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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 "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 half
1 March to 31 August 2016

Mannheim, 12 October 2016

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:
2nd quarter: 1 June – 31 August
1st half: 1 March – 31 August

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 1st half 2016/17

■ Revenues decline to € 349.7 (390.4) million	€ -41 million
■ EBITDA grows to € 59.1 (56.8) million	€ +2 million
■ Operating profit rises to € 41.0 (39.7) million	€ +1 million
■ Net earnings increase to € 22.0 (18.0) million	€ +4 million
■ Bioethanol production up to 450,000 (422,000) m^3	+7%
■ Net financial debt decreases to € 58 (as of 29 February 2016: 66) million	

Outlook for the 2016/17 financial year

- Increase in the revenue range to between € 670 and € 720 million (previously expected: € 640 to € 700 million)

- Confirmation of operating profit expectations (before restructuring costs and special items) ranging between € 50 and € 80 million

Interim management report

Operating environment

"Renewable Energies Directive"

The "Renewable Energies Directive" continues to define the legal framework for the mandatory target of 10% for renewable energies in the EU's transport sector for the year 2020. Up to 7% can come from conventional biofuels certified as sustainable. 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%. On the other hand, the electricity from renewable sources used in rail and road transport will benefit from multiple counting. The main prerequisite for biofuels to access the market in the EU is that they should comply with strict sustainability criteria, which, for example, stipulate minimum requirements on sustainable biomass production and processing. This includes greenhouse gas savings of at least 35 wt.-% (from 2018: at least 50 wt.-%) in comparison with fossil fuels and consistently documentation of the origin of the processed biomass.

"Fuel Quality Directive"

The "Fuel Quality Directive" stipulates that, in 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 $CO2_{eq}$/MJ is used as the base value. By comparison, European bioethanol reduces greenhouse gas emissions by more than 60% on average. In addition, the "Fuel Quality Directive" created an opportunity for the introduction of E10 fuel, i.e., the blending of 10 vol.-% of bioethanol in petrol, throughout Europe. However, E10 continues to be extensively available only in Germany, France, and Finland. The 28 member states are thus far from utilising the potential of bioethanol for cutting greenhouse gas emissions and reducing the dependence on oil imports.

"2030 climate and energy package"

The European Commission outlined its low-emission mobility strategy on 20 July 2016. Its aim initially is to lower greenhouse gas emissions from transport by 60% by the year 2050. A further aim is to bring about a drastic and immediate reduction in air pollutants that affect public health. One of the focal points here is road traffic, which causes more than 70% of greenhouse gas emissions from transport and most air pollution. In addition to the technical development of low-emission vehicles, low-emission alternative energy sources are one of the main thrusts of the strategy. The European Commission is therefore examining incentives for innovative solutions to the decarbonisation of fuels as part of its revision of the "Renewable Energies Directive" and the "Fuel Quality Directive". Such measures may include concrete blending obligations or limiting the greenhouse gas intensity of fuels.

CropEnergies welcomes the European Commission's commitment to decarbonise transport and reduce air pollutants. The measures, however, should target not only new vehicles, but also existing vehicle stocks. Sustainably produced European bioethanol is currently making an effective contribution to this, as it will do after 2020. Current studies show that even an increase in bioethanol content from 5 to 10 vol.-% involves an appreciable reduction in emissions. Reductions in emissions are even more significant when a switch is made to E20, a high-performance petrol with renewable ethanol content of 20 vol.-%. E20, which can also be used in modern plug-in hybrid vehicles, is currently one of the most environmentally friendly and powerful alternatives for more sustainable mobility.

Together with the bioethanol associations at national and European level, CropEnergies is therefore campaigning for the use of sustainably produced biofuels to be promoted even after 2020. Otherwise, it will not be possible to abide by the commitment, entered into as part of the Paris Climate Agreement, signed in December 2015, to take measures to limit global warming to below 2 °C.

