



Press release

Lille, July 5th, 2011

Tereos Europe €500,000,000 6^{3/8}% Senior Notes due 2014

For the six month period ending March 31st, 2011

The Company will host a conference call to discuss its six months Results on July 6th, 2011, at 3.00 p.m. Paris time (2.00 p.m. London time).

All participants **MUST** register for this conference using the URL below
<http://emea.directeventreg.com/registration/event/80334143>

Full name and Conference ID will be required.

To attend the call, please use the following instructions:

UK Standard International: +44 (0) 1452 322 438

Conf ID: 80334143

A replay of the call will be available until July 19th, 2011 using the following instructions:

International Dial In: +44 (0) 1452 550 000

UK Free Call Dial In: 0800 953 15 33

UK Local Call: 0845 245 5205

USA Free Call Dial In: 1866 247 4222

Conf ID: 80334143#

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H1 2010/11 RESULTS

(Non-audited figures)

REVENUE OF €2,204.1 MILLION, UP 31.1%
ADJUSTED EBITDA OF €417.1 MILLION, UP 24.6%

Key financial and operational highlights:

- **Net Revenue** of €2,204.1 million up 31.1% in H1 2010/11 versus H1 2009/10, due to higher volumes in Indian Ocean and Brazil (as the H1 2010/11 period includes the contributions of Mandu and Vertente in Brazil and Groupe Quartier Français in La Réunion) and higher prices both in sugar and ethanol in Brazil and Europe.
- Higher volume in **Sugar Sales** (+14.5%), **Alcohol Sales** (+11.4%) and **Starch Sales** (+0.2%) compared to H1 2009/10,
- **Adjusted EBITDA** rose 24.6% to €417.1 million, with an Adjusted EBITDA margin of 18.9% in H1 2010/11.
 - **Sugarbeet activity Adjusted EBITDA** up 13.4% versus H1 2009-10
 - **Sugarcane activity Adjusted EBITDA** up 85.3% versus H1 2009-10
- **Improvement of Net Profit** (+12.4% before price complements, +14.9% after price complements)
- **Net Debt (IFRS basis)** from €2,024 million at March 31, 2010 to €2,099 million at March 31, 2011.
- **Net Debt to Adjusted EBITDA down to 3,1X**

H1 2010/11 OVERVIEW

Financial Highlights			
€ Million	H1 2010/11	H1 2009/10	Variation
Net Revenue	2,204.1	1,681.8	+31.1%
Adjusted EBITDA (before price complements)	417.1	334.8	+24.6%
Adjusted EBITDA Margin	18.9%	19.9%	-100 bps
Net result (before price complements)	179.3	159.5	+12.4%
Net margin	8.1%	9.5%	-140 bps
Net result (after price complements)	133.2	115.9	+14.9%
Net margin	6.0%	6.9%	-90 bps
Net result (Group interest)	98.2	93.6	+4.9%
Net Debt	2,099.3	2,024.4	+3.7%
Sugar sales ('000 t)	1,736	1,515	+14.6%
Alcohol sales ('000 m³)	837	751	+11.4%
Starch & glucose sales (000 t)	807	805	+0.2%

Price complements: We pay to our cooperative member a price complement based on the amount of raw material supplied to sugarbeet division in France and its results achievement. Price complement is proposed by our Executive Board and voted by Tereos Supervisory Board.

Adjusted EBITDA: EBITDA adjusted from the impact of financial instruments and biological assets fair value variation and non recurring items related to discontinued activities.

NET REVENUES

Tereos posted total revenues of €2,204.1 million for the six months ended March 31, 2011 compared with €1,681.8 million for the six months ended March 31, 2010.

M€	H1 2010/11	H1 2009/10	Variation	%
Sugarbeet Division	861.5	759.3	102.2	+13.5%
Western Europe	759.1	674.2	84.9	+12.6%
Eastern Europe	102.4	85.1	17.3	+20.3%
Cereal Division	726.1	595.0	131.1	+22.0%
Starch Europe	584.2	468.1	116.1	+24.8%
Ethanol Europe	141.9	126.9	15.0	+11.8%
Sugarcane Division	605.5	327.5	278.0	+84.9%
Sugar & Ethanol Brazil	463.4	290.4	173.0	+59.6%
Sugar Indian Ocean	142.1	37.1	105.0	+383.0%
Other	10.9	-	10.9	-
Total	2,204.1	1,681.8	522.2	+31.1%

Sugarbeet Division: Revenue +13.5% due to strong increase in both sugar and alcohol selling prices

Sugarbeet activity for the six month period ended March 31, 2011 totalled €861.5 million, compared with €759.3 million for the six months ended March 2010.

