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**Forward-looking statements and forecasts**
This 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. The opportunities and risk report on pages 62 to 70 of the 2014/15 Annual Report provides an overview of the risks. We do not accept any obligation to update the forward-looking statements made in this report.

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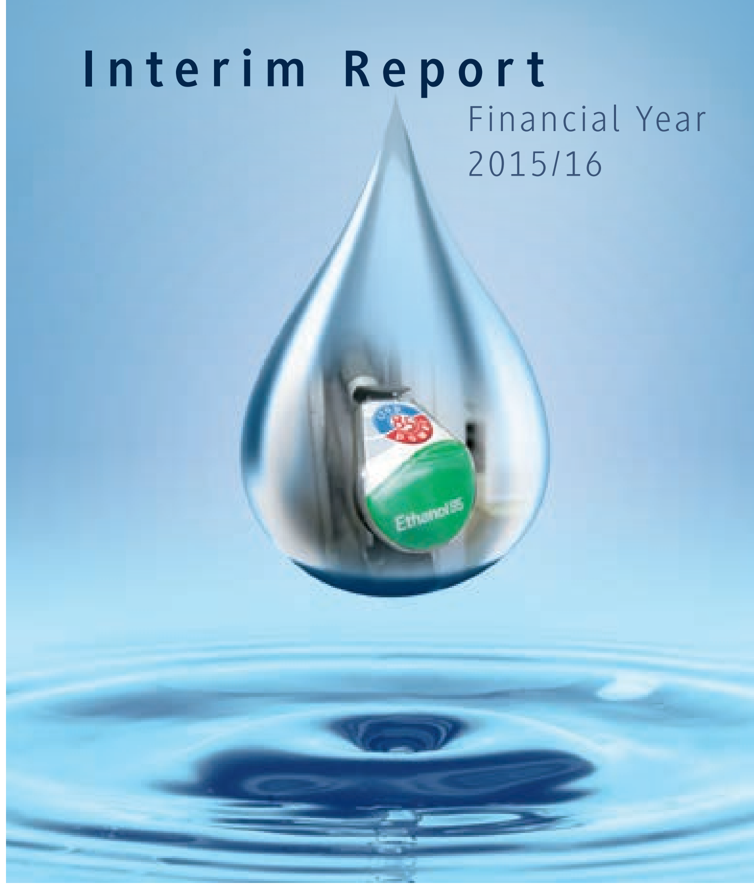
# Interim Report

Financial Year
2015/16



**1st quarter**
1 March to 31 May 2015

Mannheim, 8 July 2015

*mobility – sustainable. renewable.*

SÜDZUCKER GROUP

# Contents



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

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

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

# Highlights 1st quarter 2015/16

| | |
|---|---|
| • Revenues decline to € 197.8 (207.9) million | -5% |
| • EBITDA grows to € 22.2 (13.5) million | +64% |
| • Operating profit rises significantly to € 13.7 (4.5) million | >100% |
| • Net earnings in the 1st quarter increase to € 4.9 (0.6) million | >100% |
| • Bioethanol production down to 205,000 (262,000) m³ | -22% |
| • Net financial debt decreases to € 147 (as of 28 February 2015: 150) million | |

# Outlook for the 2015/16 financial year raised

- Revenues to range between € 675 and € 725 million
- Operating profit (before restructuring costs and special items) expected to range between € 10 and € 40 million



# Interim management report

## Operating environment

### Statutory framework in the EU

The EU's "Renewable Energies Directive" defines the legal framework for the mandatory blending target of 10% for renewable energies in the transport sector for the year 2020. Sustainability criteria ensure that all biofuels used in the EU are sustainably produced according to strict criteria. Among other things, biofuels must reduce greenhouse gas emissions by at least 35 wt.-%, and by as much as 50 wt.-% from 2017, in comparison with fossil fuels. In addition, the "Fuel Quality Directive" stipulates that, by the year 2020, there needs to be a reduction in greenhouse gases of 6 wt.-%, calculated in terms of overall fuel consumption.

### Agreement on amending the current legal provisions

After several years of debate about amending the "Renewable Energies Directive" and the "Fuel Quality Directive" in terms of the limitation of the proportion of conventional biofuels, the multiple counting of biofuels from wastes and residues and the introduction of so-called iLUC factors designed to capture the greenhouse gas emissions from theoretically possible land use changes in third countries, the European Parliament and Council agreed on a joint directive text in April 2015. The European Parliament gave its consent on 28 April 2015. The Council's decision is expected soon. Following publication in the Official Journal of the European Union, member states will have two years in which to transpose the new regulations into national legislation.

The agreement specifies that 7% of the stipulated 10% of renewable energies in the transport sector are allowed to come from conventional biofuels. The remaining 3% are to be achieved by using double counting of biofuels from wastes and residues, which will be additionally promoted, in part, by means of a sub-quota of at least 0.5%, and multiple counting of electricity in rail and road transport.

This decision now brings clarity about the way forward in relation to decarbonisation of the transport sector by the year 2020. What is regrettable, however, is that the double counting of biofuels from wastes and residues and the additional multiple counting of electricity in the transport sector significantly lessen the incentive to replace fossil fuels and hence actually to reduce greenhouse gases. 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.