Germany

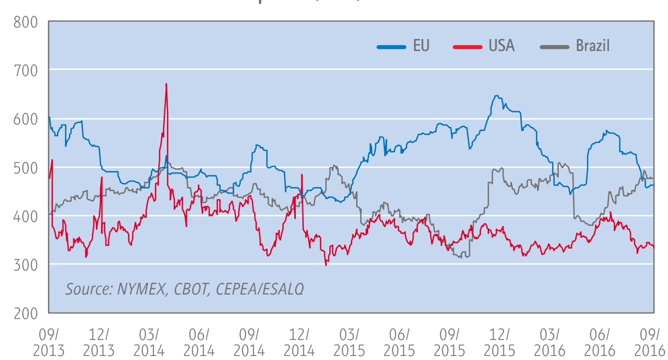
In Germany, a greenhouse reduction target of 3.5 wt.-% compared with fossil fuels has applied since 1 January 2015. From 2017 onwards, this reduction target will rise to 4.0 wt.-% and, from 2020 onwards, to 6.0 wt.-%. The German bioethanol industry considers further increments to be necessary in 2018 and 2019 to ensure that the greenhouse gas reduction target of 6 wt.-%, which will apply from 2020 onwards, is also actually achieved.

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 comes into force on 1 January 2017 and will result in the introduction of E10 in Belgium.

Continuing strong fluctuation in European bioethanol prices

International bioethanol prices (€/m³)



In the USA, bioethanol production of 59.3 million m³ (+3%) and an increase in net exports of bioethanol to 3.2 million m³ (+18%) are expected in 2016. The one-month futures contract for ethanol on the Chicago Board of Trade (CBOT) declined, in the reporting period, from the equivalent of € 390/m³ at the beginning of June

2016 to around € 340/m³ at the end of August 2016. Lower petrol prices and, in particular, lower raw material costs contributed to the decline.

In the 2016/17 sugar year 30.6 million m³ (+0%) of bioethanol are expected to be produced in Brazil. Despite lower domestic demand of 28.7 million m³ (-5%), a decline in net exports to 1.1 million m³ (-39%) is expected, following a sharp reduction in stocks in 2015/16. At the equivalent of around € 480/m³ at the end of August 2016, Brazilian ethanol prices were approx. 20% above the price level at the beginning of June 2016. The price rise can be explained by the higher sugar prices, among other things.

Ethanol prices in Europe experienced a significant fall, standing at around € 460/m³ FOB Rotterdam at the end of August 2016 after prices of € 570/m³ had been observed at the beginning of June 2016. The roller coaster ride of European bioethanol prices is difficult to comprehend, particularly in view of the fact that there has been little change in fundamental data, and is probably due to the actual supply and demand situation being inadequately included in price determination. Instead, market prices for bioethanol in Europe are determined by so-called price reporting agencies, which primarily refer to low-revenue trading activities and therefore seem to be decoupled from the real market development.

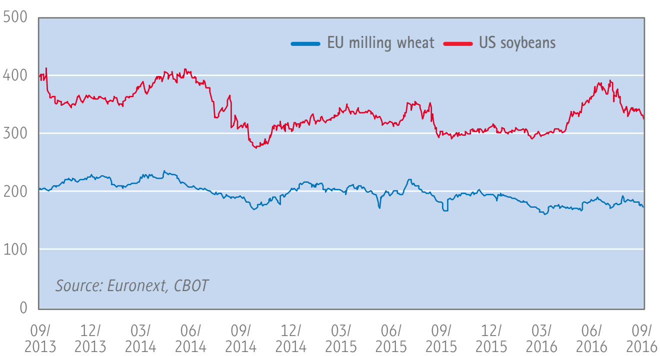
In view of a slight decline in the consumption of petrol and without any effective momentum from an increase in ethanol blending, 2016 is expected to bring a further 3% reduction in the consumption of fuel ethanol in the EU to 5.1 (5.2) million m³. European production of fuel ethanol is expected to decline to around 4.8 (5.1) million m³. This means that the potential for bioethanol to bring about a rapid and cost-efficient reduction in greenhouse gas emissions in the transport sector, in particular, will continue not to be utilized.

In Germany, fuel ethanol consumption is expected to fall to 1.4 million m³ in 2016. 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 this fall. In fact, the provisional consumption data for January to June 2016 shows a decrease of around 1% in sales of fuel ethanol to 0.7 million m³. Sales of E10 declined to 1.1 million tonnes, which, given a slight increase in overall petrol sales, leads to a market share of 13% (14%).

