CropEnergies AG I Annual Report 2014/15

ANNUAL REPORT 2014/15

crop. energies

mobility – sustainable. renewable.

SÜDZUCKER GROUP

HIGHLIGHTS 2014/15
CROPENERGIES GROUP

■ Revenues up to € 827 (780) million	€ +47 million
■ Bioethanol production up to 1,056,000 (884,000) m^3	+20%
■ EBITDA declines to € 25.2 (68.5) million	€ -43 million
■ Operating profit down to € -11.2 (35.0) million	€ -46 million
■ Net earnings decline to € -58.0 (12.0) million	€ -70 million
■ Cash flow reaches € 5.3 (50.9) million	€ -46 million
■ Net financial debt up to € 150 (135) million	€ +15 million

- Outlook for 2015/16*: Revenues are expected to range between € 625 and € 675 million. Operating profit is expected to range between minus € 20 and plus € 10 million.

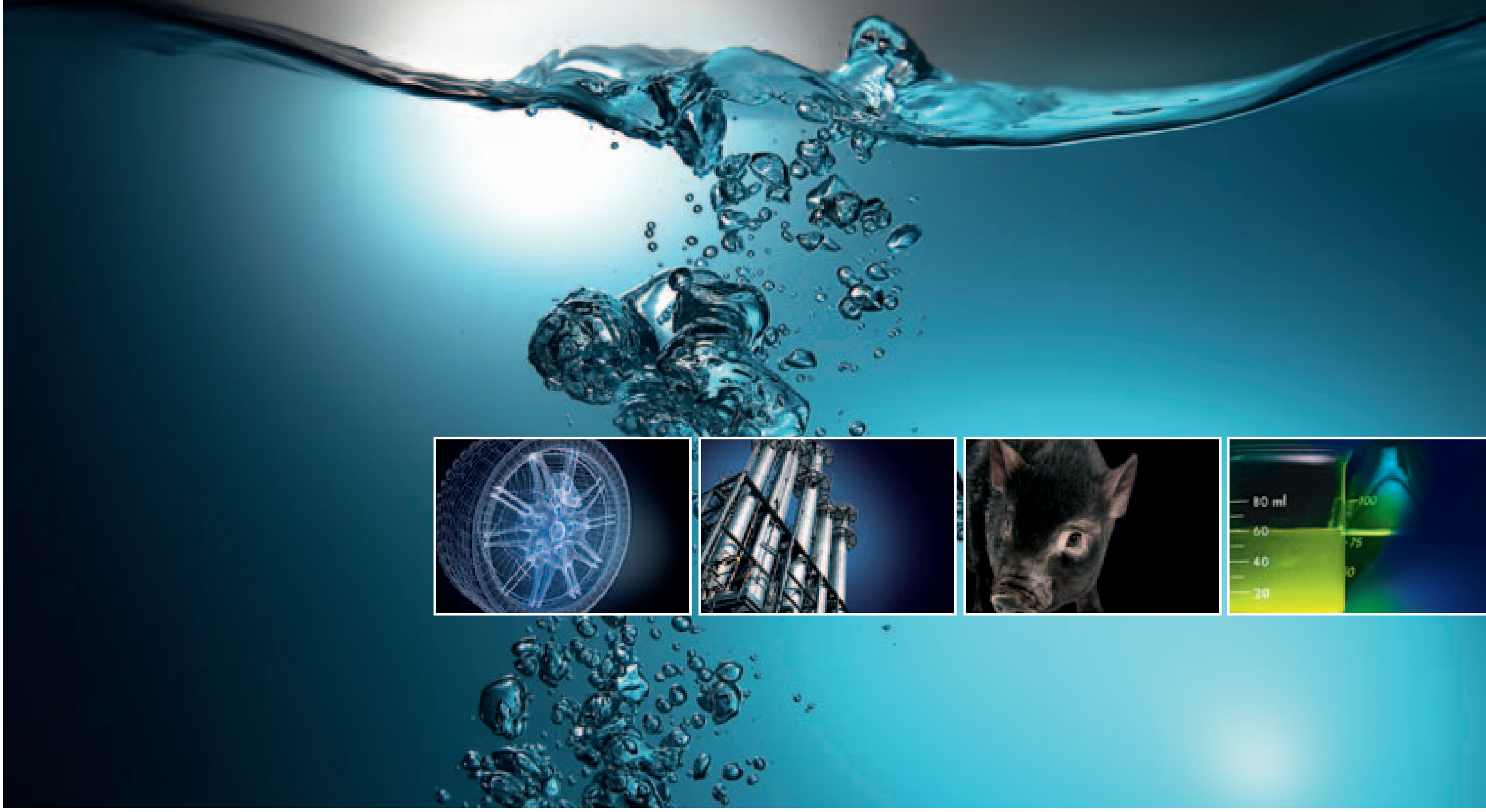
The annual report is also available in German. This English translation is provided for convenience only and should not be relied upon exclusively. The German version of the annual report is definitive and takes precedence over this translation.

**Details in the Outlook, page 71*

CROPENERGIES –
GROUP FIGURES OVERVIEW

IFRS/IAS		2014/15	2013/14	2012/13	2011/12	2010/11
Result						
Revenues	€ thousands	827,165	780,436	688,723	572,119	472,755
EBITDA	€ thousands	25,177	68,463	118,989	84,314	76,300
in % of revenues	%	3.0	8.8	17.3	14.7	16.1
Operating profit	€ thousands	-11,233	35,002	87,018	53,008	45,933
in % of revenues	%	-1.4	4.5	12.6	9.3	9.7
Income from operations	€ thousands	-39,367	28,050	87,004	51,922	46,765
Net earnings	€ thousands	-58,043	12,006	57,175	30,180	28,341
in % of revenues	%	-7.0	1.5	8.3	5.3	6.0
Cash flow and capital expenditures						
Cash flow	€ thousands	5,285	50,858	98,238	63,986	63,294
in % of revenues	%	0.6	6.5	14.3	11.2	13.4
Capital expenditures in property, plant and equipment*	€ thousands	31,636	18,182	11,104	14,415	21,631
Balance sheet						
Total assets	€ thousands	643,914	666,305	598,947	623,444	638,537
Net financial debt	€ thousands	-150,148	-134,674	-82,907	-158,383	-195,027
Equity	€ thousands	331,660	395,344	389,705	353,929	339,289
in % of total liabilities and shareholders' equity	%	51.5	59.3	65.1	56.8	53.1
Performance						
Property, plant and equipment*	€ thousands	475,232	472,519	437,344	458,624	477,434
Goodwill	€ thousands	5,595	5,595	5,595	5,595	4,346
Working capital	€ thousands	43,191	71,186	64,173	60,287	52,249
Capital employed	€ thousands	524,018	549,300	507,112	524,506	534,029
ROCE	%	-2.1	6.4	17.2	10.1	8.6
Shares						
Market capitalization	€ million	262	442	499	450	529
Total shares issued of 28/29 February	million	87.25	87.25	85	85	85
Closing price on 28/29 February	€	3.00	5.07	5.87	5.30	6.22
Earnings per share	€	-0.67	0.14	0.67	0.36	0.33
Dividend per € 1 share	€	0.00	0.10	0.26	0.18	0.15
Yield as of 28/29 February	%	0.0	2.0	4.4	3.4	2.4
Production						
Bioethanol	1,000 m^3	1,056	884	808	692	687
Employees						
Employees (average during the year)		438	430	321	310	303

** Including intangible assets*



CROPENERGIES AG MANNHEIM

Group Annual Report for 2014/2015
1 March 2014 to 28 February 2015

CropEnergies AG met the challenges of the last financial year with the strength acquired in the previous year. Our business plan is and remains sustainable because we offer solutions to problems which are becoming ever more important. Be it for the reduction of oil imports and for securing mobility or for ensuring the supply with domestic protein feeds which – free of genetic engineering – offer an alternative to imports. At the same time, we create jobs and promote the creation of value added at our sites which radiates far beyond them. CropEnergies is also already working on the future. Our research and development is advancing product sectors so we can continue to set trends in the future.

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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 50 percent greenhouse gas savings
- Annual total capacity: approx. 1.2 million m^3 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 2014/15: € 262 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.

Bioethanol
for substitutes fuel

Bioethanol
for traditional and technical applications

The production sites

Zeitz, Germany

Annual capacity
(per annum)
360,000 m³ of bioethanol for fuel and traditional applications
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

Liquefied carbon dioxide
for food and industrial applications

Gluten
high-quality wheat protein for food and animal feed, e. g. for aqua cultures

ProtiGrain®
protein feed in pellet or powder form for cattle, pigs and poultry

ProtiWanze®
liquid protein feed for cattle and pigs

LETTER TO SHAREHOLDERS

Dear Shareholders,

2014/15 was the most difficult financial year in the history of the CropEnergies Group. The company's development and the achievements made contrast sharply with the economic key figures. We have further optimised our production facilities, increased production volumes and forged ahead with the expansion of the business. And yet developments in the relevant markets resulted in a loss for the year.

The political discussion in the EU about the necessary increase in the proportion of renewable energies in the transport sector, in particular, which has been ongoing since the autumn of 2012, and the slight decline in the consumption of petrol fuels have caused the demand for bioethanol to fall by 10% over the last two years, generating pressure on prices in the European bioethanol market. The surprisingly sharp decline in oil prices and non-transparent price determination for bioethanol have significantly increased this pressure. For much of the financial year, the price of bioethanol was below the price of petrol, occasionally even significantly so. In January 2015, bioethanol prices fell to an all-time low of € 417/m³. This development had a negative impact on the earnings level of European bioethanol producers.

CropEnergies was also affected by this development. Although the company increased revenues by 6% to € 827 million in the 2014/15 financial year, it posted an operating loss of € 11 million. In addition, earnings were negatively impacted by one-off expenses of € 37 million caused by the temporary closure of the plant in Wilton. Overall, CropEnergies closed the financial year with a group loss of € 58 million. No dividend can therefore be distributed.

We have taken measures to improve the earnings situation. These measures focused on the optimisation of our production plants and the diversification of business activities. We are proud of having completed the neutral alcohol plant in Zeitz within a short period of time and having commissioned it at the beginning of 2015. Following detailed testing and tuning procedures, it now produces high-purity neutral alcohol for customers from a wide variety of industries. We have also achieved technical advances at Ensus in the United Kingdom. For example, we have increased capacity utilisation and lowered energy consumption. Further potential for optimisation has been identified. Against this background, the decision to close the plant until further notice in February 2015 was a very difficult one for us to make. However, the current price level does not allow us to operate the plant on a cost-covering basis. If there is a sustained improvement in the market situation, we will resume operation of the plant and use the CropEnergies Group's full capacity of 1.2 million m³ of bioethanol to supply the market with a climate-friendly, proven and reasonably priced biofuel. Not only does this provide a benefit to CropEnergies AG, with its shareholders and employees, it also enables us to make our contribution to climate protection.

For the moment, we do not expect to see any significant change in market conditions in the 2015/16 financial year. Owing to the suspension of production for the time being at Ensus, we therefore expect production volumes within the CropEnergies Group to achieve roughly the level of the 2012/13 financial year. Although revenues will decline as a result, the risk profile of our business activities will improve. We expect to be able to generate EBITDA sufficient for covering the upcoming investments and securing the company's capital base in this difficult market phase. At this moment in time, we cannot rule out the possibility of another operating loss.

We would like to express our sincere thanks to our employees, who, in the difficult past financial year, supported the CropEnergies Group with great dedication and passion. We would like to thank you, dear shareholders, for the trust that you place in us and for your support in these challenging times. We will be pleased to receive your continued support in future.

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 AG

Dr. Lutz Guderjahn
Deputy Chairman

Offstein
Member of the executive board of Südzucker AG

Dr. Hans-Jörg Gebhard

Eppingen
Chairman of the Association Süddeutscher Zuckerrübenanbauer e. V.

Thomas Kölbl

Speyer
Member of the executive board of Südzucker AG

Franz-Josef Möllenberg

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

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 134 onwards of the annual report.

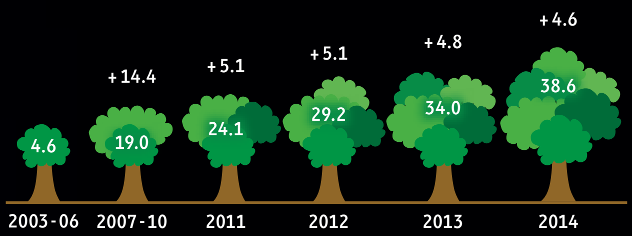
EVEN A REVOLUTIONARY IDEA NEEDS CONSTANT EVOLUTION.

The invention of the wheel started the ball rolling since then, making headway has ruled our life. We make a considerable contribution to secure mobility in Europe – sustainably produced from domestic raw materials.

ENSURING MOBILITY – INDEPENDENT OF ENERGY IMPORTS

Greenhouse gas savings in the transport sector in Europe through bioethanol since 2003

Greenhouse gas savings (accumulated) in million tonnes CO_{2eq}



Sustainably produced bioethanol is the ideal substitute for petrol from fossil sources. Bioethanol made from domestic raw materials has replaced more than 150 million barrels of oil since 2003 and just in 2014 has saved the EU imports of 1.4 billion euros. The better the EU supplies itself with energy, the more independent it becomes of oil imports and their fluctuating prices. But European bioethanol has one other advantage: In the last 5 years alone, bioethanol has reduced greenhouse gas emissions by approximately 25 million tonnes. That is equivalent to the yearly greenhouse gas emissions of 11.5 million cars.

CROPENERGIES SUSTAINABLY PRODUCED BIOETHANOL

SUPERVISORY BOARD REPORT

Dear Shareholders,

The 2014/15 financial year posed particular challenges to CropEnergies. Although the company succeeded in further increasing revenues due to growth in production and sales, the unfavourable conditions in the European bioethanol market caused unusual pressure on prices, which resulted in our company posting an operating loss. In view of this development, the supervisory board supported the proposal of the executive board in February 2015, to stop production in Wilton until further notice, despite the progress that had been made.

CropEnergies is well placed structurally in these difficult times. The foresighted measures for increasing the efficiency of the production plants and for reducing costs are showing results. Furthermore, CropEnergies has successfully diversified its area of business by commissioning the neutral alcohol plant into operation in Zeitz. What is now important is that the political framework should finally be defined in Brussels and implemented by the member states. We expect these decisions to be taken in the 1st half of the 2015/16 financial year.

The supervisory board concerned itself closely with the business development, the financial position and the business 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 2014/15 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 2014/15 financial year. The focus of the deliberations at the supervisory board meetings were the developments on the raw materials and sales markets, the hedging of market price risks, the political framework conditions for biofuels, the progress of production and investments, and the current earnings situation. Following thorough review and discussion, the supervisory board agreed to all the resolution proposals of the executive board.

At its annual account meeting on 12 May 2014, the supervisory board devoted its attention to the annual financial statements and management reports of CropEnergies AG and the consolidated group for 2013/14, 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 2014 annual general meeting, approved the short- and medium-term investment planning and reviewed the executive board's compensation structure.

The focus of the supervisory board meeting on 15 July 2014 was the medium-term planning. The realignment of the boundaries of a plot of land was also approved.

At the meeting on 10 November 2014, the supervisory board discussed the earnings forecast for the current financial year and possibilities for sustainably securing profitability. As in previous years, the supervisory board mainly focused on the issue of corporate governance. It conducted the annual review of the efficiency of its activities and approved the declaration of conformity for 2014. Furthermore, the supervisory board approved the taking out of a long-term loan.

At the meeting on 26 January 2015, the earnings projection for the current 2014/15 financial year was presented.

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 2014/15 financial year, in three meetings and two conference calls. 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 5 May 2014, 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, it discussed the proposal to appoint the independent auditor and examined the latter's independence.

At the meeting on 15 July 2014, the audit committee discussed the independent auditor's quotation for the audit mandate and issued the mandate.

On 6 October 2014, 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 7 July 2014 and on 8 January 2015 were devoted to a discussion of the Q1 and Q3 quarterly reports for 2014/15.

All members were present at, or connected by telephone to the audit committee's meetings and conference calls, with the exception of one member who, for an important reason, was unable to attend one meeting.

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 2014/15 financial year.

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 10 November 2014. 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 2014 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 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 2014/15 financial year, and the consolidated financial statements and the group management report for 2014/15, 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 approximately 69% shareholding held by Südzucker AG, it directly and indirectly holds approximately 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 has 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 11 May 2015 and at the supervisory board's annual account meeting on 18 May 2015, 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 18 May 2015.

With this approval, the annual financial statements of CropEnergies AG have been adopted. The supervisory board agreed with the executive board's proposal not to distribute a dividend.

Mannheim, 18 May 2015
On behalf of the supervisory board

Prof. Dr. Markwart Kunz
Chairman

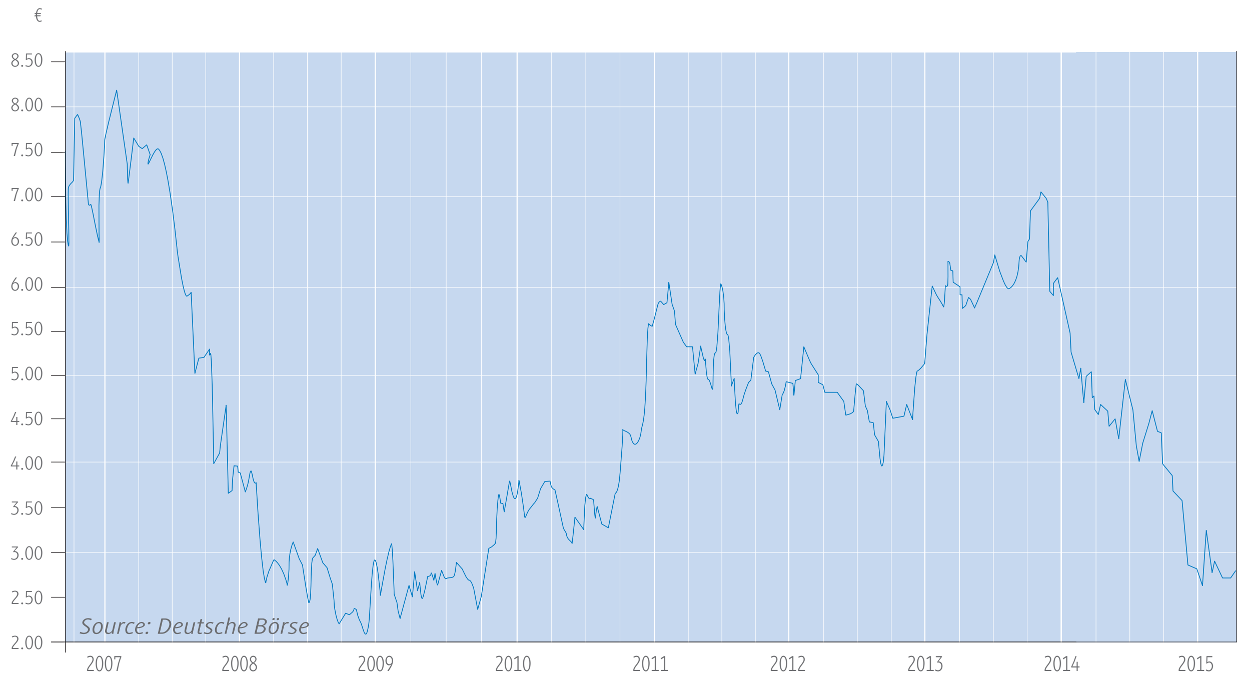
SHARE AND CAPITAL MARKET

Capital market environment

At the beginning of the reporting period, weak economic data from the USA and the escalation of the conflict in Ukraine initially had a negative impact on the global economic climate. After DAX® and MDAX® had started at 9,692 and 16,892 points, respectively, on 3 March 2014, the DAX® passed the 10,000 point mark for the first time in its history on 5 June 2014 as a result of the European Central Bank (ECB) lowering the base rate to 0.15%. In the 2nd half of 2014, the high indebtedness of a number of Southern European countries, particularly Greece, moved back into focus. The ECB initially reacted to the strained economic situation by introducing negative deposit rates and lowering the base rate, at the beginning of September 2014, to a historically low level of just 0.05%. Nevertheless, the Dax® reached its low for the year in October 2014, at 8,476 points. In January 2015, the ECB announced a new programme for purchasing bonds amounting to € 1.1 trillion with a view to preventing deflationary trends. The DAX® reacted immediately to this announcement of additional liquidity inflows and reached a new all-time high of 11,402 points at the end of February 2015. On 28 February 2015, the end of the reporting period, DAX® and MDAX® were trading at 11,402 (9,692) and 20,092 (16,892) points, respectively, a rise of 18% and 19%, respectively.

Performance of the CropEnergies share

The CropEnergies share began the 2014/15 financial year on 1 March 2014 at a price of € 5.07. After a slight downwards movement caused by the difficult market environment with bioethanol prices that, in part, were below petrol prices, the price stabilised at just over € 5 at the beginning of July. After CropEnergies reported an operating loss for the 1st half of 2014/15 in September and the oil price also came under extreme pressure, the share fell significantly, reaching its low for the financial year on 30 January 2015 at € 2.70. After a slight improvement in price at the beginning of February 2015, the communication regarding the temporary closing of the production plant in Wilton, published on 18 February 2015, resulted in significant price fluctuations. The share closed on



Performance of the CropEnergies share since the initial public offering on 29 September 2006 until 28 February 2015 (XETRA® closing prices) that day at € 2.94 or an intra-day loss of 6%. The closing price for the financial year on 28 February 2015 was € 3.00. Taking the dividend payment into account, there was an overall reduction of 39% in the share's value. The benchmark index, DAXsubsector Renewable Energies of Deutsche Börse, declined by 11% in the reporting period.

