



ANNUAL REPORT 2009/10



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



## CROPENERGIES AG MANNHEIM

Group Annual Report for 2009/10  
1 March 2009 to 28 February 2010

CropEnergies is one of the leading companies in the growth market for sustainably produced bioethanol in Europe. From grain and sugar beet, we produce energy in the form of bioethanol to be used as a petrol substitute. CropEnergies processes the co-products of the manufacturing of bioethanol into high-grade food and animal feed. With an attractive product portfolio, CropEnergies is the market leader in Europe in terms of manufacturing and marketing food and animal feed from bioethanol production.

**CROPENERGIES – FIRSHAND GROWTH.**

## CROPENERGIES – GROUP FIGURES OVERVIEW

IFRS/IAS		2009/10	2008/09	2007/08	2006/07	2005/06
<b>Result</b>						
Revenues	€ thousands	374,149	328,434	186,771	146,804	60,540
EBITDA	€ thousands	33,093	28,602	30,953	29,014	-7,371
in % of revenues	%	8.8	8.7	16.6	19.8	-12.2
Operating profit	€ thousands	11,917	18,193	22,025	21,036	-13,357
in % of revenues	%	3.2	5.5	11.8	14.3	-22.1
Income / loss from operations	€ thousands	9,434	7,134	16,987	18,607	-18,089
Net earnings (+) / loss for the year (-)	€ thousands	4,415	5,854	20,154	11,158	-31,722
in % of revenues	%	1.2	1.8	10.8	7.6	-52.4
Earnings per share	€	0.05	0.07	0.24	0.16	-0.53
<b>Cash flow and capital expenditures</b>						
Cash flow	€ thousands	17,848	10,096	26,031	27,110	-16,093
in % of revenues	%	4.8	3.1	13.9	18.5	-26.6
Capital expenditures in tangible assets*	€ thousands	33,843	170,110	146,644	42,434	8,710
<b>Balance sheet</b>						
Total assets	€ thousands	608,863	572,539	444,320	406,422	150,466
Net financial assets (+) / Net financial debt (-)	€ thousands	-215,434	-167,867	13,480	114,277	-130,449
Equity	€ thousands	311,686	308,619	303,771	282,203	1,032
in % of total liabilities and shareholders' equity	%	51.2	53.9	68.4	69.4	0.7
<b>Dividends</b>						
Dividend per € 1 share	€	0.05**	0.00	0.00	0.00	n. a.
<b>Production</b>						
Bioethanol	1,000 m <sup>3</sup>	603	436	247	229	104
<b>Employees</b>						
Employees (average during the year)		302	272	130	76	55

\*Including intangible assets

\*\*Proposed



## CONTENTS

Group figures overview	2
Company profile	4
Supervisory board and executive board	6
Foreword by the executive board	10
Supervisory board report	12
Share and capital market	16
<b>Management report</b>	<b>22</b>
Declaration on corporate management/Corporate governance report	22
Report on business operations	30
Group accounts, results of operations, financial position, assets and liabilities	42
Group revenues and earnings	42
Statement of changes in financial position	44
Balance sheet	45
Appropriation of profit	45
Research and Development	46
Employees	48
Investments	49
Disclosures pursuant to § 315 (4) HGB	50
Opportunities and risk report	51
Events after the balance sheet date	55
Outlook	55
<b>Consolidated financial statements</b>	<b>58</b>
Statement of comprehensive income	58
Cash flow statement	59
Balance sheet	60
Development of shareholders' equity	61
Notes to the consolidated financial statements for the financial year from 1 March 2009 to 28 February 2010	62
<b>Responsibility statement</b>	<b>99</b>
<b>Auditor's report</b>	<b>100</b>
<b>Glossary</b>	<b>101</b>
<b>Disclaimer</b>	<b>108</b>

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## CropEnergies AG Mannheim (Germany)

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- Leading producer and distributor of bioethanol in Europe with sites in Germany, Belgium and France
- Germany's largest bioethanol producer
- Annual capacity of over 700,000 m<sup>3</sup> of bioethanol
- Technological leader in Europe with innovative plant concepts
- Know-how in the industrial processing of agricultural raw materials into high-quality products and their marketing accumulated over many years
- **Attractive product portfolio:**
  - Bioethanol for fuel applications
  - Bioethanol for traditional and technical applications
  - High-grade food and animal feed co-products from bioethanol production
- Market capitalisation at the end of business year 2009/10: € 317 million
- Majority shareholder: Südzucker Aktiengesellschaft Mannheim/Ochsenfurt (71%)



### Best practice: Efficiency

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#### Zeitz, Germany

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##### Subsidiary

CropEnergies Bioethanol GmbH

##### Annual capacity

360,000 m<sup>3</sup> of bioethanol for fuel applications  
260,000 t ProtiGrain® (DDGS)

##### Raw materials

Grain and sugar syrups

##### Characteristic

Unique flexibility in raw material processing and efficiency in production



#### **Best practice: Sustainability**

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### **Wanze, Belgium**

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#### **Subsidiary**

BioWanze SA

#### **Annual capacity**

Up to 300,000 m<sup>3</sup> of bioethanol for fuel applications

Approx. 55,000 t of gluten

Over 200,000 t of ProtiWanze® (CDS)

#### **Raw materials**

Wheat and sugar syrups

#### **Characteristic**

Innovative CO<sub>2</sub>-optimised production process with reductions of 70% in greenhouse gas emissions by using biomass as energy source

#### **Best practice: Flexibility**

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### **Loon-Plage, France**

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#### **Subsidiary**

Ryssen Alcools SAS

#### **Annual capacity**

100,000 m<sup>3</sup> of bioethanol for fuel applications

80,000 m<sup>3</sup> for traditional and technical applications

#### **Raw material**

Raw alcohol

#### **Characteristic**

Focussing on flexibility in meeting customer requirements in terms of product specifications and supply volumes



## SUPERVISORY BOARD AND EXECUTIVE BOARD

### Supervisory board

**Dr. h. c. Eggert Voscherau (until 16 July 2009)**

*Chairman*

**Ludwigshafen**

*Chairman of the supervisory board of BASF SE*

**Dr. Theo Spettmann (from 16 July 2009)**

*Chairman*

**Ludwigshafen**

*Former spokesman of the executive board of  
Südzucker Aktiengesellschaft Mannheim/Ochsenfurt*

**Prof. Dr. Markwart Kunz**

*Deputy Chairman*

**Worms**

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

**Dr. Hans-Jörg Gebhard**

**Eppingen**

*Chairman of the Verband Süddeutscher Zucker-  
rübenanbauer e. V. (Association)*

**Thomas Kölbl**

**Mannheim**

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

**Franz-Josef Möllenberg**

**Rellingen**

*Chairman of the Gewerkschaft Nahrung-Genuss-  
Gaststätten (Union)*

**Norbert Schindler**

**Bobenheim am Berg**

*Member of Bundestag  
(lower house of German Parliament)*





## Executive board

### **Dr. Lutz Guderjahn**

*Chief Operating Officer (COO)*

#### **Offstein**

*Production, procurement, sales, marketing, public affairs, business development and personnel*

### **Joachim Lutz**

*Chief Financial Officer (CFO)*

#### **Mannheim**


*Finance, accounting, investor relations, controlling, risk management and administration*



*From left: Dr. Lutz Guderjahn, Joachim Lutz*


*A list of mandates can be found on page 94 onwards of the annual report.*

# For us, sustainable business growth means With exciting new chapters


A close-up photograph of a person's hand. The thumb is holding a small, dark brown, cylindrical pellet. The index and middle fingers are holding a small, clear glass test tube. The test tube has a white label with the words "BIO-ETHANOL" printed on it. The test tube contains a small amount of a light-colored liquid. The background is a soft, out-of-focus gradient of light blue and white.

**ProtiGrain** – high-quality dried and pelletised protein animal feed. ProtiGrain primarily replaces soy and rapeseed meal as feed for cattle, pigs and poultry.

# continuing a success story. ahead of us.



**ProtiWanze** – liquid animal feed for local markets. ProtiWanze mainly supplies cattle breeders in the region with high-grade protein.



**BeneoPro W** – dried wheat gluten with a protein content of over 80%. BeneoPro W is a top-quality food and animal feed for which there is growing worldwide demand.

In a pioneering move, we introduced ProtiGrain® as Europe's first brand-name DDGS (Distillers' Dried Grains with Solubles) onto the EU animal feed market in 2005. With the start-up of the bioethanol plant in Wanze, we successfully extended our product range by adding two attractive products to it. In the future, we will also supply the food industry in addition to the bioethanol and animal feed markets.



**CROPENERGIES – FIRSTHAND GROWTH.**

## FOREWORD BY THE EXECUTIVE BOARD

### Dear Shareholders,

the 2009/10 financial year was a year full of challenges for CropEnergies AG. The global financial and economic crisis resulted in low ethanol prices in the first half of the financial year. In autumn 2009, unscheduled repairs needed during the start-up of our new bioethanol plant in Wanze led to less bioethanol being produced there than planned. These two factors meant that we did not fully achieve our targets for the 2009/10 financial year. However, given a high degree of flexibility and decisive action, we succeeded in achieving profitable growth. We want you, Ladies and Gentlemen, to share in this development by distributing a dividend for the first time.

In the 2009/10 financial year, CropEnergies was not only able to further strengthen its market position as one of the leading biofuel producers in Europe and market leader in Germany, but we also took the necessary measures to secure the performance of the group in the longer term. Besides the repair and optimisation work in Wanze, this also included successful lobbying in the political field and public relations which contributed towards establishing more reliable framework conditions for bioethanol producers in Europe.

With the entry into force of the climate and energy package on 25 June 2009, the EU has created the basis for a dynamic market development of sustainably produced bioethanol. Renewable energies must cover 10% of the fuel requirements in the EU transport sector by 2020. If one takes a look at the share of bioethanol in the EU petrol market, which amounted to around 2.3% in 2009, the growth potential for renewable energies such as bioethanol is obvious. In addition to expanding existing markets, the climate and energy package will also give rise to new local markets, since biofuels are not as yet a significant component of the transport sector in some member states. Clarity about the path of growth and the short-term and medium-term effects on the bioethanol market in the EU will be provided in June 2010, when the member states have to submit their action plans for the promotion of renewable energies to the EU. However, it is clear that European producers with their modern plants will play a significant role in supplying the European market as the sustainability criteria that have been introduced mean that, in future, the high environmental and social standards prevalent in Europe will also have to be fulfilled by biofuel producers outside of the EU.

In Germany, the situation for bioethanol producers also improved in the past year after the new federal government stipulated the introduction of E10 in the Coalition Agreement. We expect E10 to be introduced in Germany in autumn 2010 and to be available throughout the country from spring 2011. This clears the way for raising the blending rates. Nevertheless, further measures will be needed to achieve the EU target of 10% of renewable energies in the transport sector in 2020. In a joint memorandum on 18 March 2010, the associations of the German biofuel industry proposed that the federal government introduce a "combined quota". This combines rising blending targets with rising greenhouse gas reduction quotas. We hope that this concerted action of the German biofuel associations will be effective and we will participate intensively in the political debate.

Uncertainty about the political environment in connection with global developments on the oil and biofuel markets, led to increased volatility in bioethanol prices and market participants faced major challenges. In contrast, the situation on the grain markets continued to ease, thanks to good harvests. Politicians and the general public realised that agriculture, especially in Europe, has the necessary capacity to deliver food, feed and fuel sustainably. Biofuel production is increasingly regarded as an opportunity not only to close the existing supply gap in fossil fuels by using European grain and sugar surpluses, but at the same time to reduce the demand for imports of vegetable proteins by processing the co-products into high-grade protein animal feed. We are also drawing attention to these positive effects of domestic bioethanol production in the political debate.

With its efficiently designed production plants, a logistics network that is unique in Europe and an attractive product portfolio, CropEnergies will benefit from the emerging developments on the relevant markets and continue the growth



course already taken. Customers in the mineral oil industry and in the animal feed industry value us as a reliable partner. That CropEnergies has achieved profitable growth in difficult times demonstrates our competitive edge. We will continue to consistently implement our business model which is geared towards economic and ecological sustainability along with our corporate strategy to develop future markets in our capacity as a European technology and cost leader.

In the past 2009/10 financial year, we succeeded in achieving good results especially in comparison with the sector as a whole. With an increase in bioethanol production by 38% to approx. 603 (436) thousand m<sup>3</sup>, CropEnergies was able to increase its output as in previous years. In particular, the reliability and efficiency of the production plant in Zeitz was a contributing factor. Bioethanol sales rose by 25% to approximately 601 (482) thousand m<sup>3</sup>. In addition to the increase in bioethanol sales, the recently started sale of gluten and ProtiWanze® had a positive impact on sales. Thus, at € 374.1 (328.4) million, group revenues exceeded the previous year's level by 14%. At the same time, EBITDA improved by 15.7% to € 33.1 (28.6) million. However, mainly as a result of higher depreciation following its commissioning and the start-up costs for the bioethanol plant in Wanze, group operating profit was below the previous year's level at € 11.9 (18.2) million.

After building up the CropEnergies Group over the past years, we are now in a position for the first time to share the unappropriated profit with our shareholders. The executive board and supervisory board will therefore propose to the annual general meeting to distribute a dividend of € 4.3 million or € 0.05 per share.

The focus in the 2010/11 financial year will be to further increase profitability and thus generate cash flows for financing further corporate growth. We will concentrate on the utilisation and optimisation of our production facilities. Our aim is to further increase efficiency and expand our technology and cost leadership in Europe. Furthermore, we will make use the market opportunities for our products and create added value. We will be stepping up our efforts to market the gluten produced in Wanze in the attractively priced food sector once the appropriate certifications have been obtained. Furthermore, we intend to expand our product range from the end of 2010 by producing liquid CO<sub>2</sub> in Zeitz and utilize a hitherto untapped co-product of bioethanol production. In order to secure our future success, too, we are conducting further research in the area of 2<sup>nd</sup> generation biofuels and in the use of bioethanol in fuel cells.

In the 2010/11 financial year, we will further increase the production and sales volumes of bioethanol, food and animal feed. As a result of this growth, we expect a significant increase in sales to more than € 400 million and an operating profit that will be more than double that of the previous year. Our aim is to tap the existing growth and optimisation potentials in 2010 and further expand our leading position among the listed biofuel producers.

The 2009/10 financial year placed great demands on our employees. Together with colleagues from the Südzucker Group, they have continued to take the CropEnergies Group forward with expertise and commitment. We would like to thank everyone concerned for their achievements.

We would like to thank you, dear shareholders, for the confidence you have shown us. Together with our motivated team, we will do everything in our capacity to advance the interests of CropEnergies.

**Yours sincerely,**

**Dr. Lutz Guderjahn**  
Chief Operating Officer (COO)

**Joachim Lutz**  
Chief Financial Officer (CFO)

## SUPERVISORY BOARD REPORT

### Dear Shareholders,

CropEnergies successfully used the growth of the European bioethanol market for renewable energies and further expanded its position in the European bioethanol market with growth in revenues of 14% to € 374.1 million. At the same time, it managed to set a further milestone for the company's long-term performance by commissioning an innovative new plant in Belgium. As a result of the start-up costs for the new plant and the doubling of depreciation, operating profit declined to € 11.9 (18.2) million. However, with an increase of € 4.5 million to € 33.1 million, EBITDA already reflects the positive trend. We are pleased that CropEnergies is now in a position for the first time to distribute a dividend from the net income.

The supervisory board concerned itself closely with the business development, the financial position and the prospects of the CropEnergies Group, and performed in full the duties assigned to it by law, the articles of association, and the rules of procedure. The supervisory board closely advised and supervised the executive board in the management of the company's affairs.

**Cooperation between the supervisory board and the executive board** | The supervisory board was directly involved in all decisions of fundamental importance relating to the CropEnergies Group, and was kept regularly informed in a timely and comprehensive manner about all relevant matters of corporate planning and strategic development, about the course of business, the position and development of the CropEnergies Group, including the risk situation, and about risk management. The executive board consults the supervisory board on the strategic orientation of the enterprise. The business transactions that are important for the company were discussed in detail on the basis of the reports of the executive board. Following thorough review and discussion, the supervisory board agreed to the resolutions proposed of the executive board.

The supervisory board chairman or his deputy had regular contact with the executive board between the supervisory board meetings and was kept regularly informed about all events of major importance and the current development of the company's position. The executive board also reported on corporate policy, profitability, and the corporate, financial, investment, research and personnel planning related to CropEnergies AG and to the CropEnergies Group.

**Supervisory board meetings and resolutions** | In all, five regular meetings of the supervisory board took place in the 2009/10 financial year. The focus of the deliberations at the supervisory board meetings were the developments on the raw materials and sales markets, the political framework conditions for biofuels, the progress of production and investments, and the current earnings situation. With one exception when a supervisory board member was not able to attend with good reason, all members of the supervisory board and the executive board attended all meetings.

At its annual account meeting on 19 May 2009 the supervisory board devoted its attention to the company's and the group's annual financial statements for 2008/09, issued with an unqualified opinion by the independent auditor, and the company's and the group's management report for 2008/09. After the report of the independent auditor regarding the focus and result of the audit, which also included the internal control system, and after detailed discussion, the supervisory board approved the company's and the group's financial statements. It also discussed the agenda of the annual general meeting on 16 July 2009. The investment budgets for the joint venture for the liquefaction of CO<sub>2</sub> in Zeitz and for BioWanze in Belgium were dealt with under the agenda item "Investments", and the short and medium-term investment plans were passed.



At the supervisory board meeting on the morning of 16 July 2009, the latest decisions of the European Union relating to the "Renewable Energies Directive", and the change to the biofuel quotas adopted by the German federal government formed the subject matter of the consultations. Furthermore, the current state of the market for raw materials and their hedging at CropEnergies was discussed within the framework of the reporting on risk management.

Following the annual general meeting on 16 July 2009, the supervisory board convened again and, after the resignation of Dr. h.c. Eggert Voscherau from the supervisory board, elected Dr. Theo Spettmann as the new chairman. He meets the criteria for "financial expert" in accordance with § 100 (5) AktG.

On 16 November 2009, the supervisory board devoted its attention to the progress of the capacity utilisation at CropEnergies in general and, in particular, with the reasons for the temporary repair-induced shutdown at the new Belgian plant. The earnings outlook for the current financial year was also presented. As in previous years, the focus at the November meeting was on the handling of Corporate Governance matters. The first and foremost priority was the new legislation (VorstAG and BilMoG) and its implementation at CropEnergies with modifications to the rules of procedure of the supervisory board. After presenting the results of the efficiency audit, the supervisory board adopted the declaration of conformity 2009.

The earnings projection was presented at the meeting on 20 January 2010. Furthermore, it was decided to align the variable executive board compensation with effect from 1 March 2010 to the company's sustainable development in accordance with the new statutory rules.

**Supervisory Board Committees** | The audit committee to which the supervisory board members Thomas Kölbl (Chairman), Prof. Dr. Markwart Kunz and, after the resignation of Dr. h.c. Eggert Voscherau on 16 July 2009, Dr. Theo Spettmann belong, convened five times in the 2009/10 financial year. In accordance with the recommendations of the German Corporate Governance Code, the chairman of the audit committee may not be chairman of the supervisory board at the same time.

At its meeting on 8 May 2009, the audit committee closely examined the financial statements of CropEnergies AG and the group in the presence of the independent auditor. It prepared the annual account meeting of the supervisory board during which the supervisory board, after being briefed by the chairman of the audit committee, accepted the recommendations of the audit committee. Furthermore, the audit committee submitted a recommendation to the supervisory board for its proposal to the annual general meeting concerning the election of the independent auditor. At its meeting on 16 July 2009, the audit committee mandated the independent auditor and defined the focus of the 2009/10 annual audit. The meetings on 3 July 2009, 2 October 2009 and on 11 January 2010 were reserved for the discussion of the six-month and quarterly reports, respectively.

The nomination committee convened on 21 April 2009 in order to discuss nominations for the forthcoming new election of a shareholder representative at the annual general meeting on 16 July 2009. The reason for this was the resignation of Dr. h.c. Eggert Voscherau, with the nomination committee proposing Dr. Theo Spettmann as his successor. The nomination committee consists of the supervisory board members Thomas Kölbl (Chairman), Prof. Dr. Markwart Kunz and until 16 July 2009 Dr. h.c. Eggert Voscherau and, after that time, Dr. Theo Spettmann.

In the year under review, all committees convened with all members present. The chairman of each committee reported on the content and results of the committee meetings at the next supervisory board meeting.



**Corporate Governance** | At its meeting on 16 November 2009 the supervisory board discussed the recommendations and proposals of the German Corporate Governance Code in its current version of 18 June 2009 and then passed the joint declaration of conformity by the supervisory board and executive board in accordance with § 161 AktG.

The supervisory board examined the efficiency of its activities on the basis of a questionnaire distributed to the members of the supervisory board in good time before the meeting. Among the issues examined were the procedures within the supervisory board, the flow of information between the audit committee and the supervisory board, and the timely and, in terms of content, adequate briefing of the supervisory board by the executive board. Measures to increase efficiency were also analysed.

No conflicts of interest arose in the reporting period.

Comprehensive information on corporate governance at CropEnergies, including the wording of the declaration of conformity for 2009 issued jointly by the executive board and supervisory board, can be found in the corporate governance report on page 22 of this annual report. Additionally, all the relevant information is available on the internet at [www.cropenergies.com](http://www.cropenergies.com).

The executive board fulfilled its duties to inform the supervisory board assigned to it by law and the rules of procedure in an exhaustive and timely manner. The supervisory board also convinced itself of the due and proper conduct of the company's affairs and the effectiveness of the company's organisation, and discussed these matters at length in talks with the independent auditor. Further, the supervisory board convinced itself of the effectiveness of the CropEnergies Group's risk management system, and was kept regularly informed about this by the executive board.

**Annual financial statements** | PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, which was elected by the annual general meeting at the proposal of the supervisory board, audited the annual financial statements and management report of CropEnergies AG for the 2009/10 financial year, the proposal of the executive board on the appropriation of the unappropriated profit, and the consolidated financial statements and the management report of the CropEnergies Group for 2009/10, and has issued an unqualified audit opinion in each case. Furthermore, the auditor has confirmed that the executive board has suitably complied with the measures that were incumbent upon it pursuant to § 91 (2) AktG. In particular, it has created an appropriate information and monitoring system in line with company requirements that appears suited to its purpose of identifying developments that could be a threat to the company's existence in good time.

The documents to be examined and the auditor's reports were distributed in good time to each supervisory board member. The independent auditor was present at the audit committee's meeting on 6 May 2010 and at the supervisory board's annual accounts meeting on 17 May 2010, and reported in detail on the procedures and findings of its audit. After detailed discussions the supervisory board has noted and agrees with the auditor's reports. The findings of the audit committee's prior review and the findings of the supervisory board's own review are fully consistent with the findings of the independent audit. The supervisory board raised no objections to the financial statements presented. It approved the annual financial statements of CropEnergies AG prepared by the executive board as well as the consolidated financial statements of the CropEnergies Group at its meeting on 17 May 2010.

With this, the annual financial statements of CropEnergies AG are adopted. The supervisory board agrees with the executive board's proposal that the unappropriated profit of CropEnergiesAG be used to distribute a dividend of € 0.05 per share.





**Related Parties** | In light of the notice given by Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) that, including the 71% shareholding held by Südzucker AG, it directly and indirectly holds a total of 78% of the voting rights, the executive board has drawn up a report pursuant to § 312 AktG which ends with its statement that the company received a reasonable consideration in all transactions in light of the circumstances known to it at the time the transaction was undertaken. The auditor has reviewed this report, has provided a written report on the results of its review, and confirmed that the actual facts set out in the report are correct, payments by the company in connection with legal transactions referred to in the report were not unduly high and no circumstances indicate any substantially different assessment than that given by the executive board.

The supervisory board has noted and agrees with the result of the auditor's examination. Following the conclusive results of its own examination – the auditor was present at the deliberations – the supervisory board raised no objections to the executive board's statement at the end of the report.

**Personalia** | There was a change in the composition of the supervisory board in the 2009/10 financial year. With the conclusion of the annual general meeting on 16 July 2009, Dr. h.c. Eggert Voscherau resigned from his post and Dr. Theo Spettmann (Diplom-Kaufmann) was elected as his successor to the supervisory board by resolution of the company's annual general meeting on 16 July 2009.

We would like to extend our thanks and recognition to Dr. h.c. Eggert Voscherau for his valuable advice and outstanding support as chairman of the supervisory board of CropEnergies AG, particularly during the early years of its establishment after the initial public offering in 2006.

The supervisory board thanks all the employees and the executive board for their commitment and successful work in the past 2009/10 financial year.

Mannheim, 5 May 2010

**On behalf of the Supervisory Board**

**Dr. Theo Spettmann**

**Chairman**

## SHARE AND CAPITAL MARKET

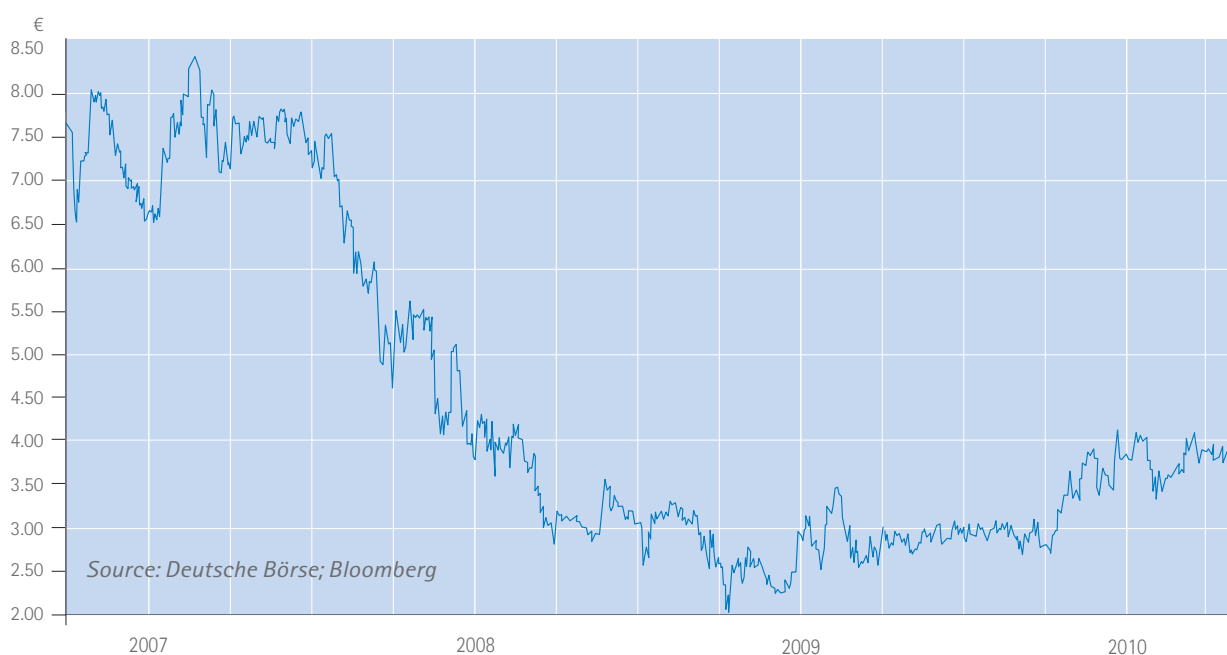
### Capital market environment

After corporate earnings and share prices plummeted, in part dramatically, around the globe in 2008 as a result of the financial and economic crisis, the unprecedented international economic stimulus programmes launched since then, government guarantees for banks as well as the massive provision of liquidity by the world's leading central banks have taken effect. From spring 2009, positive corporate news followed as leading economic indicators brightened again. After the enormous losses suffered in 2008, large US banks for instance were able to report high earnings again in the 1<sup>st</sup> quarter of 2009. This triggered a trend reversal on the equity markets. After the US DowJones Index had dropped 42% to around 7,100 points during the same period the previous year (1 March 2008 – 28 February 2009), it rose 53% to around 10,300 points during the reporting period. The German share index DAX®, which fell from 6,689 to 3,843 points during the same period the previous year and hit a five-year low in March 2009 with 3,666 points, improved in the period under review (1 March 2009 – 28 February 2010) by 51% to 5,598 points. The MDAX® and TecDAX® gained 66% and 86%, respectively.