Decline in grain and oilseed prices

According to its forecast published on 12 September 2016, the US Department of Agriculture (USDA) expects to see record world grain production (excluding rice) of 2,065 million tonnes (+4%) in 2016/17. Given anticipated grain consumption of 2,048 million tonnes (+5%), this is expected to result in a further increase in stocks to a record-level 502 (486) million tonnes. By contrast, a smaller grain harvest is expected in the EU. The inclement weather conditions particularly in France and Belgium have resulted in harvest shortfalls. The European Commission now expects to see a 5% smaller grain production of 295 million tonnes in the 2016/17 grain year, which is again expected to be above a consumption figure of 285 million tonnes. Animal feed products, with a share of more than 60%, account for the majority of domestic grain consumption. The starch content of 12 million tonnes of grain is expected to be used for the production of bioethanol. The protein content of the processed grain, however, flows back into the food and animal feed market, where it replaces soy imports from South America, in particular.

International agricultural prices (€/t)



European wheat prices on the Euronext in Paris declined from € 165/tonne at the beginning of June 2016 to around € 155/tonne at the end of August 2016. The development in grain prices reflects expectations about another global record harvest.

The USDA is expecting another record soybean harvest of 330 (313) million tonnes for 2016/17. In view of a significant increase in global consumption to 330 (316) million tonnes, however, global stocks are expected to fall slightly to 72 (73) million tonnes. The one-month soybean futures contract on CBOT fell back below the US$ 10/bushel* mark at the end of August 2016. The soybean price fell from the equivalent of € 360/tonne at the start of June 2016 to € 315/tonne at the end of August 2016. Although less rapeseed than in the previous year is expected to be harvested in the EU, European rapeseed meal prices followed international trends, declining from € 240/tonne at the beginning of June 2016 to around € 190/tonne at the end of August 2016.

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

Business development

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

CropEnergies increased the bioethanol production to 450,000 (422,000) m^3 in the 1st half of the 2016/17 financial year. Higher capacity utilisation as a result, in particular, of taking the bioethanol plant in Wilton back into operation in July 2016 also meant that there was an increase in the production of food and animal feed products. Following successful testing of the technical modifications in Wilton, the CropEnergies Group's entire bioethanol production potential of 1.3 million m^3 is now available and will be used depending on market situation and the resulting cost and earnings situation.

Revenues and net earnings

€ thousands	2nd quarter		1st half year	
	2016/17	2015/16	2016/17	2015/16
Revenues	**182,213**	**192,619**	**349,730**	**390,391**
EBITDA*	**31,093**	**34,559**	**59,124**	**56,777**
EBITDA margin in %	*17.1%*	*17.9%*	*16.9%*	*14.5%*
Depreciation*	-9,439	-8,519	-18,094	-17,086
Operating profit	**21,654**	**26,040**	**41,030**	**39,691**
Operating margin in %	*11.9%*	*13.5%*	*11.7%*	*10.2%*
Restructuring costs and special items	-2,639	-4,020	-6,380	-8,977
Income from companies consolidated at equity	71	-16	108	-19
Income from operations	**19,086**	**22,004**	**34,758**	**30,695**
Financial result	-2,053	-1,381	-2,663	-2,625
Earnings before income taxes	**17,033**	**20,623**	**32,095**	**28,070**
Taxes on income	-3,917	-7,556	-10,078	-10,089
Net earnings for the period	**13,116**	**13,067**	**22,017**	**17,981**
Earnings per share, diluted/undiluted (€)	**0.15**	**0.15**	**0.25**	**0.21**

* Without restructuring costs and special items

Business development: 2nd quarter

As expected, CropEnergies' revenues, at € 182.2 (192.6) million, were lower than the previous year's level. This was mainly due to lower revenues for bioethanol. Most of the sales prices obtained for food and animal feed products were also below the level of the reference period.

It was largely possible to offset the decline in sales prices through lower purchase prices for raw materials and energy. Together with operating costs after taking the production plant in Wilton back into operation, EBITDA declined to € 31.1 (34.6) million.

Operating profit declined accordingly by 17% to € 21.7 (26.0) million. Based on revenues, this results in an operating margin of 11.9% (13.5%). Restructuring or special costs declined to € 2.6 (4.0) million as a result of restarting the production plant in Wilton. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, fell short of the previous year's level, at € 19.1 (22.0) million.

