ANNUAL REPORT 2013/14

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Member of the Group SÜDZUCKER

HIGHLIGHTS 2013/14
CROPENERGIES GROUP

■ Revenues up to € 780.8 (688.7) million	+13%
■ Bioethanol production up to 884,000 (808,000) m^3	+9%
■ EBITDA declines to € 68.3 (119.0) million	-43%
■ Operating profit falls to € 34.5 (87.0) million	-60%
■ Net earnings decline to € 12.0 (57.2) million	-79%
■ Cash flow reaches € 50.6 (98.2) million	-48%
■ Net financial debt up to € 137 (83) million	+65%

- Dividend proposal: distribution of € 0.10 per share
- Outlook for 2014/15*: Increase in revenues to between € 850 and € 900 million. Operating profit is expected to range between minus € 30 and plus € 20 million.

The annual 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 annual report is definitive and takes precedence over this translation.

*Details in the Outlook, page 70

CROPENERGIES AG MANNHEIM

Group Annual Report for 2013/2014
1 March 2013 to 28 February 2014

CropEnergies consistently pursues its strategy for the further development of the company. We have made a lot of progress in the financial year 2013/14 and – thanks to the measures taken – are well prepared for the future.

Just like in strategy games as they are pictured in the annual report, the chosen strategy and its implementation decides about the success of a company. Sometimes, as with drawing the letters in Scrabble, it takes that extra little bit of luck. It is clear, however, that CropEnergies through its clear-sighted management has created the basis to keep the company amongst the leading bioethanol producers in Europe.

CROPENERGIES –
GROUP FIGURES OVERVIEW

IFRS/IAS		2013/14	2012/13	2011/12	2010/11	2009/10
Result						
Revenues	€ thousands	780,781	688,723	572,119	472,755	374,149
EBITDA	€ thousands	68,339	118,989	84,314	76,300	33,093
in % of revenues	%	8.8	17.3	14.7	16.1	8.8
Operating profit	€ thousands	34,548	87,018	53,008	45,933	11,917
in % of revenues	%	4.4	12.6	9.3	9.7	3.2
Income from operations	€ thousands	28,183	87,004	51,922	46,765	9,434
Net earnings	€ thousands	12,006	57,175	30,180	28,341	4,415
in % of revenues	%	1.5	8.3	5.3	6.0	1.2
Cash flow and capital expenditures						
Cash flow	€ thousands	50,593	98,238	63,986	63,294	17,848
in % of revenues	%	6.5	14.3	11.2	13.4	4.8
Capital expenditures in property, plant and equipment*	€ thousands	18,426	11,104	14,415	21,631	33,843
Balance sheet						
Total assets	€ thousands	669,415	598,947	623,444	638,537	608,863
Net financial debt	€ thousands	-136,669	-82,907	-158,383	-195,027	-215,434
Equity	€ thousands	395,344	389,705	353,929	339,289	311,686
in % of total liabilities and shareholders' equity	%	59.1	65.1	56.8	53.1	51.2
Performance						
Property, plant and equipment*	€ thousands	477,641	437,344	458,624	477,434	487,712
Goodwill	€ thousands	5,595	5,595	5,595	4,346	4,346
Working capital	€ thousands	71,256	64,173	60,287	52,249	37,154
Capital employed	€ thousands	554,492	507,112	524,506	534,029	529,212
ROCE	%	6.2	17.2	10.1	8.6	2.3
Shares						
Market capitalization	€ million	442	499	450	529	317
Total shares issued of 28/29 February	million	87,25	85	85	85	85
Closing price on 28/29 February	€	5.07	5.87	5.30	6.22	3.73
Earnings per share	€	0.14	0.67	0.36	0.33	0.05
Dividend per € 1 share	€	0.10**	0.26	0.18	0.15	0.05
Yield as of 28/29 February	%	2.0	4.4	3.4	2.4	1.3
Production						
Bioethanol	1,000 m^3	884	808	692	687	603
Employees						
Employees (average during the year)		430	321	310	303	302

**Including intangible assets*
*** Proposed*

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

CropEnergies AG Mannheim (Germany)

- One of the leading producers and distributors of bioethanol in Europe
- Production sites in Germany, Belgium, France and the UK and trading offices in the USA and Brazil
- Germany's and Belgium's largest bioethanol producer
- Bioethanol plants have been certified as sustainable with at least 35 percent greenhouse gas savings
- Annual total capacity: approx. 1.2 million m³ of bioethanol; > 1 million tonnes of food and animal feed products; 100,000 tonnes of liquefied CO_2
- 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
- Market capitalisation at the end of business year 2013/14: € 442 million
- Our aim: To ensure sustainable and renewable mobility for today and in the future

The products

CropEnergies produces high-quality products used as food, fuel, and feed. In addition to bioethanol, which primarily replaces petrol, the raw materials for manufacturing bioethanol are also used to produce valuable food and animal feed.

Bioalcohols **A1**

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Bioethanol

Type:	Fuel alcohol
Application:	Substitutes fuel
Production capacity:	1.2 million m³/a
Production in:	Zeitz, Wanze, Wilton, Loon-Plage

Bioalcohols **A2**

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Bioethanol

Type:	Neutral alcohol
Application:	Traditional and technical applications
Production capacity:	80,000 m³/a
Production in:	Loon-Plage

Food **B1**

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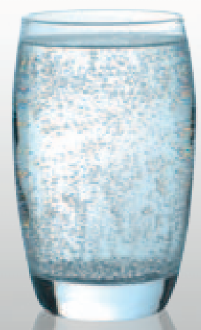
Carbon dioxide



Type:	Liquefied carbon dioxide from the bioethanol production
Application:	Food and industrial applications
Production capacity:	100,000 t/a
Production in:	Zeitz

The production sites

Zeitz, Germany

Annual capacity
(per annum)
360,000 m³ of bioethanol
260,000 t ProtiGrain® (DDGS)
100,000 t liquified CO_2

Raw materials
Grain and sugar syrups

Wanze, Belgium

Annual capacity
(per annum)
Up to 300,000 m³ of bioethanol
Approx. 55,000 t of gluten
Over 300,000 t of ProtiWanze® (CDS)

Raw materials
Wheat and sugar syrups

Loon-Plage, France

Annual capacity
(per annum)
100,000 m³ bioethanol for fuel applications
80,000 m³ bioethanol for traditional and technical applications

Raw material
Raw alcohol

Wilton, Great Britain

Annual capacity
(per annum)
400,000 m³ bioethanol for fuel applications
350,000 t DDGS

Raw material
Wheat

Food **B2**

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Gluten

Type:	High-quality wheat protein
Application:	Food and animal feed, e.g. for aqua cultures
Production capacity:	55,000 t/a
Production in:	Wanze

Feed **C1**

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ProtiWanze®

Type:	Condensed Distillers' Solubles
Application:	Liquid protein feed for cattle and pigs
Production capacity:	> 300,000 t/a
Production in:	Wanze

Feed **C2**

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DDGS

Type:	Distillers' Dried Grains with Solubles
Application:	Protein feed in pellet or powder form for cattle, pigs and poultry
Production capacity:	> 700,000 t/a
Production in:	Zeitz, Wilton

LETTER TO SHAREHOLDERS

Dear Shareholders,

in the 2013/14 financial year, CropEnergies made great progress in implementing its long-term growth strategy and set the course for the future. We further optimised our production plants and successfully expanded our trading activities by acquiring a Chilean alcohol distributor. We also made progress with the construction of the neutral alcohol plant in Zeitz, which will broaden our business activities and produce alcohol for applications outside the fuel sector from 2015 onwards.

The outstanding event of the financial year was the acquisition of Ensus Ltd in the UK, a company that operates one of the largest and most modern bioethanol plants in Europe. Ensus has enabled us to increase our production capacity for bioethanol by 50% in one step. This now puts us on an equal footing with the largest bioethanol producers in Europe. The integration of the company acquired in July 2013 into the CropEnergies Group is proceeding according to schedule. Following commissioning of the plant in September 2013, initial measures to increase efficiency have already been successfully implemented. However, it will take some time for us to be able to develop the full potential of the plant using process optimisations and targeted investments.

The fact that the record result of the previous year could not be repeated had been expected and communicated early on. We were likewise aware that the acquisition of Ensus, while increasing revenues, would initially reduce operating profit owing to the costs of commissioning. The surprisingly massive decline in bioethanol prices in the 2nd half year, however, had a significant negative impact on the industry and hence also on CropEnergies. While grain prices were mainly above € 200/tonne despite a record harvest, bioethanol prices fell from € 630/m^3 at the beginning of March 2013 to € 440/m^3 in mid-February 2014. With little or no changes in demand and high utilisation of European production capacities, this was due, in particular, to lively import activities. What is irksome is that some of these activities involved imports from the USA, circumventing the punitive duties that had been introduced as recently as 2013. In January 2014, we initiated measures via ePURE (our European bioethanol association) against these, in our opinion, illegal imports.

By expanding bioethanol production by 9% and a growth in revenues of 13% to € 781 million, we achieved the targets in respect of our market position that we had set ourselves following the acquisition of Ensus. Set against this, operating profit decreased significantly to € 35 million.

In view of the decline in earnings and the pending investments, which will secure future growth, we will propose, dear shareholders, at the annual general meeting on 15 July 2014, to distribute a dividend of € 0.10 per share.

The political discussion about biofuels at EU level already sparked in the previous year, has not yet been concluded. There is still no agreement about the Commission's draft amendment of the "Renewable Energies Directive" and the "Fuel Quality Directive", which govern the contribution of biofuels in the transport sector. Owing to the prescribed procedure for amending a directive, agreement is unlikely to be reached until after the election of the EU Parliament in May 2014. Although the drafts currently being discussed provide for higher contributions of biofuel than the original proposal put forward by the Commission, there is still substantial potential for improvement here. Owing to uncertainty about the outcome of the discussions in Brussels, most member states are hesitating to increase the blending quotas as originally planned and to introduce E10, for example. They are therefore squandering potential for a quick and cost-efficient reduction of greenhouse gas emissions in the transport sector and a reduction of fossil fuels.

We expect the industry consolidation to continue in 2014 and 2015, respectively. Thanks to the systematic implementation of our strategy, CropEnergies is well equipped for these stormy times. Our corporate objectives are not geared to short-term profit; rather, we seek sustainable and profitable growth.

CropEnergies expects further revenue growth for the 2014/15 financial year to between € 850 and € 900 million. The increased volatility of bioethanol prices complicates the forecast for the operating profit. As things stand now, we expect an EBITDA of € 10 to € 60 million which – after depreciation – corresponds to an operating profit ranging between minus € 30 and plus € 20 million.

We would like to express our sincere thanks to our employees, who, in the past financial year as well, again supported the development of the CropEnergies Group with great dedication and expertise. We would like to thank you, dear shareholders, for the trust that you place in us and hope that you will continue to support us as we go forward.

Kind regards,

Dr. Marten Keil

Chief Operating Officer (COO)

Joachim Lutz

Chief Financial Officer (CFO)

SUPERVISORY BOARD AND EXECUTIVE BOARD

Supervisory board

Prof. Dr. Markwart Kunz
Chairman

Worms
Former member of the executive board of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt

Thomas Kölbl

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

Dr. Lutz Guderjahn
Deputy Chairman

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

Franz-Josef Möllenberg

Rellingen
Former chairman of the Gewerkschaft Nahrung-Genuss-Gaststätten (Union)

Dr. Hans-Jörg Gebhard

Eppingen
Chairman of the Association Süddeutsche Zuckerrübenanbauer e. V.

Norbert Schindler

Bobenheim am Berg
Member of the Bundestag (Lower house of German Parliament)

Executive board

Dr. Marten Keil
Chief Operating Officer (COO)

Heidelberg
Production, procurement, sales, marketing, public affairs, public relations, business development and personnel

Joachim Lutz
Chief Financial Officer (CFO)

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

From left: Dr. Marten Keil, Joachim Lutz

A list of mandates held can be found on page 127 onwards of the annual report.

Clever move

Product **diversification**

Building a neutral alcohol plant in Zeitz improves the **strategic set-up** of CropEnergies. With this **clever move,** we expand our product portfolio at the site and open up new markets of traditional applications, for example in Eastern Europe, which we have not been able to supply so far due to logistical reasons. With our improved flexibility, we are in a **good position** to serve our old and new customers.

With our new plant for the production of high-quality alcohols, we tap into new, attractive markets.

SUPERVISORY BOARD REPORT

Dear Shareholders,

2013/14 was an important financial year in terms of the future development of CropEnergies. The company continued to grow, expanded its production capacity by 50% through the acquisition of Ensus and strengthened its market position in Europe. While it was possible to further increase production and revenues as a result of the takeover, operating profit remained significantly below the record level of the previous year owing to unfavourable market conditions and costs associated with the commissioning of Ensus. The price collapse on the European bioethanol market in the 2nd half year, in particular, had a negative impact on CropEnergies' earnings level. As a result of this price development, there are signs of a consolidation phase within the industry, for which CropEnergies is well positioned.

Bioethanol from European raw materials, made and used here, is a reliable, safe and powerful fuel. In view of the environment, consumer price advantage and domestic jobs in the industry and agriculture, it is essential that the necessary political support is provided during the integrated production of bioethanol and, at the same time, of valuable food and animal feed products.

The supervisory board concerned itself closely with the business development, the financial position and the prospects of the CropEnergies Group in the reporting period. The supervisory board continued the trustful and goal-oriented cooperation with the executive board in the 2013/14 financial year, thereby performing the duties incumbent upon it according to the law, the articles of association and the rules of procedure in supervising and advising the executive board in the management of the company's affairs.

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

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

Supervisory board meetings and resolutions I Four ordinary meetings of the supervisory board, each of which was attended by the executive board, took place in the 2013/14 financial year. Two extraordinary meetings were also held. Furthermore, one resolution was passed by written procedure. The focus of the deliberations at the supervisory board meetings were the developments on the raw materials and sales markets, the hedging of market price risks, the political framework conditions for biofuels, the progress of production and investments, and the current earnings situation. Following thorough review and discussion, the supervisory board agreed to all the resolution proposals of the executive board.

At its annual account meeting on 6 May 2013, the supervisory board devoted its attention to the annual financial statements and management reports of CropEnergies AG and the consolidated group for 2012/13, issued with an unqualified opinion by the independent auditor. The independent auditor reported on the focus and results of the audit, which also included the accounting-related internal control system. After detailed discussion, the supervisory board adopted the annual financial statements and approved the consolidated financial statements. At this meeting, it also discussed the agenda and the proposals for the 2013 annual general meeting, and approved the short- and medium-term investment planning and a proposed equity investment.

At its extraordinary meeting on 2 July 2013, the supervisory board approved the acquisition of Ensus, the British bioethanol producer, by way of a capital increase through contributions in kind and partial use of authorised capital. At a further extraordinary meeting on 17 July 2013, held as a conference call, the supervisory board defined the details in respect of the capital increase through contributions in kind.

The focus of the supervisory board meeting on 30 July 2013 was the medium-term planning.

At the meeting on 4 November 2013, the supervisory board discussed the earnings forecast for the current financial year. As in previous years, the focus of the meeting was on corporate governance matters and the conduct of the review of the efficiency of the supervisory board's activities. In addition, the supervisory board approved the extension of a long-term credit agreement, which Südzucker AG had concluded with banks and CropEnergies AG had joined. The declaration of conformity for 2013 was approved by written procedure on 10 December 2013.

At the meeting on 13 January 2014, the earnings projection for the current 2013/14 financial year was presented and the purchase of a plot of land approved.

All the meetings were attended by all members of the supervisory board and the executive board, with the exception of one member of the supervisory board, who, for an important reason, was unable to attend one meeting.

Supervisory board committees I In order to carry out its duties more efficiently, the supervisory board has formed an audit committee and a nomination committee.

The audit committee, to which the supervisory board members Thomas Kölbl (Chairman), Dr. Lutz Guderjahn, Prof. Dr. Markwart Kunz and Franz-Josef Möllenberg belong, convened five times in the 2013/14 financial year. In accordance with the recommendations of the German Corporate Governance Code, the chairman of the audit committee is not at the same time chairman of the supervisory board.

At its meeting on 2 May 2013, the audit committee closely studied the annual financial statements of CropEnergies AG and the consolidated financial statements in the presence of the independent auditor. It prepared the annual account meeting of the supervisory board during which the supervisory board, after being briefed by the chairman of the audit committee, accepted the recommendations of the audit committee. Furthermore, the audit committee submitted a recommendation to the supervisory board for its proposal to the annual general meeting concerning the election of the independent auditor. The latter's independence had been examined beforehand.

At the meeting on 30 July 2013, the mandate was issued to the independent auditor and the focus of the 2013/14 annual audit was defined.

On 7 October 2013, the audit committee discussed the six-month report and, at the supervisory board's instruction, also the monitoring of the financial reporting process, the effectiveness of the internal control system, the risk management system and the internal auditing system.

The meetings on 8 July 2013 and on 7 January 2014 were devoted to a discussion of the Q1 and Q3 quarterly reports.

The nomination committee, to which the supervisory board members Thomas Kölbl (Chairman), Dr. Lutz Guderjahn, Prof. Dr. Markwart Kunz and Franz Josef Möllenberg belong, had no occasion to convene in the 2013/14 financial year.

All committee meetings were attended by all members.

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

Review of the supervisory board's efficiency I The supervisory board again reviewed the efficiency of its activities in accordance with the recommendation pursuant to paragraph 5.6 of the German Corporate Governance Code. This is performed each year on the basis of a questionnaire without external support. The questionnaire is adapted in each case to the changes in the Code. The evaluation of the questionnaires, the discussion of the results and the deliberations on proposed improvements took place at the meeting on 4 November 2013. The objective is the continuous improvement of the activities of the supervisory board and its committees.

Corporate governance I Comprehensive information on corporate governance at CropEnergies, including the wording of the supervisory board's diversity objectives for its future composition, and the declaration of conformity for 2013 issued jointly by the executive board and supervisory board can be found in the declaration on corporate management / corporate governance report on pages 31 – 39 of this annual report. Additionally, all the relevant information is available on the CropEnergies website at www.cropenergies.com on the investor relations pages.

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

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

Annual financial statements I PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt am Main, which was elected by the annual general meeting at the proposal of the supervisory board, has audited the annual financial statements and management report of CropEnergies AG for the 2013/14 financial year, the proposal of the executive board on the use of the unappropriated profit, and the consolidated financial statements and the group management report for 2013/14, 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 in good time developments that could be a threat to the company's existence.

In light of the notice given by Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) that, including the around 69% shareholding held by Südzucker AG, it directly and indirectly holds around 76% of the voting rights, the executive board has drawn up a report pursuant to § 312 AktG. The independent auditor has reviewed this report, has provided a written report on the results of its review and confirmed that the actual facts set out in the report are correct, payments by the company in connection with legal transactions referred to in the report were not unreasonably high, and no circumstances indicate any materially different assessment than that given by the executive board.

The 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 5 May 2014 and at the supervisory board's annual account meeting on 12 May 2014, and reported in detail on the procedures and findings of its audit. After detailed discussions, the supervisory board noted and agreed with the auditor's reports. The findings of the audit committee's prior review and the findings of the supervisory board's own review are fully consistent with the findings of the independent audit. The supervisory board raised no objections to the financial statements presented. It approved the annual financial statements of CropEnergies AG prepared by the executive board as well as the consolidated financial statements of the CropEnergies Group at its meeting on 12 May 2014.

With this approval, the annual financial statements of CropEnergies AG have been adopted. The supervisory board has agreed with the executive board's proposal on the use of CropEnergies AG's unappropriated profit, with the distribution of a dividend of € 0.10 per share.

Mannheim, 12 May 2014
On behalf of the supervisory board

Prof. Dr. Markwart Kunz
Chairman

SHARE AND CAPITAL MARKET

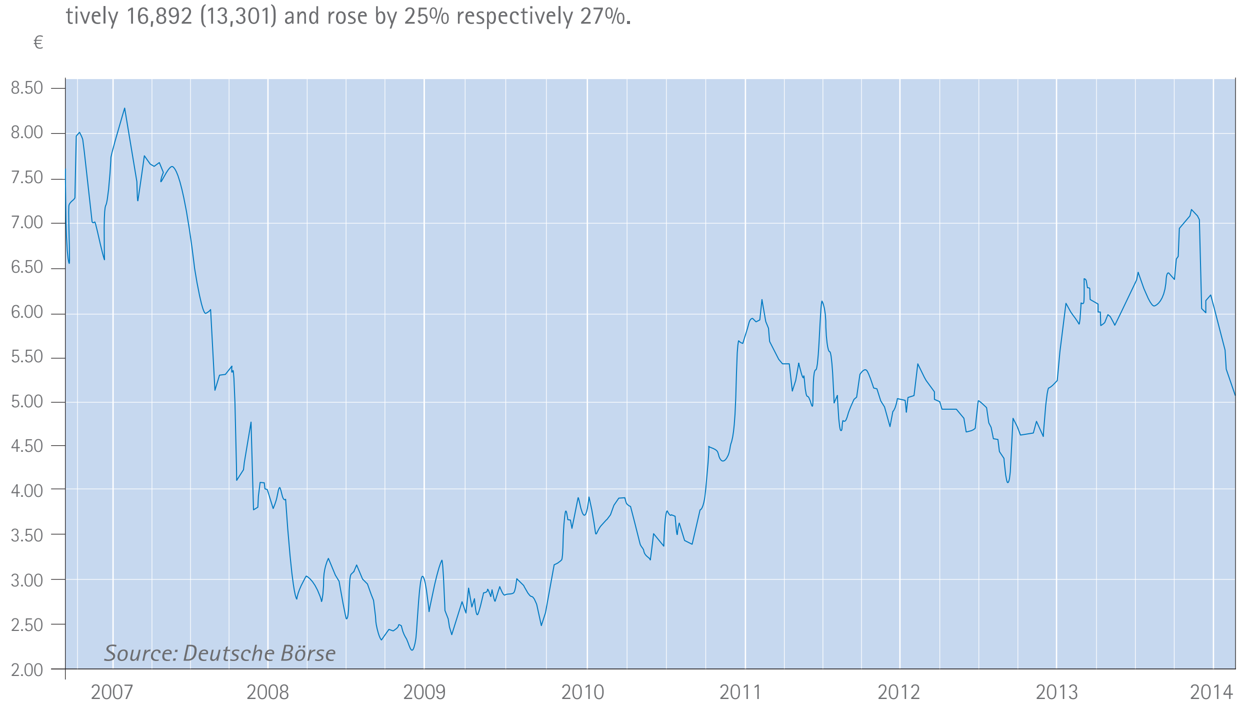
Capital market environment

Development on the German share market was restrained in the 1st half year of the reporting period. The continuing debt crisis in the euro zone, discussions regarding a budget crisis in the USA and speculations about an end to the low interest phase there dampened spirits. However, in the 2nd half of the year, in particular, central banks in the USA and the EU continued the policy of low interests and ample money supply against the background of continuing low inflation rates, with the European Central Bank (ECB) lowering the European key lending rate to a record low of 0.25% in November 2013.

After DAX® and MDAX® had started at 7,742 and 13,301 points, respectively, on 1 March 2013, the continued low interest rates and the easing of the EU debt crisis also reinforced investors' confidence in Germany from the autumn of 2013 onwards. The expectation of rising company profits also led, on 17 January 2014, to the DAX® und MDAX® reaching an all-time high of 9,743 and 16,947 points. At the end of the reporting period, on 28 February 2014, these indexes were listed at 9,692 (7,742) respectively 16,892 (13,301) and rose by 25% respectively 27%.

Performance of the CropEnergies share

The CropEnergies share began the 2013/14 financial year on 1 March 2013 at a price of € 5.84. After an initial sideways movement, the share price rose to just under € 7, due to the acquisition of the British company Ensus, which was completed in July 2013, and the dividend increase. Following a decline to around € 6, the price of the CropEnergies share picked up again and, at the end of November 2013, reached its highest level since 2007, at € 7.13, despite quarterly results that were below the previous year. In connection with the lowering, on 20 December 2013, of expectations regarding operating profit for the current financial year as a result of the fall in bioethanol prices, the CropEnergies share price declined, ending the financial year on 28 February 2014 at € 5.07, its lowest level. This meant that, taking the dividend credit into account, the share's value declined by 9%. The benchmark index, the Deutsche Börse DAXsubsector Renewable Energies, which had fallen considerably in previous years, was able to recover by 42% within the reporting period.



Performance of the CropEnergies share since the initial public offering on 29 September 2006 until 28 February 2014 (XETRA® closing prices)

Stock exchange listing and shareholder structure

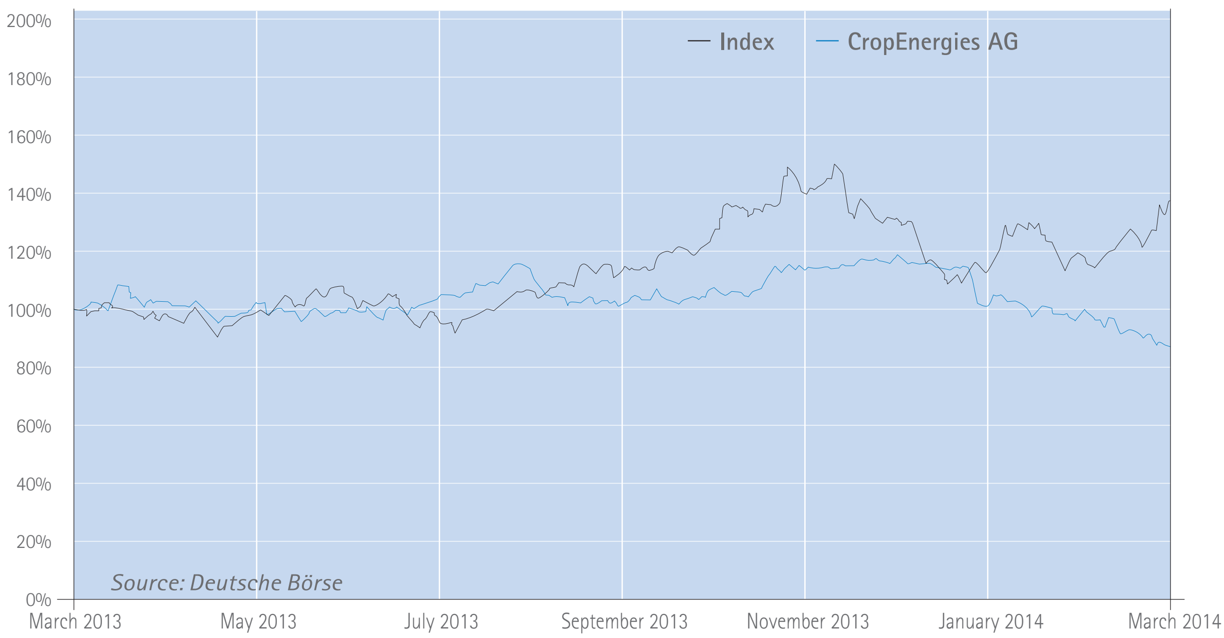
The CropEnergies AG share (ISIN DE000A0LAUP1) is listed in the Regulated Market (Prime Standard) on the Frankfurt Stock Exchange. The share is also traded in the XETRA® electronic trading system and in the over-the-counter market at the stock exchanges in Frankfurt, Stuttgart, Düsseldorf, Hamburg, Munich and Berlin. Südzucker AG holds around 69%, and Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) around 7% of the shares of CropEnergies AG. No other significant shareholdings have been reported. At the time of the annual general meeting in 2013, CropEnergies shares were located in approximately 14,500 – mainly private – deposit accounts.

Annual general meeting 2013

About 800 shareholders attended the annual general meeting held on 30 July 2013 in the Rosengarten Congress Centre in Mannheim. They represented 81% of the capital. The shareholders were particularly interested in the acquisition of Ensus and the construction of a neutral alcohol plant in Zeitz, with which CropEnergies is continuing its growth trajectory. The British bioethanol producer Ensus was acquired on 19 July 2013 by way of a capital increase through contributions in kind against issuance of 2.25 million new CropEnergies shares. This enabled CropEnergies to increase production capacity by 50%. Furthermore, CropEnergies is investing € 27 million at the Zeitz site in the construction of a processing plant for high-quality neutral alcohol, which is due to start operating in 2015. After discussing the items on the agenda, the annual general meeting approved the proposed increase in the dividend to € 0.20 plus € 0.06 per share. This resulted in a total dividend distribution of € 22.1 million. All the proposals put forward by the executive and supervisory boards were passed in each case by a majority of over 99%.

Dividend proposal 2014

The executive board and supervisory board will propose to the annual general meeting on 15 July 2014 that a



Performance of the CropEnergies share versus the DAXsubsector Renewable Energies performance index from 1 March 2013 to 28 February 2014 dividend of € 0.10 be distributed, which means an amount of € 8.7 million will be paid out to shareholders. Based on a closing price of € 5.07 on 28 February 2014, that corresponds to a dividend return of 2.0%.

Market capitalisation and turnover

CropEnergies had a market capitalisation of € 442 million as of the reporting date on 28 February 2014. The volume of all CropEnergies' shares traded on all the German stock exchanges in the past financial year amounted to 12 (12) million shares. That corresponds to an average daily turnover of approximately 49 (47) thousand shares.*

Investor relations

CropEnergies offers all interested parties up-to-date and transparent information and a continuous dialogue on the company's business development and financial situation. The website www.cropenergies.com, where financial reports, press releases, the financial calendar and the latest capital market presentation can be found, among other things, is the central medium of the extensive information service. Also available on the website is a continuously updated share chart, which visitors can use to carry out a wide range of analyses related to the CropEnergies share, including press and ad hoc announcements. Numerous brochures of CropEnergies AG can also be downloaded. Interested investors can also receive this information by e-mail or post upon request.

In addition, CropEnergies provides information in the form of interviews and technical papers, and by attendance at presentations, discussion forums and conferences. The quarterly results were reported on regularly through conference calls. The investor relations department is available for an exchange of information by phone.

In addition to the contacts with private investors, CropEnergies also used numerous analyst and capital market conferences as well as road shows in key financial centres to give presentations in the past financial year. Questions relating to the company's business development and corporate strategy were clarified, for instance, in Frankfurt, Munich, London, Luxembourg and Vienna. The investor relations activities were rounded off by numerous face-to-face meetings with investors in Mannheim.

**Source: Deutsche Börse Stock Report*

Details

CropEnergies AG		
ISIN		DE000A0LAUP1
WKN		A0LAUP
Symbol		CE2
Class of share		No-par-value bearer ordinary shares
Sector		Industrial
Sub-sector		Renewables
Transparency level		Prime Standard
Market segment		Regulated Market
Stock exchanges		XETRA®, Frankfurt Over-the-counter market: Stuttgart, Düsseldorf, Hamburg, Munich, Berlin
Number of shares		87,250,000
Subscribed capital	(€)	87,250,000
Listed capital	(€)	87,250,000
First listed / IPO		29 September 2006
Shareholder structure		Südzucker AG (69%), Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (7%), free float (24%)

Key figures

		2013/14	2012/13
Financial year-end closing price	(€)	5.07 (28/02/2014)	5.87 (28/02/2013)
High	(€)	7.13 (26/11/2013)	6.24 (23/01/2013)
Low	(€)	5.07 (28/02/2014)	4.16 (13/09/2013)
Market capitalisation at financial year-end (in € million)		442	499
Average daily turnover (number of shares)		48,945	46,799
Earnings per share according to IAS 33	(€)	0.14	0.67
Dividend per share	(€)	0.10*	0.20 + 0.06

** Proposal*

Source: Deutsche Börse AG, XETRA® data

FOUNDATIONS OF THE GROUP

Group structure

The CropEnergies Group has several production plants for industrial and fuel ethanol and for food and animal feed products in Europe. Its sales markets are mainly located in Europe. Specifically, CropEnergies AG owns, directly or indirectly, 100% of the following German and foreign subsidiary companies:

- CropEnergies Bioethanol GmbH, Zeitz
- CropEnergies Beteiligungs GmbH, Mannheim
- BioWanze SA, Brussels (Belgium)
- Ryssen Alcools SAS, Loon-Plage (France)
- Compagnie Financière de l'Artois SA, Paris (France)
- Ensus Ltd, Yarm (United Kingdom)
- Ensus UK Ltd, Yarm (United Kingdom)
- Ryssen Chile SpA, Lampa, Santiago de Chile (Chile)
- CropEnergies Inc., Houston (USA)

In addition, CropEnergies AG indirectly owns 50% of

- CT Biocarbonic GmbH, Zeitz.

In Zeitz (Germany), CropEnergies Bioethanol GmbH operates a plant for producing 360,000 m³ of bioethanol a year. It also produces 260,000 tonnes of the protein animal feed ProtiGrain® as well as thermal energy and electricity.

CropEnergies Beteiligungs GmbH is a German intermediate holding company and does not have its own production facilities.

BioWanze SA operates a plant in Wanze (Belgium) for the production of bioethanol, gluten, the protein animal feed ProtiWanze® as well as thermal energy and electricity. The plant has an annual production capacity of up to 300,000 m³ of bioethanol. In addition, approximately 55,000 tonnes of gluten and over 300,000 tonnes of ProtiWanze® can be produced per year. BioWanze uses the bran from the delivered wheat grain to generate a large part of the process energy required in a biomass plant, the only one of its kind in the world so far. As a result, the bioethanol produced with this innovative energy concept today already comfortably exceeds the requirements for greenhouse gas savings standards that will apply from the year 2017. BioWanze furthermore markets high-quality bran from the wheat used in Wanze, which is certified under the GMP+ (Good Manufacturing Practice) quality assurance system, as an animal feed product.

