	7,384
Other items	3,062	7
Gross cash flow	**20,556**	**8,337**
Change in net working capital	2,918	2,019
I. Net cash flow from operating activities	**23,474**	**10,356**
Investments in property, plant and equipment and intangible assets	-5,597	-2,319
Cash received on disposal of non-current assets	15	16
II. Cash flow from investing activities	**-5,582**	**-2,303**
Repayment of financial liabilities	-17,649	-7,224
III. Cash flow from financing activities	**-17,649**	**-7,224**
Change in cash and cash equivalents (Total of I., II. and III.)	**243**	**829**
Cash and cash equivalents at the beginning of the period	12,308	8,328
Cash and cash equivalents at the end of the period	**12,551**	**9,157**

Balance sheet

€ thousands	31 May 2011	31 May 2010	Change	28 February 2011
Assets				
Intangible assets	9,558	8,808	750	9,692
Property, plant and equipment	469,827	478,074	-8,247	472,088
Receivables and other assets	4,697	0	4,697	4,463
Deferred tax assets	23,284	28,689	-5,405	26,650
Non-current assets	**507,366**	**515,571**	**-8,205**	**512,893**
Inventories	38,819	32,744	6,075	37,626
Trade receivables and other assets	84,520	51,405	33,115	75,554
Current tax receivables	548	43	505	24
Cash and cash equivalents	12,551	9,157	3,394	12,308
Current assets	**136,438**	**93,349**	**43,089**	**125,512**
Total assets	**643,804**	**608,920**	**34,884**	**638,405**

Liabilities and shareholders' equity				
Subscribed capital	85,000	85,000	0	85,000
Capital reserves	211,333	211,333	0	211,333
Revenue reserves	60,076	18,688	41,388	43,663
Shareholders' equity	**356,409**	**315,021**	**41,388**	**339,996**
Provisions for pensions and similar obligations	3,756	3,075	681	3,594
Other provisions	1,972	780	1,192	1,973
Non-current financial liabilities	108,131	134,202	-26,071	125,589
Other liabilities	460	129	331	2
Deferred tax liabilities	28,874	23,760	5,114	26,166
Non-current liabilities	**143,193**	**161,946**	**-18,753**	**157,324**
Other provisions	1,876	796	1,080	2,524
Current financial liabilities	81,555	82,336	-781	81,746
Trade payables and other liabilities	58,241	45,655	12,586	53,919
Current tax liabilities	2,530	3,166	-636	2,896
Current liabilities	**144,202**	**131,953**	**12,249**	**141,085**
Total liabilities and shareholders' equity	**643,804**	**608,920**	**34,884**	**638,405**

Development of shareholders' equity

€ thousands	Subscribed capital	Capital reserves	Retained earnings incl. carry-forwards	Revaluation reserve	Net profit	Total revenue reserves	Total consolidated shareholders' equity
1 March 2010	85,000	211,333	11,198	-260	4,415	15,353	311,686
Unappropriated net profit carried forward			**4,415**		**-4,415**		
Net earnings for the period					**946**	**946**	**946**
Mark-to-market gains and losses on cash flow hedging instruments*				2,389			
Income and expenses recognised in shareholders' equity				**2,389**		**2,389**	**2,389**
Total comprehensive income				**2,389**	**946**		**3,335**
31 May 2010	85,000	211,333	15,613	2,129	946	18,688	315,021
1 March 2011	85,000	211,333	11,363	3,973	28,327	43,663	339,996
Unappropriated net profit carried forward			**28,327**		**-28,327**		
Net earnings for the period					**9,733**	**9,733**	**9,733**
Mark-to-market gains and losses on cash flow hedging instruments*				6,680			
Income and expenses recognised in shareholders' equity				**6,680**		**6,680**	**6,680**
Total comprehensive income				**6,680**	**9,733**		**16,413**
31 May 2011	85,000	211,333	39,690	10,653	9,733	60,076	356,409

*after deferred taxes

Notes to the interim financial statements

Basis of preparation of the interim consolidated financial statements

The interim financial statements of the CropEnergies Group as of 31 May 2011 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 2011/12 financial year have 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 64 to 66 of the Annual Report for the 2010/11 financial year. Otherwise, the same accounting and valuation methods as used in the preparation of the annual financial statements as of 28 February 2011 have been applied. The explanatory details in the notes to the financial statements on pages 68 to 73 of the Annual Report for the 2010/11 financial year therefore apply accordingly.

Consolidated companies

The separate financial statements of CropEnergies AG and the entities which it controls (subsidiary companies) are included in the consolidated financial statements according to the principles of full consolidation. Control is deemed to be given if the company has the power to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities. Accordingly, the following subsidiary companies are consolidated:

- 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)

The joint venture

- CT Biocarbonic GmbH, Zeitz,

in which CropEnergies has a 50% interest and which is under joint management, was proportionally consolidated. On the basis of this proportionate consolidation, 50% of the assets, liabilities and contingent liabilities, and of the income statement are included in the consolidated financial statements of CropEnergies AG.

Earnings per share

The net earnings of € 9.7 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 1st quarter of the 2011/12 financial year of € 0.11 (0.01).

Inventories

€ thousands	31 May	
	2011	2010
Raw materials and supplies	12,909	10,673
Work in progress	2,234	1,476
Finished goods and merchandise	23,676	20,595
	38,819	**32,744**

The increase in finished goods and merchandise to € 23.7 (20.6) million reflects the company's growth.