The financial result of € -2.1 (-1.4) million was particularly influenced by currency effects. On the basis of earnings before income taxes of € 17.0 (20.6) million, this produces net earnings of € 13.1 (13.1) million for the 2nd quarter of 2016/17. Based on 87.25 million no-par-value shares, that translates into earnings per share of € 0.15 (0.15).

Business development: 1st half

CropEnergies' revenues in the 1st half of 2016/17, at € 349.7 (390.4) million, were significantly below the previous year's level. The decisive factor here was lower sales volumes, due, in particular, to a sharp reduction in the trade volume. In addition, based on the 1st half, revenues for bioethanol were also appreciably below the level achieved in the reference period.

The reduction in the trade volume and the simultaneous increase in sales of volumes produced internally, on the other hand, had a positive impact on the earnings situation. Lower raw material and energy prices countered the negative impact on earnings caused by the fall in sales prices. Overall, EBITDA increased to € 59.1 (56.8) million.

As a result, operating profit, at € 41.0 (39.7) million, also exceeded that achieved in the very successful previous year. Due to reduced revenues in particular, the operating margin improved to 11.7% (10.2%). Restructuring or special costs declined to € 6.4 (9.0) million due to the fact that the production plant in Wilton restarted. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, rose to € 34.8 (30.7) million.

The financial result was virtually unchanged at € -2.7 (-2.6) million, which meant that earnings before income taxes increased to € 32.1 (28.1) million. After taxes, the result is an improvement in net earnings, at € 22.0 (18.0) million, for the 1st half of 2016/17. Based on 87.25 million no-par-value shares, that translates into earnings per share of € 0.25 (0.21).

Statement of changes in financial position

€ thousands	1st half year	
	2016/17	2015/16
Gross cash flow	**44,310**	**40,941**
Change in net working capital	-18,146	16,554
Net cash flow from operating activities	**26,164**	**57,495**
Investments in property, plant and equipment and intangible assets	-5,650	-10,865
Cash received on disposal of non-current assets	41	39
Cash flow from investing activities	**-5,609**	**-10,826**
Cash flow from financing activities	**-20,485**	**-50,402**
Change in cash and cash equivalents due to exchange rate changes	-71	-2
Decrease in cash and cash equivalents	**-1**	**-3,735**

As a result of the higher EBITDA, cash flow increased to € 44.3 (40.9) million. Including the change in net working capital, cash flow from operating activities in the 1st half of 2016/17 amounted to € 26.2 (57.5) million.

Cash outflow from investing activities declined to € 5.6 (10.8) million overall, being almost entirely accounted for by investments in property, plant and equipment. The investments served, in particular, to make improvements in the production plants.

The receipt of financial liabilities amounting to € 5.2 (6.0) million was offset by scheduled repayments of € 12.6 (56.4) 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 € 20.5 (50.4) million.

Balance sheet structure

€ thousands	31 August 2016	31 August 2015	Change	29 February 2016
Assets				
Non-current assets	436,557	481,176	-44,619	459,788
Current assets	153,575	126,582	26,993	131,688
Total assets	**590,132**	**607,758**	**-17,626**	**591,476**
Liabilities and shareholders' equity				
Shareholders' equity	374,735	346,133	28,602	367,215
Non-current liabilities	99,232	120,465	-21,233	103,035
Current liabilities	116,165	141,160	-24,995	121,226
Total liabilities and shareholders' equity	**590,132**	**607,758**	**-17,626**	**591,476**
Net financial debt	58,282	103,481	-45,199	65,678
Equity ratio	63.5%	57.0%		62.1%

Non-current assets declined by € 44.6 million to € 436.6 million as of 31 August 2016, with fixed assets, in particular, decreasing by € 38.2 million to € 433.8 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 € 6.6 million to € 0.8 million. Furthermore, the interest in the entity consolidated at equity rose by € 0.2 million to € 1.9 million.

Current assets rose by € 27.0 million year over year to € 153.6 million, with inventories, in particular, increasing by € 14.3 million to € 53.9 million and trade receivables and other assets by € 10.6 million to € 85.7 million. This also includes the positive mark-to-market values from derivative hedging instruments of € 1.7 (0.1) million. Furthermore, cash and cash equivalents increased by € 2.1 million to € 8.0 million. Tax assets, at € 6.0 million, were virtually unchanged year over year.