Ensus Ltd is a holding company that was acquired by CropEnergies AG with effect from 19 July 2013 (closing) and holds 100% of the shares in the production company Ensus UK Ltd.

Ensus UK Ltd operates a bioethanol plant with an annual capacity of 400,000 m³ of bioethanol and 350,000 tonnes of dried protein animal feed (DDGS, Distillers' Dried Grains with Solubles) in Wilton (United Kingdom). In addition, up to 250,000 tonnes of biogenic CO_2 from fermentation are supplied to a neighbouring liquefaction plant and used, among other things, in the food industry.

Compagnie Financière de l'Artois SA (COFA) is a French intermediate holding company, having a 100% equity interest in Ryssen Alcools SAS (Ryssen).

Ryssen operates a plant for the rectification (purification) and dehydration (drying) of raw alcohol in Loon-Plage near Dunkirk (France). The annual capacity for the dehydration of raw alcohol, especially for the fuel sector, is 100,000 m³ of bioethanol. For the rectification of raw alcohol for traditional and technical applications, there is an annual production capacity of 80,000 m³ of alcohol. In addition, Ryssen holds 100% of the shares in Ryssen Chile SpA, which was founded in October 2013. Ryssen Chile SpA is an alcohol distributor for supplying the Chilean market with neutral alcohol. As no domestic alcohol production exists in Chile, neutral alcohol is imported from third countries.

CropEnergies Inc. is a trading operation based in Houston (USA).

CT Biocarbonic GmbH is a joint venture established for the production and sale of food-grade liquefied CO_2. It operates a production plant in Zeitz for the purification and liquefaction of biogenic CO_2 from bioethanol production from the neighbouring CropEnergies plant. The plant has an annual capacity of 100,000 tonnes of liquefied CO_2, which is used, among other things, in the food industry.

Corporate management

The executive board of CropEnergies AG is solely responsible for managing the affairs of the company and is monitored and advised by the supervisory board in this function. The executive board is required to act in the company's interest and obliged to increase sustainable enterprise value. The members of the executive board share joint responsibility for management. Notwithstanding this overall responsibility, the members of the executive board manage the departments assigned to them under their own responsibility within the scope of executive board resolutions. The articles of association of CropEnergies AG stipulate that important business transactions are subject to approval by the supervisory board.

The executive board is responsible for ensuring that adequate risk management and risk controlling procedures are in place in the company and works towards compliance with legal requirements, official regulations and company-internal guidelines (compliance). It also ensures that management functions within the company are appropriately filled.

Value-based management

To implement value-oriented corporate management, CropEnergies deploys a reporting and planning system that is uniform across the group and, based on this, applies centrally defined indicators. Significant financial indicators relevant to management are the revenues reported in the income statement and the operating profit. In the case of operating profit, income from operating activities as shown in the income statement is adjusted for significant special items. In addition to these two financial performance indicators, no further financial and no non-financial performance indicators are currently relevant to the CropEnergies Group.

Financial management

Capital management within the CropEnergies Group comprises control of cash, equity and debt positions. CropEnergies' aim is a balance sheet structure with a high level of equity, which secures the company's growth strategy, taking reasonable capital costs into account and with above-average creditworthiness.

The CropEnergies Group's financing is based on the ability to generate consistently positive cash flows, stable relations with the shareholder groups backing the company, access to the capital markets and reliable banking relationships. The communication with capital market participants pursues a policy of financial transparency based on a reporting system in which the same valuation and disclosure principles apply in the corporate planning as well as the reporting processes. The communication with capital market participants pursues a policy of financial transparency based on a reporting system which defines both the corporate planning and the reporting processes, using the same valuation and disclosure principles.

Guiding principles and corporate strategy

The CropEnergies Group's mission is to work in concert with its partners to shape the future responsibly and to develop solutions today for the social and corporate challenges of tomorrow. The focus is on the production and marketing of bioethanol – the world's No. 1 biofuel. As one of the leading European bioethanol producers, we combine business success with social responsibility and environmental protection. Our aim is to grow profitably, to increase enterprise value in the long term and to take the interests of our shareholders, customers, suppliers and employees into account, through sustainable and responsible business activity.

With our products we improve the quality of life for the present generation while safeguarding that of future generations. As a regenerative substitute for petrol, the bioethanol we produce from renewable raw materials is proven to reduce greenhouse gases, conserves the world's limited fossil resources, and thus furthers future mobility. We conserve the vegetable proteins when processing agricultural raw materials. As the European market leader in the production of food and animal feed products from the residues of bioethanol production, we help to secure Europe's supply of vegetable proteins and, in this way, honour our responsibility to society. CropEnergies fully exploits all of the raw materials it uses – to provide food, feed and fuel.

We achieve our goals through operational excellence and innovation. Here, we rely on our core competences – the large-scale processing of agricultural raw materials into high-grade products and their marketing. We possess extensive know-how across the entire bioethanol production value chain – from crop growing and production through to transport, marketing and consumer counselling. With our innovative production facilities, we set standards in terms of technology, efficiency, flexibility and greenhouse gas reductions, and set ourselves apart from the competition. An optimised sourcing management and a logistics network that is unique in Europe assure our cost leadership, as well as technology leadership, in Europe. Our marketing and logistics expertise makes us a reliable partner, too. With innovations, we secure a competitive edge in our existing activities, tap new markets and contribute towards developing solutions for the challenges of the future.

Key to our company's success are the knowledge, experience, social skills, satisfaction and dedication of our employees. We intend to achieve this through further training and personnel development. We place great value on our transparent reporting and open communication with all capital market participants. The contact with investors and capital markets is also important for funding further growth.

We intend to seize upon growth opportunities that arise, always taking our core competences as well as the given framework conditions into account. We see structural change as an opportunity for further development. The growing demand for energy and food calls for the efficient use of available agricultural resources. This presents further opportunities for CropEnergies to develop attractive new areas of business and to continue growing profitably.

We operate sustainably in the interest of the company's successful development and a future worth living.

Sustainability

Sustainability and the environment

For CropEnergies, sustainable business activity means reconciling ecology, economics and social responsibility. This corporate philosophy is simultaneously the basis of our business model, as sustainability is the prerequisite for the success of a company producing bioethanol from renewable raw materials. This conviction has enabled CropEnergies to become one of the leading European producers of bioethanol.

CropEnergies produces bioethanol as well as high-grade food and animal feed products from natural, renewable raw materials: grain and sugar syrups from industrial beet. Statutory provisions ensure that stringent sustainability criteria are complied with in the production of bioethanol for the fuel sector and the cultivation of the raw materials required for that purpose. These criteria guarantee a resource-saving approach to the natural environment along the entire value chain, from the cultivation of the biomass to the production of the end products, culminating in their delivery. CropEnergies, however, aims not only to fulfil the statutory requirements, but also to surpass them at all stages of the value chain.

The agricultural raw materials used are produced in Europe. In the EU the principles of cross-compliance for agricultural production methods apply. These principles embody, for example, environmental protection standards for agriculture that guarantee the sustainable cultivation of agricultural raw materials. The sustainability criteria for biofuels even go beyond the cross-compliance requirements. They ensure, in particular, that from the cultivation of biomass through to bioenergy production and consumption, significant greenhouse gas emission savings compared with fossil fuels are achieved. They also stipulate that cultivation must not be extended to sensitive areas such as first-growth forests (rainforest) or at the expense of biodiversity.

CropEnergies goes one step further in saving resources: thanks to its integrated production concepts, the raw materials used are completely processed into high-grade products, thereby virtually eliminating any waste. From the carbohydrates contained in the raw materials used, CropEnergies produces bioethanol, a sustainable, renewable and climate-friendly fuel that replaces fossil fuels in the transport sector. The "Renewable Energies Directive" stipulates that savings of at least 35 wt.-% CO_2eq. compared with the use of conventional fuels must be realised across the entire value chain.

All bioethanol plants are certified as sustainable in accordance with at least one of the certification systems recognised by the European Commission. The plants in Zeitz and Wanze have been certified in accordance with the European version of REDcert since September 2012 and the plant in Loon-Plage since November 2012. In addition, Zeitz is certified in accordance with the German version of REDcert and Ryssen in accordance with 2BSvs, the French certification system. The plant in Wilton is certified in accordance with its own certification system, which is recognised by the European Commission, and in accordance with the German and European version of ISCC.

The certification enables CropEnergies to demonstrate that the bioethanol produced meets the sustainability criteria of the "Renewable Energies Directive", particularly as far as reducing greenhouse gas emissions by at least 35 wt.-% is concerned. With greenhouse gas reductions of more than 60 wt.-%, the production plant in Wanze is already surpassing the requirements of more than 50 wt.-% that will apply in the EU from 2017 onwards. The plants in Zeitz and Wilton also comfortably exceed the applicable minimum requirement.

The certifications of the bioethanol plants need to be confirmed on an annual basis.

CropEnergies processes the components contained in the raw materials that are not required for bioethanol production into high-quality food and animal feed products. This takes account of the sustainability concept in that the raw materials used are completely utilised since the non-fermentable constituents contain valuable protein. Processing and refining these contents reduces the supply gap for vegetable proteins in Europe and lessens the need for imports of protein animal feeds, especially in the form of soybean and soy meal from South America. Studies show that the production of European bioethanol from grain and industrial beet has no material impact on global requirements for arable land. On the contrary, every hectare that is used in the typical "winter wheat/sugar beet" crop rotation in Europe enables the annual production not only of 4,000 litres of bioethanol, but also of protein animal feed for which 1.9 times the area of sugar cane and soybean would be utilised in South America. These facts should be fully taken into account when determining the area required for the cultivation of raw materials for the production of biofuels.

At Zeitz and at Wilton, an additional product produced during bioethanol production is processed, in particular, for the food market: the carbon dioxide produced from the fermentation of plant raw materials is purified here in special plants, liquefied and marketed, for instance, for beverages.

In terms of production, CropEnergies stands out for its efficient production processes and modern concepts for energy generation. Cogeneration and multiple use of the generated steam result in above-average levels of energy efficiency. This not only reduces costs, but also increases the sustainability of the bioethanol produced there. Specific energy efficiency enhancement projects have further improved the greenhouse gas balance of the bioethanol produced in Zeitz. At the bioethanol plant in Wanze, a large part of the electricity and thermal energy required is generated in a biomass plant – the first of its kind so far in the world – using the bran from the delivered wheat grain. Further available quantities of bran are sold as animal feed products certified under the GMP+ quality assurance system. The biomass power plant is characterised by high thermal efficiency and availability and a state-of-the-art flue gas cleaning system. The CO_2 reductions achieved by the bioethanol produced in Wanze in comparison with fossil fuels far exceed the requirements of the "Renewable Energies Directive" for 2017.

CropEnergies also focuses on reducing emissions when transporting the raw materials used and the products produced. The plants in Zeitz, Wanze and Wilton are located in the vicinity of large grain-growing areas and also sugar factories, to some extent. The transport routes are commensurately short, and environmental pollution remains low. The products are mostly delivered via sea and rail, which are environmentally friendly.

The aim of CropEnergies is to create value through sustainable business activity. Value-oriented, profitable growth serves as the basis for financing further investment and research projects to produce top-quality products and sustainable manufacturing processes, and to open up new markets. The regional economy also benefits from such growth. This is also confirmed by a study carried out by WifOR, an independent business research institute, with regard to the bioethanol plants in Zeitz and Wanze. The study analysed not only gross value-added and income, but also employment and fiscal effects associated with the business activity of bioethanol plants, from which rural areas, in particular, draw significant benefit.

Sustainable business activity also extends to the social level in line with CropEnergies' corporate identity, with employees of all hierarchical levels being committed to their social responsibility. Sustainable business activity also extends to the social level in line with CropEnergies' corporate identity, with employees of all hierarchical levels being committed to their social responsibility. As a member of the Südzucker Group, CropEnergies complies with the requirements of a major international group. High standards also apply with regard to human rights, education and training, health and safety, compensation and working conditions as well as to relations between the social partners.

RESEARCH AND DEVELOPMENT

Highlights

The research and development activities of CropEnergies AG are conducted by the Central Research, Development and Technological Services Department of Südzucker AG.

Activities include not only future-oriented projects, but also production-related optimisations of existing processes, technological support in developing design concepts for new facilities, the handling of sales-oriented issues relating to fuel and bioethanol quality standards, and the assessment of aspects relating to product safety and quality, particularly with regard to the food and animal feed products produced during bioethanol production.

One of the focal points of service activities in the 2013/14 financial year was the recommissioning of the newly acquired bioethanol plant of Ensus and the establishment of the quality management system used at CropEnergies.

Activities also focused on acquiring new products from the material streams for the food and animal feed sector.

The evaluation of innovative concepts for the use of bioethanol outside the fuel sector is pursued as cooperative ventures with universities and public research institutes.

The various services for the individual companies of the CropEnergies Group are organised into projects and are settled on the basis of the service agreement entered into with Südzucker AG Mannheim/Ochsenfurt.

Expenditure on research and development and technological service in the 2013/14 financial year, at € 1.8 (1.9) million, was at the level of the previous year.

Raw material base and fermentation modifications

CropEnergies is pursuing the strategic goal of being able to use the widest possible range of raw materials for fermentation in its production plants. Research activities are therefore focusing on expanding the raw material base. High flexibility and the use of a variable raw materials mix not only place high requirements on the enzymes and yeasts used, but also require adjustments to fermentation technology and technique. Additional high-specificity enzymes for improved starch fermentation and more efficient yeasts for these concepts were therefore identified in research activities.

Optimisation of production plants

CropEnergies implemented process engineering measures for optimising production processes, such as with the drying plants for bioethanol, at all of its production sites. In Wanze, these optimisation processes enabled a significant increase in the efficiency of the plant and in bioethanol production.

In addition, improvements in the use of enzymes with a view to increasing yields were successfully implemented at several sites. There also continued to be a special focus on reducing specific energy requirements and identifying additional energy savings potential to improve the greenhouse gas balance.

In Zeitz, the proposed technological and technical energy saving measures in relation to raw material leaching and stillage concentration were successfully implemented. Further energy savings potential in relation to DDGS pelletisation was identified and developed. Various process variants were analysed for the planned construction of a plant for producing taste-neutral and odour-neural alcohols at Zeitz.

The measures for increasing production capacity implemented at Wanze were examined in continuous operation and successfully completed.

After Ensus was acquired in July 2013, new projects for optimising the site were initiated. For example, various technological and technical modifications were made with a view to taking the plant promptly into operation. These preparatory measures resulted in robust operation with a high capacity utilisation even during commissioning. In addition, further optimisation potential was identified and the validation and adaptation of the processes to the standards of CropEnergies' plants pursued.

In Loon-Plage, technological solutions for complying with additional quality-related parameters were discussed and implemented in terms of production technology.

Commercialisation of food and animal feed

The intermediate products produced during bioethanol production are processed into high-quality products. CropEnergies works continuously on improving the products and processes.

The process for producing gluten in Wanze was optimised by using new enzymes, increasing protein yield and improving product quality. In addition, CropEnergies' own plant for processing gluten started operating successfully. The specifications formulated and the analytical methods developed were tested and codified for quality control.

Furthermore, CropEnergies extended its product range for the animal feed market. A plant for producing bran certified in accordance with the GMP+ quality assurance system was taken into operation in September 2013.

The sampling plans for quality control and monitoring are constantly being adapted and refined as an integral part of CropEnergies' quality assurance system for food and animal feed. The analysis results are evaluated annually in the context of recurring certifications for food and animal feed products and are included in safety assessments ("HACCP"). The quality assurance systems of the CropEnergies Group were extended to Ensus as a new member of the group. This also applies to standardisation of the work in the plant laboratories. Parallel samples of raw materials, animal feed and bioethanol are also analysed on a regular basis as part of ring tests in order to ensure comparability between the results produced by the plant laboratories ("cross-checking").

Work on standards for bioethanol

CropEnergies is actively involved both within the European Committee for Standardisation (CEN) at European level and within the Deutsche Institut für Industrienormung e.V. (DIN) at German level, in the standardisation of ethanol, petrol and E85 ethanol fuel. Over the past few years, it has participated in the reformulation of the German and European standard for petrol, DIN EN 228 and EN 228, respectively, which also includes E10 and E5. CropEnergies was also involved in formulating a European standard for ethanol, which allows blending in petrol up to E85 level. This standard is now at the consultation phase.

At the same time, the technical possibilities for using petrol fuels with an ethanol content of up to 25 vol.-% have been pursued in various studies with European experts. These elaborations will serve as a template for standardisation of future fuels with a higher ethanol content than in E10.

New production concepts for bioethanol

CropEnergies continued research relating to integrated production concepts in which raw materials are used efficiently and completely, and also participated in state-supported projects in this area.

The focus of this research is on the use of lignocellulosic raw materials and the material recovery of the carbon dioxide produced in fermentation.

CropEnergies is continuing its research into concepts for using lignocellulosic raw materials for bioethanol production. Ways of implementing these concepts cost-efficiently are being evaluated in various studies and in cooperation with partners.

Using CO_2 from bioethanol production to generate algal biomass has not yet been established. The production of starch-containing algal biomass in closed photobioreactors is being investigated as part of the research project "Biorefinery Based on Carbohydrate-Rich Algal Biomass, Using Starch and Protein", funded by the German federal government. The main research activities in respect of cultivation of algae and optimisation of the photobioreactors are being carried out in conjunction with partners. They are divided, in particular, into the areas of decomposition of biomass, isolation and characterisation of the starch and protein value components and proof of the use of fermentation CO_2.

Microalgae, which have various advantages over rooted plants, are being used for cultivation. These microorganisms produce ingredients that can be used both as a source of energy and as materials.

An initial laboratory-scale plant has been installed on the site of CropEnergies Bioethanol GmbH in Zeitz. For the purpose of photosynthesis, the algae are being provided not only with sunlight, the necessary nutrients and water, but also with CO_2 from the fermentation.

Bioethanol as a chemical raw material

CropEnergies is pursuing various approaches for extracting C4 components. In addition to fermentative processes that produce the desired C4 products directly from biomass, research activities are focusing on the chemico-catalytic conversion of ethanol to butanol. This substance is being discussed as a parent compound for additives in fuels and can also be used as a chemical raw material. The development of new catalysts in combination with optimised process technology, in particular, will promote the cost-efficient implementation of this process in future.

EMPLOYEES

The average number of employees in the CropEnergies Group in the 2013/14 financial year rose to 430 (321). The significant increase is due to the acquisition of the British bioethanol producer Ensus.

Number of employees (annual average)

	2013/14	2012/13
Number of employees by region		
Germany	156	151
Other European countries	265	168
Other countries	9	2
	430	321

The description of the compensation systems for the executive and supervisory boards is part of the management report and can be found in the declaration on corporate management / corporate governance report on page 35.

Training

The CropEnergies Group's employees are the basis of the company's success. This is one of the main reasons why employee training and development are of great importance for CropEnergies. As a member of the Südzucker Group, the company participates in the training and qualification programmes of a major international company. CropEnergies is, for example, involved in the vocational training of young people who are pursuing apprenticeships or trainee programmes within the Südzucker Group. Employees of the CropEnergies Group also take part in the international and cross-functional exchanges within the Südzucker Group. With tailored internal and external continuous training measures, CropEnergies also enables employees to acquire the skills for changing conditions and requirements. These take place in the context of events held by the Südzucker Group or are specially tailored to CropEnergies. In the past financial year, they also included training courses aimed at integrating Ensus. These employees have received training with a view to honing understanding of cultural differences, improving communication between employees from different cultures and making the entire process more efficient.

The measures for improving the networking of the management of the CropEnergies Group were continued in 2013/14. The focus here was not only on managers' interaction, but also on intercultural training, specially tailored to handling difficult situations. IT security was a further focus.

Internal suggestion scheme

Numerous employees of CropEnergies again availed themselves of the internal suggestion scheme in the 2013/14 financial year to make an important contribution to improving workflows, thereby demonstrating a commitment to the company that goes beyond everyday activities.

Safety-at-work

Safety-at-work and health protection, as an integral part of the management system, make a significant contribution to the company's sustainable success. The measures for lowering the number of accidents and for preventing damage to health have high priority at all companies of the CropEnergies Group. As a member of the Südzucker Group, the standards in force at CropEnergies are those of a major international company. Within the Südzucker Group, the companies of the CropEnergies Group have a leading position.

Safety-at-work and health protection are constantly improved by means of preventive measures. All managers and employees are involved in equal measure with a view to creating the conditions for safe working and implementing the safety regulations systematically. Each individual needs to take on responsibility. Concrete measures include systematic assessments of hazards and stresses on health at workplaces, recurrent testing of equipment, preparation of operation manuals and regular instructions for employees. Systematic analyses of the processes in plants are also undertaken. This enables safety-related aspects to be identified and valuable information in respect of the technical and technological optimisation of the plants to be acquired. The effect of these measures is reflected in the small number of accidents, the low number of working hours lost as a result of accidents and the constant optimisation of the production plants.

Acknowledgement

Credit for a company's success is also always due to its employees. In the past financial year, employees have not only performed their daily tasks with great commitment, but also contributed intensively to the further development of the CropEnergies Group. The executive board wishes to thank all the employees of the CropEnergies Group for their dedication, trustful cooperation and achievements.

INVESTMENTS

In the 2013/14 financial year, capital expenditure on property, plant and equipment increased to € 17.1 (10.8) million. Of the total, € 8.9 million was invested at CropEnergies Bioethanol GmbH, € 6.9 million at BioWanze SA and € 0.7 million at Ryssen Alcools SAS. The Ensus companies accounted for € 0.2 million.

Investing activities at CropEnergies Bioethanol GmbH focused on the construction of the new processing plant for the production of neutral alcohol. The plant will have an annual capacity of 60,000 m^3 of high-grade, food-quality neutral alcohol and is expected to start production in 2015. This development will allow CropEnergies to exploit additional attractive sales opportunities in traditional market segments. In the reporting period, the contracts for the construction of the neutral alcohol plant and for the necessary expansion of the existing infrastructure were awarded and the permit procedures prepared. The construction of an additional fermenter at Zeitz, which is designed to further increase the alcohol yield, is advancing according to schedule. In order to increase flexibility in the use of raw materials, two new grain silos were taken into operation. Measures for lowering primary energy and electricity consumption reduced production costs and improved the greenhouse gas balance. Other investments were related to the optimisation of plant safety and exhaust air treatment as well as the removal of flood damage.

Investments in BioWanze SA were mainly used to increase value creation and improve yields. Setting up a gluten processing system, which increased the value creation of the Wanze site, accounted for the major part of these investments. The optimised plant design enables the product losses that occurred with previous external gluten processing to be reduced. In addition, the on-site processing facilitates quality monitoring and lowers logistics costs. The product portfolio was enhanced by the production of bran certified under the GMP+ quality assurance system. Among other things, the storage of bran was adjusted, with a continuous review of product quality ensuring that only best-quality bran is marketed as an animal feed. Investments in the biomass boiler enabled cleaning processes to be improved and hence the boiler capacity to be increased. Further process optimisations were implemented in distillation. They reduced alcohol losses and also increased product throughput.

The 2013/14 financial year saw Ryssen Alcools SAS invest in the construction of a new loading and unloading facility in the port of Dunkirk, which can be used to lower logistics costs. The expansion of denaturing possibilities increased product diversity and opened up new market segments. In order to be able to meet customers' growing requirements on product quality at all times in future as well, state-of-the-art equipment was added to the laboratory. The expansion of the administrative building and replacement investments accounted for the remaining expenditure.

At Ensus, the initial focus was on extensive maintenance and repair work and on investments in new laboratory equipment and modernisation of IT infrastructure. In addition, investment requirements were identified and investment planning specified for the coming financial years. The aim is to successively increase the plant's availability, flexibility and efficiency through a comprehensive investment programme.

CORPORATE GOVERNANCE

In the following, we report on the company's corporate management in accordance with § 289a (1) HGB and corporate governance in accordance with paragraph 3.10 of the German Corporate Governance Code. The declaration on corporate management and the corporate governance report are published on the CropEnergies website at www.cropenergies.com.

Role of the executive board and supervisory board

As a German stock corporation, CropEnergies AG has a dual management system comprising executive board and supervisory board. Both boards have autonomous powers and collaborate in a close and confidential manner in managing and monitoring the company.

Executive board
The executive board of CropEnergies AG currently comprises two members. As the executive body, it manages the affairs of the company with the aim of creating sustainable value on its own responsibility and in the interests of the company. The members of the executive board share joint responsibility for management. The division of the duties and responsibilities of the executive board are regulated in its rules of procedure of 12 September 2006.

Supervisory board
The supervisory board appoints, monitors and advises the executive board in its management of the company. It is involved in strategy and planning, as well as all issues of material importance to the company. For important business processes, such as budgeting and strategic planning, acquisitions and divestments, the rules of procedure of both the executive board and the supervisory board stipulate that decisions are subject to approval by the supervisory board. The executive board keeps the supervisory board regularly, promptly, and extensively informed in writing as well as at its regular meetings about the planning and development of the business operations, and the position of the group including risk management and compliance.

The chairman of the supervisory board coordinates the activities of the supervisory board and represents the interests of the supervisory board externally. The supervisory board convenes without the executive board if necessary. In the case of significant events, an extraordinary meeting of the supervisory board is convened where necessary. In order to discharge its duties, the supervisory board can summon auditors, legal consultants and other internal and external consultants at its own discretion. The supervisory board passes resolutions on the structure of the compensation system for the executive board together with the key contractual components and reviews it on a regular basis. The duties, conduct and committees of the supervisory board are regulated in its rules of procedure, last amended on 30 March 2012.

Composition of the supervisory board
The supervisory board of CropEnergies, which comprises six members, is solely composed of shareholder representatives pursuant to § 96 (1) and § 101 (1) AktG. Each term of office of the shareholder representatives newly elected by the annual general meeting on 17 July 2012 runs for the period until adjournment of the annual general meeting that decides on approval for the 2016/17 financial year (i.e., until the annual general meeting in 2017). Franz-Josef Möllenberg is the financial expert on the supervisory board and the audit committee. Dr. Lutz Guderjahn is represented in the supervisory board as a former member of the executive board of CropEnergies AG.

Diversity objectives
Regarding its future composition, the supervisory board will be guided, pursuant to a written resolution of 20 December 2010 and 12 November 2012, respectively (taking into account the sector, the company's size, and the scale of the international activities) by the following diversity objectives:

- to maintain the quota, considered appropriate, of at least two supervisory board seats for independent members, and

- to maintain the quota, considered appropriate, of at least two supervisory board seats for persons who in special degree embody the criterion of "internationality".

- The supervisory board seeks an appropriate degree of female representation. However, the supervisory board has not set a concrete quota as the decision regarding its composition is based primarily on the suitability of the available candidates, not on their respective gender.

The rules of procedure for the supervisory board provide that supervisory board members should not remain in office beyond the end of the financial year in which they reach 70 years of age.

The supervisory board will continue to propose to the general meeting those candidates whom it considers to be the best suited for office on the supervisory board, taking the foregoing diversity objectives into account.

With regard to the status of the implementation of the diversity objectives, the following can be reported: In the nominations for the election, by the 2012 annual general meeting, of shareholder supervisory board members, the supervisory board took into account not only the requirements of the Stock Corporation Act, the Code and the supervisory board's rules of procedure, but also the diversity objectives. It took the knowledge, ability and expert experience required to exercise the duties as well as diversity in its composition into particular account. On 17 July 2012, the annual general meeting elected new shareholder representatives in line with the supervisory board's nominations. The supervisory board thus again has at least two "independent" members (pursuant to paragraph 5.4.2 of the German Corporate Governance Code, anyone who has a business or personal relationship with the company, its governing bodies, a controlling shareholder or one of its affiliated companies, which could be grounds for a major and lasting conflict of interest, is, in particular, deemed to be "non-independent"). At least two members embody the criterion of "internationality" to a special degree. The supervisory board currently has no female members.

Supervisory board committees

With the audit committee and nomination committee, the supervisory board has formed committees from among its members which prepare and supplement its activities. The committees consist of four members in each case. The duties of both committees are derived from the rules of procedure for the supervisory board and for the audit committee, last amended on 30 March 2012 and 3 May 2012, respectively.

Shareholders and general meeting

The shareholders of CropEnergies AG exercise their voting and control rights at the annual general meeting held at least once a year. The annual general meeting takes place in the first eight months of the financial year and decides on all matters as per the statutory requirements with binding effect for all shareholders and the company. Each CropEnergies share confers the same rights.

Every shareholder who meets the prerequisites for attending the annual general meeting as well as for exercising voting rights and registers in time is entitled to attend the annual general meeting. Shareholders who are unable to attend in person have the option of having their voting rights exercised by a financial institution, a shareholder association, proxies used by CropEnergies AG who are bound by the instructions of the shareholders, or some other representative of their choice. Shareholders also have the option of submitting their vote in advance of the annual general meeting via the Internet or giving instructions to CropEnergies AG's proxies via the Internet.

Annual general meeting 2014

The invitation to the annual general meeting, which is due to be held in Mannheim on 15 July 2014, together with all the reports and information required for passing resolutions will be published in accordance with the provisions of German company law and made available on the CropEnergies AG website under "Investor Relations".

Risk management

The conscientious handling of business risks is one of the principles of good corporate governance. Comprehensive group-wide and company-specific reporting and control systems are available to the executive board and management of CropEnergies, enabling them to identify, analyse and manage these risks. The systems are continually refined and extended, and adjusted to the changing framework conditions. The executive board keeps the supervisory board regularly informed about current risks and their development. The audit committee is especially concerned with monitoring the financial reporting process, the effectiveness of the internal control system, risk management and the internal auditing system as well as the auditing of the financial statements. Risk management at CropEnergies is outlined in the risk report on pages 62 – 69.

Financial reporting and independent audits
The consolidated financial statements of CropEnergies are drawn up according to the International Financial Reporting Standards (IFRS) which apply in the EU. The separate financial statements of CropEnergies AG are drawn up in accordance with German commercial law (HGB). The annual financial statements and the consolidated financial statements are prepared by the executive board and examined by the independent auditor, the audit committee and the supervisory board. The supervisory board adopts the annual financial statements and approves the consolidated financial statements. The interim reports prepared by the executive board and the six-month financial report are discussed by the audit committee with the executive board prior to publication and then released for publication by the executive board; the release by the executive board ends the preparation period for the respective interim report period. No audit or review is conducted.

The consolidated financial statements and the separate financial statements of CropEnergies AG were audited by the independent auditor PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, elected at the annual general meeting in 2013. The audits were conducted in accordance with the International Standards on Auditing (regarding the consolidated financial statements), the German auditing rules and in compliance with the generally accepted standards for the audit of financial statements laid down by the Institut der Wirtschaftsprüfer; they also included the system for early detection of risks.

The supervisory board agreed with the independent auditor as part of the engagement that the latter would inform the supervisory board immediately about any possible grounds for exclusion or prejudice, and about material findings and events arising during the audit. There was no reason to do this in the course of the audits for the 2013/14 financial year.

Expenditures amounting to € 144 (143) thousand were incurred in the 2013/14 financial year for the services of the independent auditor for the auditing of the consolidated financial statements as well as for the auditing of the separate financial statements of CropEnergies AG and its German subsidiary CropEnergies Bioethanol GmbH and CT Biocarbonic GmbH. In addition, the independent auditor performed other attestation services in the current financial year amounting to € 3 (3) thousand and other consulting services amounting to € 10 (0) thousand.

Capital market and transparency
CropEnergies keeps the participants in the capital market and the interested general public regularly, closely and promptly informed about the business situation and major news of the group. This takes the form of both annual and quarterly reports, press releases and ad hoc announcements where appropriate. Conference calls are held with investors and analysts in connection with interim reporting.

All information is available in German and/or English and is published in printed form and via suitable electronic media such as e-mail and the Internet. In addition, there are the annual results press and analysts' conference as well as the participation at various specialist and capital market conferences in Germany and abroad. All announcements as well as the latest capital market presentation are published on the investor relations pages of the website at www.cropenergies.com.

Financial calendar
The scheduled dates of the main recurring events and publications, such as the annual general meeting, annual report and interim reports, are compiled in a financial

calendar. The calendar is published with sufficient lead-time and permanently made available on the website of CropEnergies AG. It is also printed on the cover page of this annual report.

Corporate governance report

Good corporate governance implies the responsible management and control of corporate enterprises oriented towards long-term value creation. The aim of corporate governance is to promote the trust of shareholders and investors, the financial markets, business partners, employees and the general public in the company, thereby increasing the value of the company also on a sustainable, long-term basis. The executive and supervisory boards of CropEnergies AG are committed to the principles of good corporate governance. CropEnergies fulfils the most stringent transparency requirements on German stock exchanges. Accordingly, the CropEnergies share has been listed in the Prime Standard since 2006. Compliance with the German Corporate Governance Code underlines the commitment to transparent corporate management.

CropEnergies regards the current version of the German Corporate Governance Code dated 13 May 2013 as largely balanced, practical and of a high standard when compared internationally. As in previous years, we have thus not found it necessary to prepare individual, company-specific corporate governance principles.