CropEnergies nevertheless welcomes the agreement by Parliament and Council, which has put an end to a discussion that has 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 regarding a climate and energy package for 2030, CropEnergies will continue to campaign for the continuation of a policy aimed at promoting the use of sustainably produced biofuels.

**Implementation of the "Fuel Quality Directive"**

On 24 April 2015, a directive on laying down calculation methods and reporting requirements in relation to greenhouse gas emissions of fuels pursuant to the "Fuel Quality Directive" was published in the Official Journal of the European Union. The "Fuel Quality Directive" defines a decarbonisation target for fuels of 6 wt.-% by 2020. This reduction is now 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 emissions of fossil fuels are thus actually more than 12% higher than the stricter fossil reference value of 83.8 g $CO_{2eq}$/MJ that applies to biofuels.

CropEnergies welcomes, in principle, the more realistic assessment of the greenhouse gas emissions associated with fossil fuels. It 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 also be differentiated according to raw material sources in the same way as biofuels, since fuels from unconventional oil sources, such as tar sands, oil shale and deep-sea drilling, have significantly higher greenhouse gas emissions. In addition, the directive fails to define a uniform methodology, in the case of fossil fuels, for reducing greenhouse gas emissions in upstream value-added steps. This includes, among other things, the accompanying gases arising during oil production, which are currently often burned off.

**European ethanol prices recover from lows**

Market observers expect ethanol production in the USA in 2015 to rise to 56.0 million $m^3$ (+0.4%) and hence to continue to be well above domestic consumption of 52.6 million $m^3$ (+0.1%). Net exports of bioethanol, at 3.0 (2.8) million $m^3$, are therefore expected to increase again. On the Chicago Board of Trade (CBOT), the one-month futures contract for ethanol recovered from US$ 1.44/gallon* at the beginning of March 2015 to US$ 1.59/gallon at the end of May 2015. Previously, the ethanol price in the USA had fallen to around US$ 1.30/gallon in January 2015, thereby reaching the level of mid-2005. In contrast, ethanol prices in Brazil increased to more than US$ 600/$m^3$ FOB Santos at the end of January 2015 ahead of the Brazilian government's decision to raise the minimum blending rate of ethanol from 25% to 27% (E27) from mid-March 2015 onwards. When the sugar cane harvest began, however, prices fell back to US$ 460/$m^3$ by the end of May 2015. Market observers expect bioethanol consumption to increase significantly to 29.4 million $m^3$ (+9.5%) in the 2015/16 sugar year. If production were to increase slightly to

* A gallon is the equivalent of 3.7854 litres.

29.2 million $m^3$ (+0.8%), bioethanol supply and demand in Brazil would only just be balanced.

Ethanol prices in Europe recovered again after reaching an all-time low of € 417/$m^3$ FOB Rotterdam on 15 January 2015. After they had stood at around € 470/$m^3$ at the beginning of March 2015, prices increased to € 540/$m^3$ by the end of May 2015. In view of lower forward prices, however, it is not yet possible to speak of a sustained recovery of ethanol prices.

In view of a decline in the consumption of petrol and stagnating blending targets, market observers expect 2015 to bring a 3.7% reduction in the consumption of fuel ethanol in the EU to 5.1 (5.3) million $m^3$. This means that, again in 2015, the existing potential for a rapid and cost-efficient reduction in greenhouse gas emissions through increased use of fuel ethanol will not be fully leveraged in the EU. Prompt introduction of E10 in further EU member states therefore makes sense and would speed up decarbonisation.

In Germany, on the other hand, the consumption of fuel ethanol in 2014 rose by 1.9% to 1.55 million $m^3$. The extent to which the provisional consumption data for January to March 2015, which indicate a 7.2% drop in fuel ethanol sales to around 310,000 $m^3$, are representative remains to be seen. According to this data, sales of E10 fell by 9.3% to 608,000 tonnes in the first three months of 2015. This corresponds to a 14.0% share of the petrol market.

**Moderate decline in grain and protein prices**

According to its forecast published on 10 June 2015, the US Department of Agriculture (USDA) expects to see a world grain production (excluding rice) of 1,998 million tonnes (-0.9%) in 2015/16, which is close to last year's record harvest. In view of anticipated grain consumption of 2,001 million tonnes (+0.9%), the USDA expects grain supply and demand to be largely balanced and there to be little or no change in stocks, at 430 (433) million tonnes. For the 2015/16 grain year, the European Commission again expects the EU to have a large grain harvest of 310 million tonnes, which will again significantly exceed consumption of 283 million tonnes. The use as animal feed, with a share of more than 60%, continues to account for the majority of grain consumption. With net exports of 26.1 (31.9) million tonnes, the EU continues to make a significant contribution to the supply of the world market. 11.2 million tonnes and hence only 3.6% of the EU grain harvest are expected to be used for the production of bioethanol, with around a third of this quantity again being available as food and animal feed products.

European wheat prices on Euronext in Paris were trading at € 176/tonne at the end of May 2015, which was slightly below their level at the beginning of March, when they stood at € 185/tonne. Overall, grain prices proved to be relatively stable in the reporting period. Interim fluctuations were caused by, amongst other things, speculation about weather-related sowing problems and crop growth, respectively. An additional factor is the EU's continuing high level of export activity due to the weakness of the euro against the US dollar.

