Contact

CropEnergies AG
Maximilianstraße 10
68165 Mannheim

Investor Relations
Dr. Lilia Filipova-Neumann
Phone: +49 (621) 714190-30
Fax: +49 (621) 714190-03
ir@cropenergies.de

Public Relations / Marketing
Nadine Dejung-Custance
Phone: +49 (621) 714190-65
Fax: +49 (621) 714190-05
presse@cropenergies.de

http://www.cropenergies.com

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 "Risk and opportunities report" on pages 66 to 73 of the 2015/16 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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Financial Year 2016/17

INTERIM REPORT

1st – 3rd Quarter
1 March to 30 November 2016

Mannheim, 11 January 2017

SÜDZUCKER GROUP

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

CropEnergies AG's financial year differs from the calendar year. The periods referred to are thus defined as follows:

3rd quarter: 1 September – 30 November
1st – 3rd quarter: 1 March – 30 November

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

Contents

Highlights first three quarters of 2016/17

■ Revenues up to € 564.6 (558.0) million	€ +7 million
■ EBITDA declines slightly to € 87.1 (89.0) million	€ -2 million
■ Operating profit down to € 59.5 (63.4) million	€ -4 million
■ Net earnings increase to € 35.9 (29.8) million	€ +6 million
■ Bioethanol production up to 735,000 (618,000) m^3	+19%
■ Net financial debt decreases to € 37 (as per 29 February 2016: 66) million	

Outlook for the current 2016/17 financial year raised

- Operating profit (before restructuring costs and special items) is expected to range between € 70 and € 85 million (previously expected to be between € 50 and € 80 million)
- Revenues are expected to range between € 760 and € 790 million (previously expected to be between € 670 and € 720 million)

Interim management report

Operating environment

"Renewable Energies Directive"

The "Renewable Energies Directive" defines a mandatory target of 10% for renewable energies in the EU's transport sector for the year 2020, with biofuels from arable crops certified as sustainable being able to account for up to 7%. The prerequisite for biofuels to access the market in the EU is that they should comply with strict sustainability criteria. One of the minimum requirements is that biofuels should emit at least 35 wt.-% (from 2018: at least 50 wt.-%) fewer greenhouse gases than fossil fuels.

"Fuel Quality Directive"

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. The average greenhouse gas intensity of fuels consumed in 2010 amounting to 94.1 g CO_{2eq}/MJ is used as the base value. By comparison, renewable ethanol from European raw materials reduces greenhouse gas emissions by around 70% on average. In addition, the "Fuel Quality Directive" creates an opportunity for the introduction of E10, i.e., petrol with ethanol content of 10 vol.-%. E10 is currently extensively available in Germany, France and Finland and since 1 January 2017 in Belgium. The 28 member states are thus still far from utilising the potential of ethanol for cutting greenhouse gas emissions and reducing the dependence on oil imports.

"2030 climate and energy package"

On 30 November 2016, the European Commission put forward a proposal for an extensive package of climate and energy policy measures up to 2030, focusing on a reduction of greenhouse gas emissions by at least 40%. This is to be achieved, among other things, by the increased use of renewable energies, whose share is to rise to at least 27% by 2030. The package does not include any specific target for the transport sector. It merely envisages that the proportion of specific alternative fuels, mainly from waste and residues, should increase gradually from 1.5% in 2021 to 6.8% in 2030. On the other hand, the use of biofuels from arable crops is to decrease, as of 2021, from 7% to a maximum of 3.8% in 2030.

The European Commission justifies its intention by referring to the purportedly moderate climate effects of biofuels from arable crops. CropEnergies is, however, convinced that this line of argument ignores the facts, failing to take into account the great advantages that, for example, ethanol from feed grain has not only for the environment, but also for the economy. In fact, evidence shows that European ethanol already saves around 70% of greenhouse gas emissions compared with petrol. At the same time, the manufacture of protein-rich food and animal feed products connected with the production process replaces extensive soy imports from North and South America. By using feed grain from the surplus region of Europe, the ethanol industry is also reducing market pressure, particularly in the case of low-quality grain. Furthermore, domestic biofuels from agricultural raw materials reduce the great dependence on fossil oil imports.

Alternative bio fuels, such as ethanol from straw or wood, are currently not yet commercially available on account of their high costs. Furthermore, it is usually not possible to produce valuable and protein-rich food and animal feed products from the raw materials. The reduction in biofuels from arable crops in favour of alternative fuels proposed by the European Commission would therefore drastically increase the problem of soy imports. The promotion of alternative fuels from wastes and residues makes sense, in principle, providing it is based on what has already been achieved. This will enable them to establish themselves as another alternative to fossil fuels, thereby reducing the latter's consumption. Anything else is irresponsible in both climate and energy policy terms, as it encourages the unbridled exploitation of fossil oil sources.