Stock exchange listing and shareholder structure

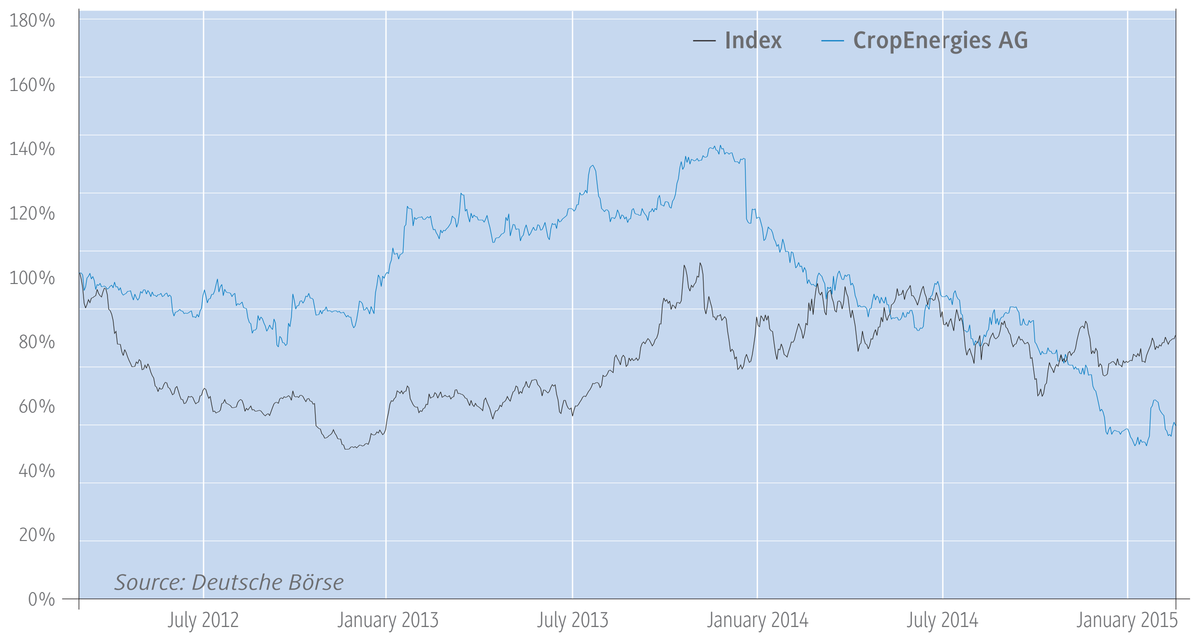
The CropEnergies AG share (ISIN DE000A0LAUP1) is listed in the Regulated Market (Prime Standard) on the Frankfurt Stock Exchange. The share is also traded in the XETRA® electronic trading system and in the over-the-counter market at the stock exchanges in Frankfurt, Stuttgart, Düsseldorf, Hamburg, Munich and Berlin. Südzucker AG holds approximately 69%, and Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) approximately 7%, of the shares of CropEnergies AG. No other notifiable shareholdings have been reported. At the time of the annual general meeting in 2014, CropEnergies shares were located in approximately 12,000 – mainly private – deposit accounts.

Annual general meeting 2014

Approximately 800 shareholders attended the annual general meeting held on 15 July 2014 in the Rosengarten Congress Centre in Mannheim. The shareholders present represented 83% of the capital and were particularly interested, in their statements and questions, in the development of the British subsidiary Ensus and the progress in the construction of the neutral alcohol plant in Zeitz. After discussing the items on the agenda, the annual general meeting approved the proposed dividend of € 0.10 per share. This resulted in a total dividend distribution of € 8.7 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 2015

There was no unappropriated profit in the 2014/15 annual financial statements prepared under German Commercial Law. A dividend payment is therefore ruled out.



Performance of the CropEnergies share versus the DAXsubsector Renewable Energies performance index from 1 March 2012 to 28 February 2015

Details

CropEnergies AG		
ISIN		DE000A0LAUP1
WKN		A0LAUP
Symbol		CE2
Class of share		No-par-value bearer ordinary shares
Sector		Industrial goods
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

		2014/15	2013/14
Financial year-end closing price	(€)	3.00 (28/02/2015)	5.07 (28/02/2014)
High	(€)	5.28 (27/03/2014)	7.13 (26/11/2013)
Low	(€)	2.70 (20 /30/01/2015)	5.07 (28/02/2014)
Market capitalisation at financial year-end	(in € million)	262	442
Average daily turnover	(number of shares)	32,759	48,945
Earnings per share according to IAS 33	(€)	-0.67	0.14
Dividend per share	(€)	0.00	0.10

Source: Deutsche Börse AG, XETRA® data

Market capitalisation and turnover

CropEnergies had a market capitalisation of € 262 million as of the reporting date on 28 February 2015. The volume of all CropEnergies' shares traded on all the German stock exchanges in the past financial year amounted to 8 (12) million shares. That corresponds to an average daily turnover of approximately 33 (49) thousand shares.*

Investor relations

CropEnergies provides timely and transparent information, particularly via its website www.cropenergies.com. Amongst other things, interested parties will find financial reports, press releases and ad hoc announcements, the financial calendar, as well as up-to-date capital market presentations here. Numerous brochures of CropEnergies AG can also be downloaded here, or they can be sent by e-mail or by post on request.

In the reporting period, CropEnergies was represented at analyst and capital market conferences as well as at road shows in Frankfurt, London, Vienna and Zurich to illustrate the company's business development and corporate strategy. The quarterly results were reported on through conference calls. The investor relations department is available on a daily basis for an exchange of information by telephone, a service which is also offered, in particular, to private shareholders.

** Source: Deutsche Börse Stock Report*

FOUNDATIONS OF THE GROUP

Group structure

The CropEnergies Group has several production plants for neutral 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. The bioethanol is mainly used in the fuel sector. Since January 2015, it has been possible to process 60,000 m³ of bioethanol a year into high-quality food-grade neutral alcohol at the site. 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 liquid 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 as an animal feed product.

Ensus Ltd is a British holding company with no production facilities of its own.

Ensus UK Ltd has a bioethanol plant with an annual capacity of 400,000 m³ of bioethanol and 350,000 tonnes of dried protein animal feed (DDGS) in Wilton (United Kingdom). In addition, up to 250,000 tonnes of biogenic CO_2 from fermentation can be 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 neutral alcohol. In addition, Ryssen holds 100% of the shares in Ryssen Chile SpA. Ryssen Chile SpA is an alcohol distributor and supplies the Chilean market with neutral alcohol.

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. In October 2014, the Tyczka corporate group (Geretsried) sold its 50% share in CT Biocarbonic GmbH to SOL SpA (Monza, Italy), which is therefore a new joint venture partner.

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 the operating profit, income from operations as shown in the income statement is adjusted for net restructuring costs and special items as well as for earnings from entities consolidated at equity. In addition to the two financial performance indicators, revenues and operating profit, 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 standard business risks at 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 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, CropEnergies combines business success with social responsibility and environmental protection. The company's aim is to grow profitably, to increase enterprise value in the long term and to take the interests of shareholders, customers, suppliers and employees into account, through sustainable and responsible business activity.

The products produced aim to improve the quality of life for the present generation while safeguarding that of future generations. As a regenerative substitute for petrol, the bioethanol produced from renewable raw materials is proven to reduce greenhouse gases, conserves the world's limited fossil resources, and thus furthers future mobility. Protein-rich food and animal feed products are produced from the residues of bioethanol production to secure Europe's supply of vegetable proteins. CropEnergies fully exploits all of the raw materials it uses to provide food, feed and fuel and, in this way, also honours its responsibility to society as the European market leader in the production of food and animal feed products.

The CropEnergies Group achieves its objectives through operating excellence and innovations, relying on its own core competences – the large-scale processing of agricultural raw materials into high-grade products and their marketing. What is instrumental here is the extensive know-how across the entire bioethanol, food and animal feed production value chain – from crop growing to production to transport, marketing and consumer consultation. With its innovative production facilities, CropEnergies sets standards in terms of technology, efficiency, flexibility and greenhouse gas reductions. An optimised sourcing management and a logistics network that is unique in Europe assure the company's technology leadership, as well as cost leadership, in Europe. The company's marketing and logistics expertise makes it a reliable partner, too. Through innovations, CropEnergies secures a competitive edge in its existing areas of business, taps new markets, and contributes towards developing solutions for the challenges of the future. Key to the company's success, however, are the knowledge, experience, social skills, satisfaction and dedication of its employees. The company also aims to continue to develop these strengths by training and advancing its employees.

Opportunities to grow as a company are constantly utilised, taking the given framework conditions and existing skills into account. Structural changes present an opportunity to develop the company. The growing demand for energy and food calls for the efficient use of available agricultural resources. This also presents future opportunities for CropEnergies to develop attractive new areas of business and to continue growing profitably. The company places great value on transparent reporting and open communication with all capital market participants. The contact with investors and capital markets is also important for funding further growth.

CropEnergies operates 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: the production and sale of bioethanol from renewable raw materials. In this respect, sustainability is the prerequisite for the company's success. As one of the leading European producers of bioethanol, the CropEnergies Group takes its responsibility to the environment very seriously.

CropEnergies produces bioethanol, neutral alcohol as well as high-grade food and animal feed products from natural, renewable raw materials. Bioethanol for the European market must be shown to have been sustainably produced. Independent certification systems approved by the European Commission are responsible for monitoring and inspecting the complete value chain. These systems 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 by CropEnergies originate exclusively in Europe. Our suppliers in the EU are bound by the principles of cross-compliance for agricultural production methods. These principles include, for example, environmental protection standards for agriculture that guarantee the sustainable cultivation of agricultural raw materials. The sustainability criteria for raw materials for the production of biofuels even go beyond the cross-compliance requirements. They ensure that from the cultivation of biomass through to bioenergy production and use, significant greenhouse gas emission savings compared with fossil fuels are achieved. They also stipulate that the areas on which raw materials are grown must not be extended to sensitive areas such as first-growth forests (e.g., rainforest) or at the expense of biodiversity.

All CropEnergies' 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 to 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 has its own certification system, which is recognised by the European Commission, and also complies with the European version of ISCC.

The certifications enable CropEnergies to demonstrate that the bioethanol produced meets the sustainability criteria of the "Renewable Energies Directive". One of the stipulations of this Directive is that savings of at least 35 wt.-% CO_{2eq}. compared with the use of conventional fuels must be realised across the entire value chain. 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 goes one step further in saving resources: thanks to its integrated production concepts, the raw materials used are completely processed into high-quality products, thereby virtually eliminating any waste. CropEnergies processes the components contained in the raw materials that are not required for bioethanol and neutral alcohol production into high-quality food and animal feed products. The non-fermentable constituents contain valuable protein, the processing and refining of which reduce the supply gap for vegetable proteins in Europe and lessen the need for imports of protein animal feeds, especially in the form of soybeans and soy meal from South America.

Studies show that the production of European bioethanol from feedgrain and industrial beet has no significant impact on global requirements for arable land. On the contrary, every hectare that is cultivated in the typical crop rotation in Europe produces not only raw materials for the production of 4,000 litres of bioethanol, but also for 4,000 kg of animal feed for which 1.9 times the area of sugar cane and soybean would be utilised in South America. Bioethanol from EU production has the effect of reducing land use in other regions.

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 energy recycling 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. At the bioethanol plant in Wanze, in addition, a large part of the thermal and electric process 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.

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, which means that 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 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. 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 in close consultation with the Central Research, Development and Technological Services Department of Südzucker AG. Work is carried out on issues from a wide variety of areas.

In the 2014/15 financial year, emphasis was placed on improving processing processes at all production sites, focusing on optimising the alcohol yield through the use of various raw materials and reducing the primary energy required for production. During construction and commissioning of the neutral alcohol plant in Zeitz, technology and production issues were handled.

In connection with fuel and bioethanol qualities, the focus was on product safety and quality, while sales-oriented issues were at the fore with regard to food and animal feed products.

CropEnergies often carries out innovative projects, for example, for using new technologies, in collaborative ventures with universities or public research institutes. The aim of such projects may, for example, be to obtain new products for the animal feed and food sector from arising material flows or to use CO_2 from fermentation for the biochemical production of chemical intermediate products. The projects also focus on using bioethanol as a synthesis component for products outside the fuel sector.

An amount of € 2.1 (1.8) million was expended on research, development and other services in the 2014/15 financial year.

Raw material base, raw material quality and fermentation modifications

CropEnergies is pursuing the strategic goal of being able to process the widest possible range of raw materials in its production plants. As not only bioethanol, but also high-grade food and animal feed products are produced from the raw materials, the impeccable quality of the supplied grain is crucial. In collaboration with grain purchase, production and animal feed sales, additional analysis methods were therefore established and investigation plans drawn up to ensure the high level of quality of the food and animal feed products.

The evaluation of new, commercially available enzymes and yeasts for the biotechnological process steps continues to be an important component of research activities. The use of new enzymes and adjustment of the process parameters enabled starch fermentation to be optimised even when different raw materials were used and the ethanol yield still to be kept at a high level.

Using proteases in the production process had a positive impact. As a result of a smaller cleaning effort and an increase in process stability, it was possible to achieve a significant improvement in the utilisation of the plants.

Optimisation of production plants

In addition, research and development activities focused on improving the cost-efficiency of the plant in Wilton. Continuous process optimisation and process adjustment measures enabled specific energy consumption to be significantly lowered.

In pilot experiments, the production process in Wilton was modelled to scale and the effects of different reaction parameters and various enzymes and enzyme mixtures on starch decomposition were analysed. It was possible to implement the results of these experiments directly in production, leading to further energy savings and a significant reduction of the enzyme quantity used.

The focus of technological support at Zeitz was on DDGS pelletisation. Technological measures and various mechanical modifications brought about a significant improvement in pellet stability.

The focus of activities at Wanze was on expanding gluten production. After various implementation studies, project implementation is now being prepared.

The purity and quality of the end product is crucial in the production of neutral alcohol. To be used in the food sector or in products of the pharmaceutical or cosmetics industry, the alcohol needs to be not only ultra-pure, but must also have a neutral odour and taste. These are new requirements for the site in Zeitz, at which only fuel ethanol has been produced up to now. In advance of commissioning the neutral alcohol plant, food grade quality was examined and confirmed and a corresponding HACCP concept implemented with regard to the assumption of beverage alcohol production. This concept relates to the safe production of food and animal feed. The implementation includes the establishment of corresponding analytical methods in the plant laboratory at Zeitz. The specification for neutral alcohol and a corresponding monitoring programme were introduced. CropEnergies was able to fall back on Ryssen's long-standing experience and know-how in this respect.

Quality of food and animal feed

CropEnergies further processes the intermediate products and side-streams produced during bioethanol production into high-quality products for the food and animal feed sector. The quality of the raw materials used as well as the food and animal feed products produced is regularly evaluated as part of the quality assurance system. Not only are the analyses of the plant laboratories used, but the comparability of the analysis results is additionally checked once again by examining parallel samples ("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, CropEnergies has worked on 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 was published as a DIN standard in December 2014.

In addition, CropEnergies continued to pursue the technical possibilities for using petrol fuels with an ethanol content of up to 25 vol.-% in various studies with European experts. These elaborations will serve as a template for standardisation of future fuels with an ethanol content of more than 10 vol.-%.

New product and production concepts for bioethanol

CropEnergies continues to focus increasingly on the integration of new processes and process technologies in accordance with the biorefinery concept with a view to further increasing the sustainability and cost-efficiency of the production plants through integrated production concepts. In this regard, coupled utilisation pathways for the energy and material recovery of side-streams are promising research approaches, which are being pursued in the company's own and publicly funded projects.

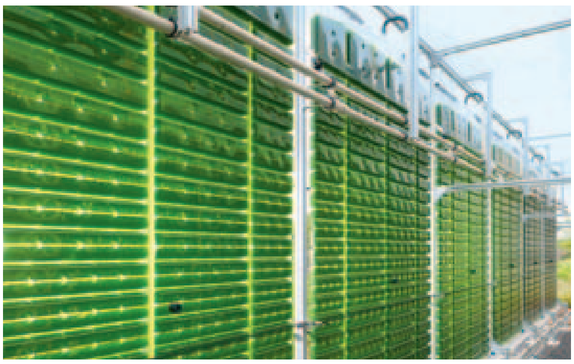
One focus is on the efficient use of protein-containing side-streams of bioethanol production such as gluten, "Distillers' Dried Grains with Solubles" (DDGS) and "Condensed Distillers' Solubles" (CDS). CropEnergies is researching the development of new processes and process technologies in integrated biorefineries in order to acquire new valuable protein products and increase the value added of existing protein products. In various studies and in cooperation with partners, ways of developing novel protein products for the animal feed and food sector that satisfy the high requirements in respect of quality and application-related functionality have been assessed.

Another project, funded by the federal government, is concerned with the recovery of valuable substances from carbon dioxide, which is produced during bioethanol production. CropEnergies is participating in this project along with various industry and university partners. The focus is on developing a cultivation method for a microorganism that fixes CO_2 and supplies valuable substances.

Using CO_2 from bioethanol production to generate algal biomass is another topic that is being intensively pursued as part of the biorefinery concepts. The production of starch-containing algal biomass in closed photobioreactors is being investigated in 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. What is being analysed is the processing 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 are interesting both as a source of energy and as materials.

The growth of the starch-forming algae was established on a laboratory scale with the aid of artificial light (LED). In addition, an open-air plant consisting of 24 x 180-l photobioreactors was set up and taken into operation in Zeitz. The recovered biomass was used to test different methods for extracting the algal cells and to isolate initial valuable products.



Outdoor facility for growing algae in Zeitz.

Bioethanol as a chemical raw material

CropEnergies is continuing to pursue various approaches for extracting C4 components as raw materials for the chemical industry. 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, which can be produced in a one-stage catalytic process. The development of new catalysts in combination with optimised process technology is being pursued as part of a publicly funded project.

EMPLOYEES

Against the backdrop of the increased volume of business, the number of employees in the CropEnergies Group rose slightly to 438 (430) in the 2014/15 financial year.

Number of employees (annual average)

	2014/15	2013/14
Number of employees by region		
Germany	161	156
Other European countries	270	265
Other countries	7	9
	438	**430**

The description of the compensation systems for the executive and supervisory boards is part of the management report. Details are provided 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 and further development. This is one of the main reasons why their training and development are of great importance to CropEnergies. As CropEnergies is a member of an international group, our employees have the opportunity to participate in the training and qualification programmes of the Sudzücker Group. 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 internal and external continuous training measures, CropEnergies also enables employees to acquire the skills for changing conditions and requirements. These took place in the context of events held by the Südzucker Group or were specially tailored to CropEnergies.

In order to create stronger links between management within the CropEnergies Group, an event lasting several days was also held in the 2014/15 financial year. Apart from an exchange of knowledge and a discussion of current specialist issues, this event focused on raising managers' awareness of the issue of stress and managing staff.

Internal suggestion scheme

Numerous employees again took part in the internal suggestion scheme in the 2014/15 financial year. By submitting suggestions, they made an important contribution to improving workflows, thereby demonstrating a commitment to the company that goes beyond everyday activities.

Safety-at-work

Measures for lowering the number of accidents and for preventing damage to health have high priority in all companies of the CropEnergies Group. Safety-at-work and health protection, as components of the management system, make a significant contribution to the company's sustainable success. As a member of the Südzucker Group, the standards in force at CropEnergies are those of a major international group. The CropEnergies Group fulfils these standards so well that it is one of the frontrunners within the Südzucker Group.

Safety-at-work and health protection are constantly being improved by means of preventive measures, with the involvement of all employees and managers. This creates the conditions for safe working and systematic implementation of the safety regulations, with each individual assuming responsibility. Concrete measures include systematic assessment of hazards and stresses on health at workplaces, recurrent testing of equipment, preparation of operation manuals and regular instruction for employees. In addition, processes in the plants undergo systematic reviews. 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 effects of these measures are reflected in the small number of accidents and working hours lost as a result of accidents.

Acknowledgement

Credit for a company's success is due to its employees. In the past financial year, our 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 2014/15 financial year, capital expenditure on property, plant and equipment increased to € 31.2 (16.9) million. Of the total, € 18.9 million was invested at CropEnergies Bioethanol GmbH, € 7.2 million at BioWanze SA, € 4.4 million at Ensus UK Ltd and € 0.5 million at Ryssen Alcools SAS.

Investing activities at CropEnergies Bioethanol GmbH focused, in the 2014/15 financial year, on the construction of the new processing plant for the production of neutral alcohol. This project also included investment in a new tank storage facility and the expansion of the existing infrastructure. The neutral alcohol plant, completed on schedule in December 2014, started operation successfully at the beginning of January 2015. It has an annual capacity of 60,000 m³ of high-grade, food-quality neutral alcohol and will not only allow CropEnergies to exploit additional attractive sales opportunities in traditional market segments, but will also increase the flexibility of the site in Zeitz. The completion and commissioning of an additional fermenter enabled alcohol yield to be raised and the availability of the bioethanol plant to be increased. In addition, the process control technology was modernised and the control station building converted for the new requirements.

Investments in BioWanze SA were mainly used to improve yields and increase plant availability. Expansion of milling capacity, designed to optimise the extraction of starch and protein constituents from the processed wheat, accounted for most of the investments. In addition, the optimisation of bran cleaning increased the starch yield. A direct electrical connection between the bioethanol plant and the neighbouring sugar factory at the Raffinerie Tirlemontoise SA refinery will enable surplus electricity from the biomass power plant to be used directly at the entire Wanze site in future. Investments in the biomass boiler are expected to further increase its performance and availability.

The focus at Ensus UK Ltd was on energy conservation. Due to optimisations in maceration and liquefaction a significant lowering of steam consumption was achieved. It was likewise possible to reduce energy consumption for drying the protein animal feed. Further measures for reducing specific energy consumption are currently being tested. These measures are expected to lower energy costs and further improve the greenhouse gas balance of the bioethanol produced in Wilton. Further investments created the conditions for constructing the company's own energy supply system. Furthermore, investments were used for the purpose of yield increases, improvement of inventory management as well as emission protection and plant safety.

In the 2014/15 financial year, Ryssen Alcools SAS invested in the automation and flexibilisation of alcohol loading. This will enable customer requirements to be met and the costs of alcohol loading to be reduced. Further investments related to improvements in control technology and replacement investments.

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 rules 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.

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 embody the criterion of "internationality" to a special degree.