After the previous year's record harvest, the USDA expects a soybean harvest of 317 (318) million tonnes in 2015/16, i.e. the same level as the previous year. At the end of May 2015, the one-month soybean futures contract on CBOT stood at around US$ 9.30/bushel*, which meant that it had fallen by around US$ 1/bushel compared with the beginning of March 2015. In view of the good supply situation, which is reflected in a further increase in global soybean stocks to 93.2 (83.7) million tonnes, soybean prices, however, continue to be stable and have been

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

hovering around the US$ 10/bushel mark since the autumn of 2014. European prices for soy meal have followed this trend in that they have largely ranged between € 350 and € 380/tonne over the past few months and only fell slightly below this range, at around € 340/tonne, at the end of May 2015. Rapeseed meal prices likewise initially moved sideways but, unlike prices in the soy sector, they latterly rose again and, at around € 275/tonne at the end of May 2015, were significantly above the level of € 240/tonne at the beginning of March 2015.



## Business development

### Decline in the production of bioethanol and food and animal feed products

As expected, CropEnergies' bioethanol production declined year over year to 205,000 (262,000) $m^3$ in the first quarter of 2015/16. The decline in production was primarily due to the temporary closure of the plant in Wilton. Also, unlike in the same quarter of the previous year, a scheduled maintenance phase took place at Wanze in the reporting period. Due to the reduction in bioethanol production, the quantity of food and animal feed products produced also fell. The plants in Zeitz, Wanze and Loon-Plage are currently operating at high capacity utilisation rates.

After the plant with an annual production capacity of up to 60,000 $m^3$ of high-quality food-grade neutral alcohol had started operating in Zeitz at the beginning of 2015, the remaining work required, in particular for enhancing the infrastructure, was also completed. The neutral alcohol plant, which enables CropEnergies to exploit additional attractive sales opportunities in traditional market segments (e.g. the beverage, cosmetics, pharmaceutical and chemical industries), is already achieving high process stability and capacity utilisation rates. Ryssen's product and market skills have been used to intensify sales activities on markets that have not hitherto been supplied.

### Revenues and net earnings

| € thousands | 1st quarter | |
|---|---|---|
| | 2015/16 | 2014/15 |
| **Revenues** | **197,772** | **207,867** |
| **EBITDA*** | **22,218** | **13,457** |
| *EBITDA margin in%* | *11.2%* | *6.5%* |
| Depreciation* | -8,567 | -8,965 |
| **Operating profit** | **13,651** | **4,492** |
| *Operating margin in%* | *6.9%* | *2.2%* |
| Restructuring costs and special items | -4,957 | 0 |
| Income from companies consolidated at equity | -3 | -31 |
| **Income from operations** | **8,691** | **4,461** |
| Financial result | -1,244 | -1,231 |
| **Earnings before income taxes** | **7,447** | **3,230** |
| Taxes on income | -2,533 | -2,597 |
| **Net earnings for the period** | **4,914** | **633** |
| **Earnings per share, diluted / undiluted (€)** | **0.06** | **0.01** |

*Without restructuring costs and special items

As expected, revenues fell slightly below the previous' years level, reaching € 197.8 (207.9) million in the 1st quarter of the 2015/16 financial year. This was mainly due to lower production and sales volumes of bioethanol as well as food and animal feed products caused by the temporary closure of the production plant in Wilton. The decline was partially offset by increased trade volumes and higher selling prices for bioethanol.

Despite the reduction in business volume, CropEnergies significantly improved the earnings situation. In addition to the higher selling prices for bioethanol, lower raw material prices, in particular, contributed to the improvement in earnings. The temporary closure of the plant in Wilton also improved the operating cost structure, as the costs incurred there are classified as restructuring costs. Overall, EBITDA improved significantly to € 22.2 (13.5) million.

Operating profit increased accordingly by € 9.2 million to € 13.7 (4.5) million. Based on revenues, this gives rise to an operating margin of 6.9% (2.2%). Restructuring or special costs of € 5.0 (0.0) million were incurred in the reporting period as a result of the temporary closure of the production plant in Wilton. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, nearly doubled to € 8.7 (4.5) million.

The financial result was unchanged at € -1.2 (-1.2) million, which meant that earnings before income taxes more than doubled to € 7.4 (3.2) million. After taxes, this produces net earnings of € 4.9 (0.6) million for the 1st quarter of 2015/16. That translates into earnings per share of € 0.06 (0.01). The calculation is based on 87.25 million no-par-value shares.

### Statement of changes in financial position

| € thousands | 1st quarter | |
|---|---|---|
| | 2015/16 | 2014/15 |
| **Gross cash flow** | **14,577** | **11,980** |
| Change in net working capital | -3,287 | 9,036 |
| **Net cash flow from operating activities** | **11,290** | **21,016** |
| Investments in property, plant and equipment and intangible assets | -7,978 | -2,720 |
| Cash received on disposal of non-current assets | 11 | 20 |
| **Cash flow from investing activities** | **-7,967** | **-2,700** |
| **Cash flow from financing activities** | **-6,886** | **-20,186** |
| Change in cash and cash equivalents due to exchange rate changes | -2 | 39 |
| **Decrease in cash and cash equivalents** | **-3,565** | **-1,831** |

Cash flow improved to € 14.6 (12.0) million. Including the change in net working capital, cash flow from operating activities in the 1st quarter of the 2015/16 financial year amounted to € 11.3 (21.0) million.