In view of the ambitious climate targets on the one hand, and the growing deficits of the transport sector in respect of reducing greenhouse gases on the other, it is incomprehensible that the European Commission intends to do away with specific targets for improving the greenhouse gas balance sheet of fuels after 2020. The obligation to lower the greenhouse gas intensity, as currently defined in the "Fuel Quality Directive", is to be dropped completely from 1 January 2021 onwards, according to the intentions of the European Commission. Should this actually be implemented, an increase in transport-related emissions can be expected, even from unconventional sources such as tar sands and oil shale. The opportunity for expanding the range of lower-emission fuels would thus be wasted.

On the whole, CropEnergies considers the European Commission's proposed package of measures to be unsuitable for driving the decarbonisation of transport forward. On the contrary, the proposals would result in more fossil fuels, or those even more harmful to the environment being consumed. It is to be feared that the 2020s will develop into a lost decade for climate and environmental protection on Europe's roads.

Together with associations at national and European level, CropEnergies will campaign, in the context of the legislative process, for the use of sustainably produced biofuels to be promoted even after 2020. This particularly includes binding targets for increasing the proportion of sustainably produced renewable fuels in the transport sector. This is the prerequisite for actually lowering the consumption of fossil fuels and thereby gradually improving the climate footprint of fuels.

Germany

In Germany, a greenhouse gas reduction target of 3.5 wt.-% compared with fossil fuels has applied since 1 January 2015. As of 1 January 2017, this reduction target has risen to 4.0 wt.-%. A further increase to 6.0 wt.-% is planned from 2020 onwards. The German bioethanol industry considers further increments to be necessary in 2018 and 2019 to ensure that the greenhouse gas reduction target of 6 wt.-%, which will apply from 2020 onwards, is also actually achieved. CropEnergies encourages the German legislature not only to pursue the path of more climate protection in the transport sector in Germany, but also to campaign in the EU for more climate protection and higher greenhouse gas reduction targets.

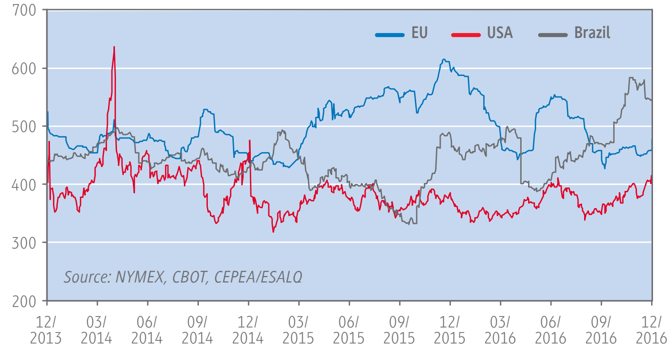
Belgium

In Belgium, a royal decree, which increases the content of bioethanol in petrol fuels from an average of at least 4 vol.-% to 8.5 vol.-%, was published on 29 July 2016. The new regulation entered into force with effect from 1 January 2017.

Slight tendency for European bioethanol prices to recover

In the USA, ethanol production of 59.3 (57.5) million m³ and a significant increase in net exports to 3.4 (2.3) million m³ are expected in 2016. Despite an increase in the blending obligation for ethanol in 2017, the high production surplus is largely expected to continue in the USA, which means that net exports of 3.4 million m³ are also expected in the coming year. The one-month futures contract for ethanol on the Chicago Board of Trade (CBOT) rose, in the reporting period, from the equivalent of € 340/m³ at the beginning of September 2016 to around € 410/m³ at the end of November 2016. The price increase is due to both lively export demand and lower stocks as well as higher oil prices.

International bioethanol prices (€/m³)



In Brazil 27.6 (30.5) million m³ of bioethanol are expected to be produced in the 2016/17 sugar year. Despite likewise lower domestic demand of 27.0 (30.1) million m³, a massive decline in net exports to 0.6 (1.8) million m³ is expected, following a sharp reduction in stocks in 2015/16. In the 2017/18 sugar year, production, at 26.2 million m³, is expected to be only just above domestic consumption of 25.9 million m³. Net exports are therefore expected to halve to 0.3 million m³. As a result of the tighter supply situation, which was due in no small measure to the increase in sugar prices, Brazilian ethanol prices had risen to over € 600/m³ by the end of October 2016 and were thus around 25% above the price level at the beginning of September 2016. By the end of November 2016, however, they had fallen slightly again to the equivalent of around € 570/m³.

Ethanol prices in Europe continued their roller coaster ride. After standing at around € 440/m³ at the beginning of September 2016, the one-month futures contract reached a new all-time low of € 427/m³ on 6 September 2016. Subsequently, ethanol prices largely ranged between € 450 and € 470/m³ before closing at € 466/m³ towards the end of November 2016. The up and down of European ethanol prices is difficult to explain with the little change in fundamental data, and is more likely to be due to the actual supply and demand situation being inadequately included in price determination. EU ethanol prices are determined by so-called price reporting agencies, which primarily refer to low-revenue trading activities and market speculation and hence seem to be decoupled from real market developments.