- 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 2015

The invitation to the annual general meeting, which is due to be held in Mannheim on 14 July 2015, 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 62–70.

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 24 June 2014 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 2014

As with declarations of conformity issued in previous years, the joint declaration of conformity issued by the executive board and the supervisory board in 2014 is published on the CropEnergies website at www.cropenergies.com on the investor relations/corporate governance pages and has the following wording:

"The executive board and the supervisory board of CropEnergies AG, Mannheim, passed a resolution on 10 November 2014 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 13 May 2013 with the following exceptions and will comply in future with the recommendations contained in the Code version of 24 June 2014:

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 compensation)

The supervisory board is charged with assessing the appropriateness of the executive board's compensation. 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 subsection 4
(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 and 4.2.5
(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 compensation in its compensation report.

Paragraph 5.3.2 sentence 3
(Autonomy of the audit committee chairman)

Mr 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
(Supervisory board compensation)
Our company's articles of association make provision, in addition to fixed compensation, for performance-related supervisory board compensation oriented to dividends (cf. paragraph 5.4.6, subsection 2, sentence 2). Convergence with the interests of the shareholders in particular speaks for this structure.

We disclose the supervisory board's compensation as a total (cf. paragraph 5.4.6, subsection 3). 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 therefore do not contain any individualised information on supervisory board compensation and no division according to fixed compensation and performance-related components."

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 (35), “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 EUR 0.01, or part thereof, by which the dividend paid per share exceeds EUR 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 (35), “Related party transactions”.

Disclosures on executive board and supervisory board compensation can be found in the compensation report on page 133.

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 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.

On 27 May 2014 in the 2014/15 financial year, the executive board member Joachim Lutz reported the purchase of 2,500 shares at a price of € 4.61 and a further 5,000 shares at a price of € 2.60 on 18 February 2015.

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 antitrust 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 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, 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, training 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 an 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 2015 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 (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 acquired 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 the 2013/14 financial year. The acquisition of Ensus reduced authorised capital by € 2.25 million to € 12.75 million. The authorisation was not exercised in the 2014/15 financial year.

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 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).*

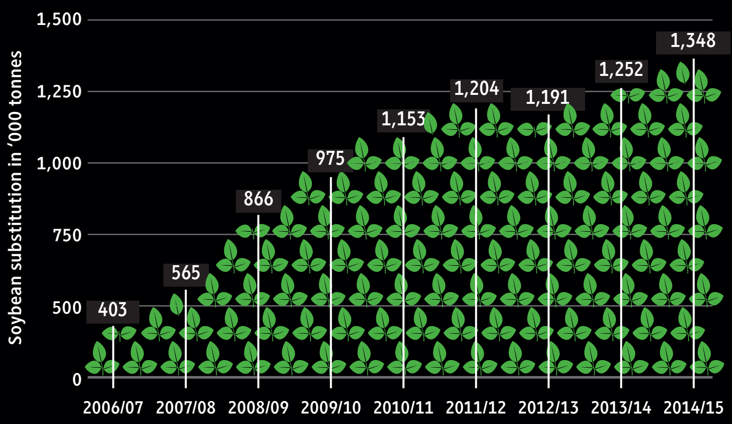
Disclosures on executive board and supervisory board compensation can be found in the compensation report on page 133.

NATURE GIVES US EVERYTHING WE NEED TO LIVE. WE WANT TO OPTIMIZE, NOT MANIPULATE.

While acorns and swill used to end up the trough in the past, farmers today count on high-grade protein for feeding their animals. A large part it needs to be imported. We supply animal feed made from domestic raw materials, rich in unproblematic proteins.

SECURE FEED SUPPLY – WITHOUT GENETIC ENGINEERING

Savings of soy by European DDGS feed



Over the last century, great advances have been made when it comes to feeding animals: Feeding today complies with strict rules and is aimed at ensuring animal and human health. The animal feeds made by CropEnergies are ideally suited for cattle, pigs, poultry, pets, and aquacultures. The 3 million tones of DDGS with their high protein content which Europe produces every year replace protein imports such as soy products from South America.

CROPENERGIES VALUABLE FOOD AND ANIMAL FEED

REPORT ON THE ECONOMIC POSITION

Report on business operations

Developments on the world market for bioethanol

Ethanol production I In 2014, world production of bioethanol rose by 2% year over year to 108.8 (106.6) million m^3. This was due, in particular, to higher production in the USA. As in the previous years, bioethanol was mainly produced for applications in the fuel sector. In all, the fuel sector accounted for 91.3 (88.4) million m^3 and hence 84% (83%) of total bioethanol production. Market observers expect worldwide bioethanol production to reach at 109.7 (108.8) million m^3 in 2015.

In the USA, bioethanol production in 2014 was above the previous year's level, at 55.8 (51.8) million m^3. In view of domestic consumption of 52.6 (51.9) million m^3, a rise of only 1.3%, net exports virtually quadrupled, growing to 2.8 (0.7) million m^3. Most bioethanol was exported to Canada, while direct exports to the EU rose by 90% to 192 (101) thousand m^3.

In Brazil, bioethanol production is expected to increase only slightly by 2.1% to 28.6 (28.0) million m^3 owing to dry weather conditions and a resulting poor sugar cane harvest in the 2014/15 sugar year. At the same time, bioethanol consumption is expected to rise by 4.3% to 26.7 (25.6) million m^3. Market observers therefore expect to see much lower net exports of 1.0 (2.5) million m^3. A slight increase in bioethanol production to 28.8 million m^3 (0.9%) and a moderate increase in bioethanol consumption to 28.0 million m^3 (4.9%) are expected in the 2015/16 sugar year. At the beginning of February 2015, Brazil's government decided to raise the percentage of bioethanol in petrol from its current level of 25% to up to 27% in the future. The Brazilian sugar cane association (UNICA) estimates that this will increase demand for ethanol by 1 million m^3 a year. The high domestic demand for fuel ethanol is based on the increasing number of flexible fuel vehicles (FFVs) in Brazil, with over 2.9 million new vehicles being registered in the 2014 calendar year.

Ethanol production in the EU, at 7.3 (6.7) million m^3, was 8.6% above the previous year's level, with fuel ethanol accounting for 5.2 (4.6) million m^3. A further increase in the capacity utilisation of bioethanol plants in the EU was offset by a decline in domestic bioethanol consumption and by imports which increasingly enter the EU free of duties owing to preference regulations for third countries (e.g., Costa Rica, Guatemala, Peru and Pakistan). For the 2015 calendar year, market observers expect total bioethanol production to be 7.3 million m^3, which puts it at the previous year's level. The production of fuel ethanol is expected to decrease by 1.4% to 5.1 million m^3.

Owing to the fall in the demand for petrol fuel, the as yet minimal 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 in 2014 by 2.4% to 5.3 (5.4) million m^3. Market observers expect fuel ethanol consumption in 2015 to decline slightly by 3.7% to 5.1 million m^3. Consumption of fuel ethanol therefore continues to remain significantly below the level of 2012, when around 5.7 million m^3 of bioethanol were used in the EU transport sector.

In Germany, the largest market for bioethanol in the EU, bioethanol consumption in 2014 declined by 3.0% to 1.5 (1.5) million m^3. Approximately 88%, or 1.3 (1.3) million m^3, of the bioethanol consumed was blended directly with petrol. Sales of E10, petrol fuel with a bioethanol content of up to 10 vol.-%, increased by 2.9% to 2.8 million tonnes compared with the same period in the previous year. E10's share of the petrol fuel market therefore stood at 15.1%, following 15.0% in the previous year. In the same period, 172,000 (195,000) m^3 of bioethanol were used for the production of the octane booster ETBE. Sales of the E85 fuel, which is much cheaper than petrol, declined by 24.6%.

Ethanol prices I On the Chicago Board of Trade (CBOT), the one-month futures contract for ethanol declined significantly from US$ 2.30/gallon* at the beginning of March 2014 to US$ 1.44/gallon at the end of February 2015. This was due to lower raw material costs owing to the very good maize harvest, high stock levels and the recent sharp fall in petrol prices.

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

Ethanol prices in Brazil were at US$ 540/m³ FOB Santos at the end of February 2015 and hence around US$ 210/m³ lower than at the beginning of March 2014. The Brazilian government's decision to raise the minimum blending rate of ethanol to 27% (E27) and to increase taxes on petrol with effect from 1 February 2015 ultimately had a price-buoying effect.

A volatile development in ethanol prices was also observable in Europe in the reporting period. At the beginning of March 2014, bioethanol was still trading at € 479/m³ FOB Rotterdam. By July 2014, the price had initially fallen to € 434/m³ before recovering to more than € 570/m³ for a short period only in September 2014 and then reaching an all-time low, at € 416,75/m³, in mid-January 2015. By the end of February 2015, the price of bioethanol rose slightly to € 467.5/m³. European prices are thus at a very low level even by worldwide standards. The decline in price is mainly due to the lack of political will in respect of increasing the proportion of renewable energies in the transport sector, a decline in petrol consumption in the EU and a fall in raw material prices. The price pressure is being intensified by current bioethanol price determination in Europe, which is being carried out by price reporting agencies on the basis of very small volumes.

Developments on the raw material and animal feed markets

Grain markets I According to its forecast for the 2014/15 grain year published on 9 April 2015, the US Department of Agriculture (USDA) expects world grain production (excluding rice) to increase by 0.5% to 2,007 million tonnes. The grain harvest will therefore achieve the two billion tonne mark for the first time. World grain consumption is expected to increase by 1.9% to 1,981 million tonnes and hence be below production again. Global stocks are consequently expected to rise by 6.5% to 420 million tonnes.

The European Commission expects the grain harvest in the EU to increase by 7.2% to 327 (305) million tonnes in the 2014/15 grain year. Grain consumption, on the other hand, is expected to grow only by 2.5% to 281 (274) million tonnes and hence be significantly below production. While 61% of the grain is used as animal feed, the production of bioethanol and food and animal feed products likewise produced during bioethanol production accounts for only 3.4% of the grain produced. With net exports of 31.7 (24.3) 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 Euronext in Paris. For example, wheat prices had fallen from around € 210/tonne in May 2014 to around € 150/tonne by mid-September. On account of a delay in the maize harvest, however, they then rose again and were trading at around € 188/tonne at the end of February 2015.

The International Grain Council expects the grain production to decline slightly by approx. 3% to 1,937 million tonnes in the 2015/16 grain year. The forecast grain consumption is expected to decline by 0.7% to 1,960 million tonnes. After stocks were expected to reach their highest level for 15 years at the end of the 2014/15 grain year, they are expected to decline slightly by 5.4% to 406 million tonnes next year.

In the case of wheat, the world's growing areas are expected to increase further to the previous year's level of 225 (224) million hectares. Given the very advantageous weather conditions in the previous year, however, the harvest is expected to fall slightly by 1.5% to 709 million tonnes. In view of a forecast consumption of 711 (708) million tonnes, the International Grain Council expects the wheat supply to be largely balanced in 2015/16.

In the case of maize, the International Grain Council estimates that the global growing area will fall to 173 (175) million hectares in the 2015/16 grain year. The Council expects to see a decline in the growing area in the USA, in particular, which, owing to the greater attractiveness of other plants (including soybeans), is expected to reach its lowest level since 2010/11. Given maize production of 941 (990) million tonnes and maize consumption of 961 (974) million tonnes, the International Grain Council expects maize stocks to decline to 171 (198) million tonnes.

For the 2015/16 grain year, the European Commission again expects the EU to have an above-average grain harvest of 310 million tonnes, which will again exceed consumption, at 281 million tonnes. Animal feed products, with a share of more than 60%, continue to account for the majority of grain consumption. 11.2 million tonnes and hence only 3.6% 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, for the second year in succession, to 179.7 (181.9) million tonnes in the 2014/15 sugar year. With consumption set to grow further to 179.8 (176.5) million tonnes and, taking other volume changes into account, sugar stocks are expected to fall, for the first time in four years, reaching 75.7 (76.8) million tonnes or 42.1% (43.5%) of annual consumption.

After the world market price for white sugar at the end of the 1st quarter of the 2014/15 financial year had been at the same level as at the beginning of the financial year, at around € 345/tonne, a further decline set in at the beginning of July 2014, and it had fallen to around € 320/tonne as of the end of the 2nd quarter. Since then, the price has fluctuated around this level. At the end of February 2015, it stood at € 331/tonne.

In the past 2013/14 sugar year, there was little or no change, compared with the previous year, in imports from preferred nations, which stood at 2.2 (2.1) million tonnes. 2014 was the first time that the Central American countries of Costa Rica, Guatemala, Honduras, Nicaragua, Panama and El Salvador as well as the Andes countries of Columbia and Peru made almost full use of their duty-free export quantity of 0.25 million tonnes of sugar to the EU under free trade agreements. On the other hand, imports under reduced-duty WTO import quotas halved to 0.35 (0.68) million tonnes.

The European Commission expects the EU to achieve a record production of 19.8 (17.5) million tonnes in the 2014/15 sugar year. If quotas are virtually fully met, stocks of carried-over sugar, which cannot be marketed until the next sugar year, will rise to a total of 2.6 (0.6) million tonnes. Despite the expected decline in imports due to the significant fall in EU sugar prices, the European market will be adequately provided for through EU sugar supplies.

Animal feed markets I At the end of May 2014, the one-month soybean futures contract on CBOT stood at US$ 15/bushel* . As a result of the good harvest expectations, prices had declined to around US$ 9/bushel by the end of September 2014. By the end of February 2015, soybean prices had recovered to around US$ 10/bushel, due, in particular, to a renewed increase in import demand from the People's Republic of China. According to the forecast by the USDA published on 9 April 2015, the soybean harvest in 2014/15 is set to reach a new record level, at 315 (284) million tonnes (+11.2%). An increase in the soybean harvest is expected in Brazil and the USA, in particular. Although soy meal prices in Europe, at € 372/tonne at the end of February 2015, were lower than at the beginning of March 2014 (€ 438/tonne), they are still trading at a relatively high level by international standards. The appreciation of the US dollar against the euro, in particular, had a price-buoying effect here. Prices for rapeseed meal in the EU in 2014/15 initially declined in view of a 14.7% growth in the rapeseed harvest to 24.1 (21.0) million tonnes and, after standing at € 275/tonne at the beginning of March 2014, were temporarily below € 200/tonne until mid-October 2014. However, prices subsequently increased again to around € 245/tonne at the end of February 2015, owing to exchange rate developments and the limited availability of imported goods.

Developments in the political environment

Statutory framework in the EU I The EU's "Renewable Energies Directive" defines the legal framework for the mandatory blending target in the EU of 10% for renewable energies in the transport sector for the year 2020, with sustainability criteria ensuring that all biofuels used

** A bushel of soybeans is equivalent to 27.216 kg of soybeans.*

in the EU are sustainably produced. They 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 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, for example, forests and/or areas with high biodiversity. The European Commission has now approved 19 EU-wide certification systems, which can be used to verify that the production of biofuels is sustainable.

The "Fuel Quality Directive" contains the stipulation that, by the year 2020, there needs to be a reduction in greenhouse gases of 6 wt.-%, calculated in terms of overall fuel consumption. In addition, it created an opportunity for the introduction of E10 fuel, i.e., the blending of 10 vol.-% of bioethanol in petrol, throughout Europe. The European Committee for Standardisation (CEN) revised the European fuel standard for petrol fuels (EN 228) accordingly in January 2013 in order to extend the blending of bioethanol to up to 10 vol.-%. 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. The 28 member states are thus far from utilising the potential of bioethanol for cutting greenhouse gas emissions and reducing the dependence on oil imports.

Proposal for amending the "Renewable Energies Directive" and the "Fuel Quality Directive" I The European Commission submitted a draft amendment of the "Renewable Energies Directive" and the "Fuel Quality Directive" to the European Parliament and the Council of the European Union as early as 17 October 2012. The key elements of the proposal were the limitation of the proportion of conventional biofuels from arable crops such as grain, sugar plants and oilseeds to 5% of the 10% target in the transport sector and the multiple counting of biofuels from wastes and residues. In addition, provision was made for the introduction of a reporting duty for iLUC factors, designed to capture the greenhouse gas emissions from theoretically possible indirect land use changes (iLUC) in third countries. Furthermore, the European Commission recommended that conventional biofuels should no longer receive support from 2021 onwards.

The draft directive was adopted, at first reading, by the European Parliament on 11 September 2013 and by the Council on 9 December 2014, with amendments in each case. Deliberations were subsequently continued with a view to agreeing on a joint directive text. After no agreement could be reached in inter-institutional negotiations between Parliament, Council and Commission (so-called "trilogue negotiations") on 10 and 24 March 2015, the Council presented a new compromise proposal on 1 April 2015, which was adopted by the Environment Committee of the European Parliament on 14 April 2015.

The agreement on increasing the proportion of conventional biofuels to 7%, abolishing quadruple counting of biofuels from particular wastes and residues and performing increased checks on their sustainability are significant improvements over the European Commission's original draft. What is also positive is that account has been taken of the technical and legal arguments against introducing iLUC factors in that these model-theoretical values will continue not to be taken into consideration when determining the specific greenhouse gas reduction potential of biofuels.

However, CropEnergies rejects a number of points in the compromise proposal. For example, the envisaged double counting of biofuels from wastes and residues and additional multiple counting of electricity in the transport sector significantly reduce the incentive to replace fossil fuels and hence actually to cut down on greenhouse gases. Multiple counting will also result in targeted production of waste and a further expansion of global waste tourism. Even today, for example, a high percentage of the cooking oil consumed in the EU biodiesel market, which, in many EU member states, is counted double in terms of national blending obligations and therefore does not need to provide evidence of compliance with sustainability criteria, comes from Asia and the USA. Against this background, the limitation of bioethanol produced from raw materials grown sustainably in the EU is incomprehensible. The compromise also fails to include the European Parliament's original demand for a separate blending obligation of 7.5% of renewable energies in the petrol sector.

The European Parliament is expected to follow the Committee's recommendation and adopt the proposals for amending the "Renewable Energies Directive" and the "Fuel Quality Directive". The Council is expected to give its consent in June 2015. Following publication of the Official Journal of the European Union, member states have two years in which to transpose the new regulations into national legislation. CropEnergies welcomes the fact that the agreement by Parliament and Council ends, for the time being, the discussion, which has now been ongoing for more than two years, and the associated uncertainty about the future framework conditions for the European biofuel industry. Together with the bioethanol associations at national and European level, however, CropEnergies is calling for reliable framework conditions for the European bioethanol market not only for the period up to 2020, but also beyond. In discussions about a climate and energy package for 2030, CropEnergies will continue to campaign for the continuation of a sustainable biofuels policy.

Proposed directive for implementing the "Fuel Quality Directive" I On 6 October 2014, the European Commission submitted a directive on laying down calculation methods and reporting requirements in relation to greenhouse gas emissions of fuels pursuant to the "Fuel Quality Directive". The "Fuel Quality Directive" defines a decarbonisation target for fuels of 6 wt.-% by 2020. According to the proposal, this reduction is to be calculated on the basis of the average greenhouse gas intensity of fuels consumed in 2010, which stood at 94.1 g CO_{2eq}/MJ. The greenhouse gas intensity of fossil petrol or diesel is to be included in the calculations using separate default values of 93.3 or 95.1 g CO_{2eq}/MJ. The European Parliament discussed the draft directive on 17 December 2014 and raised no objection to it. Following the Council's consent on 1 April 2015, the directive is expected to come into force soon. CropEnergies welcomes, in principle, the more realistic assessment of the greenhouse gas emissions associated with fossil fuels, which shows that the use of biofuels actually saves significantly more greenhouse gas emissions than has hitherto been officially recognised. In CropEnergies' view, however, fossil fuels should be differentiated according to raw material sources in the same way as biofuels. For example, particular account needs to be taken of the higher greenhouse gas emissions of fuels from unconventional oil sources, such as tar sands and oil shale. In addition, there has hitherto been a failure to define a uniform methodology for taking account of the reduction of greenhouse gas emissions in upstream value-added steps. This includes no longer burning off the accompanying gases resulting from oil production.

European Commission proposal for the 2030 climate and energy package I On 24 October 2014, the European Council agreed on key parameters for an energy and climate package for the period between 2020 and 2030. These include mandatory total greenhouse gas emission savings of 40% in comparison with 1990 and a 27% proportion of renewable energies that is binding for the EU across all sectors. In addition, the aim is to seek a 27% improvement in energy efficiency. Although the European Council has essentially taken up the European Commission's proposals from 22 January 2014 without defining any separate targets for the transport sector, it does, at the same time, determine that greenhouse gas emissions and the dependence on fossil fuels in the transport sector need to be further lowered. The Council has therefore requested the European Commission to examine, among other things, measures for promoting the use of renewable energies and for lowering greenhouse gas emissions in the transport sector even after 2020. As early as February 2014, the European Parliament had come out in favour of creating a special framework for the transport system and retaining the target of reducing lifecycle greenhouse gas emissions from fuels under the "Fuel Quality Directive". The European bioethanol industry is likewise campaigning for the existing climate and energy policy targets to be built on. To this end, the mandatory targets for using renewable energies in the transport sector and its urgently required decarbonisation should be continued until 2030. This is the only way to further reduce greenhouse gas emissions and the massive dependence on oil and hence imports in the transport sector. The EU urgently needs to create reliable investment conditions in a sector that satisfies the highest sustainability standards and contributes significantly to regional development and income security.