Cash outflow from investing activities increased to € 8.0 (2.7) million overall, being almost entirely accounted for by investments in property, plant and equipment. The investments served, in particular, to diversify the product portfolio and to optimise the production plants.

The receipt of financial liabilities amounting to € 6.0 million was offset by repayments of € 12.9 million. This resulted in a net cash outflow from financing activities of € 6.9 (20.2) million.

### Balance sheet structure

| € thousands | 31 May 2015 | 31 May 2014 | Change | 28 February 2015 |
|---|---|---|---|---|
| **Assets** | | | | |
| Non-current assets | 493,699 | 496,498 | -2,799 | 493,362 |
| Current assets | 140,624 | 156,612 | -15,988 | 150,552 |
| **Total assets** | **634,323** | **653,110** | **-18,787** | **643,914** |
| **Liabilities and shareholders' equity** | | | | |
| Shareholders' equity | 333,330 | 398,582 | -65,252 | 331,660 |
| Non-current liabilities | 150,053 | 118,304 | 31,749 | 157,863 |
| Current liabilities | 150,940 | 136,224 | 14,716 | 154,391 |
| **Total liabilities and shareholders' equity** | **634,323** | **653,110** | **-18,787** | **643,914** |
| Net financial debt | 146,827 | 116,319 | 30,508 | 150,148 |
| Equity ratio | 52.5% | 61.0% | | 51.5% |

**Non-current assets** declined by € 2.8 million to € 493.7 million as of 31 May 2015, with deferred tax assets declining by € 9.7 million to € 12.6 million. As a result of investments and allowing for scheduled depreciation, fixed assets increased by € 6.6 million to € 479.4 million. This 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.

**Current assets** declined by € 16.0 million year over year to € 140.6 million. Inventory stocks, in particular, were reduced by € 14.4 million to € 50.8 million. Furthermore, cash and cash equivalents declined by € 5.9 million to € 6.2 million and tax refund claims increased by € 4.3 million to € 5.7 million. Trade receivables and other assets remained virtually constant at € 77.9 million. This also includes the positive mark-to-market values from derivative hedging instruments of € 0.6 (1.1) million.

**Non-current liabilities** increased by € 31.7 million to € 150.1 million, with other provisions rising, mainly due to one-off costs from the temporary closure of the production plant in Wilton, by € 15.1 million to € 17.3 million. Long-term financial liabilities experienced a net rise of € 14.1 million to € 91.1 million. Furthermore, provisions for pensions and similar obligations rose by € 4.0 million to € 16.7 million, primarily due to a lower discount rate. Deferred tax liabilities declined by € 1.2 million to € 24.5 million and other liabilities by € 0.2 million to € 0.5 million.

**Current liabilities** increased by € 14.7 million to € 150.9 million. Other provisions also increased, mainly due to one-off costs from the temporary closure of the production plant in Wilton, by € 11.2 million to € 15.5 million. Current liabilities include current financial liabilities of € 61.9 (51.4) million. Furthermore, trade payables and other liabilities declined by € 3.5 million to € 70.6 million. This also includes the negative mark-to-market values from derivative hedging instruments of € 4.7 (1.6) million. Current tax liabilities, on the other hand, declined by € 3.5 million to € 2.9 million.

**Net financial debt** increased, mainly due to the financing of investments, by € 30.5 million to € 146.8 (116.3) million. Of the financial liabilities, € 91.1 million are long-term and € 61.9 million are due in the short term. Set against this, there are cash and cash equivalents of € 6.2 million.

**Shareholders' equity** decreased to € 333.3 (398.6) million, with the equity ratio declining to 52.5% (61.0%).

## Report on events after the balance sheet date

Since 31 May 2015, there have been no transactions of particular importance which can be expected to have a significant impact on the assets, liabilities, financial position and profit or loss.



## Risk and opportunities report

CropEnergies uses an integrated system for the early detection and monitoring of group-specific risks. The successful treatment of risks is based on achieving an appropriate balance between income and risks. The company's risk culture is characterised by risk-conscious conduct, clearly defined responsibilities, independence during risk controlling and the implementation of internal controls.

There are no risks posing a threat to the company's continued existence and there are none discernible at the present time.

For detailed information on the risk management system and the group's risks and opportunities, please refer to the "Risk and Opportunities Report" on pages 62 to 70 of the Annual Report for the 2014/15 financial year. The disclosures provided there are still valid.

## Outlook

Contrary to expectations, the 2015/16 financial year began with an improvement in bioethanol prices. The extent to which the current price situation with regard to bioethanol is sustainable remains uncertain in view of lower forward prices. Considerable volatility is to be expected.

Owing to the temporary closure of the plant in Wilton, the production of both bioethanol and food and animal feed products of the 2015/16 financial year will achieve roughly the level of the 2012/13 financial year. The plants in Zeitz, Wanze and Loon-Plage are run at high capacity utilisation rates. Including trading, this is expected to ensure a sales volume for bioethanol of around 1 million $m^3$.