### Performance of the CropEnergies share

Over the past two financial years, the share price of CropEnergies was far less volatile than the leading share indices. The share opened the 2009/10 year under review on 2 March 2009 at a price of € 2.54 and, after reaching a low for the year of € 2.51 on 9 March 2009, traded until into autumn within a price range of € 2.60 to € 3.00. CropEnergies attracted stronger interest again with reports of the increases in EBITDA and operating profit achieved in the course of 2009/10. Additionally, the again growing political commitment to renewable energies reflected, among other things, in the new German government's coalition agreement and at the climate summit in Copenhagen, drew greater attention towards CropEnergies. Subsequently, the share price gained significantly from mid-October 2009 onwards to touch its high for the financial year of € 4.14 on 8 January 2010.

At the end of the financial year on 28 February 2010, the share was trading at € 3.73, which was 43% above the closing price of the previous year. During the same period, the benchmark index, the Deutsche Börse DAX® subsector



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



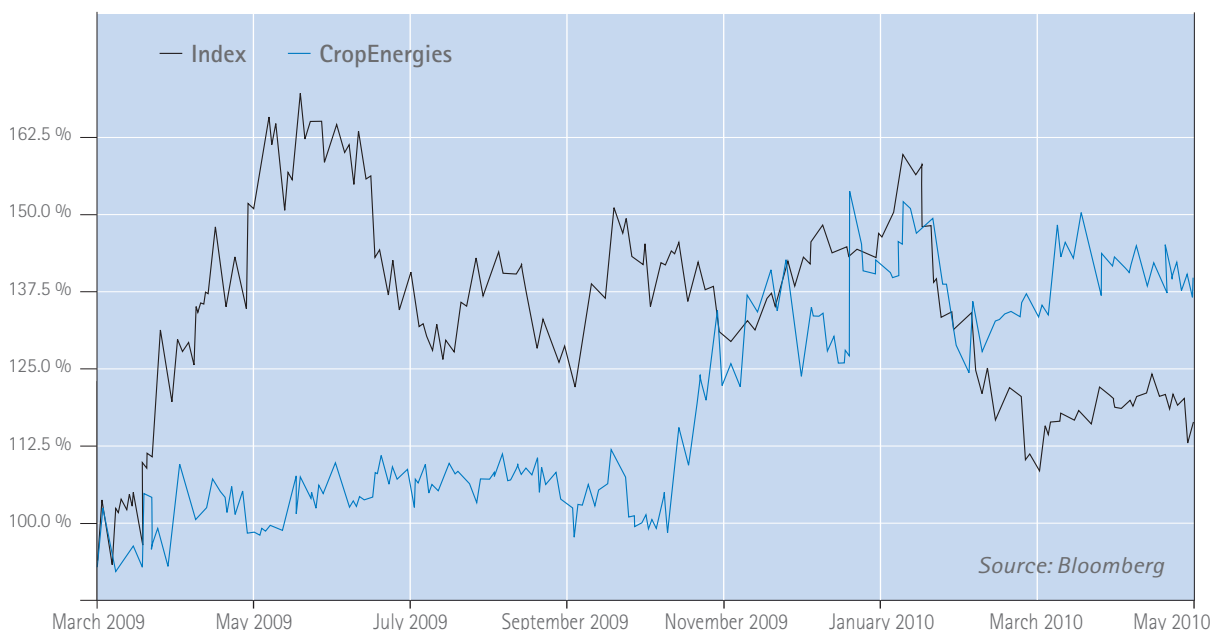
Renewable Energies, which includes all the shares from the "renewable energies" sector listed in the Prime Standard segment, gained only 10%.

### Stock exchange listing and shareholder structure

The CropEnergies share (ISIN DE000A0LAUP1) is listed in the official market (Prime Standard) on the Frankfurt Stock Exchange. The share is also traded in the XETRA® electronic trading system and in the open market at the stock exchanges in Frankfurt, Stuttgart, Düsseldorf, Hamburg, Munich and Berlin. Südzucker AG continues to hold 71% of the shares of CropEnergies AG and Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) 7%. No other significant shareholdings have been reported. The 2009 shareholder survey and an analysis of the published or reported shareholdings of institutional investors show that one-fifth of the free float of 22% is held by institutional investors and four-fifths by private investors. At the time of the annual general meeting in 2009, CropEnergies had approximately 16,000 depositors.

### Annual General Meeting 2009

About 600 shareholders attended the annual general meeting held on 16 July 2009 in the Rosengarten congress centre Mannheim, representing 82% of subscribed capital. Against the backdrop of the financial crisis, their interest in the discussion primarily related to the opportunities and risks of CropEnergies. Other topics were the capital structure and risk management system, the conditions for the growth market of "renewable energies", and the strategic positioning and future prospects of CropEnergies. The discussion was followed by resolutions on the ratification of the acts of the executive board and the supervisory board, the election of Dr. Theo Spettmann to the supervisory board, and the election of PricewaterhouseCoopers as independent auditor. The proposals put forward by the executive and supervisory boards were passed in each case by a majority of over 99% of the votes represented at the meeting.



Performance of the CropEnergies share versus the DAX® Renewable Energies Subsector Performance Index from 1 March 2009 until 30 April 2010



## Dividend proposal 2010

For the first time since the formation of CropEnergies AG in 2006, the company's earnings situation allows a dividend to be distributed. Consequently, the executive board and supervisory board will propose to the annual general meeting on 15 July 2010 to distribute a dividend in the amount of € 0.05 per share. With the subscribed capital divided into 85.0 million shares this results in a total dividend payout of € 4.3 million.

## Market capitalisation and turnover

CropEnergies AG's market capitalisation was € 317 (221) million as of the reporting date on 28 February 2010 (2009). This makes CropEnergies one of the world's largest companies in the bioenergy sector in terms of market capitalisation. In the past financial year, 7 (10) million CropEnergies shares were traded on all the German stock exchanges\*. This is equivalent to an average daily turnover of approximately 27,000 (40,000) shares.

## Investor Relations

CropEnergies is a growth company in the renewable energies segment. As the only listed European company focused on bioethanol, CropEnergies holds a key position in this capital market segment. Investors and analysts are not only interested in the company's operational development and its prospects and opportunities but also in the growth market of renewable energies and potential drive concepts. CropEnergies offers all interested parties an open and continuous dialogue. The main source for up-to date information is the website where amongst others the financial reports, press releases, the financial calendar and the latest capital market presentation are available. Upon request interested investors can receive current information by e-mail or post upon request. In addition, CropEnergies provides information in the form of interviews and technical papers, by attending at presentations, discussion forums and conferences as well as through conference calls to present the quarterly results. The Investor Relations department is available at any time for an exchange of information by phone.

CropEnergies has intensified its investor relations activities in the past financial year. In addition to the contacts with private investors, more than one hundred meetings took place with analysts and institutional investors. Furthermore, CropEnergies made presentations to a large audience during analyst conferences in Frankfurt and at capital market conferences in Frankfurt, Zurich and Munich. Roadshows in Vienna and London as well as numerous investor meetings in Mannheim supplemented the investor relations activities. In addition, CropEnergies organised a Capital Markets Day in Belgium in order to keep national and international investors and analysts informed about the course of business and, above all, to present the new plant in Wanze.

\*Source: Deutsche Börse AG, Stock Report



## Details

<b>CropEnergies AG</b>	
ISIN	DE000A0LAUP1
WKN	A0LAUP
Symbol	CE2
Class of Share	Bearer shares without par value
Prime Sector	Industrial
Industry Group	Renewables
Transparency Standard	Prime Standard
Market Segment	Regulated Market
Stock Exchanges	XETRA®, Frankfurt Open market: Stuttgart, Düsseldorf, Hamburg, München, Berlin
Number of Shares	85,000,000
Subscribed Capital	(€) 85,000,000
Authorized Capital	(€) 85,000,000
First Listed / IPO	29 September 2006
Shareholder Structure	Südzucker AG (71%), Süddeutsche Zuckerrüben- Verwertungs-Genossenschaft eG (7%), free float (22%)

## Key figures

		2009/10	2008/09
Financial year-end closing price	(€)	3.73 (26/02/2010)	2.60 (27/02/2009)
High	(€)	4.14 (08/01/2010)	3.82 (05/03/2008)
Low	(€)	2.51 (09/03/2009)	2.04 (10/10/2008)
Market capitalisation at financial year-end (in € million)		317	221
Average daily turnover (number of shares)		26,871	40,203
Earnings per share according to IAS 33	(€)	0.05	0.07

Source: Deutsche Börse AG, XETRA® data

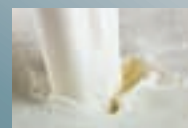
Our food and animal feed provide  
valuable stimuli to our business.

A competitive edge.





Our portfolio of high-quality food and animal feed coming from bioethanol production is unique in Europe. This reduces our dependency



on developments on the bioethanol and grain markets. With our protein animal feed ProtiGrain® we are able, for instance, to hedge the price of a third of the grain needed for the bioethanol production. This sets us apart from other bioethanol producers.

**CROPENERGIES – FIRSHAND GROWTH.**

## DECLARATION ON CORPORATE MANAGEMENT / CORPORATE GOVERNANCE REPORT

In this declaration, the executive board reports – also on behalf of the supervisory board – on corporate management at CropEnergies in accordance with § 289a (1) HGB. According to Paragraph 3.10 of the German Corporate Governance Code, statements regarding corporate governance are part of the declaration on corporate management. This and other information is published and regularly updated on the internet under Investor Relations/ Corporate Governance of the CropEnergies website at [www.cropenergies.com](http://www.cropenergies.com) which is continually updated.

With the publication of this declaration on corporate management/corporate governance report, CropEnergies takes into account the statutory provisions of the German Accounting Law Modernisation Act (BilMoG) and the Act on the Appropriateness of executive board Compensation (VorstAG) which entered into force in 2009 as well as the regulations of the German Corporate Governance Code revised in 2009.

Good corporate governance guarantees responsible and transparent corporate management that is geared towards long-term success. Its purpose is to promote the trust of shareholders and investors, the financial markets, business partners, employees and the general public, and thus create value on a sustainable, long-term basis. The executive and supervisory board of CropEnergies are committed to the principles of good corporate governance. With its listing in the Prime Standard, already since 2006, CropEnergies fulfils the highest transparency requirements on German stock exchanges. Compliance with the German Corporate Governance Code underlines the commitment to transparent corporate management.

### Declaration of conformity 2009

The executive board and the supervisory board of CropEnergies AG, Mannheim, passed a resolution on 16 November 2009 to issue the following declaration of conformity with the German Corporate Governance Code pursuant to § 16 AktG (Aktengesetz: German Stock Corporation Act):

“The annual general meeting of CropEnergies AG passed a resolution on 17 July 2007 to waive individual disclosure of executive board compensation for a period of five

years. CropEnergies AG complies (also in the future) with the recommendations of the 'Government Commission of the German Corporate Governance Code' in the code version of 18 June 2009 with the following exceptions:

Paragraph 3.8: at present, D&O insurance for the supervisory board does not contain any deductible in the amount of one and a half times the annual fixed compensation. The insurance agreement will be modified as of 1 March 2010.

Paragraph 4.2.1: The election of a chairman or spokesman is not necessary. The executive board of CropEnergies AG comprises two members. They manage the company on an equal footing – with clearly defined areas of responsibility.

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

Paragraph 5.4.6: We report supervisory board compensation according to fixed and performance-related components. There is no stock option plan at CropEnergies AG. The company does not comply with the Code's recommendation that supervisory board compensation should be reported individually. In our opinion, the associated encroachment on privacy is disproportionate to the benefits of such practice. The corporate governance report does not therefore contain any individualised information on supervisory board compensation.”

These and previous declarations of conformity by CropEnergies can be read on the website in the Investor Relations pages.

### Role of the executive board and supervisory board

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





The **executive board** is responsible for managing the company on its own responsibility. The members of the executive board share joint responsibility for management. The duties, responsibilities and procedural rules of the executive board are set out in its rules of procedure of 12 September 2006. The executive board of CropEnergies AG comprises two members. As a management board, it is personally responsible for managing the business of the company with the aim of creating sustainable value in the interests of the company. The executive board of CropEnergies keeps the supervisory board regularly, promptly, and extensively informed in writing as well as at its regular meetings about the planning and development of its business operations and the position of the group as well as risk management and compliance. Certain key business transactions (investment projects, property transactions, investments and long-term financing) are subject to the approval of the supervisory board. In the case of significant events, an extraordinary meeting of the supervisory board is convened when necessary.

The **supervisory board** appoints, monitors, and advises the executive board and is directly involved in key decisions. It receives reports about corporate planning at least once a year. The supervisory board passes resolutions on the structure of the compensation system for the executive board together with the key contractual components and reviews it on a regular basis. The chairman coordinates the activities of the supervisory board and represents the interests of the supervisory board externally. The supervisory board meets without the executive board if necessary. In order to fulfill its duties, the supervisory board can entrust auditors, legal consultants and other internal and external consultants at its own discretion. The duties, procedures and committees of the supervisory board are defined in its rules of procedure. The supervisory board of CropEnergies, which comprises six members, is solely composed of shareholder representatives pursuant to § 96 (1) and § 101 (1) AktG. In accordance with the recommendations of the Code, supervisory board election was performed on an individual basis. When drawing up the list of nominees, emphasis on knowledge, skills and professional experience required to the exercise of the duties and on diversity in its composition have been put. None of CropEnergies supervisory board members had

previously been CropEnergies executive board member. The board comprises a sufficient number of independent members having no commercial or personal relationship to the company or its executive board. The term of office of the supervisory board is five years, the current term of office ends with the annual general meeting in 2012.

The composition of the supervisory board was subject to the following changes in the 2009/10 financial year: In place of Dr. h.c. Eggert Voscherau, who resigned from his post at the end of the annual general meeting on 16 July 2009, the annual general meeting elected Dr. Theo Spettmann as his successor until the end of the current term of office. The supervisory board then elected Dr. Theo Spettmann as chairman of the supervisory board. As an independent member of the supervisory board, Dr. Theo Spettmann has expertise in the areas of accounting and auditing and thus meets the criteria for "financial expert" pursuant to § 100 (5) AktG.

With the audit committee the supervisory board has formed committees and nomination committee which prepare and supplement its activities. The committees each consist of three members in each case. The duties of the two committees are based on the supervisory board rules of procedure of 16 November 2009, and of 17 July 2007 for the audit committee, respectively.

The **annual general meeting** is the highest constitutive body of a stock corporation. The owners of the company, the shareholders, meet at the annual general meeting at least once a year to make basic decisions regarding the company. These include, for instance, the appointment of supervisory board members, the appropriation of unappropriated profit, the formal approval of the actions of executive board and supervisory board members, the appointment of the independent auditor, amendments to the articles of association and capital measures. The annual general meeting takes place in the first eight months of the financial year. The shareholders who have registered in time and have proven through their custodian bank or financial services institute that they were holders of CropEnergies shares at the relevant record date are entitled to attend the annual general meeting and exercise their voting right. The shareholders can have their voting rights



exercised by an authorised representative at the annual general meeting, e.g. through proxies appointed by the company acting strictly in accordance with the instructions issued by the shareholder. Before the annual general meeting, CropEnergies publishes the invitation together with the conditions of participation and all reports and information required for passing resolutions in accordance with the provisions of the German Stock Company Act in the relevant media and on its website in a timely manner. The 2010 annual general meeting will take place in Mannheim on 15 July 2010. Each CropEnergies' share confers the same rights. The company does not hold any own shares. Further information on the company's share capital and the terms and conditions of the shares can be found on page 50 (information pursuant to § 315 (4) HGB).

### Financial reporting and independent audits

The consolidated financial statements of CropEnergies are drawn up according to the International Financial Reporting Standards (IFRS) which apply in the EU. The individual financial statements of CropEnergies AG are drawn up in accordance with the German Commercial Code (HGB). Both sets of financial statements are prepared by the executive board and audited by an independent auditor elected by the annual general meeting, the audit committee and the supervisory board and are approved by the latter. The audits are conducted in accordance with German auditing rules and in compliance with the generally accepted standards for the audit of financial statements laid down by the German Institute of Auditors. The International Standards on Auditing were also adhered to. They also include the early risk detection system and the discharge of reporting obligations with respect to corporate governance pursuant to § 161 AktG. Furthermore, the contract of the independent auditor stipulates that the supervisory board must be kept closely informed about any possible reasons for exclusion or prejudice, and about key findings and events arising during the audit. There was no reason to do this in the course of the audits for the 2009/10 financial year. The interim reports and the six-month financial report are discussed by the audit committee with the executive board prior to publication. Auditing costs in the amount of € 149 (139)

thousand were incurred in the 2009/10 financial year for the services of the group auditor, PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, for the audit of the consolidated financial statements as well as for the audit of the separate financial statements of CropEnergies AG and its domestic subsidiary CropEnergies Bioethanol GmbH.

### Compensation report

In the compensation report, CropEnergies discloses the level and structure of the compensation paid to the executive board (paragraph 4.2.5 of the Code) and the supervisory board (paragraph 5.4.7 of the Code). CropEnergies AG waives individualised disclosure of executive board and supervisory board compensation as the associated encroachment on privacy is out of reasonable proportion to the benefits. The annual general meeting on 17 July 2007, passed a resolution not to disclose individualised information on executive board compensation for a period of five years by a large majority (opting out). The decision to waive individualised disclosure of supervisory board and executive board compensation was reflected in the declaration of conformity.

### Executive board compensation

Executive board compensation is determined by the supervisory board and is reviewed at regular intervals. The compensation consists of

1. a fixed annual salary,
2. annual variable compensation, depending on a) the operating profit generated by the CropEnergies Group in 2009/10, and b) the achievement of agreed targets,
3. non-monetary benefits mainly in the form of a company car for business and private use and contributions to social insurance as well as
4. a company pension scheme, based on a percentage of the fixed annual salary.



Share-based compensation components or stock option plans do not exist.

Total compensation for the group executive board for the 2009/10 financial year amounted to € 0.6 (0.6) million, with the fixed annual salary accounting for € 444 (420) thousand. The variable compensation was € 147 (131) thousand plus a subsequent payment for the previous year in the amount of € 23 thousand. € 41 (38) thousand was paid in the form of non-monetary benefits and social insurance contributions.

In adjustment to the provisions of the VorstAG, the executive board contracts were aligned to the company's sustainable development as from 1 March 2010, with the performance-related part of the variable compensation being based on an assessment spanning several years. Here, the average operating result of the CropEnergies Group for the past three financial years is taken as the basis in each case. The 2010/11 financial year is the first reference year so the rule will take full effect as from the 2012/13 financial year.

In order to meet pension commitments for the executive board, € 504 (121) thousand were allocated to the pension provisions mainly as a one-time effect.

### Supervisory board compensation

The compensation of the supervisory board is set out in § 12 of the articles of association of CropEnergies AG. In accordance with the recommendations of the German Corporate Governance Code (paragraph 5.4.6), members of the supervisory board also receive performance-related compensation, in addition to fixed compensation, at the rate of € 1 thousand for each € 0.01, or part thereof, by which the dividend paid per share exceeds € 0.20. Chairmanship and membership of the supervisory committees are compensated separately. In the past 2009/10 financial year, each member of the supervisory board received a fixed compensation of € 20 (20) thousand in addition to the reimbursement of their out-of-pocket expenses and the value-added tax incurred for their supervisory board activities. The chairman receives double and his deputy one-and-a-half times this compensation. The fixed compensation increased

by 25% for each membership of a supervisory board committee; the rate of increase is 50% for the chairman of a committee. There was no variable compensation.

The compensation for the entire activities of the supervisory board members of CropEnergies AG amounted to € 190 (170) thousand for the 2009/10 financial year.

### Financial loss liability insurance (D&O insurance)

The company has taken out financial loss liability insurance with a deductible which incorporates cover for the activities of the members of the executive board and the supervisory board (D&O insurance). § 93 (2) AktG, which has been amended by the Act on the Appropriateness of Executive Board Compensation (VorstAG), provides that the deductible for executive board members must amount to at least 10% of the loss to at least the level of one-and-a-half times the fixed annual compensation. CropEnergies has adjusted the previously existing deductible rule for the members of the executive board accordingly as from 1 March 2010. With respect to a suitable deductible for supervisory board members, the German Corporate Governance Code recommends in its current version (June 2009) a similar ruling. CropEnergies implemented this recommendation with effect from 1 March 2010.

### Deals in company shares by members of the executive board and supervisory board (Directors' Dealings and Directors' Holdings)

Pursuant to § 15a WpHG (German Securities Trading Act) the purchase and sale of company shares by the company's directors, and parties closely associated with them, must be reported if the total sum of the transactions exceeds € 5 thousand in a calendar year. In the past 2009/10 financial year, the executive board member Joachim Lutz (CFO) purchased a total of 2,400 shares at a price of € 3.67 per share. The transaction volume amounted to € 8,808. CropEnergies published the purchase Europe-wide via various financial media and on its own website under the Investor Relations heading. The members of the executive board held a total of



23,000 CropEnergies AG shares as of 28 February 2010. This is equivalent to 0.02% of all CropEnergies shares. At the reporting date, the members of the supervisory board held a total of 800 shares of CropEnergies AG.

### Risk management

The responsible handling of business risks is one of the principles of good corporate governance. Comprehensive group-wide and company-specific reporting and control systems are available to the executive board of CropEnergies and management enabling them to identify, analyse and manage these risks. The systems are continually refined and extended, and adjusted to the changing framework conditions. The executive board keeps the supervisory board closely informed about current risks and their development. The audit committee is especially concerned with monitoring the financial reporting process, the effectiveness of the internal control system, risk management and the internal auditing system as well as the auditing of the financial statements. Details on risk management at CropEnergies are outlined in the opportunity and risk report on page 51.

### Transparency and communication

CropEnergies keeps the participants on the capital market and an interested general public regularly, closely and promptly informed about the business situation and major news of the group. This takes the form of both annual and quarterly reports, press releases and ad hoc announcements when necessary. Thus, CropEnergies published the information on 28 October 2009 about the effects of a delay in the capacity expansion in Belgium.

All information is published simultaneously German and English and is published in printed form and via suitable electronic media such as e-mail and internet. In addition, there are the annual results press and analysts' conference as well as the participation at various specialist and capital market conferences in Germany and abroad. All announcements, the latest capital market presentation as well as forthcoming regular publication dates (financial calendar) are published on the Investor Relations pages on our website [www.cropenergies.com](http://www.cropenergies.com).

### Compliance

For CropEnergies, compliance, in other words conduct in conformity with law, is a self-evident standard of good corporate management. Its object is to ensure the lawful conduct of the company, its executive bodies and its employees in respect to the obligations and prohibitions. The aim is to encourage employees to comply with laws and to offer them assistance in ensuring compliance with legal requirements and company specific rules. As a member of the Südzucker Group, CropEnergies took over the Compliance Business Values and Principles of Südzucker in an adequate form. Thus the Südzucker Group's compliance principles have been incorporated and integrated within the various compliance-relevant areas and functions. The objective is to ensure that the aforesaid principles are enforced throughout CropEnergies and the entire Südzucker Group using the existing reporting procedures and information flows at the level of group functions. The main focuses of the Compliance Business Values and Principles applicable at the group level are capital market compliance (especially insider rules and ad-hoc disclosures), risk management and the prevention of corruption. Integrity of employees always forms a basis for good compliance. For CropEnergies it is self-evident that all measures are compliant with employees' data protection rules.

### Principles of corporate management

#### Compliance Business Values and Principles

On 9 November 2009, the executive board of CropEnergies AG has taken over the Compliance Business Values and Principles adopted in April 2009 by the executive board of the Südzucker AG to ensure compliance in the Südzucker Group and sent them to the employees for attention and notice. For CropEnergies they apply in the following form:

1. Fairness in competition: CropEnergies relies on fair competition without restrictions and strictly comply with anti-trust law.
2. Integrity in conduct of business: No tolerance for corruption. Presents and invitations from suppliers or service providers have to be adequate to the



business relationship. Such benefits have to be specifically approved by the respective line manager. This applies to all employees dealing with procurement issues. The same principles apply vice versa for all employees in sales departments in regard to customer relationships.

3. Principles of sustainability: CropEnergies is aware of its responsibility to protect the environment as well as the health and safety of people inside and outside of the company.
4. Compliance with legislation: All relevant national and international regulations have to be observed.
5. Protection of equal opportunities in securities trading: All employees are obliged to keep insider information with potential stock market price relevance confidential.
6. Proper record of documents: Business processes have to be adequately documented within an internal control system. Complete and correct record of accounting information has to be assured through controls.
7. Correct and transparent financial reporting: CropEnergies relies on an open and transparent financial reporting through application of international accounting standards in order not to discriminate any party.
8. Fair and respectful working conditions: All employees are expected to treat colleagues and third parties kindly, objective, fair and respectful. Any discrimination is not tolerated.
9. Protection of our know-how advantage and respect of third party proprietary rights: Company secrets must not be passed on to third parties or made public. Also, third party industrial property rights must be respected.
10. Segregation of company and private interests: At any time, all employees have to segregate private interests and company interests. Also in case of

decisions regarding personnel or third party business contracts, only objective criteria will apply.

11. Cooperating dealing with authorities: CropEnergies' ambition is to apply an open and cooperative relationship with relevant authorities. Information shall be provided in complete, accurate, coherent and timely form.

The implementation of these principles needs to take country-specific features into account: Access to necessary sources of information as well as advisory services are offered to all employees in order to avoid violation of laws and regulations. Any line manager has to organise its sphere of responsibility in order to safeguard compliance with the Compliance Business Values and Principles, laws and internal rules. The Compliance Officer and the Compliance Delegates assure a timely information flow within CropEnergies Group. Amongst others, they are responsible for training and investigation of compliance incidents. All employees are obliged to report violations of the Compliance Business Values and Principles.

#### **Sustainability and environment**

Sustainability is the business model pursued by CropEnergies AG. As one of the leading European suppliers of bioethanol from renewable raw materials, for CropEnergies sustainability is the prerequisite for company performance and therefore an essential part of its corporate philosophy. The aim of CropEnergies' sustainability strategy is to align ecology, economics and social responsibility.

CropEnergies processes natural, renewable raw materials such as sugar syrups from sugar beet and grain into bioethanol and into high-grade food and animal feed products. Statutory provisions and stringent sustainability criteria ensuring a resource-saving approach to the natural environment along the entire value chain, from the cultivation of the biomass to the industrial processing, and culminating in the products, apply to the production of bioethanol for the fuel sector and the cultivation of the raw materials required for that purpose. CropEnergies not only wishes to fulfill the statutory requirements, but also to exceed them at all stages of the value chain.