Declaration of conformity for 2013
The executive board and the supervisory board of CropEnergies AG, Mannheim, passed a resolution on 10 December 2013 to issue the following declaration of conformity with the German Corporate Governance Code pursuant to § 161 AktG:

CropEnergies AG complied with the "recommendations of the Government Commission of the German Corporate Governance Code" in the Code's current version of 15 May 2012 with the following exceptions and will comply in future with the recommendations contained in the Code version of 13 May 2013:

Paragraph 4.2.1
(Executive board 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 4.2.2
(Vertical comparison of executive board remuneration)
The supervisory board is charged with assessing the appropriateness of the executive board's remuneration. In so doing, it takes into consideration the company's salary and wage structure. The supervisory board is convinced that the formal procedure recommended in paragraph 4.2.2, subsection 2, sentence 3 is superfluous, as it would not improve the quality of its decisions.

Paragraph 4.2.3
(Severance payment cap in executive board contracts)
The executive board contracts do not provide for a severance payment cap. We see no need for this in the future either, especially as there are considerable legal reservations about such contractual clauses.

Paragraph 4.2.4
(Individualised executive board compensation)
The annual general meeting of CropEnergies AG last passed a resolution on 19 July 2011 to waive individual disclosure of executive board compensation for a period of five years. The company therefore does not disclose executive board members' individual remuneration in its compensation report.

Paragraph 5.3.2 sentence 3
(Autonomy of the audit committee chairman):
Thomas Kölbl is chairman of the audit committee. He is simultaneously a member of the executive board of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, which holds a majority interest in CropEnergies AG. In our view, it makes sense that a majority shareholder is appropriately represented on the supervisory board of a company and its committees. It is our conviction that it is in the interests of the company and all its shareholders

for Mr. Kölbl to exercise this office as audit committee chairman.

Paragraph 5.4.1
(Diversity objectives, composition of the supervisory board):
The supervisory board seeks sufficient diversity in the composition of the supervisory board, especially an appropriate degree of female representation. However, the supervisory board will continue to base the decision regarding its composition primarily on the suitability of the available candidates, not on their respective gender.

Paragraph 5.4.6
(Individualised supervisory board compensation)
Our company's articles of association make provision for performance-related supervisory board compensation oriented to dividends. Convergence with the interests of the shareholders in particular speaks for this structure.

We disclose the supervisory board's remuneration as a total. In our opinion, the associated encroachment on privacy associated with the disclosure of compensation on an individual basis is disproportionate to the benefits of such practice. The compensation is already transparent and therefore any division according to fixed compensation and performance-related components would not involve any additional informative value. The corporate governance report, notes and management report do not therefore contain any individualised information on supervisory board compensation and no division according to fixed compensation and performance-related components.

These and previous declarations of conformity are published on the CropEnergies website at www.cropenergies.com on the investor relations/corporate governance pages.

Code of conduct and guiding principles
CropEnergies has prepared a code of conduct and guiding principles. These are published on the CropEnergies website at www.cropenergies.com under "Company".

Compensation report
In the compensation report, CropEnergies discloses the level and structure of the compensation paid to the executive board (paragraph 4.2.5 of the Code) and the supervisory board (paragraph 5.4.6 of the Code). 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 shareholders of CropEnergies AG last passed a resolution not to disclose individualised information on executive board compensation for a period of five years, by a large majority, at the annual general meeting on 19 July 2011 (opting out). The decision to waive individualised disclosure of supervisory board and executive board compensation was reflected in the declaration of conformity.

The compensation of the executive board of CropEnergies AG is determined by the supervisory board and is reviewed at regular intervals. The compensation is oriented to the company's long-term performance and consists of

1. a fixed annual salary,

2. a variable annual compensation, depending on
   a) the achievement of agreed targets and
   b) the operating profit generated by the CropEnergies Group based on performance over several years. This is based in each case on the CropEnergies Group's average operating profit for the past three financial years.

3. non-monetary benefits mainly in the form of a company car for business and private use and contributions to social insurance, and

4. a company pension scheme, based on a percentage of the fixed annual salary.

There are no share-based compensation components or stock option plans.

The total compensation for the executive board is disclosed in the notes at item (34), "Related party transactions".

The compensation of the supervisory board is set out in § 12 of the articles of association of CropEnergies AG. Each member of the supervisory board receives a fixed compensation of € 20,000, payable at the end of the financial year, and variable compensation at the rate of € 1,000 for each € 0.01, or part thereof, by which the dividend paid per share exceeds € 0.20, in addition to the reimbursement of their out-of-pocket expenses and the value-added tax they incur for their supervisory board activities. The chairman receives double and his deputy one-and-a-half times this compensation. The fixed compensation increases by 25% for each membership of a supervisory board committee; the rate of increase is 50% for the chairman of a committee. This presupposes that the relevant committee has convened in the financial year.

The compensation for activities undertaken by the supervisory board members is disclosed in the notes at item (34), "Related party transactions".

Disclosures on executive board and supervisory board compensation can be found in the compensation report on page 126.

Financial loss liability insurance
The company has taken out financial loss liability insurance with a deductible which incorporates cover for the activities of the members of the executive board and the supervisory board (D&O insurance). § 93 (2) AktG, which has been amended by the Act on the Appropriateness of Executive Board Compensation (VorstAG), stipulates that the deductible for executive board members must amount to at least 10% of the loss up to at least the level of one-and-a-half times the fixed annual compensation. CropEnergies has agreed such a deductible with the members of the executive board. Regarding a deductible for supervisory board members, the German Corporate Governance Code recommends a similar ruling. CropEnergies complies with this recommendation.

Holdings of company shares by members of the executive board and supervisory board; reportable dealings pursuant to § 15a of the German Securities Trading Act (directors' holdings and directors' dealings)

No member of the executive board or the supervisory board holds shares of CropEnergies AG representing 1% or more of the share capital. Furthermore, the aggregate holdings of all executive board and supervisory board members are less than 1% of the shares issued by the company. Members of the executive board and the supervisory board did not disclose any reportable dealings in securities in the 2013/14 financial year.

Compliance Business Values and Principles

Compliance
For CropEnergies, compliance, in other words conduct in conformity with laws and rules, is a self-evident standard of good corporate management. Its object is to ensure the lawful conduct of the company, its corporate bodies and employees in respect of the obligations and prohibitions imposed by laws and rules. The aim is to protect employees from infringing or violating laws and rules, and to support them in applying legal requirements and company guidelines correctly and appropriately. As a member of the Südzucker Group, CropEnergies has adopted the Compliance Business Values and Principles of Südzucker in an appropriate form. These principles bundle the corporate standards applying within the Südzucker Group. The objective is to ensure that the principles set forth below are enforced throughout CropEnergies and the entire Südzucker Group utilising the existing reporting procedures and information flows.

Focuses of the Compliance Business Values and Principles that apply across the group are cartel law compliance, corruption prevention, data protection, environmental protection and capital market compliance (especially insider rules and ad hoc disclosures). The integrity of employees invariably forms the basis for good compliance. For CropEnergies, it is self-evident that all measures are in conformity with the provisions of employee data protection.

Compliance Business Values and Principles
CropEnergies aims to compete successfully through innovation, quality, reliability and fairness. This entails complying with internal rules, as well as statutory regulations. The Compliance Business Values and Principles serve as a guideline here. They highlight key issues that are very important in day-to-day practice and have been published on the CropEnergies website under "Investor Relations".

CropEnergies applies the laws currently in force and expects no less from its employees and business partners. The corporate principles list key items that are particularly important in practice:

1. Fairness in competition: CropEnergies is fully committed to fair competition and especially to strict compliance with antitrust laws.

2. Integrity in conduct of business: No tolerance for corruption. Gifts and invitations from suppliers or service providers must always be in reasonable proportion to the business relationship. The acceptance of such gratuities must be expressly approved by the respective superior or, above certain thresholds, by the executive board.

3. Principle of sustainability: CropEnergies is aware of its responsibility to protect the environment as well as the health and safety of people inside and outside the company.

4. Compliance with statutory provisions: Compliance with all relevant national and international laws is mandatory.

5. Ensuring equal opportunity in securities trading: Every employee is obliged to treat confidentially any internal company information that could impact the company's share price on the stock market.

6. Proper record of documents: The company's internal control system requires that business processes be adequately documented. Audits must be conducted to ensure that the accounting-related information has been fully and correctly captured.

7. Proper and transparent financial reporting: CropEnergies is committed to providing open and transparent financial reporting based on international accounting standards to ensure that all stakeholders are treated equally.

8. Fair and respectful working conditions: Every employee is expected to be friendly and treat colleagues and third parties fairly, professionally and respectfully. Discrimination and harassment of any kind is not tolerated.

9. Protecting our know-how lead and respecting the intellectual property rights of third parties: Business secrets may not be passed on to third parties or published. The intellectual property rights of third parties shall be equally respected.

10. Separation of company and private interests: All employees must always keep separate their private interests and those of the company. Further, only objective criteria shall be employed when making personnel decisions or conducting business with third parties.

11. Cooperative conduct with authorities: CropEnergies strives to maintain an open and cooperative relationship with all relevant authorities. Information shall be provided completely, openly, correctly, in a timely manner, and in a comprehensible form.

These Compliance Business Values and Principles are implemented having regard for country-specific particularities: Employees are provided with the necessary information sources and advisory support to avoid breaching laws and rules. All superiors must organise their areas of responsibility in such a way that compliance with the Compliance Business Values and Principles, in-house rules as well as the statutory regulations is guaranteed. The Compliance Officer and the compliance representatives are responsible for guaranteeing the prompt flow of information. They are responsible, among other things, for training and the investigation of compliance cases. All employees are required to immediately report breaches of the Compliance Business Values and Principles.

Takeover-related disclosures

The following information is provided by way of explanatory disclosures pursuant to §§ 289 (4), 315 (4) HGB and explanatory report pursuant to § 176 (1) sentence 1 AktG; they are part of the audited group management report. These disclosures relate, amongst other things, to aspects that may play a role in the acquisition of company control, as well as the executive board's powers to change the capital structure.

Composition of the subscribed capital, voting rights and transfer of shares
The subscribed capital of the company as of 28 February 2014 is € 87,250,000 and is divided into 87,250,000 no-par-value bearer shares, each representing a proportional amount of € 1 of the share capital *(§ 315 [4] No. 1 HGB).*

The company does not hold any own shares as of the reporting date.

Each share confers the same rights and grants one vote at the annual general meeting. Restrictions on the voting right of the shares may result from the provisions of the Stock Corporation Act. Under certain circumstances, the shareholders may be barred from voting (§ 136 AktG). Furthermore, the company has no voting right on its own shares (§ 71 b AktG). CropEnergies is not aware of any contractual restrictions on the voting rights or on the transfer of the shares *(§ 315 [4]No. 2 HGB).*

Capital interests exceeding 10%
The company is aware of the following direct and indirect interests in the share capital of CropEnergies AG exceeding 10% of voting rights: Südzucker AG Mannheim/Ochsenfurt (Südzucker) has an approximate 69% direct interest, and Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) an approximate 7% direct interest in the share capital. As, in accordance with § 22 (1) No. 1 WpHG, the interests held by Südzucker are attributable to SZVG, SZVG therefore directly and indirectly holds around 76% of voting rights *(§ 315 [4] No. 3 HGB).*

Shares conferring special rights, voting right control in the case of employee shares
There are no CropEnergies shares conferring special rights *(§ 315 [4] No. 4 HGB).*

There is also no kind of voting right control from the participation of employees in the company's capital *(§ 315 [4] No. 5 HGB).*

Appointment and removal of executive board members
Pursuant to § 84 and § 85 AktG, the members of the executive board are appointed and/or removed by the supervisory board. Pursuant to § 6 (1) of the articles of association, the executive board must comprise at least two individuals. In all other respects, the supervisory board determines the number of executive board members. The supervisory board can appoint a chairman as well as a deputy chairman to the executive board. The members of the executive board were appointed in each case for a term of five years.

Amendments to the articles of association
Pursuant to § 179 (1) AktG, amendments to the articles of association require a resolution to be passed by the general meeting. The articles of association of CropEnergies AG make use of the option to deviate therefrom pursuant to § 179 (2) AktG and provide that resolutions, unless mandatory provisions of stock corporation law or the articles of association determine otherwise, can be passed by simple majority vote and, if a capital majority is required, by simple capital majority. The authority to make amendments merely relating to the wording has been delegated to the supervisory board *(§ 315 [4] No. 6 HGB).*

Executive board authorisation, particularly regarding share issue and share buy–back
The annual general meeting on 15 July 2010 authorised the executive board pursuant to § 71 (1) No. 8 AktG to acquire own shares up to a maximum of 10% of the share capital in the period up to 14 July 2015. Own shares may be acquired either via the stock exchange or by way of a public offer to all shareholders. Own shares may also

be retired and deducted from unappropriated profit or other revenue reserves. Among other things, the executive board is authorised, with the consent of the supervisory board, to sell the own shares acquired to third parties, with the exclusion of shareholders' pre-emptive subscription rights, for the purpose of business combinations or the acquisition of companies, parts of companies or equity interests in companies, or to service bonds with conversion and/or option rights. The authorisation to acquire own shares has not been exercised to date *(§ 315 [4] No. 7 HGB).*

The annual general meeting on 19 July 2011 created authorised capital (Authorised Capital 2011) to broaden the company's room for manoeuvre with regard to any capital increases. The executive board is authorised, with the consent of the supervisory board, to increase the share capital of the company within the period until 18 July 2016 by up to a total of € 15 million by issuing new shares in exchange for cash and/or contributions in kind and to exclude the pre-emptive subscription right of the shareholders in certain instances. The authorisation to utilise the Authorised Capital 2011 was exercised in July 2013 by means of a capital increase through contributions in kind of € 2,250,000, corresponding to 2,250,000 new shares *(§ 315 [4] No. 7 HGB).* This reduced the remaining authorised capital to € 12,750,000.

The annual general meeting on 19 July 2011 conditionally increased the company's share capital further by up to € 15 million through the issuance of up to 15 million new shares (Conditional Capital 2011). The executive board is authorised, with the consent of the supervisory board, to utilise the conditional capital to increase the share capital of the company to the extent that this is necessary to service the conversion or option rights on promissory notes and convertible or warrant-linked bonds which can be issued within the period until 18 July 2016. The authorisation to utilise the Conditional Capital 2011 has not been exercised to date *(§ 315 [4] No. 7 HGB).*

Change of control and compensation agreements
Südzucker AG Mannheim/Ochsenfurt has entered into an agreement in respect of a syndicated line of credit totalling € 600,000,000 with a bank consortium. CropEnergies AG has joined this line of credit with a sub-credit line of € 100,000,000. In the event of a change of control within the meaning of the agreement, each member of the bank consortium has the right, under certain conditions, to terminate its share of the line of credit and its corresponding share of outstanding loans and to demand their repayment (including interest). In other respects, no material agreements that are conditional on a change of control due to a takeover bid have been entered into, nor any compensation agreements with members of the executive board or in favour of employees in the event of a change of control *(§ 315 [4] No. 9 HGB).*

Disclosures on executive board and supervisory board compensation can be found in the compensation report on page 35.

Connect 4!

Acquisition of **Ensus**

By acquiring the British company Ensus Ltd which runs one of the largest bioethanol plants in Europe in the Northeast of England, CropEnergies has added a **fourth production site** to the group. With Ensus, the annual production capacity increases to 1.2 million cubic meters of bioethanol and CropEnergies strengthens its position as one of the three largest ethanol producers in Europe. We can now also deliver into the northern European markets in which we were scarcely represented so far due to logistical reasons.

By acquiring Ensus, our annual production capacity increased by 50%.


ryssen. alcools
bio. wanze
crop. energies

REPORT ON THE ECONOMIC POSITION

Report on business operations

Developments on the world market for bioethanol

Ethanol production I In 2013, world production of bioethanol sank by 1.5% year over year to 104.0 (102.5) million m³, in particular, due to higher production in Brazil. World production has therefore recovered from the downward trend witnessed in the previous two years. As in the previous years, bioethanol was mainly produced for applications in the fuel sector. In all, the fuel sector accounted for 87.2 (83.6) million m³ and hence 84% (82%) of total bioethanol production. Market observers expect worldwide bioethanol production to grow by 5% to 108.9 (104.0) million m³ in 2014. Bioethanol production in Brazil, the USA and the EU, in particular, is expected to increase further.

In the USA, bioethanol production in 2013 was at the previous year's level, at 51.8 (51.8) million m³. In view of domestic consumption, which at 51.9 (50.9) million m³, was 2.0% higher, exports fell to 2.7 (3.2) million m³, a decline of 14.5% compared with the previous year. Direct exports of bioethanol to the EU declined by as much as 85% to 101,000 (661,000) m³. One of the reasons for this was the anti-dumping duty introduced by the EU in February 2013. Since August 2013, however, bioethanol exports from the USA to Norway have increased significantly. At 52,000 (3,000) m³, they rose fifteen times compared with the whole of 2012. At the same time, there was significant growth in imports of E48, i.e., a bioethanol-petrol mixture with a bioethanol content of a little less than 50%, from Norway to the EU.

In Brazil, bioethanol production is expected to increase by 17.9% to 27.7 (23.5) million m³ in view of a significant improvement in the sugar cane harvest in the 2013/14 sugar year. Bioethanol consumption is expected to rise by 20.2% to 25.2 (21.0) million m³. Market observers therefore expect net exports, at 2.5 (3.3) million m³, to decline by 25.2% in comparison with the same period in the previous year.

Ethanol production in the EU, at 6.7 (6.6) million m³, was slightly above the previous year's level, with fuel ethanol accounting for 4.5 (4.5) million m³ or 68%. The only slightly lower imports, which increasingly enter the EU free of duties due to extensive preference regulations for third countries (e.g., Guatemala, Peru and Pakistan), and stagnating domestic bioethanol consumption prevented any further increase in the capacity utilisation of the European plants. Market observers expect total bioethanol production in the EU to increase by 6.3% to around 7.1 (6.7) million m³ in 2014, with the production of fuel ethanol being expected to rise by 8.0% to 4.9 million m³.

Owing to the fall in the demand for petrol fuel, the slow spread of E10 and the fact that there were little or no changes in blending obligations in the member states, fuel ethanol consumption in the EU declined slightly in 2013 by 3.1% to 5.5 (5.7) million m³. Market observers expect fuel ethanol consumption in 2014 to grow by 1.3% to 5.6 (5.5) million m³.

In Germany, the largest market for bioethanol in the EU, bioethanol consumption in 2013 declined by 3.4% to 1.5 (1.6) million m³. Approximately 86%, or 1.3 million m³, of the bioethanol consumed was blended directly with petrol in the period from January to December 2013. Sales of E10, petrol fuel with a bioethanol content of up to 10 vol.-%, increased by 5.4% to 2.8 million tonnes compared with the same period in the previous year. While E10's share of the petrol fuel market stood at 14.2% in the previous year, it now reached 15.0% in 2013. Production of the octane booster ETBE accounted for 195,000 (179,000) m³ of bioethanol over the same period, which is equivalent to an increase of 9.0%. Sales of the E85 fuel, which is much cheaper than petrol, declined by 36.9%.

Ethanol prices I Ethanol prices in Brazil were at US$ 695/m³ FOB Santos at the end of February 2014 and hence around US$ 20 below the level at the beginning of March 2013. In view of the expectation of a good sugar cane harvest in the 2013/14 sugar year and the devaluation of the Brazilian real against the US dollar, ethanol prices in Brazil had fallen to as low as US$ 600/m³ in September 2013. In contrast, the blending obligation that was increased in May 2013 and the increase in petrol prices in December 2013 contributed to a significant rise in domestic bioethanol demand. The proportion of flexible fuel vehicles (FFVs) continued to increase in the 2013 calendar year, standing at 89% (87%) for new car registrations.

On the Chicago Board of Trade (CBOT), the one-month futures contract for ethanol declined from US$ 2.40/gallon* at the beginning of March 2013 to US$ 2.30/gallon at the end of February 2014. Ethanol prices fluctuated widely between US$ 1.60 and US$ 2.75/gallon over the reporting period. The decline in price was mainly due to the significant fall in raw material costs, which resulted in higher capacity utilisation, particularly in the 2nd half of the year. The announcement by the US Environmental Protection Agency (EPA) that it intended to lower the blending obligation in 2014 also had a price-dampening effect.

In Europe, a massive collapse in ethanol prices was observable in the reporting period. At the beginning of March 2013, bioethanol was still trading at € 630/m³ FOB Rotterdam. After ethanol prices, at around € 620/m³, were only slightly below this level at the end of September 2013, they had declined to € 480/m³ by the end of February 2014. While utilisation of European production capacities was high and import activities continued to be lively, there was little or no change in demand.

Developments on the raw material and animal feed markets

Grain markets I The forecast published by the US Department of Agriculture (USDA) on 9 April 2014 for the 2013/14 grain year is for world grain production to increase to a record level of 1,977 (1,793) million tonnes. In comparison with the 2012/13 grain year, in which the persistent drought in the USA and Europe led to massive maize and wheat harvest shortfalls, that is equivalent to an increase of 10.3%. In the light of more extensive growing areas and favourable weather conditions, a significant increase in production of, in particular, wheat in the EU and the Black Sea region and maize in the USA, Black Sea region and other large growing countries like the People's Republic of China is expected. Owing to a moderate increase in grain consumption by 6.7% to 1,939 (1,817) million tonnes, grain stocks are expected to increase by 11.0% to 379 (341) million tonnes.

For the EU, the European Commission expects the grain harvest in the 2013/14 grain year to increase by 9.1% to 302 (276) million tonnes. Grain consumption, on the other hand, is expected to grow by 1.0% to 274 (271) million tonnes and hence be significantly below production. While 60% of the grain is used as animal feed, the production of bioethanol accounts for only 3.3% of the grain produced. With net exports of 21.1 (14.7) million tonnes, the EU continues to make a significant contribution to the supply of the world market.

Expectations of a good grain harvest led to a decline in the price of the one-month futures contract for milling wheat on the NYSE Liffe in Paris. After wheat prices had still been trading at around € 250/tonne in March 2013, they fell in the meantime to around € 180/tonne and were trading at around € 200/tonne by the end of February 2014. In the interim, a delay in the maize harvest in Europe was responsible for a slight increase of prices to around € 210/tonne in November 2013.

The International Grain Council expects the grain production to decline slightly by approximately 1% to 1,949 million tonnes in the 2014/15 grain year. In view of a forecast consumption of 1,935 million tonnes grain (+1.1%), a further build-up of stocks is expected to 400 million tonnes grain (+3.6%).

In the case of wheat, the world's growing areas are expected to increase further by 2.3% to 224 (219) million hectares. In spite of overall favourable weather conditions, yields are expected to fall slightly by 1.2% to 700 million tonnes in the light of the high wheat yields in the previous year and the early stage of the vegetation period.

In the case of maize, the International Grain Council initially estimates that the global growing area will increase to a record level of 175.5 (175.0) million hectares in the 2014/15 grain year. The growing area is expected to increase in China, South America and Ukraine, in particular. The growing area in the EU and the USA, on the other hand, is expected to decline. The growing area is expected to decline by 4% to 9.4 (9.7) million hectares in the EU and by 1% to 35 million hectares in favour of soy beans in

** A gallon ist the equivalent of 3.7854 litres.*

the USA. The global maize harvest is expected to increase slightly by 0.3% to 961 (959) million tonnes.

For the 2014/15 grain year, the European Commission expects the EU to have an above-average grain harvest of 300 million tonnes, which will again exceed consumption, at 277 million tonnes. Animal feed products, with a share of more than 60%, continue to account for the majority of grain consumption. 10.3 million tonnes and hence only 3.4% of the grain harvest in the EU are expected to be used for the production of bioethanol.

Sugar markets I Market analysts expect world sugar production to decline to 181.0 (184.0) million tonnes in the 2013/14 sugar year. At the same time, world sugar consumption is expected to increase further to 175.8 (172.3) million tonnes. Sugar stocks are expected to rise to 76.2 (72.6) million tonnes or to 43.3% (42.1%) of annual consumption.

After world market prices for white sugar increased slightly to over € 400/tonne at the beginning of the financial year, they declined and initially stabilized as of mid-May 2013. At the beginning of November 2013, a further decline set in. At the end of February 2014, the world market price for white sugar stood at € 345/tonne.

In the past 2012/13 sugar year, imports from preferred nations increased. As of the end of the 2012/13 sugar year, there were also the first imports under new free trade agreements with the Central American countries of Costa Rica, Guatemala, Honduras, Nicaragua, Panama and El Salvador as well as the Andes countries of Columbia and Peru. All these countries have since ratified the free trade agreement and, from 2014 onwards, can therefore export a total annual volume of 0.3 million tonnes of sugar and products with a high sugar content free of duties to the EU.

The European Commission expects the EU to have a total sugar production of 16.0 (17.2) million tonnes in the 2013/14 sugar year. Given stable quota sugar production and a further rise in preference imports, a balanced sugar market is expected.

Animal feed markets I At the end of February 2014, the one-month soybean futures contract on CBOT, at US$ 14.14/bushel, was below the level of US$ 14.65/bushel at the beginning of March 2013. In view of logistical problems and delays in deliveries from South America, soybean prices had increased to around US$ 16/bushel in mid-July 2013. As, according to a forecast by the USDA published on 9 April 2014, the soybean harvest in 2013/14 is set to reach a record level, at 284 (268) million tonnes (+5.9%), prices subsequently declined again. An increase in the soybean harvest is expected in Brazil and the USA, in particular. Despite the large harvest, soy meal prices in Europe, at € 442/tonne at the end of February 2014, were above the level of € 392/tonne at the beginning of March 2013. Logistical problems in respect of loading in South America and a continually increasing import demand in Asia, particularly the People's Republic of China, contributed to this. Prices for rapeseed meal in the EU in 2013/14, on the other hand, fell from € 293/tonne at the beginning of March 2013 to € 279/tonne at the end of February 2014 in view of an 8.3% growth in the rapeseed harvest to 21 (19) million tonnes.

Developments in the political environment

Statutory framework in the EU I With the passing of the "Renewable Energies Directive" and the revision of the "Fuel Quality Directive", the EU created the statutory framework for promoting the use of renewable energies in the transport sector and thus laid the foundations for improved climate protection and security of energy supply within the EU. The focus is the mandatory blending target of 10% for renewable energies in this sector for the year 2020. Another important element of the "Renewable Energies Directive" is the sustainability criteria. These criteria stipulate that biofuels, among other things, must reduce greenhouse gas emissions by at least 35 wt.-%, and by as much as 50 wt.-% from 2017, in comparison with fossil fuels. For biofuels from plants that were constructed after 1 January 2017, greenhouse gas reductions of at least 60 wt.-% apply from 2018 onwards. Apart from this, biofuels must meet additional environmental and social standards. For example, raw materials for biofuel production must not be grown on areas with high levels of carbon, e.g., forests and/or areas with high biodiversity.

The European Commission has now approved 15 EU-wide certification systems, which can be used to verify that the production of biofuels is sustainable. These also include the REDcert, ISCC and Ensus certification systems used by CropEnergies.

With the amendment of the "Fuel Quality Directive", the EU established the technical parameters for the introduction of E10 fuel, i.e., the blending of 10 vol.-% of bioethanol in petrol, throughout Europe. The European fuel standard for petrol fuels (EN 228), revised, in January 2013, by the European Committee for Standardisation (CEN), allows blending of 10 vol.-% of bioethanol. Although the fuel standard has now been implemented by all member states, E10 continues to be available only in Germany, France and Finland within the EU. Member states are thus far from utilising the potential of bioethanol for reducing greenhouse gas emissions.

European Commission's proposed directive amendment | The European Commission submitted a draft amendment of the "Renewable Energies Directive" and the "Fuel Quality Directive" to the European Parliament and the European Council on 17 October 2012. The European Commission's proposal includes the introduction of iLUC factors, designed to capture the greenhouse gas emissions from theoretically possible indirect land use changes (iLUC) in third countries. This proposal assumes that using arable crops to produce biofuels in one region may result in the extension of arable areas for producing agricultural products in other regions. As the assumed indirect land use changes cannot be directly verified, mathematical optimisation models whose results vary considerably depending on the assumptions made and data sources utilised are used to calculate them. In the EU, iLUC factors are initially to be taken into account as a reporting obligation for member states and, after the year 2020, used to calculate the specific greenhouse gas savings potential of biofuels. Provision has also been made for conventional biofuels, i.e., biofuels from arable crops such as grain, sugar plants and oilseeds, to be limited to a mere 5% of the overall target of 10% of renewable energies in the transport sector by 2020 and for biofuels from wastes and residues to be subject to multiple counting. Furthermore, the European Commission recommends that biofuels no longer receive government support from 2021 onwards.

The European Parliament adopted the proposed directive with amendments at first reading on 11 September 2013, arguing for the share of conventional biofuels to be increased to 6%. For petrol, the plenary sitting requested the introduction of separate minimum blending of 7.5% of renewable energies. Furthermore, the Parliament proposes that the possibilities of multiple counting of biofuels from wastes and residues be restricted and that, instead, a sub-quota of 2.5% be introduced in 2020 to promote such biofuels. Biofuels from wastes and residues, such as straw, bagasse and raw glycerine, are to count once towards this sub-quota. Only biofuels, such as those from algae and bacteria, which are still at the technological development stage, are to count quadruple. According to the Parliament's proposal, biofuels from used cooking oils and animal fats are to continue to count double towards the overall target of 10%. In view of the contradictory findings provided by scientific studies carried out hitherto and numerous reservations against iLUC factors, the Parliament still wants these factors to be included in the member states' reporting on the development of greenhouse gas emissions, while advocating further analyses on this issue.

Now that the European Parliament has not granted a mandate for "trilogue" negotiations with the European Council and the European Commission, a decision about the draft amendment of the directive will not be made until a second reading of the draft in Parliament. In order for a second reading to be held, however, a "common position" of the member states needs to have been adopted and hence the first reading in the European Council concluded. The compromise proposal recently put forward by the Lithuanian Council Presidency provides for a blending limit for conventional biofuels of 7% and an option for member states to introduce separate blending obligations for biofuels from wastes and residues (excluding used cooking oils and animal fats). Biofuels from wastes and residues, renewable fuels of non-biological origin and biofuels from used cooking oils and animal fats are to count double towards the blending targets. Much higher multiple counting with multiplication factors of 2.5 and 5, respectively, is proposed for electricity from renewable sources in rail transport and road transport. The European Commission's recommendation to cease the promotion of biofuels after 2020 has not been included in the current compromise proposal. At the meeting of the Energy Ministers on 12 December 2013, however, no political agreement was reached, with the result that deliberations about the proposed directive were continued under the Greek presidency at the beginning of January 2014. In view of the elections for a new European Parliament in May 2014, it will not be possible to conclude the legislative procedure until the next parliamentary term.

The European bioethanol industry considers the European Commission's original draft directive and the proposed amendments by the European Parliament and the European Council to be a grave step backwards for the EU's energy and climate protection policy. Although multiple counting of biofuels from wastes and residues as well as of electricity in the transport sector gives an appearance of a high proportion of renewable energy, it will reduce the greenhouse gas savings that can actually be achieved and result in significant false incentives. Multiple counting would significantly increase consumption of fossil fuels again. Multiple counting would also result in the "production" of waste and global waste tourism. The limitation on bioethanol from grain and sugar syrups from sustainable European produce, for which both the proposed directive and the discussed amendments make provision, does not do justice to the integrated production of biofuels and protein-rich food and animal feed products prevalent in the EU. Furthermore, the already existing protein deficit in the EU would increase further, resulting in higher soy imports from South America.

CropEnergies continues to campaign against an ill-founded U-turn in European energy and climate protection policy, supporting the bioethanol associations at national and European level in their endeavours to continue a sustainable biofuels policy.

European Commission proposal for the 2030 climate and energy package I On 22 January 2014, the European Commission published its proposals for an energy and climate package from 2020 to 2030. The proposal contains the obligation to achieve total greenhouse gas emission savings of 40% in comparison with 1990 and a 27% proportion of renewable energies that is binding on the EU across all sectors. Unlike the provisions of the "Renewable Energies Directive", however, the proposal does not contain any mandatory blending targets for renewable energies in the transport sector. Even the provisions for reducing the greenhouse gas emissions of fuels (decarbonisation) by 2020, established in the "Fuel Quality Directive", are not to be continued. Instead of building on the existing targets of climate and energy policy and acknowledging the progress that has already been made, the urgently required decarbonisation of the transport sector is to be abandoned. In view of the increasing greenhouse gas emissions and the continuing massive dependence on oil in the transport sector, the European Parliament came out in favour of a special framework for transport in a resolution on climate and energy policy issued on 5 February 2014 and also acknowledged that advanced biofuels play an important role in lowering traffic-induced greenhouse gas emissions. In addition, the European Parliament emphasised that the reduction in lifecycle greenhouse gas emissions from fuels under the Fuel Quality Directive was also an important element in climate and energy policy up to 2030.

The European bioethanol industry will advocate the existing climate and energy targets being continued. This is the only way to further reduce greenhouse gas emissions and the massive dependence on oil in the transport sector and to create reliable investment conditions in a sector that satisfies the highest sustainability standards and contributes significantly to regional development and income security.