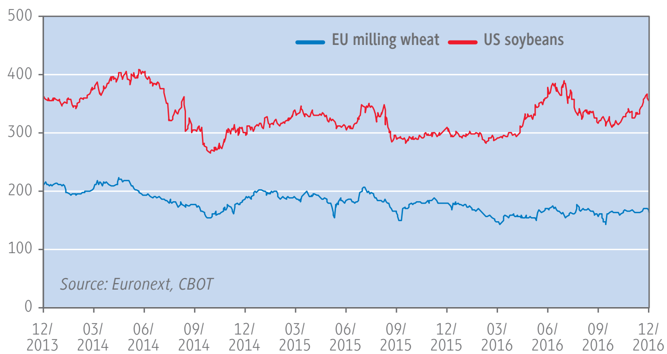
In view of a lack of momentum from higher ethanol blends, fuel ethanol consumption in the EU is expected to decline slightly by 2.0% to 5.2 (5.3) million m³ in 2016. European production of fuel ethanol is expected to decline to around 4.7 (5.1) million m³. In 2017, however, consumption is expected to increase to around 5.4 million m³ (+4%) in several EU member states thanks to higher blending requirements. Market observers expect this to be largely covered by renewable ethanol from European raw materials. EU production is therefore also expected to increase to 5.4 million m³ (+13%).

Fuel ethanol consumption in Germany in 2016 is expected to be at the previous year's level, at 1.5 (1.5) million m³. In view of a moderate increase in petrol consumption, the currently far-from-ambitious greenhouse gas reduction target of only 3.5 wt.-% is mainly responsible for preventing an increase in the use of ethanol. In fact, the provisional consumption data for January to September 2016 shows a decrease of around 1% in sales of fuel ethanol to 1.1 (1.1) million m³. Sales of E10 declined to 1.7 million tonnes, which, given a slight increase in overall petrol sales, leads to a market share of 13% (14%).

No great momentum in grain and oilseed prices

According to its forecast published on 9 December 2016, the US Department of Agriculture (USDA) expects to see record world grain production (excluding rice) of 2,081 (1,985) million tonnes in 2016/17. Given anticipated grain consumption of 2,059 (1,962) million tonnes, this is expected to result in a further increase in stocks to a record-level 507 (485) million tonnes. The European Commission now expects the EU to have a smaller grain harvest of 293 (312) million tonnes in the 2016/17 grain year, which is nevertheless expected to be above a consumption figure of 285 (284) million tonnes. Animal feed products, with a share of more than 60%, continue to account for the majority of domestic grain consumption. The starch content of merely 11.5 (11.2) million tonnes of grain, and hence less than 4% of the EU grain harvest, is expected to be used for the production of fuel ethanol. The protein content of the processed grain is refined into valuable food and animal feed products, which replace soy imports from North and South America, in particular.

International agricultural prices (€/t)



European wheat prices on the Euronext in Paris, at around € 162/tonne at the end of November 2016, were only just above the level that they had reached at the beginning of September 2016. In the interim, wheat prices were largely within a close range between € 150 and € 170/tonne. The largely stable development in grain prices reflects expectations about another global record harvest and related comfortable global grain supply with high stocks.

The USDA is expecting another record soybean harvest of 338 (313) million tonnes for 2016/17. Despite a significant increase in global consumption to 330 (316) million tonnes, global stocks are expected to increase to 83 (77) million tonnes. The one-month soybean futures contract on CBOT was back above the US$ 10/bushel* mark at the end of November 2016. The soybean price rose from the equivalent of € 315/tonne at the beginning of September 2016 to around € 360/tonne at the end of November 2016. Although, at 20 (22) million tonnes in 2016/17, less rapeseed than in the previous year is expected to be harvested in the EU, European rapeseed meal prices fell from around € 205/tonne at the beginning of September 2016 to around € 190/tonne at the end of November 2016.

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

Business development

Increase in the production of bioethanol and food and animal feed products

CropEnergies increased bioethanol production to 735,000 (618,000) m³ in the first nine months of the 2016/17 financial year. Higher capacity utilisation also meant that there was an increase in the production of food and animal feed products.

The increase in production quantities is particularly due to the fact that the bioethanol plant in Wilton was taken back into operation in July 2016. This means that the CropEnergies Group is again using its entire production potential of 1.3 million m³ of bioethanol and over a million tonnes of food and animal feed products per year, depending on the market situation and the resulting cost and earnings situation.

Revenues and net earnings

€ thousands	3rd quarter		1st – 3rd quarter	
	2016/17	2015/16	2016/17	2015/16
Revenues	**214,840**	**167,600**	**564,570**	**557,991**
EBITDA*	**27,939**	**32,239**	**87,063**	**89,016**
EBITDA margin in %	*13.0%*	*19.2%*	*15.4%*	*16.0%*
Depreciation*	-9,491	-8,505	-27,585	-25,591
Operating profit	**18,448**	**23,734**	**59,478**	**63,425**
Operating margin in %	*8.6%*	*14.2%*	*10.5%*	*11.4%*
Restructuring costs and special items	134	-4,013	-6,246	-12,990
Income from companies consolidated at equity	57	58	165	39
Income from operations	**18,639**	**19,779**	**53,397**	**50,474**
Financial result	-817	-559	-3,480	-3,184
Earnings before income taxes	**17,822**	**19,220**	**49,917**	**47,290**
Taxes on income	-3,908	-7,373	-13,986	-17,462
Net earnings for the period	**13,914**	**11,847**	**35,931**	**29,828**
Earnings per share, diluted/undiluted (€)	**0.16**	**0.13**	**0.41**	**0.34**

* Without restructuring costs and special items

Business development: 3rd quarter

CropEnergies' revenues rose by 28%, surpassing, at € 214.8 (167.6) million, the corresponding previous year's figure for the first time in the course of the financial year. This was due to significantly higher sales volumes of bioethanol as well as food and animal feed products owing to the production plant in Wilton being taken back into operation. In contrast, most of the sales prices obtained were below the level of the reference period in the previous year.