The agrarian raw materials used by CropEnergies are derived from European production and fulfill the principles of "cross compliance" that are mandatory for agricultural production methods in the EU. These principles contain environmental safety requirements for agriculture that guarantee the sustainable cultivation of agricultural raw materials. Specific sustainability criteria for biofuels also ensure that the cultivation of biomass for producing bioenergy is not extended to sensitive areas such as first-growth forests (rainforest) or at the expense of biodiversity. For CropEnergies, resource-saving approach to the natural environment also means that the entire raw materials used must be processed into high-grade products.

CropEnergies produces bioethanol, a renewable and climate-protecting fuel replacing fossil fuels in the transport sector, in a sustainable manner from carbohydrates contained in the raw materials. Corresponding EU directives require that reductions of at least 35% CO<sub>2</sub> compared with the use of conventional fuels needs to be realised across the entire value chain. Furthermore, CropEnergies processes the components contained in the raw materials that are not required for bioethanol production into food and animal feed products, thus reducing the supply gap for vegetable proteins in Europe. As a consequence, this reduces not only the demand for imports of soy meal but also the area required for soy cultivation in other regions of the world.

In 2010, CT Biocarbonic GmbH, a 50/50 joint venture between CropEnergies and the Tyczka Group, will set up a plant in Zeitz for liquefying CO<sub>2</sub>. The biogenic CO<sub>2</sub>, produced by the fermentation of grain and sugar into bioethanol, will be processed for the food industry among others. In this way, CropEnergies improves the CO<sub>2</sub> balance of the plant in Zeitz and also increases its profitability.

In terms of production, CropEnergies is characterized by its efficient production processes and modern energy generation. Cogeneration and energy recycling result in above-average levels of efficiency. At the bioethanol plant in Wanze, Belgium, a large part of the electricity and thermal energy required is generated in a biomass boiler – the first of its kind so far in the world – using the bran from the delivered wheat grain. The biomass power plant is also distinguished by its high thermal efficiency and availability and a state-of-the-art flue gas purification system. With CO<sub>2</sub> reductions of 70% compared to fossil, the bioethanol produced in Wanze sets new standards fuels in the production of grain-based bioethanol and goes well beyond the requirements of the EU directives.

Additionally, in terms of logistics, CropEnergies is also responsible vis-à-vis the environment. The plants in Zeitz and Wanze are located in the vicinity of large grain growing areas and sugar factories, resulting in short transport distances for the supply of raw materials and thus less environmental pollution. The same applies to the distribution of the products manufactured at these plants. These products are mostly delivered by ship and rail, and are therefore environmental friendly.

The business model of CropEnergies is based on creating value through sustainable business activity. Thus CropEnergies focuses on a strategy of value-oriented, profitable growth which serves as the basis for funding further investment and research projects to create top-quality products, environmental friendly manufacturing processes and to open up new markets.

For CropEnergies, socially sustainable business activity is an integral part of its corporate identity. The assumption of social responsibility at all hierarchical levels is ensured by highly motivated and responsible employees and



high standards. As a member of the Südzucker Group, CropEnergies fulfills the high standards of an international group. Minimum standards apply in the areas of human rights, education and training, health and safety, payment and working conditions, restructuring, and relations between social partners.

Mannheim, 5 May 2010

CropEnergies AG

Executive Board

Dr. Lutz Guderjahn

Joachim Lutz



## REPORT ON BUSINESS OPERATIONS

### Developments on the world market for bioethanol

**Ethanol production** | In 2009, world production of bioethanol rose by 7.6% versus 2008 from 81.1 million m<sup>3</sup> to 87.3 million m<sup>3</sup>. The growth was attributable to the increased production of bioethanol for applications in the fuel sector. In all, 73.9 (66.2) million m<sup>3</sup> of bioethanol, and thus 84.7% of total production, was produced for the fuel sector. First estimates for 2010 anticipate growth to over 96.8 million m<sup>3</sup>. The actual development of world production will depend decisively on developments on the raw materials markets. Due to the comfortable supply situation on the global grain markets and the currently high sugar prices, market observers expect production increases especially in countries located in the Northern hemisphere.

The USA significantly expanded its position as the world's largest producer of bioethanol, increasing production by 12.9% to 41.1 (36.4) million m<sup>3</sup>. Owing to an ongoing consolidation process and a positive margin development, production in the USA increased, particularly during the second half of the year. In Brazil, production in 2009 remained virtually constant at 27.2 (27.1) million m<sup>3</sup>. In the second half of 2009, there were weather-related delays in the sugar cane harvest due to heavy rainfall which had a negative impact on the quality of the sugar cane. Since the share of the sugar cane used to produce sugar increased significantly as a result of the high sugar prices, the Brazilian Ministry of Agriculture expects ethanol production to decline for the first time since 2000/01 by 3.1 million m<sup>3</sup> to 24.5 million m<sup>3</sup> in the 2009/10 sugar year.

In the EU, ethanol production grew by 30% to 6.0 (4.6) million m<sup>3</sup>. In line with the global trend, this growth was driven by the increasing use of bioethanol in the fuel sector, which accounted for 3.9 million m<sup>3</sup>, or 66%, of the bioethanol produced in the EU. As in the previous year, the growth is largely attributable to higher production volumes in France. There were also significant increases in production in Belgium, Germany, and Austria. Market observers expect overall production of approximately 7.0 million m<sup>3</sup> of bioethanol in the EU for 2010.

As blending rates rise, bioethanol is being increasingly blended with petrol directly. On the other hand, the use of

bioethanol for the production of the octane booster ETBE is becoming less important in the European fuel sector. In Germany, a total of 885,000 m<sup>3</sup> of bioethanol was used for direct blending in 2009, which is 176% more than in the year before. The use of bioethanol in the octane booster ETBE declined by 45% to 202,000 m<sup>3</sup>. Despite the relatively low petrol prices in the 1<sup>st</sup> quarter of 2009, primarily as a result of the economic and financial crisis, E85 sales in Germany increased by 5.9% over the previous year.

**Ethanol prices** | In the USA, futures contracts for bioethanol are currently traded on the Chicago Board of Trade (CBOT) and the New York Mercantile Exchange (NYMEX). Futures contracts for bioethanol have been traded on the CBOT since the beginning of 2005. Since the expiry of the February 2009 ethanol futures, no ethanol futures have been quoted on BM&FBOVESPA (merger of Bolsa de Mercadorias & Futuros and Bolsa de Valores de São Paulo) in Brazil. Therefore, the Brazilian price level can currently only be determined on the basis of market observations.

After ethanol prices in Brazil reached a low at 335 US-\$/m<sup>3</sup> at the beginning of the 2009/10 financial year, they recovered during the reporting period and climbed to 675 US-\$/m<sup>3</sup> by the end of February 2010. The reason for this sharp price increase was primarily attributable to a tight supply situation on the Brazilian domestic market, with declining supply but dynamic growth in demand. The rise in the consumption of fuel ethanol in 2009 by 16.5% to approximately 22.8 million m<sup>3</sup> is attributable to the growing popularity of Flexible Fuel Vehicles (FFVs). 40% of the vehicle fleet in Brazil now consists of FFVs, FFVs account for 88% of new registrations.

In the USA, ethanol prices hovered for the most part around the 1.60 US-\$/gallon\* mark from March to mid-September 2009 and then rose to around 2.15 US-\$/gallon in December 2009 as a result of the comparatively tight supply situation. The reason for this price increase was a significant pick-up in demand for bioethanol, with the demand for fuel bioethanol reaching a new record high of about 1 billion gallons in October 2009. The supply side was only able to respond to this increase in demand with some delay, because several companies in the US

\* 1 gallon corresponds to 3.7854 litres.





bioethanol industry were in the midst of a restructuring process and only began producing bioethanol again later in the year. The resulting excess demand could only be met to a limited extent through imports. Direct exports of ethanol from Brazil to the USA fell by approximately 82% in 2009 versus the previous year, because more attractive prices were achieved both in Brazil and other export destinations. At the end of the 2009/10 financial year, the one-month futures contract was trading at 1.70 US-\$/gallon on CBOT.

In Europe, there are no comparable futures markets for ethanol as yet. European market prices are therefore usually influenced by the market prices in Brazil, the world's most important exporter of bioethanol, allowing for exchange rates plus applicable freight costs and customs duties. However, with the growth in European production capacities and rising blending targets, price levels in Europe are also influenced increasingly by local market conditions. In view of the market conditions in Brazil and the attractiveness of alternative export destinations for Brazilian suppliers, this development was reinforced in 2009 by declining Brazilian exports to the EU (-34.2%).

At the beginning of the 2009/10 financial year, European bioethanol prices continued their downwards trend at first and reached a low of around 420 €/m<sup>3</sup> in mid-April 2009 after 468 €/m<sup>3</sup> at the beginning of March. Prices then recovered and had climbed to 580 €/m<sup>3</sup> by the end of January 2010, because there were supply shortages due to capacity shutdowns at European production plants and reduced ethanol exports from Brazil. Ethanol prices were also supported by higher petrol prices on signs of a slight recovery of the world economy and higher blending targets in several European countries. The moderate grain price level and expectations of new large plants coming on stream in the EU resulted in bioethanol prices falling to 500 €/m<sup>3</sup> by the end of February 2010.

## Developments on the raw material and animal feed markets

**Grain markets** | The harvest estimates of the US Department of Agriculture (USDA) suggest a good grain supply situation around the world. According to the estimate of 9 April 2010, the USDA forecasts a world

grain production (excluding rice) of 1,781 million tonnes for the 2009/10 harvest, which is only marginally below the record harvest of the previous year. This means the grain harvest would exceed estimated consumption, which the USDA puts at 1,754 million tonnes (+2.2%), for the third year running, thereby increasing world grain stocks by 7.7% to 386 million tonnes.

In the EU, the harvest in the 2009/10 grain year was above-average at 290 million tonnes. However, owing to lower yields per hectare and a decline in the area under cultivation, grain production was 7.2% lower than that of the excellent 2008/09 harvest. Grain is still used primarily as animal feed, which accounts for about 58% of EU production. On the other hand, bioethanol producers only processed 7.5 million tonnes, or approximately 2.6%, of EU grain production into bioethanol and commercial co-products. Although grain production significantly exceeds the estimated grain consumption of 279 million tonnes, the USDA anticipates a small reduction of stocks within the EU by 2.6 million tonnes to around 36 million tonnes. Stock levels had risen by 53% the previous year.

There were only limited price fluctuations on the world grain markets during the reporting period. The quotations for wheat on MATIF (Euronext) in Paris fluctuated in a corridor from 120 to 140 €/t. A temporary price increase to 155 €/t, which was partly due to uncertainties about weather-induced delays in sowing in the USA and speculative activity in the wake of firmer prices on other raw materials markets, was recorded only in May and the beginning of June 2009. As a result of the good harvests in important grain growing areas such as the EU, USA and the CIS countries as well as in Australia and Argentina and the resulting confirmation of the comfortable grain supply situation, wheat prices then fell to around 120 €/t through to mid-September 2009. Wheat traded at 122 €/t at the end of February 2010.

In addition, for the 2010/11 grain year, the International Grain Council expects an above-average wheat harvest, although the grain price level is currently at a moderate level following two consecutive record harvests. According to the Council, the worldwide wheat cultivation area will be reduced by 1% to 222 million hectares. Thus, the worldwide wheat harvest would amount to 659 million



tonnes assuming average yields and therefore be 2.4% lower than in the previous year. Nevertheless, this would be the third largest wheat harvest ever produced after the harvests of 2008/09 and 2009/10. In the case of coarse grains, such as maize, there were also good sowing conditions in the Northern hemisphere. However, in the EU as well as in Eastern Europe (especially Russia), there were indications of a slight decline in areas under cultivation. Due to the moderate price level, there are expectations that some poorer-yielding areas in the EU will not be cultivated. In Russia, it is expected that the acreage for coarse grains will be reduced due to the expansion of wheat cultivation. By contrast, more extensive cultivation of maize is expected in the USA in order to offset weather-induced delays in wheat cultivation.

In all, an above-average grain harvest is expected in the EU for the 2010/11 grain year. Market observers expect farmers in the EU to allot approximately 57 million hectares to grain and, assuming normal weather conditions, to produce around 292 million tonnes of grain, a harvest equal to the previous year.

**Sugar markets** | For the 2009/10 sugar year, market analysts anticipate an increase in world sugar production of 5.1 million tonnes to 156 million tonnes. At the same time, a further increase in global sugar consumption by 3.3 million tonnes to 163.3 million tonnes is expected. As a result, stockpile levels as of September 2010 will decline to 53.4 million tonnes or 32.7% of annual consumption. Based on the peak level in 2007/08, stockpile levels would therefore be reduced by more than 20 million tonnes within two years.

At the start of March 2009, the price of the white sugar futures contract on the London International Financial Futures and Options Exchange (LIFFE) was 400 US\$/t. Over the following twelve months, it increased by 68% to 670 US\$/t as a result of the tight supply situation on the world market and expectations of a further production deficit in the 2009/10 sugar year.

In the EU, extremely favourable weather conditions with moderate temperatures in summer and autumn as well as low rainfall during the harvest ensured an above-average

beet harvest. Consequently, there was an increase in the output of non-quota sugar which is used as a raw material in bioethanol production.

**Animal feed markets** | After the worldwide demand for meat only showed moderate growth of 0.3% in 2009 as a result of the downturn in the world economy, the USDA expects meat consumption to rise by 1.6% in 2010. This will increase the demand for animal feed. At the beginning of the 2009/10 financial year, the animal feed markets were characterised by a significant decline in the soybean harvest in Argentina, the world's third-largest producer of soy bean. As a result, the one-month futures soybean contract on CBOT, which was trading at 8.75 US-\$/bushel at the beginning of March 2009, rose to around 12.50 US-\$/bushel in June 2009. The expectation of a worldwide record soybean harvest led to a decline in prices to around 9.50 US-\$/bushel through to the end of February 2010.

Despite the high availability of other high-protein animal feeds such as rapeseed meal, European soy meal prices initially followed the lead of the US prices and traded at 325 €/t in June 2009, around 70 €/t higher than at the beginning of the 2009/10 financial year. The decline in soybean prices in America at the end of the financial year was only followed to some extent in Europe. At the end of February 2010, soy meal prices were around 270 €/t. A decline in supply in Europe had a stabilising effect on prices from August 2009, after genetically modified organisms were discovered in soya imports from the USA. These are prohibited in the EU. Although the EU Commission has relaxed its zero tolerance policy with further approvals of genetically modified organisms, an improvement in the supply situation and a convergence with the price development in the USA is only expected with the arrival of soya exports from South America in Europe.

Other high-protein animal feeds such as rapeseed meal benefited from the soy meal price development. It was trading at 174 €/t at the end of February 2010, up by around 10 €/t versus the start of the financial year at the beginning of March 2009 and by as much as about 50 €/t versus October 2009.



## Developments in the political framework

**EU** | In the EU, the entry into force of the climate and energy package on 25 June 2009 set the course for an improvement in climate protection, increased promotion of renewable energies and an improvement in the security of energy supply. The package of measures provides for a binding target to increase the share of renewable energies to 20%\* of total energy consumption in the EU by 2020. With the adoption of the "Renewable Energies Directive" and the amendment of the "Fuel Quality Directive", the legal basis has been created for promoting the use of renewable energies in the transport sector. The focus here is the blending target of 10% of renewable energies in this sector, which is binding for 2020.

The comprehensive legislation must be incorporated into national law by the member states by 5 December 2010. Each member state is obliged to submit a national action plan for promoting the use of renewable energies to the EU Commission by 30 June 2010. In addition to the measures to fulfil the blending target of 10% of renewable energies in 2020, each member state must reference indicative interim targets for the use of renewable energies for the transition period, compliance with which will be reviewed by the EU Commission every two years. In order to ensure a uniform and transparent implementation of the European guidelines, the EU Commission provided member states on 30 June 2009 with a harmonised template for the drafting of action plans.

A core element of the "Renewable Energies Directive" is the sustainability criteria it contains whose aim is to ensure that only sustainably produced biofuels are promoted in the future. In order to be credited to blending targets and/or to benefit from tax relief, it is required that biofuels reduce greenhouse gas emissions by at least 35 wt.-%, and by as much as 50 wt.-% from 2017, in comparison with fossil fuels. New biofuel plants constructed after 2017 must reduce greenhouse gas by 60 wt.-%. Apart from this minimum reduction of greenhouse gases, biofuels must meet additional environmental and social standards. Among other things, this is intended to prevent areas with a recognised high ecological value (e.g.

forests and nature reserves) from being used to produce raw materials for biofuel production. The EU Commission is expected to publish guidelines on the implementation of sustainability criteria at the national level. There is a need for clarification particularly on indirect changes in land use. At present, it is still unclear how changes in the land use of a region caused by biomass production for manufacturing biofuels in other regions are to be included in calculating the greenhouse gas reduction potential of biofuels. The EU Commission will report to the European Parliament and the Council every two years on compliance with sustainability criteria, starting in 2012.

With the amendment of the "Fuel Quality Directive", the EU has established the technical parameters for the introduction of E10 fuel, i.e. the blending of 10 vol.-% of bioethanol in petrol, throughout Europe. As the first EU member state to do so, France already began to further expand the use of bioethanol in the transport sector in April 2009. This is done by blending bioethanol directly in petrol as well as by adding the ethanol-containing octane booster ETBE. Comprehensive approvals by car manufacturers for the use of 10% bioethanol in their vehicles and the dynamic expansion of petrol station distribution have resulted in high acceptance of this fuel among consumers. In December 2009, a penetration of more than 11% was achieved in the French petrol market. Preparations are underway in several other member states to introduce E10 fuel. For instance, the Czech Republic submitted an amendment to the regulation on the quality and labelling of fuels for notification to the EU Commission on 19 January 2010.

**Germany** | Following controversial discussions in Germany, the Act on the Amendment of the Promotion of Biofuels entered into force in July 2009. For biofuels that replace petrol, such as bioethanol, a specific blending target of 2.8% in terms of energy content has applied since 2009. With the amendment the overall quota for diesel and petrol was adjusted to 5.25% for 2009 and then set at 6.25% until 2014. From 2015 it is envisaged that the biofuel quotas will no longer be defined on the basis of calorific value, but rather on the basis of greenhouse gas reduction targets. The greenhouse gas reductions in

\* Unless otherwise indicated, the percentages relate to energy percentages.



the fuel sector are to be raised from 3 wt.-% in 2015 to 7 wt.-% in 2020. Owing to the high potential of bioethanol to reduce greenhouse gases significantly more than the prescribed 35%, the German bioethanol industry is requesting the introduction of a "combined quota" in a joint memorandum. This combined quota combines rising blending targets with rising greenhouse gas reduction quotas. Otherwise, the blending target of 10% for the transport sector in 2020 set by the "Renewable Energies Directive" cannot be achieved. The bioethanol used for the production of E85 will remain fully exempt from the mineral oil tax until 2015.

On 2 November 2009, the Biofuel Sustainability Regulation entered into force in Germany. It links the promotion of liquid and gaseous biomass fuels through tax relief and biofuel quota targets to compliance with specific sustainability criteria as from the 2010 harvest. The sustainable production of biofuels is to be reviewed by independent certification systems and bodies that are recognised and monitored by the Federal Institute for Agriculture and Nutrition (BLE). In its current form, the regulation contains documentation obligations for the certification of sustainably produced biofuels which far exceed the established European regulations on the sustainable production of agricultural raw materials and the biofuels derived from them. In order to guarantee the harmonised implementation of the "Renewable Energies Directive" and thus uniform competitive conditions within the EU, the German bioethanol industry is calling for corresponding amendments to the Biofuel Sustainability Regulation. Furthermore, there is need for action with regard to the transition period provided for under the Biofuel Sustainability Regulation. Since the certification systems and certification bodies are still being set up and will most likely not be entirely available by the 2010 harvest, various associations are requesting an extension to the transition period.

Within the framework of the revision of the "Tenth Regulation concerning the Implementation of the Federal Immission Protection Act" (10<sup>th</sup> BImSchV), the sale of E10 fuel was confined to company petrol pumps in January 2009. The new coalition government has acknowledged the need to introduce E10 fuel in order to supply the transport sector in a sustainable manner and

wrote this into the coalition agreement of 26 October 2009. E10 fuel is to be introduced on a voluntary basis and as an additional product offering with clear labelling. In order to guarantee uniform fuel qualities in the EU, the competent DIN committee recently worked on adapting the existing German E10 fuel standard (DIN 51626) to the guidelines of the EU "Fuel Quality Directive". After a revised draft amendment was adopted on 24 February 2010, the new E10 fuel standard is expected to be published in May 2010. With this the requirements for a prompt amendment of the Fuel Quality and Labelling Law (10<sup>th</sup> BImSchV) for the universal introduction of E10 in Germany are fulfilled.

**Belgium |** In Belgium, a law which requires mineral oil companies to blend at least 4 vol.-% of bioethanol in petrol entered into force on 1 July 2009. In order to promote the development of the Belgian bioethanol market, the Belgian Bioethanol Association (BBA) was established in collaboration with CropEnergies on 23 October 2009.

### Developments in the CropEnergies Group

CropEnergies AG holds directly or indirectly 100% of the following German and foreign subsidiary companies:

- CropEnergies Beteiligungs GmbH, Mannheim
- CropEnergies Bioethanol GmbH, Zeitz
- BioWanze SA, Brussels (Belgium)
- Compagnie Financière de l'Artois SA, Paris (France)
- Ryssen Alcools SAS, Loon-Plage (France)

As a German intermediate holding company, CropEnergies Beteiligungs GmbH has no own production. Effective as of 29 June 2009, CropEnergies Beteiligungs GmbH, Mannheim, and Tyczka Energie GmbH, Geretsried, established CT Biocarbonic GmbH, Zeitz, with an equity interest of 50% each. This company is a joint venture for the production and sale of liquid CO<sub>2</sub> in food quality and is currently constructing a production plant in Zeitz for the rectification and liquefaction of biogenic CO<sub>2</sub> from the adjoining bioethanol production of CropEnergies. The plant will have an annual capacity of 100 thousand tonnes of liquid CO<sub>2</sub> which is to be sold to the food industry among others.



CropEnergies Bioethanol GmbH operates one of Europe's largest bioethanol plants in Zeitz and has been producing bioethanol, the protein animal feed ProtiGrain® as well as thermal energy and electricity at this location since 2005. In the 2009/10 financial year, the full production capacity of 360,000 m<sup>3</sup> of bioethanol per annum was reached following extensions completed in the previous year.

BioWanze SA operates a plant in Wanze (Belgium) for the production of bioethanol, gluten, the protein animal feed ProtiWanze®, and thermal energy and electricity. The plant has an annual production capacity of up to 300,000 m<sup>3</sup> of bioethanol. In addition, approximately 55,000 tonnes of gluten and over 200,000 tonnes of ProtiWanze® can be produced per year. The facility has a biomass plant – the only one of its kind in the world so far – in which the bran from the wheat grains delivered is used to generate a large part of the process energy required. The bioethanol produced with this innovative energy concept reduces CO<sub>2</sub> emissions by 70% compared to fossil fuels, and thus today already clearly exceeds the EU sustainability criteria that will apply from the year 2017.

Compagnie Financière de l'Artois SA (COFA) is a French intermediate holding company with no own production and has a 100% equity interest in Ryssen Alcools SAS (Ryssen).

Ryssen operates a plant for the rectification (purification) and dehydration (drying) of raw alcohol in Loon-Plage near Dunkirk (France). The annual capacity for the dehydration of raw alcohol for the fuel sector is 100,000 m<sup>3</sup> of bioethanol. For the rectification of raw alcohol for traditional and technical applications there is an annual capacity of 80,000 m<sup>3</sup> of alcohol.

**Production I** In the 2009/10 financial year the CropEnergies Group increased its production of bioethanol by 38% to 603,000 m<sup>3</sup>. This growth is a result of the expansion of annual capacity to over 700,000 m<sup>3</sup> of bioethanol in 2008. The volume of the dry foodstuffs and protein animal feed was increased by 22% to 269,000 tonnes. Liquid protein animal feed was an additional co-product.

In the wake of systematic optimisation and expansion measures, CropEnergies continually increased average

daily production in Zeitz. After the scheduled maintenance phase in October 2009, daily production of more than 1,100 m<sup>3</sup> of bioethanol was achieved for the first time in November 2009. Furthermore, it succeeded in the 2009/10 financial year in reducing specific energy consumption and increasing the ethanol yield, especially on the second production line commissioned in the previous year. The output of the high-grade protein animal feed ProtiGrain® produced as a co-product was significantly increased as a result of the expansion measures and a changed raw material mix.

In the past financial year CropEnergies exploited the flexibility of the production plant in Zeitz and adjusted the raw material mix to the conditions on the commodity markets. Barley, triticale – a cross between wheat and rye – and maize were also used in addition to wheat. Sugar syrups from the Südzucker AG sugar factory nearby can be used as raw material on both production lines and were processed continuously as well. In comparison with the same period last year, the proportion of sugar syrups in the raw materials mix on the first production line, on which both grain and sugar syrups can be processed, was reduced nevertheless as a result of the moderate grain price level. Trials to broaden the raw materials basis were successful.

In the 2009/10 financial year, capacity utilisation at the bioethanol plant in Wanze was successively increased during a phased start-up process. After bringing the plant on stream with thick juice, wheat was processed to an increasing extent from March 2009. CropEnergies achieved good progress particularly in the complex areas of gluten separation and drying as well as energy supply. After eliminating bottlenecks, the capacity of the biomass boiler, where a large part of the thermal and electrical process energy required was generated from the bran of the wheat grain, was increased until full load was reached. However, as a result of the unscheduled shutdown in October 2009 the planned output could not be achieved. This shutdown was necessary because a unit in the distillation plant did not provide the necessary process stability required for continuous operation. After the completion of the repairs, the plant was successfully put into operation again in November 2009. Foresighted



material planning and flexible logistics at CropEnergies were able to ensure smooth delivery to bioethanol customers during the shutdown.

At the Ryssen production plant in Loon-Plage, high-quality and, upon request by the customer, customised products for traditional and technical applications were produced during the reporting period in addition to bioethanol for the fuel sector. Capacities both for the dehydration of bioethanol for the fuel sector and for the rectification of alcohol for traditional and technical applications could be utilised as planned. Adjustments in the alcohol drying for the production of neutral alcohol for the cosmetics industry progressed successfully.

Central to the CropEnergies Group's sourcing policy for the plants in Zeitz and Wanze is that the raw materials required are procured locally, thus keeping freight costs to a minimum. The necessary grain volumes were secured for both plants by concluding framework contracts in good time. Additionally, CropEnergies used derivative financial instruments in order to limit the price risk for grain. The supply of sugar syrups is partly secured by long-term contracts. In order to prepare for the entry into force of the Biofuel Sustainability Regulation in Germany, CropEnergies is closely cooperating with raw material suppliers to ensure the timely implementation of the regulations for sustainable biomass production. Together with the grain suppliers, various measures are being examined to reduce greenhouse gas emissions further at the agricultural production stage through optimal grain variety selection. At the production facilities in Zeitz and Wanze, CropEnergies processes agricultural raw materials produced in Europe that are cultivated in a sustainable way in accordance with EU cross compliance regulations.

To be able to forecast the trends on the grain, sugar and animal feed markets better CropEnergies has intensified the dialogue with commodities experts within and outside the Südzucker Group. The current developments on the commodity markets and their implications for the CropEnergies Group's sourcing strategy were discussed in the agricultural advisory committee. Furthermore, CropEnergies organised a seminar with its main grain

suppliers and animal feed customers on 15 September 2009 to discuss current and future developments on the grain and animal feed markets.