The €102.2 million increase in net revenues is mainly due to:

- Volume impact: -4.7%, mainly due to a slight decrease in sugar and alcohol non quota sales for our western Europe activities, partially offset by higher volumes in Eastern Europe.
- Price/product mix impact : +17.6% due to higher selling prices in both sugar and alcohol.
Sugar price increased 4.7% for H1 2010-11 compared with H1 2009-10 as a result of lower supply on the European market. Alcohol/Ethanol prices went up by 10.2% on the same period as the European market recovered the former years situation. In addition, prices for pellets (used in animal feeding) increased, following grains prices.
- Exchange rate impact: +0.6% due to the appreciation of the Czech crown compared to euro

Cereal Division: Revenue +22.0% thanks to higher prices in starch and sweeteners and alcohol/ethanol sales

Starch sales for the six month period ended March 2011 reached €726.1 million, compared with €595.0 million for the six months ended March 31, 2011.

This increase by 22.0% (€131.1 million) is the cumulative consequence of a 24.8% increase in the starch and sweeteners products and a 11.8% increase in Alcohol/Ethanol sales at the BENP/DVO level.

- Increase in starch and sweeteners sales are driven by a 24.8% positive price/product mix impact, positively impacted by the negotiations of new contracts in line with raw materials price increase. In addition, Co-products sales rose up, driven by a 14.7% positive price/product mix impact, cumulated with a 8.7% positive volume impact.
- Increase in Alcohol/Ethanol sales are mainly due to a 10.7% positive price/product mix impact, cumulated with a slight 1.1% positive volume impact.

Sugarcane Division: Revenue +84.9% mainly due to increase in sugar price, perimeter impact and positive exchange rate impact

Total sales in the sugarcane division for the six month period ended March 31, 2011 was €605.5 million, compared with €327.5 million for the six months ended March 2010.

This increase of €278.0 million is partly due to:

- the perimeter impact of the acquisition of Groupe Quartier Français in La Réunion island, Vertente and Mandu mill in Brazil, for €120.4 million and €76.9 million respectively
- a 10.8% positive price/product mix impact in Brazil, thanks to better selling prices on domestic and export markets;

- a 10.7% positive exchange rate impact due to the global appreciation of the Brazilian currency compared to euro.
- in Mozambique, revenue increased by 43.7% or €5.2 million, mainly as the result of improved sugarcane fields conditions and the initial effects of irrigation on part of the sugarcane fields.

ADJUSTED EBITDA (before price complements)

Adjusted EBITDA totaled €417.1 million for the six months ended March 31, 2011 compared with €334.8 million for the six months ended March 31, 2010, a rise of 24.6%.

M€	H1 2010/11	H1 2009/10	Variation	%
Sugarbeet Division	210.3	185.5	24.8	+13.4%
Western Europe	176.0	159.0	17.0	+10.7%
Eastern Europe	34.3	26.5	7.8	+29.4%
Cereal Division	74.1	79.3	-5.2	-6.6%
Starch Europe	57.5	62.1	-4.6	-7.4%
Ethanol Europe	16.6	17.2	-0.6	-3.5%
Sugarcane Division	131.0	70.7	60.3	+85.3%
Sugar & Ethanol Brazil	99.0	63.0	36.0	+57.1%
Sugar Indian Ocean	32.0	7.7	24.3	+315.6%
Other	1.8	-0.7	2.5	
Total	417.1	334.8	82.4	+24.6%

Bridge explaining the difference between the released EBITDA for H1 2009/10 in June 2010 and the above presented Adjusted EBITDA :

H1 2009/10 EBITDA as released in June 2010 : 292,6M€

- Change in EBITDA definition : -6,4 M€ (calculation of EBITDA from EBIT)
- Accounting method change: +32,9 M€ (Opex / Capex for inter-campaign maintenance costs)
- EBITDA adjustments : +15.7 M€ (discontinued operations, adjustments in the fair value of financial instruments and biological assets)

H1 2009/10 Adjusted EBITDA as released in June 2011 : 334,8 M€

Adjusted EBITDA margin was 18.9% for the period compared to 19.9% for H1 2009/10.