The reduction in quantities will also result in lower revenues compared with the previous year. As communicated in an ad hoc announcement on 17 June 2015, revenues ranging between € 675 and € 725 million are now expected after a encouraging start to the 2015/16 financial year. In addition, CropEnergies expects to be able to generate an EBITDA, adjusted for special items, of between € 45 and € 75 million for the 2015/16 financial year. After depreciation, operating profit (before restructuring costs and special items) is expected to range between € 10 and € 40 million. In addition, special expenses of around € 15 million are expected during the shutdown phase of the plant in Wilton.

The long-awaited EU decisions to increase the proportion of renewable energies in the transport sector should ensure further market growth in the medium term. In particular, increasing the blending rates should result in E10 being introduced in additional member states. As one of the leading producers in Europe and owing to the flexibility and capacity of its plants, CropEnergies is well equipped for this.

# Interim financial statements

## Statement of comprehensive income

| € thousands | 1st quarter | |
|---|---|---|
| | 2015/16 | 2014/15 |
| Income statement | | |
| **Revenues** | **197,772** | **207,867** |
| Change in work in progress and finished goods inventories and internal costs capitalised | -12,696 | 6,028 |
| Other operating income | 2,003 | 772 |
| Cost of materials | -143,638 | -175,913 |
| Personnel expenses | -9,503 | -8,719 |
| Depreciation | -9,552 | -8,965 |
| Other operating expenses | -15,692 | -16,578 |
| Income from companies consolidated at equity | -3 | -31 |
| **Income from operations** | **8,691** | **4,461** |
| Financial income | 296 | 192 |
| Financial expenses | -1,540 | -1,423 |
| **Earnings before income taxes** | **7,447** | **3,230** |
| Taxes on income | -2,533 | -2,597 |
| **Net earnings for the period** | **4,914** | **633** |
| **Earnings per share, diluted / undiluted (€)** | **0.06** | **0.01** |

| Table of other comprehensive income | | |
|---|---|---|
| **Net earnings for the period** | **4,914** | **633** |
| Mark-to-market gains and losses* | -3,390 | 2,793 |
| Foreign currency differences from consolidation | 146 | 1,004 |
| **Income and expenses to be reclassified in future in the profit and loss account** | **-3,244** | **3,797** |
| Remeasurement of defined benefit plans and similar obligations* | 0 | -1,192 |
| **Income and expenses not to be reclassified in future in the profit and loss account** | **0** | **-1,192** |
| **Income and expenses recognised in shareholders' equity** | **-3,244** | **2,605** |
| **Total comprehensive income** | **1,670** | **3,238** |

*after deferred taxes

## Cash flow statement

| € thousands | 1st quarter | |
|---|---|---|
| | 2015/16 | 2014/15 |
| Net earnings for the period | 4,914 | 633 |
| Depreciation and amortisation of intangible assets, property, plant and equipment and other investments | 9,552 | 8,965 |
| Other items | 111 | 2,382 |
| **Gross cash flow** | **14,577** | **11,980** |
| Change in net working capital | -3,287 | 9,036 |
| **I. Net cash flow from operating activities** | **11,290** | **21,016** |
| Investments in property, plant and equipment and intangible assets | -7,978 | -2,720 |
| Cash received on disposal of non-current assets | 11 | 20 |
| **II. Cash flow from investing activities** | **-7,967** | **-2,700** |
| Receipt of financial liabilities | 6,000 | 2,696 |
| Repayment of financial liabilities | -12,886 | -22,882 |
| **III. Cash flow from financing activities** | **-6,886** | **-20,186** |
| **Change in cash and cash equivalents (Total of I., II. and III.)** | **-3,563** | **-1,870** |
| Change in cash and cash equivalents due to exchange rate changes | -2 | 39 |
| **Decrease in cash and cash equivalents** | **-3,565** | **-1,831** |
| Cash and cash equivalents at the beginning of the period | 9,718 | 13,870 |
| **Cash and cash equivalents at the end of the period** | **6,153** | **12,039** |

| € thousands | 1st quarter | |
|---|---|---|
| | 2015/16 | 2014/15 |
| Interest expense | 1,311 | 1,313 |
| Tax payments | 1,237 | 2,817 |

## Balance sheet

| € thousands | 31 May 2015 | 31 May 2014 | Change | 28 February 2015 |
|---|---|---|---|---|
| **Assets** | | | | |
| Intangible assets | 10,255 | 10,696 | -441 | 10,672 |
| Property, plant and equipment | 469,124 | 462,063 | 7,061 | 470,155 |
| Shares in companies consolidated at equity | 1,725 | 1,407 | 318 | 1,728 |
| Receivables and other assets | 45 | 44 | 1 | 46 |
| Deferred tax assets | 12,550 | 22,288 | -9,738 | 10,761 |
| **Non-current assets** | **493,699** | **496,498** | **-2,799** | **493,362** |
| Inventories | 50,843 | 65,233 | -14,390 | 63,631 |
| Trade receivables and other assets | 77,933 | 77,974 | -41 | 74,023 |
| Current tax receivables | 5,695 | 1,366 | 4,329 | 3,180 |
| Cash and cash equivalents | 6,153 | 12,039 | -5,886 | 9,718 |
| **Current assets** | **140,624** | **156,612** | **-15,988** | **150,552** |
| **Total assets** | **634,323** | **653,110** | **-18,787** | **643,914** |