Germany I In Germany, the use of biofuels in the transport sector was promoted until 2014, particularly as part of an energy blending obligation. Accordingly, the overall biofuel ratio was 6.25% up to now, with it being possible to count biofuels from wastes and residues double towards this blending target. The biofuel quota was replaced, as of 1 January 2015, by a greenhouse gas reduction quota as part of the decarbonisation strategy. The abolition of energy blending targets also means that biofuels from wastes and residues can no longer be counted twice. In order to implement this systemic change, the legislature has amended the Bundes-Immissionsschutzgesetz (Federal Immission Control Act – BImSchG). According to this amendment, the reductions in greenhouse gas emissions in the fuel sector have been increased from 3 to 3.5 wt.-% for 2015 and 2016. However, the greenhouse gas savings targets have been lowered from 4.5 to 4 wt.-% from 2017 onwards and from 7 to 6 wt.-% from 2020, respectively. Although the German bioethanol industry had come out, in principle, in favour of the introduction of greenhouse gas reduction quotas, it had been against lowering the reduction targets from 2017 onwards. Quota reductions do not utilize the high greenhouse gas savings potential of biofuels and inhibit the development of the market for sustainably produced biofuels in Germany. Instead, a larger proportion of fossil petrol and diesel fuels is retained. The systemic change turned specific greenhouse gas reduction potential into a crucial competitive characteristic of biofuels in Germany. In view of the privileged position that biofuels from wastes and residues have in the calculation of greenhouse gas savings, the German bioethanol industry had called for the strict verification and inspection obligations that applied under the previous double counting procedure to be retained for these fuels. The aim of this was to prevent market distortions similar to those experienced when double counting was introduced in 2011. The legislature, however, has not taken up this call, as it is assumed that the existing certification systems are sufficient for counteracting adverse developments.

Belgium I In Belgium, a new support scheme for biofuels, designed to encourage the use of particularly sustainably produced biofuels and provide incentives for introducing E10, was enacted by the legislature at the end of April 2014. The new support schemes encouraging the use of biofuels have since been examined by the European Commission. The long examination process and the uncertainty as to whether the European Commission will approve the new schemes are currently hindering the development of the Belgian biofuel market. This ultimately results in increased consumption of fossil fuels and hence avoidable greenhouse gas emissions.

United Kingdom I In the United Kingdom, the use of biofuels is being promoted under a volumetric blending obligation, the so-called "Renewable Transport Fuel Obligation" (RTFO). After the blending rate had been successively increased from its original level of 2.5 vol.-% in 2008/09, it has stood at 4.75 vol.-% since 2013/14. According to the current legal situation, there is no provision for any further increase. Biofuels from wastes and residues are counted double towards this overall rate. As the EU's 10% target cannot be achieved with this stipulation, the British biofuel industry has, for some time, been calling for a rapid increase of the blending targets laid down in the RTFO. An important step towards a more sustainable fuel supply would be to introduce E10 in the British petrol market. The British government is currently not seeking to amend the legal framework, justifying this stance by the deliberations at EU level. The expansion of capacity for producing sustainably produced biofuels in the UK, was carried out in reliance on the EU target of 10% of renewable energies in the transport sector and hence in expectation of much more dynamic market growth. It is therefore necessary for the British legislature to adopt an increase in the blending obligation for biofuels immediately after the parliamentary elections in May 2015 in order to still be able to achieve the EU targets and win back investor trust.

Developments within the CropEnergies Group
In the 2014/15 financial year, CropEnergies continued to grow. The increase in production and sales volumes was mainly due to consideration of Ensus over the whole year for the first time, further optimisation of the production facilities and expansion of the trading business. The difficult market conditions had a significant negative impact on the earnings situation in the 2014/15 financial year, and the executive board is not satisfied with the earnings realised. Although there was positiv growth in production volumes, this was offset by a sharp decline in bioethanol prices. The slight fall in raw material prices could mitigate this only to some extent. Against this background, the gross margin fell significantly below the previous year's level.

Owing to the difficult situation on the European bioethanol market, which has intensified as a result of the drastic collapse of oil prices and the depreciation of the euro against the British pound, and in view of continued delays with regard to increasing the proportion of renewable energies in the transport sector, CropEnergies decided, in February 2015, to close the production plant in Wilton temporarily. As soon as market developments allow, the British production plant can be taken back into operation and the full production potential of the CropEnergies Group utilised. The resumption of production is being constantly reviewed against the background of upcoming political decisions and the market situation.

Production I In the 2014/15 financial year, the CropEnergies Group increased its bioethanol production by 20% to 1,056,000 (884,000) m^3. All production sites contributed to this growth in production, with the plant in Wilton being taken into account for the entire reporting period for the first time. The production of dried food and animal feed rose to 537,000 (413,000) tonnes, which was thus an even more significant increase, as various measures for increasing yields were successfully implemented. CropEnergies also produced liquid protein animal feed and biogenic carbon dioxide.

In Zeitz, it was again possible to achieve high capacity utilisation and increase bioethanol production in comparison with the previous year. CropEnergies utilised the production plant's flexibility and continually adjusted the raw materials mix to the prevailing conditions on the commodity markets over the course of the financial year to lower net raw material costs. At the beginning of 2015, the completed neutral alcohol plant started operations. CT Biocarbonic GmbH significantly increased production after flood-related production losses in the previous year.

The availability and capacity utilisation of the bioethanol plant in Wanze were further increased. The optimisation work carried out in the previous year, which enabled a higher output from the biomass boiler as well as smaller alcohol losses and greater product throughput to be achieved, contributed to this. This resulted in a significant increase in the volumes of bioethanol, food and animal feed produced. Gluten yield also increased due to technical improvement measures.

Optimisation activities in Wilton made it possible to increase the availability and efficiency of the bioethanol plant. The focus was on reducing specific energy consumption and enhancing raw material flexibility. In addition, non-stop operation made it possible to identify further potential for optimisation.

At the plant in Loon-Plage, raw alcohol is processed into bioethanol for the fuel sector. In addition, Ryssen produces high-quality alcohols for traditional and technical applications tailored to customer specifications. Further quality assurance measures ensure that high-grade raw alcohol can be supplied.

Agricultural raw materials of European origin are processed at Zeitz, Wanze and Wilton. CropEnergies' procurement management attaches great importance to 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. To ensure that biofuels are produced sustainably, CropEnergies collaborates closely with the raw material suppliers to supply the plants 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.

In Loon-Plage, the focus was on ensuring that raw alcohol could be procured cost-efficiently. The existing pipeline connection between the Port of Dunkirk and the tank storage facility in Loon-Plage is advantageous in that it enables deliveries to be made directly by ocean tankers.

Bioethanol sales I The volume of bioethanol sold, at 1,283,000 (1,012,000) m³, clearly surpassed the previous year's level by 27%, with traded commodities accounting for 229,000 (150,000) m³.

CropEnergies' customer base continues to consist of large and medium-sized mineral oil companies as well as ETBE producers. In the past financial year, CropEnergies continued to focus on supplying inland destinations at favourable freight costs. Germany continues to be the most important sales market. CropEnergies occupied an important market position in Belgium and in Eastern Europe. The expansion of production in Wilton also enabled CropEnergies, over the past year, to extend its market position in the United Kingdom, the third largest sales market for sustainably produced bioethanol in the EU after Germany and France. With the tank storage facilities at its production sites as well as in Rotterdam and Duisburg, CropEnergies has a unique European logistics network.

In Germany, the demand for E85, a bioethanol-petrol mixture for flexible fuel vehicles, declined significantly in view of the expiry of the energy tax relief at the end of 2015 and the massive fall in petrol prices over the course of the year. Despite this difficult market environment, CropEnergies maintained its leading market position. More than 30% of E85 filling stations in Germany are supplied with the E85 quality fuel CropPower85 produced according to the DIN 51625 standard.

CropEnergies also operates in market segments outside the fuel market. Well-known companies in the beverage, cosmetics, pharmaceutical and chemical industries are, for example, customers of high-grade neutral alcohol. Following the extension of denaturation possibilities in Loon-Plage, loading facilities were also optimised there to be able to meet customers' product and delivery requirements. In addition, Ryssen marketed the raw alcohol from Saint Louis Sucre processed into fuel ethanol at the site in Loon-Plage. Ryssen Chile SpA, Santiago de Chile (Chile) strengthened its position on the South American market.

The processing facility for producing high-quality food-grade neutral alcohol at the Zeitz location, which was completed in January 2015, 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 to intensify sales activities on markets that have not hitherto been supplied due, for example, to high logistics costs. In the 2014/15 financial year, market entry was prepared by setting up or consolidating business relationships with potential customers.

Through CropEnergies Inc., Houston (USA), and a presence in Brazil, CropEnergies is represented in the world's two largest bioethanol markets. This gives CropEnergies the possibility of trading directly with local and international customers. Owing to international price developments and the introduction of an anti-dumping duty on bioethanol from the USA, there are currently very few bioethanol imports from these two countries to the EU, with the result that CropEnergies mainly restricts itself to monitoring market developments in Brazil and 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 28% to 528,000 (413,000) tonnes in the 2014/15 financial year. Although prices for vegetable proteins fell on the back of a good oilseed harvest, they continue to trade at a high level in Europe in comparison with grain prices, due to the continuing robust demand for protein food and animal feed products and the depreciation of the euro against the US dollar.

The high-grade protein animal feed ProtiGrain® produced in Zeitz represents, in the European feed market, an alternative to rapeseed meal and other protein animal feed products which 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. The brisk demand for vegetable protein and the good market position resulted in CropEnergies being able to obtain 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 supplied 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 participated in the collaborative GrainUp project, which has been using innovative methods to investigate the animal feed values of grain and other animal feed components. This investigation included a comprehensive assessment of the protein value of grain stillage, which, as the third most important source of protein in animal feed products, has developed into a key cornerstone of European protein supply. The project provided conclusive evidence of the high feed value and excellent digestibility of grain stillage. CropEnergies markets these animal feed products produced during bioethanol production in both liquid and dried form, under the brand names of ProtiWanze® and ProtiGrain®, among others. As one of 13 grain stillages tested, ProtiGrain® always satisfied the highest quality requirements with regard to animal feed, even in a test extending over several years.

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 is used above all in the food industry and in special animal feeds, for example, for fish. 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 also being sold in the food sector, for instance to increase baking quality. As a result of CropEnergies taking its own gluten processing system into operation over the past year, sales activities in the attractively priced aquafeed sector have been expanded. 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 (Condensed Distillers' Solubles) – 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 cooperation with the distribution partners. As a result of higher production, the marketing of ProtiWanze® on the neighbouring German and French market was extended, with new sales partners being acquired for this purpose.

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 and contribute to reducing imports of soy from South America.

Results of operations, financial position, assets and liabilities

The first-time adoption of IFRS 11 (Joint Arrangements) at the beginning of the 2014/15 financial year resulted in effects on the balance sheet and the statement of comprehensive income and on other components of the financial statements. The joint venture CT Biocarbonic GmbH, which has been consolidated proportionately hitherto, will be included at equity from the start of this financial year. The retrospective application of the new standard resulted in analogous effects on the comparative periods presented.

Group revenues I CropEnergies continued its growth trajectory in the 2014/15 financial year, being able to expand its business volume despite the adverse market environment. The continued increase in bioethanol production as a result of taking the production facility in Wilton into account for a whole year for the first time made a crucial contribution to this. At the same time, CropEnergies again produced record quantities of food and animal feed products and further expanded its market position.

The 6.0% growth in revenues to € 827 (780) million was mainly due to the increase in bioethanol sales, based both on the increase in production achieved and the further expansion of trading activities. In addition, the increased quantities of food and animal feed products sold also contributed to the growth in revenues. However, these positive volume effects were offset by unsatisfactory developments with regard to selling prices. While sales prices for food and animal feed products remained only slightly below the level achieved in the previous year, CropEnergies experienced significant losses in respect of the selling prices for bioethanol. Market prices again declined significantly as of the end of the reporting period, reaching a historical low in January 2015.

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

Results of operations

€ thousands	2014/15	2013/14
Revenues	**827,165**	**780,436**
EBITDA*	**25,177**	**68,463**
EBITDA margin in%	*3.0%*	*8.8%*
Depreciation*	-36,410	-33,461
Operating profit	**-11,233**	**35,002**
Operating margin in%	*-1.4%*	*4.5%*
Restructuring costs and special items	-28,424	-6,365
Income from companies consolidated at equity	290	-587
Income from operations	**-39,367**	**28,050**
Financial result	-3,742	-4,747
Earnings before income taxes	**-43,109**	**23,303**
Taxes on income	-14,934	-11,297
Net earnings (loss) for the year	**-58,043**	**12,006**
Earnings per share, diluted/undiluted (€)	**-0.67**	**0.14**

** without restructuring costs and special items*

EBITDA I CropEnergies was able to benefit from lower raw material prices in the 2014/15 financial year. In conjunction with only a slight reduction in selling prices for the food and animal feed products produced, the company was able to achieve lower specific net raw material costs year over year. This pleasing development was, however, more than offset by the much lower selling prices for bioethanol, such that EBITDA adjusted for special items declined by 63% to € 25.2 (68.5) million. The insufficient cost coverage of Ensus in the reporting period also contributed to the reduction in EBITDA. The materials expense ratio reached 85.8% (81.4%) of overall performance. Overall, EBITDA covered a significant part of investments.

Operating profit/restructuring and special effects I With depreciation rising slightly to € 36.4 (33.5) million, the reduction in EBITDA also resulted in a decline in operating profit to € -11.2 (35.0) million. Based on the higher revenues, this gives rise to a negative operating margin of -1.4% (4.5%). In the 2014/15 financial year, CropEnergies incurred restructuring costs and special items totalling € 28.4 (6.4) million, which mainly relate to the temporary closure of the production plant in Wilton amounting to € 28.2 million.

Income from operations I Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, declined to € -39.4 (28.0) million.

Financial result I Despite a year-over-year increase in net financial debt, the net financial result improved to € -3.7 (-4.7) million.

Taxes on income I Earnings before taxes declined to € -43.1 (23.3) million. Expenditure of € 14.9 (11.3) million was posted for taxes on income in the reporting period. Of this, € 3.2 (7.9) million was current tax expense and € 11.7 (3.4) million was deferred tax expense. This includes an amount of € 8.8 million from the reversal of deferred tax assets as a result of the temporary closure of the production plant in Wilton.

Net earnings/loss for the year I The group net loss for the year amounted to € -58.0 (12.0) million.

Earnings per share I Earnings per share declined to € -0.67 (0.14). The calculation is based on a time-weighted average of 87.25 (86.4) million no-par-value shares.

Financial position

Statement of changes in financial position

€ thousands	2014/15	2013/14
Gross cash flow	5,285	50,858
Change in net working capital	20,796	-65,209
Net cash flow from operating activities	**26,081**	**-14,351**
Investments in property, plant and equipment and intangible assets	-31,636	-18,182
Investments in acquisitions	0	-309
Cash received on disposal of non-current assets	152	177
Cash flow from investing activities	**-31,484**	**-18,314**
Cash flow from financial activities	**2,597**	**38,005**
Change in cash and cash equivalents due to exchange rate changes	-1,346	25
Change in cash and cash equivalents due to changes in entities included in consolidation	0	464
Decrease (-)/Increase (+) in cash and cash equivalents	**-4,152**	**5,829**

As a result of the reduction in EBITDA to € 25.2 (68.5) million, cash flow declined to € 5.3 (50.9) million. Including the change in net working capital, cash flow from operating activities amounted to € 26.1 (cash outflow: 14.4) million.

The cash outflow from investing activities increased to a total of € 31.5 (18.3) million and was largely attributable, at € 31.2 (16.9) million, to investments in property, plant and equipment. They were used, in particular, to construct the new processing plant for the production of neutral alcohol in Zeitz as well as to improve yields and increase plant availability in Wanze.

The receipt of financial liabilities amounting to € 79.1 (88.8) million was offset by scheduled repayments of € 67.8 (28.7) million and the dividend payment, in July 2014, of € 8.7 (22.1) million. This resulted in a net cash outflow from financing activities of € 2.6 (38.0) million.

Investments

In the 2014/15 financial year, capital expenditure on property, plant and equipment increased to € 31.2 (16.9) million. Of the total, € 18.9 million was invested at CropEnergies Bioethanol GmbH, € 7.2 million at BioWanze SA, € 4.4 million at Ensus UK Ltd and € 0.5 million at Ryssen Alcools SAS. In addition, a sum of € 0.4 (1.3) million was invested in intangible assets.

Assets and liabilities

Total assets were € 22.4 million below the previous year's level at € 643.9 (666.3) million. Shareholders' equity declined, mainly due to the one-off cost from the temporary closure of the production plant in Wilton, to € 331.7 (395.3) million. The CropEnergies Group's equity ratio reached 52% (59%).

ASSETS

€ thousands	28/02/2015	28/02/2014
Non-current assets	493,362	502,312
Current assets	150,552	163,993
Total assets	**643,914**	**666,305**

LIABILITIES AND SHAREHOLDERS' EQUITY

€ thousands	28/02/2015	28/02/2014
Shareholders' equity	331,660	395,344
Non-current liabilities	157,863	130,773
Current liabilities	154,391	140,188
Total liabilities and shareholders' equity	**643,914**	**666,305**
Net financial debt	150,148	134,674
Debt-cash flow ratio	28.4	2.6
Equity ratio	51.5%	59.3%
Net financial debt in percent of equity	45.3%	34.1%

Non-current assets declined by € 9.0 million to € 493.4 million as of 28 February 2015, with deferred tax assets declining by € 12.0 million to € 10.8 million. As a result of investments and allowing for scheduled depreciation, fixed assets increased slightly by € 2.7 million to € 480.8 million. This amount includes goodwill, which was unchanged at € 5.6 million. Furthermore, the interest in entities consolidated at equity rose by € 0.3 million to € 1.7 million. Shareholders' equity and non-current liabilities cover 101.8% (110.0%) of fixed assets.

Current assets declined by € 13.4 million to € 150.6 million. It was possible to reduce inventory stocks, in particular, by € 9.2 million to € 63.6 million. Trade receivables and other assets decreased slightly by € 1.9 million to € 74.0 million, despite the expansion in business volume. This also includes the positive mark-to-market values from derivative hedging instruments of € 0.7 (0.3) million. Furthermore, cash and cash equivalents declined by € 4.2 million to € 9.7 million and tax assets increased by € 1.8 million to € 3.2 million.

Overall, **non-current liabilities** increased by € 27.1 million to € 157.9 million, with other provisions rising, mainly due to one-off costs from the temporary closure of the production plant in Wilton, by € 17.2 million to € 19.3 million. Provisions for pensions and similar obligations increased, mainly due to the lowering of the discount rate, by € 5.5 million to € 16.3 million. Furthermore, non-current financial liabilities experienced a net rise of € 5.2 million to € 99.1 million. Deferred tax liabilities declined by € 0.8 million to € 22.5 million.

Current liabilities increased by € 14.2 million to € 154.4 million. Short-term other provisions also increased, mainly due to one-off costs from the temporary closure of the production plant in Wilton, by € 13.4 million to € 18.6 million. Current liabilities include current financial liabilities of € 60.8 (54.7) million. Furthermore, trade payables and other liabilities increased by € 2.4 million to € 73.8 million. This also includes the negative mark-to-market values from derivative hedging instruments of € 0.7 (1.6) million. Current tax liabilities, on the other hand, declined by € 7.7 million to € 1.2 million.

Net financial debt increased, mainly due to the financing of investments, by € 15.5 million to € 150.1 million. Of the total, € 99.1 million is due in the long term and € 60.8 million in the short term. Set against this, there are cash and cash equivalents of € 9.7 million. The ratio of net financial debt to cash flow was 28.4 (2.6).

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 2014/15 declined to -2.1% (6.4%), mainly due to the significant reduction in operating profit. Capital employed decreased to € 524 (549) million. This was mainly due to the significant fall in working capital caused by lower inventory stocks and higher provisions. Capital expenditures of € 32 (18) million were below depreciation of € 36 (34) million.

€ thousands	2014/15	2013/14	2012/13	2011/12	2010/11
Operating profit	**-11,233**	**35,002**	**87,018**	**53,008**	**45,933**
Property, plant and equipment*	475,232	472,519	437,344	458,624	477,434
Goodwill	5,595	5,595	5,595	5,595	4,346
Working capital	43,191	71,186	64,173	60,287	52,249
Capital employed	**524,018**	**549,300**	**507,112**	**524,506**	**534,029**
Return on capital employed (ROCE)	-2.1%	6.4%	17.2%	10.1%	8.6%

** 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).

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 2019, with a one-year extension option. The interest rate is based on the short-term interbank rate. The credit line was not drawn as of 28 February 2015.

€ thousands	2014/15	2013/14	2012/13	2011/12	2010/11
Debt factor					
Net financial debt	150,148	134,674	82,907	158,383	195,027
Cash flow	5,285	50,858	98,238	63,986	63,294
Debt-cash flow ratio	28.4	2.6	0.8	2.5	3.1
Debt equity ratio					
Net financial debt	150,148	134,674	82,907	158,383	195,027
Shareholders' equity	331,660	395,344	389,705	353,929	339,289
Net financial debt in percent of equity	45.3%	34.1%	21.3%	44.8%	57.5%
Equity ratio					
Shareholders' equity	331,660	395,344	389,705	353,929	339,289
Total assets	643,914	666,305	598,947	623,444	638,537
Equity ratio in percent	51.5%	59.3%	65.1%	56.8%	53.1%

The determining factors for the capital structure in the 2014/15 financial year were the expansion of business volume and the financing of investments. Accordingly, net financial debt also increased, while shareholders’ equity declined due to the loss for the year. The cash flow was in line with the reduced EBITDA.

- The equity ratio declined to 52% (59%).
- The debt-to-equity ratio, which relates net financial debt to equity, reached 45% (34%).
- The debt ratio, as the percentage of net financial debt to cash flow, rose to 28.4 (2.6).

Dividend

Owing to the net loss for the year, no dividend can be paid in 2014/15. In previous years, CropEnergies' dividend policy took into account the sustainable operating profit performance, the cash flow, the risks as well as the further possibilities of growth and debt.

€ thousands	2014/15	2013/14	2012/13	2011/12	2010/11
Operating profit	-11,233	35,002	87,018	53,008	45,933
Net earnings for the year	-58,043	12,006	57,175	30,180	28,341
Cash flow	5,285	50,858	98,238	63,986	63,294
Earnings per share (€)	-0.67	0.14	0.67	0.36	0.33
Dividend per share (€)	0.00	0.10	0.20	0.18	0.15
Extra dividend per share (€)			0.06		
Total dividend per share (€)	**0.00**	**0.10**	**0.26**	**0.18**	**0.15**
Payout ratio	0.0%	71.4%	38.8%	50.0%	45.5%

Actual and forecast business performance

The table below compares the actual performance in the 2014/15 financial year with the forecast for 2014/15 published in the 2013/14 annual report and the 2014/15 interim financial reports. The date indicated in each case relates to the publication date of the report.