The positive volume effect and lower purchase prices for raw materials were, however, unable to offset the decline in sales prices completely. Together with operating costs after taking the production plant in Wilton back into operation, EBITDA declined to € 27.9 (32.2) million.

Operating profit declined accordingly by 22% to € 18.4 (23.7) million. Based on the significantly higher revenues, this gives rise to an operating margin of 8.6% (14.2%). Whereas restructuring or special costs of € 4.0 million had been incurred in the previous year, merely a small positive amount from the currency translation of the expenses of the first half-year had an impact here in the third quarter of 2016/17. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, fell only slightly short of the previous year's level, at € 18.6 (19.8) million.

The financial result of € -0.8 (-0.6) million was influenced not only by interest expenses, but also by currency effects. On the basis of earnings before income taxes of € 17.8 (19.2) million, this produces net earnings after taxes of € 13.9 (11.8) million for the 3rd quarter of 2016/17. Based on 87.25 million no-par value shares, that translates into earnings per share of € 0.16 (0.13).

Business development: 1st – 3rd quarter

Based on the strong 3rd quarter, CropEnergies' cumulative revenues, at € 564.6 (558.0) million, also surpassed the level achieved in the previous year. Significantly higher sales volumes of products produced more than compensate for the reduced trade volume as well as for the lower revenues for bioethanol and for most food and animal feed products.

The noticeable fall in sales prices was offset by lower raw material prices and positive earnings effects from the increase in quantities obtained. At the same time, the costs of the production plant in Wilton have again been reported in operating profit since it was taken back into operation in July 2016. As a result of these changes, EBITDA, at € 87.1 (89.0) million, did not quite reach the previous year's level.

Consequently, operating profit, at € 59.5 (63.4) million, also fell slightly short of the previous year's level, giving leading to an operating margin of 10.5% (11.4%). As expected, restructuring or special costs declined significantly to € 6.2 (13.0) million. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, rose to € 53.4 (50.5) million.

The financial result remained at a comparable level, at € -3.5 (-3.2) million, which meant that earnings before income taxes increased to € 49.9 (47.3) million. After taxes, net earnings for the reporting period improved to € 35.9 (29.8) million. Based on 87.25 million no-par-value shares, that translates into earnings per share of € 0.41 (0.34).

Statement of changes in financial position

€ thousands	1st – 3rd quarter	
	2016/17	2015/16
Gross cash flow	**68,233**	**63,452**
Change in net working capital	-15,832	14,045
Net cash flow from operating activities	**52,401**	**77,497**
Investments in property, plant and equipment and intangible assets	-11,143	-13,091
Cash received on disposal of non-current assets	106	67
Cash flow from investing activities	**-11,037**	**-13,024**
Cash flow from financing activities	**-39,447**	**-66,792**
Change in cash and cash equivalents due to exchange rate changes	-27	-88
Increase (+) / Decrease (-) in cash and cash equivalents	**1,890**	**-2,407**

The improvement of the cash flow to € 68.2 (63.5) million is in line with the positive earnings performance. Including the change in net working capital, cash flow from operating activities in the 1st – 3rd quarter amounted to € 52.4 (77.5) million.

Cash outflow from investing activities declined to € 11.0 (13.0) million overall, being almost entirely accounted for by investments in property, plant and equipment. The investments served to develop and make improvements in the production plants.

The receipt of financial liabilities amounting to € 10.2 (6.0) million was offset by repayments of € 36.6 (72.8) million and the dividend payment, in July 2016, of € 13.1 (0.0) million. This resulted in a net cash outflow from financing activities of € 39.4 (66.8) million.

Balance sheet structure

€ thousands	30 November 2016	30 November 2015	Change	29 February 2016
Assets				
Non-current assets	433,063	471,102	-38,039	459,788
Current assets	156,701	138,819	17,882	131,688
Total assets	**589,764**	**609,921**	**-20,157**	**591,476**
Liabilities and shareholders' equity				
Shareholders' equity	392,425	363,394	29,031	367,215
Non-current liabilities	78,213	119,533	-41,320	103,035
Current liabilities	119,126	126,994	-7,868	121,226
Total liabilities and shareholders' equity	**589,764**	**609,921**	**-20,157**	**591,476**
Net financial debt	37,429	85,763	-48,334	65,678
Equity ratio	66.5%	59.6%		62.1%

Non-current assets declined by € 38.0 million to € 433.1 million as of 30 November 2016, with fixed assets, in particular, decreasing by € 37.1 million to € 429.5 million as a result of scheduled depreciation and allowing for investments. This amount includes goodwill, which was unchanged at € 5.6 million. Deferred tax assets declined by € 1.1 million to € 1.6 million. Furthermore, the interest in the entity consolidated at equity rose by € 0.2 million to € 1.9 million.