| | | | | |
|---|---|---|---|---|
| **Liabilities and shareholders' equity** | | | | |
| Subscribed capital | 87,250 | 87,250 | 0 | 87,250 |
| Capital reserves | 197,847 | 222,764 | -24,917 | 222,764 |
| Revenue reserves and other equity accounts | 48,233 | 88,568 | -40,335 | 21,646 |
| **Shareholders' equity** | **333,330** | **398,582** | **-65,252** | **331,660** |
| Provisions for pensions and similar obligations | 16,663 | 12,688 | 3,975 | 16,291 |
| Other provisions | 17,305 | 2,163 | 15,142 | 19,310 |
| Non-current financial liabilities | 91,054 | 76,971 | 14,083 | 99,064 |
| Other liabilities | 491 | 732 | -241 | 704 |
| Deferred tax liabilities | 24,540 | 25,750 | -1,210 | 22,494 |
| **Non-current liabilities** | **150,053** | **118,304** | **31,749** | **157,863** |
| Other provisions | 15,529 | 4,315 | 11,214 | 18,558 |
| Current financial liabilities | 61,926 | 51,387 | 10,539 | 60,802 |
| Trade payables and other liabilities | 70,584 | 74,123 | -3,539 | 73,858 |
| Current tax liabilities | 2,901 | 6,399 | -3,498 | 1,173 |
| **Current liabilities** | **150,940** | **136,224** | **14,716** | **154,391** |
| **Total liabilities and shareholders' equity** | **634,323** | **653,110** | **-18,787** | **643,914** |

## Development of shareholders' equity

| € thousands | Subscribed capital | Capital reserves | Revenue reserves and other equity accounts | | | | Total consolidated shareholders' equity |
|---|---|---|---|---|---|---|---|
| | | | Revenue reserves | Cash flow hedges | Cumulative foreign currency differences | Total | |
| **1 March 2014** | **87,250** | **222,764** | **85,510** | **-2,158** | **1,978** | **85,330** | **395,344** |
| **Net earnings for the period** | | | **633** | | | **633** | **633** |
| Mark-to-market gains and losses on cash flow hedging instruments* | | | | 2,793 | | | |
| Foreign currency differences from consolidation | | | | | 1,004 | | |
| Remeasurement of defined benefit plans and similar obligations* | | | -1,192 | | | | |
| **Income and expenses recognised in shareholder's equity** | | | **-1,192** | **2,793** | **1,004** | **2,605** | **2,605** |
| **Total comprehensive income** | | | **-559** | **2,793** | **1,004** | **3,238** | **3,238** |
| **31 May 2014** | **87,250** | **222,764** | **84,951** | **635** | **2,982** | **88,568** | **398,582** |

| € thousands | Subscribed capital | Capital reserves | Revenue reserves | Cash flow hedges | Cumulative foreign currency differences | Total | Total consolidated shareholders' equity |
|---|---|---|---|---|---|---|---|
| **1 March 2015** | **87,250** | **222,764** | **15,921** | **16** | **5,709** | **21,646** | **331,660** |
| **Net earnings for the period** | | | **4,914** | | | **4,914** | **4,914** |
| Mark-to-market gains and losses on cash flow hedging instruments* | | | | -3,390 | | | |
| Foreign currency differences from consolidation | | | | | 146 | | |
| Remeasurement of defined benefit plans and similar obligations* | | | 0 | | | | |
| **Income and expenses recognised in shareholder's equity** | | | **0** | **-3,390** | **146** | **-3,244** | **-3,244** |
| **Total comprehensive income** | | | **4,914** | **-3,390** | **146** | **1,670** | **1,670** |
| **Other changes** | | **-24,917** | **24,917** | **0** | **0** | **24,917** | **0** |
| **31 May 2015** | **87,250** | **197,847** | **45,752** | **-3,374** | **5,855** | **48,233** | **333,330** |

*after deferred taxes

# Notes to the interim financial statements

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

The interim financial statements of the CropEnergies Group as of 31 May 2015 have been prepared according to the rules for interim financial reporting of IAS 34 in compliance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). In accordance with IAS 34, the consolidated financial statements of CropEnergies AG as of 31 May 2015 are presented in a condensed form. The interim consolidated financial statements as of 31 May 2015 have not been audited or reviewed. The executive board of CropEnergies AG prepared these interim financial statements on 29 June 2015.

As shown in the notes to the Annual Report for the 2014/15 financial year in item (1) "Principles of preparation of the consolidated financial statements" on pages 80 to 89, new or amended standards and interpretations were applicable for the first time to the interim reporting.

Income taxes were calculated on the basis of country-specific income tax rates, taking into account income tax planning for the entire financial year. Irrespective of the annual tax rate calculation, significant special items are fully recognised in the respective quarter in which they arise.

Otherwise, the same accounting principles as used in the preparation of the consolidated annual financial statements as of 28 February 2015 have been applied. Their explanations in the notes to the 2014/15 Annual Report in item (5) "Accounting principles" on pages 92 to 99 therefore apply accordingly.