In order to supply the plant in Loon-Plage with raw alcohol, new sources of supply were opened up and partly secured on a long-term basis. Furthermore, non-specification compliant goods from the start-up process of the bioethanol plant in Wanze were processed for other applications.

**Bioethanol sales** | CropEnergies increased its sales of bioethanol by 25% to 601,000 m<sup>3</sup>, with traded commodities accounting for around 67,000 (110,000) m<sup>3</sup>. The planned decrease in traded commodities is due to the targeted trading activities the year before designed to acquire customers in preparation for the capacity expansions coming on stream. After the commissioning of the new capacities, CropEnergies supplied these customers with bioethanol from its own production. The sale of the bioethanol produced by Agrana in Austria accounts for the remaining traded commodities.

In the past financial year, large and medium-sized oil companies as well as independent ETBE producers were supplied. CropEnergies continued to focus on inland destinations which were supplied at favourable freight costs as a result of the established logistics network. With the leasing of a tank storage facility in Duisburg, Europe's largest inland port, CropEnergies has created a strategic link between the production facilities in Wanze and Zeitz. This not only improves supplies to the refineries along the so-called Rhine corridor but also strengthens the distribution of the quality E85 fuel CropPower85 to filling stations in Germany. Together with the tank storage facilities at the production locations and the leased tank storage facilities in Rotterdam, CropEnergies has a unique logistics network and is excellently positioned in Europe.

In addition to supply at favourable freight costs, innovative marketing strategies that take the risk aspects of companies in the oil industry into account also helped to strengthen customer loyalty.

A special focus of sales activities was on the development of the Belgian bioethanol market. Here, it was possible



to acquire new customers for bioethanol from Wanze. The market position in Eastern Europe was also further consolidated.

Sales of the quality fuel CropPower85, which is used on Flexible Fuel Vehicles (FFVs), increased by almost 20%. CropEnergies therefore expanded its leading position in the German market for E85 fuel. Generally, this market is at the development stage and still presents considerable growth potential thanks to the exemption of the bioethanol contained in E85 from mineral oil tax until the end of 2015. More and more vehicles are also being offered in Europe as so-called Flexible Fuel Vehicles (FFVs) that can run on bioethanol-petrol mixtures with a bioethanol content of about 85%. As the first German premium manufacturer, Audi is offering an FFV for the German market with its A4 2.0 litre TFSI.

CropEnergies undertook a number of measures to accelerate the spread of E85 fuel. Continued efforts were made to push the expansion of the E85 filling station network in Germany. In addition, filling station operators already distributing CropPower85 were supported through seminars and targeted marketing strategies. At the end of February 2010, around a quarter of the approximately 280 E85 filling stations in Germany offered CropPower85.

In order to demonstrate the high quality and efficiency of CropPower85 for Flexible Fuel Vehicles, CropEnergies entered into a fuel and technology partnership with Volvo tuner Heico Sportiv. During the 24-hour race at the Nürburgring from 23 to 24 May 2009, a Volvo C30 fuelled with CropPower85 achieved second place in its class, impressively demonstrating the positive characteristics of this fuel.

To promote a rapid launch of E10 fuel, CropEnergies actively participated in the consultations within the standards committees at the national and European level. In Germany, the technical basis for the introduction of petrol with a proportion of up to 10 vol.-% of bioethanol was created in April 2009 with the DIN standard 51626. In order to guarantee uniform fuel qualities in the EU, the existing German E10 fuel standard (DIN) is being adapted to the guidelines of the EU "Fuel Quality Directive",

a process in which CropEnergies is currently involved. The amended DIN standard for E10 fuel is expected to be published in May 2010.

With Ryssen, the CropEnergies Group has also opened up market segments outside the fuel market. Ryssen produces and markets high-quality products for traditional and technical applications to companies from the cosmetics, pharmaceutical and chemical industries. The demand for quality alcohol from producers of hygiene agents and disinfectants increased as a result of the spread of the H1N1 flue ("swine flu"). As a result of the unusually harsh winter in Europe, the demand for alcohol for the manufacture of frost-proof windscreen cleaners for vehicles also witnessed a dynamic development.

**Sales of food and animal feed products** | By processing the non-fermentable substances into high-quality products, CropEnergies fully exploits all the components of the raw materials used. With the start-up of the production plant in Wanze, CropEnergies has successfully broadened its portfolio of food and animal feed products in the 2009/10 financial year. As a result, the liquid protein animal feed ProtiWanze® and gluten are now being marketed in addition to the dried and pelletized protein animal feed ProtiGrain®. Sales of dried animal feed rose by 20% to 264,000 (219,000) tonnes.

The high-protein animal feed ProtiGrain® produced as a co-product in Zeitz has become firmly established in the animal feed market thanks to its outstanding quality. The total volume of ProtiGrain® sold increased significantly as a result of higher output. ProtiGrain® therefore again demonstrated its market strength, also in the face of difficult market conditions with an abundant supply of rapeseed meal and other alternative animal feeds. In particular, CropEnergies realised attractive revenues for ProtiGrain® by comparison with the development of grain prices.

A focus of sales activities was on the development of the regional animal feed markets which makes it possible to supply customers at favourable freight costs. For this purpose, CropEnergies provided comprehensive training for trade partners. As a result of these measures, sales



to agricultural enterprises that feed the product directly were increased. The main sales regions alongside Germany continue to be the large animal feed markets in the Netherlands, France, Great Britain, and Denmark.

With the processing of wheat at the bioethanol plant in Wanze, the production and marketing of the co-products gluten and CDS (Condensed Distillers' Solubles) was also launched. Owing to its nutritional and technical properties gluten is used above all in the food industry and special areas of the animal feed market. The product is distributed through BENE0-Orafti, a Belgian subsidiary of Südzucker AG, under the brand name BeneoPro W. BENE0-Orafti specialises in marketing ingredients for food products and animal feed, and has a global sales network.

In the 2009/10 financial year, BENE0-Orafti worked the markets for aquafeed and petfood particularly intensely. It successfully acquired all key producers in the aquafeed sector as customers. Thanks to the improved gluten quality, market segments with high quality criteria were opened up over the course of the financial year and attractive revenues were realised. As the next step, Crop-Energies made preparations for certifications for special food applications to promote sales worldwide. After completion of the IFS (International Food Standard) certification scheduled for May 2010, gluten can be distributed in all areas of the food industry.

CDS (Condensed Distillers' Solubles) is made from the proteins and other components of the fermented wheat grain remaining after distillation and is used as a high-protein liquid animal feed for cattle and pigs. After guaranteeing the necessary product quality, Crop-Energies officially announced the start of production and marketing of ProtiWanze® as a CDS brand product during the Belgian Agricultural Fair in Libramont at the end of July 2009. The strong interest among local stock breeders is attributable to the excellent quality and high competitiveness of ProtiWanze® compared to soy meal. This has also been borne out in feeding trials that have been conducted in cooperation with distribution partners and customers.





We supply growth markets. Worldwide.





Wheat gluten as it is produced in Wanze is a much sought-after product. Whether as a food for the production of bakery products



or as feed in aquacultures, sales are growing worldwide. For our marketing we use the global sales network of Südzucker subsidiary BENEÖ-Orafti, a specialist for the production and marketing of ingredients for food and animal feed.

**CROPENERGIES – FIRSHAND GROWTH.**



## GROUP ACCOUNTS, RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

Prior-year figures are stated in each case in brackets after the figures for the past financial year.

### Group revenues and earnings

€ thousands	2009/10	2008/09
Revenues	374,149	328,434
<b>EBITDA</b>	<b>33,093</b>	<b>28,602</b>
<i>EBITDA margin</i>	<i>8.8 %</i>	<i>8.7 %</i>
Depreciation*	-21,176	-10,409
<b>Operating profit</b>	<b>11,917</b>	<b>18,193</b>
<i>Operating margin</i>	<i>3.2 %</i>	<i>5.5 %</i>
Restructuring costs and special items	-2,483	-11,059
<b>Income from operations</b>	<b>9,434</b>	<b>7,134</b>
Financial result	-8,319	-3,523
<b>Earnings before income taxes</b>	<b>1,115</b>	<b>3,611</b>
Taxes on income	3,300	2,243
<b>Net earnings for the year</b>	<b>4,415</b>	<b>5,854</b>
<b>Earnings per share, diluted/undiluted (€)</b>	<b>0.05</b>	<b>0.07</b>

\* without restructuring costs and special items

#### Group revenues

Revenues of the CropEnergies Group also rose strongly in the 2009/10 financial year. CropEnergies benefited from the growth of the European bioethanol market and group revenues increased significantly by 14% to € 374.1 (328.4) million.

The growth in revenues was mainly attributable to the considerable increase in sales of bioethanol to 601,000 (482,000) m<sup>3</sup> and the first sales of gluten from the new plant in Wanze. The other revenues mainly consist of revenues from the sale of energy and grain, and work and services performed.

#### EBITDA

EBITDA rose by 15.7%, and thus slightly more strongly than revenues, to € 33.1 (28.6) million.

#### Group operating profit

After depreciation, which doubled to € 21.2 (10.4) million, and the start-up costs for the new plant in Wanze, group operating profit (income from operations before special items) decreased to € 11.9 (18.2) million. The operating margin was 3.2% (5.5%) of revenues.



#### **Income from operations / special items**

The net balance of special items was € -2.5 (-11.1) million. After high start-up costs for the construction of the plant in Wanze had predominated in the previous year, unscheduled repair costs were incurred in Wanze during the reporting period.

Owing to the lower charges for special items, the operating result improved to € 9.4 (7.1) million.

#### **Financial result**

Borrowings and interest expenses increased as a result of the capital expenditures carried out as scheduled. The financial result therefore declined to € -8.3 (-3.5) million.

#### **Taxes on income**

Earnings before taxes declined to € 1.1 (3.6) million. Set against the current tax expenses of € 4.5 (3.0) million there was deferred tax income of € 7.8 (5.2) million, mainly related to the loss carry-forward and to specific Belgian tax rules at BioWanze SA.

#### **Net earnings for the year**

Group net earnings for the year, which are fully attributable to the shareholders of CropEnergies AG, amount to € 4.4 (5.9) million.

#### **Earnings per share**

Earnings per share came to € 0.05 (0.07).



## Statement of changes in financial position

€ thousands	2009/10	2008/09
<b>Gross cash flow</b>	<b>17,848</b>	<b>10,096</b>
Change in net working capital	-36,997	2,096
<b>Net cash flow from operating activities</b>	<b>-19,149</b>	<b>12,192</b>
Investments in property, plant and equipment and intangible assets	-33,843	-170,110
Acquisitions of, and investments in, non-current financial assets	0	-17,084
Cash received on disposal of non-current assets	661	368
Cash received on the selling of securities in current assets	0	41,366
Investment subsidies received	4,764	4,000
<b>Cash flow from investing activities</b>	<b>-28,418</b>	<b>-141,460</b>
<b>Cash flow from financial activities</b>	<b>52,817</b>	<b>81,760</b>
<b>Change in cash and cash equivalents</b>	<b>5,250</b>	<b>-47,508</b>

### Cash flow

Cash flow improved to € 17.8 (10.1) million due to the growth in revenues, higher capacity utilisation especially in the 4<sup>th</sup> quarter of the financial year, and the increase in EBITDA.

The cash outflow from the change in net working capital of € 37.0 million was mainly due to the settlement of trade payables relating to the capital investments in Wanze.

With the commissioning of the new plant in Wanze, the cash outflow from investing activities declined to a total of € 28.4 (141.5) million. This includes capital expenditures of € 32.7 (170.0) million on property, plant and equipment, set against which there were subsidies of € 4.8 (4.0) million.

The cash inflow from financing activities of € 52.8 million represents the balance of loans of € 111.7 million drawn and the repayment of financial liabilities in the amount of € 58.9 million.

As of 28 February 2010 CropEnergies Group had net financial debt of € 215.4 (167.9) million.

### Investments in property, plant and equipment

In the 2009/10 financial year, CropEnergies invested € 32.7 (170.0) million in property, plant and equipment, thereof € 23.5 (149.5) million for the bioethanol plant in Wanze and € 6.0 (19.8) million for CropEnergies Bioethanol GmbH. CT Biocarbonic GmbH largely accounted for the remaining € 3.2 million.

In the 2009/10 financial year, CropEnergies received € 1.4 (4.9) million in investment benefits.



## Balance sheet

The growth of the total assets to € 608.9 (572.5) million reflects the capacity expansion and corporate growth. Shareholders' equity rose to € 311.7 (308.6) million. CropEnergies Group therefore continues to have a solid equity ratio of 51% (54%).

### ASSETS

€ thousands	28/02/2010	28/02/2009
Non-current assets	518,308	497,652
Current assets	90,555	74,887
<b>Total assets</b>	<b>608,863</b>	<b>572,539</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

€ thousands	28/02/2010	28/02/2009
Shareholders' equity	311,686	308,619
Non-current liabilities	164,935	132,072
Current liabilities	132,242	131,848
<b>Total liabilities and shareholders' equity</b>	<b>608,863</b>	<b>572,539</b>
Net financial debt	215,434	167,867
Equity ratio	51.2%	53.9%

The increase in non-current assets by € 20.7 million to € 518.3 million is largely due to the growth in deferred tax assets to € 26.2 (16.2) million, and in property, plant and equipment to € 483.2 (476.6) million. The fixed asset ratio (capital intensity) improved to 80.8% (84.1%). Equity and non-current liabilities cover 96.9% (91.5%) of fixed assets.

Current assets rose by € 15.7 million to € 90.6 million, with the increase being attributable in almost equal measure to growth in inventories, trade receivables, other assets, and cash and cash equivalents.

Non-current liabilities increased by € 32.9 million to € 164.9 million, especially as the result of an increase in the loan from Südzucker International Finance B. V. for financing the capital expenditures.

Current liabilities were virtually constant at € 132.2 (131.8) million. While trade payables and other liabilities declined by € 17.4 million, CropEnergies took advantage of the favourable interest rate level for short-term borrowings, with current financial liabilities increasing from € 21.7 million to € 84.1 million.

## Appropriation of profit

Overall, the CropEnergies Group achieved net earnings for the year of € 4.4 (5.9) million according to IFRS accounting standards.

The unappropriated profit of Crop Energies AG according to German commercial law, which is the relevant figure for appropriation purposes, amounted to € 10.0 (0.3) million.

The executive board and supervisory board will propose to the annual general meeting on 15 July 2010 that € 4.3 million, corresponding to a dividend of € 0.05 per share, be distributed from the unappropriated profit of CropEnergies AG, that a further € 5.5 million be transferred to the revenue reserves, and that the remaining unappropriated profit of € 0.3 million be carried forward.



## RESEARCH AND DEVELOPMENT

### General

The research and development activities of CropEnergies AG are defined, coordinated and conducted in close collaboration with the Central Research, Development and Services Department (ZAFES) of Südzucker AG. In addition to forward-looking projects for implementing new technologies, in-process optimisations, technological support in developing design concepts for new facilities, the handling of marketing-related issues, especially in connection with fuel and bioethanol quality standards, and the development of innovative concepts for the use of bioethanol are the main focus of the activities.

The various services provided for the CropEnergies Group are organised into projects and are settled on the basis of a service agreement concluded with Südzucker AG. In the past financial year, CropEnergies AG's overall expense for research, development and technological services was € 2.8 (2.9) million.

### Raw material base and fermentation modifications

An important strategic objective of CropEnergies is to be able to process as broad a base of fermentable raw materials as possible into bioethanol at the production plants. Thus, by adjusting the mix of raw materials, CropEnergies can respond flexibly to the increasing volatility of commodity prices and minimise its raw material costs. In the past financial year, the raw material base was successfully broadened as a result of process optimisations.

The development activities in the area of fermentation focus on extensive tests and the selection of highly specific effective enzymes for starch fermentation and the analysis of the properties of high-performance yeast strains, aimed at optimising the fermentation processes and obtaining higher ethanol yields. The new findings have been verified in plant trials and are already being applied in the production process.

### Optimisation of production plants

The aim of the optimisation work carried out at the production plants was to increase the efficiency of the production processes. Measures were conducted both to increase productivity and the effective life-span of the plants as well as to improve the greenhouse gas balance.

For the production plants in Zeitz concepts which use renewable raw materials for the generation of primary energy were developed and tested. The aim of these tests carried out on an industrial scale was to reduce the use of fossil energy sources in the primary energy supply by using renewable fuels and thus further improve the CO<sub>2</sub> reduction of the bioethanol produced. In this connection, work was also continued on developing various concepts for the integrated production and use of biogas.

In the area of sugar syrup processing, overall energy consumption was reduced on the basis of the process technology and thermotechnical analyses conducted.

In Wanze, efficiency-enhancing measures were the first and foremost priority during start-up. The focus of these measures was primarily on optimisations in the area of fermentation, rectification and gluten production.

### Commercialisation of co-products

The quality of the food and animal feed product gluten was continually enhanced by process optimisations and in particular the protein content was increased.

In order to be able to already meet future national and international standards today, CropEnergies carried out quality-enhancing measures for the high-grade protein animal feeds ProtiWanze® and ProtiGrain® produced in Wanze and Zeitz.

Together with Tyczka Energie GmbH, CropEnergies is currently constructing a production plant in Zeitz in which the CO<sub>2</sub> produced during the fermentation process is collected, purified, liquefied and sold in this form, especially to the food industry. Due to its optimal quality





and biogenic origins, using the CO<sub>2</sub> directly as a raw material to produce chemical and biochemical derivatives is under consideration.

### Standards – Quality-relevant activities

CropEnergies continued to be actively involved in the standards committees for ethanol, ethanol fuel E85, and petrol at the German and European level. One focus was on the development of practice-oriented analytical methods which, for instance, enable investigations of specification parameters within the extended scope of the EN 15376 standard for ethanol as blending component in E10 and E85 fuels. With the active involvement of CropEnergies, field-oriented analytical methods were able to be established in a targeted manner.

### Bioethanol production – New production concepts

The main aim of the research activities in this area is to develop integrated production concepts where raw materials can be used as fully and, from an economic and ecological viewpoint, as efficiently as possible. The production concepts under review include, in particular, the so-called cascade use of materials where, for instance, co-products produced in one production phase can then be further used as input material for another process in a profitable manner. Such biorefinery concepts can generally be developed on the basis of the bioethanol plant in Zeitz.

Together with six industrial companies and ten research companies, this objective is being pursued as part of the "Biorefinery 2021" project which receives funding of € 5 million from the Federal Ministry for Education and Research (BMBF). The main focus is on the continuing development of existing bioethanol plants to create an integrated biorefinery. Besides optimisation of the bioethanol production process, possibilities for broadening the biomass resources that can be used, such as lignocellulosic raw materials – which arise as residues or secondary products in agricultural and forestry or downstream industries – are being examined. The value created by producing new products that can serve as platform

chemicals for other recyclable materials is also being examined. The project was launched on 29 October 2009 with the kick-off meeting with associated partners.

The production of bioethanol from lignocellulosic raw materials by fermenting the hemicellulose and the cellulose part is not only being researched as part of the "Biorefinery 2021" project, but also in a targeted manner with partners outside the BMBF project. The focus here is on developing a process with which the production of fermentable carbohydrates from lignocellulosic raw materials can be integrated into existing bioethanol plants.

### Bioethanol fuel cells

Work is continuing on the development of fuel cells that can be used to convert the chemical energy stored in bioethanol directly into electric power. Both potential methods, either through the integrated reforming of bioethanol or through direct ethanol fuel cells, are being pursued simultaneously since their areas of application supplement each other. The development activities were able to produce the expected technical advances. The projects launched with the cooperation partners at the Fraunhofer-Gesellschaft were continued as planned.



## EMPLOYEES

As of 28 February 2010, the CropEnergies Group had 303 (310) employees. This broke down into 32 (29) employees at CropEnergies AG, 107 (101) at CropEnergies Bioethanol GmbH, 123 (132) at BioWanze SA, and 41 (48) at Ryssen Alcools SAS.

The average number of employees in the CropEnergies Group in the 2009/10 financial year rose to 302 (272). This was mainly attributable to new hirings for the production plant in Wanze.

### Training

As a result of the increasing internationalisation of the group, special measures to improve the networking among managers were a central feature of the training measures. During a seminar lasting several days, employees with managerial responsibility were able to deepen their knowledge of the group, the company's environment, and intercultural management, and exchange experience beyond divisional and country confines. Furthermore, the programmes launched to promote the transfer of know-how in the form of in-house training and exchange programmes, which proved valuable especially during the start-up of the production plant in Wanze, were continued.

### Internal suggestion scheme

As a result of the company's growth, the structures and processes within the CropEnergies Group are continually evolving. Employees are also involved in this process through the internal suggestion scheme which has a high priority within CropEnergies. Compared with the previous year, the number of suggestions for improvements submitted by employees of CropEnergies AG rose by over 60%.

### Compliance

Within the framework of corporate governance, the issue of compliance is particularly important within the CropEnergies Group.

Here, the corporate principles, procedures and rules that have been developed within the Südzucker Group apply. Through preventive measures, such as raising the awareness of employees and the implementation of suitable organisational structures, compliance by the company, and by its officers and employees, with all legal requirements and bans and with all company guidelines and values is assured.

### Safety-at-work

Safety-at-work and health protection have high priority in all companies of the CropEnergies Group. The related measures are an integral part of the management system. They contribute significantly towards the company's performance and to the health of its employees. As a member of the Südzucker Group, the standards in force at CropEnergies AG are those of a major international company. The focus of the preventive measures is on conducting hazard assessments, testing tools and other working equipment, and instructing employees. The success of these measures was particularly reflected during the start-up of the new plants. The CropEnergies Group has a very good track record also within the Südzucker Group in terms of both the number of accidents and the number of working hours lost as a result of accidents.

### Acknowledgement

The executive board wishes to thank all the employees of the CropEnergies Group who, through their commitment and achievements, took the company forward in the 2009/10 financial year.



## INVESTMENTS

In the 2009/10 financial year, investment in property, plant and equipment declined to € 32.7 (170.0) million. Of the total, BioWanze SA accounted for € 23.5 million and CropEnergies Bioethanol GmbH for € 6.0 million. The remaining € 3.2 million were mainly invested in CT Biocarbonic GmbH.

In Zeitz, the focus of investing activities was on optimisation measures to improve the profitability and greenhouse gas balance of the bioethanol plant. An integral part of these measures is the construction of a plant to purify and liquefy CO<sub>2</sub>, with which CropEnergies will increase the profitability of the Zeitz location by extending the value chain while improving the greenhouse gas balance of the bioethanol plant at the same time. This plant will be constructed alongside the bioethanol plant. The liquefaction plant is constructed and operated by the joint venture CT Biocarbonic GmbH which was established in June 2009, and in which CropEnergies and Tyczka Energie GmbH, Geretsried, each have a 50% stake. Biogenic CO<sub>2</sub> produced during the fermentation of grain and sugar syrups for the production of bioethanol at CropEnergies will be used as the raw material. The plant will have an annual capacity of 100,000 tonnes of liquid CO<sub>2</sub>, which is used in the form of carbonic acid in the drinks industry, as a refrigerating and frosting agent for food or as a protective gas in the packaging industry. After preliminary work was commenced on the site in August 2009, the contract for the construction of the plant was awarded in October 2009 and the planning work for the connection of the bioethanol plant for the supply of raw gas, energy, and water was begun. The official groundbreaking ceremony took place on 26 March 2010 in the presence of the Minister for Economic Affairs of Saxony Anhalt, Dr. Reiner Haseloff. The plant will be put into operation at the end of 2010.

Furthermore, the technical and electrical installation of a plant for the processing of biogas from the sewage treatment plant was completed in Zeitz. Another focus was the construction of a new workshop and office building to improve the links between production, maintenance and administration at the location. The building was occupied in December 2009.

The investments in Wanze (Belgium) mainly concerned remaining work on the bioethanol plant that was successively brought into operation from December 2008. In addition, work was commenced on eliminating performance bottlenecks and implementing optimisation measures that were identified in the course of the start-up process. The focus here is on measures to increase output, gluten and bioethanol quality, and the efficiency of the production processes. CropEnergies made investments in the milling, gluten separation and fermentation units in order to increase yields. In the area of energy supply, the measures focused on the reduction of specific energy consumption and on stabilising the necessary energy flows. A high level of performance was achieved at the central energy supply unit while at the same time reducing the consumption of auxiliary materials. In addition, the use of bioenergy was increased through the use of biogas produced at the site. Further investments related to securing supplies of auxiliary materials and complying with official requirements, for instance with regard to the bioethanol measuring technology and exhaust gas analysis.

The investments at the production plant in Loon-Plage were mainly replacement and optimisation measures, the primary aim of which was to ensure the high product quality of bioethanol for traditional and technical applications. By linking the plant to the central process data recording system, a further step towards integration into the CropEnergies Group was successfully taken. Investments in the plant's rail infrastructure led to an improvement in the internal logistics processes.



## DISCLOSURES PURSUANT TO § 315 (4) HGB

Pursuant to § 315 (4) HGB the company is required to report on certain company law structures and other legal circumstances in order to present a better view of the company and any obstacles to a takeover that may exist. CropEnergies AG is a stock company with its headquarters in Mannheim and has issued shares with voting rights that are listed on an organised market according to § 2 (7) of the German Securities Acquisition and Takeover Act (WpÜG), the Regulated Market of the Frankfurt Stock Exchange (Prime Standard).

The subscribed capital of the company is € 85,000,000 and is divided into 85,000,000 no-par-value bearer shares. Each share confers one vote at the annual general meeting. The total number of shares and voting rights therefore amounts to 85,000,000. The company does not hold any own shares as of the reporting date (§ 315 (4) (1) HGB). Restrictions on the voting right of the shares may result from the provisions of the Stock Corporation Act. Under certain circumstances, the shareholders may be barred from voting (§ 136 AktG). The company has no voting right on its own shares (§ 71 b AktG). We are not aware of any contractual restrictions on the voting rights or on the transfer of the shares (§ 315 (4) No. 2 HGB).

By resolution of the annual general meeting on 29 August 2006, the executive board is authorised, with the consent of the supervisory board, to increase the subscribed capital of the company within the period until 28 August 2011 by up to a total of € 30 million by issuing new no-par-value bearer shares in exchange for cash and/or contributions in kind (Authorised Capital 2006). The executive board is authorised to exclude the statutory subscription right of the shareholders in certain instances referred to in § 4 (3) of the articles of association of CropEnergies AG (§ 315 (4) No. 7 HGB). In the 2009/10 financial year the authorisation to utilise has not been exercised.

With regards to direct and indirect interests in the subscribed capital of CropEnergies AG exceeding 3%, the company received the following notifications pursuant to § 21 WpHG: Südzucker AG last informed us by letter of 5 October 2006 pursuant to § 21 (1) and (1a) WpHG that it holds 71% of the voting rights of CropEnergies AG. Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft

eG (SZVG) last informed us by letter of 9 October 2006 pursuant to § 21 (1) and (1a) WpHG in conjunction with § 22 (1) No. 1 WpHG that it holds 78% of the voting rights of CropEnergies AG, 71% via its subsidiary Südzucker AG, which is attributable to it pursuant to § 22 (1) No. 1 WpHG, and 7% directly (§ 315 (4) No. 3 HGB).

There are no CropEnergies shares conferring special rights (§ 315 (4) No. 4 HGB). As of the reporting date 28 February 2010, there were no schemes for the participation of employees in the company's capital, either in the form of employee shares or employee stock option plans (§ 315 (4) No. 5 HGB).