Outlook 2014/15		13 May 2014 Annual report 2013/14	8 July 2014 Interim Rport 1st quarterly report 2014/15	19 September 2014 Ad-hoc announcement 2014/15*	Actual 2014/15	Actual 2013/14
Revenues	€ million	Revenue growth to between € 850 and € 900 million	Revenue growth to between € 850 and € 900 million	Revenue growth to between € 820 and € 860 million	827	780
Operating profit	€ million	minus 30 and plus 20	minus 30 and plus 20	minus 20 and 0	-11	35

** Ad-hoc announcement to adjust outlook on 19 September 2014*

The first forecast for the 2014/15 financial year, which was published with the 2013/14 consolidated financial statements in the context of the press and analysts' conference on 13 May 2014, was confirmed by CropEnergies in the interim financial report for the 1st quarter of 2014/15.

The forecast for the 2014/15 financial year was adjusted by means of an ad-hoc announcement on 19 September 2014. As a result of lower bioethanol prices in Europe and continuing uncertainty over price and market developments, expectations in respect of revenue growth and operating profit were reduced or stated more precisely.

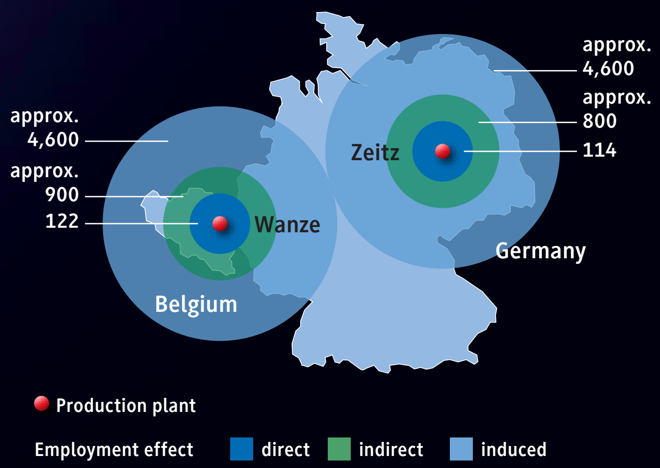
CropEnergies confirmed this adjusted forecast for the 2014/15 financial year in the interim financial statements for the first half of 2014/15 and for the 1st – 3rd quarter of 2014/15.

PROGRESS SHOULD BENEFIT EVERYONE. THEREFORE AS MANY PEOPLE AS POSSIBLE MUST BE A PART OF IT.

Since starting up our first bioethanol plant in Zeitz in 2005, 3 production sites have been added. We continuously optimize and expand our plants, for example in order to produce additional products such as neutral alcohol or liquid carbon dioxide.

EXPANDING ECONOMIC POWER – SECURING MODERN JOBS

Value added by the creation of jobs in the financial year 2012/13



The production of bioethanol is still a young industry in Europe. But its influence is undisputed. It not only saves greenhouse gasses and reduces oil imports, out plants also create and secure jobs and income. In total, 50,000 direct and indirect jobs have been created in rural areas by the development of the bioethanol industry in the EU since 2005.

CROPENERGIES CONTRIBUTION TO VALUE ADDED

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 AND OPPORTUNITIES 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 existence, 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 and opportunity policy

For CropEnergies, the responsible handling of entrepreneurial opportunities and risks is an integral part of sustainable, value-oriented corporate management. Assessing risks and utilising 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. The successful treatment of risks is based on achieving an appropriate balance between return and risks. The company's risk culture is characterised by risk-conscious conduct, clearly defined responsibilities, independence in 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 all 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 are limited through the selective use of derivatives. The executive board has defined the instruments permitted in guidelines, which also govern hedging strategies, responsibilities, processes and control mechanisms. The hedging instruments are mainly used to hedge operating activities and are entered into only with banks that have a strong solvency.

Adherence to applicable legislation, corporate guidelines and regulatory standards recognised by the company is an integral part of the 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

The executive board bears group-wide responsibility for the risk management system, for the early detection of risks to the company as a going concern and strategic risks and for initiating countermeasures. It has set up a risk management committee, whose other members, comprising managers from the procurement, sales, business development, finance, accounting and controlling divisions and Südzucker risk management, 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 procurement, 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. The risk assessment is done 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. The independent auditor assesses whether the system for the early detection of risks functions properly.

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 and classified along the criteria "probability of occurrence" and "possible financial impact" following countermeasures. The table below shows the relative or absolute values used for the corresponding categories "low", "medium" and "high". The importance of the risks is based on a combination of the probability of occurrence and the possible financial impact.

Overview of corporate risks	Likelihood of materialisation	Possible financial effects
low	< 10%	< 1 € million
medium	10 – 50%	1 – 10 € million
high	> 50%	> 10 € million

Overview of corporate risks	Likelihood of materialisation	Possible financial effects
Regulatory risks		
Changes in the legal and political environment	high	high
General economic risks	medium	medium
Operational risks		
Procurement risk	high	high
Sales risk	high	high
Risks in trading business	medium	medium
Quality risks	low	medium
IT risks	low	medium
Personnel risks	low	medium
Legal risks	medium	medium
Antitrust law risks	medium	medium
Risks of corruption	low	medium
Credit risks	low	low
Other operational risks	low	low
Financial risks		
Liquidity risks	low	high
Exchange rate risks	medium	medium
Interest rate risks	medium	low

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 is of secondary importance.

Strategic risks

Regulatory developments can have a negative impact on the progress of business activities. As discussed in detail in the section "Developments in the political environment" in the management report, CropEnergies' business activities are governed by various 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. Delays in implementing political targets may also pose risks. For example, the European Commission submitted a draft amendment of the "Renewable Energies Directive", as early as 17 October 2012. However, the European Parliament and the Council did not agree on a joint directive text until April 2015. The key elements are the limitation of the proportion of conventional biofuels from arable crops in the transport sector as well as the multiple counting of biofuels from wastes and residues and of electricity from renewable sources. Following the definitive completion of the legislative process with publication in the Official Journal of the European Union expected in the summer of 2015, member states need to transpose the new regulations into national legislation within two years. Rapid implementation in the member states is the prerequisite for ending the uncertainty about the future framework conditions for the European biofuel industry.

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.

In addition, the products of the CropEnergies Group are exposed to the risk of fluctuations in demand due to the development of the economy as a whole or changes in consumer behaviour.

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 ("managing 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 forward-looking 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. Furthermore, 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.

CropEnergies is also exposed to the risk of fluctuations in market price when it comes to purchasing energy. It counters this risk by using different energy sources and entering into longer-term supply agreements for energy. In 2014, the *Erneuerbare-Energien-Gesetz* (German Energy Renewables Act – EEG) was fundamentally reformed. Even after the reform, however, the financial advantage for electricity produced in-plant was retained for existing generation plants: Section 58 of the EEG governs, inter alia, the protection of existing rights for in-plant electricity generation facilities that were operated before 1 September 2011 and have been used for purposes of self-sufficiency.

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 CropEnergies Group's expected consumption, which might cause production costs to rise. Under current EU regulations, the production of bioethanol for 2013 to 2019 fulfils the carbon leakage criteria, according to which a limited number of CO_2 certificates are allocated free of charge. Compliance with carbon leakage criteria will be audited every five years in future; the next audit relates to allocation years 2020 to 2024. Any cessation of carbon leakage status from 2020 onwards would significantly curtail the annual allocation of free-of-charge CO_2 certificates.

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. European bioethanol prices are currently being determined by price reporting agencies, based on very small volumes, which results in high price volatility. The extent to which this price determination system is giving rise to irregularities or distortions has been the subject of an investigation by the European Commission since May 2013.

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.

CropEnergies contributes to reducing sales and price risks by continually optimising cost structures and/or adjusting capacity utilisation. In February 2015, for example, CropEnergies decided to close production at the Wilton site temporarily in view of the current below-cost selling prices.

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.

Anti-trust law risks

Anti-trust law risks may arise if the conduct of governing bodies and employees is interpreted as an infringement of competition rules and damage to assets or image consequently occurs.

Corruption risks

Corruption risks may arise if governing bodies or employees of the CropEnergies Group violate laws and internal rules such that the affected company of the CropEnergies Group suffers damage to its assets or image.

To prevent anti-trust law and corruption risks, CropEnergies has incorporated the corporate rules existing in the CropEnergies Group into its compliance management system and linked the various compliance-relevant departments and fields of activity. The compliance management system is based on the principles of "knowledge" (informing and training), "compliance" (verifying and documenting) and "improvement" (reporting and acting). Violations of external and internal provisions are not tolerated.

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 high solvency. Accordingly, the creditworthiness of financial institutions 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 committed 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 2015, 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 a constant control process. Risks as a result of changes in interest rates are reduced through a mix of fixed and variable rate loans, with the percentage of fixed rate loans predominating.

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 (29) 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. CropEnergies' earnings are particularly affected by the high price volatility of the raw materials used – especially grain – and by the selling prices for bioethanol.

Phases in which bioethanol prices decline while grain prices remain the same or increase may give rise to losses if margins do not contribute to covering fixed costs. If variable costs can no longer be covered, a temporary closure of plants may be necessary.

The fact that the markets for grain and bioethanol behave relatively independently of one another makes it more difficult to forecast the impact on earnings. Nevertheless, it is not always appropriate or possible to hedge all price risks in advance, as this would also reduce the opportunities for future positive price developments. In addition, insufficient liquidity in the case of price hedging instruments with longer maturities limits their economically viable use.

The group's overall risks have increased year over year due to price volatility. Investments in the neutral alcohol plant, on the other hand, are having a stabilising effect.

No risks posing a threat to the company's continued existence are 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.

The establishment of the production plant for neutral alcohol in Zeitz offers CropEnergies an opportunity to develop further high-margin markets 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 opportunities have increased year over year due to price volatility. Investments in the neutral alcohol plant, on the other hand, are having a stabilising effect.

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 accounting and valuation. 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 inventory taking is 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 identified in the system for internal control and the early detection of risks.

OUTLOOK

Macroeconomic climate and industry-specific environment

According to the European Commission's winter forecast, the economies of all EU member states will grow again in 2015 for the first time since 2007. Economic growth is accordingly expected to increase to 1.7% in the EU and to 1.3% in the euro zone. However, weak investment activity and high unemployment are still weighing heavily on growth prospects throughout Europe. The fall in oil prices, the depreciation of the euro and the European Central Bank's expansionary monetary policy should, however, have a positive impact on economic development in the EU.

Bioethanol markets

In the EU, fuel ethanol consumption in 2015 is expected to decline by 3.7% to 5.1 million m^3. A significant expansion in the use of renewable energies in the fuel sector requires the introduction of E10 across Europe, which is expected to take place in the medium term following the conclusion of discussions about the future form of the political framework in the EU.

The demand for fuel ethanol in the EU is also increasingly expected to be covered by domestic production in 2015. Market observers expect European production to be 5.1 million m^3. A contributory factor here is that the EU has lost some of its attractiveness as an export destination owing to the extremely low price level. No significant change in respect of supply and demand is expected for the bioethanol markets outside the fuel sector.

CropEnergies does not yet expect European bioethanol prices to recover significantly in 2015. This assessment is based on the fact that actual bioethanol demand continues to be significantly below the forecasts contained in EU member states' national action plans, which served as a basis for expanding production capacities in the EU. If there is moderate development in terms of bioethanol imports, the overall expectation is that European bioethanol prices will be mainly based on raw material costs in Europe.

Grain markets

According to a forecast by the US Department of Agriculture (USDA) published on 9 April 2015, world grain production (excluding rice), at 2,007 million tonnes, will be above two billion tonnes for the first time in the 2014/15 grain year. Owing to the good supply situation, stocks are expected to grow by 6.5% to 420 million tonnes, which should make a moderate decline in grain prices possible. Initial forecasts for the 2015/16 grain year by the International Grain Council, which again expects an above-average grain harvest, are also contributing to this. The growing area for wheat is accordingly expected to increase slightly to 224.7 (223.9) million hectares. Despite the slight decline to 173 (175) million hectares, the maize growing area will likewise remain at a high level.

Political framework

Apart from developments on the sales and raw materials markets, political will and the corresponding framework are also crucial to the success of renewable energies in the transport sector. At EU level, Parliament, Council and Commission ("trilogue") held discussions about the amendment of the "Renewable Energies Directive" and the "Fuel Quality Directive". The aim is to specify directly and indirectly measurable sustainability criteria, particularly in respect of the choice of raw materials, with the quantity of conventional biofuels from arable crops being defined and limited in favour of alternatives from wastes and residues. Following the agreement reached by Parliament and Council, the legislative process is expected to be formally completed in the summer of 2015. Subsequently, the new legal framework would need to be implemented in member states within two years. In view of this lead time, market observers do not expect to see a significant increase in the blending obligations for bioethanol in 2015.

In Germany, greenhouse gas savings targets have applied to the mineral oil industry since 1 January 2015, which it can meet by blending biofuels, in particular. The greenhouse gas reductions in the fuel sector are to be raised from 3.5 wt.-% in 2015 to 6 wt.-% in 2020. The abolition of calorific value-based blending obligations also ended the double counting of certain biofuels from wastes and residues. This will increase sales opportunities for those biofuels, in particular, that have high greenhouse gas savings potential. In Belgium, the legislature has defined new conditions of support, which, among other things, favour the use of particularly sustainable biofuels. The extent to which the new support rules will have an impact on the development of the Belgian biofuel market in 2015 cannot yet be foreseen due to the ongoing examination by the European Commission. The United Kingdom has a blending obligation of 4.75 vol.-%, with biofuels from wastes and residues being counted double. As these rules do not suffice to meet European targets for the year 2020, increased use of renewable energies is required. Owing to the parliamentary elections in the United Kingdom in May 2015, no adjustments to the political specifications for biofuels are expected before 2016.

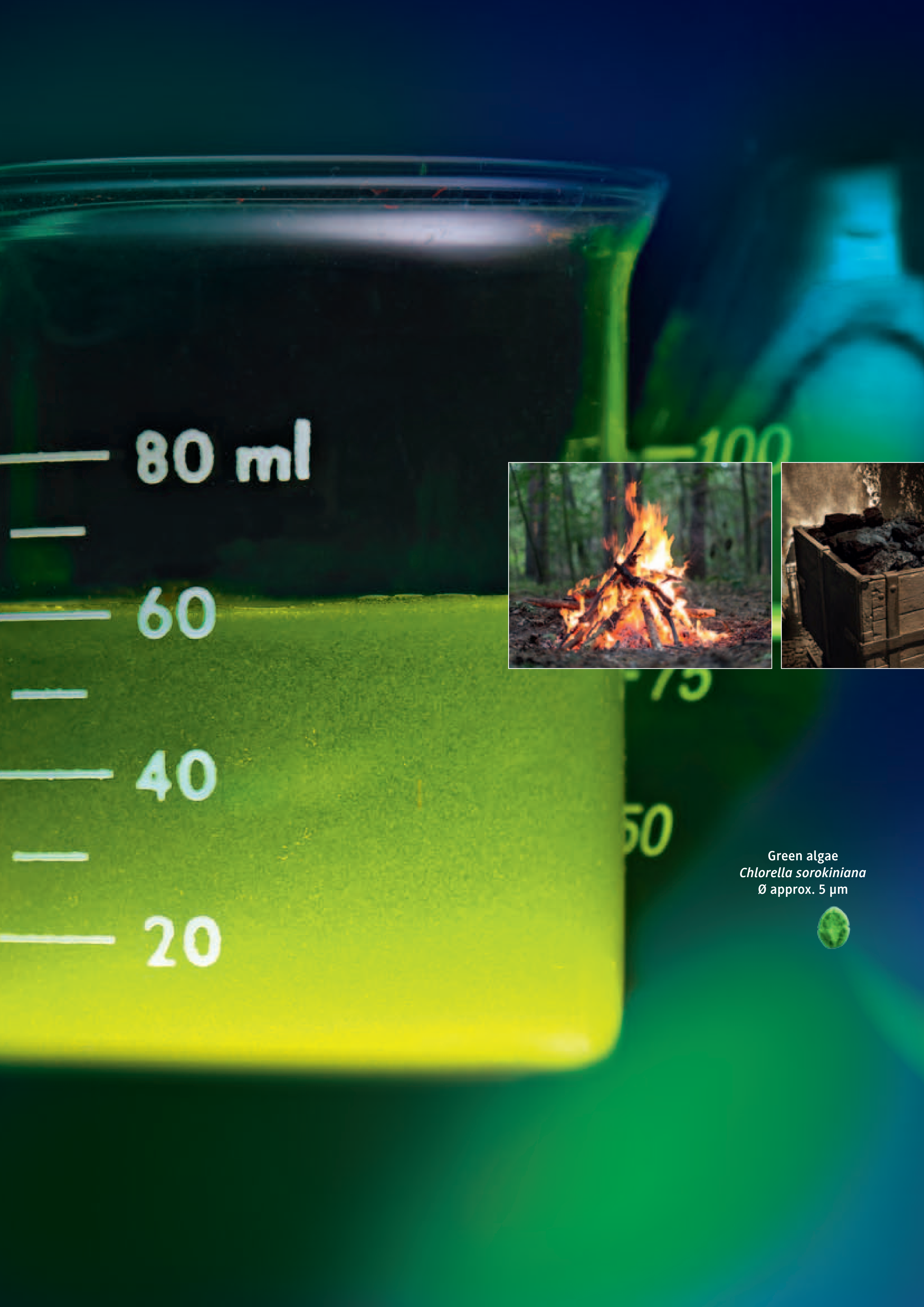
Group performance

The 2015/16 financial year will be another decidedly challenging year for the European biofuel industry. Energy, oil and bioethanol prices in Europe are currently at a low level. The anticipated EU decisions on increasing the proportion of renewable energies in the transport sector are, however, expected to provide positive impetus in the course of the year, which should ensure further growth in the medium term. As one of the leading producers in Europe and owing to the flexibility and capacity of its plants, CropEnergies is well equipped for this.

CropEnergies initially expects the market consolidation in Europe to continue in the 2015/16 financial year. This is mainly due to the low price level of bioethanol and oil, which has already resulted in initial capacity adjustments in the industry. Against this background, CropEnergies also decided to close production in Wilton for the time being, until the market situation has improved sustainably. The plants in Germany, Belgium and France, however, are continuing to be operated with the usual high utilisation owing to their specific cost benefits.

Without the production volumes from Wilton, the production of bioethanol as well as food and animal feed products will be reduced roughly to the level achieved in the 2012/13 financial year. Including the trading business, this is expected to ensure a sales volume for bioethanol of around 1 million m³. The reduction in volume and further lower selling prices for bioethanol will result in a reduction of the expected revenues by around a quarter to a range of between € 625 and € 675 million. The new volume and sales planning will enable CropEnergies to improve its risk profile in times of exceptionally low ethanol prices and to secure its cash flow. Although ethanol prices in the EU have increased again slightly over the past few weeks, uncertainties about the sustainability of the current price level remain. Against this background, CropEnergies expects to be able to generate an EBITDA, adjusted for special items, of between € 15 and € 45 million for the 2015/16 financial year. This should suffice to cover upcoming investments and secure the capital base until market prospects improve. After depreciation, CropEnergies expects to generate an operating profit ranging between minus € 20 and plus € 10 million. Apart from this, the company expects to incur special expenditure of up to € 15 million annually during the downtime of the bioethanol plant in Wilton.

CropEnergies still expects the EU's decision, taken in April 2015, in favour of increasing the proportion of renewable energies in the transport sector to give positive momentum to the European bioethanol market. In particular, increasing the blending rates should result in E10 being introduced in further member states. This would also improve the revenue and earnings situation for bioethanol producers in Europe again.



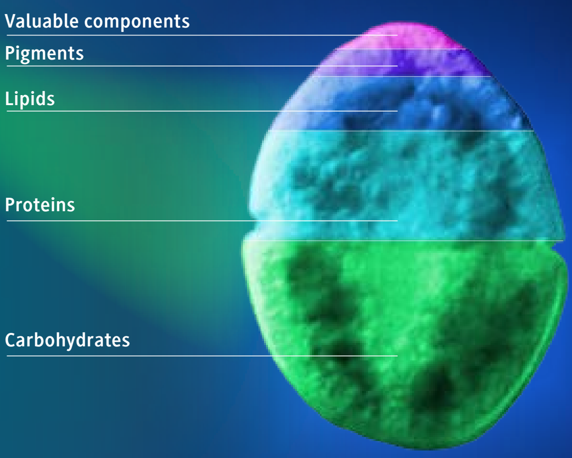
Green algae
Chlorella sorokiniana
Ø approx. 5 µm

NEW CHALLENGES NEED NEW SOLUTIONS. WE ARE WORKING ON IT.

Humans need ever more raw materials to satisfy their energy need and to stay mobile. But resources are limited. From the very beginning, we put great emphasis on a sustainable energy production.

REMAINING VIABLE FOR THE FUTURE – WITH NEW WAYS TO GENERATE ENERGY

Ingredients of a green algae



Our plants are not only about bioethanol. Rather, we pursue the concept of a biorefinery in which we produce a whole range of products from diverse raw materials. We continuously work on improving our plants. One of our current projects in Zeitz is a pilot plant for growing algae. For this, the CO_2 from the fermentation is used as a nutrient for the algae which produce valuable raw materials from carbon dioxide and sunlight. After we first tested a small plant on a laboratory scale, research now continues in a larger scale outdoor plant.