### Consolidated companies

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

- CropEnergies 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)

The joint venture CT Biocarbonic GmbH, Zeitz, in which CropEnergies has a 50% interest and which is under joint management, is included at equity in the consolidated financial statements. CT Biocarbonic GmbH's contribution to earnings is thereby included only in earnings from entities consolidated at equity.

### Revenue, profit, investment, and employees

| € thousands | 1st quarter | |
|---|---|---|
| | 2015/16 | 2014/15 |
| **Revenues** | **197,772** | **207,867** |
| **EBITDA*** | **22,218** | **13,457** |
| *EBITDA margin in%* | *11.2%* | *6.5%* |
| Depreciation* | -8,567 | -8,965 |
| **Operating profit** | **13,651** | **4,492** |
| *Operating margin in%* | *6.9%* | *2.2%* |
| Restructuring costs and special items | -4,957 | 0 |
| Income from companies consolidated at equity | -3 | -31 |
| **Income from operations** | **8,691** | **4,461** |
| **Investments in property, plant and equipment and intangible assets** | **7,978** | **2,720** |
| **Employees** | **438** | **444** |

*without restructuring costs and special items

EBITDA improved significantly to € 22.2 (13.5) million. Operating profit increased accordingly by € 9.2 million to € 13.7 (4.5) million. Based on revenues, this gives rise to an operating margin of 6.9% (2.2%). Restructuring or special costs of € 5.0 (0.0) million were incurred in the reporting period as a result of the temporary closure of the production plant in Wilton. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, virtually doubled to € 8.7 (4.5) million.

Of the capital expenditures, € 7.9 (2.7) million was on property, plant and equipment. Of the total, € 4.0 million was invested at CropEnergies Bioethanol GmbH and € 3.8 million at BioWanze SA.

The average number of employees in the 1st quarter of the 2015/16 financial year declined to 438 (444), compared with the same period in the previous year. Of the 438 employees, 43 were employed at CropEnergies AG, 119 at CropEnergies Bioethanol GmbH, 125 at BioWanze SA, 46 at Ryssen Alcools SAS, 98 at Ensus Ltd and 7 at Ryssen Chile SpA.

### Earnings per share

The net earnings of € 4.9 million for the 1st quarter of the 2015/16 financial year are fully attributable to the shareholders of CropEnergies AG. Earnings per share (IAS 33) have been calculated on the basis of 87.25 (87.25) million shares. This produces earnings per share for the 1st quarter of the 2015/16 financial year of € 0.06 (0.01); there was no dilution of earnings per share.

### Inventories

| € thousands | 31 May | |
|---|---|---|
| | 2015 | 2014 |
| Raw materials and supplies | 15,900 | 15,790 |
| Work in progress | 2,881 | 5,193 |
| Finished goods and merchandise | 32,062 | 44,250 |
| | **50,843** | **65,233** |

There was a volume- and price-related reduction of € 14.4 million in inventories to € 50.8 million.

### Trade receivables and other assets

| € thousands | 31 May | |
|---|---|---|
| | 2015 | 2014 |
| Trade receivables | 55,540 | 48,723 |
| Receivables from affiliated companies | 9,652 | 8,570 |
| Other assets | 12,741 | 20,681 |
| | **77,933** | **77,974** |

Trade receivables and receivables from affiliated companies increased by € 7.9 million to € 65.2 million.

Other assets declined to € 12.7 (20.7) million, primarily due to the fall in receivables from advance payments of € 4.3 (12.0) million. Other assets also consist of VAT receivables of € 5.7 (4.3) million, financial assets in the form of positive mark-to-market values of derivative hedging instruments of € 0.6 (1.1) million as well as other financial assets of € 2.1 (3.3) million.

### Shareholders' equity

Shareholders' equity decreased to € 333.3 (398.6) million. 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" item contains the changes in the mark-to-market values – including deferred taxes – of wheat and currency derivatives including accruals amounting to € -3.4 (2.8) million.

### Trade payables and other liabilities

| € thousands | 31 May | |
|---|---|---|
| | 2015 | 2014 |
| Trade payables | 36,713 | 30,458 |
| Payables to affiliated companies | 17,633 | 17,211 |
| Other liabilities | 16,238 | 26,454 |
| | **70,584** | **74,123** |

Trade payables and liabilities to affiliated companies increased by € 6.6 million to € 54.3 million.

Other liabilities, amounting to € 16.2 (26.5) million, comprise financial liabilities of € 4.7 (1.6) million in the form of negative mark-to-market values of derivative hedging instruments, miscellaneous other liabilities of € 1.2 (12.3) million as well as non-financial liabilities of € 5.9 (6.9) million in the form of liabilities in respect of other taxes and liabilities of € 4.4 (5.7) million in respect of personnel expenses.

### Financial liabilities

| € thousands | 31 May | |
|---|---|---|
| | 2015 | 2014 |
| Liabilities to banks | 4,875 | 19,215 |
| Liabilities to affiliated companies | 148,000 | 109,000 |
| Liabilities from finance leasing | 105 | 143 |
| **Financial liabilities** | **152,980** | **128,358** |
| | | |
| Cash and cash equivalents | -6,153 | -12,039 |
| **Net financial debt** | **146,827** | **116,319** |

Net financial debt as of 31 May 2015 increased to € 146.8 (116.3) million. This includes long-term financial liabilities of € 91.1 (77.0) million.