Current assets rose by € 17.9 million year over year to € 156.7 million. Inventories, in particular, increased, rising by € 13.9 million to € 58.0 million. Furthermore, cash and cash equivalents increased by € 2.6 million to € 9.9 million. Trade receivables and other assets increased by € 1.4 million to € 82.5 million. This also includes the positive mark-to-market values from derivative hedging instruments of € 0.4 (2.1) million. Tax assets, at € 6.3 million, were virtually unchanged year over year.

Non-current liabilities decreased by € 41.3 million to € 78.2 million, with long-term financial liabilities, in particular, being reduced by € 40.5 million to € 25.5 million through repayments. In addition, other provisions decreased by € 7.3 million to € 7.3 million, while provisions for pensions and similar obligations increased by € 5.9 million to € 21.8 million, due to the lower discount rate. Deferred tax liabilities rose by € 0.6 million to € 23.2 million and other liabilities remained virtually the same, at € 0.4 million.

Current liabilities declined by € 7.9 million to € 119.1 million. Other provisions decreased by € 5.7 million to € 10.0 million. By contrast, trade payables and other liabilities rose by € 5.6 million to € 76.1 million. This also includes the negative mark-to-market values from derivative hedging instruments of € 0.3 (1.0) million. Short-term financial liabilities were reduced by € 5.2 million to € 21.8 million due to repayments, and short-term tax liabilities declined by € 2.5 million to € 11.2 million.

On balance, **net financial debt** was significantly reduced to € 37.4 (85.8) million. Of the financial liabilities, € 25.5 (66.0) million is due in the long term and € 21.8 (27.0) million in the short term. Set against this, there are cash and cash equivalents of € 9.9 (7.3) million.

Shareholders' equity rose to € 392.4 (363.4) million thanks to the pleasing earnings situation. That corresponds to an equity ratio of 66.5% (59.6%).

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 return 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.

For further detailed information on the risk management system and the group's risks and opportunities, please refer to the "Risk and opportunities report" on pages 66 to 73 of the Annual Report for the 2015/16 financial year.

On 30 November 2016, the European Commission put forward legislative proposals for implementing the EU's climate and energy policy up to 2030, which particularly affect the area of renewable energies and energy efficiency. In 2017, CropEnergies, together with the national and European bioethanol industry associations, which represent the objective interests of all stakeholders and are in constant contact with the political decision-makers, will closely follow how the European Parliament and Council handle these proposals, and will analyse the possible consequences. Given the current status of the legislative process, it is scarcely possible to predict what impact the future legal framework will have on the bioethanol business. A reduction in obligatory blending rates may result in a drop in demand and have a negative impact on CropEnergies' business activities.

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

Outlook

In the first nine months of the 2016/17 financial year, CropEnergies was able to build on the very good earnings achieved in the previous year, despite lower bioethanol prices, achieving revenues of € 564.6 (558.0) million and operating profit of € 59.5 (63.4) million.

Bioethanol prices rose in December 2016, and a high degree of fluctuation in prices continues to be expected in the further course of the financial year. Raw material prices below the previous year's level had a positive impact. Following the successful restart of the production plant in Wilton, CropEnergies is making flexible use of its entire production capacity according to the market and order situation.

Against this background, CropEnergies is raising its revenues forecast for the 2016/17 financial year and now expects revenues to range between € 760 and € 790 million (previously expected: € 670 to € 720 million). The earnings forecast is likewise being raised: CropEnergies now expects EBITDA, adjusted for special items, to range between € 105 and € 120 million (previously expected: € 85 to € 115 million), with operating profit expected to range between € 70 and € 85 million (previously expected: € 50 to € 80 million). The costs from restructuring and special items are expected to decline significantly year over year.

CropEnergies' medium-term expectation is that the resolutions of the Paris climate summit will also ensure further market growth in relation to renewable energies in the transport sector. As one of the leading bioethanol producers in Europe and owing to the flexibility and capacity of its plants, the CropEnergies Group is well equipped for the corresponding increase in demand.