CROPENERGIES CONTINUOUS INNOVATIONS

CONSOLIDATED FINANCIAL STATEMENTS

Statement of comprehensive income*

1 March 2014 to 28 February 2015

€ thousands	Note	2014/15	2013/14
Income statement			
Revenues	(6)	**827,165**	**780,436**
Change in work in progress and finished goods inventories and internal costs capitalised	(7)	-3,080	4,460
Other operating income	(8)	6,945	5,382
Cost of materials	(9)	-706,658	-638,643
Personnel expenses	(10)	-33,653	-30,159
Depreciation	(16), (17)	-36,410	-33,987
Other operating expenses	(11)	-93,966	-58,852
Income from companies consolidated at equity	(18)	290	-587
Income from operations	(12)	**-39,367**	**28,050**
Financial income	(13)	1,992	1,248
Financial expenses	(13)	-5,734	-5,995
Earnings before income taxes		**-43,109**	**23,303**
Taxes on income	(14)	-14,934	-11,297
Net earnings (loss) for the year		**-58,043**	**12,006**
Earnings per share, diluted/undiluted (€)	(31)	**-0.67**	**0.14**

Table of other comprehensive income		
Net earnings (loss) for the year	**-58,043**	**12,006**
Mark-to-market gains and losses**	2,174	-91
Foreign currency differences from consolidation	3,731	1,928
Income and expenses to be reclassified in future in the profit and loss account	**5,905**	**1,837**
Remeasurement of defined benefit plans and similar obligations**	-2,821	215
Income and expenses not to be reclassified in future in the profit and loss account	**-2,821**	**215**
Income and expenses recognised in shareholders' equity	**3,084**	**2,052**
Total comprehensive income	**-54,959**	**14,058**

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

Cash flow statement*

1 March 2014 to 28 February 2015

€ thousands	Note	2014/15	2013/14
Net earnings (loss) for the year		-58,043	12,006
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	(16), (17)	36,410	33,987
Change in non-current provisions and deferred tax liabilities		28,908	4,587
Other income not affecting cash		-1,990	278
Gross cash flow		5,285	50,858
Loss on disposal of non-current assets		236	178
Increase in current provisions		13,388	881
Decrease (+)/Increase (-) in inventories, receivables and other current assets		12,481	-18,910
Decrease in liabilities (excluding financial liabilities)		-5,309	-47,358
Change in working capital		20,560	-65,387
I. Net cash flow from operating activities		**26,081**	**-14,351**
Investments in property, plant and equipment and intangible assets	(16), (17)	-31,636	-18,182
Investments in acquisitions		0	-309
Cash received on disposal of non-current assets		152	177
II. Cash flow from investing activities		**-31,484**	**-18,314**
Dividends paid		-8,725	-22,100
Receipt of financial liabilities		79,086	88,822
Repayment of financial liabilities		-67,764	-28,717
III. Cash flow from financial activities		**2,597**	**38,005**
IV. Change in cash and cash equivalents (total of I., II. and III.)		**-2,806**	**5,340**
Change in cash and cash equivalents due to exchange rate changes		-1,346	25
to changes in entities included in consolidation		0	464
Decrease (-)/Increase (+) in cash and cash equivalents		**-4,152**	**5,829**
Cash and cash equivalents at the beginning of the year		13,870	8,041
Cash and cash equivalents at the end of the year		**9,718**	**13,870**

€ thousands	Note	2014/15	2013/14
Interest expense	(32)	5,133	4,454
Tax payments	(32)	12,764	11,061

** The prior-year figures have been restated in accordance with IAS 8*
Additional comments on the cash flow statement can be found under item (32) of the notes.

Balance sheet*

28 February 2015

ASSETS

€ thousands	Note	28/02/2015	28/02/2014	01/03/2013
Intangible assets	(16)	10,672	10,854	10,178
Property, plant and equipment	(17)	470,155	467,260	427,495
Shares in companies consolidated at equity	(18)	1,728	1,438	2,025
Receivables and other assets	(28)	46	45	35
Deferred tax assets	(14)	10,761	22,715	16,852
Non-current assets		**493,362**	**502,312**	**456,585**
Inventories	(19)	63,631	72,883	59,542
Trade receivables and other assets	(20), (27), (28)	74,023	75,875	71,237
Current tax receivables	(14)	3,180	1,365	539
Cash and cash equivalents	(25), (26), (28)	9,718	13,870	8,041
Current assets		**150,552**	**163,993**	**139,359**
Total assets		**643,914**	**666,305**	**595,944**

LIABILITIES AND SHAREHOLDERS' EQUITY

€ thousands	Note	28/02/2015	28/02/2014	01/03/2013
Subscribed capital		87,250	87,250	85,000
Capital reserves		222,764	222,764	211,333
Revenue reserves and other equity accounts		21,646	85,330	93,372
Shareholders' equity	(21)	**331,660**	**395,344**	**389,705**
Provisions for pensions and similar obligations	(22)	16,291	10,789	9,816
Other provisions	(23)	19,310	2,122	1,884
Non-current financial liabilities	(25), (26), (28)	99,064	93,853	63,500
Other liabilities	(28)	704	724	0
Deferred tax liabilities	(14)	22,494	23,279	22,382
Non-current tax liabilities	(14)	0	6	6
Non-current liabilities		**157,863**	**130,773**	**97,588**
Other provisions	(23)	18,558	5,170	4,289
Current financial liabilities	(25), (26), (28)	60,802	54,691	24,939
Trade payables and other liabilities	(24), (27), (28)	73,858	71,420	68,190
Current tax liabilities	(14)	1,173	8,907	11,233
Current liabilities		**154,391**	**140,188**	**108,651**
Total liabilities and shareholders' equity		**643,914**	**666,305**	**595,944**

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

Development of shareholders' equity

1 March 2014 to 28 February 2015

€ 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 2013	85,000	211,333	95,389	-2,067	50	93,372	389,705
Net earnings (loss) 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
1 March 2014	87,250	222,764	85,510	-2,158	1,978	85,330	395,344
Net earnings (loss) for the year			-58,043			-58,043	-58,043
Mark-to-market gains and losses on cash flow hedging instruments*				2,174			
Foreign currency differences from consolidation					3,731		
Remeasurement of defined benefit plans and similar obligations*			-2,821				
Income and expenses recognised in shareholders' equity			-2,821	2,174	3,731	3,084	3,084
Total comprehensive income			-60,864	2,174	3,731	-54,959	-54,959
Dividends paid			-8,725			-8,725	-8,725
28 February 2015	87,250	222,764	15,921	16	5,709	21,646	331,660

** After deferred taxes*
The changes in shareholders' equity are explained under item (21) 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 Maximilianstraße 10 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 co-products. CropEnergies AG is majority-owned by Südzucker AG.

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 2015 were released by the executive board on 24 April 2015 and assigned an unqualified opinion by the independent auditing company PricewaterhouseCoopers Aktiengesellschaft, Frankfurt am Main. The statements will be reviewed by the audit committee on 11 May 2015 and reviewed and approved by the supervisory board at its meeting on 18 May 2015. The publication date is 19 May 2015.

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 adoption of the IFRSs and IFRICS explained below was mandatory for the first time in the 2014/15 financial year. The amendments to IAS 36 (Impairment of Assets) represent a correction to the requirement, introduced in IAS 36 by IFRS 13 (Fair Value Measurement), to disclose the recoverable amount of each cash-generating unit (or group of units) to which significant goodwill or significant intangible assets with indefinite useful lives are allocated. The amendment to IAS 32 (Financial Instruments: Presentation) basically retains the current netting model under IAS 32, but specifies it by means of additional application guidance. The amendments to IAS 39 (Financial Instruments: Recognition and Measurement) release companies from the requirement to discontinue hedging relationships in circumstances in which hedging instruments are required to be novated to a central counterparty as a result of a statutory or regulatory provision or the introduction thereof. The first-time adoption of these amended standards had no material impact or no impact on the consolidated financial statements.

IFRS 10 (Consolidated Financial Statements), which is applicable for the first time and replaces the guidelines on control and consolidation contained up to this point in IAS 27 (Consolidated and Separate Financial Statements) and SIC 12 (Consolidation – Special-Purpose Entities), amends the definition of control so that the same criteria are applied to all entities to determine a controlling relationship. Under the new concept, control is deemed to exist if the potential parent company has decision-making power over the potential subsidiary based on voting rights or other rights, if it participates in positive or negative variable returns from the subsidiary and if it can affect these returns by means of its decision-making power. This has had no impact on the consolidated companies and hence none on CropEnergies' consolidated financial statements.

IFRS 12 (Disclosure of Interests in Other Entities), which is applicable for the first time, 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). The quantitative and qualitative disclosures under IFRS 12 must enable users of financial statements to assess the nature of the exposure, and the risks and financial effects associated with it.

The first-time adoption of IFRS 11 (Joint Arrangements) means the elimination of proportional consolidation of joint ventures; at the same time, two types of joint arrangement have been defined: joint operations and joint ventures. IFRS 11 supersedes the previous regulations of IAS 31 (Interests in Joint Ventures). CropEnergies applies IFRS 11 to joint arrangements. The rights and obligations of an arrangement are crucial to the manner in which it is recognised. Joint arrangements will continue to be classified as joint ventures. The joint venture CT Biocarbonic GmbH, which has been consolidated proportionately hitherto, will be consolidated at equity in accordance with IAS 28 from the start of this financial year. The regulation needed to be applied retrospectively, which is why the previous year has been restated accordingly. Details regarding the impacts and changes to presentation are explained under "Adjustments in accordance with IAS 8" (Accounting Policies, Changes in Accounting Estimates and Errors) at the end of this section.

IFRSs and IFRICs to be adopted in future: The summary below lists the standards and interpretations which are applicable as from the 2015/16 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.

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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 1	Presentation of Financial Statements (amendment)	18/12/2014	2016/17	no	The amendments clarify that information should not be obscured by aggregating and that materiality considerations apply to all parts of the financial statements even if individual standards prescribe minimum disclosures. The relevance of items in the balance sheet and the statement of comprehensive income determines whether they are itemised or combined. All effects from entities consolidated at equity are presented in a separate row in other comprehensive income, irrespective of recyclability. The amendments are part of the initiative for improving disclosure requirements (Disclosure Initiative). The amendments are expected to have an impact on the presentation of the financial statements and the disclosures in the notes.
IAS 16	Property, Plant and Equipment (amendment)	12/05/2014	2016/17	no	The amendment clarified that a depreciation method based on revenue that is generated by an activity that includes the use of an asset is not appropriate, as revenue reflects the generation of economic benefit and not its consumption. The amendment is not expected to have any impact on the presentation of assets, liabilities, financial position and profit or loss.
IAS 16	Property, Plant and Equipment (amendment)	30/06/2014	2016/17	no	See amendment of IAS 41 – Agriculture.
IAS 19	Employee Benefits (amendment)	21/11/2013	2016/17	17/12/2014	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 27 (amended 2011)	Separate Financial Statements (amendment)	12/08/2014	2016/17	no	The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendment has no impact, as it relates to single-entity statements.
IAS 28 (amended 2011)	Investments in Associates (amendment)	11/09/2014	2016/17	no	The amendment clarifies that, in transactions involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The amendment is not expected to have any impact on the presentation of assets, liabilities, financial position and profit or loss.
IAS 28 (amended 2011)	Investments in Associates (amendment)	18/12/2014	2016/17	no	The amendment clarifies that a non-investment entity that includes an investment entity as an associate or a joint venture in its consolidated financial statements using the equity method may continue to use the fair value measurement of subsidiaries applied by the associate or the joint venture. The amendment is not relevant to CropEnergies.
IAS 38	Intangible Assets (amendment)	12/05/2014	2016/17	no	The amendment introduces a rebuttable assumption that a revenue-based amortisation method for intangible assets is inappropriate for the same reasons as in IAS 16 "Property, Plant and Equipment" (see above). The amendment is not expected to have any impact on the presentation of assets, liabilities, financial position and profit or loss.
IAS 41	Agriculture (amendment)	30/06/2014	2016/17	no	The amendment brings bearer plants, which are used solely to grow produce, into the scope of IAS 16 "Property, Plant and Equipment". This means that they can be accounted for in the same way as property, plant and equipment. A bearer plant is defined as "a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales". The amendments are not expected to have any material impact on the presentation of assets, liabilities, financial position and profit or loss.

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 9 (2014)	Financial Instruments	24/07/2014	2018/19	no	The IASB has published the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the project to replace IAS 39 – "Financial Instruments: Recognition and Measurement". This new version of the Standard adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets. The impairment model is based on the concept of providing for expected losses at inception of a contract, except in the case of purchased or originated credit-impaired financial assets, where expected credit losses are incorporated into the effective interest rate. The final version amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVTOCI) category for certain debt instruments. Furthermore, it provides additional guidance on how to apply the business model and contractual cash flow characteristics test. The Standard supersedes all previous versions of IFRS 9. The impact on recognition and measurement is being evaluated. There is expected to be an increase in disclosure requirements.
IFRS 10	Consolidated Financial Statements (amendment)	11/09/2014	2016/17	no	See amendment to IAS 28 – "Investments in Associates" (amended 2011).
IFRS 10	Consolidated Financial Statements (amendment)	18/12/2014	2016/17	no	The amendment clarifies that exemption from the obligation to prepare consolidated financial statements also applies to parent companies that are themselves a subsidiary of an investment entity and that an investment entity must measure at fair value all subsidiaries that themselves fulfil the definition criteria of an investment entity. The latter also applies if the subsidiaries provide investment-related services. The amendment is not relevant to CropEnergies.
IFRS 11	Joint Arrangements (amendment)	06/05/2014	2016/17	no	The amendment clarifies that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. The amendment may have an impact on accounting for future acquisitions of interests.
IFRS 12	Disclosures of Interests in Other Entities (amendment)	18/12/2014	2016/17	no	The amendment clarifies that an investment entity measuring its subsidiaries at fair value falls under the scope of IFRS 12 and is required to provide the disclosures relating to investment entities under IFRS 12. The amendment is not relevant to CropEnergies.
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.
IFRS 15	Revenue from Contracts with Customers	28/05/2014	2017/18	no	IFRS 15 establishes the principles that an entity needs to apply when reporting on the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. In particular, it draws up criteria according to which performance obligations in a contract are to be regarded as distinct. CropEnergies does not expect the application to have any impact on the time of revenue recognition, but expects it to involve extended disclosure requirements.
IFRIC 21	Levies	20/05/2013	2015/16	13/06/2014	IFRIC 21 (Levies) 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 by reaching a threshold, when this threshold is exceeded. The amendments will have no material impact on the presentation of CropEnergies' assets, liabilities, financial position and profit or loss.

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
Miscella-neous	Annual Improvements Project 2010 – 2012	12/12/2013	2015/16	17/12/2014	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 – Extension of the Definition of Related Party Disclosures. The impact on the presentation of assets, liabilities, financial position and profit or loss is currently still being examined.
Miscella-neous	Annual Improvements Project 2011 – 2013	12/12/2013	2015/16	18/12/2014	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.
Miscella-neous	Annual Improvements Project 2012 – 2014	25/09/2014	2016/17	no	The improvements mainly relate to IFRS 5 – Changes in Methods of Disposal, IFRS 7 – Management Contracts, IAS 19 – Discount Rate Based on Bonds That Should Be Denominated in the Same Currency as the Payments to Be Made, and IAS 34 – Disclosure of Information "Elsewhere in the Interim Financial Report". The impact on the presentation of assets, liabilities, financial position and profit or loss is currently still being examined.

Adjustments in accordance with IAS 8

The first-time adoption of IFRS 11 (Joint Arrangements) at the beginning of the 2014/15 financial year resulted in effects on the balance sheet and the statement of comprehensive income and on other components of the financial statements. The joint venture CT Biocarbonic GmbH, which has been consolidated proportionately hitherto, will be included at equity from the start of this financial year. The retrospective application of the new standard resulted in analogous effects on the comparative periods presented. The following overview provides a breakdown of the assets and liabilities that were combined in an "at equity" interest item for the first time as of 1 March 2013:

€ million 1 March 2013	Effects from the first-time adoption of IFRS 11
Non-current assets	5.3
Receivables and other assets	0.2
Total assets	**5.5**
Non-current liabilities	-2.6
Current liabilities	-0.9
- Total liabilities	**-3.5**
= Book value of investments in associates	**2.0**

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 operations and the financial result will be affected by the restatement. Earnings before income taxes, net earnings and earnings per share will remain unchanged. CT Biocarbonic GmbH's contribution to earnings will be included only in earnings from entities consolidated at equity. In order to take account of the fact that this entity is an operating equity interest and not a financial investment, the earnings from entities consolidated at equity are presented as a component of income from operations. The tables below show, in accordance with IAS 8, the 2013/14 statement of comprehensive income, published in the previous year, and the 2013/14 cash flow statement as well as the balance sheet, published as of 28 February 2014, including the opening balance as of 1 March 2013, their adjustment and the adjusted values:

Statement of comprehensive income (extract) from 1 March 2013 to 28 February 2014

€ thousands	Amount reported 2013/14	Adjustment	Amount restated 2013/14
Income statement			
Revenues	**780,781**	**-345**	**780,436**
Other operating income	5,405	-23	5,382
Cost of materials	-639,003	360	-638,643
Depreciation	-34,317	330	-33,987
Other operating expenses	-58,984	132	-58,852
Income from companies consolidated at equity	0	-587	-587
Income from operations	**28,183**	**-133**	**28,050**
Financial result	-4,880	133	-4,747
Earnings before income taxes	**23,303**	**0**	**23,303**
Taxes on income	-11,297	0	-11,297
Net earnings for the year	**12,006**	**0**	**12,006**
Earnings per share, diluted/undiluted (€)	**0.14**	**0**	**0.14**

Cash flow statement (extract) from 1 March 2013 to 28 February 2014

€ thousands	Amount reported 2013/14	Adjustment	Amount restated 2013/14
Net earnings for the year	12,006	0	12,006
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	34,317	-330	33,987
Change in non-current provisions and deferred tax liabilities	4,579	8	4,587
Other income not affecting cash	-309	587	278
Gross cash flow	**50,593**	**265**	**50,858**
Loss on disposal of non-current assets	200	-22	178
Change in working capital	-64,386	-1,001	-65,387
I. Net cash flow from operating activities	**-13,593**	**-758**	**-14,351**
Investments in property, plant and equipment and intangible assets	-18,426	244	-18,182
II. Cash flow from investing activities	**-18,558**	**244**	**-18,314**
Repayment of financial liabilities	-29,076	359	-28,717
III. Cash flow from financial activities	**37,646**	**359**	**38,005**
Change in cash and cash equivalents (total of I., II. and III.)	**5,495**	**-155**	**5,340**
Increase in cash and cash equivalents	**5,984**	**-155**	**5,829**
Cash and cash equivalents at the beginning of the year	8,044	-3	8,041
Cash and cash equivalents at the end of the year	**14,028**	**-158**	**13,870**

Balance sheet as of 1 March 2013 and to 28 February 2014

€ thousands	Amount reported 28 Februar 2013	Adjustment	Amount restated 1 March 2013
Intangible assets	10,217	-39	10,178
Property, plant and equipment	432,722	-5,227	427,495
Shares in companies consolidated at equity	0	2,025	2,025
Non-current assets	**459,826**	**-3,241**	**456,585**
Inventories	59,576	-34	59,542
Trade receivables and other assets	70,956	281	71,237
Current tax receivables	545	-6	539
Cash and cash equivalents	8,044	-3	8,041
Current assets	**139,121**	**238**	**139,359**
Total assets	**598,947**	**-3,003**	**595,944**
Shareholders' equity	**389,705**	**0**	**389,705**
Other provisions	1,892	-8	1,884
Non-current financial liabilities	65,653	-2,153	63,500
Deferred tax liabilities	22,418	-36	22,382
Non-current liabilities	**99,785**	**-2,197**	**97,588**
Other provisions	4,292	-3	4,289
Current financial liabilities	25,298	-359	24,939
Trade payables and other liabilities	68,634	-444	68,190
Current liabilities	**109,457**	**-806**	**108,651**
Total liabilities and shareholders' equity	**598,947**	**-3,003**	**595,944**

€ thousands	Amount reported 28 February 2014	Adjustment	Amount restated 28 February 2014
Intangible assets	10,922	-68	10,854
Property, plant and equipment	472,314	-5,054	467,260
Shares in companies consolidated at equity	0	1,438	1,438
Non-current assets	**505,996**	**-3,684**	**502,312**
Inventories	72,916	-33	72,883
Trade receivables and other assets	75,103	772	75,875
Current tax receivables	1,372	-7	1,365
Cash and cash equivalents	14,028	-158	13,870
Current assets	**163,419**	**574**	**163,993**
Total assets	**669,415**	**-3,110**	**666,305**
Shareholders' equity	**395,344**	**0**	**395,344**
Other provisions	2,128	-6	2,122
Non-current financial liabilities	95,647	-1,794	93,853
Deferred tax liabilities	23,315	-36	23,279
Non-current liabilities	**132,609**	**-1,836**	**130,773**
Other provisions	5,177	-7	5,170
Current financial liabilities	55,050	-359	54,691
Trade payables and other liabilities	72,328	-908	71,420
Current liabilities	**141,462**	**-1,274**	**140,188**
Total liabilities and shareholders' equity	**669,415**	**-3,110**	**666,305**

(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 136.

The joint venture

- CT Biocarbonic GmbH, Zeitz,

in which CropEnergies has a 50% interest and which is under joint management, was consolidated at equity in the consolidated financial statements for the first time. CT Biocarbonic GmbH's contribution to earnings will be included only in earnings from entities consolidated at equity. The contributions from entities consolidated at equity increase or decline annually by the share of earnings from CT Biocarbonic GmbH:

€ thousands	28/02/2015	28/02/2014
Non-current assets	4,783	5,122
Inventories	*20*	*33*
Receivables and other assets	*165*	*162*
Cash and cash equivalents	*169*	*158*
Current assets	354	353
Total assets	**5,137**	**5,475**
Non-current liabilities	1,885	1,837
Current liabilities	1,523	1,276
Total liabilities	**3,408**	**3,113**
Income	1,729	878
Expenses	-1,439	-1,465

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

(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).