Pursuant to § 84 (1) AktG, the members of the executive board are appointed and/or removed by the supervisory board. Pursuant to § 6 (1) of the articles of association, the executive board must comprise at least two individuals. In all other respects, the supervisory board determines the number of executive board members. The supervisory board can appoint a chairman as well as a deputy chairman of the executive board. In each case, the executive board members are appointed for a term of five years. Pursuant to § 179 (1) AktG, amendments to the articles of association require a resolution to be passed by the annual general meeting. The articles of association of CropEnergies AG make use of the option to deviate therefrom pursuant to § 179 (2) AktG and provide that resolutions, unless mandatory provisions of stock corporation law or the articles of association determine otherwise, can be passed by simple majority vote and, if a capital majority is required, by simple capital majority. The authority to make amendments merely relating to the wording has been delegated to the supervisory board (§ 315 (4) No. 6 HGB).

No material agreements in the event of a change of control due to a takeover bid have been concluded. Disclosures are therefore not required (§ 315 (4) No. 8 HGB). Disclosures on compensation agreements concluded by the company with executive board members or employees in the event of a takeover bid are not applicable because no such agreements exist (§ 315 (4) No. 9 HGB).



## OPPORTUNITIES AND RISK REPORT

### Risk management in the CropEnergies Group

CropEnergies is one of the largest and most efficient producers of bioethanol in Europe. Its success is due to high levels of flexibility in the sourcing of raw materials, their processing in production facilities that set technical standards, the marketing of high-quality products, and an appropriate financial management of the company. Company operations, external influences and corporate actions to secure the survival, growth and performance of a company are subject to opportunities and risks. In order to identify risks and actively manage them, CropEnergies has set up a group-wide risk management system.

#### Risk policy

For CropEnergies, the responsible handling of entrepreneurial opportunities and risks is an integral part of sustainable, value-based corporate management. Risk management serves to detect and prevent risks early on and in a systematic manner, improve the internal transparency of processes susceptible to risks, and to create risk awareness among all employees.

To that end, CropEnergies has introduced an integrated system for the early detection and monitoring of business-specific risks. The aim is to achieve a balanced relationship between opportunities and risks through risk-conscious conduct, clearly defined responsibilities, independence of the risk controlling, and the implementation of internal controls.

#### Risk management system

The risk management system of the CropEnergies Group is an integral part of the overall planning, management and reporting process in all relevant divisions. This integrated reporting to the executive board and its direct involvement guarantees transparent risk recording and analysis. The risk management system aims to identify, evaluate, monitor and record risks systematically, and to initiate countermeasures if necessary.

The executive board bears responsibility group-wide for the early detection of risks jeopardising the existence of the company and for initiating suitable countermeasures. The executive board has set up a risk committee, whose

other members, comprising managers from the procurement, sales, business development, finance and controlling divisions, support the executive board with its tasks. The risk committee usually convenes once a month and sometimes ad hoc if and when the need arises. The subject of the consultations includes all risk categories although, for the main risks relating to raw materials sourcing, sales and financial market risks, standardised scenario projections are calculated on the basis of future market expectations and the effects on operating profit and the financial result, respectively. The risk committee assesses risk on a monthly basis for the current and coming financial year, and on an annual basis for the following five-year period. In addition to the regular reporting, ad hoc risks require internal group reporting to the executive board.

#### Risk communication

An effective risk management system requires open and prompt communication with the employees within the company and responsible action on the part of the employees. Partly through its indirect involvement in the risk committee, management ensures that this open and prompt communication takes place and requires that the employees deal with risks in a conscious and proactive manner.

#### Internal control system

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

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

The supervisory board has delegated the testing of the effectiveness of the internal control system to the audit committee. As a process-independent audit body,



the Internal Auditing department of the Südzucker Group is integrated in the internal monitoring system of the CropEnergies Group. It guarantees, in the course of its monitoring activities, the functionality and effectiveness of the system by carrying out regular system audits.

In addition, the auditing activities of the group's independent auditor are process-independent and designed to ensure the effectiveness of the accounting-related internal control system. Pursuant to § 317 (4) HGB, the group's independent auditor assesses the functionality of the early risk detection system, which is adapted promptly by CropEnergies to any changes in the environment, and reports on the results of its audit of the accounting-related internal control system.

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

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

At the group level, the specific control activities to ensure the regularity and reliability of the group's financial reporting include the analysis and, where necessary, adjustment of the separate financial statements presented by the group companies while taking into account the reports prepared by the independent auditors and the financial discussions held for this purpose. Application of uniform and standardised valuation criteria is assured by performing the impairment tests for goodwill centrally.

In addition, there are comprehensive group guidelines on the accounting and valuation rules. Furthermore, the processing and aggregation of data for the preparation of the management report and notes is also performed at the group level.

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

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

## Regulatory and political environment

As discussed in detail in the section "Developments in the political framework" in the Management report, the CropEnergies Group is embedded within various biofuel industry-specific legal and political framework conditions at the national as well as the European level. This can give rise to additional opportunities, for instance if the national mandatory blending rates are increased. Conversely, changes in these framework conditions can present risks, for instance if the blending targets at the EU level are lowered.

## Operational risks

### Procurement risk

To produce bioethanol, the CropEnergies Group requires agricultural raw materials containing carbohydrates such as sugar syrups and grain. Price fluctuations on the world markets for agricultural commodities have a direct impact on the cost of materials. At present, the estimates of the US Department of Agriculture suggest a slight grain production surplus worldwide. Accordingly, prices for wheat are currently moving sideways.



Since changes in grain prices are usually accompanied by a change in the prices of protein animal feed in the same direction, CropEnergies can partly offset price fluctuations in the raw materials purchased through sales revenues for gluten, ProtiGrain® and ProtiWanze® (so-called natural hedge).

In addition, CropEnergies can significantly reduce the impact of a rise in grain prices on raw-material costs through a farsighted procurement policy and through the increased use of sugar syrups. In doing so, CropEnergies' objective is to secure the raw materials required for its delivery commitments in a timely manner.

In future, it will continue to be CropEnergies' business policy to reduce the remaining risks from increases in raw material prices by concluding longer-term supply agreements and by using futures contracts as well as alternative raw materials. Nonetheless, depending on the market situation, there is still the risk that it might not be possible to close hedging transactions that cover the costs or that increases in raw material prices that have taken place cannot be passed on to bioethanol customers.

#### **Competition risk**

The construction of new bioethanol plants and the expansion of existing capacities could lead to a significant rise in levels of production capacity for bioethanol in the EU in the coming years. This growth could increase competition among bioethanol producers. However, since the majority of EU member states have adopted regulations to promote higher blending rates for bioethanol in the fuel sector and need to introduce additional rules to comply with the "Renewable Energies Directive" with its target quota of 10% by the year 2020, CropEnergies expects the demand for bioethanol to rise in the next few years. With the passing of the integrated climate and energy package, the 27 EU member states will be required to implement the rules into national law.

CropEnergies also competes with non-European bioethanol producers, which, due to local conditions (especially in Brazil), benefit from lower production costs.

#### **Sales risk**

Large customers account for the bulk of the CropEnergies

Group's sales of bioethanol. The CropEnergies Group cannot rule out the possibility that supply contracts with individual large customers might be cancelled prematurely or might not be renewed when they expire. Should, in this event, the CropEnergies Group not be able to conclude economically equivalent contracts, this could have a material impact on the group's assets, liabilities, financial position and results of operations.

#### **IT risks**

Like other companies, CropEnergies depends on functioning IT systems. For the operational and strategic management of the company, CropEnergies uses highly-developed information systems. In order to optimise and maintain the IT systems, they are embedded within the IT systems of Südzucker AG.

#### **Personnel risks**

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

#### **Other operational risks**

CropEnergies monitors product quality and environmental risks with the aid of a quality assurance system and modern process control technology. The risk of unplanned production stoppages is minimised by continuous maintenance measures and highly trained staff. If required, it is examined whether an unplanned reduction in production at one plant can be offset by additional production at another plant.

In the areas of information technology (IT), administration and research & development, CropEnergies is able to draw on the support of the specialist departments of Südzucker AG under a shared services agreement.

#### **Legal risk**

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



## Financial risks

CropEnergies is exposed, to some degree, to market risks as a result of changes in exchange rates and interest rates. The currency and interest rate risks are hedged on a limited scale through derivative instruments. The use of hedging instruments takes place within defined limits, and is subject to continuous controls.

## Product and raw material price risks

The CropEnergies Group is exposed to market price risks as a result of changes in the prices for end products, raw materials, and energy. In order to limit the resulting risks, CropEnergies uses, to a small extent, derivative hedging instruments to secure raw material and ethanol prices.

The use of hedging instruments takes place within defined limits, and is subject to continuous controls.

## Liquidity risks

Risks arising as a result of fluctuations in cash flows are identified early on and are managed within the framework of the liquidity planning, which is an integral part of the corporate planning process. Thanks to binding credit lines, CropEnergies can draw on ample cash resources in the short term where necessary.

## Credit risks

The credit risk in respect of receivables is reduced at CropEnergies, on the one hand, by constantly monitoring the creditworthiness, payment morale and credit lines of debtors and, on the other hand, is covered through credit insurance and guarantees. Credit risks arising from financial investments are minimised by concluding transactions exclusively with banks and partners of prime standing.

Detailed information on currency, interest rate and price risks as well as liquidity and credit risks can be found in the notes to the financial statements in item (27) "Risk management within the CropEnergies Group".

## Overall risk

There are no discernible risks that could jeopardise the continued existence of the CropEnergies Group or have material negative effects on its financial position, operations or operating results.

## Opportunities of future development

Profitability is largely influenced by the development of selling prices for ethanol and the costs of the raw materials used.

Opportunities can arise if grain prices decrease and/or bioethanol and co-product prices rise. CropEnergies can shield itself to some extent from the volatility of the grain markets through the possibility of using sugar syrups as raw material. Additionally, CropEnergies benefits from the sales revenues from its high-quality co-products, which reduce its net raw material costs, and from its energy-optimised production.

Opportunities are also presented by the expected market growth for bioethanol. With the capacity expansion in Germany, Belgium and France, CropEnergies has created the basis to profit from the future market growth as one of the most efficient producers of bioethanol in Europe.





## EVENTS AFTER THE BALANCE SHEET DATE

No events took place after the balance sheet date that have a significant impact on the assets, liabilities, financial position and results of operations.

## OUTLOOK

In the financial year 2010/11, CropEnergies will continue to achieve profitable growth and consolidate its market position. With the three modern production sites in Germany, Belgium and France as well as two tank storage facilities, CropEnergies has created an efficient production and distribution network in Europe whose efficiency can be fully exploited in the 2010/11 financial year. CropEnergies will also increase profitability by processing and marketing co-products into high-grade food and animal feed products and reduce its exposure to developments on the ethanol and raw material markets. CropEnergies is therefore excellently positioned to benefit from the growing European bioethanol market.

By adopting the mandatory target for the year 2020, anchored in the "Renewable Energies Directive" passed in 2009, to meet 10% of energy consumption in the transport sector using renewable energies, the EU has defined the growth potential for the European biofuel market. On the basis of initial estimates for the year 2009, in which the share of bioethanol in the EU petrol market was around 2.3%, CropEnergies therefore expects a sharp increase in demand for bioethanol through to 2020. Nonetheless, clarity about the course of growth and the short and medium-term impact on the bioethanol market will only follow after member states have submitted their national action plans for the promotion of renewable energies in June 2010.

Market observers worldwide expect continued growth on the bioethanol market. CropEnergies assumes that supply and demand for bioethanol will develop parallel to each other and therefore, in structural terms, prices for bioethanol are expected to move sideways with possible temporary fluctuations. Although the European price level will continue to be influenced in the future by developments in the world's most important export country, Brazil, local market conditions will increasingly

determine the price level in Europe. The deciding factor will be whether the growth in demand for bioethanol due to higher blending rates in the member states will be sufficient to keep pace with the expected increase in supply as a result of the start-up of new production facilities in 2010.

Besides the average price level for bioethanol, price developments on the grain and animal feed markets are the second major factor influencing the profitability of CropEnergies. A comfortable supply situation is expected both for the 2009/10 grain year and for the 2010/11 grain year. CropEnergies assumes that the prices on the grain markets, which have come down versus the previous year, will move sideways. As a result of the soybean harvest which is expected to be good, CropEnergies anticipates that prices for protein animal feed will follow the trend on the grain markets with a time lag and will ease to some extent. In the case of gluten, the price development will also be determined by the quality of the grain from the 2010/11 harvest.

For the 2010/11 financial year, CropEnergies expects a significant increase in revenue to more than € 400 million as a result of an expansion in production and sales of bioethanol and food and animal feed products. After the maintenance phase at the production facilities in Zeitz and Wanze scheduled for the 1<sup>st</sup> quarter, CropEnergies will be in a position to increase operating profit substantially in the further course of the year through the full utilisation of its production capacities for bioethanol and protein co-products. With support from continued moderate raw material costs, CropEnergies therefore expects to more than double its operating profit for the full 2010/11 financial year.

For the 2011/12 financial year and beyond, CropEnergies is confident that, as an innovative company with a strong capital base, it is well positioned to be able to benefit from the market growth for bioethanol in Europe and the high demand for protein food and animal feed products and to further expand its technology and cost leadership in Europe. Under normal conditions on the ethanol and raw material markets, this should enhance further growth of earnings.

Our food and animal feed account for  
around 15 per cent of our revenues.

And this share is increasing.





Our food and animal feed are part of our business model and make a significant contribution to the success of CropEnergies. They extend the value chain and enhance profitability. Consequently, we are continuously exploring possibilities with which we can expand our product range and find new areas of application for our products.



**CROPENERGIES – FIRSTHAND GROWTH.**

## CONSOLIDATED FINANCIAL STATEMENTS

### Statement of comprehensive income

1 March 2009 to 28 February 2010

€ thousands	Note	2009/10	2008/09
<b>Income statement</b>			
Revenues	(5)	374,149	328,434
Change in work in progress and finished goods inventories and internal costs capitalised	(6)	10,895	7,322
Other operating income	(7)	5,344	2,022
Cost of materials	(8)	-297,309	-273,805
Personnel expenses	(9)	-22,000	-17,226
Depreciation		-21,296	-10,639
Other operating expenses	(10)	-40,349	-28,974
<b>Income from operations</b>	(11)	<b>9,434</b>	<b>7,134</b>
Financial income	(12)	626	1,635
Financial expenses	(12)	-8,945	-5,158
<b>Earnings before income taxes</b>		<b>1,115</b>	<b>3,611</b>
Taxes on income	(13)	3,300	2,243
<b>Net earnings for the year</b>		<b>4,415</b>	<b>5,854</b>
<b>Earnings per share, diluted/undiluted (€)</b>		<b>0.05</b>	<b>0.07</b>
<b>Table of other comprehensive income</b>			
<b>Net earnings for the year</b>		<b>4,415</b>	<b>5,854</b>
Mark-to-market gains and losses		-1,348	-1,006
<b>Income and expenses recognised in shareholders' equity</b>		<b>-1,348</b>	<b>-1,006</b>
<b>Total comprehensive income</b>		<b>3,067</b>	<b>4,848</b>



## Cash flow statement

1 March 2009 to 28 February 2010

€ thousands	Note	2009/10	2008/09
Net earnings for the year		4,415	5,854
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	(15), (16)	21,296	10,639
Decrease in non-current provisions and deferred tax liabilities		-8,262	-4,895
Other income / expense not affecting cash		399	-1,502
<b>Gross cash flow</b>		<b>17,848</b>	<b>10,096</b>
Gain on disposal of non-current assets and securities		-133	-882
Increase (+) / Decrease (-) in current provisions		485	-3,233
Increase in inventories, receivables and other current assets		-15,510	-2,556
Decrease (-) / Increase (+) in liabilities (excluding financial liabilities)		-21,839	8,767
Change in working capital		-36,864	2,978
<b>I. Net cash flow from operating activities</b>		<b>-19,149</b>	<b>12,192</b>
Investments in property, plant and equipment and intangible assets	(15), (16)	-33,843	-170,110
Acquisition of, and investments in, non-current financial assets		0	-17,084
<b>Investments</b>		<b>-33,843</b>	<b>-187,194</b>
Cash received on disposal of non-current assets		661	368
Cash received on the selling of securities in current assets		0	41,366
Investment subsidies received		4,764	4,000
<b>II. Cash flow from investing activities</b>		<b>-28,418</b>	<b>-141,460</b>
Receipt of financial liabilities		111,707	95,000
Repayment of financial liabilities		-58,890	-13,240
<b>III. Cash flow from financial activities</b>		<b>52,817</b>	<b>81,760</b>
<b>IV. Change in cash and cash equivalents (total of I., II. and III.)</b>		<b>5,250</b>	<b>-47,508</b>
Cash and cash equivalents at the beginning of the year		3,078	50,586
<b>Cash and cash equivalents at the end of the year</b>		<b>8,328</b>	<b>3,078</b>

*Additional comments on the cash flow statement can be found in item (30) of the notes to the financial statements.*



## Balance sheet

28 February 2010

### ASSETS

€ thousands	Note	28/02/2010	28/02/2009
Intangible assets	(15)	8,840	4,859
Property, plant and equipment	(16)	483,218	476,608
Receivables and other assets		1	0
Deferred tax assets	(13)	26,249	16,185
<b>Non-current assets</b>		<b>518,308</b>	<b>497,652</b>
Inventories	(17)	41,085	34,940
Trade receivables and other assets	(18)	41,131	35,741
Current tax receivables		11	1,128
Cash and cash equivalents	(23), (24)	8,328	3,078
<b>Current assets</b>		<b>90,555</b>	<b>74,887</b>
<b>Total assets</b>		<b>608,863</b>	<b>572,539</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

€ thousands	Note	28/02/2010	28/02/2009
Subscribed capital		85,000	85,000
Capital reserves		211,333	211,333
Revenue reserves		15,353	12,286
<b>Shareholders' equity</b>	(19)	<b>311,686</b>	<b>308,619</b>
Provisions for pensions and similar obligations	(20)	2,925	2,344
Other provisions	(21)	1,023	1,370
Non-current financial liabilities	(23), (24)	139,638	108,539
Other liabilities		129	167
Deferred tax liabilities	(13)	21,220	19,652
<b>Non-current liabilities</b>		<b>164,935</b>	<b>132,072</b>
Other provisions	(21)	1,383	898
Current financial liabilities	(23), (24)	84,124	62,406
Trade payables and other liabilities	(22)	43,932	61,285
Current tax liabilities		2,803	7,259
<b>Current liabilities</b>		<b>132,242</b>	<b>131,848</b>
<b>Total liabilities and shareholders' equity</b>		<b>608,863</b>	<b>572,539</b>



## Development of shareholders' equity

1 March 2009 to 28 February 2010

€ thousands	Subscribed capital	Capital reserves	Retained earnings incl. carryforwards	Revaluation reserve	Net profit	Total consolidated shareholders' equity
1 March 2008	85,000	211,333	-14,810	2,094	20,154	303,771
Net earnings for the year					5,854	5,854
Unappropriated net profit carried forward			20,154		-20,154	0
Mark-to-market gains and losses on cash flow hedging instruments				-1,006		
Income and expenses recognised in shareholders' equity	0	0	0	-1,006	0	-1,006
Total comprehensive income						4,848
28 February 2009	85,000	211,333	5,344	1,088	5,854	308,619
1 March 2009	85,000	211,333	5,344	1,088	5,854	308,619
Net earnings for the year					4,415	4,415
Unappropriated net profit carried forward			5,854		-5,854	0
Mark-to-market gains and losses on cash flow hedging instruments				-1,348		
Income and expenses recognised in shareholders' equity	0	0	0	-1,348	0	-1,348
Total comprehensive income						3,067
28 February 2010	85,000	211,333	11,198	-260	4,415	311,686

The development of shareholders' equity is explained in item (19) of the notes to the financial statements.



## 62 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

### Notes to the consolidated financial statements for the financial year from 1 March 2009 to 28 February 2010

#### General notes

##### **(1) Principles for drawing up the consolidated financial statements**

The consolidated financial statements of CropEnergies AG and its subsidiaries were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, taking into account the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applicable in the EU. In addition, account was taken of the requirements of German commercial law pursuant to § 315a (1) of the German Commercial Code (HGB).

All IFRS pronounced by the IASB in force at the time the present consolidated financial statements were drawn up and applied by CropEnergies have been adopted by the EU for application within the EU.

The consolidated financial statements for 2009/10 were prepared by the executive board, will be reviewed by the audit committee on 6 May 2010 and will be reviewed and approved by the supervisory board during its meeting on 17 May 2010 and thus approved for publication.

The consolidated financial statements are drawn up in euro. Unless stated otherwise, all amounts are in thousand Euro (€ thousand).

In addition to the statement of total comprehensive income, which comprises the income statement and a statement of other comprehensive income, the financial statements include the cash flow statement, the balance sheet, and the development of shareholders' equity. The disclosures in the notes also include a segment report.

In order to improve the clarity of the presentation, various items of the balance sheet and the statement of total comprehensive income have been grouped together in summarised form. These items are reported separately and explained in the notes. The income statement, forming part of the statement of total comprehensive income, is drawn up on the basis of the type of expenditures format.

Beginning with the 2009/10 financial year, the following standards and interpretations newly published or revised by the IASB had to be mandatorily applied. The following IFRS became effective for the first time within the CropEnergies Group during the year under review:

As a result of the revision of IAS 1 (Presentation of Financial Statements) the income statement, which was formerly a separate component of the financial statements, has been replaced by the statement of total comprehensive income. Total comprehensive income consists of the income and expenses recognised through profit or loss in the income statement and the income and expenses recognised directly in equity.

According to IAS 23 (Borrowing Costs), debt capital interest which can be attributed to the acquisition or production of so-called qualified assets (construction of new production plants or major plant expansion), must be mandatorily capitalised as part of the cost of that asset until the completion of the investment project.

In accordance with the amendments to IFRS 7 (Financial Instruments: Disclosures), a fair value hierarchy (measurement levels 1–3) must be presented which shows the extent to which the fair values of financial instruments have been





calculated on the basis of published market prices (measurement level 1), on the basis of deductions from published market prices (measurement level 2) or unobservable internal company data (measurement level 3). The first-time application resulted in additional disclosures in the notes of CropEnergies' consolidated financial statements.

The following standards and interpretations applied for the first time in the 2009/10 financial year had no or immaterial effects on the CropEnergies consolidated financial statements:

- The amendments to IFRS 1 and IAS 27 (Cost of an Investment in Subsidiaries, Jointly Controlled Entities and Associates in Separate Financial Statements of the Parent Company)
- The amendments to IFRS 2 (Share-Based Payment Transactions: Vesting Conditions and Cancellations)
- The amendments to IAS 32 and IAS 1 (Puttable Financial Instruments and Obligations Arising on Liquidation)
- The improvements to IFRSs (2008)
- The amendments to IFRIC 9 (Reassessment of Embedded Derivatives – 2009) and IAS 39 (Financial Instruments: Recognition and Measurement – 2009)
- IFRIC 11 (IFRS 2 – Group and Treasury Share Transactions)
- IFRIC 13 (Customer Loyalty Programmes)
- IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – 2009)

The following revised standards and new interpretations that have been adopted into European law by the EU were not mandatory in the 2009/10 financial year:

The revised IFRS 3 (Business Combinations – 2008) contains revised requirements on acquisitions; the amendments relate to the scope of application and treatment of successive share purchases. Furthermore, the amendments allow the introduction of an option allowing non-controlling interests to be measured at fair value or at the proportionate share of net assets. Depending on which option a company exercises, any goodwill is recognized in full or only in proportion to the majority owner's interest. IFRS 3 (2008) becomes effective for the first time for financial years starting from 2010/11.

The amendments to IAS 27 (Consolidated and Separate Financial Statements – 2008) make clear that transactions through which a parent company changes its amount of holding in a subsidiary without relinquishing control are to be treated as changes in shareholders' equity not recognised through profit or loss. Furthermore, new regulations have been introduced concerning the treatment of transactions incurring a loss of the controlling position vis-à-vis a subsidiary. The standard states how deconsolidation gains are to be calculated and the stake remaining after disposal is to be measured. The revised IAS 27 becomes effective for the first time for financial years starting from 2010/11.



## 64 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year from 1 March 2009 to 28 February 2010

The following standards and interpretations have no or immaterial effects on the CropEnergies consolidated financial statements.

- The amendments to IAS 32 (Classification of Subscription Rights)
- The amendments to IAS 39 (Financial Instruments: Recognition and Measurement – Permissible Operating Activities within the Framework of Hedging Relations)
- The improvements to the IFRSs (2009)
- IFRS 1 (First-Time Adoption of the International Financial Reporting Standards – 2008: Restructured IFRS 1)
- The amendments to IFRS 2 (Group Cash-settled Share-based Payment Transactions)
- IFRIC 12 (Service Concession Arrangements)
- IFRIC 15 (Agreements for the Construction of Real Estate)
- IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)
- IFRIC 17 (Distributions of Non-cash Assets to Owners)
- IFRIC 18 (Transfers of Assets from Customers)

The following standards, interpretations and amendments have already been published by the IASB but not adopted into European law by the EU. They are therefore not applied by CropEnergies:

- IFRS 1 (First-Time Application of the International Financial Reporting Standards – 2009) amendments to IFRS 1 – additional exceptions for first-time adopters
- IFRS 1 (First-Time Application of the International Financial Reporting Standards – 2010) amendments to IFRS 1 – granting of exceptions from the disclosures required in IFRS 7 – comparable figures for first-time adopters
- IFRS 9 (Financial Instruments)
- IAS 24 (Disclosures on and relations with related parties – 2009)
- IFRIC 14 (Defined Benefit Assets and Minimum Funding Requirements – 2009)
- IFRIC 19 (Extinguishing Financial Liabilities with Equity Instruments)



## (2) Scope of consolidation

The following German and foreign subsidiary companies, which are directly or indirectly wholly owned by CropEnergies AG and over which it has direct or indirect economic control, are included in the consolidated financial statements in line with full consolidation principles:

- CropEnergies Beteiligungs GmbH, Mannheim\*
- CropEnergies Bioethanol GmbH, Zeitz\*
- BioWanze SA, Brussels (Belgium)
- Compagnie Financière de l'Artois SA, Paris (France)
- Ryssen Alcools SAS, Loon-Plage (France)

Effective as of 29 June 2009 CropEnergies Beteiligungs GmbH, Mannheim, and Tyczka Energie GmbH, Geretsried, established

- CT Biocarbonic GmbH, Zeitz.

with an equity interest of 50% each.

CT Biocarbonic GmbH is a joint venture established for the liquefaction and sale of biogenic CO<sub>2</sub> in food quality and was proportionately consolidated for the first time in the 2<sup>nd</sup> quarter. On the basis of this proportionate consolidation, only 50% of the assets, liabilities and contingent liabilities, and of the income statement are included in the consolidated financial statements of CropEnergies AG. The company is still in development.

€ thousands	28/02/2010	28/02/2009
Non-current assets	2,500	n.a.
<i>Receivables and other assets</i>	10	n.a.
<i>Cash and cash equivalents</i>	1,562	n.a.
Current assets	1,572	n.a.
<b>Total assets</b>	<b>4,072</b>	<b>n.a.</b>
Non-current liabilities	3,053	n.a.
Current liabilities	37	n.a.
<b>Total liabilities</b>	<b>3,090</b>	<b>n.a.</b>
Income	18	n.a.
Expenses	44	n.a.