Further trade policy measures required I The anti-dumping proceedings against bioethanol imports from the USA provided evidence of dumping behaviour on the part of US exporters and of harm being caused to the European bioethanol industry. The European Council therefore announced, on 22 February 2013, that an additional anti-dumping duty of approximately € 49/m^3 would be imposed on bioethanol imports from the USA for a period of five years. Thereafter, there was an initial noticeable decline in direct imports from the USA into the EU. Since August 2013, however, bioethanol imports from the USA to Norway have quadrupled. At the same time, there has been a significant increase in imports of E48, i.e., an ethanol/petrol mixture with a bioethanol content of just under 50%, from Norway to the EU and to the UK, in particular. Due to its classification as a chemical product, E48 from Norway, which is a member of the European Economic Area, can be imported into the EU free of duties. There is a suspicion that suppliers of American bioethanol are thereby circumventing the EU's applicable customs regulations. In January 2014, ePURE, the association of European bioethanol producers, therefore lodged a complaint with the European Commission, requesting it to prevent further unlawful imports of E48 by extending the existing anti-dumping duty to Norway.

Germany | The federal government's action plan provides for the EU target of 10% renewable energies in the transport sector in 2020 to be achieved with the existing legislation. According to this, there is a mandatory overall blending rate for biofuels of 6.25% until the year 2014, with it being possible to count particular biofuels from wastes and residues double towards this blending target. From 2015 onwards, the biofuel quotas are no longer to be measured on the basis of calorific value but on the basis of greenhouse gas reduction targets. The greenhouse gas reductions in the fuel sector are to be raised from 3 wt.-% in 2015 to 7 wt.-% in 2020.

In Germany, the new federal government has agreed to further develop the mobility and fuel strategy. With regard to renewable energies, the expansion of biomass usage is, however, to be restricted to wastes and residues. Furthermore, the government is calling for the EU's climate and energy targets to be further developed. According to these targets, greenhouse gas emissions are to be reduced by 40% by 2013 and the use of renewable energies increased to between 40 and 45% in 2025 and between 55 and 60% in 2035. CropEnergies is in favour of the environmentally friendly and economically efficient expansion of the contribution of biomass to climate protection and securing the energy supply. The one-sided orientation to the use of wastes and residues will not, however, achieve the desired aim. In addition, CropEnergies' view is that the federal government should campaign at European level for the continuation of the requirement to reduce greenhouse gas emissions through biofuels by 2030.

Belgium | Following the expiry, as of 30 September 2013, of the biofuel regulation existing in Belgium, a transitional regulation was published on 29 November 2013. According to this transitional regulation, the current tax concession for biofuels of biofuel producers selected in 2006 as part of an invitation to tender will continue to be granted up to 31 May 2014. The Belgian government should presently submit the conditions for the new support scheme, which is due to apply from October 2014 onwards and is designed to encourage the use of particularly sustainable biofuels, to the European Commission for examination.

Developments within the CropEnergies Group

In the 2013/14 financial year, CropEnergies made great progress in implementing its long-term growth strategy. Not only the further optimisation of its production plants and the expansion of the trading business, but also the acquisition of Ensus in the UK made a significant contribution to this. The executive board is satisfied with the earnings situation in the 2013/14 financial year in the light of the difficult market conditions. As expected, it was not possible to achieve the record results of the previous year, as prices on the grain and ethanol markets proved to be less advantageous for the industry in 2013/14 than in the previous year. Even if the acquisition of Ensus resulted, in the short term, in special expense items, initial investments and a deterioration in earnings, this strategic purchase signifies a significant expansion in production capacities with corresponding income opportunities.

Production | In the 2013/14 financial year, the CropEnergies Group increased its bioethanol production by 9% to 884,000 (808,000) m^3. The rise in production was due to the acquisition of Ensus. As a result of the acquisition of Ensus as well as the optimisation of the raw materials mix and measures for increasing yields, the production of dried food and animal feed, at 413,000 (314,000) tonnes, likewise experienced a significant rise. CropEnergies also produced liquid protein animal feed and biogenic carbon dioxide.

In Zeitz, bioethanol production was at the previous year's level despite the flood-related shutdown in June 2013. CropEnergies took advantage of the plant's flexibility and adjusted the raw materials mix to the conditions on the commodity markets. As a result of the reduction in grain prices, grain was increasingly used and the proportion of sugar syrups from industrial beet lowered. This meant that production of the high-grade animal feed ProtiGrain® increased. Owing to the flood in Zeitz, CT Biocarbonic GmbH also had to stop production temporarily. After extensive repair work, the plant for liquefying CO_2 resumed operation in October 2013.

At the bioethanol plant in Wanze, the optimisation work that was carried out allowed the plant to operate permanently with a higher capacity utilisation. This resulted in a significant increase in the volumes of bioethanol, food and animal feed products produced. In addition, optimisation work in the gluten area resulted in an increase in the gluten yield. The gluten processing system successfully taken into operation in the 3rd quarter of 2013/14 contributed to a further increase in value creation.

At the bioethanol plant in Wilton, extensive inspections, maintenance and optimisation activities were carried out in advance of commissioning in September 2013. Following the successful start, the plant achieved high capacity utilisation on a daily basis within a short space of time. Since then, the optimisation activities have been continued in order to increase the plant's availability and efficiency, focusing on reducing energy consumption and expanding the raw materials mix.

At the plant in Loon-Plage, raw alcohol was processed into bioethanol for the fuel sector. In addition, Ryssen produces high-quality alcohols for traditional and technical applications tailored to customer specifications.

All bioethanol plants are certified as sustainable in accordance with at least one of the certification systems recognised by the European Commission. The plants in Zeitz and Wanze have been certified in accordance with the European version of REDcert since September 2012 and the plant in Loon-Plage since November 2012. In addition, Zeitz is certified in accordance with the German version of REDcert and Ryssen in accordance with 2BSvs, the French certification system. The plant in Wilton is certified in accordance with its own certification system, which is recognised by the European Commission, and in accordance with the German and European version of ISCC.

The certification enables CropEnergies to demonstrate that the bioethanol produced meets the sustainability criteria of the "Renewable Energies Directive", particularly as far as reducing greenhouse gas emissions by at least 35 wt.-% is concerned. With greenhouse gas reductions of more than 60 wt.-%, the production plant in Wanze is already surpassing the requirements of more than 50 wt.-% that will apply in the EU from 2017 onwards. The plants in Zeitz and Wilton also comfortably exceed the applicable minimum requirement.

Agricultural raw materials of European origin, particularly grain and sugar syrups from industrial beet, were processed at Zeitz, Wanze and Wilton. CropEnergies' procurement management focused on sourcing the raw materials required locally, thereby minimising freight costs. In addition to fixed-price contracts, CropEnergies used derivative hedging instruments to limit the price risk for grain. The supply of sugar syrups is secured partly by longer-term supply contracts. In implementing the "Renewable Energies Directive", CropEnergies collaborates closely with the raw material suppliers to ensure that the plants are supplied at all times with biomass certified as sustainable. To be able to better assess the trends on the grain, sugar and animal feed markets, CropEnergies is in regular dialogue with commodities experts. The CropEnergies agricultural advisory committee discussed current developments on the raw material markets and their implications for the CropEnergies Group's sourcing strategy. In addition, CropEnergies continued the established seminar series involving the most important grain suppliers and animal feed product customers, with participants discussing developments on the global grain and animal feed markets and the trends and prospects in crop production.

The sources of supply were successfully broadened in order to secure raw material sourcing in Loon-Plage. The existing pipeline connection between the Port of Dunkirk and the tank storage facility in Loon-Plage is advantageous in terms of supplying raw alcohol in that it enables supplies to be made directly and cost-efficiently by ocean tankers.

Bioethanol sales I The volume of bioethanol sold, at 1,012,000 (840,000) m^3, surpassed the previous year's level by 20%, with trading volumens accounting for 150,000 (86,000) m^3. The production in Wilton also contributed to the growth in sales.

CropEnergies' customer base continues to consist of large and medium-sized mineral oil companies as well as independent ETBE producers at home and abroad. In the past financial year, CropEnergies continued to focus on supplying inland destinations at favourable freight costs. Germany continues to be the largest sales market. CropEnergies again occupied an important market position in Belgium and in Eastern Europe. With the tank storage facilities at its production sites as well as in Rotterdam and Duisburg, CropEnergies has a unique European logistics network. The acquisition of Ensus also enabled CropEnergies to successfully expand its production and logistics network, thereby obtaining direct access to the British bioethanol market, the third largest sales market for sustainably produced bioethanol in the EU after Germany and France. A further focus of sales activities was therefore on developing the market position in the UK. The integration of Ensus also opens up the possibility of supplying Scandinavian destinations at favourable freight rates.

CropEnergies maintained its leading position in the German market for E85, a bioethanol-petrol mixture for flexible fuel vehicles. About 30% of the E85 filling stations in Germany sell the E85 quality fuel CropPower85 produced according to the DIN 51625 standard by CropEnergies.

To promote the spread of bioethanol in fuels, CropEnergies worked together with standardisation committees at national and European level. After the amendment of the European fuel standard (EN 228) was successfully completed in January 2013 and now also includes E10, CropEnergies is participating in a working group of the European Committee for Standardization (CEN). This Committee is currently studying the technical possibilities for using petrol fuels with a bioethanol content of up to 25 vol.-%. These studies are the prerequisite for creating fuel standards for petrol with a bioethanol content of more than 10 vol.-%.

Through Ryssen, CropEnergies has also entered market segments outside the fuel market. Well-known companies in the beverage, cosmetics, pharmaceutical and chemical industries are customers of the high-quality products. By extending the denaturation possibilities, the parameters have also been created to meet customers' special product requirements. In addition, Ryssen marketed the raw alcohol from Saint Louis Sucre processed into fuel ethanol at the facility in Loon-Plage. By founding Ryssen Chile SpA, Santiago de Chile, Chile, and taking over the business operation of a Chilean alcohol distributor, Ryssen has further strengthened its position on the South American market.

The processing facility for producing high-quality food-grade neutral alcohol which is being constructed at the Zeitz location will enable CropEnergies to exploit additional attractive sales opportunities in the beverage, cosmetics, pharmaceutical and chemical industries. Ryssen's product and market skills are to be used in future to intensify sales activities on markets that have not hitherto been supplied due, for example, to high logistics costs.

After setting up CropEnergies Inc., Houston, USA, CropEnergies is now represented through a trading operation in the world's largest bioethanol market. This gives CropEnergies the possibility of trading directly with local and international customers. Following the European Union's introduction of an anti-dumping duty in February 2013, however, direct bioethanol imports from the USA have fallen significantly. CropEnergies therefore restricted itself to monitoring further market developments in the USA.

Sales of food and animal feed products I By making full use of the deployed raw materials, CropEnergies has a broad portfolio of high-grade food and animal feed products. The manufacture and marketing of these products from bioethanol production is an important component of CropEnergies' business model. This not only increases the profitability of the production plants, but also reduces raw material price risks owing to the high correlation between grain and animal feed prices. In Zeitz, CropEnergies produces the dried and pelletised protein animal feed ProtiGrain®. In Wanze, CropEnergies produces the liquid protein animal feed ProtiWanze® as well as bran and gluten for food and animal feed product applications. In Wilton, CropEnergies produces high-grade dried and liquid protein animal feed.

As a result of the higher production volume of dried food and animal feed products, sales increased by 36% to 413,000 (303.000) tonnes in the 2013/14 financial year. In spite of the expectation of a good oilseed harvest, the continuing strong demand for protein food and animal feed products resulted in attractive prices for vegetable proteins.

The high-grade protein animal feed ProtiGrain® produced in Zeitz represents, in the quality-oriented European feed market, an alternative to rapeseed meal and other animal feed products that is competitive in terms of price and quality. The focus of marketing activities continued to be on the development of the local animal feed market, which enables customers in the compound feed industry, in particular, to be supplied at favourable freight rates. Owing to the high prices for oilseed meals and the targeted sales strategy, CropEnergies was able to achieve attractive selling prices for ProtiGrain®. The main markets apart from Germany continued to be the large animal feed markets including the Netherlands and France.

In addition, following the acquisition of Ensus, CropEnergies is supplying the British animal feed market with the DDGS that is produced there. The UK is the fifth-largest meat producer in the EU and has a great need for protein-rich animal feed products, which it can currently meet only with the aid of imports.

In Germany, CropEnergies participates in the collaborative GrainUp project, which is using innovative methods to investigate the animal feed values of grain and other animal feed components. One of the aims of this project is to provide a comprehensive assessment of the protein value of grain and DDGS, which is produced from grain processed into bioethanol. The final outcomes will be presented and discussed on completion of the project in mid-2014.

At the site in Wanze, CropEnergies produces not only bioethanol, but also the protein-rich products gluten and CDS (Condensed Distillers' Solubles), as well as bran. Owing to its nutritional and technical properties, gluten, which is also known as wheat flour, is used above all in the food industry and in special animal feeds, e.g., in aquafarms. It is distributed through BENEO Orafti SA, a subsidiary of Südzucker AG that specialises in marketing ingredients for food products and animal feeds, and has a global sales network. The gluten, which is certified according to IFS (International Food Standard), is now also being sold increasingly in the food sector, which is attractive in terms of price, for instance in the bakery goods industry. Since June 2013, CropEnergies has been marketing high-quality bran certified under the GMP+ quality assurance system from the wheat used in Wanze. The wheat bran is mainly used as a feed component in animal nutrition.

In Wanze, CDS – a high-protein liquid animal feed for cattle and pigs – is obtained from the proteins and other components of the fermented wheat grain remaining after distillation. It is distributed to livestock owners in the Benelux countries, in particular, under the brand name ProtiWanze®. The penetration of the market for liquid protein animal feeds was pursued in close co-operation with the distribution partners. Sales regions have been extended as a result of the higher production.

CropEnergies' integrated production concept, which allows both bioethanol and high-grade food and animal feed products to be produced, provides food, feed and fuel. Products used to produce food and to improve animal nutrition account for more than half of the quantities produced in Zeitz, Wanze and Wilton. CropEnergies thereby ensures that agricultural raw materials are fully utilised and virtually no residues are left. CropEnergies' protein-rich food and animal feed products also reduce the shortage in the supply of vegetable protein in Europe. By strengthening regional supply structures, CropEnergies contributes to reducing extensive imports of soy from South America.

Results of operations, financial position, assets and liabilities

Results of operations

€ thousands	2013/14	2012/13
Revenues	780,781	688,723
EBITDA	**68,339**	**118,989**
EBITDA margin in %	*8.8%*	*17.3%*
Depreciation*	-33,791	-31,971
Operating profit	34,548	87,018
Operating margin in %	*4.4%*	*12.6%*
Restructuring costs and special items	-6,365	-14
Income from operations	28,183	87,004
Financial result	-4,880	-5,099
Earnings before income taxes	23,303	81,905
Taxes on income	-11,297	-24,730
Net earnings for the year	12,006	57,175
Earnings per share, diluted / undiluted (€)	0.14	0.67

** Wthout restructuring costs and special items*

Group revenues I In the 2013/14 financial year as well, CropEnergies continued its growth trajectory, once again achieving a double-digit growth rate in terms of revenues. The continued increase in bioethanol production as a result of the acquisition of the production facility of Ensus in Wilton made a decisive contribution to this. CropEnergies also produced record quantities of food and animal feed products and further expanded its market position.

The 13% growth in revenues to € 781 (689) million was mainly due to the increase in bioethanol sales, based both on the expansion in production and the greater volume of trading activities. For the first time, more than 1 million m^3 of bioethanol was sold in one financial year. In addition, a further increase in the quantities of food and animal feed products sold also contributed to growth in revenues. The overall improvement in the sales prices for food and animal feed products was, however, offset by an unpleasant development in sales prices for bioethanol, which lagged behind the previous year's level from the summer of 2013 onwards. Prices again declined significantly as of the end of the reporting period.

Further details on revenue development can be found in the "Report on business operations" section.

EBITDA I After CropEnergies had achieved a record level in the previous year, with EBITDA of € 119 million, owing to especially favourable relations between sales and raw material prices, much lower selling prices for bioethanol at the same time as higher raw material costs resulted in EBITDA declining by 43% to € 68 million in the 2013/14 financial year. Improved proceeds for protein-rich food and animal feed products offset this development to some extent. As a result, the specific net raw material costs relevant to bioethanol production were only slightly above those of the previous year.

The extended trading activities in bioethanol, with which lower margins are typically obtained in comparison with internally produced goods, are also reflected in the disproportionate increase in material costs to 81.4% (73.2%) of the overall performance. As expected, Ensus was unable to cover fixed costs in the first few months after the start of production in the autumn of 2013, which likewise contributed to a reduction in EBITDA.

Operating profit/special items I With depreciation rising only slightly to € 33.8 (32.0) million, the reduction of € 50.7 million in EBITDA resulted in a decline in operating profit to € 34.5 (87.0) million. Based on the higher revenues, this gives rise to an operating margin of 4.4% (12.6%). Preparatory expenses of € 6.4 (0.0) million in relation to preparations for the start of production of Ensus represent a non-recurring special item.

Income from operations I Income from operations declined to € 28.2 million, after € 87.0 million in the previous year.

Financial result I Despite the strong growth in capacities and business as a result of the acquisition of Ensus, average net debt over the course of the year remained below that of the previous year owing to the cash flow generated. This led to a slight improvement in the financial result to € -4.9 (-5.1) million.

Taxes on income I Earnings before taxes declined to € 23.3 (81.9) million. Consequently, taxes on income fell to € 11.3 (24.7) million. Of this, € 7.9 (16.2) million was current tax expense and € 3.4 (8.5) million was deferred tax expense.

Net earnings for the year I Group net earnings for the year, which are fully attributable to the shareholders of CropEnergies AG, reached € 12.0 (57.2) million.

Earnings per share I Earnings per share declined to € 0.14 (0.67). The calculation is based on a time-weighted average of 86.4 (85.0) million no-par-value shares.

Financial position

Statement of changes in financial position

€ thousands	2013/14	2012/13
Gross cash flow	**50,593**	**98,238**
Change in net working capital	-64,186	3,553
Net cash flow from operating activities	**-13,593**	**101,791**
Investments in property, plant and equipment and intangible assets	-18,426	-11,104
Investments in acquisitions	-309	0
Cash received on disposal of non-current assets	177	57
Cash flow from investing activities	**-18,558**	**-11,047**
Cash flow from financial activities	**37,646**	**-84,463**
Change in cash and cash equivalents due to exchange rate changes	25	32
Change in cash and cash equivalents due to changes in entities included in consolidation	464	0
Increase in cash and cash equivalents	**5,984**	**6,313**

As a result of the reduction in EBITDA to € 68.3 (119.0) million, cash flow declined to € 50.6 (98.2) million. CropEnergies thereby again obtained a cash inflow that was higher than average for the industry. The cash outflow was mainly due to the capacity extension related to the acquisition of Ensus. Net working capital increased by € 64 million, due to the reduction of trade payables and the inventory build-up at the Wilton site. This resulted in a cash outflow from operating activities of € 13.6 (cash inflow: 101.8) million.

The cash outflow from investing activities increased to a total of € 18.6 (11.0) million and was largely attributable, at € 17.1 (10.8) million, to investments in property, plant and equipment. They were used, in particular, to increase value creation and future earnings power.

The assumption of financial liabilities amounting to € 88.8 million was offset by scheduled repayments of € 29.1 million and the dividend payment, in July 2013, of € 22.1 (15.3) million. This resulted in a net cash inflow from financing activities of € 37.6 (cash outflow: 84.5) million.

Investments

In the 2013/14 financial year, capital expenditure on property, plant and equipment increased to € 17.1 (10.8) million. Of the total, € 8.9 million was invested at CropEnergies Bioethanol GmbH, € 6.9 million at BioWanze SA and € 0.7 million at Ryssen Alcools SAS. The Ensus companies accounted for € 0.2 million. In addition, a sum of € 1.4 (0.3) million was invested in intangible assets.

Assets and liabilities

The significant expansion in production capacities due to the acquisition of Ensus resulted in growth of € 70.5 million in total assets to € 669.4 (598.9) million. At the same time, shareholders' equity increased to € 395.3 (389.7) million. This meant that the CropEnergies Group's equity ratio reached 59% (65%).

ASSETS

€ thousands	28/02/2014	28/02/2013
Non-current assets	505,996	459,826
Current assets	163,419	139,121
Total assets	**669,415**	**598,947**

LIABILITIES AND SHAREHOLDERS' EQUITY

€ thousands	28/02/2014	28/02/2013
Shareholders' equity	395,344	389,705
Non-current liabilities	132,609	99,785
Current liabilities	141,462	109,457
Total liabilities and shareholders' equity	**669,415**	**598,947**
Net financial debt	136,669	82,907
Debt-cash flow ratio	2.7	0.8
Equity ratio	59.1%	65.1%
Net financial debt in percent of equity	34.6%	21.3%

Due to the acquisition of Ensus, in particular, and allowing for scheduled depreciation, **non–current assets** increased by € 46. 2 million to € 506.0 million as of 28 February 2014. This includes goodwill, which was unchanged at € 5.6 million. Shareholders' equity and non-current liabilities cover 109.2% (110.5%) of fixed assets.

As a result of the growth, **current assets** rose by € 24.3 million year over year to € 163.4 million. Inventories, in particular, increased due to the expansion in business volume, rising by € 13.3 million to € 72.9 million. Trade receivables and other assets rose only slightly by € 4.1 million to € 75.1 million. This also includes the positive mark-to-market values from derivative hedging instruments of € 0.3 (2.0) million. Cash and cash equivalents rose by € 6.0 million to € 14.0 million, and current income tax receivables by € 0.8 million to € 1.4 million.

Non–current liabilities increased by € 32.8 million to € 132.6 million. This includes long-term financial liabilities of € 95.6 (65.7) million, which had risen as a result of the acquisition of Ensus. Other non-current liabilities remained virtually unchanged. Provisions for pensions and similar obligations as well as other provisions increased by € 1.2 million to € 12.9 million, while deferred tax liabilities rose by € 0.9 million to € 23.3 million and other liabilities by € 0.7 million to € 0.7 million.

Current liabilities increased by € 32.0 million to € 141.5 million. This includes current financial liabilities of € 55.1 (25.3) million. Trade payables increased by € 3.8 million to € 47.0 million, mainly due to higher supplies of raw materials and goods. Other liabilities were virtually unchanged, at € 25.4 (25.5) million. This also includes the negative mark-to-market values from derivative hedging instruments of € 1.6 (8.3) million. In addition, other provisions increased by € 0.9 million to € 5.2 million, while current income tax liabilities decreased by € 2.3 million to € 8.9 million.

Net financial debt increased, due to the acquisition of Ensus, by € 53.8 million to € 136.7 million. Of the total, € 95.6 million is due in the long term and € 55.1 million in the short term. Set against this, there are cash and cash equivalents of € 14.0 million. The ratio of net financial debt to cash flow increased to 2.7 (0.8).

Economic value-added, capital structure and dividend

Economic value-added

The return on capital employed (ROCE, for short) is calculated as a dependent variable from the ratio of operating profit to capital employed. Capital employed comprises invested property, plant and equipment plus acquired goodwill and working capital as of the reporting date.

ROCE in 2013/14 declined to 6.2% (17.2%), mainly due to the reduction in operating profit. Capital employed increased as a result of CropEnergies' growth in capacity to € 554 (507) million in the context of the acquisition of the British company Ensus and the accompanying rise in fixed and current assets. Capital expenditures of € 18 (11) million were below depreciation of € 34 (32) million.

€ thousands	2013/14	2012/13	2011/12	2010/11	2009/10
Operating profit	**34,548**	**87,018**	**53,008**	**45,933**	**11,917**
Property, plant and equipment*	477,641	437,344	458,624	477,434	487,712
Goodwill	5,595	5,595	5,595	4,346	4,346
Working capital	71,256	64,173	60,287	52,249	37,154
Capital employed	**554,492**	**507,112**	**524,506**	**534,029**	**529,212**
Return on capital employed (ROCE)	6.2%	17.2%	10.1%	8.6%	2.3%

** Including intangible assets*

Capital structure

The capital structure is managed on a long-term basis, focusing on both dynamic and static indicators. The key parameters here are the debt ratio (ratio of net financial debt to cash flow), the debt to equity ratio (net financial debt as a percentage of equity) and the equity ratio (equity as a percentage of total assets).

€ thousands	2013/14	2012/13	2011/12	2010/11	2009/10
Debt factor					
Net financial debt	136,669	82,907	158,383	195,027	215,434
Cash flow	50,593	98,238	63,986	63,294	17,848
Debt-cash flow ratio	2.7	0.8	2.5	3.1	12.1
Debt equity ratio					
Net financial debt	136,669	82,907	158,383	195,027	215,434
Shareholders' equity	395,344	389,705	353,929	339,289	311,686
Net financial debt in percent of equity	34.6%	21.3%	44.8%	57.5%	69.1%
Equity ratio					
Shareholders' equity	395,344	389,705	353,929	339,289	311,686
Total assets	669,415	598,947	623,444	638,537	608,863
Equity ratio in percent	59.1%	65.1%	56.8%	53.1%	51.2%

The determining factor for the capital structure in the 2013/14 financial year was the expansion of production capacity due to the acquisition of Ensus. On the one hand, the contributions in kind that this acquisition involved increased the CropEnergies Group's equity. On the other hand, total assets increased due to the assets contributed. Net financial debt increased due to the growth in business volume and the repayment of trade payables.

- This increased the CropEnergies Group's debt factor to 2.7 (0.8).
- The debt-to-equity ratio, which relates net financial debt to equity, reached 35% (21%).
- The equity ratio declined only slightly to 59%.

CropEnergies AG has direct and flexible access, with a sub-credit line of € 100 million, to a € 600 million syndicated bank credit facility arranged by Südzucker AG. The syndicated bank credit facility matures in 2018, with two one-year extension options. The interest rate is based on the short-term interbank rate. The credit line was not drawn as of 28 February 2014.

CropEnergies therefore continues to have a solid capital structure.

Dividend

In its dividend policy, CropEnergies takes into account the sustainable operating profit performance, the cash flow, the risks as well as the further possibilities of growth and debt.

€ thousands	2013/14	2012/13	2011/12	2010/11	2009/10
Operating profit	34,548	87,018	53,008	45,933	11,917
Net earnings for the year	12,006	57,175	30,180	28,341	4,415
Cash flow	50,593	98,238	63,986	63,294	17,848
Earnings per share (€)	0.14	0.67	0.36	0.33	0.05
Dividend per share (€)	0.10*	0.20	0.18	0.15	0.05
Extra dividend per share (€)	0.00*	0.06	0.00	0.00	0.00
Total dividend per share (€)	**0.10***	**0.26**	**0.18**	**0.15**	**0.05**
Payout ratio	71.4%	38.8%	50.0%	45.5%	100.0%

** Proposed*

Proposed appropriation of profit

The CropEnergies Group's consolidated net earnings for the year (according to IFRS) declined, following the previous year's record result, to € 12.0 (57.2) million. After an allocation of € 20.4 (19.4) million to the revenue reserves, the unappropriated profit of CropEnergies AG derived according to German commercial law, which is the relevant net earnings figure for appropriation purposes, amounted to € 20.5 (22.2) million.

The executive board and supervisory board will propose to the annual general meeting on 15 July 2014 that from the unappropriated profit of CropEnergies AG of € 8.7 million, a corresponding dividend of € 0.10 per share be distributed, a further € 11.0 million be allocated to the revenue reserves and the remaining unappropriated profit of € 0.8 million be carried forward.

Actual and forecast business performance

The table below compares the actual performance in the 2013/14 financial year with the forecast for 2013/14 contained in the 2012/13 annual report and the 2013/14 interim financial reports. The date indicated in each case relates to the publication date of the report.

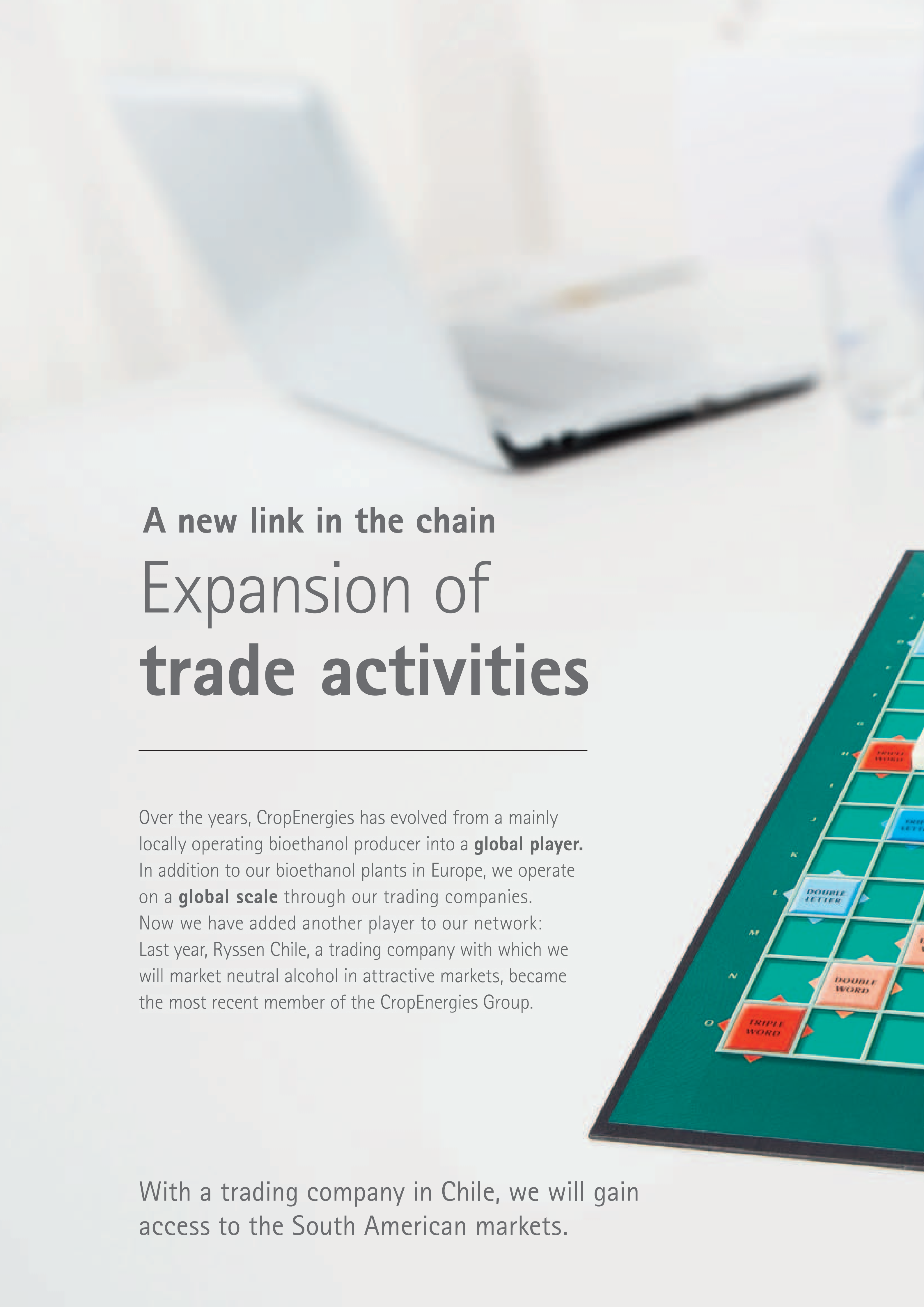
Outlook 2013/14		7 May 2013 Annual report 2012/13	9 July 2013 Interim Rport 1st quarterly report 2013/14	9 October 2013 Interim Rport 2nd quarterly report 2013/14*	9 January 2014 Interim Rport 3rd quarterly report 2013/14**	Actual 2013/14	Actual 2012/13
Revenues	€ million	To be close to the previous year	To be close to the previous year	Revenue growth of between 10 and 20%	Revenue growth of between 10 and 20%	781	689
Operating profit	€ million	50 to 60	50 to 60	40 to 50	33 to 43	35	87

** Ad hoc announcement to adjust outlook on 30 July 2013*
*** Ad hoc announcement to adjust outlook on 20 December 2013*

The first forecast for the 2013/14 financial year, which was published with the 2012/13 consolidated financial statements in the context of the press and analysts' conference on 7 May 2013, was confirmed by CropEnergies in the interim financial report for the 1st quarter of 2013/14.

Following the acquisition of Ensus, CropEnergies adjusted the forecast for the 2013/14 financial year through an ad-hoc announcement on 30 July 2013. As a result of an expansion in the production of bioethanol, food and animal feed products, revenues were expected to increase, while operating profit, initially diminished by the commissioning of Ensus, was expected to decline.

A further adjustment of the forecast for the 2013/14 financial year was made through an ad hoc announcement on 20 December 2013. Taking the price level for bioethanol into account, the forecast for operating profit was adjusted. In addition, the increase in revenues was confirmed.



A new link in the chain

Expansion of **trade activities**

Over the years, CropEnergies has evolved from a mainly locally operating bioethanol producer into a **global player.** In addition to our bioethanol plants in Europe, we operate on a **global scale** through our trading companies. Now we have added another player to our network: Last year, Ryssen Chile, a trading company with which we will market neutral alcohol in attractive markets, became the most recent member of the CropEnergies Group.

With a trading company in Chile, we will gain access to the South American markets.