The investment in CT Biocarbonic GmbH has been included in the consolidated financial statements using the equity method as of its date of acquisition or when the conditions for the application of IFRS 11 (Joint Arrangements) or IAS 28 (Investments in Associates) were satisfied. CT Biocarbonic GmbH is an investment over which significant influence can be exercised as a result of ownership of 50% of the voting rights. The company is initially recognised at cost and subsequently according to the amortised interest in net assets. This increases or decreases the carrying amounts annually by the share in profit or loss, dividend distributions and other changes in shareholders' equity. Investments accounted for using the equity method are written down if the recoverable amount falls below the carrying amount.

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 (USD), those of Ensus Ltd and Ensus UK Ltd, Yarm, in British pounds (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 28/02/2015	Average rate 2014/15	Year-end rate 28/02/2014	Average rate 2013/14
Chile	CLP	692.59	752.09	772.84	677.83
Great Britain	GBP	0.73	0.79	0.83	0.85
USA	USD	1.12	1.29	1.38	1.33

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 in shareholders' equity.

Intra-group loans for long-term financing of subsidiaries primarily represent a part of net investment in these foreign operations; the resulting currency translation differences from the reference date valuation are recognised directly in shareholders' equity and reported in comprehensive income as a component of income and expenses recognised in shareholders' equity in the item "Currency differences".

(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 5 years
Buildings	10 to 25 years
Technical plant and machinery	5 to 15 years
Office furniture and equipment	3 to 10 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 work in progress and finished goods 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.

Trade receivables and other assets are measured at their market value plus transaction costs 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 the use of CO_2 emission rights 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 also 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 reporting 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 reporting date. Initial and subsequent measurement takes place completely in the tax expense. The income tax liabilities from the past financial year are reported under current tax liabilities and receivables from advance payments under current tax assets. Non-current tax liabilities mainly comprise income tax for prior-year periods that have not yet been conclusively audited.

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 legally enforceable right 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 forecasts about, among other things, the future earnings situation of the group company in question.

Deferred tax liabilities that arise as a result of temporary differences in connection with investments in subsidiaries and entities consolidated at equity are recognised unless the timing of the reversal of the temporary differences can be controlled by the group and the temporary differences are unlikely to reverse as a result of this controlling influence within the foreseeable future.

Trade payables and other financial liabilities are recognised, on initial measurement, at their market value less transaction costs and subsequently at amortised acquisition cost. Differences between historical acquisition cost and the repayment amount are accounted for on the basis of the effective interest method. Liabilities from finance lease contracts are recognised at their present value.

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 contractual rights to payment no longer exist or the financial assets have been transferred along with all risks and rewards. 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 relationship.

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 unrealised gains and losses of the hedging transaction are initially recognised in equity under other equity accounts. 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 fair value of 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 (22). Assumptions and estimations also relate to the recognition and measurement of other provisions.

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.

Against the background of the all-time low in the price of ethanol in January 2015, CropEnergies adjusted the price assumptions on which the 5-year planning is based, particularly for ethanol. Lower cash flows resulted from the fall in planned prices for ethanol.

The prices for ethanol, grain as well as food and animal feed products are key influencing factors in the CropEnergies Group's planning, with the prices for ethanol and grain being particularly volatile.

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	2014/15	2013/14
Bioethanol, food and animal feed products	817,860	771,165
Other revenues	9,305	9,271
	827,165	**780,436**

Revenues for bioethanol, food and animal feed products increased by € 46.7 million to € 817.9 million. Higher sales volumes due to the expansion in production made a significant contribution to this growth in revenues. The further expansion of trading activities also contributed to the increase in revenue. This positive volume effect, however, was tempered by the considerable decline in the selling prices obtained for bioethanol. Furthermore, protein food and animal feed products were also marketed at lower prices.

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

(7) Change in inventories and other capitalised internal costs

This item includes internal costs capitalised amounting to € 93 (114) thousand.

(8) Other operating income

The other operating income of € 6.9 (5.4) million mostly comprises payments in respect of insurance claims, claims for damages and compensation of € 2.7 (0.9) million, sales commission and recharged logistics costs of € 1.2 (2.0) million as well as currency gains of € 1.2 (0.9) million.

(9) Cost of materials

€ thousands	2014/15	2013/14
Cost of raw materials, consumables and supplies and of purchased merchandise	685,695	618,936
Cost of purchased services	20,963	19,707
	706,658	**638,643**

The cost of materials increased compared with the previous year, due to the 20% rise in bioethanol production to 1,056,000 (884,000) m^3. The increase was tempered by lower prices for raw materials to € 706.7 (638.6) million. The materials expense ratio (as a percentage of overall performance) increased, mainly due to lower selling prices for bioethanol, to 85.8% (81.4%).

(10) Personnel expenses

€ thousands	2014/15	2013/14
Wages and salaries	25,088	22,638
Social security, pension and welfare expenses	8,565	7,521
	33,653	**30,159**

Number of employees (annual average)

	2014/15	2013/14
Number of employees by region		
Germany	161	156
Other European countries	270	265
Other countries	7	9
	438	**430**
Number of employees by category		
Wages earners	212	189
Salary earners	226	241
	438	**430**

Against the backdrop of the increased volume of business, the average number of employees in the 2014/15 financial year rose slightly to 438 (430). Personnel expenses rose to € 33.7 (30.2) million, with employees in the United Kingdom being included only as of July 2013 in the previous year.

The personnel expense ratio (as a percentage of overall performance) increased slightly to 4.1% (3.8%).

(11) Other operating expenses

€ thousands	2014/15	2013/14
Selling and advertising expenses	32,119	25,321
Operating and administrative expenses	15,833	15,012
Other expenses	46,014	18,519
	93,966	**58,852**

Selling and advertising expenses rose to € 32.1 (25.3) million owing to the growth in business volume and mainly consisted of logistics costs for supplying customers. Operating and administrative costs increased slightly to € 15.8 (15.0) million.

The other expenses mainly comprised one-off costs of € 25.7 (0.0) million from the temporary closure of the production plant in Wilton, the cost of shared services provided by the Südzucker Group of € 6.7 (6.0) million, other taxes of € 2.0 (0.5) million, rental and leasing expenses of € 1.6 (1.9) million, logistics costs of € 0.8 (1.1) million paid in advance and currency losses of € 0.8 (0.6) million. Furthermore, there were preparatory expenses of € 4.5 million in the previous year, arising from the start of production in Wilton.

(12) Income from operations

€ thousands	2014/15	2013/14
Income from operations	**-39,367**	**28,050**
of which operating profit	-11,233	35,002
of which restructuring costs and special items	-28,424	-6,365
of which income from companies consolidated at equity	290	-587

Income from operations, amounting to € -39.4 (28.1) million, comprises operating profit, net restructuring costs and special items, as well as earnings from entities consolidated at equity.

The operating margin amounted to -1.4% (4.5%) of revenues.

(13) Financial income and expenses

€ thousands	2014/15	2013/14
Interest income	64	84
Other financial income	1,928	1,164
Financial income	**1,992**	**1,248**
Interest expense	-5,278	-4,841
Other financial expense	-456	-1,154
Financial expense	**-5,734**	**-5,995**
Net financial result	**-3,742**	**-4,747**

The net financial result improved by € 1.0 million year over year to € -3.7 (-4.7) million. This includes interest expense of € 0.4 (0.4) million from compounding the provisions for pensions and similar obligations.

(14) Taxes on income

Applying the statutory income tax rate of the parent company, CropEnergies AG and the 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 2014/15 financial year (previous year: 29.93%).

€ thousands	2014/15	2013/14
Earnings before tax on income	-43,109	23,303
Theoretical tax rate	*29.93%*	*29.93%*
Theoretical tax expense	**-12,903**	**6,975**
Change in theoretical tax expense as a result of:		
Foreign tax rate differentials	-1,541	-1,555
Different tax rates	5,161	1,356
Tax reduction for tax-free income	-786	-810
Tax increase for non-deductible expenses	958	630
Trade tax adjustment	121	93
Taxes for prior years	0	-672
Tax effects from loss carryforwards and temporary differences	23,721	5,575
Other	203	-295
Taxes on income	**14,934**	**11,297**
Effective tax rate		**48%**

The rise in the tax effects from accounting for loss carry-forwards and temporary differences to € 23.7 (5.6) million results from one-off costs arising from the temporary closure of the production plant in Wilton and from unrecognised deferred tax assets on the losses at Ensus and changes from the deferred tax assets recognised in previous years.

The effects of deviating foreign tax regulations result, as in the previous year, from specific Belgian tax rules.

No deferred taxes were recognised on temporary differences in connection with shares in subsidiaries of € 0.2 (0.5) 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 2014/15 financial year consisted of current tax expenses of € 3.2 (7.9) million and deferred tax expenses of € 11.7 (3.4) million.

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

€ thousands	**Deferred tax assets**		**Deferred tax liabilities**	
28 February	**2015**	**2014**	**2015**	**2014**
Property, plant and equipment	719	9,191	28,400	28,377
Inventories	207	2	0	246
Other assets	0	0	231	164
Tax-free reserves	0	0	989	961
Provisions	3,756	3,159	1,097	637
Liabilities	1,446	1,137	0	0
Tax loss carry forwards	12,856	16,332	0	0
	18,984	29,821	30,717	30,385
Offsets	-8,223	-7,106	-8,223	-7,106
Balance sheet	**10,761**	**22,715**	**22,494**	**23,279**

Of the deferred tax assets amounting to € 19.0 (29.8) million before netting, € 17.3 (27.8) million are non-current. Of the deferred tax liabilities amounting to € 30.7 (30.4) million before netting, € 29.4 (29.3) million are non-current.

The deferred tax assets on temporary differences amounting to € 8.8 million recognised in fixed assets on initial consolidation of the British bioethanol producer Ensus were reversed in the current financial year. Deferred taxes were not recognised for loss carry-forwards and temporary differences amounting to € 79.9 (269.9) million. Of the loss carry-forwards, an estimated € 6.5 (10.3) million will expire within 7 years; € 73.4 (259.6) 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	2014/15			2013/14		
	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	3,194	-1,020	2,174	-134	43	-91
Foreign currency differences from consolidation	3,731	0	3,731	1,928	0	1,928
	6,925	**-1,020**	**5,905**	**1,794**	**43**	**1,837**
Income and expenses not to be reclassified in future in the profit and loss account						
Remeasurement of defined benefit plans and similar obligations	-4,041	1,220	-2,821	311	-96	215
	2,884	**200**	**3,084**	**2,105**	**-53**	**2,052**
Net earnings (loss) for the year			-58,043			12,006
Total comprehensive income			**-54,959**			**14,058**

Current tax receivables of € 3.2 million presented in the balance sheet mainly relate to CropEnergies AG. Non-current tax liabilities amounting to € 1.2 million stem from the French companies. CropEnergies has used the expected tax payment or refund as a best-estimate basis for uncertain tax items, which may, for example, arise from tax audits.

(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, their optimisation and further improvements in food and animal feed products. In addition, a contribution was made to the shaping of standards and new concepts for the production of bioethanol were developed.

Research and development costs amounted to € 2.1 (1.8) 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.

2014/15 € thousands	Goodwill	Concessions, industrial and similar rights	Total
Acquisition costs			
1 March 2014	5,595	8,373	13,968
Change due to currency translation	0	122	122
Additions	0	481	481
28 February 2015	5,595	8,976	14,571
Depreciation			
1 March 2014	0	-3,114	-3,114
Change due to currency translation	0	-27	-27
Depreciation for the year	0	-762	-762
Disposals	0	4	4
28 February 2015	0	-3,899	-3,899
Net book value at 28 February 2015	**5,595**	**5,077**	**10,672**

2013/14 € thousands	Goodwill	Concessions, industrial and similar rights	Total
Acquisition costs			
1 March 2013	5,595	7,078	12,673
Change in companies incl. in the consolidation and other changes	0	112	112
Change due to currency translation	0	-133	-133
Additions	0	1,316	1,316
28 February 2014	5,595	8,373	13,968
Depreciation			
1 March 2013	0	-2,495	-2,495
Change due to currency translation	0	4	4
Depreciation for the year	0	-615	-615
Impairment losses	0	-8	-8
28 February 2014	0	-3,114	-3,114
Net book value at 28 February 2014	**5,595**	**5,259**	**10,854**

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 2014, the discount rate derived from the CropEnergies Group's cost of capital was 8.2% (8.5%) before taxes and 6.1% (6.1%) after taxes, while in February 2015 it was 8.1% before taxes and 6.1% 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.

CropEnergies has defined its CGUs in accordance with internal reporting. In the CropEnergies Group, the CGU bearing goodwill is Ryssen France (including the companies Ryssen und COFA).

In the 2014/15 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. Even if the discount rate (after taxes) had been 1.5 percentage points higher, no write-downs of goodwill would have been necessary. Ryssen processes and trades in alcohol; in this respect, fluctuating ethanol prices have a similar effect on both revenues and material costs and hence only a limited effect on the company's operating profit. Even if the operating profit of Ryssen were to halve in the long term, no write-downs of goodwill would be necessary.

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, fluctuations of market prices for raw materials and end products in this order of magnitude have been neither observable nor probable in empirical terms. The price assumptions for ethanol in the underlying 5-year planning, which were revised downwards in January, did not necessitate any write-down of goodwill, either. The value in use of the CGUs was above their book value as of the valuation date.

(17) Property, plant and equipment

2014/15 € 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 2014	133,788	486,171	19,252	7,404	646,615
Change due to currency translation	766	7,187	33	101	8,087
Additions	4,078	18,406	1,321	7,611	31,416
Transfers	257	6,532	49	-6,854	-16
Disposals	0	-466	-367	0	-833
28 February 2015	138,889	517,830	20,288	8,262	685,269
Depreciation					
1 March 2014	-25,295	-146,546	-7,514	0	-179,355
Change due to currency translation	-6	-554	-7	0	-567
Depreciation for the year	-4,617	-29,404	-1,627	0	-35,648
Disposals	0	254	202	0	456
28 February 2015	-29,918	-176,250	-8,946	0	-215,114
Net book value at 28 February 2015	**108,971**	**341,580**	**11,342**	**8,262**	**470,155**

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	128,344	423,588	18,699	3,236	573,867
Change in companies incl. in the consolidati-on and other changes	3,854	51,088	70	322	55,334
Change due to currency translation	90	1,196	3	4	1,293
Additions	1,707	7,387	592	7,180	16,866
Transfers	74	3,127	42	-3,243	0
Disposals	-281	-215	-154	-95	-745
28 February 2014	133,788	486,171	19,252	7,404	646,615
Depreciation					
1 March 2013	-20,948	-119,321	-6,103	0	-146,372
Change due to currency translation	-1	-42	0	0	-43
Depreciation for the year	-4,521	-26,809	-1,516	0	-32,846
Impairment losses	-6	-510	-2	0	-518
Disposals	181	136	107	0	424
28 February 2014	-25,295	-146,546	-7,514	0	-179,355
Net book value at 28 February 2014	**108,493**	**339,625**	**11,738**	**7,404**	**467,260**

The additions in the 2014/15 financial year include investment subsidies of € 18 (2) thousand, which reduced the acquisition cost.

The item "Assets under construction" includes, in accordance with IAS 23, capitalised borrowing costs of € 0.3 (0.0) million. An interest rate of 3.02% was used as a basis when calculating the borrowing costs.

Against the background of the all-time low in the price of ethanol in January 2015, CropEnergies adjusted the price assumptions on which the 5-year planning is based, particularly for ethanol. Lower cash flows resulted from the fall in planned prices for ethanol. However, this did not give rise to a need to recognise any impairment in the case of the production plants. This also applies to the production plant in Wilton, which was temporarily closed as of the end of the financial year.

(18) Shares in companies consolidated at equity

2014/15 € thousands	Companies consolidated at equity
1 March 2014	**1,438**
Share of profits	290
28 February 2015	**1,728**

2013/14 € thousands	Companies consolidated at equity
1 March 2013	**2,025**
Share of profits	-587
28 February 2014	**1,438**

The contributions from entities consolidated at equity increase or decline annually by the share of earnings from CT Biocarbonic GmbH.

(19) Inventories

€ thousands	28/02/2015	28/02/2014
Raw materials and supplies	17,586	26,968
Work in progress	2,664	4,635
Finished goods and merchandise	43,381	41,280
	63,631	**72,883**

Inventories declined mainly due to smaller stocks of raw materials and supplies, which fell by € 9.4 million to € 17.6 million. Overall, impairments of € 2.0 (3.4) million were charged to inventories.

(20) Trade receivables and other assets

€ thousands	28/02/2015	28/02/2014
Trade receivables	59,833	60,207
Other assets	14,190	15,668
	74,023	**75,875**

Trade receivables were virtually unchanged at € 59.8 million despite the growth in business volume. Their book value is derived as follows:

€ thousands	28/02/2015	28/02/2014
Total trade receivables	60,353	60,310
Allowance for doubtful receivables	-520	-103
Book value	**59,833**	**60,207**

The valuation allowances for trade receivables have developed as follows:

€ thousands	2014/15	2013/14
Allowance for doubtful receivables at 1 March	**103**	**103**
Additions	426	9
Utilised	-9	0
Released	0	-9
Allowance for doubtful receivables at 28 February	**520**	**103**

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

€ thousands	28/02/2015	28/02/2014
Receivables not yet due and not doubtful	53,330	58,197
Past due receivables but not doubtful		
less than 10 days	4,116	876
between 11 and 30 days	1,742	762
between 31 and 90 days	505	342
more than 90 days	140	30
Book value	59,833	60,207
Valuation allowances for doubtful receivables	520	103
Total trade receivables	**60,353**	**60,310**

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 € 14.2 (15.7) million, consist of financial assets of € 0.7 (0.3) million in the form of positive mark-to-market values of derivative hedging instruments and other receivables of € 2.8 (3.5) million as well as non-financial assets in the form of VAT receivables of € 5.4 (5.8) million, receivables in respect of investment subsidies and advance payments of € 3.6 (3.3) million and purchased CO_2 emission rights of € 1.7 (2.8) million.

(21) Shareholders' equity

CropEnergies AG's share capital is unchanged at € 87,250,000. It is divided into 87,250,000 no-par-value bearer shares, each representing a proportional amount of € 1.00 of the share capital. The share capital is fully paid in.

The capital reserve was unchanged at € 222.8 million as of the balance sheet date and includes the share premium from the issue of shares.

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 € 2.2 (-0.1) 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 € -0.1 million.

Together with revenue reserves and other equity accounts of € 21.6 (85.3) million, shareholders' equity therefore amounts to € 331.7 (395.3) 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 acquired 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 authorisation was not exercised in the 2014/15 financial year.

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.

(22) 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 € 2.0 (1.8) 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	28/02/2015	28/02/2014
Defined benefit obligation for direct pension benefits	18,360	12,599
Fair value of plan assets	-2,069	-1,810
Provisions for pensions and similar obligations (net defined benefit obligation)	**16,291**	**10,789**
Discount rate in %	2.05	3.50

The pension scheme for employees of the CropEnergies Group mainly comprises the following pension 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 (35) "Related party transactions" in these notes. The pension obligations of CropEnergies AG and CropEnergies Bioethanol GmbH of € 13.9 (8.9) million are financed by provisions with present values of € 14.0 (9.0) million offset by plan assets of € 0.1 (0.1) million.

Belgium

Funded pension plans, in which the present value of future benefit obligations totalling € 3.9 (3.1) million is offset by plan assets totalling € 2.0 (1.7) 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 cover pension commitments that must be recognised by law in France. They include 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 € 0.5 (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 obligation
1 March 2014	**12,599**	**-1,810**	**10,789**
Expenses for company pension plans (Income statement)			
Current service cost	1,171		1,171
Past service cost	206		206
Interest expense/income	440	-67	373
	1,817	**-67**	**1,750**
Remeasurement recognised in other comprehensive income			
Gains (-) and losses (+) on actual return on plan assets		-4	-4
Gains (+) and losses (-) from changes in financial assumptions	4,007		4,007
Gains (+) and losses (-) on experience adjustments	38		38
	4,045	**-4**	**4,041**
Benefit, payments, contributions and other			
Employer contributions to plan assets		-241	-241
Participants contributions to plan assets	27	-27	0
Benefit payments	-62	51	-11
Transference	-38		-38
Other	-28	29	1
	-101	**-188**	**-289**
28 February 2015	**18,360**	**-2,069**	**16,291**

€ thousands	Defined benefit obligation	Fair value of plan assets	Provisions for pensions and similar obligation
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**

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 € -4.0 (0.3) million and resulted from adjustment of the discount rate as well as the parameters for salary and pension increases and experience adjustments. In the previous year, the change was due to adjustment of the parameters for salary and pension increases and experience adjustments.

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 %	28/02/2015	28/02/2014
Discount rate	2.05	3.50
Salary growth	2.50	3.00
Pension growth	1.50	2.00

Pension provisions were calculated on the basis of an interest rate of 2.00% (3.50%) in Germany and an interest rate of 2.20% (3.50%) in other countries. These interest rates are based on the return from premium corporate bonds, the duration of which corresponds to the average weighted duration of the obligation.

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		2015	
€ thousands	Change in actuarial assumption	Defined benefit obligation	Change in %
Present value of the obligation			
Discount rate	Increase by 0.50 percentage point	16,066	-12.5%
	Decrease by 0.50 percentage point	21,114	15.0%
Salary growth	Increase by 0.25 percentage point	19,041	3.7%
	Decrease by 0.25 percentage point	17,703	-3.6%
Pension growth	Increase by 0.25 percentage point	18,870	2.8%
	Decrease by 0.25 percentage point	17,874	-2.6%
Life expectancy	Increase by one year	18,721	2.0%
	Decrease by one year	17,978	-2.1%

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 consist exclusively of insurance contracts, with a guaranteed minimum return being expected. There was no listing on an active market.

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

€ thousands	28/02/2015	28/02/2014
Insurance contracts	2,069	1,810

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 could 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 27 (24) years. Employer contributions to plan assets amounting to € 0.3 (0.2) million are expected in the 2015/16 financial year.