## (3) Consolidation methods

Capital consolidation of the subsidiaries is carried out according to the purchase accounting method by offsetting the acquisition cost with the group's interest in the subsidiary company's equity at the time of acquisition. An excess is allocated to the assets to the extent that their current value exceeds their book value. A remaining goodwill upon first-time consolidation is recognised under intangible assets. In accordance with IFRS 3 (Business Combinations) goodwill is not amortised over its anticipated useful life but is tested for impairment at least once a year (impairment-only approach).

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



Intercompany sales, expenses and income as well as all receivables and liabilities or provisions and contingent liabilities between the consolidated companies are eliminated. There were no material intercompany profits recognised in fixed assets and inventories.

Joint ventures in which CropEnergies has a voting interest of 50% are consolidated on a proportional basis.

#### **(4) Accounting principles**

Acquired goodwill is reported under intangible assets. Intangible assets acquired within the framework of a business combination are reported separately from goodwill if they are separable in accordance with the definition in IAS 38 (Intangible Assets) or emanate from a contractual or legal right and the current value can be reliably measured. Other intangible assets acquired for consideration are reported at their acquisition cost and are regularly amortised on a straight-line basis over their anticipated useful life. Self-constructed intangible assets are capitalised insofar as the recognition criteria of IAS 38 are fulfilled.

Goodwill is not amortised but is tested for impairment annually and whenever there are indications of impairment (impairment test).

In conducting the impairment tests, the goodwill has to be allocated to the cash generating units at the segment level.

The recoverable amount is measured by determining the value in use. The value in use is the present value of the future cash flows that can probably be produced from the cash generating units. The value in use is determined on the basis of a going concern valuation model (discounted cash flow method). For this purpose, cash flow forecasts are used that are based on the 5-year planning approved by the executive board and valid at the time of conducting the impairment tests.

The 5-year planning takes into account economic data of a general nature and is based on the expected development of the macroeconomic framework data derived from external economic and financial studies.

The cost of capital has to be calculated as the weighted average of the cost of equity and the cost of debt based on their respective share of total capital. The cost of equity corresponds to the return expectations of the CropEnergies shareholders. The cost of debt that is applied reflects the company's current financing terms. In February 2010, the discount rate derived from the CropEnergies Group's cost of capital was 8.7% before tax and 6.1% after tax.

For the extrapolation of cash flows beyond the planning period in the cash generating unit (CGU), CropEnergies uses a constant growth rate of 1.5%. This growth rate for discounting the perpetuity is below the growth rate calculated during the detailed planning period and serves to largely offset a general inflation rate. The cash flows are calculated less the capital expenditures required to achieve the assumed cash flow growth. These investment quotas are based on past experience values and make allowance for scheduled replacement purchases of means of production during the planning period.

In the past 2009/10 financial year, no write-downs of goodwill were necessary in the light of the annual impairment test or other circumstances because the value in use of the CGUs was above book value. The goodwill impairment test is based on forward-looking assumptions. Judging from today's vantage point, changes in these assumptions will not cause the book values of the CGUs to exceed their recoverable amount (value in use) so that they would need to be adjusted in the following financial year. The value in use of the CGUs was well above their book value as of the valuation date.



Property, plant and equipment are valued at acquisition or production cost less straight-line depreciation. In the year of acquisition the asset values of property, plant and equipment are written off on a pro rata temporis basis. Government grants and allowances are deducted from acquisition cost. The production cost of self-constructed assets includes direct costs as well as proportional allocable material and production overhead costs. Borrowing costs that can be allocated to the acquisition or production of so-called qualified assets (projects such as the construction of new production facilities or major plant expansion, whose implementation lasts at least one year) are capitalised as part of acquisition or production cost as from the 2009/10 financial year. Maintenance costs are recognised through profit or loss at the time when they accrue. They are only capitalised if the general capitalisation criteria, such as the inflow of economic benefits and the reliable measurement of the allocable costs, are fulfilled.

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

	Expected useful lives
Intangible assets	3 to 8 years
Buildings	15 to 50 years
Technical plant and machinery	6 to 30 years
Office furniture and equipment	3 to 15 years

Property, plant and equipment and intangible assets with a defined useful life are written down according to IAS 36 (Impairment of Assets) if the recoverable amount of the asset has fallen below book value. The recoverable amount is reported as fair value less selling costs or the value of the expected inflow of economic benefits from the use of the asset (value in use), whichever is greater. Write-downs are reversed through profit or loss when the original reasons for the impairments no longer apply, whereby the write-up may not exceed the carrying amount that would have been reported if no impairment had been recognised in prior periods.

Inventories are reported at acquisition or production cost. The average cost method is applied or – in the case of raw materials – the FIFO method (first in – first out) since this corresponds to the actual order in which they are consumed. Production cost includes the production-related full costs measured on the basis of normal capacity. Specifically, production cost includes the direct costs as well as fixed and variable production overheads (material and manufacturing overhead costs) including depreciation on production facilities. Included in particular are the costs incurred at the specific production cost centres. If necessary, the lower realisable net selling value less costs still to be incurred is applied. This is always based on the realisable net selling value of the product. The realisable net selling value is the estimated revenues realisable in the normal course of business from the sale of the product less the variable selling costs required to sell it. Write-downs on inventories are reported under the item "Change in inventories".

The reported receivables and other assets are recognised at their current value at the time when they accrue and are subsequently valued at amortised cost on the basis of the effective interest method. Adequate specific valuation adjustments have been made for default and other risks contained in the receivables. These are reported under the item "other operating expenses".

Valuation adjustments are made where necessary for any remaining risk residual in respect of trade receivables based on the actual default risk. The maximum risk position arising from trade receivables corresponds to the book value of these receivables.



## 68 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

Cash and cash equivalents are reported at their nominal value, which corresponds as a rule to their market value. Cash and cash equivalents consist of cash and balances held with banks with a maximum maturity of three months.

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

CO<sub>2</sub> emission rights are accounted for as intangible assets and are reported under other assets. They are valued at acquisition cost, which is zero in the case of emission rights that are allocated at no cost. If actual emissions exceed the allocated certificates, a provision for CO<sub>2</sub> emissions is created and expensed. The provision is measured on the basis of the acquisition cost of purchased emission certificates or the market value of emission certificates on the respective valuation date.

In the case of defined-benefit pension plans the provisions for pensions and similar commitments are measured on the basis of the projected credit method according to IAS 19 (Employee Benefits). This method not only incorporates the known pension benefits and the future pension benefits accumulated as of the reporting date but also takes account of future salary and pension adjustments. The calculation is based on actuarial valuations taking biometric data into account.

The provision for pensions and similar commitments is reduced by the plan assets of the fund created to cover the pension obligations. The service cost component is recognised in personnel expenses, while the interest cost component, representing the increase in the present value of the accrued benefit obligations over time, and the expected return on the plan assets are recognised in net financial income and expenses. Pension provisions are discounted.

Gains and losses from unplanned changes in the present value of the future benefit obligations and changes to the actuarial assumptions within a 10% margin of the present value of the future benefit obligations are not taken into account. Only when this margin is exceeded, or is fallen short of, these gains/losses are distributed over the remaining time of service and recognised in provisions.

Other provisions are recognised when a current obligation arises from a past event, the likelihood of an outflow of resources embodying economic benefits to settle the obligation is more probable than not, and this can be estimated with sufficient reliability. This means that the degree of probability must be more than 50%. Measurement is on the basis of the outcome of the obligation with the highest degree of probability or, in the case of equal probability, on the expected value of the obligation. Provisions are only created for legal and de facto obligations to third parties. Provisions are reported at the discounted present value of the expected expense, whereby the discount rate is oriented to the current market expectation and the specific risks of the obligation. Provisions are written back in the expense item under which they were created.

Customary guarantee obligations are assumed for which provisions have been created in case of probable availment. Furthermore, the company regularly assumes in the course of its usual operations contingent liabilities partly arising from guarantees and open purchase order commitments. Provisions have been created for areas in which there is more than 50% likelihood of availment. Deferred taxes are calculated on temporary differences in the values of assets and liabilities between IFRS and the tax accounting as well as on loss carry-forwards to the extent that they can be used for tax purposes. Deferred tax assets and deferred tax liabilities are reported as separate items. Deferred taxes were calculated in accordance with IAS 12 (Income Tax) taking the country and location-specific income tax rates into account.



Non-current liabilities are reported at fair value upon initial recognition and are subsequently measured at amortised cost. Differences between historical cost and the repayment amount are accounted for on the basis of the effective interest method. Current liabilities are valued at market value at the time of accrual and thereafter at amortised cost.

Financial assets are subdivided into the following categories: a) financial assets held for trading, and b) loans and receivables. Financial liabilities are classified as "other financial liabilities" or "financial liabilities held for trading" upon initial recognition.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets upon their initial recognition and reviews the classification at each reporting date. Similarly to the procedure for financial assets, the classification of financial liabilities also depends on their respective purpose.

Financial assets are deleted from the accounts, if the rights to payment have lapsed. Financial liabilities are deleted from the accounts if they have been repaid, in other words all the financial obligations specified in the agreement have been settled, cancelled or have expired.

The CropEnergies Group uses derivative financial instruments for hedging grain prices in order to minimise risks and costs caused by fluctuations in raw material prices, and currency derivatives to a small extent. To the extent that they are based on hedged items relating to the company's operating activities these hedging transactions are treated as cash flow hedges, so gains or losses are recognised in earnings at the time when the hedged item affects earnings. Authoritative for the initial recognition of a financial instrument is the date of performance.

Contracts which are concluded for the purposes of receiving or delivering non-financial items according to the company's operational planning are not reported as derivative financial instruments but as pending transactions.

Revenues from the sale of products and merchandise are recognised when the delivery or service owed has been performed and transfer of the material opportunities and risks has taken place. Reductions and price allowances are also taken into consideration.

Interest income and interest expenses not requiring capitalisation according to IAS 23 (Borrowing costs) are recognised on a pro rata temporis basis by applying the effective interest method. Dividends are received when the shareholder's rights to receive payments have been established.

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

Development costs for new products are capitalised at production cost provided that the costs are clearly allocable and both the technical feasibility and the marketing of these newly developed products are assured. In addition, the product development must lead to a future inflow of economic benefits with a sufficient degree of probability. Research costs cannot be capitalised according to IAS 38 and are directly expensed in the income statement.

Discretionary decisions have to be taken when applying the accounting policies.



## 70 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

This applies especially with regard to the following issues: with certain contracts it has to be decided whether they are to be treated as derivatives or are to be accounted for as pending transactions like in-house consumption contracts.

The preparation of the consolidated financial statements according to IFRS requires assumptions and estimations to be made. These assessments by management can affect the value of the assets and liabilities as well as the income and expenses reported, and the recognition of contingent liabilities.

These assumptions and estimations relate, for instance, to the recognition and measurement of provisions. In the case of provisions for pensions and similar commitments the discount rate assumed is an important variable. The discount rate is determined on the basis of the yields of prime fixed-rate corporate bonds prevailing on the financial markets as of the reporting date. Assumptions are also made about pensionable age, life expectancy, staff fluctuation, and future salary and pension increases.

The assessment of goodwill impairments is based on cash flow forecasts for the next five years and the application of a discount rate that is adjusted for industry and company-specific risk.

Deferred tax assets are recognised if the realisation of future tax benefits is probable. However, the actual taxable earnings situation in future periods, and thus the actual extent to which the deferred tax assets can be utilised, may differ from the assessment at the time the deferred tax assets were recognised.

Further details on the assumptions and estimations underlying these consolidated financial statements can be found in the notes on the individual items of the financial statements.

All assumptions and estimations are based on the circumstances and assessments on the balance sheet date. The assessment of probable business development also takes account of assumptions regarding the group's future operating environment that were considered realistic at that time. Should the framework conditions develop differently than we have assumed, the actual outcomes may differ from the estimates. If this is the case, the assumptions and, if necessary, the book values of the assets and liabilities concerned are adjusted.





## Notes on the income statement

### (5) Sales revenues

€ thousands	2009/10	2008/09
Bioethanol and co-products	362,472	312,688
Other revenues	11,677	15,746
	<b>374,149</b>	<b>328,434</b>

The growth in sales revenues is mostly due to the substantially higher revenues from the sale of bioethanol. The lower price level compared to the previous year was more than compensated by the growth of 25% in sales volume to 601,000 m<sup>3</sup>. The increase in bioethanol sales is primarily attributable to the sharp rise in production at the new plant in Wanze, and a further expansion of output in Zeitz. The first-time sale of gluten also had a positive impact on revenues.

Other revenues relate mainly to revenues from the sale of energy and grain, and from work and services performed.

### (6) Changes in inventories and other internal costs capitalised

The item change in inventories and other internal costs capitalised includes own work capitalised in the amount of € 11 (36) thousand.

### (7) Other operating income

The other operating income of € 5.3 (2.0) million relates primarily to income from insurance compensation, charged-on costs, litigation, and asset disposals.

### (8) Cost of materials

€ thousands	2009/10	2008/09
Cost of raw materials, consumables and supplies and of purchased merchandise	280,100	263,978
Cost of purchased services	17,209	9,827
	<b>297,309</b>	<b>273,805</b>

In comparison with revenues, the cost of materials rose less than proportionately by 9% to € 297.3 (273.8) million. CropEnergies benefited from the lower price level for grain versus the previous year.

The increase in the cost of purchased services to € 17.2 (9.8) million is largely due to start-up costs at the plant in Wanze.

The materials expense ratio (as a percentage of overall performance) amounted to 77.2% (81.5%).



## 72 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

### (9) Personnel expenses

€ thousands	2009/10	2008/09
Wages and salaries	16,310	13,236
Social security, pension and welfare expenses	5,690	3,990
	<b>22,000</b>	<b>17,226</b>

Number of employees (annual average)	2009/10	2008/09
Number of employees by region		
Germany	133	131
Other European countries	169	141
	<b>302</b>	<b>272</b>
Number of employees by category		
Wages earners	155	134
Salary earners	147	138
	<b>302</b>	<b>272</b>

The average number of employees in the 2009/10 financial year increased versus the previous year to 302 (272). This was especially due to new hirings for the Wanze production plant. As a result, personnel expenses increased to € 22.0 (17.2) million.

The personnel expense ratio (as a percentage of overall performance) rose to 5.7% (5.1%).

### (10) Other operating expenses

€ thousands	2009/10	2008/09
Selling and advertising expenses	15,526	12,447
Operating and administrative expenses	12,009	6,434
Other expenses	12,814	10,093
	<b>40,349</b>	<b>28,974</b>

The other operating expenses of € 40.3 (29.0) million include selling and advertising expenses of € 15.5 (12.4) million, operating and administrative costs of € 12.0 (6.4) million, and other expenses of € 12.8 (10.1) million. Selling and advertising expenses increased primarily due to the strong growth in business volume and therefore in logistics costs. Operating and administrative costs mainly increased as a result of the first full-year operation of the plant in Wanze.



The other expenses mainly comprise costs of shared services provided by the Südzucker Group in the amount of € 6.4 (6.6) million, rental and leasing expenses of € 2.3 (0.9) million, and income from charged-on costs in the amount of € 1.1 (0.6) million.

### (11) Income from operations

€ thousands	2009/10	2008/09
<b>Income from operations</b>	<b>9,434</b>	<b>7,134</b>
of which operating profit	11,917	18,193
of which restructuring costs and special items	-2,483	-11,059

The income from operations for the past 2009/10 financial year of € 9.4 (7.1) million comprises the operating profit of € 11.9 (18.2) million and net restructuring costs and special items of € -2.5 (-11.1) million.

In comparison with the previous year, net restructuring costs and special items improved in the 2009/10 financial year to € -2.5 (-11.1). Net restructuring and special items mainly include the cost of unscheduled repairs of a unit at the new plant in Wanze.

The operating margin was 3.2% (5.5%) of sales revenues.

### (12) Financial income and expenses

€ thousands	2009/10	2008/09
Interest income	13	434
Other financial income	613	1,201
<b>Financial income</b>	<b>626</b>	<b>1,635</b>
Interest expense	-8,548	-4,610
Other financial expense	-397	-548
<b>Financial expense</b>	<b>-8,945</b>	<b>-5,158</b>
<b>Net financial result</b>	<b>-8,319</b>	<b>-3,523</b>

The net financial result decreased by € 4.8 million versus the previous year to € -8.3 (-3.5) million. This was mainly due to higher net financial debt and consequently higher interest expenses as a result of the capital expenditures in Wanze. CropEnergies is benefiting from the currently favourable interest rate level.

Interest expense from pensions and similar obligations of € 0.1 (0.1) million are reported in the item interest expense.



## 74 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

### (13) Taxes on income

The theoretical tax rate of 29.9% for the 2009/10 financial year is derived by applying the German corporate income tax rate of 15.0% plus the solidarity surcharge of 5.5%, and municipal trade tax on income.

€ thousands	2009/10	2008/09
Earnings before tax on income	1,115	3,611
Theoretical tax rate	29.9%	29.9%
<b>Theoretical tax expense</b>	<b>334</b>	<b>1,081</b>
Change in theoretical tax expense as a result of:		
Foreign tax rate differentials	-2,057	-2,305
Tax-free dividends	-403	-591
Different tax rates	-1,095	-853
Fixed asset valuation differences	-688	-674
Non-deductible expenses	140	1,011
Trade tax adjustment	304	238
Other	165	-150
<b>Taxes on income</b>	<b>-3,300</b>	<b>-2,243</b>
<b>Effective tax rate</b>	<b>-,-</b>	<b>-,-</b>

As a result of specific Belgian tax rules, a tax reduction of € 2.1 (2.3) million was realised in the reporting period.

Set against the current tax expenses of € 4.5 (3.0) million there was deferred tax income of € 7.8 (5.2) million which was mainly due to the loss carry-forward and to specific Belgian tax rules at BioWanze SA.

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

€ thousands	Deferred tax assets		Deferred tax liabilities	
	2010	2009	2010	2009
<b>28 February</b>				
Property, plant and equipment	0	0	21,237	18,433
Inventories	299	0	0	456
Other assets	12	12	333	448
Provisions	296	118	261	317
Liabilities	607	11	0	24
Tax loss carry forwards	25,646	16,070	0	0
	26,860	16,211	21,831	19,678
Offsets	-611	-26	-611	-26
<b>Balance sheet</b>	<b>26,249</b>	<b>16,185</b>	<b>21,220</b>	<b>19,652</b>



Of the deferred tax assets amounting to € 26.9 (16.2) million before netting, € 25.6 (12.9) million are non-current. Of the deferred tax liabilities amounting to € 21.8 (19.7) million before netting, € 21.2 (18.4) million are non-current.

The deferred tax assets and liabilities not recognised through profit or loss amount to € 1.0 (0.2) million and € 0.3 (1.0) million, respectively.

#### **(14) Research and development costs**

The research and development activities of the CropEnergies Group are focused on broadening the feedstock base, the use of new enzymes, increasing the efficiency of existing production concepts, the commercialisation of co-products, the development of standards, the development of new concepts for the production of bioethanol, and research in the area of bioethanol fuel cells.

Research and development costs amounted to € 2.8 (2.9) million. All research and development costs were fully expensed in the income statement in the year they accrued and are reported under the item "Other operating expenses". Development costs for new products were not capitalised as future economic benefits can only be identified when the existence of a market for products can be identified.



## 76 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

### Notes on the balance sheet

#### (15) Intangible assets

The intangible assets relate to the goodwill resulting from the first-time consolidation of Ryssen. Acquired software is reported under concessions, industrial and similar rights.

2009/10			
€ thousands	Goodwill	Concessions, industrial and similar rights	Total
<b>Acquisition costs</b>			
1 March 2009	4,358	1,173	5,531
Additions	0	1,175	1,175
Transfers	0	3,069	3,069
Disposals	-12	0	-12
28 February 2010	4,346	5,417	9,763
<b>Amortisation and impairment write-downs</b>			
1 March 2009	0	-672	-672
Amortisation for the year	0	-251	-251
28 February 2010	0	-923	-923
<b>Net book value at 28 February 2010</b>	<b>4,346</b>	<b>4,494</b>	<b>8,840</b>

2008/09			
€ thousands	Goodwill	Concessions, industrial and similar rights	Total
<b>Acquisition costs</b>			
1 March 2008	0	1,046	1,046
Cons. Group changes	12	14	26
Additions	4,346	104	4,450
Transfers	0	9	9
28 February 2009	4,358	1,173	5,531
<b>Amortisation and impairment write-downs</b>			
1 March 2008	0	-553	-553
Cons. Group changes	0	-1	-1
Amortisation for the year	0	-118	-118
28 February 2009	0	-672	-672
<b>Net book value at 28 February 2009</b>	<b>4,358</b>	<b>501</b>	<b>4,859</b>

The additions include investment benefits in the amount of € 3 (0) thousand which were deducted from acquisition cost.



### (16) Property, plant and equipment

2009/10	Land, land rights and buildings including buildings on leased land	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construction	Total
€ thousands					
<b>Acquisition costs</b>					
1 March 2009	55,937	174,455	5,620	275,363	511,375
Additions	3,956	23,182	680	3,422	31,240
Transfers	63,411	197,923	9,666	-274,069	-3,069
Disposals	-208	-210	-214	-1	-633
28 February 2010	123,096	395,350	15,752	4,715	538,913
<b>Depreciation and impairment write-downs</b>					
1 March 2009	-4,749	-28,669	-1,349	0	-34,767
Depreciation for the year	-3,134	-16,981	-811	0	-20,926
Impairment losses	-81	-38	0	0	-119
Disposals	22	17	78	0	117
28 February 2010	-7,942	-45,671	-2,082	0	-55,695
<b>Net book value at 28 February 2010</b>	<b>115,154</b>	<b>349,679</b>	<b>13,670</b>	<b>4,715</b>	<b>483,218</b>
<b>2008/09</b>					
€ thousands	Land, land rights and buildings including buildings on leased land	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construction	Total
<b>Acquisition costs</b>					
1 March 2008	42,450	128,426	3,044	157,026	330,946
Cons. group changes	3,141	11,096	1,897	230	16,364
Additions	4,792	9,219	687	150,408	165,106
Transfers	5,757	26,430	70	-32,266	-9
Disposals	-203	-716	-78	-35	-1,032
28 February 2009	55,937	174,455	5,620	275,363	511,375
<b>Depreciation and impairment write-downs</b>					
1 March 2008	-3,593	-17,839	-718	0	-22,150
Cons. group changes	-279	-1,785	-202	0	-2,266
Depreciation for the year	-1,374	-8,482	-436	0	-10,292
Impairment losses	0	-205	-24	0	-229
Transfers	479	-481	2	0	0
Disposals	18	123	29	0	170
28 February 2009	-4,749	-28,669	-1,349	0	-34,767
<b>Net book value at 28 February 2009</b>	<b>51,188</b>	<b>145,786</b>	<b>4,271</b>	<b>275,363</b>	<b>476,608</b>



## 78 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

The item "Assets under construction" contains, in accordance with IAS 23, borrowing costs of € 10 thousand which have been capitalised for the first time.

The additions include investment benefits in the amount of € 1,425 (4,900) thousand which have been deducted from acquisition cost.

### (17) Inventories

€ thousands	28/02/2010	28/02/2009
Raw materials and supplies	12,500	15,541
Work in progress	1,613	1,756
Finished goods and merchandise	26,972	17,643
	<b>41,085</b>	<b>34,940</b>

The growth in inventories of finished goods reflects the company's growth as well as a scheduled build-up of inventories ahead of the maintenance measures planned in the 1<sup>st</sup> quarter of the 2010/11 financial year in Wanze and Zeitz. The inventories include an impairment write-down of € 0.3 (0.2) million.

### (18) Trade receivables and other assets

€ thousands	28/02/2010	28/02/2009
Trade receivables	28,642	24,788
Other assets	12,489	10,953
	<b>41,131</b>	<b>35,741</b>

Trade receivables rose substantially due to the strong growth in business volume.

The book value of trade receivables after valuation adjustments was as follows:

€ thousands	28/02/2010	28/02/2009
Total trade receivables	28,714	25,014
Allowance for doubtful receivables	-72	-226
<b>Book value</b>	<b>28,642</b>	<b>24,788</b>

The valuation adjustments to trade receivables have developed as follows:

€ thousands	2009/10	2008/09
<b>Allowance for doubtful receivables at 1 March</b>	<b>226</b>	<b>371</b>
Additions	2	161
Utilised	0	-25
Released	-156	-281
<b>Allowance for doubtful receivables at 28 February</b>	<b>72</b>	<b>226</b>





The following table gives details of the credit risks contained in trade receivables:

€ thousands	28/02/2010	28/02/2009
Receivables not yet due and not doubtful	26,675	21,502
Past due receivables but not doubtful		
less than 10 days	1,294	2,211
between 11 and 30 days	454	330
between 31 and 90 days	66	679
more than 90 days	153	66
Book value	28,642	24,788
Valuation allowances for doubtful receivables	72	226
<b>Total trade receivables</b>	<b>28,714</b>	<b>25,014</b>

Other assets, amounting to € 12.5 (11.0) million, mainly consist of the positive market value of derivative hedging instruments, down payments, VAT receivables and receivables arising from the production of sustainably produced electricity.

### **(19) Shareholders' equity**

CropEnergies AG's share capital amounts to € 85,000,000.00. It is divided into 85,000,000 bearer ordinary shares of no par value, each representing a proportional amount of € 1.00 of the share capital. The share capital is fully paid in.

The capital reserve was unchanged at € 211.3 million as of the balance sheet date.

The revaluation reserve amounting to € -0.3 (1.1) million relates to currency and grain derivatives. There were positive effects from currency derivatives and negative effects from wheat derivatives. € -1.4 (-1.0) million was added to the reserve for changes in the market value of cash flow hedges, and € 1.1 (2.1) million was written back in the cost of materials. The amounts reported in the revaluation reserve are recognised through profit or loss in the next financial year.

Together with revenue reserves of € 15.4 million, shareholders' equity amounts to € 311.7 (308.6) million.

The annual general meeting on 29 August 2006 created Authorised Capital of € 30,000,000 (Authorised Capital 2006) in order to expand the company's room for manoeuvre with regard to any capital increases. The authorisation to utilise the Authorised Capital 2006 has not yet been exercised.

### **(20) Provisions for pensions and similar commitments**

The company pension scheme of CropEnergies AG and its subsidiaries is based on direct defined-benefit commitments. As a general rule, the pensions are calculated on the basis of the time served with the company and the relevant salary or wage base.

The pension provisions are measured on an actuarial basis according to the projected unit credit method pursuant to IAS 19 (Employee Benefits) taking future development into consideration.



## 80 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

The net present value of the future benefit obligations is calculated applying a discount rate of 5.0% (5.5%). The discount rate is determined on the basis of the yields of prime fixed-rate corporate bonds prevailing on the financial markets as of the reporting date. In addition, an expected annual average rate of increase of 2.5% (2.5%) in wages and salaries and 2.0% (1.8%) in pensions is assumed. The expected return on plan assets is calculated on the basis of an interest rate of 5.0% (5.5%). In Germany, the Heubeck 2005 G tables serve as the basis for biometric calculations.

Pension expenses break down as follows:

€ thousands	2009/10	2008/09
Current service costs	362	437
Past service costs non-vested benefits recognised	264	50
Impact of curtailments	-32	0
Actuarial losses (+) and gains (-) expensed in the current year	3	-1
Interest costs for pension rights vested in previous years	183	85
Expected return on plan assets	-36	-2
	<b>744</b>	<b>569</b>

Expenses due to changes in pension commitments and benefits amounted to € 0.2 (0.0) million.