This margin % decrease is due to the strong increase in sales price (dilutive impact):

- Cereals price increase not yet fully passed-through to customers (in starch segment),
- sugar and ethanol price increase in Europe and Brazil partly passed back to sugarbeet and sugarcane suppliers (Sugar and ethanol Europe and Brazil segments).

Sugarbeet Division: Adjusted EBITDA +13.4% due to higher quota sugar sales

The increase in Adjusted EBITDA of €24.8 million is primarily due to improved commercial margins with higher sales prices and volumes for sugar under quota sold in Spain and Italy (favourable supply vs demand conditions).

Cereal Division: Adjusted EBITDA -7.4% mainly related to strong cereals price increase not fully passed-through to customers at end of March

The decrease in Adjusted EBITDA of €5.2 million is primarily the result of the significant increase in cereals prices and in energy costs that could not yet be fully passed through to customers (despite strong sales price increase achieved during the second quarter in starch and sweeteners and record level of production reached in our Lillebonne plant during the second quarter).

Sugarcane Division: Adjusted EBITDA +85.3% mainly due to increase in sugar and ethanol price, perimeter impact and positive exchange rate impact

In Brazil, the increase in Adjusted EBITDA of €44.5 million (+€34.7 million at constant exchange rate) is the result of :

- new installed capacity (increased capacity at the Sao Jose and Cruz Alta plants, ramp-up of the Tanabi sugar factory and acquisitions of Vertente and Mandu) with corresponding margin on sugar and ethanol volumes (and Energy).

- higher sugar prices notably during the first quarter with prices peaking in January (world market).

In Indian Ocean, the increase in Adjusted EBITDA of €15 million is mainly due to the acquisition of Quartier Français in June 2010 (adding more than 100,000 tons of sugar and trading activity for organic and fair trade sugar).

OPERATING INCOME (before price complements)

Operating Income totaled €254.1 million for the six months ended March 31, 2011 compared with €187.9 million for the six months ended March 31, 2010, a rise of 35.2%.

The increase in Operating Income of €66.2 million results from an increase in EBITDA of €95.1 million combined with a €28.9 million negative impact of depreciation and provisions variation.

NET FINANCIAL EXPENSES

Our net financial expense decreased by €8.7 million, from a loss of €70.3 million for the six month period ended March 31, 2010 to a loss of €61.6 million for the six month period ended March 31, 2011.

This improvement is primarily due to a positive €25.5 million variation in net foreign exchange gain/losses despite a €17 million increase in interest costs.

PRICE COMPLEMENTS

In line with the improvement in result, the company booked a provision for future price complements of €46.1 million, compared to a provision of €43.6 million for the six month period ended March 31, 2010.

CORPORATE INCOME TAX

Our corporate income tax is a loss of €17.2 million for six month period ended March 31, 2011 compared to a gain of €40.9 million for the six month period ended March 31, 2010 (booking of a tax credit resulting from carried forward losses activation).

NET PROFIT (after price complements)

Net profit after price complements is a gain of €133.2 million for the six month period ended March 31, 2011 compared with a gain of €115.9 million for the six month period ended March 31, 2010.

NET DEBT

Our net financial debt at the end of March, 2011 was €2,099.3 million compared with €2,024.4 million at the end of March 2010.

At the end of March, Tereos' cash position was a positive €339.6 million.