Non-current liabilities decreased by € 21.2 million to € 99.2 million, with non-current financial liabilities, in particular, being reduced by € 19.0 million to € 47.0 million through repayments. In addition, other provisions decreased by € 8.3 million to € 7.6 million, while provisions for pensions and similar obligations increased by € 7.3 million to € 23.8 million. Deferred tax liabilities declined by € 1.1 million to € 20.5 million and other liabilities by € 0.1 million to € 0.3 million.

Current liabilities declined by € 25.0 million to € 116.2 million, with current financial liabilities, in particular, decreasing by € 24.1 million to € 19.3 million through repayments. By contrast, trade payables and other liabilities rose by € 1.7 million to € 73.7 million. This also includes the negative mark-to-market values from derivative hedging instruments of € 3.0 (7.5) million. In addition, current tax liabilities increased by € 1.3 million to € 10.3 million, while other provisions decreased by € 1.3 million to € 12.9 million.

On balance, **net financial debt** was significantly reduced to € 58.3 (103.5) million. Of the financial liabilities, € 47.0 million is due in the long term and € 19.3 million in the short term. Set against this, there are cash and cash equivalents of € 8.0 million.

Shareholders' equity rose to € 374.7 (346.1) million thanks to the pleasing earnings situation. That corresponds to an equity ratio of 63.5% (57.0%).

Report on events after the balance sheet date

Since 31 August 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.

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.

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 66 to 73 of the Annual Report for the 2015/16 financial year. The disclosures provided there are still valid.

Outlook

In the 1st half 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. A high degree of fluctuation in prices is also expected in the further course of the financial year, especially as prices had fallen as low as € 425/m³ for a short period at the beginning of September. Raw material prices below the previous year's level yielded some relief.

The technical modifications made over the past few months have been successfully tested in the test operation carried out on the bioethanol plant in Wilton since July 2016. These modifications particularly improve the plant's process stability and energy efficiency. This now creates the prerequisites for flexible operation of the CropEnergies Group's entire production capacity according to 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 € 670 and € 720 million (previously expected: € 640 to 700 million). On the assumption that bioethanol prices will continue to be volatile and below those achieved in the previous year, CropEnergies still expects EBITDA, adjusted for special items, to range between € 85 and € 115 million. Operating profit is expected to continue to range between € 50 and € 80 million, while 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 and the EU decisions to increase the proportion of renewable energies in the transport sector will ensure further market growth. 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	2nd quarter		1st half year	
	2016/17	2015/16	2016/17	2015/16
Income statement				
Revenues	**182,213**	**192,619**	**349,730**	**390,391**
Change in work in progress and finished goods inventories and internal costs capitalised	6,586	-4,510	-1,273	-17,206
Other operating income	2,492	896	3,439	2,899
Cost of materials	-141,175	-132,254	-254,073	-275,892
Personnel expenses	-8,167	-10,954	-16,665	-20,457
Depreciation	-10,752	-9,499	-20,302	-19,051
Other operating expenses	-12,182	-14,278	-26,206	-29,970
Income from companies consolidated at equity	71	-16	108	-19
Income from operations	**19,086**	**22,004**	**34,758**	**30,695**
Financial income	14	35	207	331
Financial expenses	-2,067	-1,416	-2,870	-2,956
Earnings before income taxes	**17,033**	**20,623**	**32,095**	**28,070**
Taxes on income	-3,917	-7,556	-10,078	-10,089
Net earnings for the period	**13,116**	**13,067**	**22,017**	**17,981**
Earnings per share, diluted/undiluted (€)	**0.15**	**0.15**	**0.25**	**0.21**

Table of other comprehensive income				
Net earnings for the period	**13,116**	**13,067**	**22,017**	**17,981**
Mark-to-market gains and losses*	-315	-1,804	3,142	-5,194
Foreign currency differences from consolidation	-3,178	-67	-1,972	79
Income and expenses to be reclassified in future in the profit and loss account	**-3,493**	**-1,871**	**1,170**	**-5,115**
Remeasurement of defined benefit plans and similar obligations*	-2,579	1,607	-2,579	1,607
Income and expenses not to be reclassified in future in the profit and loss account	**-2,579**	**1,607**	**-2,579**	**1,607**
Income and expenses recognised in shareholders' equity	**-6,072**	**-264**	**-1,409**	**-3,508**
Total comprehensive income	**7,044**	**12,803**	**20,608**	**14,473**