GROWTH
NETWORK
TRADE
SOUTHAMERICA
ALCOHOL
CHILE
DOUBLE LETTER
TRIPLE LETTER
DOUBLE WORD
TRIPLE WORD
LETTER DISTRIBUTION
A-9 B-2 C-2 D-4
E-12 F-2 G-3 H-2
I-9 J-1 K-1 L-4
M-2 N-6 O-8 P-2
Q-1 R-6 S-4 T-6

REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

After the end of the financial year, no significant changes have arisen with regard to the economic environment or the situation in our industry. There are no other events of particular importance to be reported for the CropEnergies Group.

RISK REPORT

Risk management system

CropEnergies is one of the largest and most efficient producers of bioethanol in Europe. With the production, distribution and trading network that has been created, CropEnergies is excellently positioned to occupy a leading role in the European bioethanol market and to capitalise on international trading activities. Additionally, as a result of its complete utilisation of agricultural raw materials, CropEnergies has an attractive portfolio of high-grade food and animal feed products, which reduces its dependence on developments on the ethanol and raw material markets. Company operations, external influences and corporate actions to secure the survival, growth and success of an undertaking are subject to opportunities and risks. In order to identify opportunities and risks and actively manage them, CropEnergies has set up a group-wide risk management system.

CropEnergies' opportunities and risk management includes in-house regulations for recording, presenting and interpreting risk-related processes and the monthly meetings of the risk management committee. The processes are integrated into the Südzucker Group's risk management. All group companies are included in the consolidated group for risk management purposes.

Risk policy

For CropEnergies, the responsible handling of entrepreneurial opportunities and risks is an integral part of sustainable, value-oriented corporate management. Assessing risks and utilizing opportunities serve to safeguard the company and extend its competitiveness. To that end, CropEnergies uses an integrated system for the early detection and monitoring of business-specific risks. CropEnergies' risk culture is characterized by risk-conscious conduct, clearly defined responsibilities, independence during risk controlling and the implementation of internal controls.

Risk management
Risk management is an integral part of the overall planning, controlling and reporting processes and is defined by the executive board. It must ensure that existing risks are detected, analysed and assessed early and systematically and that risk-related information is properly forwarded to the relevant decision-makers. This improves the internal transparency of situations and processes that have an element of risk and encourages employees to behave in a risk-conscious manner. Risk management is supplemented by a monitoring system, which ensures that the measures taken are complied with.

One of the key risk management tasks is to limit risks associated with changing market prices. For example, there are market price risks associated, in particular, with sales and procurement processes, which we limit through the selective use of derivatives. The executive board has defined the acceptable instruments in guidelines, which also govern hedging strategies, responsibilities, processes and control mechanisms. The hedging instruments are mainly used to protect hedged items relating to operating activities and are entered into only with banks that have a high credit rating.

Adherence to applicable legislation, corporate guidelines and regulatory standards recognised by the company is an integral part of our corporate culture and, as such, the duty and obligation of each and every employee. CropEnergies has adopted a group-wide compliance guideline to ensure that all employees conduct themselves in accordance with the rules.

Opportunities that arise are also identified, pursued and managed at the same time as risks in CropEnergies' risk management system.

System for the early detection of risks
Pursuant to § 91 (2) AktG, the executive board bears group-wide responsibility for the early detection of risks jeopardising the existence of the company and for initiating suitable countermeasures. The executive board has set up a risk committee, whose other members, comprising managers from the procurement, sales, business development, finance, accounting and controlling divisions, support the executive board with its tasks. The risk committee usually convenes once a month and also on an ad hoc basis if and when the need arises. The subject of the consultations includes all risk categories. For the main risks relating to raw materials sourcing, sales, trading and financial market risks, standardised scenario projections are calculated on the basis of future market expectations and the effects on planned operating profit and the financial result, respectively, are determined. Risk is assessed on a monthly basis for the current and coming financial year. Any trading risks that exist are assessed on a daily basis. In addition to the regular reporting, ad hoc risks require internal group reporting to the executive board.

Risk communication
An effective risk management system requires open and prompt communication with the employees within the company and responsible action on the part of the employees. Partly through its direct involvement in the risk committee set up by the executive board, management ensures that this open and prompt communication takes place and requires that the employees deal with risks in a conscious and proactive manner. Operational and strategic risks are reported on a regular basis as part of the overall planning, controlling and reporting process.

Internal audit
The Südzucker Group's internal audit department examines and assesses the cost-effectiveness and regularity of the business processes at CropEnergies. It also monitors the effectiveness of the internal control systems and the risk management system.

Risks

Overview of corporate risks
The corporate risks material to CropEnergies are described below. Each of these risks is assessed from a group perspective according to possible occurrence and financial impact following countermeasures and under the current general conditions. A risk's probability of occurrence is assessed according to the criteria "unlikely", "possible" or "probable". The potential financial impact is assessed according to the qualitative criteria "immaterial", "moderate" or "material". The importance of the risks is based on a combination of the probability of occurrence and the possible financial impact. Currently, the major individual risks include the procurement and sales risks as well as the risks from changes in the legal and political framework. In comparison, the financial impact of the other presented risks are of secondary importance.

Regulatory risks

Regulatory developments can have a negative impact on the progress of business activities, with the same applying to the decoupling of the ethanol price from the development in the prices of raw materials due to the effects of external trade policy.

As discussed in detail in the section "Developments in the political environment" in the management report, CropEnergies' business activities are governed by various

Overview of corporate risks	Likelihood of materialisation	Possible financial effects
Regulatory risks		
Changes in the legal and political environment	probable	material
Operational risks		
Procurement risk	probable	material
Sales risk	probable	material
Risks in trading business	possible	moderate
Quality risks	unlikely	moderate
IT risks	unlikely	moderate
Personnel risks	unlikely	immaterial
Legal risks	possible	immaterial
Risks from irregularities	unlikely	immaterial
Credit risks	unlikely	immaterial
Other operational risks	unlikely	immaterial
Financial risks		
Liquidity risks	unlikely	material
Exchange rate risks	probable	moderate
Interest rate risks	possible	immaterial

regulatory and political framework conditions at both national and European levels. In addition, the framework conditions especially in the USA and Brazil, which are home to the world's largest bioethanol markets, can have an impact on international trade flows and thus indirectly affect the business activities of CropEnergies.

For example, an increase or reduction in national blending quotas and the restriction on, or promotion of, the usability of various raw materials may result in additional opportunities or risks. The European Commission's current draft directive to amend the "Renewable Energies Directive" and the "Fuel Quality Directive" provides, among other things, for a limit on the proportion of biofuels from grain, sugar and oilseed used to meet the 10% target. The use of biofuels from wastes and residues, on the other hand, is to receive stronger support. Actual, claimed or refuted effects of bioenergy production on the cultivation of agricultural goods in other regions of the world may likewise involve opportunities or risks. Changes in foreign trade relations with third countries, in statutory compensation systems for generated renewable energies existing in a number of EU countries as well as in tariff rates may also result in opportunities or risks.

CropEnergies counters the regulatory risks by being a member of various associations which represent the interests of the bioethanol industry at national and European level and are constantly in contact with political decision-makers.

Operational risks

Procurement risk
To produce bioethanol, the CropEnergies Group mainly requires agricultural raw materials containing carbohydrates such as grain and sugar syrups. Price fluctuations on the world markets for agricultural commodities and foreign exchange markets therefore have an impact on the cost of raw materials.

CropEnergies reduces the raw materials risk associated with producing bioethanol to some extent by revenues from the sale of food and animal feed products produced at the same time. Since changes in grain prices are usually accompanied by a change in the prices of high-grade food and animal feed products in the same direction, CropEnergies can partly offset price fluctuations in the raw materials purchased through revenues from the sale of these products ("natural hedge"). CropEnergies therefore bases its risk assessment on a balanced appraisal of the raw material costs and the proceeds from high-grade food and animal feed products ("steering according to net raw material costs"). In addition, CropEnergies can reduce the impact of a possible rise in grain prices on raw material costs through a far-sighted procurement policy and through the use of sugar syrups. In doing so, CropEnergies' objective is to secure the raw materials required for its delivery commitments in a timely manner.

In order to limit these risks, CropEnergies uses derivative hedging instruments to secure raw material prices. The use of these hedging instruments takes place within defined limits and rules, and is subject to an extensive control process. In addition, CropEnergies' business policy is to reduce the remaining risks from increases in raw material prices by concluding longer-term supply agreements and by using alternative raw materials. In addition, hedges in purchasing raw materials are regularly synchronised with the sale of food and animal feed products as well as bioethanol, with a decision being taken on the hedging ratio according to the market situation. Nonetheless, depending on the market price 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 cannot be passed on to bioethanol customers. Nonetheless, depending on the market price 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 cannot be passed on to bioethanol customers.

CropEnergies is also exposed to the risk of fluctuations in market price when it comes to purchasing energy. It counters this risk by entering into longer-term supply agreements for energy.

The EU links the promotion of fuels produced from biomass to compliance with certain sustainability criteria. Bioethanol from the plants in Zeitz, Wanze, Loon-Plage and Wilton fulfils these requirements. This presupposes that sustainably grown raw materials are also available.

As a manufacturing company, CropEnergies must comply with the regulations of the European emissions trading scheme and have the required emission rights. The free allocation of CO_2 certificates for the third trading period in the EU from 2013 to 2020 will not cover the CropEnergies Group's expected consumption, which might cause production costs to rise.

Sales risk
The CropEnergies Group is exposed to market price risks with regard to end products. CropEnergies controls these risks through the arrangement of sales contracts and their term as well as through derivative instruments. The use of these hedging instruments takes place within defined limits and rules, and is subject to an extensive control process.

Large customers account for the bulk of the CropEnergies Group's sales of bioethanol. Should such supply contracts not be fulfilled or follow-on orders prove to be much smaller, this could give rise to risks for the results of operations and assets and liabilities.

Risks in trading business
Insofar as CropEnergies conducts trading activities in bioethanol or corresponding commodity futures contracts, their risks are restricted by a limit system which sets limits on the scope of individual transactions as well as on the aggregate volume. There are further restrictions with regard to counterparty credit risks and changes in market value risks. The risks from trading activities are continuously monitored.

Quality risks
CropEnergies produces safe and high-quality products. In order to guarantee this process, CropEnergies has a quality assurance system which monitors product quality and environmental risks with the aid of modern process control technology. This includes all processes, from procurement of the raw materials to the production process through to the supply of customers, and defines responsibilities, activities and procedures.

IT risks
Like any other company, CropEnergies depends on smoothly functioning IT systems. For the operational and strategic management of the company, CropEnergies uses advanced information systems. Optimisation and maintenance of the IT systems is ensured by the fact that they are embedded within the IT systems of Südzucker AG.

Personnel risks
The CropEnergies Group is in competition with other companies for qualified personnel. As one of the leading companies in the future market for biofuels, CropEnergies offers an attractive working environment, stability and the employee fringe benefits provided by the Südzucker Group as well as career prospects in an international environment.

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

Risks from irregularities
In order to avoid risks from irregularities, the control and monitoring system is regularly upgraded both internally and externally.

Credit risks
Credit risks in respect of receivables are reduced at CropEnergies by constantly monitoring the creditworthiness, payment morale and credit lines of debtors, on the one hand, and using credit sale insurance and guarantees by way of cover, on the other. In trading activities, in particular, recourse can also be made to letters of credit or similar instruments. Credit

risks arising from financial investments and hedging transactions are minimised by concluding transactions exclusively with banks and partners of prime standing. Accordingly, the creditworthiness of banks undergoes continual monitoring.

Other operational risks
The risk of unplanned production stoppages is minimised by continuous maintenance measures and highly qualified staff. If required, CropEnergies examines whether an unplanned reduction in production at one plant can be offset by additional production at another plant.

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 under the shared service agreements.

Financial risks

Liquidity risks
The liquidity of the CropEnergies Group is monitored on a daily basis and optimised by means of national or transnational cash pools. 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. Thanks to binding credit lines, CropEnergies can draw on ample cash resources in the short term where necessary.

Exchange rate and interest rate risks
CropEnergies is exposed to a small extent to risks as a result of changes in exchange rates and interest rates. Exchange rate risks can arise both from operating activities and from foreign currency financing outside or within the group. As of 28 February 2014, CropEnergies had no loans from companies external to the group that were not denominated in euro.

Currency risks are hedged on a limited scale through derivative instruments. The use of these hedging instruments takes place within defined limits and rules, and is subject to an extensive control process. Risks as a result of changes in interest rates are reduced through a mix of fixed and variable rate loans.

Detailed information on currency, interest rate and price risks as well as liquidity and credit risks can be found in the notes to the consolidated financial statements in item (28) Risk management within the CropEnergies Group.

Overall risk

The main risks for the future development of the CropEnergies Group include, in particular, procurement and sales risks as well as risks from changes in the legal and political framework. In this respect, the group's overall risk position has increased year over year owing to the expansion in capacities through investments and the acquisition of Ensus. There are no risks posing a threat to the company's continued existence and there are none discernible at the present time.

Opportunities

The order of the opportunities described below corresponds to their importance for CropEnergies.

Further development of the company and its profitability are largely influenced by the development of selling prices for bioethanol, food and animal feed products and the costs of the raw materials used.

Opportunities are presented by lower grain prices and/or by higher prices for bioethanol or for food and animal feed products that are produced at the same time. 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 expansion of the European bioethanol market. Framework conditions have been created that promote the increased use of bioethanol in the fuel sector. Opportunities can arise from the resulting market growth. If the introduction of E10 gathers momentum across Europe, the sales volume for bioethanol may increase significantly. This would give rise to further opportunities for growth for CropEnergies.

Further opportunities are presented by the acquisition of Ensus, which will give CropEnergies direct access to the British bioethanol market. This bioethanol market is the third largest in the EU after Germany and France. With the successful development of its production capacities in Germany, Belgium, France and the UK, as well as the internationalisation of its trading and logistics network, CropEnergies has created the basis to capitalise on future market growth as one of the most efficient producers of bioethanol in Europe.

The imminent establishment of the production plant for neutral alcohol in Zeitz offers CropEnergies an opportunity to develop high-margin applications for bioethanol.

Further opportunities for CropEnergies might arise from consolidation of the supplier structure on the European bioethanol market, as CropEnergies enjoys advantages over competitors due to its size, locations and technological leadership.

Overall opportunities

The group's overall position with regard to opportunities has increased year over year owing to the expansion in capacities through investments and the acquisition of Ensus. Against this background, CropEnergies continues to have good possibilities of growth.

Accounting-related internal control and risk management system

Main features

The accounting-related internal control system in the CropEnergies Group comprises policies, processes and measures to ensure the effectiveness, cost efficiency and regularity of the financial reporting and compliance with the relevant legal provisions. The internal control system of the CropEnergies Group consists of a control system and a monitoring system.

IFRS reporting guideline

The accounting and valuation principles of the CropEnergies Group, together with the rules on financial reporting according to the International Financial Reporting Standards (IFRS), define the standard accounting and valuation policies applied by the national and international subsidiaries included in the consolidated financial statements of CropEnergies. Only the IFRS adopted by the European Commission for application within the EU at the time the financial statements are prepared and whose application is mandatory during the financial year concerned are applied.

Internal control system in relation to the accounting process

Through the established organisational, control and monitoring structures, the internal control system enables the complete recording, preparation and appraisal of company-related matters including their presentation in the group financial reporting.

Process-integrated and process-independent controls form the two constituents of the internal monitoring system of the CropEnergies Group. Besides the "dual verification principle", machine IT process controls and automated validation and plausibility checks are an integral part of the process-dependent controls.

At the group level, the specific control activities to ensure the regularity and reliability of the group financial reporting include the analysis and, where necessary, adjustment of the separate financial statements presented by the group companies while taking into account the reports prepared by the independent auditors and the annual accounts discussions held for this purpose. By performing the impairment tests for goodwill centrally, application of uniform and standardised valuation criteria is assured. In addition, there are comprehensive group guidelines on the accounting and valuation rules. Furthermore, the processing and aggregation of data for the preparation of the management report and the notes to the financial statements is also performed at the group level.

The measures of the internal control system designed to ensure the regularity and reliability of the group financial reporting assure that transactions are recorded in their entirety and promptly in compliance with the requirements of the law and the articles of association. In addition, it is ensured that inventories are properly carried out and assets as well as liabilities are correctly recognised, measured and reported in the consolidated financial statements.

The separation of functions and responsibilities for administration, execution, settlement and authorisation is designed to prevent criminal acts. The internal control system also guarantees the replication of changes in the economic and legal environment of the CropEnergies Group as well as the application of new or amended statutory regulations on the group financial reporting.

Internal audit
The supervisory board has delegated supervision of the effectiveness of the internal control and risk management system to the audit committee. As a process-independent audit body, the Internal Auditing department of the Südzucker Group is integrated in the internal monitoring system of the CropEnergies Group. It guarantees, in the course of its monitoring activities, the functionality and effectiveness of the system by carrying out regular system audits.

External audit
The independent auditor examines the system for the early identification of risks, integrated into the risk management system, in terms of its fundamental suitability for identifying, at an early stage, risks that endanger the future of the company as a going concern. Furthermore, the auditor reports to the supervisory board about significant weaknesses detected in the internal control and risk management system.

OUTLOOK

Macroeconomic climate and industry–specific environment

According to the European Commission's winter forecast, the economic recovery will continue in most member states and in the EU as a whole. Economic activity is set to increase following real growth in the EU's gross domestic product from 1.5% in 2014 to 2.0% in 2015. The forecasts are based on the assumption that the implementation of agreed policy measures at EU and member state level will contribute to boosting confidence and improving the financial environment.

Bioethanol markets

In the EU, fuel ethanol consumption is expected to grow slightly by 1.3% to 5.6 (5.5) million m^3 in 2014. This increase is based on a moderate rise in consumption in France, the UK, Poland, Sweden and Spain, among others. In Germany, consumption of bioethanol at the prior-year level of 1.5 million m^3 is expected. A significant expansion in the use of bioethanol in the fuel sector would require the introduction of E10 across Europe, which many member states are, however, currently not yet actively promoting owing to discussions about the future form of the political framework. Only in Belgium and Poland are concrete efforts being made to introduce E10 to the market in 2014.

The demand for fuel ethanol in Europe is increasingly expected to be covered by local production. Currently, European production is expected to increase by 8.0% to 4.9 million m^3. A contributory factor here is that the EU has lost some of its attractiveness as an export destination owing to its currently low price level. A significant change to demand and supply is not expected for the bioethanol markets outside the fuel sector.

Bioethanol prices in Europe are expected to continue to recover until mid-2014. This assessment is based on the fact that European bioethanol prices have fallen much more sharply than in other regions in the past few months and are at a low level by international standards. Furthermore, bioethanol is currently cheaper than petrol. Overall, European bioethanol prices are again expected to be increasingly based on raw material costs in Europe.

Grain markets

After favourable weather conditions were observable throughout the world in the 2013/14 grain year, the International Grain Council expects yields to normalise in the coming grain year. At 1,949 million tonnes, grain production is expected to remain at a high level. Despite a continuing brisk worldwide demand for grain of 1,935 million tonnes, a renewed build-up of stocks is expected. In view of a mostly consistent grain balance, a significant decline in grain prices is not to be expected. If, however, the positive harvest prospects are confirmed over the further course of the year, a moderate decline in grain prices seems possible. The significant build-up of stocks in the 2013/14 grain year, in particular, will also contribute to this.

Political framework

In addition to developments on the sales and raw material markets, the political framework is also important to CropEnergies. At EU level, deliberations about the amendment of the "Renewable Energies Directive" and the "Fuel Quality Directive" are being continued. Some of the matters being discussed are a restriction of conven-tional fuels from grain, sugar plants and oilseeds, stronger support for biofuels from wastes and residues and the introduction of iLUC factors. Owing to the differences of opinion that continue to exist in the European Council and to the new election of the European Parliament in May 2014, it will not be possible to continue the legislative process before the 2nd half year. In view of the wait-and-see attitude of the member states, no significant increase in blending obligations for bioethanol is expected in 2014.

In Germany, biofuel quotas from 2015 onwards are no longer to be measured on the basis of calorific value but on the basis of greenhouse gas reduction targets. The greenhouse gas reductions in the fuel sector are to be raised from 3 wt.-% in 2015 to 7 wt.-% in 2020. This new regulation will increase sales opportunities for those biofuels, in particular, that have high greenhouse gas savings potential. In Belgium, new conditions of support, which, among other things, are designed to favour the use of particularly sustainable biofuels, are currently being defined. The new support system is to take effect in October 2014.

Group performance

The 2014/15 financial year will be a difficult year for the European biofuel industry as biofuel prices in Europe have been declining since the autumn of 2013, not least due to US imports via Norway that avoid duties. In the meantime, the prices have come further under pressure. Another factor contributing to the current market situation is the fact that the EU does not consistently pursue its goal of reducing the use of fossil fuels in the transport sector. The continuing discussion in Brussels is putting the brakes on market growth as many of the member states hesitate to increase the share of biofuels as planned and introduce E10 onto the market, for instance. They are therefore squandering potential for a quick and cost-efficient reduction in greenhouse gas emissions, which could be achieved by a larger proportion of biofuels.

The bioethanol prices in Europe are currently lower than those in the large bioethanol nations Brazil and the USA. In Europe, bioethanol is also cheaper than petrol. As the grain prices have developed sideways since the bioethanol prices started to decline, the earnings situation of European bioethanol producers has deteriorated significantly. As a result, CropEnergies expects industry consolidation to continue. As a leading producer, CropEnergies is well-equipped for this difficult phase.

For the 2014/15 financial year, CropEnergies expects higher volumes of bioethanol, both as a food and animal feed product, to be produced and sold. The acquisition of Ensus and further optimisations in the production facilities are decisive factors here. Corresponding significant growth in revenues of between € 850 and € 900 million (€ 781 million) is expected. The high volatility of bioethanol and raw material prices complicates the forecast of the earnings situation. Based on the installed production capacity, a change in the bioethanol prices of € 10 per cubic metre has a corresponding operating profit effect of around € 10 million. In view of the large extent to which fluctuations can occur, CropEnergies expects EBITDA to be between € 10 and € 60 million. After depreciation, the operating profit for the 2014/15 financial year comes to between minus € 30 and plus € 20 million.

Step by step

Improvement of the **production plants**

We at CropEnergies are proud of the competitive technological **edge** that our plants possess. Keeping this lead is part of our **strategy.** It is important for us that the raw materials used are utilized as efficiently, completely and appropriately as possible. In addition to bioethanol, we produce valuable food and animal feed products. We continuously improve our production process as well as our products, **step by step.** In Wanze, for example, a plant for processing gluten has just been commissioned, increasing the added value of the site.

By optimizing bioethanol production as well as the production of food and animal feed products, we increase the value creation of our production sites.

CONSOLIDATED FINANCIAL STATEMENTS

Statement of comprehensive income*

1 March 2013 to 28 February 2014

€ thousands	Note	2013/14	2012/13
Income statement			
Revenues	(6)	**780,781**	**688,723**
Change in work in progress and finished goods inventories and internal costs capitalised	(7)	4,460	6,638
Other operating income	(8)	5,405	6,595
Cost of materials	(9)	-639,003	-508,736
Personnel expenses	(10)	-30,159	-26,268
Depreciation		-34,317	-31,971
Other operating expenses	(11)	-58,984	-47,977
Income from operations	(12)	**28,183**	**87,004**
Financial income	(13)	1,248	175
Financial expenses	(13)	-6,128	-5,274
Earnings before income taxes		**23,303**	**81,905**
Taxes on income	(14)	-11,297	-24,730
Net earnings for the year		**12,006**	**57,175**
Earnings per share, diluted/undiluted (€)	**(30)**	**0.14**	**0.67**
Table of other comprehensive income			
Net earnings for the year		**12,006**	**57,175**
Mark-to-market gains and losses**		-91	-4,437
Foreign currency differences from consolidation		1,928	33
Income and expenses to be reclassified in future in the profit and loss account		**1,837**	**-4,404**
Remeasurement of defined benefit plans and similar obligations**		215	-1,635
Income and expenses not to be reclassified in future in the profit and loss account		**215**	**-1,635**
Income and expenses recognised in shareholders' equity		**2,052**	**-6,039**
Total comprehensive income		**14,058**	**51,136**

** The prior-year figures have been restated in accordance with IAS 8*
*** After deferred taxes*

Cash flow statement*

1 March 2013 to 28 February 2014

€ thousands	Note	2013/14	2012/13
Net earnings for the year		12,006	57,175
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	(16), (17)	34,317	31,971
Change in non-current provisions and deferred tax liabilities		4,579	9,092
Other income not affecting cash		-309	0
Gross cash flow		50,593	98,238
Loss on disposal of non-current assets		200	356
Increase (+) / Decrease (-) in current provisions		885	-3,707
Increase in inventories, receivables and other current assets		-18,419	-4,100
Decrease (-) / Increase (+) in liabilities (excluding financial liabilities)		-46,852	11,004
Change in working capital		-64,386	3,197
I. Net cash flow from operating activities		**-13,593**	**101,791**
Investments in property, plant and equipment and intangible assets	(16), (17)	-18,426	-11,104
Investments in acquisitions		-309	0
Cash received on disposal of non-current assets		177	57
II. Cash flow from investing activities		**-18,558**	**-11,047**
Dividends paid		-22,100	-15,300
Receipt of financial liabilities		88,822	0
Repayment of financial liabilities		-29,076	-69,163
III. Cash flow from financial activities		**37,646**	**-84,463**
IV. Change in cash and cash equivalents (total of I., II. and III.)		**5,495**	**6,281**
Change in cash and cash equivalents due to exchange rate changes		25	32
to changes in entities included in consolidation		464	0
Increase in cash and cash equivalents		**5,984**	**6,313**
Cash and cash equivalents at the beginning of the year		8,044	1,731
Cash and cash equivalents at the end of the year		**14,028**	**8,044**

€ thousands	Note	2013/14	2012/13
Interest expense	(31)	4,584	4,399
Tax payments	(31)	11,061	12,736

** The prior-year figures have been restated in accordance with IAS 8*
Additional comments on the cash flow statement can be found under item (31) of the notes.

Balance sheet*

28 February 2014

ASSETS

€ thousands	Note	28/02/2014	28/02/2013	01/03/2012
Intangible assets	(16)	10,922	10,217	10,487
Property, plant and equipment	(17)	472,314	432,722	453,732
Receivables and other assets		45	35	34
Deferred tax assets	(14)	22,715	16,852	23,926
Non-current assets		**505,996**	**459,826**	**488,179**
Inventories	(18)	72,916	59,576	50,487
Trade receivables and other assets	(19)	75,103	70,956	83,003
Current tax receivables		1,372	545	44
Cash and cash equivalents	(24), (25)	14,028	8,044	1,731
Current assets		**163,419**	**139,121**	**135,265**
Total assets		**669,415**	**598,947**	**623,444**

LIABILITIES AND SHAREHOLDERS' EQUITY

€ thousands	Note	28/02/2014	28/02/2013	01/03/2012
Subscribed capital		87,250	85,000	85,000
Capital reserves		222,764	211,333	211,333
Revenue reserves and other equity accounts		85,330	93,372	57,536
Shareholders' equity	(20)	**395,344**	**389,705**	**353,869**
Provisions for pensions and similar obligations	(21)	10,789	9,816	7,096
Other provisions	(22)	2,128	1,892	1,645
Non-current financial liabilities	(24), (25)	95,647	65,653	118,343
Other liabilities		724	0	0
Deferred tax liabilities	(14)	23,315	22,418	23,858
Non-current tax liabilities		6	6	0
Non-current liabilities		**132,609**	**99,785**	**150,942**
Other provisions	(22)	5,177	4,292	7,999
Current financial liabilities	(24), (25)	55,050	25,298	41,771
Trade payables and other liabilities	(23)	72,328	68,634	61,644
Current tax liabilities		8,907	11,233	7,219
Current liabilities		**141,462**	**109,457**	**118,633**
Total liabilities and shareholders' equity		**669,415**	**598,947**	**623,444**

** The prior-year figures have been restated in accordance with IAS 8*

Development of shareholders' equity*

1 March 2013 to 28 February 2014

€ thousands	Subscribed capital	Capital reserves	Revenue reserves and other equity accounts: Revenue reserves	Cash flow hedges	Cumulative foreign currency differences	Total	Total consolidated shareholders' equity
1 March 2012 (published)	85,000	211,333	55,209	2,370	17	57,596	353,929
Adjustment pursuant to IAS 8	0	0	-60	0	0	-60	-60
1 March 2012 (adjusted)	85,000	211,333	55,149	2,370	17	57,536	353,869
Net earnings for the year			57,175			57,175	57,175
Mark-to-market gains and losses on cash flow hedging instruments**				-4,437			
Foreign currency differences from consolidation					33		
Remeasurement of defined benefit plans and similar obligations**			-1,635				
Income and expenses recognised in shareholders' equity			-1,635	-4,437	33	-6,039	-6,039
Total comprehensive income			55,540	-4,437	33	51,136	51,136
Dividends paid			-15,300			-15,300	-15,300
28 February 2013	85,000	211,333	95,389	-2,067	50	93,372	389,705
1 March 2013 (published)	85,000	211,333	95,449	-2,067	50	93,432	389,765
Adjustment pursuant to IAS 8	0	0	-60	0	0	-60	-60
1 March 2013 (adjusted)	85,000	211,333	95,389	-2,067	50	93,372	389,705
Net earnings for the year			12,006			12,006	12,006
Mark-to-market gains and losses on cash flow hedging instruments**				-91			
Foreign currency differences from consolidation					1,928		
Remeasurement of defined benefit plans and similar obligations**			215				
Income and expenses recognised in shareholders' equity			215	-91	1,928	2,052	2,052
Total comprehensive income			12,221	-91	1,928	14,058	14,058
Dividends paid			-22,100			-22,100	-22,100
Capital increase	2,250	11,431					13,681
28 February 2014	87,250	222,764	85,510	-2,158	1,978	85,330	395,344

** The prior-year figures have been restated in accordance with IAS 8*
*** After deferred taxes*
The changes in shareholders' equity are explained under item (20) of the notes.

Notes to the consolidated financial statements

General notes

(1) Principles of preparation of the consolidated financial statements

CropEnergies AG has its headquartered office and domicile at Gottlieb-Daimler-Straße 12 in 68165 Mannheim, Germany; the company is registered in the commercial register at the district court of Mannheim under the number HRB 700509. Pursuant to § 2 of its articles of association of 19 July 2013, the object of the company is to acquire, hold and administer ownership interests in and establish other undertakings which are engaged, directly or indirectly, in the manufacture and distribution of bioethanol (agricultural alcohol), other biofuels and similar products which are produced from grain or other agricultural raw materials including the manufacture and distribution of by-products. CropEnergies AG is majority-owned by Südzucker Aktiengesellschaft Mannheim/Ochsenfurt.

The consolidated financial statements relate to CropEnergies AG and its subsidiaries. CropEnergies has prepared the consolidated financial statements 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 the IFRSs issued by the IASB valid at the time the present consolidated financial statements were prepared and applied by CropEnergies AG have been adopted by the European Commission for application within the EU.

The consolidated financial statements as of 28 February 2014 were released by the executive board on 22 April 2014 and assigned an unqualified opinion by the independent auditor PricewaterhouseCoopers Aktiengesellschaft, Frankfurt am Main. The statements will be reviewed by the audit committee on 5 May 2014 and reviewed and approved by the supervisory board at its meeting on 12 May 2014. The publication date is 13 May 2014.

CropEnergies prepares and publishes the consolidated financial statements in euro; unless stated otherwise, all amounts are in thousand euros (€ thousand). The prior-year figures are stated in brackets. Percentages and figures may give rise to rounding differences.

In addition to the statement of comprehensive income, which comprises the income statement and a statement of income and expenses recognised in shareholders' equity, the financial statements include the cash flow statement, the balance sheet and the statement of changes in shareholders' equity. 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 statement of comprehensive income have been grouped together in summarised form. These items are reported separately and explained in the notes. The income statement, which forms part of the statement of comprehensive income, is prepared on the basis of the nature of expense method.

The consolidated financial statements are generally drawn up on the basis of historical acquisition and production costs unless stated otherwise in item (5) Accounting principles.

IFRSs and IFRICs adopted for the first time: The amendments to IFRS 7 (Financial Instruments: Disclosures) relating to the extended disclosures regarding offsetting procedures had no impact on CropEnergies' consolidated financial statements. With IFRS 13 (Fair Value Measurement), which is applicable for the first time, standard regulations with regard to the determination of the fair value were introduced. The new standard resulted in additional disclosures on financial instruments, in particular with regard to interim financial reporting. There was no significant impact on the recognition and measurement of the fair value. The revised IAS 12 (Income Taxes) and IFRIC 20 (Stripping Costs in the Production Phase of a Surface Mine), which is applicable for the first time, as well as the amendments to standards in the course of the Annual Improvements Project 2009 – 2011 have had no impact on the consolidated financial statements. The impact of the first-time adoption of IAS 19 revised 2011 (Employee Benefits) will be presented in this chapter. The revised IAS 1 (Presentation of Financial Statements) was applied early at the start of the 2012/13 financial year.

IFRSs and IFRICs to be adopted in future: The summary below lists the standards and interpretations which are applicable as from the 2014/15 financial year or later and those that have been published by the IASB, but not yet recognised by the EU. Where the standards have not yet been recognised by the EU, the anticipated adoption period is indicated. CropEnergies has not opted for early adoption of any of the new or revised standards mentioned.

