

Press release

Lille, 9 september 2011

Tereos Moves Forward With Starch Investment by entering the Brazilian starch market

- Acquisition of a 68% ownership stake in Halotek, a Brazilian company specializing in the production of cassava starch, renamed "Syral Halotek"
- Investments to be made to build a corn-starch plant, a project already initiated by Halotek
- Development of starch products to the food and paper industries in Brazil and other countries in South America

After operating in Brazil for over 10 years, Tereos achieved a new milestone by entering the fast-growing Brazilian starch market. Tereos' subsidiary, Tereos Internacional, a company listed on the São Paulo Stock Exchange, acquired a 68% ownership stake in Syral Halotek for R\$45 million. Halotek was founded in 1991 and is headquartered in Palmital, São Paulo state, where Tereos' Brazilian sugar and ethanol production sites are also located. Halotek currently produces a select range of starch products at a facility that employs 185 people and has current production capacity of 60,000 tonnes per year.

Tereos' investment in Syral Halotek will be earmarked for additional work on the construction of a corn-starch plant, a project initiated by Halotek. The goal is to add corn-based starch products to market to the food and paper industries in Brazil and other countries in South America.

The new Brazilian operation will benefit from Tereos' expertise in two primary ways: leveraging its knowledge of Brazilian agribusiness through Tereos' subsidiary, Guarani, which is one of Brazil's leading sugar and ethanol producers and utilizing its commercial platform; and benefiting from Tereos Syral's expertise in producing and selling starch products in Europe, for both food and non-food end markets. Industrial and organizational synergies with Guarani will also be achieved. Tereos Syral will continue to serve its European clients, particularly through the research and development of innovative food ingredients.

"Tereos has chosen Brazil as the location for its first investment in starch production outside Europe. This acquisition demonstrates Tereos Internacional's strategy of developing industrial synergies within the Group by making the most of its agricultural and industrial expertise," explained Alexis Duval, CEO of Tereos Internacional.

"This investment in Brazil enables Tereos Syral to boost its expansion by accessing growth markets outside of Europe. The Brazilian starch-product market is currently growing at around 10% per year. We will be able to offer our customers a broader, more diverse product range by processing raw materials in which Brazil is the market leader. In addition to products currently made by Syral Halotek, our new corn processing unit will produce starch for the paper industry, glucose syrups and starch for the food industry, and co-products for animal feed," added Pierre-Christophe Duprat, CEO of Tereos Syral.

"This is an attractive development project because of the potential of the Brazilian market. To ensure its success, we are putting together teams that will harness the expertise of both Halotek and Tereos Syral. The aim is to become a major industrial and commercial player in the country," stated Philippe Roux, who is in charge of this operation in Brazil.

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