Trade receivables and other assets

€ thousands	31 May	
	2011	2010
Trade receivables	44,468	31,449
Receivables from affiliated companies	12,199	3,399
Other assets	27,853	16,557
	84,520	**51,405**

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

Other assets mainly consist of the positive mark-to-market values of derivative hedging instruments amounting to € 24.1 (6.5) million, VAT tax refunds due of € 1.8 (2.4) million, investment subsidies receivable of € 0.2 (2.7) million, and other receivables of € 1.8 (5.0) million.

The positive mark-to-market values of derivative hedging instruments include product derivatives of € 9.6 million. With product derivatives, the hedged item and the hedge together constitute a closed position. Consequently, set against the positive mark-to-market values there are negative mark-to-market values in the same amount. They are reported as other liabilities.

Shareholders' equity

Shareholders' equity amounts to € 356.4 (31 May 2010: 315.0) million and includes a revaluation reserve of € 10.7 million. This consists of the positive mark-to-market values of grain derivatives and the negative mark-to-market values of currency derivatives.

Trade payables and other liabilities

€ thousands	31 May	
	2011	2010
Trade payables	25,948	27,212
Payables to affiliated companies	3,026	3,720
Other liabilities	29,267	14,723
	58,241	**45,655**

Other liabilities mainly consist of liabilities of € 10.3 (3.4) million resulting from negative mark-to-market values of derivative hedging instruments, liabilities of € 4.9 (4.1) million in respect of other taxes, and liabilities of € 4.3 (3.2) million in respect of personnel expenditures.

Financial liabilities (net financial debt)

€ thousands	31 May	
	2011	2010
Liabilities to banks	49,486	61,528
Liabilities to affiliated companies	140,200	155,010
Financial liabilities	**189,686**	**216,538**
Cash and cash equivalents	-12,551	-9,157
Net financial debt	**177,135**	**207,381**

Net financial debt as of 31 May 2011 came to € 177.1 (207.4) million. € 108.1 million of this is available to the CropEnergies Group long term.

Of the financial liabilities to banks, € 38.1 (49.2) million is due in more than one year. Regarding financial liabilities to related companies of the Südzucker Group, € 70.0 (85.0) million is due in more than one year.

Revenues, earnings, capital expenditure, and employees

€ thousands	1st quarter	
	2011/12	2010/11
Revenues	**132,075**	**93,466**
EBITDA	23,044	9,725
EBITDA margin	*17.5%*	*10.4%*
Depreciation*	-7,760	-7,372
Operating profit	**15,284**	**2,353**
Operating margin	*11.6%*	*2.5%*
Restructuring costs and special items	-124	-2
Income from operations	**15,160**	**2,351**
Investments in property, plant and equipment and intangible assets	**5,597**	**2,319**
Employees	**307**	**303**

* without restructuring costs and special items

With depreciation and amortisation more or less constant at € 7.8 (7.4) million, operating profit improved strongly to € 15.3 (2.4) million. The operating margin reached 11.6% (2.5%). As there were only marginal special items, income from operations rose to € 15.2 (2.4) million.

Of the capital expenditures, € 5.6 (2.2) million was on property, plant and equipment. Of this, € 3.4 million was invested at BioWanze SA, € 1.4 million at Ryssen Alcools SAS, and € 0.6 million at CropEnergies Bioethanol GmbH.

The average number of employees in the 1st quarter of the 2011/12 financial year was 307. Of the total, 35 were employed at CropEnergies AG, 108 at CropEnergies Bioethanol GmbH, 122 at BioWanze SA, and 42 at Ryssen Alcools SAS.

Relations with related companies and persons (related party transactions)

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

In the 1st quarter of the 2011/12 financial year the transactions with the Südzucker Group included the supply of goods by the Südzucker Group, especially finished goods, sundry supplies and sugar syrups, worth € 7.7 (12.4) million. In addition services worth € 1.1 (1.0) million and research & development worth € 0.5 (0.7) million were provided.

Set against this, the CropEnergies Group received € 15.2 (4.0) million from the Südzucker Group for supplies of goods and related payments. In addition, the CropEnergies Group received compensation of € 0.6 (1.0) million and service revenues of € 0.4 (0.2) million. There was a negative net interest balance of € 1.2 (1.4) million for the CropEnergies Group from intercompany loans.

From the aforesaid related party transactions there were receivables of € 12.2 (3.4) million due from the Südzucker Group and liabilities of € 3.0 (3.7) million due to the Südzucker Group as of 31 May 2011. The financial liabilities due to the Südzucker Group amounted to € 140.2 (155.0) 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 1st quarter of the 2011/12 financial year.

Administrative services were provided and goods were supplied for the joint venture CT Biocarbonic GmbH in the 1st quarter of the 2011/12 financial year. They were charged at usual market prices but were immaterial in terms of their amount.

Mannheim, 12 July 2011

CropEnergies AG

The Executive Board
Dr. Lutz Guderjahn Joachim Lutz

Financial calendar

■ Annual General Meeting 2011	19 July 2011
■ Report for the 1st half of 2011/12	11 October 2011
■ Report for the 1st to 3rd quarter of 2011/12	11 January 2012
■ Annual press and analysts' conference for the 2011/12 financial year	8 May 2012
■ Report for the 1st quarter of 2012/13	10 July 2012
■ Annual General Meeting 2012	17 July 2012