Standard / Interpretation		Passed by IASB	Mandatory application for CropEnergies as of financial year	Adopted by the EU	Content and, if relevant, expected impact on CropEnergies
IAS 19	Employee Benefits	21/11/2013	2015/16	no	The amendments relate to the recognition of contributions from employees or third parties to defined-benefit pension plans, the level of which does not depend on the number of years of service. Such contributions may be recognised as a reduction in current service cost in the period in which the corresponding service is rendered. The amendments are not expected to have any material impact on the presentation of assets, liabilities, financial position and profit or loss.
IAS 28	Investments in Associates and Joint Ventures (new version)	12/05/2011	2014/15	11/12/2012	The scope of IAS 28 is extended to interests in joint ventures (cf. explanations regarding IFRS 11).
IAS 32	Financial Instruments: Presentation (amendment)	16/12/2011	2014/15	13/12/2012	The amendment relates to clarifications regarding the offsetting of financial assets and financial liabilities. CropEnergies does not expect this amendment to have any material impact.
IAS 36	Impairment of Assets	29/05/2013	2014/15	19/12/2013	The amendment makes it clear that the recoverable amount of an asset or a cash-generating unit for which an impairment has been recognised or an impairment loss reversed in the current period, must be disclosed. Furthermore, additional disclosures must be made if the recoverable amount has been determined on the basis of the fair value less costs of disposal. These relate, among other things, to the measurement level and, in the case of level 2 and 3 in respect of the measurement method, to material assumptions and, in the context of determination of present value, disclosures on the discount rate. There is expected to be an increase in disclosure requirements.
IAS 39	Financial Instruments: Recognition and Measurement (amendment)	27/06/2013	2014/15	19/12/2013	The amendment "Novation of Derivatives and Continuation of Hedge Accounting" makes it clear that a derivative continues to be designated as a hedging instrument in an existing hedging relationship even if it is novated. This amendment is not expected to have any material impact.
IFRS 9	Financial Instruments	16/12/2011	open	no	The new standard, IFRS 9, governs the classification and measurement of financial assets and liabilities. In addition, a revision of the adopted standard has already been embarked upon. The categories and the related measurement criteria are re-defined. The present classification and measurement model provided for in IAS 39 is to be discontinued. The new regulations on hedge accounting were published in November 2013. They contain the future rules for accounting for hedges. The main changes in relation to the current rules in IAS 39 relate, among other things, to the elimination of applicable thresholds for effective hedging relationships, as part of the retrospective effectiveness test, in favour of evidence of the economic relationship between the hedged item and the hedging instrument. A new date of initial application will not be defined until the standard is complete. Only after completion is endorsement by the European Union envisaged. The impact on recognition and measurement is being evaluated. There is expected to be an increase in disclosure requirements.
IFRS 10	Consolidated Financial Statements	12/05/2011	2014/15	11/12/2012	IFRS 10 replaces the principles on control and consolidation contained in IAS 27 (Consolidated and Separate Financial Statements) and SIC 12 (Consolidation – Special Purpose Entities). IFRS 10 amends the definition of control so that the same criteria are applied to all entities to determine a controlling relationship. For a controlling relationship to exist, the amended definition of control requires power over the investee and variable returns. In November 2012, IASB amended the standard in relation to investment entities; these amendments were adopted by the European Union in November 2013. CropEnergies does not expect this amendment to have any impact on the consolidated financial statements.

Standard / Interpretation		Passed by IASB	Mandatory application for CropEnergies as of financial year	Adopted by the EU	Content and, if relevant, expected impact on CropEnergies
IFRS 11	Joint Arrangements	12/05/2011	2014/15	11/12/2012	The new rules define two types of joint arrangement – joint operations and joint ventures. The previous option of proportionate consolidation of jointly controlled entities has been eliminated. The equity method of consolidation is mandatory for the partners of a joint venture. The rules for entities involved in joint operations are comparable with the currently applicable accounting rules for joint assets or joint operations. CropEnergies currently includes one entity proportionately in the consolidated financial statements. The switch to the equity method of consolidation will have particular effects on presentation in revenues, in income from operations and in the balance sheet, but these effects are not to be regarded as material.
IFRS 12	Disclosures of Interests in Other Entities	12/05/2011	2014/15	11/12/2012	IFRS 12 sets out the disclosure requirements for entities reporting in accordance with the standards IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IAS 28 (Investments in Associates and Joint Ventures). This will increase the extent of disclosures. In November 2012, IASB amended the standard in relation to investment entities; these amendments were adopted by the European Union in November 2013. The application of the standard will increase the disclosures.
IFRS 14	Regulatory Deferral Accounts	30/01/2014	2016/17	no	IFRS 14 lays down that companies that are first-time adopters of IFRS and that recognise regulatory deferral accounts in accordance with their current accounting standards may continue to do so even after the transition to IFRS. The standard is not relevant to CropEnergies.
Miscellaneous	Annual Improvements Project 2010 – 2012	12/12/2013	2015/16	no	The improvements mainly relate to IFRS 2 – Definition of Vesting Conditions, IFRS 3 – Accounting for Contingent Consideration in a Business Combination, IFRS 8 – Aggregation of Operating Segments, IFRS 13 – Short-Term Receivables and Payables, IAS 16 and IAS 38 – Proportionate Restatement of Accumulated Depreciation in the Remeasurement Method and IAS 24 – Key Management Personnel. The impact on the presentation of assets, liabilities, financial position and profit or loss is currently still being examined.
Miscellaneous	Annual Improvements Project 2011 – 2013	12/12/2013	2015/16	no	The improvements mainly relate to IFRS 1 – Meaning of Effective IFRSs, IFRS 3 – Scope of Exception for Joint Ventures, IFRS 13 – Scope of IFRS 13 and IAS 40 – Clarifying the Interrelationship between IFRS 3 and IAS 40 When Classifying Property as Investment or Owner-Occupied Property. The impact on the presentation of assets, liabilities, financial position and profit or loss is currently still being examined.
IFRIC 21	Levies	20/05/2013	2014/15	no	IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government. However, this does not cover income taxes within the meaning of IAS 12, penalty payments and other penalties. The application to liabilities from emissions trading systems is optional. The obligating event for the recognition of a liability is an activity that triggers payment in accordance with the relevant legislation. The liability must be recognised progressively if the obligating event occurs over a period of time or, if the obligation is triggered on reaching a threshold, when this threshold is exceeded. The rules on recognition also apply to interim financial statements. The amendments are not expected to have any material impact on the presentation of assets, liabilities, financial position and profit or loss.

Future effects of IFRS 11

The first-time adoption of IFRS 11 (Joint Arrangements) at the beginning of the 2014/15 financial year will result in effects on the balance sheet and the statement of comprehensive income, as the joint venture CT Biocarbonic GmbH, which has been consolidated proportionately hitherto, will be included at equity from then on. The decline in assets and liabilities will result in a decline in net financial debt. In the statement of comprehensive income, not only will there be a decline in revenues, but also all income statement items in the area of income from operating activities and financial result through to taxes on income will be affected by the restatement; net earnings and earnings per share will remain unchanged. CT Biocarbonic GmbH's contribution to earnings will be included only in earnings from companies included at equity. The effects are not to be regarded as material.

Adjustment in accordance with IAS 8

The adoption of IAS 19 (Employee Benefits – revised 2011) was mandatory for the first time in the 2013/14 financial year; the standard was applied retrospectively. The main amendment to IAS 19 consisted in the exclusive direct recognition of the remeasurement of defined-benefit pension commitments and similar obligations in other equity accounts; the switch to the direct recognition of the remeasurement in equity was carried out as early as in the 2011/12 financial year as part of the then applicable IAS 19 (1998). The amendments to IAS 19 (revised 2011) in 2013/14 were limited to the correction of past service cost, which raised the provision for pensions and similar obligations, as well as the calculation of the expected returns on the basis of the discount rate for determining the present value, providing this had not already taken place in the previous year. Set against this, the revised IAS 19 led to a decrease in the provisions for phased early retirement schemes, as remuneration components may, in part, be recognised as expenses only in subsequent periods. In addition, the revised IAS 19 led to an increase in disclosure requirements such as a sensitivity analysis for significant assessment parameters, risks, duration, etc. The adjustments were made retrospectively from the beginning of the 2012/13 financial year. The first-time adoption of IAS 19 (revised 2011) did not result in material effects for the 2013/14 financial year.

In the opening balance on 1 March 2012, the adjustments led to an increase in the provisions for pensions and similar obligations of € 94 thousand and a decrease in long-term other provisions, which include provisions for phased early retirement schemes, of € 3 thousand. Furthermore, the deferred tax liabilities had to be reduced by € 31 thousand. This resulted in a reduction of personnel expenses for 2012/13 of € 32 thousand and an increase of € 17 thousand in net earnings. The remeasurement of defined-benefit pension commitments and similar obligations recognized directly in equity in the 2012/13 financial year resulted in an increase of € 17 thousand after deferred taxes. All the effects mentioned, as they are non-cash items, cancel each other out within the cash flow subtotal in the cash flow statement.

€ thousands	Amount restated 1 March 2012	Adjustment	Amount reported 29 February 2012
Revenue reserves and other equity accounts	57,536	-60	57,596
Shareholders' equity	**353,869**	**-60**	**353,929**
Provisions for pensions and similar obligations	7,096	94	7,002
Other provisions	1,645	-3	1,648
Deferred tax liabilities	23,858	-31	23,889
Non-current liabilities	**150,942**	60	**150,882**
Total liabilities and shareholders' equity	**623,444**	0	**623,444**

€ thousands	Amount restated 28 February 2013	Adjustment	Amount reported 28 February 2013
Deferred tax assets	16,852	14	16,838
Non-current assets	**459,826**	**14**	**459,812**
Total assets	**598,947**	**14**	**598,933**
Revenue reserves and other equity accounts	93,372	-60	93,432
Shareholders' equity	**389,705**	**-60**	**389,765**
Provisions for pensions and similar obligations	9,816	135	9,681
Other provisions and tax liabilities	1,898	-41	1,939
Deferred tax liabilities	22,418	-20	22,438
Non-current liabilities	**99,785**	**74**	**99,711**
Total liabilities and shareholders' equity	**598,947**	**14**	**598,933**

€ thousands	Amount restated 2012/13	Adjustment	Amount reported 2012/13
Income statement			
Personnel expenses	-26,268	32	-26,300
Income from operations	**87,004**	**32**	**86,972**
Financial expenses	-5,274	-8	-5,266
Earnings before income taxes	**81,905**	**24**	**81,881**
Taxes on income	-24,730	-7	-24,723
Net earnings for the year	**57,175**	**17**	**57,158**
Earnings per share, diluted/undiluted (€)	**0.67**	**0**	**0.67**
Table of other comprehensive income			
Net earnings for the year	**57,175**	**17**	**57,158**
Remeasurement of defined benefit plans and similar obligations*	-1,635	-17	-1,618
Income and expenses recognised in shareholders' equity	**-6,039**	**-17**	**-6,022**
Total comprehensive income	**51,136**	**0**	**51,136**

** After deferred taxes*

(2) 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 Bioethanol GmbH, Zeitz*
- CropEnergies Beteiligungs GmbH, Mannheim*
- BioWanze SA, Brussels (Belgium)
- Ryssen Alcools SAS, Loon-Plage (France)
- Compagnie Financière de l'Artois SA, Paris (France)
- Ensus Ltd, Yarm (United Kingdom)
- Ensus UK Ltd, Yarm (United Kingdom)
- Ryssen Chile SpA, Lampa, Santiago de Chile (Chile)
- CropEnergies Inc., Houston (USA)

For a detailed presentation of the equity interests, please refer to the list of subsidiaries and equity interests on page 130.

The joint venture

- CT Biocarbonic GmbH, Zeitz,

in which CropEnergies has a 50% holding 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 as follows:

€ thousands	28/02/2014	28/02/2013
Non-current assets	5,122	5,265
Inventories	*33*	*34*
Receivables and other assets	*162*	*194*
Cash and cash equivalents	*158*	*3*
Current assets	353	231
Total assets	**5,475**	**5,496**
Non-current liabilities	1,837	2,196
Current liabilities	1,276	807
Total liabilities	**3,113**	**3,003**
Income	878	1,249
Expenses	1,465	1,769

** Exemption from the duty to disclose pursuant to § 264 (3) HGB*

A joint and several liability of € 2.2 (2.5) million has been assumed for a loan extended to CT Biocarbonic GmbH. At the present time, recourse to this liability is not expected.

With effect from 19 July 2013 (closing), CropEnergies AG acquired Ensus, the British bioethanol producer, to expand the production capacity and strengthen the position on the British ethanol and animal feed markets, among other things. It acquired 100% of the shares in the holding company Ensus Limited. This company, in turn, holds 100% of the shares in the production company Ensus UK Limited. Both companies will be included in the consolidated financial statements on a fully consolidated basis as of closing; no minority interests exist.

Ensus operates one of Europe's largest bioethanol plants in the north-east of England, with an annual capacity of 400,000 m^3 of bioethanol and 350,000 tonnes of dried protein animal feed products (DDGS). At today's price levels and given full capacity utilisation, that corresponds to a contribution to revenues of around € 300 million. The contribution to earnings provided by this acquisition significantly depends on implementation of the measures for increasing efficiency. The company has more than 100 employees. For further details, please refer to the statements in the group management report.

Ensus was acquired under authorised capital by means of a non-cash contribution against issuance of 2.25 million new CropEnergies shares. The fair value of these shares corresponds to the stock market price taking into account a discount for the missing dividend entitlement for the 2012/13 financial year. This share issue is offset, on the issue date, by a fair value of € 13.9 million as purchase costs for the acquisition of Ensus. The acquired net assets of Ensus at the time of closing are shown below. No goodwill/badwill was generated. The fair value of the acquired receivables is the same as the book values or gross values. At the time the consolidated financial statements were released, the purchase price allocation had been completed.

Fair values at acquisition date **€ million**	**19 July 2013**
Non-current assets	62.6
Inventories	*1.1*
Receivables and other assets	*0.9*
Cash and cash equivalents	*0.5*
Current assets	2.5
Total assets	**65.1**
./. Non-current liabilities	0.0
./. Current liabilities	-51.2
Net assets (shareholders' equity)	**13.9**
Purchase price	**13.9**

Non-current assets of € 62.6 million relate to the fair value of the bioethanol plant at € 54.5 million and deferred tax assets on loss-carryforwards of € 8.1 million. Ensus started operations at the beginning of 2010. Since then, there have been several shutdown phases. Under the management of CropEnergies, production was resumed in the autumn of 2013. In order to improve the plant's competitiveness, CropEnergies intends to launch an investment programme of more than € 60 million. For the financial trade payables at Ensus of € 51.2 million, CropEnergies granted Ensus a loan so that € 36.9 million could be repaid in close proximity to the closing. Allowing for further current assets of € 2.5 million, net assets come to € 13.9 million, which corresponds to the purchase price. The income statement contains revenues of € 46.4 million as of 28 February 2014. On the other hand, wages, depreciation and other operating expenses of € 66.1 million have been incurred. This includes up-front costs of € 6.4 million, which, as an extraordinary item, have a negative impact on income from operations. Overall, the net loss for the financial year amounted to € 19.7 million.

The effects of the changes in consolidated companies on the consolidated financial statements were as follows:

Change in scope of consolidation € million	28 February 2014
Non-current assets	63.5
Inventories	*21.0*
Receivables and other assets	*6.3*
Cash and cash equivalents	*0.8*
Current assets	28.1
Total assets	**91.6**
Shareholders' equity	66.9
Non-current liabilities	0.1
Current liabilities	24.6
Total liabilites and shareholders' equity	**91.6**
Revenues	46.4
- Net expenses	-66.1
Loss for the year	**-19.7**

The table includes Ensus UK Ltd and Ensus Ltd. The initial consolidation of Ryssen Chile SpA, Lampa, Santiago de Chile, Chile, was of secondary importance.

The newly founded Ryssen Chile SpA has taken over the operating business of a Chilean alcohol distributor following an "asset deal". The purchase price amounted to less than US$ 1 million, which means that the transaction has only a minor impact on the CropEnergies consolidated financial statements. Neutral alcohol is imported from third countries to supply the Chilean alcohol market, as no domestic alcohol production exists.

(3) Consolidation methods

According to IFRS, all business combinations are to be accounted for using the purchase method. The purchase price for the acquired subsidiary company is allocated to the assets acquired and the liabilities and contingent liabilities assumed. The relevant basis is the values at the time at which the power to control the subsidiary company can be obtained. The eligible assets and the liabilities and contingent liabilities assumed are recognised fully at their fair values irrespective of ownership interest. Intangible assets are required to be reported separately from goodwill if they are separable from the entity and result from a contractual or other right. Remaining differences are capitalised as goodwill.

In accordance with IFRS 3 (Business Combinations), goodwill is no longer amortised over its anticipated useful life but is tested for impairment at least once a year (impairment-only approach).

Group interests in jointly controlled entities are consolidated on a proportional basis. In the case of joint ventures, the assets, liabilities and contingent liabilities, the income statement and the cash flow statement are included in the consolidated financial statements on an item-by-item basis only according to the group's proportionate interest. Group interests in the profits and losses of joint ventures resulting from the group's purchase of assets are not recognised by the group until they have been resold to an entity not belonging to the CropEnergies Group. However, losses from such transactions are realised immediately if the loss can be regarded as a reliable indication that the net realisable value of current assets is reduced or there is an impairment. The procedure for proportional capital consolidation and the treatment of any goodwill is analogous to that for the consolidation of subsidiary companies. The financial statements of the joint ventures are prepared on the basis of the same accounting principles as the group financial statements for the same reporting period.

Intercompany sales, expenses and income as well as all receivables and liabilities or provisions between the consolidated companies are eliminated. Intercompany gains or losses are eliminated from fixed assets and inventories from intra-group supplies.

(4) Currency translation

Transactions in foreign currency are translated into the functional currency (the currency of the primary economic environment in which the entity operates) at the rates of exchange at the time of the transaction. Currency gains and losses arising from the settlement of such transactions as well as from the translation, at the closing rate, of monetary assets and liabilities are recognised in the income statement.

The annual financial statements of CropEnergies Inc., Houston, are prepared in US dollars, those of Ensus Ltd and Ensus UK Ltd, Yarm, in GBP and those of Ryssen Chile SpA, Lampa, Santiago de Chile, in Chilean pesos (CLP). As CropEnergies reports in euro (the parent company's functional currency), the assets and liabilities are translated at ECB reference rates or other published reference rates on the reporting date (closing rate). In the case of foreign exchange gains and losses resulting from the measurement of receivables and liabilities in connection with group funding operations, translation is at the average rate of exchange. However, if application of the average rate of exchange for the year produces untrue results, translation takes place at an adjusted average rate of exchange. The other expenses and income are reported at the average rate of exchange for the year.

The movement in the exchange rates of the currencies on which the currency translation is based was as follows (equivalent value for € 1):

		1 € = Local currency			
Country	Currency code	Year-end rate 28/02/2014	Average rate 2013/14	Year-end rate 28/02/2013	Average rate 2012/13
Chile	CLP	772.84	677.83	618.81	623.29
Great Britain	GBP	0.83	0.85	0.86	0.81
USA	USD	1.38	1.33	1.31	1.29

Year-over-year differences arising from the currency translation of assets and liabilities and translation differences between the balance sheet and the income statement are not recognised through profit or loss, but are reported in the statement of comprehensive income separately as consolidation-related currency differences under income and expenses recognised directly in shareholders' equity.

(5) Accounting principles

Acquired **goodwill** is reported under intangible assets. Intangible assets acquired in the context of business combinations 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 fair value can be reliably determined. 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. All **intangible assets** – except goodwill – have a finite useful life.

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.

Property, plant and equipment is measured at acquisition or production cost, less straight-line depreciation. In the year of acquisition, the asset values of property, plant and equipment are written down 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 proportionate material and production overhead costs. Borrowing costs that can be allocated to the acquisition or production of so-called qualified assets (construction of new production facilities or major plant expansions whose implementation takes at least one year) are capitalised as part of acquisition or production cost until completion. The borrowing cost rate applied is the weighted average cost of the debt financing or is based on the specific financing costs where debt has been taken up specifically for the purchase of qualified assets. Maintenance costs are recognised 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 reliable measurement of the allocable costs, are fulfilled.

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

	Expected useful lives
Intangible assets	3 to 15 years
Buildings	15 to 50 years
Technical plant and machinery	5 to 25 years
Office furniture and equipment	3 to 15 years

Property, plant and equipment and intangible assets with a finite 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 the 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. Impairment losses on assets other than goodwill are reversed through profit or loss when the original reasons for the impairment no longer apply, whereby the reversal of impairment losses may not exceed the book value that would have been reported if no impairment had been recognised in prior periods.

A lease is an arrangement where the owner grants the user the right to use an asset for a defined period against a single payment or regular payments. Generally, a distinction is made between finance leases and operating leases including rent for land and buildings. A finance lease is a lease that transfers substantially all the opportunities and risks incidental to ownership of an asset to the lessee. All other leases are classified as operating leases. Finance leases are of secondary importance to the CropEnergies Group. With operating leases, the lessee recognises the leasing instalments that are payable as expense. Operating leases include the rental expenses for buildings, machines, vehicles, IT hardware and office systems. This is conditional upon a leasing contract in which periodic leasing payments and a minimum leasing period and/or period of notice are agreed. There are no significant extension or purchase options. Service contracts that also involve the use of assets owned by third parties but where the service rendered, not the asset used, is foremost do not fall within the scope of the leasing regulations.

Inventories are measured at acquisition or production cost and, in the case of food and animal feed products, at net realisable value. The average cost method or the FIFO method (first in – first out) is applied, as 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 (net realisable value) is applied. This net realisable value is the estimated revenues realisable in the normal course of business from the sale of the product less the variable selling costs required to sell it. Write-downs on inventories are reported under the item "Change in inventories". Write-downs are reversed if and to the extent that the net realisable value of the previously impaired inventories increases.

Receivables and other assets are measured at their market value at the time of accrual and subsequently at amortised acquisition cost on the basis of the effective interest method. Adequate specific valuation allowances are recognised on separate impairment accounts for default and other risks associated with the receivables. The nominal values less necessary valuation allowances thereby correspond to the fair values. Valuation allowances are undertaken if the debtor is in considerable financial difficulties or there is a high probability that insolvency proceedings will be instituted against it. Unrecoverable receivables are derecognised on a case-by-case basis.

Cash and cash equivalents such as cash on hand and balances with banks are reported at their nominal value, which regularly corresponds to their market value.

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

CO_2 emission rights are accounted for as intangible assets in accordance with IAS 38 (Intangible Assets) and are reported under other assets. They are measured 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 recognised in accordance with IAS 37 (Provisions) and expensed. The provision is measured on the basis of the acquisition cost of purchased certificates or the market value of emission certificates on the respective measurement date. CO_2 emission rights that are intended for use in the following financial year are reported as current assets. If the emission rights are intended for use in a later financial year, they are recognised under non-current assets.

In the case of defined-benefit pension plans, the **provisions for pensions and similar obligations** are measured on the basis of the projected unit credit method according to IAS 19 (Employee Benefits). This method not only incorporates the pension benefits and the accumulated future pension benefits known 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 fair value of the plan assets is deducted from the present value of the pension obligations, taking into account, where applicable, the rules for the asset ceiling in relation to a surplus of plan assets over the obligation, with the net pension obligation or the asset value being derived from the defined-benefit plans. The service cost is reported in personnel expenses and includes not only the current service cost from the annual accrual of entitlements, but also past service cost, which is immediately recognised in profit or loss. The net interest expense in the financial year is calculated by applying the discount rate calculated at the beginning of the financial year to the net pension obligation calculated as at that date, taking expected disbursements into account. The net interest expense is reported in the financial result.

The remeasurement of pension obligations arising from changes in expectations in respect of the discount rate, salary developments, pension trends or life expectancy in relation to the estimation made at the beginning of the period or in relation to the actual trend during the period is credited to the revenue reserves, taking deferred taxes into account. Subsequent recognition, in profit or loss, of the remeasurements that have been recognised in shareholders' equity is not permitted. Reporting in shareholders' equity also includes the differences between the interest income from plan assets calculated at the beginning of the period, which is based on the discount rate and included in net interest expense, and the actual income from plan assets determined at the end of the period. The remeasurements of defined-benefit pension commitments and similar obligations recognised in the respective period are reported separately in the statement of comprehensive income.

Payments for defined-contribution pension plans are expensed as they fall due and are reported under personnel expenses. Payments for state pension plans are accounted for in the same way as the payments for defined-contribution pension plans. The group has no other payment obligations beyond the payment of the contributions.

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 reliably estimated. This means that the degree of probability must be more than 50%. Measurement is based on the settlement amount with the highest degree of probability or, in the case of equal probability, on the expected value of the settlement amounts. Provisions are recognised only for legal and constructive obligations to third parties; this also includes provisions for phased early retirement schemes and provisions for employee service jubilee benefits. Non-current provisions with a residual life of more than one year are discounted at a maturity-matched capital market interest rate, taking future cost increases into account, as long as the interest effect is of significant importance. Provisions are reversed against the expense item under which they were recognised.

Other provisions also cover risks arising from legal disputes and proceedings. Furthermore, customary guarantee obligations are assumed for which provisions are recognised in case of probable availment.

In the course of its ordinary activities, the company regularly assumes contingent liabilities, partly arising from guarantees and open purchase order commitments. **Contingent liabilities** are potential obligations to third parties or already existing obligations where an outflow of resources is not probable or the amount cannot be determined with sufficient reliability. Contingent liabilities can arise in the course of a business combination and are recognised only if they have been taken over. The volumes of contingent liabilities disclosed in the notes correspond to the maximum extent of liability existing on the balance sheet date.

Reported **income taxes** comprise taxes levied on taxable income in the individual countries and changes to deferred tax assets and liabilities. Current income taxes are reported as the amount of tax expected to be paid or reimbursed based on the statutory provisions that are applicable or have been adopted on the balance sheet date. The income tax liabilities from the past financial year are reported under current tax liabilities and receivables from overpayments under current tax assets.

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 claims are set off against deferred tax obligations if the income taxes are levied by the same tax authority and there is a legal entitlement to set-off.

Deferred taxes are calculated in accordance with IAS 12 (Income Taxes), taking into account the respective national income tax rates that are applicable or have been substantially enacted as of the balance sheet date and that are expected to apply when the related deferred tax asset is realised or the deferred tax liability settled. Deferred tax assets and liabilities associated with income and expenses recognised in shareholders' equity are treated identically.

Deferred tax assets are recognised only to the extent that taxable income is likely to be available, against which deferred taxes can be offset. Assessment of the recoverability of deferred tax assets that result from temporary differences and loss carry-forwards is subject to company-specific assumptions about, among other things, the future earnings situation of the group company in question.

Non–current liabilities are recognised at amortised cost. Differences between historical acquisition cost and the repayment amount are accounted for on the basis of the effective interest method. **Current liabilities** are recognised at market value at the time of accrual 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 upon initial recognition in the categories: a) "liabilities at amortised cost" and b) "financial liabilities recognised at fair value through profit or loss".

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.

Financial assets are derecognised if the rights to payment have lapsed. Financial liabilities are derecognised if they have been discharged, in other words, if all the financial obligations specified in the agreement have been settled, cancelled or have lapsed.

Derivative financial instruments are recognised as assets or liabilities and, irrespective of their purpose, measured at fair value. Changes in this value are recognised through profit or loss unless there is a hedging relationship between the derivative financial instruments and the hedged item. In this case, recognition of changes in the fair value depends on the type of hedging transaction.

Derivatives held for trading are used to hedge recognised assets or liabilities against the risk of a change in fair value. In the case of derivatives held for trading, changes in the fair values of both hedging transactions and the corresponding hedged items are recognised in the income statement.

Cash flow hedge derivatives are used to hedge the risk of fluctuation in the future cash flows associated with a recognised asset, a reported debt or a planned transaction that has a high probability of occurring. If a cash flow hedge derivative exists, the realised gains and losses of the hedging transaction are initially recognised in shareholders' equity. They are not included in the income statement until the hedged item is recognised through profit or loss.

IAS 39 defines that hedging relationships may be recognised on the balance sheet only if they are effective. According to IAS 39, a hedging relationship is effective when the changes in the fair value of the hedging instrument are within 80% to 125%, both prospectively and retrospectively, of the opposite changes in the fair value of the hedged item. Only the effective part of the hedging relationship may be recognised according to the rules described. The ineffective part must be recognised immediately through profit or loss as other operating income or other operating expenses in the income statement. Where the derivative financial instruments do not qualify as effective hedging transactions or as trading, all changes in market value are recognised directly as profit or loss in the income statement as other operating income or other operating expenses.

Contracts involving the receipt or delivery of non-financial items in accordance with the company's expected purchase, sale or usage requirements (in-house consumption contracts) are not accounted for as derivative financial instruments, but rather as executory contracts. If the in-house consumption contracts contain embedded derivatives, the derivatives are recognised separately from the host contract, providing the economic characteristics and risks of the derivative are not closely related to the economic characteristics and risks of the host contract.

Revenues are derived from the sale of products and merchandise as well as services rendered in the context of the company's ordinary business activities. Revenues are reported without rebates and discounts, without turnover tax, and after eliminating intra-group sales. Revenues are recognised when the delivery or service owed has been performed and transfer of the material opportunities and risks has taken place.

Interest income and **interest expenses** that do not have to be capitalised according to IAS 23 (Borrowing Costs) are recognised on a pro rata temporis basis by applying the effective interest method. **Dividends** are recognised when the claim to payment is legally established.

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

Discretionary decisions have to be taken when applying the accounting policies. This applies especially with regard to the following issues: A decision needs to be made as to whether to treat certain contracts as derivatives or to account for them as so-called in-house consumption contracts from executory 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 reported as well as income and expenses, and the recognition of contingent liabilities.

In the case of provisions for pensions and similar obligations, the discount rate assumed is also an important variable. The discount rate for pension obligations is determined on the basis of the yields of prime fixed-rate industrial bonds observable on the financial markets as of the reporting date. Analytically derived assumptions are also made about pensionable age, life expectancy, staff turnover, and future salary and pension increases. With regard to the impact of changes to individual actuarial assumptions on the amount of defined-benefit pension obligations, reference is made to the disclosures on the sensitivity analysis under item (21). Assumptions and estimations also relate to the recognition and measurement of other provisions. Other provisions also cover risks arising from legal disputes and proceedings. In order to determine the amount of provisions, use is made of the claims asserted in the individual case, the assessment of the facts as well as the results of similar processes and independent legal opinions.

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 to the industry and the company-specific risk.

The determination of the useful lives of depreciable fixed assets, the net realisable value of inventories and the fair value of intangible assets, property plant and equipment and liabilities acquired as part of business combinations is also based on estimations.

Deferred tax assets are recognised if future tax benefits are likely to be realised. The actual taxable earnings situation in subsequent periods, and hence the actual extent to which deferred tax assets can be utilised, may differ from the assessment at the time the deferred taxes were capitalised.

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 took account of assumptions regarding the group's future operating environment that were considered realistic at that time. Should the framework conditions change contrary to the assumptions made, the actual amounts may differ from the estimates. If this is the case, the assumptions and, if necessary, the carrying amounts of the assets and liabilities concerned are adjusted.

Notes on the income statement

(6) Revenues

€ thousands	2013/14	2012/13
Bioethanol, food and animal feed products	771,510	675,440
Other revenues	9,271	13,283
	780,781	**688,723**

Revenues for bioethanol, food and animal feed products increased by € 96.1 million to € 771.5 million. Higher sales volumes of bioethanol and food and animal feed products made a significant contribution to this growth in revenues. The basis for this was provided by an increase in production volumes, particularly due to the assumption of production at Ensus in the 3rd quarter of 2013/14. Further revenue growth resulted from the increase in trade volumes and higher selling prices for food and animal feed products.

Other revenues mainly relate to revenues from the sale of energy and agricultural raw materials.

(7) Change in inventories and other internal costs capitalised

This item includes internal costs capitalised amounting to € 114 (45) thousand.

(8) Other operating income

The other operating income of € 5.4 (6.6) million mostly comprises sales commissions and income from recharged logistics costs of € 2.0 (3.2) million, currency gains of € 0.9 (0.7) million as well as compensation from insurance claims and claims for damages of € 0.9 (0.4) million.

(9) Cost of materials

€ thousands	2013/14	2012/13
Cost of raw materials, consumables and supplies and of purchased merchandise	618,968	493,618
Cost of purchased services	20,035	15,118
	639,003	**508,736**

The cost of materials increased to € 639.0 (508.7) million compared with the previous year, due to the 9% rise in bioethanol production to 884,000 (808,000) m^3 and the increase in the price of grain and energy. The materials expense ratio (as a percentage of overall performance) increased to 81.4% (73.2%). The increase in the cost of materials in relation to overall performance also reflects the extended trading activities in bioethanol, which are typically based on lower margins.

(10) Personnel expenses

€ thousands	2013/14	2012/13
Wages and salaries	22,638	19,486
Social security, pension and welfare expenses	7,521	6,782
	30,159	26,268
Number of employees (annual average)		
	2013/14	2012/13
Number of employees by region		
Germany	156	151
Other European countries	265	168
Other countries	9	2
	430	321
Number of employees by category		
Wages earners	189	150
Salary earners	241	171
	430	321

The average number of employees in the 2013/14 financial year rose to 430 (321). This increase was due to the acquisition of employees of the British bioethanol producer Ensus. Personnel expenses increased accordingly to € 30.2 (26.3) million.