All financial liabilities to banks are short-term. Of the financial liabilities to affiliated companies of the Südzucker Group, € 91.0 (72.0) million are due in more than one year.

## Financial instruments and financial liabilities

### Financial instruments

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. Measurement level 2 applies when measurement is based on methods whose influencing factors are derived directly or indirectly from observable market data. 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.

### Financial 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. The fair values of liabilities to banks amounted to € 4.9 (19.6) million as of 31 May 2015, with book values of € 4.9 (19.2) million, while the fair values of liabilities to affiliated companies amounted to € 148 (109) million as of 31 May 2015, with book values of € 148 (109) million.

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.

Further details on calculating the fair values of the individual financial instruments as well as their allocation to measurements levels can be found in the notes to the consolidated financial statements of the Annual Report for the 2014/15 financial year in item (28) "Additional disclosures on financial instruments" on pages 124 to 128.

| € thousands | Fair Value Hierarchy | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 31 May 2015 | Level 1 | Level 2 | Level 3 | 31 May 2014 | Level 1 | Level 2 | Level 3 |
| Positive market values – Cash flow hedge derivatives | 87 | 0 | 87 | 0 | 16 | 0 | 16 | 0 |
| Positive market values – Derivatives held for trading | 494 | 491 | 3 | 0 | 1,062 | 7 | 1,055 | 0 |
| **Financial assets** | **581** | **491** | **90** | **0** | **1,078** | **7** | **1,071** | **0** |
| Negative market values – Cash flow hedge derivatives | 4,384 | 4,384 | 0 | 0 | 473 | 413 | 60 | 0 |
| Negative market values – Derivatives held for trading | 296 | 0 | 296 | 0 | 1,112 | 63 | 1,049 | 0 |
| **Financial liabilities** | **4,680** | **4,384** | **296** | **0** | **1,585** | **476** | **1,109** | **0** |

**Relations with related companies and persons (related party transactions)**

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

**Südzucker AG**

The transactions with Südzucker AG involved supplies, especially raw materials and energy, by Südzucker AG amounting to € 10.8 (7.9) million. In addition, services worth € 0.8 (0.8) million and research & development work worth € 0.4 (0.6) million were provided.

Set against this, the CropEnergies Group received € 0.3 (0.4) million from Südzucker AG for supplies of goods. The CropEnergies Group incurred net interest expense of € 1.2 (1.1) million on intercompany lendings and borrowings.

On the balance sheet date, there were receivables of € 0.1 (0.0) million outstanding from Südzucker AG and liabilities of € 5.3 (6.7) million outstanding to Südzucker AG in respect of the aforesaid related party transactions. Financial liabilities due to Südzucker AG amounted to € 73.0 (37.0) million.

**Affiliated companies of Südzucker AG**

The transactions with the affiliated companies of Südzucker AG involved supplies, especially raw materials and traded commodities, amounting to € 17.4 (18.9) million. In addition, services worth € 0.2 (0.2) million were provided.

Set against this, the CropEnergies Group received € 15.7 (14.9) million from the affiliated companies of Südzucker AG for supplies of goods. In addition, the CropEnergies Group received compensation payments of € 0.8 (0.5) million and service revenues of € 0.3 (0.3) million.

On the balance sheet date there were receivables of € 9.6 (8.6) million outstanding from the affiliated companies of Südzucker AG and liabilities of € 12.3 (10.5) 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 € 75.0 (72.0) 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.

Services were provided and goods were supplied, at usual market prices, for the joint venture CT Biocarbonic GmbH amounting to € 0.3 (0.4) million.

There were no transactions with Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) in the 1st quarter of the 2015/16 financial year.

**Personnel matters**

In its meeting on 30 April 2015, the supervisory board appointed Michael Friedmann and Dr. Stephan Meeder as new executive board members with immediate effect. Joachim Lutz was appointed as Chief Executive Officer. At the same time, Dr. Marten Keil resigned from the executive board and ceased his activity for the company.

Furthermore, Dr. Lutz Guderjahn resigned from the supervisory board on 30 April 2015. In the period up to the end of the annual general meeting on 14 July 2015, Dr. Wolfgang Heer was court-appointed as a member of the company's supervisory board. The supervisory board elected Thomas Kölbl as deputy chairman of the supervisory board.

CropEnergies wishes to thank Dr. Guderjahn and Dr. Keil for their work and their contribution to the development of the company.

Mannheim, 29 June 2015

CropEnergies AG

The Executive Board

| | | |
|---|---|---|
| Joachim Lutz (Chief Executive Officer) | Michael Friedmann | Dr. Stephan Meeder |



# Financial calendar

- Annual General Meeting 2015 — 14 July 2015
- Report for the 1st half of 2015/16 — 8 October 2015
- Report for the 1st to 3rd quarters of 2015/16 — 12 January 2016
- Annual press and analysts' conference for the 2015/16 financial year — 18 May 2016
- Report for the 1st quarter of 2016/17 — 6 July 2016
- Annual General Meeting 2016 — 12 July 2016