Interim financial statements

Statement of comprehensive income

€ thousands	3rd quarter		1st–3rd quarter	
	2016/17	2015/16	2016/17	2015/16
Income statement				
Revenues	**214,840**	**167,600**	**564,570**	**557,991**
Change in work in progress and finished goods inventories and internal costs capitalised	766	621	-507	-16,585
Other operating income	278	2,951	3,717	5,850
Cost of materials	-166,152	-120,181	-420,225	-396,073
Personnel expenses	-8,287	-8,772	-24,952	-29,229
Depreciation	-9,469	-9,472	-29,771	-28,523
Other operating expenses	-13,394	-13,026	-39,600	-42,996
Income from companies consolidated at equity	57	58	165	39
Income from operations	**18,639**	**19,779**	**53,397**	**50,474**
Financial income	94	216	301	547
Financial expenses	-911	-775	-3,781	-3,731
Earnings before income taxes	**17,822**	**19,220**	**49,917**	**47,290**
Taxes on income	-3,908	-7,373	-13,986	-17,462
Net earnings for the period	**13,914**	**11,847**	**35,931**	**29,828**
Earnings per share, diluted/undiluted (€)	**0.16**	**0.13**	**0.41**	**0.34**

Table of other comprehensive income				
Net earnings for the period	**13,914**	**11,847**	**35,931**	**29,828**
Mark-to-market gains and losses*	2,461	4,370	5,603	-824
Foreign currency differences from consolidation	-405	1,044	-2,377	1,123
Income and expenses to be reclassified in future in the profit and loss account	**2,056**	**5,414**	**3,226**	**299**
Remeasurement of defined benefit plans and similar obligations*	1,720	0	-859	1,607
Income and expenses not to be reclassified in future in the profit and loss account	**1,720**	**0**	**-859**	**1,607**
Income and expenses recognised in shareholders' equity	**3,776**	**5,414**	**2,367**	**1,906**
Total comprehensive income	**17,690**	**17,261**	**38,298**	**31,734**

* After deferred taxes

Cash flow statement

€ thousands	1st – 3rd quarter	
	2016/17	2015/16
Net earnings for the period	35,931	29,828
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	29,771	28,523
Other items	2,531	5,101
Gross cash flow	**68,233**	**63,452**
Change in net working capital	-15,832	14,045
I. Net cash flow from operating activities	**52,401**	**77,497**
Investments in property, plant and equipment and intangible assets	-11,143	-13,091
Cash received on disposal of non-current assets	106	67
II. Cash flow from investing activities	**-11,037**	**-13,024**
Dividends paid	-13,088	0
Receipt of financial liabilities	10,221	6,000
Repayment of financial liabilities	-36,580	-72,792
III. Cash flow from financing activities	**-39,447**	**-66,792**
Change in cash and cash equivalents (Total of I., II. and III.)	**1,917**	**-2,319**
Change in cash and cash equivalents due to exchange rate changes	-27	-88
Increase (+) / Decrease (-) in cash and cash equivalents	**1,890**	**-2,407**
Cash and cash equivalents at the beginning of the period	8,031	9,718
Cash and cash equivalents at the end of the period	**9,921**	**7,311**

€ thousands	1st – 3rd quarter	
	2016/17	2015/16
Interest expense	1,137	2,788
Tax payments	11,584	6,095

Balance sheet

€ thousands	30 November 2016	30 November 2015	Change	29 February 2016
Assets				
Intangible assets	9,617	9,818	-201	10,166
Property, plant and equipment	419,913	456,794	-36,881	442,605
Shares in companies consolidated at equity	1,933	1,767	166	1,768
Receivables and other assets	40	46	-6	46
Deferred tax assets	1,560	2,677	-1,117	5,203
Non-current assets	**433,063**	**471,102**	**-38,039**	**459,788**
Inventories	57,995	44,096	13,899	56,845
Trade receivables and other assets	82,522	81,153	1,369	60,181
Current tax receivables	6,263	6,259	4	6,631
Cash and cash equivalents	9,921	7,311	2,610	8,031
Current assets	**156,701**	**138,819**	**17,882**	**131,688**
Total assets	**589,764**	**609,921**	**-20,157**	**591,476**
Liabilities and shareholders' equity				
Subscribed capital	87,250	87,250	0	87,250
Capital reserves	197,847	197,847	0	197,847
Revenue reserves and other equity accounts	107,328	78,297	29,031	82,118
Shareholders' equity	**392,425**	**363,394**	**29,031**	**367,215**
Provisions for pensions and similar obligations	21,772	15,893	5,879	19,414
Other provisions	7,341	14,587	-7,246	11,208
Non-current financial liabilities	25,538	66,034	-40,496	51,023
Other liabilities	352	414	-62	359
Deferred tax liabilities	23,210	22,605	605	21,031
Non-current liabilities	**78,213**	**119,533**	**-41,320**	**103,035**
Other provisions	10,052	15,778	-5,726	14,559
Current financial liabilities	21,812	27,040	-5,228	22,686
Trade payables and other liabilities	76,097	70,502	5,595	65,115
Current tax liabilities	11,165	13,674	-2,509	18,866
Current liabilities	**119,126**	**126,994**	**-7,868**	**121,226**
Total liabilities and shareholders' equity	**589,764**	**609,921**	**-20,157**	**591,476**