The personnel expense ratio (as a percentage of overall performance) remained unchanged at 3.8% (3.8%).

(11) Other operating expenses

€ thousands	2013/14	2012/13
Selling and advertising expenses	25,321	20,310
Operating and administrative expenses	15,115	14,213
Other expenses	18,548	13,454
	58,984	47,977

Selling and advertising expenses rose to € 25.3 (20.3) million owing to the growth in business volume and mainly consisted of logistics costs for supplying customers. Operating and administrative costs increased slightly to € 15.1 (14.2) million.

The other expenses mainly comprise the cost of shared services provided by the Südzucker Group of € 6.0 (6.3) million, preparatory expenses of € 4.5 (0) million arising from the start of production in Wilton, rental and leasing expenses of € 1.9 (1.4) million, logistics costs of € 1.1 (1.4) million paid in advance, currency losses of € 0.6 (0.8) million and other taxes of € 0.5 (1.0) million.

(12) Income from operations

€ thousands	2013/14	2012/13
Income from operations	**28,183**	**87,004**
of which operating profit	34,548	87,018
of which restructuring costs and special items	-6,365	-14

Income from operations, amounting to € 28.2 (87.0) million, comprises operating profit and net restructuring costs and special items. This is mainly due to preparatory expenses for the start of production at the plant in Wilton.

The operating margin amounted to 4.4% (12.6%) of revenues.

(13) Financial income and expenses

€ thousands	2013/14	2012/13
Interest income	84	20
Other financial income	1,164	155
Financial income	**1,248**	**175**
Interest expense	-4,950	-4,953
Other financial expense	-1,178	-321
Financial expense	**-6,128**	**-5,274**
Net financial result	**-4,880**	**-5,099**

The net financial result improved by € 0.2 million year over year to € -4.9 (-5.1) million. This includes interest expense of € 0.4 (0.3) million from compounding the provisions for pensions and similar obligations.

(14) Taxes on income

Applying the statutory income tax rate of the parent company and German corporate income tax rate of 15.0% plus the solidarity surcharge of 5.5% and municipal trade tax, a theoretical tax rate of 29.93% is derived for the 2013/14 financial year (previous year: 29.93%).

€ thousands	2013/14	2012/13
Earnings before tax on income	23,303	81,905
Theoretical tax rate	*29.93%*	*29.93%*
Theoretical tax expense	**6,975**	**24,514**
Change in theoretical tax expense as a result of:		
Foreign tax rate differentials	-1,555	-1,652
Changes in foreign tax regulations	0	810
Different tax rates	1,356	44
Tax reduction for tax-free income	-810	-819
Tax increase for non-deductible expenses	630	346
Trade tax adjustment	93	106
Taxes for prior years	-672	0
Tax effects from loss carryforwards and temporary differences	5,575	818
Other	-295	563
Taxes on income	**11,297**	**24,730**
Effective tax rate	**48%**	**30%**

The increase in the effective tax rate to 48% (previous year: 30%) was mainly due to the fact that no deferred taxes were recognised for start-up losses of the British-based Ensus in the past financial year. These start-up losses of Ensus can be used without any tax limitations.

The effects of deviating foreign tax regulations result from specific Belgian tax rules; the amendment of foreign tax regulations is related to an effect from the amendment of these Belgian rules in the previous year.

No deferred taxes were recognised on temporary differences in connection with shares in subsidiaries of € 0.5 (0.6) million, as the timing of the reversal of the temporary differences can be determined by CropEnergies, and CropEnergies is also unlikely to initiate this reversal in the foreseeable future.

Taxes on income in the 2013/14 financial year consisted of current tax expenses of € 7.9 (16.2) million and deferred tax expenses of € 3.4 (8.5) million.

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

€ thousands	Deferred tax assets		Deferred tax liabilities	
28 February	2014	2013	2014	2013
Property, plant and equipment	9,191	719	28,413	26,880
Inventories	2	20	246	16
Other assets	0	0	164	10
Tax-free reserves	0	0	961	870
Provisions	3,159	3,184	637	1,304
Liabilities	1,137	2,921	0	0
Tax loss carry forwards	16,332	16,670	0	0
	29,821	23,514	30,421	29,080
Offsets	-7,106	-6,662	-7,106	-6,662
Balance sheet	**22,715**	**16,852**	**23,315**	**22,418**

Of the deferred tax assets amounting to € 29.8 (23.5) million before netting, € 27.8 (19.4) million are non-current. Of the deferred tax liabilities amounting to € 30.4 (29.1) million before netting, € 29.4 (27.8) million are non-current.

The increase in the deferred tax assets in fixed assets to € 9.2 (0.7) million resulted mainly from the initial consolidation of the British bioethanol producer Ensus. Deferred taxes were not recognised for loss carry-forwards and temporary differences amounting to € 269.9 (11.6) million. Of the loss carry-forwards, an estimated € 10.3 (10.3) million will expire within 7 years; € 259.6 (1.3) million are usable without temporal restriction. In addition, deferred taxes recognised directly in equity resulted from the mark-to-market valuation of hedging transactions and from the remeasurement of defined-benefit pension commitments and similar obligations as follows:

€ thousands	2013/14			2012/13		
	Before tax effects	Tax effects	After tax effects	Before tax effects	Tax effects	After tax effects
Income and expenses to be reclassified in future in the profit and loss account						
Mark-to-market gains and losses	-134	43	-91	-6,559	2,122	-4,437
Foreign currency differences from consolidation	1,928	0	1,928	33	0	33
	1,794	**43**	**1,837**	**-6,526**	**2,122**	**-4,404**
Income and expenses not to be reclassified in future in the profit and loss account						
Remeasurement of defined benefit plans and similar obligations	311	-96	215	-2,365	730	-1,635
	2,105	**-53**	**2,052**	**-8,891**	**2,852**	**-6,039**
Net earnings for the year			12,006			57,175
Total comprehensive income			**14,058**			**51,136**

The taxes of € 0.1 million attributable to the external costs of the capital increase in the acquisition of Ensus were cut, outside of profit or loss, from the transfer to the capital reserve.

(15) Research and development costs

The focus of the research and development activities carried out by the CropEnergies Group was on technological support for processes in existing production facilities, the optimisation of production facilities and the commercialisation of food and animal feed products. In addition, a contribution was made to the shaping of standards, new concepts for the production of bioethanol were developed and various approaches to the production of C4 components pursued.

Research and development costs amounted to € 1.8 (1.9) million. These costs were fully expensed in the income statement in the year in which they were incurred and were recognised as other operating expenses. Development costs for new products were not capitalised.

Notes on the balance sheet

(16) Intangible assets

The goodwill resulting from the first-time consolidation of acquisitions reported under intangible assets is not amortised as scheduled. Concessions, industrial and similar rights mainly consist of acquired software that has a finite useful life.

2013/14 € thousands	Goodwill	Concessions, industrial and similar rights	Total
Acquisition costs			
1 March 2013	5,595	7,133	12,728
Change in companies incl. in the consolidation and other changes	0	111	111
Change due to currency translation	0	-133	-133
Additions	0	1,354	1,354
Transfers	0	0	0
28 February 2014	5,595	8,465	14,060
Depreciation			
1 March 2013	0	-2,511	-2,511
Change due to currency translation	0	4	4
Depreciation for the year	0	-623	-623
Impairment losses	0	-8	-8
28 February 2014	0	-3,138	-3,138
Net book value at 28 February 2014	**5,595**	**5,327**	**10,922**

2012/13 € thousands	Goodwill	Concessions, industrial and similar rights	Total
Acquisition costs			
1 March 2012	5,595	6,860	12,455
Additions	0	273	273
Transfers	0	0	0
28 February 2013	5,595	7,133	12,728
Depreciation			
1 March 2012	0	-1,968	-1,968
Depreciation for the year	0	-543	-543
28 February 2013	0	-2,511	-2,511
Net book value at 28 February 2013	**5,595**	**4,622**	**10,217**

In accordance with IAS 36 (Impairment of Assets) and IAS 38 (Intangible Assets), goodwill is not amortised as scheduled, but is tested regularly for impairment (impairment-only approach). Impairment tests have to be conducted annually or more frequently if, as a result of events or changed circumstances, there are indications of a possible impairment. In conducting the impairment tests, the goodwill is allocated to the single cash-generating unit. The book values of "cash-generating units" (CGUs) are thereby compared with their respective recoverable amount, i.e., net realisable value or value in use, whichever is higher (guiding value concept at CropEnergies). An impairment loss has to be recognised if a CGU's recoverable amount is lower than its book value.

To determine the recoverable amount, CropEnergies first calculates 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 unit. The value in use is determined on the basis of a going concern valuation model (discounted cash flow method). Cash flow forecasts based on the 5-year planning approved by the executive board and valid at the time of conducting the impairment test are used for this purpose. The planning is based on experience as well as expectations regarding future market developments.

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. In addition, country-specific assumptions are made especially regarding the development of the gross domestic product, consumer prices and nominal wages.

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 shares of the 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 August 2013, the discount rate derived from the CropEnergies Group's cost of capital was 8.5% (8.1%) before taxes and 6.1% (5.8%) after taxes.

For the extrapolation of cash flows beyond the planning period in the CGU, CropEnergies uses a constant growth rate of 1.5% (1.5%). This growth rate for discounting the perpetuity is below the growth rate calculated in the detailed planning period and serves largely to compensate a general inflation rate. The cash flows are calculated less the capital expenditures required to achieve the assumed corporate development. These reinvestment rates are based on past experience regarding the need for replacement purchases of property, plant and equipment.

In the 2013/14 financial year, no write-downs of goodwill were necessary in the light of the annual impairment test or other circumstances, as 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 the assumptions (mainly market prices for raw materials and end products and the capital cost) cannot 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. To date such an extent of fluctuations of market prices for raw materials and end products is neither observable nor probable in empirical terms. The value in use of the CGUs was well above their book value as of the valuation date.

(17) Property, plant and equipment

2013/14 € 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 2013	130,214	427,520	18,772	3,236	579,742
Change in companies incl. in the consolida-tion and other changes	3,854	51,088	70	322	55,334
Change due to currency translation	90	1,196	3	4	1,293
Additions	1,714	7,535	644	7,180	17,073
Transfers	74	3,127	42	-3,243	0
Disposals	-281	-250	-201	-96	-828
28 February 2014	135,665	490,216	19,330	7,403	652,614
Depreciation					
1 March 2013	-21,075	-119,830	-6,115	0	-147,020
Change due to currency translation	-1	-42	0	0	-43
Depreciation for the year	-4,581	-27,060	-1,527	0	-33,168
Impairment losses	-6	-510	-2	0	-518
Disposals	182	144	123	0	449
28 February 2014	-25,481	-147,298	-7,521	0	-180,300
Net book value at 28 February 2014	**110,184**	**342,918**	**11,809**	**7,403**	**472,314**

2012/13 € 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 2012	130,173	418,651	18,235	2,568	569,627
Additions	319	7,841	743	1,928	10,831
Transfers	3	1,246	4	-1,253	0
Disposals	-281	-218	-210	-7	-716
28 February 2013	130,214	427,520	18,772	3,236	579,742
Depreciation					
1 March 2012	-16,514	-94,607	-4,774	0	-115,895
Depreciation for the year	-4,634	-25,315	-1,479	0	-31,428
Disposals	73	92	138	0	303
28 February 2013	-21,075	-119,830	-6,115	0	-147,020
Net book value at 28 February 2013	**109,139**	**307,690**	**12,657**	**3,236**	**432,722**

The additions in the 2013/14 financial year include investment subsidies of € 2 (0) thousand, which reduced the acquisition cost.

(18) Inventories

€ thousands	28/02/2014	28/02/2013
Raw materials and supplies	26,982	16,234
Work in progress	4,635	3,320
Finished goods and merchandise	41,299	40,022
	72,916	**59,576**

The increase of € 13.3 million in inventories to € 72.9 million is mainly due to the expansion in business volume following the acquisition of Ensus. An impairment of € 3.4 (0) million was charged to inventories.

(19) Trade receivables and other assets

€ thousands	28/02/2014	28/02/2013
Trade receivables	60,289	58,860
Other assets	14,814	12,096
	75,103	**70,956**

Trade receivables increased only slightly by € 1.4 million to € 60.3 million despite the growth in business volume. The book value is derived as follows:

€ thousands	28/02/2014	28/02/2013
Total trade receivables	60,392	58,963
Allowance for doubtful receivables	-103	-103
Book value	**60,289**	**58,860**

The valuation allowances for trade receivables have developed as follows:

€ thousands	2013/14	2012/13
Allowance for doubtful receivables at 1 March	**103**	**82**
Additions	9	22
Utilised	0	0
Released	-9	-1
Allowance for doubtful receivables at 28 February	**103**	**103**

The following table gives details of the maturity structure of the outstanding trade receivables:

€ thousands	28/02/2014	28/02/2013
Receivables not yet due and not doubtful	58,274	57,534
Past due receivables, but not doubtful		
less than 10 days	876	559
between 11 and 30 days	762	649
between 31 and 90 days	347	63
more than 90 days	30	55
Book value	60,289	58,860
Valuation allowances for doubtful receivables	103	103
Total trade receivables	**60,392**	**58,963**

In the case of the trade receivables that are not doubtful and not yet due, there are no indications that the debtors cannot meet their payment obligations.

Other assets, amounting to € 14.8 (12.1) million, consist of financial assets of € 0.3 (2.0) million in the form of positive mark-to-market values of derivative hedging instruments and other receivables of € 2.6 (1.5) million as well as non-financial assets in the form of VAT receivables of € 5.8 (5.9) million, receivables in respect of investment subsidies and advance payments of € 3.3 (1.1) million and purchased CO_2 emission rights of € 2.8 (1.6) million.

(20) Shareholders' equity

The acquisition of Ensus increased CropEnergies AG's share capital from € 85,000,000 to € 87,250,000, due to 2,250,000 new, no-par-value bearer shares being issued with a notional interest in the share capital of € 1.00 each.

The capital increase was made from authorised capital, excluding the subscription rights of shareholders of CropEnergies, with an equivalent value of € 13.5 million. This increases the capital reserve of CropEnergies AG (in accordance with German commercial law) by € 11.2 million to € 222.5 million. The remaining authorised capital is correspondingly reduced by € 2.25 million to € 12.75 million.

In CropEnergies' consolidated balance sheet (in accordance with IFRS), the fair value of the issued shares on the issue date amounted to € 13.9 million. This increased the consolidated capital reserve by € 11.7 million to € 223.0 million. Allowing for external costs of € 0.3 million before taxes or € 0.2 million after taxes incurred for the capital increase, which were cut, outside of profit or loss, from the transfer to the capital reserve, a consolidated capital reserve of € 222.8 million remains.

The revenue reserves and other equity accounts consist of the retained net earnings for the year, the changes in cash flow hedges, pensions and similar obligations recognised directly in equity, and consolidation-related currency translation effects. The cash flow hedges include the changes in the mark-to-market values – including deferred taxes – of wheat and currency derivatives including accruals amounting to € -0.1 (-4.4) million. Almost all the amounts reported under wheat and currency derivatives are recognised through profit or loss in the next financial year. In the current financial year, the amount written back to the cost of materials was € -4.4 million.

Together with revenue reserves and other equity accounts of € 85.3 million, shareholders' equity amounts to € 395.3 (389.7) million.

The annual general meeting on 15 July 2010 authorised the executive board pursuant to § 71 (1) No. 8 AktG to acquire own shares up to a maximum of 10% of the current share capital in the period up to 14 July 2015. Own shares may be acquired either via the stock exchange or by way of a public offer to all shareholders. Own shares may also be retired and deducted from unappropriated profit or other revenue reserves. Among other things, the executive board is authorised, with the consent of the supervisory board, to sell the own shares acquired to third parties, with the exclusion of shareholders' pre-emptive subscription rights, for the purpose of business combinations or the acquisition of companies, parts of companies or equity interests in companies, or to service bonds with conversion and/or option rights. The authorisation to acquire own shares has not been exercised to date.

The annual general meeting on 19 July 2011 created authorised capital (Authorised Capital 2011) to broaden the company's room for manoeuvre with regard to any capital increases. The executive board is authorised, with the consent of the supervisory board, to increase the share capital of the company within the period until 18 July 2016 by up to a total of € 15 million by issuing new shares in exchange for cash and/or contributions in kind and to exclude the pre-emptive subscription right of the shareholders in certain instances. The authorisation to utilise the Authorised Capital 2011 was exercised in the 2013/14 financial year. The acquisition of Ensus reduced authorised capital by € 2.25 million to € 12.75 million.

The annual general meeting on 19 July 2011 conditionally increased the company's share capital further by up to € 15 million through the issuance of up to 15 million new shares (Conditional Capital 2011). The executive board is authorised, with the consent of the supervisory board, to utilise the conditional capital to increase the share capital of the company to the extent that this is necessary to service the conversion or option rights on promissory notes and convertible or warrant-linked bonds which can be issued within the period until 18 July 2016. The authorisation to utilise the Conditional Capital 2011 has not been exercised to date.

(21) Provisions for pensions and similar obligations

Defined–contribution pension plans

In the context of defined-contribution pension plans, CropEnergies 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 amounted to € 1.8 (1.2) million within the group. By paying the contributions, the company has no further payment obligations; no provision is therefore recognised.

Defined–benefit pension plans

The company pension scheme at CropEnergies is mainly 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. Obligations similar to pensions exist at French companies. They are measured in accordance with actuarial principles, taking the future cost trend into account.

The CropEnergies Group's reported net obligation consists of the present value of the defined-benefit obligations financed by provisions and the partly or wholly funded future defined-benefit obligations less the fair value of the plan assets.

€ thousands	28/02/2014	28/02/2013
Defined benefit obligation for direct pension benefits	12,599	11,329
Fair value of plan assets	-1,810	-1,513
Provisions for pensions and similar obligations (net defined benefit obligation)	**10,789**	**9,816**
Discount rate in %	3.50	3.50

The pension scheme for employees of the CropEnergies Group mainly comprises the following pension and termination plans:

Germany

As far as employees in Germany are concerned, there are employer-financed commitments via company pensions, the level of which is determined by basic salary and length of service. Direct benefit commitments in respect of provision for retirement and dependants in the form of a fixed percentage of a pension assessment basis oriented to fixed salaries applies to members of the executive board. In respect of the pension plans for active members of the executive board, please refer to the disclosures in the compensation report as part of the corporate governance report in the management report and to item (34) "Related party transactions" in these notes. The pension obligations of CropEnergies AG and CropEnergies Bioethanol GmbH of € 8.9 (8.3) million are financed by provisions with present values of € 9.0 (8.3) million offset by plan assets of € 0.1 (0.0) million.

Belgium

Funded pension plans, in which the present value of future benefit obligations totalling € 3.1 (2.6) million is offset by plan assets totalling € 1.7 (1.5) million, exist for employees in Belgium. The employer-financed commitments via company pensions are determined by the level of the basic salary and length of service. Payment takes place as periodic pension payments and non-recurring payments.

France

Provisions for obligations similar to pensions mainly relate to benefit plans for so-called cases of termination in France. Such commitments constitute statutory pension commitments to a non-recurring payment in the event of termination of the employment relationship due to retirement or death, but not in the event of termination by the employee. The amount of the non-recurring payment is regularly determined from the fixed salary last drawn and is linked to the length of service. The net liability amounted to € 0.4 (0.4) million.

Net liability of defined–benefit obligations

The net liability of the defined-benefit obligations has developed as follows:

€ thousands	Defined benefit obligation	Fair value of plan assets	Provisions for pensions and similar obligations
1 March 2013	11,329	-1,513	9,816
Expenses for company pension plans (Income statement)			
Current service cost	1,086		1,086
Interest expense / income	396	-56	340
	1,482	-56	1,426
Remeasurement recognised in other comprehensive income			
Gains (-) and losses (+) on actual return on plan assets		-48	-48
Gains (+) and losses (-) from changes in financial assumptions	-592		-592
Gains (+) and losses (-) on experience adjustments	329		329
	-263	-48	-311
Benefit payments, contributions (and other)			
Employer contributions to plan assets		-218	-218
Participants contributions to plan assets	25	-25	0
Benefit payments	-35	24	-11
Transference	86		86
Other	-25	26	1
	51	-193	-142
28 February 2014	12,599	-1,810	10,789

€ thousands	Defined benefit obligation	Fair value of plan assets	Provisions for pensions and similar obligations
1 March 2012	**8,381**	**-1,285**	**7,096**
Expenses for company pension plans (Income statement)			
Current service cost	826		826
Interest expense / income	377	-62	315
	1,203	**-62**	**1,141**
Remeasurement recognised in other comprehensive income			
Gains (-) and losses (+) on actual return on plan assets		6	6
Gains (+) and losses (-) from changes in financial assumptions	2,393		2,393
Gains (+) and losses (-) on experience adjustments	-34		-34
	2,359	**6**	**2,365**
Benefit payments, contributions (and other)			
Employer contributions to plan assets		-193	-193
Participants contributions to plan assets	20	-20	0
Benefit payments	-18	18	0
Transference	-593		-593
Other	-23	23	0
	-614	**-172**	**-786**
28 February 2013	**11,329**	**-1,513**	**9,816**

Expenses for company pension scheme

The net interest expense is recognised in the net financial result. The cost of the pension rights acquired in the financial year is recognised in personnel expenses.

Remeasurement recognised in shareholders' equity

The remeasurement of the pension obligation recognised directly in shareholders' equity amounted to € 0.3 (-2.4) million and resulted from adjustment of the parameters for salary and pension increases and experience adjustments. The discount rate was not amended during the financial year.

The experience adjustments reflect the effects on existing pension obligations arising from the discrepancy between the actual portfolio growth and the assumptions made at the beginning of the financial year. The measurement of the pension obligations includes, in particular, the development of wage and salary increases, pension adjustments, staff turnover and biometric data such as disablement and deaths.

Assumptions
The provisions for pensions and similar obligations 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 present value of the future benefit obligations and the plan assets that are related in specific cases have been calculated on the basis of the following actuarial parameters:

in %	28/02/2014	28/02/2013
Discount rate	3.50	3.50
Salary growth	3.00	3.25
Pension growth	2.00	2.25

Pension provisions in Germany were calculated on the basis of an interest rate of 3.50% (3.50%). This interest rate is based on the return from premium corporate bonds, the duration of which corresponds to the average weighted duration of the obligation.

In addition, other company-specific actuarial assumptions such as staff turnover are also taken into account. Generally accepted and updated country-specific mortality tables – such as, the Heubeck 2005 G table in Germany – served in each case as the basis for biometric calculations.

Sensitivity analysis
The sensitivity analysis presented below takes the changes in an assumption into account in each case, with the other assumptions remaining unchanged in relation to the original calculation. Possible correlation effects between the individual assumptions are not considered.

28 February		2014	
€ thousands	Change in actuarial assumption	Defined benefit obligation	Change in %
Present value of the obligation			
Discount rate	Increase by 0.50 percentage point	11,162	-11.4%
	Decrease by 0.50 percentage point	14,301	13.5%
Salary growth	Increase by 0.25 percentage point	13,092	3.9%
	Decrease by 0.25 percentage point	12,127	-3.7%
Pension growth	Increase by 0.25 percentage point	12,906	2.4%
	Decrease by 0.25 percentage point	12,307	-2.3%
Life expectancy	Increase by one year	12,885	2.3%
	Decrease by one year	12,299	-2.4%

Plan assets

The primary investment objective for the plan assets is to provide full coverage of the payment obligations resulting from the corresponding pension commitments. The plan assets therefore consist mainly of fixed-interest securities whose risk structure guarantees the long-term fulfilment of the obligations, and of shares. They also include a small number of insurance contracts. In the case of the fixed-interest securities, expected returns are based on government bonds. For insurance contracts, a guaranteed minimum return is applied. The plan assets do not include any own financial instruments or property used by the company.

As of the balance sheet date, the plan assets were invested in the following asset categories:

€ thousands	28/02/2014	28/02/2013
Fixed-interest securities	1,426	1,187
Real estate funds	282	234
Equity instruments	53	44
Insurance contracts	49	48

Fixed-interest securities, equity instruments and real estate funds are listed on active markets.

Risks

The CropEnergies Group is exposed to various risks in connection with defined-benefit pension plans. In addition to general actuarial risks such as interest rate risk, there are risks associated with divergence from actuarial assumptions, such as wage and salary trends, pension trends, pension age and staff turnover. There are capital market risks or credit rating and investment risks associated with plan assets. Further risks exist owing to changes in inflation rates.

The return on plan assets is assumed to be at the level of the discount rate. If the actual return on plan assets is below the discount rate applied, the net obligation from the pension plans increases. The net obligation level is significantly affected by the discount rate, with the currently low interest rate level contributing to a relatively high obligation. A decline in returns from corporate bonds would result in a further increase in defined-benefit obligations, which can be offset only to a limited extent by a positive development in the market values of the corporate bonds contained in the plan assets.

Possible inflation risks, which may result in an increase in defined-benefit obligations, exist indirectly with a salary rise due to inflation in the active phase as well as with pension adjustments due to inflation.

Future payments
The weighted duration of pension obligations is around 24 years. Employer contributions to plan assets amounting to € 0.2 million is expected in the 2014/15 financial year.

Pension and termination payments in the amounts below are expected over the next ten years:

Future pension and termination payments	€ thousands
2014/15	15
2015/16	25
2016/17	83
2017/18	184
2018/19	406
2019/20 to 2023/24	2,118
	2,831

(22) Development of other provisions

2013/14 € thousands	Personnel expenses	Uncertain obligations	Total
1 March 2013	**948**	**5,236**	**6,184**
Change in companies incl. in the consolidation and other changes	0	23	23
Change due to currency translation	0	-3	-3
Additions	143	4,053	4,196
Utilised	-141	-2,532	-2,673
Released	-34	-388	-422
28 February 2014	**916**	**6,389**	**7,305**

The provisions for personnel expenses mainly consist of provisions for service jubilee expenses of € 0.5 (0.4) million, for staff transfers of € 0.3 (0.3) million and for phased early retirement schemes of € 0.1 (0.1) million. Of the total of € 0.9 million, € 0.1 million is expected to be utilised in the 2014/15 financial year.

The provisions for uncertain liabilities amounting to € 6.4 (5.2) million mainly consist of provisions for CO_2 emission rights of € 2.9 (2.0) million, provisions for liabilities from operating taxes of € 1.8 (1.6) million, and provisions for litigation risks of € 1.0 (0.9) million. Of the total, € 5.1 million is expected to be utilised in the 2014/15 financial year. Recourse to all non-current provisions for uncertain liabilities is expected over the next five years. The allocations to the provisions include compounding costs of € 25 (24) thousand.

(23) Trade payables and other liabilities

€ thousands	28/02/2014	28/02/2013
Trade payables	46,972	43,100
Other liabilities	25,356	25,534
	72,328	68,634

The increase of € 3.9 million in trade payables to € 47.0 million was mainly due to the growth in business volume.

Other liabilities, amounting to € 25.4 (25.5) million, mainly comprise financial liabilities of € 1.6 (8.3) million in the form of negative mark-to-market values of derivative hedging instruments and other liabilities of € 11.8 (3.5) million (this total especially reflects liabilities in respect of outstanding invoices of € 8.7 (0.7) million) as well as non-financial liabilities in the form of liabilities in respect of personnel expenses of € 7.3 (6.4) million and liabilities of € 4.7 (7.3) million in respect of other taxes.

(24) Financial liabilities (net financial debt)

		Remaining term			Remaining term	
€ thousands	28/02/2014	to 1 year	over 1 year	28/02/2013	to 1 year	over 1 year
Liabilities to banks	23,697	12,050	11,647	33,951	12,298	21,653
Liabilities to affiliated companies	127,000	43,000	84,000	57,000	13,000	44,000
Financial liabilities	150,697	55,050	95,647	90,951	25,298	65,653
Cash and cash equivalents	-14,028			-8,044		
Net financial debt	136,669			82,907		

Net financial debt as of 28 February 2014 amounted to € 136.7 (82.9) million. Of this amount, € 95.6 (65.7) million is available to the CropEnergies Group in the long term. The average rate of interest on the financial liabilities was 3.9% (3.7%).

Financial liabilities increased by € 59.7 million to € 150.7 million. Of the financial liabilities to banks, € 11.6 (21.7) million is due in more than one year. In the case of the financial liabilities to affiliated companies, € 84.0 (44.0) million is due and relates to the Südzucker Group.

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

Financial management
Capital management within the CropEnergies Group comprises control of cash, equity and debt positions. CropEnergies' aim is a balance sheet structure with a high level of equity, which secures the company's growth strategy, taking reasonable capital costs into account and with above-average creditworthiness.

The CropEnergies Group's financing is based on the ability to generate consistently positive cash flows, stable relations with the shareholder groups backing the company, access to the capital markets and reliable banking relationships. The communication with capital market participants pursues a policy of financial transparency based on a reporting system in which the same valuation and disclosure principles apply in the corporate planning as well as the reporting processes. The communication with capital market participants pursues a policy of financial transparency based on a reporting system which defines both the corporate planning and the reporting processes, using the same valuation and disclosure principles.

CropEnergies uses an optimised borrowing structure in terms of maturity and interest terms. For interim funding, flexible access to short-term liquidity is an important element of the financing structure.

CropEnergies pursues a conservative financing policy aimed at safeguarding the profitability, liquidity and stability of the company, which is flanked by strict financial management (cash and liquidity management) and integrated risk management. The financing policy is based on the following objectives:

- a strong capital structure with a sustainable equity funding base through the shareholder groups backing the company,
- debt funding instruments that allow flexible utilisation while assuring a balanced maturity profile,
- access to sufficient short-term liquidity at all times and
- controlling of financial risks through integrated risk management.

The capital structure is managed on a long-term basis, focusing on both dynamic and static indicators. The key parameters here are the debt ratio (ratio of net financial debt to cash flow), the debt to equity ratio (net financial debt as a percentage of equity) and the equity ratio (equity as a percentage of total assets).

(25) Lending and borrowing activities (primary financial instruments)
The CropEnergies Group has entered into the following material credit agreements:

A fixed-interest-rate bank loan taken out by CropEnergies Bioethanol GmbH in an original principal amount of € 78.0 million in the 2005/06 financial year has been reduced through scheduled repayments to € 19.5 million as of 28 February 2014. Of this, € 9.8 million 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 December 2015.

CropEnergies AG has direct and flexible access, with a sub-credit line of € 100 million, to a € 600 million syndicated bank credit facility arranged by Südzucker AG. The syndicated bank credit facility matures in 2018, with two one-year extension options. The interest rate is based on the short-term interbank rate. The credit line was not drawn as of 28 February 2014.

CT Biocarbonic GmbH, in which CropEnergies AG has a 50% stake, took out a fixed-interest-rate bank loan in a total amount of € 6.1 million in the 2009/10 financial year. After scheduled repayments, the remaining principal sum of the loan was € 4.3 million as of 28 February 2014. Of this amount, € 0.7 million is reported as current financial liabilities. On account of its proportionate consolidation, only half of the said amounts are recognised in the financial statements. The loan bears interest at the rate of 3.75% p.a. and is due to be repaid by 30 December 2019. Owing to its proportionate inclusion in the CropEnergies Group, loan receivables of € 0.9 (0.4) million are due from the joint venture and loan liabilities in the same amount are due to a company external to the CropEnergies Group. Both loans are short term and bear interest at the rate of 3.75% p.a.

The cash and cash equivalents of € 14.0 (8.0) million consist of short-term bank deposits with banks of prime credit standing.

(26) 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 internal guidelines that set limits based on the hedged items, define authorisation procedures, restrict 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 both from operating activities and from foreign currency financing outside or within the group. Derivative hedging instruments are used to a limited extent to cover these risks. Raw materials were largely sourced, and products 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 has the option to use derivative hedging instruments to counter the risk of fluctuating interest rates.

Raw material price risks can arise mainly in connection with the procurement of agricultural commodities such as grain. Where price risks cannot be excluded through physical supply contracts, CropEnergies uses derivative financial instruments, where possible and expedient, to limit these risks.

Product price risks can arise as a result of fluctuating bioethanol prices. CropEnergies uses derivative hedges to a limited extent to hedge price change risks in respect of supply agreements with fluctuating ethanol prices.

b) Market value of derivative financial instruments

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

€ thousands	Nominal value		Market value	
28 February	**2014**	2013	**2014**	2013
Cash flow hedge derivatives				
Wheat derivatives	78,715	89,791	-1,041	-6,262
Currency derivatives	10,582	6,786	-149	29
Total cash flow hedge derivatives	**89,297**	**96,577**	**-1,190**	**-6,233**

€ thousands	Nominal value		Market value	
28 February	**2014**	2013	**2014**	2013
Derivatives held for trading				
Embedded derivatives (from supply product contracts)	22,691	27,696	299	1,900
Associated hedging transactions (with banks)	22,966	24,490	-299	-1,900
Ethanol derivatives	7,053	6,464	-123	24
Maize derivatives	2,732	2,264	-3	-97
Currency derivatives	828	2,317	24	-16
Total derivatives held for trading	**56,270**	**63,231**	**-102**	**-89**

The cash flow hedge derivatives and the derivatives held for trading have maturities of less than one year, except for wheat derivatives with a nominal value of € 1.2 million.

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

Market value represents the amount that CropEnergies would have to pay or receive if the hedge were liquidated on the reporting date. As only marketable, tradable financial instruments were used to hedge grain purchases, the market value is determined on the basis of market quotations. The market values of other hedges are determined on the basis of generally accepted valuation models.