For defined-contribution pension plans the company pays into state or private pension insurance schemes on the basis of statutory regulations, contractual agreements or on a voluntary basis. The current premium payments are reported as expense under personnel expenses. They amount to € 651 (582) thousand. By paying the contributions the company has no further payment obligations.

Interest costs for pension rights vested in prior years are recognised in the net financial result. The current service cost for pension rights vested in the financial year and actuarial gains and losses recognised through profit or loss are reported under personnel expenses. Current service cost mainly consists of the cost of the pension rights vested in the financial year.

The reported provisions have developed over time as follows:

€ thousands	2009/10	2008/09
Provisions at 1 March	<b>2,344</b>	<b>1,446</b>
Change in companies consolidated (and other)	0	268
Pension payments	-23	0
Company contributions	-144	0
Transference	4	61
Pension expense	744	569
Provisions at 28 February	<b>2,925</b>	<b>2,344</b>



Pension benefits of € 167 (0) thousand were paid in the 2009/10 financial year. Pension payments and allocations to plan assets of around € 0.2 million are anticipated for the 2010/11 financial year

The present value of the pension obligations has developed as follows:

€ thousands	2009/10	2008/09
<b>1 March</b>	<b>3,140</b>	<b>1,554</b>
Change in companies consolidated (and other)	0	219
Transference	138	927
Pension payments	-23	0
Current service costs for pension rights vested in financial year	362	182
Contributions by plan participants	18	0
Plan amendments	214	0
Curtailments	-29	0
Interest costs for pension rights vested in previous years	183	85
Actuarial losses	844	173
<b>28 February</b>	<b>4,847</b>	<b>3,140</b>
thereof present value of funded obligation	1,460	905
thereof present value of unfunded obligation	3,387	2,235

The plan assets have developed as follows:

€ thousands	2009/10	2008/09
<b>1 March</b>	<b>632</b>	<b>38</b>
Transferences	134	592
Contributions by employer	144	0
Contributions by plan participants	18	0
Expected return on plan assets	36	2
Actuarial gains	11	0
<b>28 February</b>	<b>975</b>	<b>632</b>

The plan assets mainly consist of insurance policies. The expected return on the plan assets deviates by € 11 thousand from the actual return on the plan assets of € 47 (2) thousand.



## 82 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

Historical summary of pension obligations and similar commitments:

€ thousands	28/02/2010	28/02/2009	29/02/2008	28/02/2007	28/02/2006
Defined benefit obligations	4,847	3,140	1,554	1,355	167
Fair value of plan assets	-975	-632	-38	-37	-1
Obligations not covered by plan assets	3,872	2,508	1,516	1,318	166
Unamortised actuarial gains and losses	-898	-66	78	-144	-55
Unrecognised past service costs	-49	-98	-148	0	0
<b>Provisions for pensions and similar obligations</b>	<b>2,925</b>	<b>2,344</b>	<b>1,446</b>	<b>1,174</b>	<b>111</b>
Discount rate	5.00%	5.50%	5.50%	4.50%	4.50%

The significant increase in actuarial losses is largely due to an adjustment of the discount rate to 5.0% (5.5%). The change in actuarial gains and losses also includes deviations not resulting from changes in the underlying assumptions; € -223 (13) thousand is attributable to the present value of the pension obligations and € 11 (0) thousand to the plan assets.

### (21) Development of other provisions

2008/09 € thousands	Personnel expenses	Uncertain obligations	Total
1 March 2009	411	1,857	2,268
Additions	282	1,259	1,541
Utilised	-139	-929	-1,068
Released	-7	-328	-335
<b>28 February 2010</b>	<b>547</b>	<b>1,859</b>	<b>2,406</b>

The provisions for personnel expenses mainly consist of provisions for employers' liability insurance contributions and service anniversary expenses. Of the total of € 0.5 million, € 0.2 million will probably be used in the 2010/11 financial year.

The provisions for uncertain liabilities amounting to € 1.9 (1.9) million mainly consist of provisions for litigation risks and costs (€ 0.7 million) and provisions for emission rights (€ 0.7 million). Of the total, € 1.2 million will probably be used in the 2010/11 financial year. Interest expense of € 32 thousand was recognised in the non-current provisions.

It is unlikely that further significant expenses beyond the amounts appropriated as of 28 February 2010 will be incurred.



## (22) Trade payables and other liabilities

€ thousands	28/02/2010	28/02/2009
Trade payables	33,444	46,117
Other liabilities	10,488	15,168
	43,932	61,285

The decline in trade payables is largely due to the settlement of liabilities from capital expenditures in connection with the construction of the bioethanol plant in Wanze.

The other liabilities mainly comprise liabilities from other taxes, from personnel expenses, from the negative market values of derivative hedging instruments, and from outstanding invoices.

## (23) Financial liabilities (net financial debt)

€ thousands	28/02/2010	Remaining term		28/02/2009	Remaining term	
		to 1 year	over 1 year		to 1 year	over 1 year
Liabilities to banks	66,967	12,329	54,638	125,857	62,406	63,451
Liabilities to affiliated companies	156,795	71,795	85,000	45,088	0	45,088
<b>Financial liabilities</b>	<b>223,762</b>	<b>84,124</b>	<b>139,638</b>	<b>170,945</b>	<b>62,406</b>	<b>108,539</b>
Cash and cash equivalents	-8,328			-3,078		
<b>Net financial debt</b>	<b>215,434</b>			<b>167,867</b>		

Net financial debt on 28 February 2010 amounted to € 215.4 (167.9) million. Of this amount, € 139.6 million is available to the CropEnergies Group in the longer term. Financial liabilities bore interest at an average rate of 4.0% (4.0%).

Liabilities to affiliated companies increased primarily to fund capital expenditures. As at the reporting date they amount to € 156.8 million and comprise non-current financial liabilities to Südzucker International Finance B.V., and current financial liabilities to Südzucker AG.

Capital management within the CropEnergies Group serves to control the company's cash, equity and debt positions. CropEnergies' aim is a balance sheet structure with a suitable relationship between equity and debt which secures the company's growth strategy with a high level of equity.

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



## 84 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

### **(24) Lending and borrowing activities (primary financial instruments)**

The CropEnergies Group took up a fixed-interest-rate bank loan for € 78.0 million in the 2005/06 financial year. After scheduled repayments, the remaining principal sum of the loan was € 58.5 million as of 28 February 2010. € 9.75 million of this is reported as current financial liabilities. The loan bears interest at the rate of 3.55% p.a. and is due to be repaid by 30 September 2015.

In 2006, CropEnergies AG joined a € 600.0 million syndicated bank credit facility arranged by Südzucker AG with a sub-credit line of € 100.0 million. The interest rate is based on the short-term interbank rate. The credit line was not drawn as of 28 February 2010.

CT Biocarbonic GmbH, in which the CropEnergies Group has a 50% stake, took up a fixed-interest-rate bank loan for € 6.1 million in the past financial year. The loan bears interest at the rate of 3.75% p.a. and is due to be repaid by 30 December 2019. It is reported on a proportionate consolidation basis.

The cash and cash equivalents of € 8.3 (3.1) million consist of short-term bank deposits with banks of prime credit standing.

### **(25) Derivative financial instruments**

#### **a) Use of derivative financial instruments**

The CropEnergies Group uses derivative instruments to a limited extent to hedge risks arising from its operating business. The use of these instruments is regulated within the framework of the risk management system by group-wide guidelines that set limits based on the hedged items, define authorisation procedures, exclude the use of derivative instruments for speculative purposes, minimise credit risks, and regulate the internal reporting and the separation of functions. Compliance with these guidelines and the due and proper execution and valuation of the transactions is regularly supervised, whereby it is ensured that the respective functions are strictly separated.

*Currency risks* can arise from transactions in foreign currency. Derivative hedging instruments are used to partially cover these risks. Raw materials were largely sourced in euro, and the products were largely sold in Euro.

*Interest rate risks* mainly relate to financial liabilities. To the extent that interest rate risks cannot be excluded through fixed-rate arrangements, CropEnergies also uses derivative instruments to partially hedge variable-rate financial liabilities.

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

*Product price risks* can be due to fluctuating bioethanol prices. In order to hedge price change risks in supplier contracts, CropEnergies uses derivative hedges to a limited extent.



#### b) Market value of derivative financial instruments

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

€ thousands	Nominal value		Market value		Credit risk	
	2010	2009	2010	2009	2010	2009
28 February						
<b>Cash flow hedge derivatives</b>						
Grain derivatives	18,570	29,375	-1,367	-601	0	0
Interest rate derivatives	0	20,000	0	-69	0	0
Currency derivatives	12,157	12,255	998	1,304	998	1,304
<b>Total cash flow hedge derivatives</b>	<b>30,727</b>	<b>61,630</b>	<b>-369</b>	<b>634</b>	<b>998</b>	<b>1,304</b>

€ thousands	Nominal value		Market value		Credit risk	
	2010	2009	2010	2009	2010	2009
28 February						
<b>Derivatives held for trading</b>						
Embedded derivatives (from supply contracts)	38,754	0	2,960	0	2,960	0
Associated hedging transactions (with banks)	32,191	0	-2,960	0	0	0
<b>Total derivatives held for trading</b>	<b>70,945</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,960</b>	<b>0</b>

The grain, currency and product derivatives usually have maturities of less than one year. As at the reporting date there was a hedged supplier contract with a nominal value of € 7.4 million which matures in March 2011.

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

*Market value* represents the amount that CropEnergies would have to pay or would receive if the hedge were liquidated on the reporting date. Since all hedges are marketable, tradable financial instruments, the market value is determined on the basis of market quotations.

On the balance sheet date open grain contracts amounted to € 18.6 (29.4) million with a market value of € -1.4 (-0.6) million. If grain prices had been 10% higher (lower) on the reporting date, the market value, reflected in shareholders' equity and to some extent in deferred tax liabilities, would have changed by € 1.7 (-1.7) million. In the previous year, the figures were € 2.9 (-2.9) million, respectively.

The volume of currency derivatives was € 12.2 (12.3) million, with a positive market value of € 1.0 (1.3) million.



## 86 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

Product derivatives relate to sales contracts that are based on a variable energy price. Their nominal value amounted to € 38.8 million. The price risks of these transactions are minimised through counter hedges. Together, the hedged item and the hedge constitute a closed position. Set against the market values from the customer contracts amounting to € 3 million are the market values from the hedges amounting to € -3 million.

*Credit risks* can arise from positive market value of the derivatives. As of 28 February 2010 the positive market value amounts to € 4 million. Credit risks are minimised by only concluding financial derivatives with banks or customers of prime credit standing or through commodity futures exchanges with daily marking to market.

All changes in the value of derivative transactions undertaken to hedge future cash flows (cash flow hedges) are initially recognised in the revaluation reserve without effect on profit or loss and are only recognised through profit or loss when the cash flow is realised. Their market value as of 28 February 2010 was € -0.4 (0.6) million.

### **(26) Additional disclosures on financial instruments**

#### **Book and fair values of financial instruments**

The following table shows the book values and fair values of the financial assets and liabilities according to IAS 39. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.





Valuation category (IAS 39)		28 February 2010		28 February 2009	
		Book value	At fair value through profit or loss	Book value	At fair value through profit or loss
<b>€ thousands</b>					
<b>Financial assets</b>					
Trade receivables	Loans and receivables	28,642	28,642	24,788	24,788
Other assets	Loans and receivables	4,193	4,193	7,546	7,546
Cash and cash equivalents	Loans and receivables	8,328	8,328	3,078	3,078
Derivatives held for trading (positive market value)	FAHfT*	2,960	2,960	0	0
Cash flow hedge derivatives (positive market value)	n.a. (Hedge Accounting)	998	998	1,304	1,304
		45,121	45,121	36,716	36,716
<b>Financial liabilities</b>					
Liabilities to banks	Other financial liabilities	66,967	70,650	125,857	128,470
Liabilities to affiliated companies	Other financial liabilities	156,795	156,795	45,088	45,088
Trade payables	Other financial liabilities	33,444	33,444	46,117	46,117
Other liabilities	Other financial liabilities	941	941	10,050	10,050
Derivatives held for trading (negative market value)	FLHfT**	2,960	2,960	0	0
Cash flow hedge derivatives (negative market value)	n.a. (Hedge Accounting)	1,367	1,367	670	670
		262,474	266,157	227,782	230,395

\*FAHfT = Financial assets held for trading

\*\*FLHfT = Financial liabilities held for trading

Sum totals of valuation categories	Net profit (+) / Net loss (-) according to valuation category IAS 39		At fair value through profit or loss		At fair value through profit or loss	
	2009/10	2008/09	Book value	At fair value through profit or loss	Book value	At fair value through profit or loss
<b>€ thousands</b>						
Loans and receivables	535	1,472	41,163	41,163	35,412	35,412
FAHfT*	0	0	2,960	2,960	0	0
FLHfT**	0	0	2,960	2,960	0	0
Other financial liabilities	-9,010	-5,540	258,147	261,830	227,112	229,725

Net income according to IFRS 7 comprises interest, effects from exchange rate changes, and valuation adjustments on receivables.



## 88 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

According to IFRS 7.27, the respective methods for calculating the fair value have to be disclosed and a three-tier fair value hierarchy used. Only Level 1 and 2 are relevant for CropEnergies. For Level 1, the fair values are calculated on the basis of listed market prices. This is the case for grain derivatives. Level 2 applies if no listed market prices are available and the fair values are calculated on the basis of valuation models using market data as input factors. Currency derivatives and embedded derivatives arising from supplier contracts and the related hedging transactions with banks are classified as Level 2.

The market value for derivatives classified as Level 1 amounted to € -1.4 million and for Level 2 derivatives to € 1.0 million.

Impairments on financial instruments were only necessary in trade receivables.

The total interest result from financial instruments not measured at fair value was € -8.3 (-4.2) million.

In the 2009/10 financial year CropEnergies incurred expenses of € 0.1 (0.1) million for guarantee commissions.

The fair values of the financial instruments were measured on the basis of the market information available on the reporting date and the methods and assumptions set out below:

Owing to their short maturities it is assumed in the case of trade receivables, other receivables and payment instruments that fair value corresponds to the book values.

Owing to their short maturities it is assumed in the case of trade payables and other current liabilities that fair value corresponds to the book values.

The positive and negative market values arising from derivatives relate to cash flow hedge derivatives and derivatives held for trading. They are reported under other assets or other liabilities. The market values of derivatives are calculated on the basis of the closing prices as of the reporting date.

The fair values of non-current liabilities to banks and affiliated companies are calculated as the present values of the cash outflows associated with the liabilities, based on the applicable yield curve. For short maturities, it is assumed that fair value corresponds to the book values.



### **(27) Risk management within the CropEnergies Group**

The CropEnergies Group is exposed to market price risks arising from changes in bioethanol, grain, food, animal feed, and energy prices as well as changes in interest rates and, to a small extent, in exchange rates.

**Credit risks** | The CropEnergies Group's trade receivables are mostly in relation to customers in the mineral oil and animal feed industries. The resulting credit risk is controlled on the basis of internal guidelines, limits and credit sale insurance.

Valuation adjustments are made where necessary for any remaining risk residual in respect of trade receivables based on the actual default risk. The maximum risk position arising from trade receivables corresponds to the book value of these receivables. The book values of overdue trade receivables and the residual value-adjusted trade receivables are stated in item (18) in the notes to the financial statements.

The maximum credit risk of other receivables and assets corresponds to the book value of these instruments and, in the assessment of CropEnergies, is not significant.

**Liquidity risk** | Liquidity risk denotes the risk that an enterprise may not be able to meet its financial obligations on time or sufficiently.

The CropEnergies Group generates liquidity from its operating business and – where necessary – through recourse to external finance. The funds serve to finance investments, acquisitions and working capital.

Additionally, to assure the CropEnergies Group's solvency at all times and to increase its financial flexibility, a liquidity reserve is maintained in the form of cash and cash equivalents but especially in the form of free credit lines.

Further, CropEnergies AG entered into a syndicated credit facility in 2006. The credit facility, which runs until 27 July 2012 with a credit line of up to € 100 million, can be drawn by CropEnergies AG flexibly according to its borrowing requirements. This credit line is backed by a joint liability from Südzucker AG.

The following table shows the maturities of the liabilities as of 28 February 2010. All cash outflows are not discounted to present value.

€ thousands	28 February 2010	Book value	Contractually agreed outflow of payments					
Financial liabilities		total	less than 1 year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	more than 5 years
Liabilities to banks	66,967	73,735	14,115	13,005	12,365	11,652	10,704	11,894
Liabilities to affiliated companies	156,795	172,582	32,437	35,084	46,937	32,380	25,744	0
	<b>223,762</b>	<b>246,317</b>	<b>46,552</b>	<b>48,089</b>	<b>59,302</b>	<b>44,032</b>	<b>36,448</b>	<b>11,894</b>
<b>Liabilities from</b>								
Trade payables	33,444	33,444	33,444	0	0	0	0	0
Other liabilities	5,268	5,268	5,268	0	0	0	0	0
	<b>38,712</b>	<b>38,712</b>	<b>38,712</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>262,474</b>	<b>285,029</b>	<b>85,264</b>	<b>48,089</b>	<b>59,302</b>	<b>44,032</b>	<b>36,448</b>	<b>11,894</b>

€ thousands	28 February 2009	Book value	Contractually agreed outflow of payments					
Financial liabilities		total	less than 1 year	between 1 and 2 years	between 2 and 3 years	between 3 and 4 years	between 4 and 5 years	more than 5 years
Liabilities to banks	125,857	134,838	64,848	13,977	12,713	11,904	11,204	20,192
Liabilities to affiliated companies	45,088	52,091	2,745	2,745	46,601	0	0	0
	<b>170,945</b>	<b>186,929</b>	<b>67,593</b>	<b>16,722</b>	<b>59,314</b>	<b>11,904</b>	<b>11,204</b>	<b>20,192</b>
<b>Liabilities from</b>								
Trade payables	46,117	46,117	46,117	0	0	0	0	0
Other liabilities	10,720	10,720	10,720	0	0	0	0	0
	<b>56,837</b>	<b>56,837</b>	<b>56,837</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>227,782</b>	<b>243,766</b>	<b>124,430</b>	<b>16,722</b>	<b>59,314</b>	<b>11,904</b>	<b>11,204</b>	<b>20,192</b>

The non-discounted cash outflows are based on the assumption that the liabilities will be repaid on the earliest maturity date except for liabilities to affiliated companies which are reported on the basis of the planned cash outflow. The interest payments on financial instruments with variable interest rates are calculated on the basis of the interest rates applicable as of the reporting date.

The negative market values arising from cash flow hedge derivatives and derivatives held for trading are included under other liabilities.

**Currency risk** | Currency risks can arise from transactions in foreign currency. Derivative hedging instruments are used to partially cover these risks. Raw materials were largely sourced in euro, and the products were largely sold in Euro.



Where, in individual cases, financial receivables or liabilities are denominated in foreign currency, they are exposed to the risk of currency appreciation or depreciation until they are discharged. However, the volume of external financial assets and liabilities denominated in foreign currencies is of minor importance for the CropEnergies Group.

However, CropEnergies is exposed to general currency risks from fluctuations in the market value of the euro versus the US Dollar and the Brazilian Real, for instance as the result of the effects on the world market prices for raw materials, energy and bioethanol.

**Interest rate risk |** The CropEnergies Group is exposed to interest rate risks in the euro zone. The interest rate risk relates mainly to financial liabilities. Of the loan drawdowns as at 28 February 2010 in the amount of € 223.8 million, € 153.5 million were at a fixed interest rate and € 70.3 million were at a variable interest rate. If the market interest level were 100 base points higher (lower), the annual interest cost of the loans would increase (decrease) by € 0.4 million.

#### **(28) Guarantees and other financial commitments**

On the reporting date, there were open purchase order commitments in the amount of € 10.3 (26.2) million for capital investments and € 172.0 (197.1) million for raw materials. The commitments for capital expenditures mainly relate to optimisation projects for the existing plants and the construction of the new CO<sub>2</sub> liquefaction plant. The commitments for raw materials mainly relate to long-term contracts for the supply of sugar syrups and purchase orders for grain and raw alcohol.

The obligations resulting from leases for office premises amount to € 123 (123) thousand.

CropEnergies has contingent liabilities of € 77.9 million, which primarily consist of customs bonds.

CropEnergies may be liable to possible obligations arising from various claims or proceedings that are pending or could be filed. Estimates about future obligations in this respect are inevitably subject to numerous uncertainties. If a loss is probable and the amount can be reliably estimated, CropEnergies creates provisions for these risks.

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

### Other information

#### **(29) Earnings per share**

Group net earnings for the year amounted to € 4.4 (5.9) million. Earnings per share (EPS) came to € 0.05 (0.07).

#### **(30) Information on the cash flow statement**

The cash flow statement, which was drawn up in accordance with the provisions of IAS 7 (Cash flow statements), presents the change in the CropEnergies Group's net cash position from the three areas of operating activities, investing activities and financing activities.

Cash flow in the 2009/10 financial year totalled € 17.8 (10.1) million. Non-cash expenses of € 0.4 million largely resulted from the writing down of inventories. The cash outflows for tax payments amounted to € 7.8 (0.8) million and are attributable to operating activities. In addition, there were interest expenses of € 8.4 (4.5) million and interest receipts of € 0.0 (0.4) million. The capital expenditures of € 33.8 (170.1) million on property, plant and equipment and intangible assets were mostly for the bioethanol plant in Wanze (Belgium). In the past 2009/10 financial year investment grants in the amount of € 4.8 (4.0) million were received.

Cash and cash equivalents increased to € 8.3 (3.1) million due to the net cash inflow from financing activities.



## 92 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

### **(31) Group auditor's fees**

For services performed by the group's independent auditor, PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, auditing expenses of € 149 (139) thousand were incurred in the 2009/10 financial year for the auditing of the consolidated financial statements and for the auditing of the separate annual financial statements of CropEnergies AG and its German subsidiary CropEnergies Bioethanol GmbH.

In addition, the group's auditor provided other audit services in the amount of € 0 (7) thousand, tax consultation services in the amount of € 3 (0) thousand, and other advisory services in the amount of € 0 (8) thousand in the current financial year.

### **(32) Declaration of conformity pursuant to § 161 AktG**

The declaration of conformity with the German Corporate Governance Code pursuant to § 161 AktG was issued by the executive and supervisory boards on 16 November 2009. It is published permanently on the internet on the company's website at [www.cropenergies.com](http://www.cropenergies.com) on the investor relations pages.

### **(33) Related party transactions**

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

**Südzucker Group** | The transactions with the Südzucker Group concern services amounting to € 3.9 (6.4) million and the supply of goods (especially raw materials for bioethanol production, bioethanol, consumables and supplies, and energy) amounting to € 58.8 (70.5) million. The decline in purchased services by almost 40% is partly due to the completion of the large projects in Wanze and Zeitz and the development of own personnel resources in various areas. In addition, the CropEnergies Group spent € 2.5 (2.8) million on research and development work performed on its behalf by Südzucker AG.

Conversely, the CropEnergies Group sold co-products and energy to the Südzucker Group for € 9.4 (5.4) million and provided services in the amount of € 3.2 (2.3) million. The CropEnergies Group incurred a net interest expense of € 5.4 (0.8) on intercompany lendings and borrowings. A fee of € 0.1 (0.1) million was paid for a guarantee provided.

On 28 February 2010 there were receivables of € 4.6 (1.1) million outstanding from the Südzucker Group and liabilities of € 9.5 (7.1) million outstanding to the Südzucker Group in respect of the aforesaid services and supplies. Financial liabilities due to the Südzucker Group amounted to € 156.8 (45.0) million.

The supply and service transactions with Südzucker AG and its subsidiaries were settled at usual market prices and interest rates; the consideration matched the performance so there were no disadvantages caused. No other significant transactions were conducted with related parties.

**CT Biocarbonic GmbH** | In the 2009/10 financial year, administrative services which were charged at usual market prices but that were immaterial in terms of their amount were rendered for the joint venture CT Biocarbonic GmbH.



**Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG** | No transactions were conducted with Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) in the 2009/10 financial year.

**Executive board** | Executive board compensation is determined by the supervisory board and is reviewed at regular intervals. The compensation consists of

1. a fixed annual salary,
2. an annual variable compensation, depending on a) the operating profit achieved by the CropEnergies Group in 2009/10 and b) the achievement of agreed targets,
3. non-monetary benefits mainly in the form of a company car for business and private use and contributions to social insurance as well as
4. a company pension scheme, based on a percentage of the fixed annual salary.

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

Total compensation for the group executive board for the 2009/10 financial year amounted to € 0.6 (0.6) million, with the fixed annual salary accounting for € 444 (420) thousand. The variable compensation was € 147 (131) thousand plus a payment in arrears for the previous year in the amount of € 23 thousand. € 41 (38) thousand was paid in the form of non-monetary benefits and social insurance contributions.

In adjustment to the provisions of the Act on the Appropriateness of Executive Board Compensation (VorstAG), the executive board contracts were aligned to the company's sustainable development as from 1 March 2010, with the performance-related part of the variable compensation being based on an assessment spanning several years. Here, the average operating result of the CropEnergies Group for the past three financial years is taken as the basis in each case. The 2010/11 financial year is the first reference year so the rule will have full effect as from the 2012/13 financial year.

In order to meet pension commitments for the executive board, € 504 (121) thousand were allocated to the pension provisions with a one-time effect.

**Supervisory board** | The compensation of the supervisory board is regulated in § 12 of the articles of association of CropEnergies AG. In accordance with the recommendations of the German Corporate Governance Code (Paragraph 5.4.6), members of the supervisory board also receive, in addition to a fixed compensation, performance-related compensation at the rate of € 1 thousand for each € 0.01, or part thereof, by which the dividend paid per share exceeds € 0.20. Chairmanship and membership of the supervisory committees are compensated separately. In the past 2009/10 financial year, each member of the supervisory board received a fixed compensation of € 20 (20) thousand in addition to the reimbursement of their out-of-pocket expenses and the value-added tax they incurred on their supervisory board activities. The chairman receives double and his deputy one-and-a-half times this compensation. The fixed compensation increased by 25% for each membership of a supervisory board committee; the rate of increase is 50% for chairmanship of a committee. There was no variable compensation.

The compensation for the entire activities of the supervisory board members of CropEnergies AG amounted to € 190 (170) thousand for the 2009/10 financial year.