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 2015	**87,250**	**222,764**	**15,921**	**16**	**5,709**	**21,646**	**331,660**
Net earnings for the period			**29,828**			**29,828**	**29,828**
Mark-to-market gains and losses on cash flow hedging instruments*				-824			
Foreign currency differences from consolidation					1,123		
Remeasurement of defined benefit plans and similar obligations*			1,607				
Income and expenses recognised in shareholders' equity			**1,607**	**-824**	**1,123**	**1,906**	**1,906**
Total comprehensive income			**31,435**	**-824**	**1,123**	**31,734**	**31,734**
Dividends paid			**0**			**0**	**0**
Other changes		**-24,917**	**24,917**	**0**	**0**	**24,917**	**0**
30 November 2015	**87,250**	**197,847**	**72,273**	**-808**	**6,832**	**78,297**	**363,394**
1 March 2016	**87,250**	**197,847**	**84,229**	**-6,097**	**3,986**	**82,118**	**367,215**
Net earnings for the period			**35,931**			**35,931**	**35,931**
Mark-to-market gains and losses on cash flow hedging instruments*				5,603			
Foreign currency differences from consolidation					-2,377		
Remeasurement of defined benefit plans and similar obligations*			-859				
Income and expenses recognised in shareholders' equity			**-859**	**5,603**	**-2,377**	**2,367**	**2,367**
Total comprehensive income			**35,072**	**5,603**	**-2,377**	**38,298**	**38,298**
Dividends paid			**-13,088**			**-13,088**	**-13,088**
30 November 2016	**87,250**	**197,847**	**106,213**	**-494**	**1,609**	**107,328**	**392,425**

* 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 30 November 2016 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 interim consolidated financial statements of CropEnergies AG as of 30 November 2016 are presented in a condensed form. The interim consolidated financial statements as of 30 November 2016 have not been reviewed. The executive board of CropEnergies AG prepared these interim financial statements on 30 December 2016.

As shown in the notes to the Annual Report for the 2015/16 financial year in item (1) "Principles of preparation of the consolidated financial statements" on pages 82 to 86, new or amended standards and interpretations were applicable for the first time to the interim reporting.

On 30 November 2016, a discount rate of 1.95% was used as a basis for major pension plans when calculating the provisions for pensions and similar obligations; on 29 February 2016 and 30 November 2015, respectively, the discount rate was based on 2.24% and 2.50%. As of 31 August 2016, the discount rate was still 1.55%.

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 29 February 2016 have been applied. Their explanations in the notes to the 2015/16 Annual Report in item (5) "Accounting principles" on pages 89 to 93 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 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 – 3rd quarter	
	2016/17	2015/16
Revenues	**564,570**	**557,991**
EBITDA*	**87,063**	**89,016**
EBITDA margin in %	*15.4%*	*16.0%*
Depreciation*	-27,585	-25,591
Operating profit	**59,478**	**63,425**
Operating margin in %	*10.5%*	*11.4%*
Restructuring costs and special items	-6,246	-12,990
Income from companies consolidated at equity	165	39
Income from operations	**53,397**	**50,474**
Investments in property, plant and equipment and intangible assets	**11,143**	**13,091**
Employees	**412**	**416**

* Without restructuring costs and special items

EBITDA, at € 87.1 (89.0) million, did not quite reach the previous year's level. Consequently, operating profit, at € 59.5 (63.4) million, also fell slightly short of the previous year's level, giving rise to an operating margin of 10.5% (11.4%). As expected, restructuring or special costs declined significantly to € 6.2 (13.0) million. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, rose to € 53.4 (50.5) million.

The capital expenditures amounting to € 11.1 (13.1) million were attributable almost entirely to property, plant and equipment. Of the total, € 5.0 million were invested at BioWanze SA, € 2.8 million at CropEnergies Bioethanol GmbH and € 2.4 million at Ensus UK Ltd.

As of the end of the first nine months of the 2016/17 financial year, the number of employees (full-time equivalents) stood at 412 (416). Of this figure, 46 (47) were employed at CropEnergies AG, 119 (117) at CropEnergies Bioethanol GmbH, 120 (125) at BioWanze SA, 47 (47) at Ryssen Alcools SAS, 73 (73) at Ensus UK Ltd, and 7 (7) at Ryssen Chile SpA.

Earnings per share

The net earnings of € 35.9 (29.8) million in the 1st – 3rd quarter of the 2016/17 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 – 3rd quarter of the 2016/17 financial year of € 0.41 (0.34). There was no dilution of earnings per share.

Inventories

€ thousands	30 November	
	2016	2015
Raw materials and supplies	17,839	15,798
Work in progress	4,054	3,453
Finished goods and merchandise	36,102	24,845
	57,995	**44,096**

Inventories increased by € 13.9 million to € 58.0 million, mainly due to the plant in Wilton being taken back into operation.

Trade receivables and other assets

€ thousands	30 November	
	2016	2015
Trade receivables	49,231	53,696
Receivables from affiliated companies	12,197	10,383
Other assets	21,094	17,074
	82,522	**81,153**

Trade receivables and receivables from affiliated companies declined by € 2.7 million to € 61.4 million.

Other assets, amounting to € 21.1 (17.1) million, mainly consist of financial assets in the form of ring-fenced credits for hedges of € 4.3 (0.0) million, positive mark-to-market values of derivative hedging instruments of € 0.4 (2.1) million, non-financial assets in the form of VAT receivables of € 10.3 (7.4) million and receivables from advance payments of € 3.8 (6.2) million.