* After deferred taxes

Cash flow statement

€ thousands	1st half year	
	2016/17	2015/16
Net earnings for the period	22,017	17,981
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	20,302	19,051
Other items	1,991	3,909
Gross cash flow	**44,310**	**40,941**
Change in net working capital	-18,146	16,554
I. Net cash flow from operating activities	**26,164**	**57,495**
Investments in property, plant and equipment and intangible assets	-5,650	-10,865
Cash received on disposal of non-current assets	41	39
II. Cash flow from investing activities	**-5,609**	**-10,826**
Dividends paid	-13,088	0
Receipt of financial liabilities	5,221	6,000
Repayment of financial liabilities	-12,618	-56,402
III. Cash flow from financing activities	**-20,485**	**-50,402**
Change in cash and cash equivalents (Total of I., II. and III.)	**70**	**-3,733**
Change in cash and cash equivalents due to exchange rate changes	-71	-2
Decrease in cash and cash equivalents	**-1**	**-3,735**
Cash and cash equivalents at the beginning of the period	8,031	9,718
Cash and cash equivalents at the end of the period	**8,030**	**5,983**

€ thousands	1st half year	
	2016/17	2015/16
Interest expense	878	2,184
Tax payments	11,290	4,954

Balance sheet

€ thousands	31 August 2016	31 August 2015	Change	29 February 2016
Assets				
Intangible assets	9,783	10,072	-289	10,166
Property, plant and equipment	424,050	461,927	-37,877	442,605
Shares in companies consolidated at equity	1,876	1,709	167	1,768
Receivables and other assets	46	46	0	46
Deferred tax assets	802	7,422	-6,620	5,203
Non-current assets	**436,557**	**481,176**	**-44,619**	**459,788**
Inventories	53,891	39,554	14,337	56,845
Trade receivables and other assets	85,698	75,093	10,605	60,181
Current tax receivables	5,956	5,952	4	6,631
Cash and cash equivalents	8,030	5,983	2,047	8,031
Current assets	**153,575**	**126,582**	**26,993**	**131,688**
Total assets	**590,132**	**607,758**	**-17,626**	**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	89,638	61,036	28,602	82,118
Shareholders' equity	**374,735**	**346,133**	**28,602**	**367,215**
Provisions for pensions and similar obligations	23,798	16,462	7,336	19,414
Other provisions	7,548	15,817	-8,269	11,208
Non-current financial liabilities	47,006	66,046	-19,040	51,023
Other liabilities	333	428	-95	359
Deferred tax liabilities	20,547	21,712	-1,165	21,031
Non-current liabilities	**99,232**	**120,465**	**-21,233**	**103,035**
Other provisions	12,920	14,219	-1,299	14,559
Current financial liabilities	19,306	43,418	-24,112	22,686
Trade payables and other liabilities	73,688	71,973	1,715	65,115
Current tax liabilities	10,251	11,550	-1,299	18,866
Current liabilities	**116,165**	**141,160**	**-24,995**	**121,226**
Total liabilities and shareholders' equity	**590,132**	**607,758**	**-17,626**	**591,476**

Development of shareholders' equity

€ thousands	Subscribed capital	Capital reserves	Revenue reserves and other equity accounts: Revenue reserves	Cash flow hedges	Cumulative foreign currency differences	Total	Total consolidated shareholders' equity
1 March 2015	**87,250**	**222,764**	**15,921**	**16**	**5,709**	**21,646**	**331,660**
Net earnings for the period			**17,981**			**17,981**	**17,981**
Mark-to-market gains and losses on cash flow hedging instruments*				-5,194			
Foreign currency differences from consolidation					79		
Remeasurement of defined benefit plans and similar obligations*			1,607				
Income and expenses recognised in shareholders' equity			**1,607**	**-5,194**	**79**	**-3,508**	**-3,508**
Total comprehensive income			**19,588**	**-5,194**	**79**	**14,473**	**14,473**
Dividends paid			**0**			**0**	**0**
Other changes		**-24,917**	**24,917**	**0**	**0**	**24,917**	**0**
31 August 2015	**87,250**	**197,847**	**60,426**	**-5,178**	**5,788**	**61,036**	**346,133**
1 March 2016	**87,250**	**197,847**	**84,229**	**-6,097**	**3,986**	**82,118**	**367,215**
Net earnings for the period			**22,017**			**22,017**	**22,017**
Mark-to-market gains and losses on cash flow hedging instruments*				3,142			
Foreign currency differences from consolidation					-1,972		
Remeasurement of defined benefit plans and similar obligations*			-2,579				
Income and expenses recognised in shareholders' equity			**-2,579**	**3,142**	**-1,972**	**-1,409**	**-1,409**
Total comprehensive income			**19,438**	**3,142**	**-1,972**	**20,608**	**20,608**
Dividends paid			**-13,088**			**-13,088**	**-13,088**
31 August 2016	**87,250**	**197,847**	**90,579**	**-2,955**	**2,014**	**89,638**	**374,735**