On the balance sheet date, the volume of wheat and maize derivatives amounted to € 81.4 (92.1) million with a market value of € -1.0 (-6.4) million.

Sensitivity: If wheat prices had been 10% higher (lower) on the reporting date, the market value, reflected in shareholders' equity and to some extent in deferred taxes, would have changed by € 7.8 (-7.8) million. If maize prices had been 10% higher (lower) on the reporting date, the market value, reflected in the income statement and to some extent in deferred taxes, would have changed by € 0.3 (-0.3) million.

Product derivatives relate to sales contracts for bioethanol that are based on a variable petrol price. The price risks of these transactions are minimised through matching hedges. The nominal value of the hedges on the customer side and from matching hedges amounted to € 45.7 (52.2) million. Together, hedged item and hedge constitute a closed position. The market values from customer contracts amounting to € 0.3 (1.9) million are thus offset by hedges amounting to € - 0.3 (-1.9) million.

Price risks from sales contracts resulting from a variable ethanol price are hedged, as far as possible and expedient, by ethanol derivatives. On the balance sheet date, the volume of ethanol derivatives amounted to € 7.1 (6.5) million with a market value of € -123 (24) thousand.

Sensitivity: If ethanol prices had been 10% higher (lower) on the reporting date, the market value, reflected in the income statement and to some extent in deferred taxes, would have changed by € 0.5 (-0.5) million.

The total volume of currency derivatives was € 11.4 (9.1) million, with a market value of € -125 (13) thousand.

Credit risks can arise from positive market values of derivatives. As of 28 February 2014, the positive market value amounts to € 0.3 (2.0) million. Credit risks are minimised by only entering into derivative transactions through commodity futures exchanges with daily marking to market or with banks or customers of prime credit standing.

All changes in the value of derivative transactions undertaken to hedge future cash flows (cash flow hedges) are initially recognised in the revaluation reserve without effect on profit or loss and are recognised through profit or loss only when the cash flow is realised. Their market value as of 28 February 2014 was € -1.2 (-6.2) million.

(27) Additional disclosures on financial instruments

Book and fair values of financial instruments

The following table shows the book values and fair values of the financial assets and liabilities according to IAS 39. The fair value of a financial instrument is the price received for the sale of an asset or paid for the transfer of a debt, on the valuation date, in the context of a proper transaction between market participants.

	Valuation category (IAS 39)	28 February 2014		28 February 2013	
€ thousands		Book value	At fair value through profit or loss	Book value	At fair value through profit or loss
Financial assets					
Trade receivables	Loans and receivables	60,289	60,289	58,860	58,860
Other assets	Loans and receivables	2,566	2,566	1,499	1,499
Cash and cash equivalents	Loans and receivables	14,028	14,028	8,044	8,044
Derivatives held for trading (positive market value)	FAHfT*	323	323	1,924	1,924
Cash flow hedge derivatives (positive market value)	n.a. (Hedge Accounting)	0	0	29	29
		77,206	77,206	70,356	70,356
Financial liabilities					
Liabilities to banks	Other financial liabilities	23,697	24,431	33,951	35,486
Liabilities to affiliated companies	Other financial liabilities	127,000	127,000	57,000	57,000
Trade payables	Other financial liabilities	46,972	46,972	43,100	43,100
Other liabilities	Other financial liabilities	11,760	11,760	3,490	3,490
Derivatives held for trading (negative market value)	FLHfT**	425	425	2,013	2,013
Cash flow hedge derivatives (negative market value)	n.a. (Hedge Accounting)	1,190	1,190	6,262	6,262
		211,044	211,778	145,816	147,351

** FAHfT = Financial assets held for trading*
*** FLHfT = Financial liabilities held for trading*

Sum totals of valuation categories € thousands	Book value	At fair value through profit or loss	Book value	At fair value through profit or loss
Loans and receivables	76,883	76,883	68,403	68,403
FAHfT*	323	323	1,924	1,924
FLHfT**	425	425	2,013	2,013
Other financial liabilities	209,429	210,163	137,541	139,076

	Net result profit (+)/loss (–) according to valuation category IFRS 7/IAS 39	
€ thousands	2013/14	2012/13
Loans and receivables	2,121	867
FAHfT* and FLHfT**	-913	473
Other financial liabilities	-6,772	-6,021

* *FAHfT = Financial assets held for trading*
** *FLHfT = Financial liabilities held for trading*

Net income according to IFRS 7 comprises interest, effects from exchange rate changes and valuation allowances on receivables as well as income from derivatives held for trading.

In the table below, the financial assets and liabilities recognised at fair value are classified by measurement level (fair value hierarchy) and are defined as follows according to IFRS 13:

Measurement level 1 comprises financial instruments traded on active markets, whose listed prices are taken over unchanged into the measurement. This is the case for wheat, maize and ethanol derivatives. Measurement level 2 applies when measurement is based on methods whose influencing factors are derived directly or indirectly from observable market data. At CropEnergies, this applies to currency derivatives and embedded derivatives arising from supply contracts, and the related hedging transactions with banks. The measurement of level 3 derivatives is based on methods involving at least one significant influencing factor that cannot be observed. CropEnergies does not use any level 3 derivatives. In the 2013/14 financial year, no reclassifications were made between the respective measurement levels.

	Fair Value Hierarchy							
€ thousands	28 February 2014	Level 1	Level 2	Level 3	28 February 2013	Level 1	Level 2	Level 3
Positive market values – Cash flow hedge derivatives	0	0	0	0	29	0	29	0
Positive market values – Derivatives held for trading	323	0	323	0	1,924	24	1,900	0
Financial assets	**323**	**0**	**323**	**0**	**1,953**	**24**	**1,929**	**0**
Negative market values – Cash flow hedge derivatives	1,190	1,041	149	0	6,262	6,262	0	0
Negative market values – Derivatives held for trading	425	126	299	0	2,013	97	1,916	0
Liabilities to banks	24,431	0	24,431	0	35,486	0	35,486	0
Financial liabilities	**26,046**	**1,167**	**24,879**	**0**	**43,761**	**6,359**	**37,402**	**0**

Impairments on financial instruments were only necessary in trade receivables and amounted to € 0.1 (0.1) million.

The total interest result from financial instruments not measured at fair value was € -4.0 (-3.7) million. This consists of interest income of € 0.0 (0.0) million and interest expense of € 4.0 (3.7) million.

The mark-to-market values of derivatives contracted on futures markets are calculated on the basis of the closing prices as of the reporting date. The fair values of derivative financial instruments for which no market prices are available as they are not listed on markets, are calculated using recognised actuarial models and market information available to the public. The market values of the currency and petrol derivatives are calculated based on discounted cash flows expected in the future, taking into account forward rates for currencies and raw materials (market comparison procedure).

In the 2013/14 financial year, CropEnergies incurred expenses of € 0.4 (0.3) million for guarantee commissions.

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 cash items that fair values correspond to the book values.

The same applies to trade payables, liabilities to affiliated companies and other current liabilities.

The positive and negative mark-to-market values arising from derivatives relate to cash flow hedge derivatives and derivatives held for trading. They are reported under other receivables or other liabilities.

The fair values of liabilities to banks are calculated as the present values of the cash outflows associated with the liabilities, based on the applicable yield curve. For short maturities, it is assumed that the fair values correspond to the book values. Liabilities to banks are to be assigned to measurement level 2.

(28) Risk management in the CropEnergies Group

The CropEnergies Group is exposed to market price risks arising from changes in end product, raw material and energy prices. In addition, there are financial risks such as currency, interest rate, credit and liquidity risks.

Credit risks I The CropEnergies Group's trade receivables are mostly in relation to customers in the mineral oil, food and animal feed industries. The resulting credit risk is limited through credit sale insurance to 10% of the respective total outstanding receivables and is controlled on the basis of internal guidelines and limits.

Valuation allowances based on the actual default risk are recognised where necessary for any remaining risk residual in respect of trade receivables. In accordance with internal group requirements, an allowance account is used, in principle, to adjust the carrying amounts of receivables. The maximum risk position arising from trade receivables corresponds to the book value of these receivables. The book values of past-due trade receivables and the residual doubtful trade receivables are stated in item (19) in the notes.

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 liquidity of the CropEnergies Group is monitored on a daily basis and optimised by means of national or transnational cash pools.

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 has direct and flexible access, with a sub-credit line of € 100 million, to a € 600 million syndicated bank credit facility arranged by Südzucker AG.

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

€ thousands 28 February 2014	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	23,697	24,492	12,598	10,344	408	394	381	367
Liabilities to affiliated companies	127,000	148,918	47,546	4,343	4,343	4,343	4,343	84,000*
	150,697	**173,410**	**60,144**	**14,687**	**4,751**	**4,737**	**4,724**	**84,367**
Liabilities from								
Trade payables	46,972	46,972	46,972	0	0	0	0	0
Other liabilities	11,760	11,760	11,760	0	0	0	0	0
Derivatives held for trading (negative market value)	425	425	425	0	0	0	0	0
Cash flow hedge derivatives (negative market value)	1,190	1,190	1,190	0	0	0	0	0
	60,347	**60,347**	**60,347**	**0**	**0**	**0**	**0**	**0**
	211,044	**233,757**	**120,491**	**14,687**	**4,751**	**4,737**	**4,724**	**84,367**

€ thousands 28 February 2013	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	33,951	38,710	13,708	11,138	10,765	815	788	1,496
Liabilities to affiliated companies	57,000	68,422	15,322	2,275	2,275	2,275	2,275	44,000*
	90,951	**107,132**	**29,030**	**13,413**	**13,040**	**3,090**	**3,063**	**45,496**
Liabilities from								
Trade payables	43,100	43,100	43,100	0	0	0	0	0
Other liabilities	3,490	3,490	3,490	0	0	0	0	0
Derivatives held for trading (negative market value)	2,013	2,013	2,013	0	0	0	0	0
Cash flow hedge derivatives (negative market value)	6,262	6,262	6,262	0	0	0	0	0
	54,865	**54,865**	**54,865**	**0**	**0**	**0**	**0**	**0**
	145,816	**161,997**	**83,895**	**13,413**	**13,040**	**3,090**	**3,063**	**45,496**

** Plus any customary interest if CropEnergies makes the scheduled repayments at a later stage.*

The cash outflows for the discharge of liabilities are based on the earliest due date. The long-term financial liabilities to affiliated companies have an indefinite term. However, CropEnergies can reduce this in accordance with the liquidity position. The interest payments on financial instruments with variable interest rates are calculated on the basis of the interest rates applicable as of the reporting date. A net settlement agreement exists for all derivative contracts.

Currency risk I Currency risks can arise from transactions in foreign currency and are hedged on a limited scale through derivative instruments. The use of these hedging instruments takes place within defined limits and rules, and is subject to a constant control process. Raw materials were largely sourced, and products 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 depreciation or appreciation until they are discharged. However, the volume of financial receivables and liabilities denominated in foreign currencies is of minor importance for the CropEnergies Group.

CropEnergies can also be exposed to indirect currency risks from fluctuations in the market value of the euro versus the US dollar and the Brazilian real. However, such indirect effects on the world market prices for raw materials, energy and bioethanol cannot be quantified.

Interest rate risk I CropEnergies is exposed to the risk of interest rate changes in the euro zone. The interest rate risk relates mainly to financial liabilities. Of the loan drawdowns of € 151.0 million as of 28 February 2014, € 106 million were at a fixed rate of interest and € 45 million were at a variable rate of interest.

Sensitivity: If the market interest rate level were 100 base points higher (lower), the annual interest cost of the loans would increase (decrease) by € 0.5 million.

Market price risk I The CropEnergies Group is exposed to market price risks with regard to end products. CropEnergies controls these risks through the arrangement of sales contracts and their term as well as through derivative instruments. The use of these hedging instruments takes place within defined limits and rules, and is subject to an extensive control process.

Other disclosures

(29) Contingent liabilities and other financial commitments

On the reporting date, there were open purchase order commitments of € 22.8 (4.4) million for capital expenditures and € 228.8 (358.4) million for raw materials. The commitments for capital expenditures mainly relate to the construction of the neutral alcohol plant in Zeitz and optimisation projects at existing bioethanol plants. The commitments for raw materials mostly relate to purchase orders for grain, raw alcohol and sugar syrups.

The obligations resulting from operating leases amount to € 1.3 (0.8) million and have the following maturity structure:

€ thousands	28/02/2014	28/02/2013
Due within the next year	441	385
Due within 1 to 5 years	857	431
Due in more than 5 years	3	17
	1,301	**833**

CropEnergies has contingent liabilities of € 85 million, which mostly consist of typical customs bonds. A joint and several liability of € 2.2 (2.5) million has been assumed for a loan extended to CT Biocarbonic GmbH. At the present time, recourse to this liability is not expected.

CropEnergies may be liable to possible obligations arising from various claims or proceedings that are pending or could be filed. Estimates about future expenses in this respect are inevitably subject to uncertainties. If a loss is probable and the amount can be reliably estimated, CropEnergies recognises provisions for these risks. To our knowledge at the present time, there are no claims or proceedings that could have a material impact on the CropEnergies Group's financial position.

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

(30) Earnings per share

Group net earnings for the year amounted to € 12.0 (57.2) million. The acquisition of Ensus against a new CropEnergies' share issue meant that their number increased by 2.25 million to 87.25 million as of 19 July 2013. The calculation of earnings per share (IAS 33) is based on a time-weighted average of 86.4 (85.0) million shares. This generates earnings per share of € 0.14 (0.67), with diluted earnings being the same as undiluted earnings.

(31) Disclosures on the cash flow statement

The cash flow statement, which was prepared 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.

As a result of the reduction in EBITDA, cash flow declined to € 50.6 (98.2) million. The cash outflow was mainly due to the capacity extension related to the acquisition of Ensus. Net working capital increased by € 64 million, due to the reduction of trade payables and the inventory build-up at the Wilton site.

The cash outflows for tax payments amounted to € 11.1 (12.7) million and are attributable to operating activities. In addition, there was interest expense of € 4.6 (4.4) million, likewise attributable to operating activities. The capital expenditures of € 18.4 (11.1) million for property, plant and equipment and intangible assets were mainly accounted for investment in property, plant and equipment, particularly with a view to increasing value creation and future earnings power.

As of 28 February 2014, cash and cash equivalents amounted to € 14.0 (8.0) million.

The assumption of financial liabilities amounting to € 88.8 million was offset by scheduled repayments of € 29.1 million and the dividend payment, in July 2013, of € 22.1 (15.3) million.

(32) Group auditor's fees

For services performed by the Group's independent auditor, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, expenses of € 144 (143) thousand were incurred in the 2013/14 financial year for the auditing of the consolidated financial statements and for the auditing of the separate financial statements of CropEnergies AG and its German subsidiary, CropEnergies Bioethanol GmbH and CT Biocarbonic GmbH.

In addition, the independent auditor performed other attestation services in the current financial year amounting to € 3 (3) thousand and other consulting services amounting to € 10 (0) thousand.

(33) Declaration of conformity pursuant to § 161 AktG

The executive and supervisory boards of CropEnergies AG issued the declaration of conformity with the German Corporate Governance Code pursuant to § 161 AktG, on 10 December 2013. It is available permanently to CropEnergies AG shareholders on the company's website at www.cropenergies.com under "Investor Relations".

(34) 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.

Südzucker AG Mannheim/Ochsenfurt I The transactions with Südzucker AG involved supplies, especially raw materials and energy, by Südzucker AG amounting to € 45.1 (52.4) million. In addition, services worth € 3.4 (3.4) million and research & development work worth € 1.7 (1.8) million were provided.

Set against this, the CropEnergies Group received € 2.6 (2.1) million from Südzucker AG for supplies of goods. The CropEnergies Group incurred net interest expense of € 3.5 (3.2) million on intercompany lendings and borrowings.

On the balance sheet date there were receivables of € 0.2 (0.0) million outstanding from Südzucker AG and liabilities of € 8.5 (7.4) million outstanding to Südzucker AG in respect of the aforesaid related party transactions. Financial liabilities due to Südzucker AG amounted to € 43.0 (13.0) million.

Affiliated companies of Südzucker AG Mannheim/Ochsenfurt I The transactions with the affiliated companies of Südzucker AG involved supplies, especially raw materials and traded commodities, by Südzucker AG amounting to € 72.2 (67.8) million. In addition, services worth € 1.0 (1.1) million were provided.

Set against this, the CropEnergies Group received € 55.0 (39.0) million from the affiliated companies of Südzucker AG for supplies of goods. In addition, the CropEnergies Group received compensation payments of € 2.1 (2.1) million and service revenues of € 1.5 (2.2) million.

On the balance sheet date there were receivables of € 6.8 (7.1) million outstanding from the affiliated companies of Südzucker AG and liabilities of € 8.8 (10.0) million outstanding to Südzucker AG in respect of the aforesaid related party transactions. Financial liabilities due to the affiliated companies of Südzucker AG amounted to € 84.0 (44.0) million.

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

CT Biocarbonic GmbH I Services were provided and goods were supplied, at usual market prices, for the joint venture CT Biocarbonic GmbH amounting to € 0.8 (1.1) million.

Süddeutsche Zuckerrüben–Verwertungs–Genossenschaft eG I No transactions were conducted with Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG).

Executive board I The executive board received a total compensation for the 2013/14 financial year of € 761 (770) thousand, with the fixed annual salary accounting for € 426 (427) thousand. The variable compensation was € 297 (303) thousand. € 38 (40) thousand was paid in the form of non-monetary benefits and social insurance contributions.

Pension provisions for executive board members amounted to € 2.3 (2.2) million.

Supervisory board I Assuming that the annual general meeting approves the proposed dividend on 15 July 2014, the compensation for the entire activities of the supervisory board members of CropEnergies AG will amount to € 175 (260) thousand for the 2013/14 financial year, with the fixed compensation accounting for € 175 (200) thousand. In addition, out-of-pocket expenses amounting to € 8 (4) thousand were reimbursed.

The description of the compensation systems for the executive and supervisory boards is part of the management report and can be found in the declaration on corporate management/corporate governance report on page 35.

(35) Supervisory board

Prof. Dr. Markwart Kunz
Chairman

Worms
Former member of the executive board of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt

Dr. Lutz Guderjahn
Deputy Chairman

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

Group positions
- *BENEO GmbH, Mannheim (Chairman)*
- *Raffinerie Tirlemontoise SA, Brussels (Belgium), (Chairman)*
- *Saint Louis Sucre SA, Paris (France)*
- *Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim*

Dr. Hans-Jörg Gebhard

Eppingen
Chairman of the Association 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

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

Positions held in national supervisory boards stipulated by law
- *Boerse Stuttgart AG, Stuttgart*
- *EUWAX Aktiengesellschaft, Stuttgart*

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

Group positions
- *AGRANA Bioethanol GmbH, Vienna (Austria)*
- *AGRANA Internationale Verwaltungs- und Asset-Management GmbH, Vienna (Austria)*
- *AGRANA J & F Holding GmbH, Vienna (Austria)*
- *AGRANA Stärke GmbH, Vienna (Austria)*
- *AGRANA Zucker GmbH, Vienna (Austria)*
- *AUSTRIA JUICE GmbH, Allhartsberg (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, Breslau (Poland)*
- *Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim (Chairman)*

Franz-Josef Möllenberg

Rellingen
Former chairman of the Gewerkschaft Nahrung-Genuss-Gaststätten (Union)

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

Norbert Schindler

Bobenheim am Berg
Member of the Bundestag
(Lower house of German Parliament)

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

(36) Executive board

Dr. Marten Keil (COO)

Heidelberg

Joachim Lutz (CFO)

Mannheim

(37) List of subsidiaries and equity interests

Company	Location	Country	Direct holding	Indirect holding
CropEnergies Bioethanol GmbH	Zeitz	Germany	15%	85%
CropEnergies Beteiligungs GmbH	Mannheim	Germany	100%	
BioWanze SA	Brussels	Belgium	100%	
Ryssen Alcools SAS	Loon-Plage	France		100%
Ryssen Chile SpA	Lampa, Santiago de Chile	Chile		100%
Compagnie Financière de l'Artois SA	Paris	France	100%	
Ensus Ltd	Yarm	United Kingdom	100%	
Ensus UK Ltd	Yarm	United Kingdom		100%
CropEnergies Inc.	Houston	USA		100%
CT Biocarbonic GmbH	Zeitz	Germany		50%

(38) Proposed appropriation of profit

The CropEnergies Group's consolidated net earnings for the year (according to IFRS) declined, following the previous year's record result, to € 12.0 (57.2) million. After an allocation of € 20.4 (19.4) million to the revenue reserves, the unappropriated profit of CropEnergies AG derived according to German commercial law, which is the relevant net earnings figure for appropriation purposes, amounted to € 20.5 (22.2) million.

The executive board and supervisory board will propose to the annual general meeting on 15 July 2014 that from the unappropriated profit of CropEnergies AG of € 8.7 million, a corresponding dividend of € 0.10 per share be distributed, a further € 11.0 million be allocated to the revenue reserves and the remaining unappropriated profit of € 0.8 million be carried forward.

(39) Events after the reporting period

No events took place after the reporting period that had a significant impact on the assets, liabilities, financial position and results of operations.

(40) Segment report

According to IFRS 8 (Operating Segments), 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 planning and control of the CropEnergies Group's operating activities is performed by the executive board as the chief decision-maker mainly on the basis of revenues as well as operating profit.

Reconciliation of segment assets and liabilities

€ million	28/02/2014	28/02/2013	01/03/2012
Total assets	669.4	598.9	623.4
./. Cash and cash equivalents	-14.0	-8.0	-1.7
./. Deferred tax assets	-22.7	-16.9	-23.9
./. Current tax receivables	-1.4	-0.5	0.0
Segment assets	**631.3**	**573.5**	**597.8**
Total liabilities	669.4	598.9	623.4
./. Equity	-395.3	-389.7	-353.9
./. Financial liabilities	-150.7	-91.0	-160.1
./. Deferred tax liabilities	-23.3	-22.4	-23.9
./. Current tax liabilities	-8.9	-11.2	-7.2
Segment liabilities	**91.2**	**84.6**	**78.3**

Regional segments

€ million	28/02/2014	28/02/2013
Third-party revenues		
Germany	394.2	386.3
Other countries	386.6	302.4
	780.8	**688.7**
Carrying amount fixed and intangible assets		
Germany	151.4	154.7
Other countries	331.8	288.2
	483.2	**442.9**
Investments in property, plant and equipment and intangible assets*		
Germany	9.4	4.5
Other countries	9.0	6.6
	18.4	**11.1**

** Including assets under construction*

The breakdown of segment assets and capital investments by region is based on the countries in which the companies of the CropEnergies Group have their registered office and domicile. Third-party revenues are broken down on the basis of delivery destination.

In the 2013/14 financial year, the CropEnergies Group derived 14.9% of its consolidated revenues from one customer.

In the reporting period, there was other operating income of € 5.4 (6.6) million, depreciation and amortisation of € 34.3 (32.0) million, other operating expenses of € 59.0 (48.0) million, financial income of € 1.2 (0.2) million, financial expenses of € 6.1 (5.3) million and tax expense of € 11.3 (24.7) million. This resulted in net earnings for the year of € 12.0 (57.2) million on operating profit of € 34.5 (87.0) million.

RESPONSIBILITY STATEMENT

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

Mannheim, 22 April 2014

THE EXECUTIVE BOARD

Dr. Marten Keil Joachim Lutz

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated financial statements of CropEnergies AG, Mannheim, and its subsidiaries, which comprise the consolidated income statement and the statement of income and expenses recognised in shareholders' equity, the consolidated cash flow statement, the consolidated balance sheet, the consolidated statement of changes in shareholders' equity and the notes to the consolidated financial statements for the financial year from 1 March 2013 to 28 February 2014.

Executive board's responsibility for the consolidated financial statements

The executive board of CropEnergies AG is responsible for preparing the consolidated financial statements. This responsibility includes these consolidated financial statements being prepared in accordance with International Financial Reporting Standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB (German Commercial Code), and their giving a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The executive board is also responsible for the internal controls which it deems to be necessary to enable the preparation of consolidated financial statements that are free from misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Insitute of Public Auditors in Germany – IDW) and additionally observed the International Standards on Auditing (ISA). Accordingly, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the carrying amounts and disclosures in the consolidated financial statements. The selection of audit procedures depends on the auditor's professional judgement. This includes the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In assessing those risks, the auditor considers the internal control system relevant to the entity's preparation of consolidated financial statements that give a true and fair view. The aim of this is to plan and perform audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive board, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In accordance with § 322 (3) sentence 1 HGB, we declare that our audit of the consolidated financial statements has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply, in all material respects, with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB and give a true and fair view of the net assets, financial position of the group as at 28 February 2014 as well as the results of operations for the financial year ending on this reference date, in accordance with these requirements.

Report on the group management report

We have audited the accompanying group management report of CropEnergies AG for the financial year from 1 March 2013 to 28 February 2014. The executive board of CropEnergies AG is responsible for the preparation of the group management report in accordance with the requirements of German commercial law applicable pursuant to § 315a (1) HGB. We conducted our audit in accordance with § 317 (2) HGB and German generally accepted standards for the audit of the group management report promulgated by the Institut der Wirtschaftsprüfer (Insitute of Public Auditors in Germany – IDW). Those standards require that we plan and perform the audit of the group management report so as to obtain reasonable assurance about whether the group management report is consistent with the consolidated financial statements and the audit findings, as a whole provides a suitable understanding of the Group's position and suitably presents the opportunities and risks of future development.

In accordance with § 322 (3) sentence 1 HGB, we declare that our audit of the group management report has not led to any reservations.

In our opinion, based on the findings of our audit of the consolidated financial statements and the group management report, the group management report is consistent with the consolidated financial statements, as a whole provides a suitable understanding of the group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 22 April 2014
PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Ralf Worster	ppa. Christina Pöpperl
Auditor	Auditor

GLOSSARY

Alcohol I → Ethanol.

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

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

Biofuel Sustainability Regulation (Biokraft–NachV) I Legislation that entered into force in Germany on 2 November 2009 regulating the criteria for the sustainable production of → Biofuels. The aim of the regulation is to ensure that only → Biofuels produced in conformity with mandatory sustainability standards benefit from tax incentives or can be credited to the biofuel targets in future. The regulation implements the → Sustainability criteria of the European Union for the biofuel sector in Germany.

Blending (with petrol) I Adding → Bioethanol to → Petrol. In Europe, the standard concerning to → Petrol is the EN 228 standard allowing the addition of 10 vol.-% → Ethanol or 22 vol.-% ETBE. Different ethanol blending rates apply around the world for conventional → Petrol (e.g., 20 – 25 vol.-% in Brazil; 10 – 15 vol.-% in the USA).

C4 components I A term derived from petrochemistry for a hydrocarbon fraction, which consists mainly of unsaturated compounds with four carbon atoms and is used mainly as a chemical raw material, e.g., for manufacturing plastics. These components can also be produced from → Bioethanol – i.e., on the basis of renewable raw materials.

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 C. previously absorbed during growth is released. C. is the principal → Greenhouse gas. C. can be used in the food and packaging industries.

CDS (Condensed Distillers' Solubles) I Liquid animal feed from → Stillage which is produced in the production of → Bioethanol from grain and is then thickened.

Cellulose I Structural substance of plants, main component of cell walls. C. 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 C. are currently under development.

CO_2 I → Carbon dioxide

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

Compliance I The observance of laws, directives, and voluntary codes as an element of responsible corporate management (→ Corporate governance).

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 corperate bodies and assures efficient supervision of the company's management. CropEnergies AG sees compliance with C. 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.

CropPower85 I Quality E85 fuel (➔ E85) for Flexible Fuel Vehicles (➔ FFVs) manufactured in compliance with the DIN 51625 standard. C. is a bioethanol-petrol mixture with a ➔ Bioethanol content of up to 86%.

Cross Compliance I Agricultural principle in the EU which states that farmers must comply with environmental standards in order to benefit from market support measures. C. 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 C. 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.

D&O Insurance (Directors and Officers Insurance) I Liability insurance which a company takes out to protect its boards and senior officers against claims for damages for financial losses.

DDGS (Distillers' Dried Grains with Solubles) I Dry stillage. D. is the dried ➔ Stillage produced in the production of ➔ Ethanol from grains and is used as a valuable protein animal feed.

Dehydration I Term used for the so-called "drying" of ➔ Alcohol. In this last step of ➔ Bioethanol production, virtually all the remaining water is removed from the ➔ Alcohol thus achieving a purity of over 99% is reached.

Derivatives/Derivative financial instruments I 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. D. exist in a multitude of forms such as options or ➔ Futures.

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

E5 I Fuel for petrol engines with up to 5 vol.-% ➔ Bioethanol.

E10 I Fuel for petrol engines with up to 10 vol.-% ➔ Bioethanol.

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

Earnings before interest and taxes (EBIT) I Figure which measures the operative earning power of a company by eliminating tax expenses and interest results from the net earnings for the year. E. 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 AG largely corresponds to the E. definition.

Earnings per share I The earnings attributable to the shareholders of CropEnergies AG after tax represented by one share. E. 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 I ➔ Earnings before interest and taxes.

EBITDA I Earnings before interest, taxes, depreciation, and amortization on property, plant and equipment and intangible assets.

Enzyme I Archaic: ferment. A biochemical catalyst that helps to break down or change a substrate without being consumed itself. E. consists of protein.

Ethanol I Also known as ethyl alcohol. Belongs to the group of ➔ Alcohols, and is synonymous with ➔ Alcohol in the narrower sense. E. is the main product of alcohol ➔ Fermentation, and is the principal component of spirits and alcoholic beverages. E. is used as a fuel additive (➔ Bioethanol) and as a fuel on its own, but also in the chemical and pharmaceutical industry.

Fermentation | Biotechnical procedure for manufacturing a desired product; in the course of the procedure, organic material is converted by microorganisms such as bacteria, fungi or unicellular organisms or their enzymes. During the production of → Bioethanol, the sugar contained in the grain bill is converted by yeast into → Alcohol.

FFVs (Flexible Fuel Vehicles) | FFVs are "fuel flexible", that is to say, they can be fuelled by both pure → Petrol and – in Europe– by 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.

Fuel Quality Directive | European Parliament and Council Directive 98/70/EC of 13 October 1998 which sets minimum standards for the quality and labelling of the quality specifications of fuels. With the F., the European Parliament and Council have adopted 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.

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 G. is used as food and animal feed.

GMP+ | Guidelines for quality assurance of the production processes and environment, among other things, in the production of food and animal feed products.

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

Greenhouse gases | Besides methane, nitrous oxide and fluorocarbons, → Carbon dioxide is the main anthropogenous G. The increasing concentration of G. 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 the transportation sector.

IFS (International Food Standard) certification | Certification and auditing of systems for guaranteeing the safety and quality of food in the production process. The certification is performed by accredited certification bodies.

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.

Petrol | Formal designation for normal (regular) and super (premium) P. for carburetors and fuel-injection engines with external ignition. European quality requirements are specified in the EN 228 standard.

ProtiGrain® | Brand name for the → DDGS produced by CropEnergies. P. is marketed as high-grade protein animal feed.

ProtiWanze® | Brand name for the → CDS produced by CropEnergies in Wanze. P. is a liquid animal feed with a high protein content.

Rectification | A step in the bioethanol production process in which the → Alcohol is purified and residues are removed.

Renewable energies | 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 Directive 2009/28/EC of the European Parliament and Council of 23 April 2009 for promoting the use of energy from renewable sources. Among other things, this sets a mandatory target quota for ➔ Renewable energies of 10% of the total fuel consumption in the transportation sector by 2020. The directive also contains rules on the sustainable production of ➔ Biofuels as a condition for support and crediting to the EU biofuel targets. Economic operators are required to establish independent verification procedures (e.g., certification systems) to prove compliance with the legally stipulated requirements. The R. had to be translated into national law by the member states by 5 December 2010.

ROCE (Return on capital employed) I It is used within the CropEnergies Group to measure the profitability. This is calculated by comparing operating profit with assets employed. This latter amount is the sum of non-current assets (excluding financial assets) and working capital.

Severance payment cap I The upper limit on the amount of compensation that a member of the executive board receives if his contract is prematurely terminated.

Stillage I Residues of non-fermentable substances produced during distillation. Its content of protein, nitrogen compounds, fat, and other substances make grain stillage a valuable animal feed for livestock.

Sugar syrups I Intermediate products in sugar production. CropEnergies uses S. in its bioethanol plants as raw material for the production of ➔ Bioethanol.

Sustainability certification I Serves to monitor and audit the entire cultivation, supply and production chain for ➔ Biofuels to ensure compliance with the requirements of the ➔ Biofuel Sustainability Regulation through independent certification systems and bodies recognised and overseen by government supervisory authorities (e.g., the Federal Institute for Agriculture and Food [BLE] in Germany). S. also covers power generation from liquid biomass.

Sustainability criteria I 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 S. were also taken into account in the drafting of the ➔ Renewable Energies Directive.

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

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

FORWARD-LOOKING 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.

Financial calendar

1st quarterly report 2014/15	8 July 2014
Annual general meeting 2014	15 July 2014
1st half-yearly report 2014/15	8 October 2014
1st to 3rd quarterly report 2014/15	12 January 2015
Annual report press and analysts' conference financial year 2014/15	19 May 2015

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