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

Future pension and termination payments	€ thousands
2015/16	23
2016/17	55
2017/18	190
2018/19	135
2019/20	722
2020/21 to 2024/25	2,026
	3,151

(23) Development of other provisions

2014/15 € thousands	Personnel expenses	Uncertain obligations	Total
1 March 2014	**916**	**6,376**	**7,292**
Change due to currency translation	0	2,544	2,544
Additions	202	30,663	30,865
Utilised	-88	-2,641	-2,729
Released	-73	-31	-104
28 February 2015	**957**	**36,911**	**37,868**

The provisions for personnel expenses mainly consist of provisions for service jubilee expenses of € 0.5 (0.5) million, for staff transfers of € 0.2 (0.3) million and for phased early retirement schemes of € 0.1 (0.1) million. Of the total of € 1.0 million, € 0.1 million is expected to be utilised in the 2015/16 financial year.

The provisions for uncertain liabilities amounting to € 36.9 (6.4) million consist of costs of € 28.2 (0.0) million for onerous contracts incurred during the anticipated temporary closure of the production plant in Wilton. The temporary closure is the result of the lower cash flows in the 5-year annual planning, which was adjusted due to the fall in the planned prices for ethanol. The provisions for uncertain liabilities also consist of provisions for CO_2 emission rights of € 1.9 (2.9) million and provisions for litigation risks of € 1.0 (1.0) million.

Of the total, € 18.4 million is expected to be utilised in the 2015/16 financial year and the remaining amount over the next five years. The allocations to the provisions include compounding costs of € 26 (25) thousand.

(24) Trade payables and other liabilities

€ thousands	28/02/2015	28/02/2014
Trade payables	57,152	46,932
Other liabilities	16,706	24,488
	73,858	**71,420**

The increase of € 10.2 million in trade payables to € 57.2 million was mainly due to the growth in business volume.

Other liabilities, amounting to € 16.7 (24.5) million, mainly comprise financial liabilities of € 0.7 (1.6) million in the form of negative mark-to-market values of derivative hedging instruments and other liabilities of € 1.7 (10.9) million as well as non-financial liabilities of € 8.3 (4.7) million in the form of liabilities in respect of other taxes and liabilities of € 6.0 (7.3) million in respect of personnel expenses.

(25) Financial liabilities (net financial debt)

		Remaining term			Remaining term	
€ thousands	28/02/2015	to 1 year	over 1 year	28/02/2014	to 1 year	over 1 year
Liabilities to banks	**9,750**	9,750	0	**21,394**	11,644	9,750
Liabilities to affiliated companies	**150,000**	51,000	99,000	**127,000**	43,000	84,000
Liabilities from finance leasing	**116**	52	64	**150**	47	103
Financial liabilities	**159,866**	**60,802**	**99,064**	**148,544**	**54,691**	**93,853**
Cash and cash equivalents	**-9,718**			**-13,870**		
Net financial debt	**150,148**			**134,674**		

Net financial debt as of 28 February 2015 amounted to € 150.1 (134.7) million. Of this amount, € 99.1 (93.9) million is available to the CropEnergies Group in the long term. The average rate of interest on the financial liabilities was 3.5% (3.9%).

Financial liabilities increased by € 11.3 million to € 159.9 million. Of the financial liabilities to banks, none (previous year: € 9.8 million) is due in more than one year. In the case of the financial liabilities to affiliated companies, € 99.0 (84.0) million is due and relates to the Südzucker Group. In the 2014/15 financial year, CropEnergies Bioethanol GmbH took out an 8-year amortisation loan of € 16.0 million with Südzucker AG until 2022. The loan is being used for partial financing of the neutral alcohol plant in Zeitz.

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

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 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).

(26) 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 € 9.8 million as of 28 February 2015. The entire remaining amount of € 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 September 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 2019, with a one-year extension option. The interest rate is based on the short-term interbank rate. The credit line was not drawn as of 28 February 2015.

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 € 3.6 million as of 28 February 2015. Of this amount, € 0.7 million is reported as current financial liabilities. This financial liability is presented in the annual financial statements according to the principles of at equity measurement. The loan bears interest at the rate of 3.75% p.a. and is due to be repaid by 30 December 2019. Furthermore, loan receivables of € 1.4 (1.7) million are due from the joint venture and loan liabilities in the same amount are due to the joint venture partner SOL SpA. Both loans are short term and bear interest at the rate of 3.75% p.a.

The cash and cash equivalents of € 9.7 (13.9) million consist of short-term bank deposits with banks of prime credit standing.

(27) 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 (e.g., wheat and ethanol futures), 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	**2015**	2014	**2015**	2014
Cash flow hedge derivatives				
Wheat derivatives	67,030	78,715	-221	-1,041
Currency derivatives	10,467	10,582	369	-149
Total cash flow hedge derivatives	**77,497**	**89,297**	**148**	**-1,190**

€ thousands	Nominal value		Market value	
28 February	**2015**	2014	**2015**	2014
Derivatives held for trading				
Embedded derivatives (from supply product contracts)	1,783	22,691	-116	299
Associated hedging transactions (with banks)	1,661	22,966	116	-299
Ethanol derivatives	12,234	7,053	232	-123
Maize derivatives	0	2,732	0	-3
Currency derivatives	3,185	828	-320	24
Total derivatives held for trading	**18,863**	**56,270**	**-88**	**-102**

All derivatives have maturities of less than one year, except for wheat derivatives with a nominal value of € 4.1 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 € 67.0 (81.4) million with a market value of € -0.2 (-1.0) 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 € 6.7 (-6.7) 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 € 3.4 (45.7) million. Together, hedged item and hedge constitute a closed position. The market values from customer contracts amounting to € -0.1 (0.3) million are thus offset by hedges amounting to € 0.1 (-0.3) 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 € 12.2 (7.1) million with a market value of € 232 (-123) 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 € 0.1 (-0.1) million.

The total volume of currency derivatives was € 13.7 (11.4) million, with a market value of € 49 (-125) thousand.

Credit risks can arise from positive market values of derivatives. As of 28 February 2015, the positive market value amounts to € 0.7 (0.3) million. Credit risks are minimised by 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 2015 was € 0.1 (-1.2) million. There were no ineffective transactions in the 2014/15 financial year.

(28) 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. According to the definition of IFRS 13 (Measurement of Fair Value), fair value 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.

€ thousands	Valuation category (IAS 39)	28 February 2015 Book value	28 February 2015 At fair value through profit or loss	28 February 2014 Book value	28 February 2014 At fair value through profit or loss
Financial assets					
Trade receivables	Loans and receivables	59,833	59,833	60,207	60,207
Other assets	Loans and receivables	2,755	2,755	3,422	3,422
Cash and cash equivalents	Loans and receivables	9,718	9,718	13,870	13,870
Derivatives held for trading (positive market value)	FAHfT*	348	348	323	323
Cash flow hedge derivatives (positive market value)	n. a. (Hedge Accounting)	369	369	0	0
		73,023	73,023	77,822	77,822
Financial liabilities					
Liabilities to banks	Other financial liabilities	9,750	9,854	21,394	21,915
Liabilities to affiliated companies	Other financial liabilities	150,000	150,379	127,000	127,000
Trade payables	Other financial liabilities	57,152	57,152	46,932	46,932
Other liabilities	Other financial liabilities	1,871	1,871	11,042	11,042
Derivatives held for trading (negative market value)	FLHfT**	436	436	425	425
Cash flow hedge derivatives (negative market value)	n.a. (Hedge Accounting)	221	221	1,190	1,190
		219,430	219,913	207,983	208,504

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

Sum totals of valuation categories € thousands	28 February 2015 Book value	28 February 2015 At fair value through profit or loss	28 February 2014 Book value	28 February 2014 At fair value through profit or loss
Loans and receivables	72,306	72,306	77,499	77,499
FAHfT*	348	348	323	323
FLHfT**	436	436	425	425
Other financial liabilities	218,773	219,256	206,368	206,889

	Net result profit (+) / loss (-) according to valuation category IFRS 7 / IAS 39	
€ thousands	2014/15	2013/14
Loans and receivables	3,629	2,121
FAHfT* and FLHfT**	-271	-913
Other financial liabilities	-6,554	-6,639

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 calculated 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 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, the related hedging transactions with banks and financial liabilities. 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 2014/15 financial year, no reclassifications were made between the respective measurement levels.

	Fair Value Hierarchy							
€ thousands	28 February 2015	Level 1	Level 2	Level 3	28 February 2014	Level 1	Level 2	Level 3
Positive market values – Cash flow hedge derivatives	369	0	369	0	0	0	0	0
Positive market values – Derivatives held for trading	348	232	116	0	323	0	323	0
Financial assets	**717**	**232**	**485**	**0**	**323**	**0**	**323**	**0**
Negative market values – Cash flow hedge derivatives	221	221	0	0	1,190	1,041	149	0
Negative market values – Derivatives held for trading	436	0	436	0	425	126	299	0
Liabilities to banks	9,854	0	9,854	0	21,915	0	21,915	0
Liabilities to affiliated companies	150,379	0	150,379	0	127,000	0	127,000	0
Financial liabilities	**160,890**	**221**	**160,669**	**0**	**150,530**	**1,167**	**149,363**	**0**

Impairments on financial instruments were only necessary in trade receivables and amounted to € 0.5 (0.1) million.

The total interest result from financial instruments not measured at fair value was € 4.8 (4.2) million. This consists of interest income of € 0.1 (0.1) million and interest expense of € 4.7 (4.1) 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 2014/15 financial year, CropEnergies incurred expenses of € 0.3 (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 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 and affiliated companies 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 and affiliated companies are to be assigned to measurement level 2.

(29) 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 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 (20) 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 2015	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	9,750	9,923	9,923	0	0	0	0	0
Liabilities to affiliated companies	150,000	151,018	54,986	3,196	3,237	3,279	3,320	83,000*
	159,750	**160,941**	**64,909**	**3,196**	**3,237**	**3,279**	**3,320**	**83,000**
Liabilities from								
Trade payables	57,152	57,152	57,152	0	0	0	0	0
Other liabilities	1,871	1,871	1,871	0	0	0	0	0
Derivatives held for trading (negative market value)	436	436	436	0	0	0	0	0
Cash flow hedge derivatives (negative market value)	221	221	221	0	0	0	0	0
	59,680	**59,680**	**59,680**	**0**	**0**	**0**	**0**	**0**
	219,430	**220,621**	**124,589**	**3,196**	**3,237**	**3,279**	**3,320**	**83,000**

€ 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	21,394	21,936	12,163	9,773	0	0	0	0
Liabilities to affiliated companies	127,000	148,918	47,546	4,343	4,343	4,343	4,343	84,000*
	148,394	**170,854**	**59,709**	**14,116**	**4,343**	**4,343**	**4,343**	**84,000**
Liabilities from								
Trade payables	46,932	46,932	46,932	0	0	0	0	0
Other liabilities	11,042	11,042	11,042	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
	59,589	**59,589**	**59,589**	**0**	**0**	**0**	**0**	**0**
	207,983	**230,443**	**119,298**	**14,116**	**4,343**	**4,343**	**4,343**	**84,000**

** 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 non-current financial liabilities to affiliated companies mainly 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 apart from currency derivatives.

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 are largely sourced, and products largely sold, in euro and, to a lesser extent, in British pounds and US dollars.

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 € 160 million as of 28 February 2015, € 109 million were at a fixed rate of interest and € 51 million were at a variable rate of interest.

Sensitivity: If the market interest rate level were 50 base points higher (lower), the annual interest cost of the loans would increase (decrease) by € 0.3 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

(30) Contingent liabilities and other financial commitments

On the reporting date, there were open purchase order commitments of € 10.2 (22.8) million for capital expenditures and € 137.8 (228.8) 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. This gives rise to a purchase order commitment of € 48.1 (67.6) million in relation to affiliated companies.

The obligations resulting from operating leases amount to € 1.4 (1.3) million and have the following maturity structure:

€ thousands	28/02/2015	28/02/2014
Due within the next year	453	441
Due within 1 to 5 years	936	857
Due in more than 5 years	0	3
	1,389	**1,301**

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.

(31) Earnings per share

Overall, the consolidated net loss for the financial year amounted to € -58.0 (12.0) million. Over the entire 2014/15 financial year, the number of CropEnergies shares stood at 87.25 million. The calculation of earnings per share (IAS 33) is therefore based on a time-weighted average of 87.25 (86.4) million shares. This generates earnings per share of € -0.67 (0.14), with diluted earnings being the same as undiluted earnings.

(32) 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 € 5.3 (50.9) million. Including the change in net working capital, cash flow from operating activities amounted to € 26.1 (cash outflow: 14.4) million.

The cash outflows for tax payments amounted to € 12.8 (11.1) million and are attributable to operating activities. In addition, there was interest expense of € 5.1 (4.5) million, likewise attributable to operating activities. The capital expenditures of € 31.6 (18.2) million for property, plant and equipment and intangible assets were mainly accounted for by investment in property, plant and equipment, particularly the construction of the new processing plant for the production of neutral alcohol in Zeitz as well as the improvement in yields and the increase in plant availability in Wanze.

As of 28 February 2015, cash and cash equivalents amounted to € 9.7 (13.9) million.

The receipt of financial liabilities amounting to € 79.1 (88.8) million was offset by scheduled repayments of € 67.8 (28.7) million and the dividend payment, in July 2014, of € 8.7 (22.1) million.

(33) Group auditor's fees

For services performed by the Group's independent auditor, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, expenses of € 152 (144) thousand were incurred in the 2014/15 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 tax consulting services in the current financial year amounting to € 87 (0) thousand. There were neither other attestation services nor other consultancy services in the reporting year (previous year: € 13 thousand).

(34) 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 November 2014. It is available permanently to CropEnergies AG shareholders on the company's website at www.cropenergies.com under "Investor Relations".

(35) 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 I The transactions with Südzucker AG involved supplies, especially raw materials and energy, by Südzucker AG amounting to € 44.8 (45.1) million. In addition, services worth € 3.4 (3.4) million and research & development work worth € 2.1 (1.7) million were provided.

Set against this, the CropEnergies Group received € 1.0 (2.6) million from Südzucker AG for supplies of goods. The CropEnergies Group incurred net interest expense of € 4.5 (3.5) million on intercompany lendings and borrowings.

On the balance sheet date, there were receivables of € 0.0 (0.2) million outstanding from Südzucker AG and liabilities of € 8.6 (8.5) million outstanding to Südzucker AG in respect of the aforesaid related party transactions. Financial liabilities due to Südzucker AG amounted to € 67.0 (43.0) million.

Affiliated companies of Südzucker AG I The transactions with the affiliated companies of Südzucker AG involved supplies, especially raw materials and traded commodities, amounting to € 77.2 (72.2) million. In addition, services worth € 1.0 (1.0) million were provided.

Set against this, the CropEnergies Group received € 59.4 (55.0) 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 € 1.1 (1.5) million.

On the balance sheet date there were receivables of € 7.1 (6.8) million outstanding from the affiliated companies of Südzucker AG and liabilities of € 8.5 (8.8) 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 € 83.0 (84.0) 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 significant transactions were conducted with related persons.

CT Biocarbonic GmbH I Services were provided and goods were supplied, at usual market prices, for the joint venture CT Biocarbonic GmbH amounting to € 1.1 (0.8) 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 2014/15 financial year of € 761 (761) thousand, with the fixed annual salary accounting for € 459 (426) thousand. The variable compensation was € 264 (297) thousand. € 39 (38) thousand was paid in the form of non-monetary benefits and social insurance contributions.

Pension provisions for executive board members amounted to € 3.2 (2.3) million and mainly increased due to changes in the discount rate.

Supervisory board I The compensation for the entire activities of the supervisory board members of CropEnergies AG amounts to € 175 (175) thousand for the 2014/15 financial year, with the fixed compensation accounting for € 175 (175) thousand. In addition, out-of-pocket expenses amounting to € 9 (8) 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 34.

(36) Supervisory board

Prof. Dr. Markwart Kunz
Chairman

Worms
Former member of the executive board of Südzucker AG

Dr. Lutz Guderjahn
Deputy Chairman

Offstein
Member of the executive board of Südzucker AG

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

Dr. Hans-Jörg Gebhard

Eppingen
Chairman of the Association Süddeutscher Zuckerrübenanbauer e. V.

Other positions held in national supervisory boards stipulated by law
- *Südzucker AG, Mannheim (Chairman)*
- *GoodMills Deutschland GmbH, 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 AG

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 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)*
- *BENEO GmbH, Mannheim*
- *Freiberger Holding GmbH, Berlin*
- *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
Secretary of the Gewerkschaft Nahrung-Genuss-Gaststätten (Union)

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

(37) Executive board

Norbert Schindler

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

Positions held in comparable national and foreign supervisory bodies
- *Sparkasse Rhein-Haardt, 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*

Dr. Marten Keil (COO)

Heidelberg

Joachim Lutz (CFO)

Mannheim

(38) 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%

(39) Proposed appropriation of profit

The CropEnergies Group's consolidated net loss for the year (under IFRS) amounted to € -58.0 (12.0) million. There was no unappropriated profit in the 2014/15 annual financial statements prepared under German Commercial Law. It is therefore not possible to pay a dividend.

(40) 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.

(41) 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. The planning and control of the CropEnergies Group's operating activities are performed by the executive board as the chief decision-maker mainly on the basis of revenues as well as operating profit. Management uses these two financial indicators to control the individual operating units (including the superordinate holding companies in each case). As the business segments have similar long-term earnings performance and comparable economic characteristics, they are combined into one reporting segment in accordance with IFRS 8.12. Business transactions between the segments were carried out at usual market prices and eliminated.

€ million	28/02/2015	28/02/2014
Total assets	643.9	666.3
Capital employed	524.0	549.3
Inventories	63.6	72.9
Total liabilities	-312.3	-271.0
Net financial debt	-150.1	-134.7
Expenditures on property, plant and equipment and intangible assets	31.6	18.2
Number of employees (annual average)	438	430

€ million	28/02/2015	28/02/2014
Carrying amount fixed and intangible assets		
Germany	153.3	146.3
Other countries	327.5	331.8
	480.8	**478.1**
Third-party revenues	**2014/15**	**2013/14**
Germany	383.7	393.8
Other countries	443.5	386.6
	827.2	**780.4**
Expenditures on property, plant and equipment and intangible assets		
Germany	19.5	9.2
Other countries	12.1	9.0
	31.6	**18.2**

** Including assets under construction*

Statement of comprehensive income

1. March 2014 to 28 February 2015

€ thousands	Reporting segment	Consolidation	Group
Income statement			
Revenues	**970,432**	**-143,267**	**827,165**
Change in work in progress and finished goods inventories and internal costs capitalised	-3,881	801	-3,080
Other operating income	17,119	-10,174	6,945
Cost of materials	-847,779	141,121	-706,658
Personnel expenses	-33,653	0	-33,653
Depreciation	-37,079	669	-36,410
Other operating expenses	-103,866	9,900	-93,966
Income from companies consolidated at equity	0	290	290
Income from operations	**-38,706**	**-661**	**-39,367**
Financial result	-4,015	273	-3,742
Earnings before income taxes	**-42,721**	**-388**	**-43,109**
Taxes on income	-15,031	97	-14,934
Net earnings for the year	**-57,752**	**-291**	**-58,043**

1. March 2013 to 28 February 2014

€ thousands	Reporting segment	Consolidation	Group
Income statement			
Revenues	**921,025**	**-140,589**	**780,436**
Change in work in progress and finished goods inventories and internal costs capitalised	9,081	-4,621	4,460
Other operating income	12,887	-7,505	5,382
Cost of materials	-785,081	146,438	-638,643
Personnel expenses	-30,159	0	-30,159
Depreciation	-34,647	660	-33,987
Other operating expenses	-66,294	7,442	-58,852
Income from companies consolidated at equity	0	-587	-587
Income from operations	**26,812**	**1,238**	**28,050**
Financial result	-5,014	267	-4,747
Earnings before income taxes	**21,798**	**1,505**	**23,303**
Taxes on income	-10,910	-387	-11,297
Net earnings for the year	**10,888**	**1,118**	**12,006**

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 2014/15 financial year, the CropEnergies Group derived 14.1% (14.9%) of its consolidated revenues from one customer.

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, 24 April 2015
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 2014 to 28 February 2015.

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 (Institute of Public Auditors in Germany – IDW) and additionally observed the International Standards on Auditing (ISA). Accordingly, we are required to comply with professional duties 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 other 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 2015 as well as the results of operations for the financial year ending on this reference date, in accordance with these requirements.

Note on the group management report

We have audited the accompanying group management report of CropEnergies AG for the financial year from 1 March 2014 to 28 February 2015. 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 (Institute 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, 24 April 2015
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 Regulation that entered into force in Germany on 2 November 2009 concerning requirements 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 target. 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

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 level of over 99%.

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.

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 I 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) I 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 I 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 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.

Gallon I 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 I A tenacious elastic protein contained in cereal grains. In the industry G. is used as food and animal feed.

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

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

Greenhouse gases I 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.

HACCP (Hazard Analysis Critical Control Point I A systematic preventive approach in worldwide use for analysing hazards and monitoring critical control points in the production of food and animal feed to ensure health safety.

IFS (International Food Standard) certification I 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 I Combination of ➔ cellulose, memicellulose 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.

Proteases I Enzymes that can split proteins.

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

ProtiWanze® I Brand name for the ➔ CDS produced by CropEnergies in Wanze. It is a liquid animal feed with a high protein content.

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

Renewable energies I Regenerative energies which in comparison to fossil energy sources are in theory in unlimited supply. Three groups – heat, power and fuels – are differentiated and 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 directive had to be translated into national law by the member states by 5 December 2010.

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. These statements are based on current estimations and forecasts of the executive board and information currently available to it. The forward-looking statements are not guarantees of the future developments and results mentioned therein. Rather, the future developments and results depend on a number of factors, entail various risks and imponderables and are based on assumptions that may not prove to be accurate.

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.

Sources

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Underlying data: Eurostat, April 2015, own calculations

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Financial calendar

1st quarterly report 2015/16	8 July 2015
Annual general meeting 2015	14 July 2015
1st half-yearly report 2015/16	8 October 2015
1st to 3rd quarterly report 2015/16	12 January 2016
Annual report press and analysts' conference financial year 2015/16	18 May 2016

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