* 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 August 2016 have been prepared according to the rules for interim financial reporting of IAS 34 (Interim Financial Reporting) 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 31 August 2016 are presented in a condensed form. The interim consolidated financial statements as of 31 August 2016 have not been reviewed. The executive board of CropEnergies AG prepared these interim financial statements on 26 September 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 31 August 2016, a discount rate of 1.55% was used as a basis for major pension plans when calculating the provisions for pensions and similar obligations; on 29 February 2016 and 31 August 2015, respectively, the discount rate was based on 2.24% and 2.50%.

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.

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 half year	
	2016/17	2015/16
Revenues	**349,730**	**390,391**
EBITDA*	**59,124**	**56,777**
EBITDA margin in %	*16.9%*	*14.5%*
Depreciation*	-18,094	-17,086
Operating profit	**41,030**	**39,691**
Operating margin in %	*11.7%*	*10.2%*
Restructuring costs and special items	-6,380	-8,977
Income from companies consolidated at equity	108	-19
Income from operations	**34,758**	**30,695**
Investments in property, plant and equipment and intangible assets	**5,650**	**10,865**
Employees	**405**	**411**

* Without restructuring costs and special items

EBITDA increased to € 59.1 (56.8) million. As a result, operating profit, at € 41.0 (39.7) million, also exceeded that achieved in the very successful previous year. Due to reduced revenues in particular, the operating margin improved to 11.7% (10.2%). Restructuring or special costs declined to € 6.4 (9.0) million due to the fact that the production plant in Wilton was restarted. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, rose to € 34.8 (30.7) million.

The capital expenditures amounting to € 5.7 (10.9) million were attributable almost entirely to property, plant and equipment. Of the total, € 2.5 million was invested at BioWanze SA and € 1.4 million each at CropEnergies Bioethanol GmbH and Ensus UK Ltd.

As of the end of the first six months of the 2016/17 financial year, the number of employees (full-time equivalents) stood at 405 (411). Of the 405 employees, 44 were employed at CropEnergies AG, 115 at CropEnergies Bioethanol GmbH, 121 at BioWanze SA, 46 at Ryssen Alcools SAS, 72 at Ensus Ltd and 7 at Ryssen Chile SpA.

Earnings per share

The net earnings of € 22.0 million in the 1st half of 2016/17 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 half of the 2016/17 financial year of € 0.25 (0.21); there was no dilution of earnings per share.

Inventories

€ thousands	31 August	
	2016	2015
Raw materials and supplies	15,317	14,426
Work in progress	3,726	3,048
Finished goods and merchandise	34,848	22,080
	53,891	**39,554**

Inventories increased by € 14.3 million to € 53.9 million, mainly due to the plant in Wilton being taken back into operation.

Trade receivables and other assets

€ thousands	31 August	
	2016	2015
Trade receivables	47,249	42,975
Receivables from affiliated companies	9,610	10,048
Other assets	28,839	22,070
	85,698	**75,093**

Trade receivables and receivables from affiliated companies increased slightly by € 3.8 million to € 56.9 million.

Other assets, amounting to € 28.8 (22.1) million, mainly consist of financial assets in the form of ring-fenced credits for hedges of € 9.3 (0.0) million, positive mark-to-market values of derivative hedging instruments of € 1.7 (0.1) million, non-financial assets in the form of VAT receivables of € 7.7 (8.5) million and receivables from advance payments of € 5.4 (11.0) million.