Shareholders' equity

Shareholders' equity rose to € 392.4 (363.4) 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 include the changes in the mark-to-market values – including deferred taxes – of wheat and currency derivatives including accruals amounting to € 5.6 (-0.8) million.

Trade payables and other liabilities

€ thousands	30 November	
	2016	2015
Trade payables	43,408	31,509
Payables to affiliated companies	17,523	24,678
Other liabilities	15,166	14,315
	76,097	**70,502**

Trade payables and liabilities to affiliated companies increased by € 4.7 million to € 60.9 million.

Other liabilities, amounting to € 15.2 (14.3) million, mainly comprise financial liabilities in the form of negative mark-to-market values of derivative hedging instruments of € 0.3 (1.0) million and non-financial liabilities in respect of other taxes amounting to € 6.8 (7.2) million and liabilities in respect of personnel expenses of € 6.6 (4.9) million.

Financial liabilities

€ thousands	30 November	
	2016	2015
Liabilities to banks	4,321	0
Liabilities to affiliated companies	43,000	93,000
Liabilities from finance leasing	29	74
Financial liabilities	**47,350**	**93,074**
Cash and cash equivalents	-9,921	-7,311
Net financial debt	**37,429**	**85,763**

Net financial debt as of 30 November 2016 decreased to € 37.4 (85.8) million. This includes long-term financial liabilities of € 25.5 (66.0) million.

All financial liabilities to banks are short-term. Of the financial liabilities to affiliated companies of the Südzucker Group, € 25.5 (66.0) 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 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.

Further details on calculating the fair values of the individual financial instruments as well as their allocation to measurement levels can be found in the notes to the consolidated financial statements of the Annual Report for the 2015/16 financial year in item (28) "Additional disclosures on financial instruments" on pages 118 to 121.

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.

€ thousands	Fair Value Hierarchy							
	30 November 2016	Level 1	Level 2	Level 3	30 November 2015	Level 1	Level 2	Level 3
Positive market values – Cash flow hedge derivatives	0	0	0	0	482	0	482	0
Positive market values – Derivatives held for trading	416	416	0	0	1,606	1,606	0	0
Financial assets	**416**	**416**	**0**	**0**	**2,088**	**1,606**	**482**	**0**
Negative market values – Cash flow hedge derivatives	284	284	0	0	812	812	0	0
Negative market values – Derivatives held for trading	26	0	26	0	229	55	174	0
Financial liabilities	**310**	**284**	**26**	**0**	**1,041**	**867**	**174**	**0**

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 € 4.3 (0.0) million as of 30 November 2016, with book values of € 4.3 (0.0) million, while the fair values of liabilities to affiliated companies amounted to € 43.4 (93.5) million as of 30 November 2016, with book values of € 43.0 (93.0) 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.

Furthermore, there is Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG), Stuttgart, 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 in the 1st – 3rd quarter of the 2016/17 financial year involved supplies, especially raw materials and energy, by Südzucker AG amounting to € 24.9 (37.0) million. In addition, services worth € 2.7 (2.4) million and research & development work worth € 1.0 (1.3) million were provided.

Set against this, the CropEnergies Group received € 2.7 (1.0) million from Südzucker AG for supplies of goods. The CropEnergies Group incurred net interest expense of € 1.2 (2.6) million on intercompany lendings and borrowings.

As of 30 November 2016, there were receivables of € 0.1 (0.2) million outstanding from Südzucker AG and liabilities of € 4.2 (8.9) million outstanding to Südzucker AG in respect of the aforesaid related party transactions. Financial liabilities due to Südzucker AG amounted to € 31.0 (43.0) million.

Affiliated companies of Südzucker AG

The transactions with the affiliated companies of Südzucker AG in the 1st – 3rd quarter of the 2016/17 financial year involved supplies, especially raw materials and traded commodities, amounting to € 49.1 (56.8) million. In addition, services worth € 0.7 (0.7) million were provided.

Set against this, the CropEnergies Group received € 54.4 (48.9) million from the affiliated companies of Südzucker AG for supplies of goods. In addition, the CropEnergies Group received compensation payments of € 0.5 (1.4) million and service revenues of € 0.5 (1.0) million.

As of 30 November 2016, there were receivables of € 12.1 (10.2) million outstanding from and liabilities of € 13.3 (15.8) million outstanding to the affiliated companies of Südzucker AG in respect of the aforesaid related party transactions. Financial liabilities due to the affiliated companies of Südzucker AG amounted to € 12.0 (50.0) 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 € 1.1 (0.9) million in the 1st – 3rd quarter of 2016/17.

There were no transactions with Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) in the 1st – 3rd quarter of the 2016/17 financial year.

Report on events after the balance sheet date

Since 30 November 2016, 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.

Mannheim, 30 December 2016

CropEnergies AG

The Executive Board

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

Financial calendar

■ Annual press and analysts' conference for the 2016/17 financial year	17 May 2017
■ Report for the 1st quarter of 2017/18	12 July 2017
■ Annual General Meeting 2017	18 July 2017
■ Report for the 1st half of 2017/18	11 October 2017
■ Report for the 1st to 3rd quarters of 2017/18	10 January 2018