### **(34) Supervisory board**

#### **Dr. h. c. Eggert Voscherau (until 16 July 2009)**

*Chairman*

#### **Ludwigshafen**

*Chairman of the supervisory board of BASF SE*

#### **Other positions held in national supervisory boards stipulated by law**

- Carl Zeiss AG, Oberkochen
- HDI Haftpflichtverband der Deutschen Industrie VvaG, Hanover
- SCHOTT AG, Mainz
- Talanx AG, Hanover

#### **Positions held in comparable national and foreign supervisory bodies**

- Carl-Zeiss-Stiftung, Heidenheim und Jena
- Nord Stream AG, Zug (Switzerland)
- Zentrum für Europäische Wirtschaftsforschung GmbH (ZEW), Mannheim

#### **Dr. Theo Spettmann (from 16 July 2009)**

*Chairman*

#### **Ludwigshafen**

*Former spokesman of the executive board of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt*

#### **Other positions held in national supervisory boards stipulated by law**

- Carl Zeiss AG, Oberkochen (Chairman)
- Mannheimer AG Holding, Mannheim
- SCHOTT AG, Mainz (Chairman)

#### **Positions held in comparable national and foreign supervisory bodies**

- Carl-Zeiss-Stiftung, Heidenheim und Jena/  
Board of Directors (Chairman)
- St. Dominikus Krankenhaus und Jugendhilfe gGmbH,  
Ludwigshafen (Chairman)
- University of Mannheim (University Board), Mannheim





### **Prof. Dr. Markwart Kunz**

*Deputy Chairman*

#### **Worms**

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

#### **Group positions**

- BENEQ GmbH, Mannheim (Chairman)
- Raffinerie Tirlemontoise SA, Brussels (Belgium),  
(Chairman)
- Saint Louis Sucre SA, Paris (France), (Deputy Chairman)
- Südzucker Polska SA, Wrocław (Poland)
- Südzucker Versicherungs-Vermittlungs-GmbH,  
Mannheim
- Zuck erforschung Tulln Gesellschaft m.b.H., Tulln  
(Austria)

### **Dr. Hans-Jörg Gebhard**

#### **Eppingen**

*Chairman of the Verband Süddeutscher Zucker-  
rübenanbauer e. V. (Association)*

#### **Other positions held in national supervisory boards stipulated by law**

- Südzucker Aktiengesellschaft Mannheim/Ochsenfurt,  
Mannheim (Chairman)
- VK Mühlen AG, Hamburg

#### **Positions held in comparable national and foreign supervisory bodies**

- AGRANA Beteiligungs-AG, Vienna (Austria)
- AGRANA Zucker, Stärke und Frucht Holding AG, Vienna  
(Austria), (Deputy Chairman)
- Freiburger Holding GmbH, Berlin
- Raffinerie Tirlemontoise SA, Brussels (Belgium)
- Saint Louis Sucre SA, Paris (France)
- Süddeutsche Zuckerrüben-Verwertungs-  
Genossenschaft eG (SZVG), Ochsenfurt (Chairman)
- Vereinigte Hagelversicherung VVaG, Giessen
- Z & S Zucker und Stärke Holding AG, Vienna (Austria)



## Thomas Kölbl

### Mannheim

Member of the executive board of  
Südzucker Aktiengesellschaft Mannheim/Ochsenfurt

### Positions held in comparable national and foreign supervisory bodies

- Baden-Württembergische Wertpapierbörse GmbH,  
Stuttgart

### Group positions

- AGRANA Bioethanol GmbH, Vienna (Austria)
- AGRANA Fruit SAS, Paris (France)
- AGRANA Internationale Verwaltungs-  
und Asset-Management GmbH, Vienna (Austria)
- AGRANA J & F Holding GmbH, Vienna (Austria)
- AGRANA Stärke GmbH, Vienna (Austria)
- AGRANA Zucker GmbH, Vienna (Austria)
- BENE0 GmbH, Mannheim
- Freiburger Holding GmbH, Berlin
- Mönnich GmbH, Kassel (Chairman)
- PortionPack Europe Holding B. V., Oud-Beijerland  
(Netherlands), (Chairman)
- Raffinerie Tirlemontoise SA, Brussels (Belgium)
- Saint Louis Sucre SA, Paris (France)
- Südzucker Polska SA, Wroclaw (Poland)
- Südzucker Versicherungs-Vermittlungs-GmbH,  
Mannheim (Chairman)

## Franz-Josef Möllenberg

### Rellingen

Chairman of the Gewerkschaft Nahrung-Genuss-  
Gaststätten (Union)

### Other positions held in national supervisory boards stipulated by law

- Südzucker Aktiengesellschaft Mannheim/Ochsenfurt,  
Mannheim (Deputy Chairman)

### Positions held in comparable national and foreign supervisory bodies

- Kreditanstalt für Wiederaufbau  
(KfW Development Bank), Frankfurt/Main

## Norbert Schindler

### Bobenheim am Berg

Member of Bundestag (Lower house of German Parliament)

### Positions held in comparable national and foreign supervisory bodies

- Landwirtschaftliche Rentenbank, Frankfurt/Main
- Süddeutsche Krankenversicherung a. G., Fellbach
- Süddeutsche Lebensversicherung a. G., Fellbach
- Süddeutsche Zuckerrüben-Verwertungs-  
Genossenschaft eG, Ochsenfurt

## (35) Executive board

### Dr. Lutz Guderjahn (COO)

Offstein

### Joachim Lutz (CFO)

Mannheim



### (36) Appropriation of profit

Overall, the CropEnergies Group achieved net earnings for the year of € 4.4 (5.9) million according to IFRS accounting standards.

The unappropriated net profit of Crop Energies AG derived according to German commercial law, which is the relevant figure for appropriation purposes, amounted to € 10.0 (0.3) million.

The executive board and supervisory board will propose to the annual general meeting on 15 July 2010 that € 4.3 million, in other words a dividend of € 0.05 per share, be distributed from the unappropriated net profit of CropEnergies AG, that a further € 5.5 million be allocated to the revenue reserves, and that the remaining unappropriated net profit of € 0.3 million be carried forward.

### (37) Events after the balance sheet date

No events took place after the balance sheet date that have a significant impact on the assets, liabilities, financial position and results of operations.

### (38) Segment report

The standard IFRS 8 (Operating Segments) was applied for the first time in the 2008/09 financial year. According to IFRS 8, information has to be disclosed on those segments that the company has created for internal reporting and control purposes (so-called management approach).

The CropEnergies Group produces only one homogeneous main product (bioethanol). Similar products derived after several related or identical production processes can be commercially distributed independently. Management controls the entire group on the basis of the information on the main product bioethanol. The CropEnergies Group therefore has only one segment.

## Reconciliation of segment assets and liabilities

€ million	28/02/2010	28/02/2009
Total assets	608.9	572.5
./. Cash and cash equivalents	-8.3	-3.1
./. Deferred tax assets	-26.3	-16.2
./. Current tax receivables	0.0	-1.1
<b>Segment assets</b>	<b>574.3</b>	<b>552.1</b>
Total liabilities	608.9	572.5
./. Equity	-311.7	-308.6
./. Financial liabilities	-223.8	-170.9
./. Deferred tax liabilities	-21.2	-19.7
./. Current tax liabilities	-2.8	-7.3
<b>Segment liabilities</b>	<b>49.4</b>	<b>66.0</b>



## 98 | Consolidated financial statements

Notes to the consolidated financial statements for the financial year  
from 1 March 2009 to 28 February 2010

### Regional segments

€ million	28/02/2010	28/02/2009
<b>Third-party revenues</b>		
Germany	162.4	161.0
Other countries	211.7	167.4
	<b>374.1</b>	<b>328.4</b>
<b>Segment assets*</b>		
Germany	208.5	210.4
Other countries	365.8	341.7
	<b>574.3</b>	<b>552.1</b>
<b>Investments in property, plant and equipment and intangible assets*</b>		
Germany	8.6	19.9
Other countries	25.2	150.2
	<b>33.8</b>	<b>170.1</b>

\*including assets under construction

The breakdown of sales revenues by country is based on the sales revenues actually achieved in each country.

In the reporting period there was other operating income of € 5.3 (2.0) million, depreciation and amortisation of € 21.3 (10.6) million, other operating expenses of € 40.3 (29.0) million, financial income of € 0.6 (1.6) million, financial expenses of € 8.9 (5.2) million, and tax income of € 3.3 (2.2) million. This resulted in net earnings for the year of € 4.4 (5.9) million on operating profit of € 11.9 (18.2) million.

Mannheim, 5 May 2010

THE EXECUTIVE BOARD

Dr. Lutz Guderjahn

Joachim Lutz

## RESPONSIBILITY STATEMENT

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

Mannheim, 5 May 2010  
The executive board

Dr. Lutz Guderjahn

Joachim Lutz

## AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by CropEnergies AG, Mannheim, comprising the statement of financial position, income statement, statement of other comprehensive income, development of shareholders' equity, cash flow statement and notes to the consolidated financial statements, together with the group management report for the business year from 1st March 2009 to 28th February 2010. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and/or the additional requirements of German commercial law pursuant to § 315a (1) HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the parent company's executive board. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standards on Auditing (ISA). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the company's executive board, as well as evaluating the

overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 6 May 2010  
PricewaterhouseCoopers AG  
Wirtschaftsprüfungsgesellschaft

Georg Wegener  
German public auditor

ppa. Olav Krützfeldt  
German public auditor

## GLOSSARY

**Additive** | Additive or active ingredient for fuel, which reinforces certain desirable properties (e.g. improves → Anti-knock properties or cold start conditions), respectively reduces undesirable properties (e.g. harmful emissions).

**Alcohol** | → Ethanol.

**Alcohols** | Collective term for specific organic compounds with OH group designation. Designated by the hydrocarbons from which they derive (e.g. methanol from methane (CH<sub>4</sub>), → Ethanol from ethane (C<sub>2</sub>H<sub>6</sub>), propanol from propane, butanol from butane etc.).

**Anti-knock properties** | Important quality property of → Petrol, measured in → Octane numbers.

**Aquafeed** | Animal feed for all types of fish and marine animals.

**BENEO-Orafti** | A company of the Südzucker Group specializing in the production and global marketing of functional ingredients for the food and animal feed industries. B. distributes the → Gluten produced by → CropEnergies AG in Wanze under the brand name → BeneoPro W.

**BeneoPro W** | → Gluten in food grade quality from the CropEnergies Group's bioethanol plant in Wanze. B. is distributed globally by the → Südzucker subsidiary → BENE0-Orafti.

**BilMoG** | Gesetz zur Modernisierung des Bilanzrechts (German Accounting Law Modernisation Act)

**Bioethanol** | → Alcohol obtained from regenerative raw materials. Sugar, starch or cellulose-containing biomasses are suitable raw materials. → CropEnergies uses grains and → Sugar syrups as raw materials.

**Biofuels** | Fuels obtained from biomass (e.g. bioethanol, biodiesel, biogas, vegetable oil).

**Biofuel Quota Act** | The B., which came into force in Germany on 1 January 2007, sets minimum quotas for → Biofuels to replace → Petrol and diesel based on energy content. It sets separate quotas for petrol and diesel as

well as combined quotas. The law was amended in 2009 and for 2009 set a quota of 2.8% of energy content for → Petrol and a combined quota of 5.25% of energy content, which has been raised to 6.25% in 2010. From 2015 onwards the quotas are to be calculated on the basis of the greenhouse gas reduction potential of the respective renewable energies used.

**Biofuel Sustainability Regulation (BioKraft-NachV)** |

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

**BioWanze SA** | A company of the CropEnergies Group that operates a next-generation bioethanol plant with an annual capacity of up to 300,000 m<sup>3</sup> of → Bioethanol in Wanze (Belgium).

**Blending (with petrol)** | Adding bioethanol to petrol. In Europe the maximum technically admissible amount is regulated in standard EN 228, which allows the addition of 5 vol.-% → Ethanol or 15 vol.-% → ETBE. With the amendment of the → Fuel Quality Directive that has been adapted, the standard for petrol is to be adjusted to allow the addition of 10 vol.-% of ethanol. Different ethanol blending rates apply around the world for conventional petrol (e.g. 20–25 vol.-% in Brazil; 10 vol.-% in the USA).

**Bushel** | A measure of volume used today primarily in the grain trade in the USA. One US b. is equivalent to approximately 35.24 litres. Weights per bushel differ according to the type of grain. A b. of wheat weighs approximately 27.22 kg.

**Carbon dioxide (CO<sub>2</sub>)** | End product of the burning of any carbon-containing material and base product for the creation of vegetable biomass through photosynthesis. When biomass is burned, only the amount of C. previously absorbed during growth is released. Carbon dioxide is the principal → Greenhouse gas.



**Carbohydrates** | Group of diverse sugars and stored C. (starches, inulin) as well as structural substances of plants (→ Cellulose, → Hemicellulose). Main bulk of vegetable biomass. Based on carbon (C) and water (H<sub>2</sub>O).

**Cash flow** | Measure of a company's financial or earning power. It shows how much cash has been generated by the company's business operations from its net earnings for the year. → CropEnergies calculates C. by adjusting net earnings for the year by non-cash items. For this reason, changes in noncurrent provisions and deferred tax liabilities and other non-cash income and expenses as well as write-offs and/or write-ups on fixed assets are eliminated from the group's net earnings for the year. The resources from C. can be used to finance investments, to discharge liabilities, or to pay dividends.

**CDS (Condensed Distillers' Solubles)** | Liquid animal feed from → Stillage which is produced in the production of bioethanol from grain and is then thickened. C. from Wanze is marketed by → CropEnergies under the brand name → ProtiWanze®.

**Cellulose** | Structural substance of plants, main component of cell walls. C. is a polysaccharide consisting of several thousand β-glucose components. It can be broken down by mineral acids, enzymes or fungi ("wood saccharification", "wood alcohol production"). Processes for the production of bioethanol from cellulose are currently under development.

**CO<sub>2</sub>** | → Carbon dioxide.

**Coarse grains** | General term for all types of grain except wheat and rice.

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

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

**Co-products** | C. arise if the production of one product results in the production of at least one other product as a necessary part of the production process. → Stillage, for example, which is a C. resulting from the production of → Bioethanol from grain, can be further processed to → DDGS or → CDS for instance.

**Corporate Governance** | Responsible corporate management and supervision. All principles and regulations pertaining to organisation, conduct and transparency which are directed at the interests of the shareholders which – while safeguarding the decision-making ability and efficiency of management – strive for a balanced relationship between management and supervision at the top corporate level. This increases the transparency of the company's affairs, improves the cooperation between the corporate bodies and assures efficient supervision of the company's management. → CropEnergies AG sees compliance with C. principles as an important means of strengthening the confidence of investors, clients, employees and the general public in the company's management and supervision.

**Corporate Governance Code** | The code, which was legislated in 2002, provides the essential legal provisions for the management and supervision of German listed companies (corporate governance) and also incorporates internationally and nationally recognised standards of good and responsible corporate governance. Each year all German listed companies are legally bound to declare to what extent the recommendations were and are met.

**CropEnergies AG** | A member of the → Südzucker Group and one of the largest bioethanol producers in Europe. C. produces → Bioethanol for the fuel market from biomass (grains and → Sugar syrups). It has been listed in the Prime Standard on the Frankfurt Stock Exchange since September 2006.

**CropEnergies Bioethanol GmbH** | Formerly → Südzucker Bioethanol GmbH, a company of the → CropEnergies Group that operates a bioethanol plant in Zeitz in the state of Saxony-Anhalt in Germany. It is one of the largest bioethanol plants in Europe and has an annual production capacity of 360,000 m<sup>3</sup> of → Bioethanol.





**CropPower85** | Quality E85 fuel (→ E85) for Flexible Fuel Vehicles (→ FFVs) manufactured to → DIN 51625 standards. C. is a bioethanol-petrol mixture with a bioethanol content of up to 85 vol.-%.

**Cross compliance** | Agricultural principle in the EU that farmers must comply with environmental standards in order to benefit from market support measures. C. was part of the reform of the EU's common agricultural policy within the framework of Agenda 2000 and has been mandatory since 2005. Examples of the environmental standards of cross compliance are adherence to the maximum admissible level of fertilizer per hectare and compliance with certain rules for the use of pesticides. A total of 19 statutes concerning environmental protection, human, livestock and plant health, and wildlife protection have been enacted.

**CT Biocarbonic GmbH** | A joint venture between → CropEnergies AG and → Tyczka Energie GmbH, which is constructing a plant for the liquefaction of biogenic CO<sub>2</sub> alongside the bioethanol plant in Zeitz.

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

**DAX®** | **Deutscher Aktien-Index®** | index published by Deutsche Börse comprising the 30 top German shares in terms of market capitalisation and order book turnover. The D. is the leading share index on the German stock market.

**DAX subsector Renewable Energies** | Index published by Deutsche Börse comprising all the stocks in the "renewable energies" sector listed in the Prime Standard segment.

**Dehydration** | Term used for the so-called "drying" of → Alcohol. In this last step of the bioethanol production process virtually all the remaining water is removed from the → Alcohol so that a purity of over 99 vol.-% is reached.

**Derivatives | Derivative financial instruments** | Financial products whose market value can be derived either from classic underlying instruments such as shares or commodities or from market prices such as interest rates or exchange rates. Derivatives exist in a multitude of forms such as options or → Futures.

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

**DDGS (Distillers' Dried Grains with Solubles)** | Dry stillage. D. is the dried → Stillage produced in the production of ethanol from grains and is used as a valuable protein animal feed. In addition to D., there is also DDG (Distillers' Dried Grains) and DDS (Distillers' Dried Solubles) which differ according to the various dried stillage ingredients they contain.

**DIN 51625** | German Industry Standard for E85 fuel (→ E85).

**DIN 51626** | German Industry Standard for E10 fuel (→ E10).

**Dow Jones Index** | The Dow Jones Industrial Average, known for short in Europe as the Dow Jones Index, is a stock price index consisting of the 30 largest US companies listed on the New York Stock Exchange.

**E5** | Fuel for petrol engines which is made up of 5 vol.-% bioethanol and 95 vol.-% petrol. Pursuant to standard EN 228 approved in Europe for conventional petrol engines.

**E10** | Fuel consisting of 10 vol.-% → Bioethanol and 90 vol.-% → Petrol. The amendment of the → Fuel Quality Directive established the basis for the EU-wide adjustment of the standards for → Petrol that will allow the blending of 10 vol.-% of → Ethanol in → Petrol generally within the EU. However, before E10 can be introduced in the the EU member states the respective national rules need to be adapted.



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

**Earnings before interest and taxes (EBIT)** | Figure which measures the operative earning power of a company by eliminating tax expenses and interest results from the net earnings for the year. E. is a key measure for comparing companies that have different financial structures or are not subject to comparable tax systems. The "Income from operations" reported by → CropEnergies AG largely corresponds to the E. definition.

**Earnings per share** | The earnings attributable to the shareholders of → CropEnergies AG after tax represented by one share. E. are calculated as the net earnings for the year after minority interests divided by the average number of shares in circulation in the financial year.

**EBIT** | → Earnings before interest and taxes.

**EBITDA** | Earnings before interest, taxes, depreciation, and amortisation.

**Enzyme** | A biochemical catalyst that helps to break down or change a substrate without being consumed itself. E. consist of protein.

**ETBE (ethyl tertiary butyl ether)** | E. is a petrol additive component and is used to improve the → Anti-knock properties of the fuel. It consists of 47% → Bioethanol and can be added to → Petrol in a ratio of up to 15 vol.-% under the applicable standard EN 228. E. today very largely replaces the antiknock agent methyl tertiary butyl ether.

**Ethanol** | Also known as ethyl alcohol. Belongs to the group of → Alcohols, and is synonymous with → Alcohol in the narrower sense. E. is the main product of alcohol → Fermentation, and is the principal component of spirits and alcoholic beverages. Used as fuel additive

(→ Bioethanol) and as a fuel on its own, but also in the chemical or pharmaceutical industry.

**EU (European Union)** | Economic and political union of member states representing 27 democratic countries with a population of approximately 500 million. Its aims are, among other things, to promote peace, prosperity, liberty, trade without boundaries, safe foods, and better environment protection within Europe. The main bodies of the EU are the European Parliament (representing the electorate in Europe), the Council of Ministers (representing the national governments) and the European Commission (representing the common interests of the EU).

**FFVs (Flexible Fuel Vehicles)** | FFVs are "fuel flexible", that is to say they can be fuelled with both pure → Petrol and – in Europe – with up to 86% → Bioethanol. They have one tank and detect the mixture of → Bioethanol and → Petrol by means of a sensor. The engine management system adjusts the ignition timing automatically to the composition of the mixture.

**Fraunhofer-Gesellschaft** | The F. conducts applied research for the direct benefit of companies and in the interest of society.

**Fuel cell** | Power (and heat) source where the chemical energy of the fuel is converted into electricity directly without the "detour" of combustion. In common usage the term F. generally refers to the hydrogen-oxygen F.

**Fuel Quality Directive** | European Parliament and Council Directive 98/70/EC of 13 October 1998 which sets minimum standards for the quality and labelling of the quality specifications of fuels. With Directive 2009/30/EC the European Parliament and Council have adopted an amendment proposed by the European Commission to reduce air pollution and greenhouse gas emissions from fuels. This has also opened the way for the EU-wide introduction of → E10 fuel.

**Futures** | Contracts for the delivery or acceptance of a specified item at a future date at a price agreed at the time when the contract is concluded or at the price fixed on the exchange on the reference date.



**Gallon** | Measure of volume (dry or liquid measure) for which there are several definitions. The US liquid gallon customary for measuring liquids in the USA is equivalent to 3.785 litres.

**Gluten** | A tenacious elastic protein contained in cereal grains. In industry G. is used as food and animal feed.

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

**Greenhouse gases** | Besides methane, nitrous oxide and the fluorocarbons, → Carbon dioxide is the main anthropogenic greenhouse gas. The increasing concentration of greenhouse gases in the atmosphere is responsible for global warming. The main producer of CO<sub>2</sub> emissions is industry, followed by buildings (space heat, electrical appliances etc.) and transportation.

**Heico Sportiv** | One of the world's best-known tuners for Volvo cars. Fuel and technology partner to → CropEnergies since 2009. H. competes in the endurance races at the Nürburgring with a Volvo C30 fuelled with → CropPower85.

**Hemicellulose** | Component of the walls of plant cells serving (mostly together with → Cellulose) as a supporting and structural substance.

**IAS (International Accounting Standards)** | International accounting standards issued by the International Accounting Standards Board (IASB), an independent and privately financed committee set up in London in 1973. → CropEnergies AG draws up its group accounts in line with the provisions of the I. The I. are also incorporated in the → IFRS which have been binding in Europe since 2005.

**IFRS (International Financial Reporting Standards)** | International accounting standards, the principles which have been binding since 2005 for drawing up the consolidated financial statements of all listed European

companies. This is intended to assure a greater harmonisation in international accounting standards and a better comparability of the accounts of capital market oriented companies. The IFRS incorporate and supplement the International Accounting Standards (→ IAS) issued in 1973.

**Knocking** | Combustion fault due to the residual gases not yet combusted in the engine cylinder igniting too quickly. This leads to an excessive pressure surge that can lead to audible knocks at lower engine revs or non-audible (so-called high-speed knocks) at higher engine speeds.

**Lignocellulose** | Combination of → Cellulose, → Hemicellulose and lignin that forms the structural framework of plant cell walls. The production of → Bioethanol from lignocellular raw materials such as straw or wood is currently at the development stage.

**MDAX®** | The Midcap-Dax®, in which → Südzucker AG is also listed, consists of 50 shares, primarily from classic sectors, which rank below the DAX® stocks in terms of market capitalisation and order book turnover and therefore reflects the price performance of medium-sized companies.

**Octane numbers (ON)** | Measurement of the → Anti-knock properties of → Petrol and → Additives, determined on the single-cylinder test bench engine. The high → Anti-knock properties of → Bioethanol can best be exploited by modified engine designs with high compression.

**P/E ratio (price/earnings ratio)** | Important ratio for the valuation of shares, in particular for comparing companies with similar company profiles within a sector (peer companies). The P. ratio is calculated by setting the stock market price of the share in relation to → Earnings per share. Similarly, the P. can be calculated by dividing the company's market capitalisation by net earnings for the year after minority interests. A share tends to be considered cheap if its P. is lower compared to the average for the peer companies or expensive if its P. is higher than the average for the peer companies.



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

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

**ProtiWanze®** | Brand name for the → CDS produced by → CropEnergies in Wanze. P. is a protein-rich liquid animal feed.

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

**Renewable energies** | Regenerative energies which in comparison to fossil energy sources are in theory in unlimited supply. Three groups – heat, power and fuels – are differentiated, which may in turn be subdivided.

**Renewable Energies Directive** | Directive 2009/28/EC of the European Parliament and Council of 23 April 2009 for promoting the use of energy from renewable sources. Among other things, this sets a binding target quota for → renewable energies of 10% of total fuel consumption by the year 2020. The directive also contains rules on the sustainable production of → biofuels as a condition for support and crediting to the EU biofuel targets. Certification systems serve as proof of compliance with the legally defined requirements. The R. has to be translated into national law by the member states by 5 December 2010.

**Ryssen Alcools SAS.** | A company of the → CropEnergies Group that operates a plant for the → Rectification and → Dehydration of agricultural raw alcohol in Loon-Plage (France). It has an annual capacity of 100,000 m<sup>3</sup> for the → Dehydration (drying) of raw alcohol for fuel applications and 80,000 m<sup>3</sup> for the → Rectification (purification) of raw alcohol for traditional and technical applications.

**Stillage** | Residues of non-fermentable substances produced from distillation. S. from grain is used as an animal feed for livestock due to its protein, nitrogen compounds and fat content.

**Südzucker AG** | Europe's largest sugar producer and international food group based in Mannheim (Germany) and the largest shareholder of → CropEnergies AG with a shareholding of 71%.

**Südzucker Bioethanol GmbH** | → CropEnergies Bioethanol GmbH.

**Sugar syrups** | Intermediate products in sugar production. → CropEnergies AG uses S. in its bioethanol plants as raw material for the production of → Bioethanol.

**Sustainability criteria** | Criteria that → Biofuels used for the purposes of meeting the targets of the → Renewable Energies Directive and → Biofuels benefiting from national support programmes are required to satisfy as proof of their ecological sustainability. Examples are a minimum reduction of → Greenhouse gas emissions and the protection of areas of high biological diversity. Social S. were taken into account, too, in the drafting of the → Renewable Energies Directive.

**TecDAX®** | Deutsche Börse sub-index for selected medium-sized companies in the technology sector. As a sub-index it is ranked immediately below the → DAX® and includes 30 stocks admitted to the "Prime Standard" segment of the official market or regulated market.

**Triticale** | A hybrid variety of grain that is a cross between wheat and rye.

**Tyczka Energie GmbH** | The management holding company of the Tyczka Group, a mid-sized group of companies based in Geretsried, Germany, whose core activities are the supply of liquid gas (propane and butane), industrial gases, carbon dioxide, and related services.

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



**VorstAG** | German Act on the Appropriateness of Executive Board Compensation.

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

**Working capital** | Difference between non-interest-bearing current assets and non-interest-bearing current liabilities. W. includes inventories, receivables and other assets less trade payables, other non-interest bearing current liabilities and short-term provisions. The value expresses the extent to which a company ties up capital to generate sales.

## DISCLAIMER

### Future-oriented statements and forecasts

This annual report contains forward-looking statements which are based on assumptions and estimations of the executive board of CropEnergies AG. Even if the executive board is convinced that these assumptions and plans are appropriate, actual future developments and events may deviate considerably from these assumptions and estimations due to a multitude of internal and external factors.

This includes for instance changes in the overall economic situation and regulatory framework conditions, and the development of raw material and oil prices.

CropEnergies assumes no guarantee or liability that future development and actual results achieved in the future will conform to the assumptions and estimations made in this annual report.

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## Financial Calendar

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1 <sup>st</sup> quarterly report 2010/11	13 July 2010
Annual general meeting 2010	15 July 2010
2 <sup>nd</sup> quarterly report 2010/11	13 October 2010
3 <sup>rd</sup> quarterly report 2010/11	11 January 2011
Annual report press and analysts' conference financial year 2010/11	19 May 2011

## Contact

CropEnergies AG  
Gottlieb-Daimler-Strasse 12  
68165 Mannheim

Tobias Erfurth  
Investor Relations  
Phone: +49 (621) 714190-30  
Fax: +49 (621) 714190-03  
ir@cropenergies.de

Nadine Dejung  
Public Relations/Marketing  
Phone: +49 (621) 714190-65  
Fax: +49 (621) 714190-03  
presse@cropenergies.de

[www.cropenergies.com](http://www.cropenergies.com)

Commercial Register Mannheim: HRB 700509