Shareholders' equity

Shareholders' equity rose to € 374.7 (346.1) 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 € 3.1 (-5.2) million.

Trade payables and other liabilities

€ thousands	31 August	
	2016	2015
Trade payables	40,874	33,457
Payables to affiliated companies	16,015	18,173
Other liabilities	16,799	20,343
	73,688	**71,973**

Trade payables and liabilities to affiliated companies increased by € 5.3 million to € 56.9 million.

Other liabilities, amounting to € 16.8 (20.3) million, mainly comprise financial liabilities in the form of negative mark-to-market values of derivative hedging instruments of € 3.0 (7.5) million as well as non-financial liabilities in the form of liabilities in respect of other taxes amounting to € 7.0 (7.1) million and liabilities in respect of personnel expenses of € 5.6 (4.8) million.

Financial liabilities

€ thousands	31 August	
	2016	2015
Liabilities to banks	9,274	4,875
Liabilities to affiliated companies	57,000	104,500
Liabilities from finance leasing	38	89
Financial liabilities	**66,312**	**109,464**
Cash and cash equivalents	-8,030	-5,983
Net financial debt	**58,282**	**103,481**

Net financial debt as of 31 August 2016 decreased to € 58.3 (103.5) million. This includes long-term financial liabilities of € 47.0 (66.0) million.

All financial liabilities to banks are short-term. Of the financial liabilities to affiliated companies of the Südzucker Group, € 47.0 (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.

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 € 9.3 (4.9) million as of 31 August 2016, with book values of € 9.3 (4.9) million, while the fair values of liabilities to affiliated companies amounted to € 57.5 (104.8) million as of 31 August 2016, with book values of € 57.0 (104.5) 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.

€ thousands	Fair Value Hierarchy							
	31 August 2016	Level 1	Level 2	Level 3	31 August 2015	Level 1	Level 2	Level 3
Positive market values – Cash flow hedge derivatives	33	0	33	0	51	0	51	0
Positive market values – Derivatives held for trading	1,679	1,673	6	0	0	0	0	0
Financial assets	**1,712**	**1,673**	**39**	**0**	**51**	**0**	**51**	**0**
Negative market values – Cash flow hedge derivatives	2,719	2,719	0	0	6,830	6,830	0	0
Negative market values – Derivatives held for trading	320	313	7	0	652	501	151	0
Financial liabilities	**3,039**	**3,032**	**7**	**0**	**7,482**	**7,331**	**151**	**0**

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. 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 half of the 2016/17 financial year involved supplies, especially raw materials and energy, by Südzucker AG amounting to € 16.5 (23.8) million. In addition, services worth € 1.8 (1.6) million and research & development work worth € 0.7 (0.9) million were provided.

Set against this, the CropEnergies Group received € 0.7 (0.6) million from Südzucker AG for supplies of goods. The CropEnergies Group incurred net interest expense of € 0.9 (2.0) million on intercompany lendings and borrowings.

As of 31 August 2016, there were receivables of € 0.7 (0.1) million outstanding from Südzucker AG and liabilities of € 5.5 (7.8) million outstanding to Südzucker AG in respect of the aforesaid related party transactions. Financial liabilities due to Südzucker AG amounted to € 26.0 (54.5) million.

Affiliated companies of Südzucker AG

The transactions with the affiliated companies of Südzucker AG in the 1st half of the 2016/17 financial year involved supplies, especially raw materials and traded commodities, amounting to € 28.8 (35.0) million. In addition, services worth € 0.6 (0.5) million were provided.

Set against this, the CropEnergies Group received € 34.5 (32.7) million from the affiliated companies of Südzucker AG for supplies of goods. In addition, the CropEnergies Group received compensation payments of € 0.4 (1.1) million and service revenues of € 0.2 (0.7) million.

As of 31 August 2016, there were receivables of € 8.9 (9.9) million outstanding from the affiliated companies of Südzucker AG and liabilities of € 10.5 (10.4) 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 € 31.0 (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 € 0.9 (0.7) million in the 1st half of 2016/17.

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

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Mannheim, 26 September 2016

CropEnergies AG

The Executive Board

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

Financial calendar

Report for the 1st to 3rd quarters of 2016/17	11 January 2017
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