The analysis of the net debt can be summarized as follows:

	Short Term	Medium & Long Term	Total	Cash	Net Debt	Apr-11 March-12	Apr-12 March-13	Apr-13 March-14	Apr-14 March-15	Apr-15 March-16	+
Overdraft	10.1	-	10.1	-41.2	-31.0	10.1	-	-	-	-	-
Revolving Credit facility	340.0	-	340.0	-	340.0	340.0	-	-	-	-	-
Term Loan	95.6	130.0	225.6	-	225.6	95.6	30.0	100.0	-	-	-
High Yield Bond	14.6	500.0	514.6	-	514.6	14.6	-	-	500.0	-	-
Debentures Loan	26.1	13.9	40.0	-	40.0	26.1	0.2	4.9	4.6	4.2	-
Others Debt	9.0	4.7	13.7	-	13.7	9.0	2.4	2.1	0.1	0.1	-
Total Tereos France	495.4	648.7	1,144.0	-41.2	1,102.8	495.4	32.6	107.0	504.8	4.4	-
TTD	28.2	10.5	38.7	-3.4	35.3	28.2	9.1	1.4	-	-	-
Tereos Participation	13.0	-	13.0	-	13.0	13.0	-	-	-	-	-
Tereos Agro Industrie											
Tereos BENP	0.2	-	0.2	-4.9	-4.7	0.2	-	-	-	-	-
Tereos DVO	0.2	-	0.2	-	0.2	0.2	-	-	-	-	-
Tereos SYRAL	154.1	12.8	166.8	-19.2	147.7	154.1	6.3	4.1	2.4	-	-
Tereos Océan Indien	40.4	14.4	54.8	-25.9	28.9	40.4	1.2	1.4	10.1	0.4	0.8
Guarani (Brazil)	306.9	251.6	558.5	-163.5	395.0	306.9	66.9	81.6	49.1	25.7	28.3
Guarani (Mozambique)	38.0	-	38.0	-6.1	31.9	38.0	-	-	-	-	-
Tereos Internacional	20.6	-	20.6	-3.1	17.5	20.6	-	-	-	-	-
Tereos EU	150.8	227.5	378.3	-47.1	331.2	150.8	35.0	35.0	35.0	122.5	-
Quartier Français Group	25.6	-	25.6	-25.3	0.3	25.6	-	-	-	-	-
Total Net Debt	1,273.5	1,165.4	2,438.9	-339.6	2,099.3	1,273.45	151.6	230.4	601.3	153.0	29.2

Syndicated Loan Draw	Usable	Drawn	Undrawn
Term loan - Tereos	150.0	150.0	-
Term loan – Tereos EU	262.5	262.5	-
Revolving credit facility – Tereos	200.0	140.0	60.0
Revolving credit facility – Tereos Sucre	150.0	150.0	-
Revolving credit facility - Tereos Alcool	50.0	50.0	-
Revolving credit facility – Tereos EU	175.0	120.0	55.0
Revolving credit facility – Tereos Internacional	40.0	20.6	19.4
Total	1,027.5	893.1	134.4

At March 31st 2011, the €1,027.5 million syndicated credit facility drawn for €893.1 million.

At end of March 2011, €134.4 million is available from the syndicated credit facilities, plus €93.8 million in our operating subsidiaries.

The unused credit lines cumulated with cash available at year end totalled €567.8 million.

CAPEX

For the six months ended March 31, 2011, our capital expenditures were €197.1 million, compared with €83.0 million at the end of March 2010.

CONTACT

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Tereos is an agro-industrial cooperative group with 17,000 employees that processes sugar beet, sugar cane and grains into sugars, alcohols, starch products and energy. We operate 35 industrial facilities in Europe, Brazil and Africa. In 2010, Tereos produced 3.6 million tons of sugar, 1.8 million tons of starch products, 1.7 million of cubic meters of alcohol and ethanol and 655GWh of electricity. With revenues of €3,529.3 million and EBITDA (before price complement) of €574.3 million for the 2010 financial year, we are one of the leading sugar, starch and ethanol producers in Europe and Brazil.

FINANCIAL CALENDAR

Q3 2010-2011 (April-June): Tuesday 16th August 2011

Annual 2010-2011: Monday 30th January 2012

APPENDICES

Revenue breakdown

The tables below present our revenues broken down into:

- location of production
- business segments

We have provided revenues under these two methods, however, we track our operating expenses only by the first method: location of production. As a result, we use breakdown by production location of manufacture for our products when discussing our results..

Revenues by location of production

	March 31, 2011			
	2011		2010	
	€ million	% Total	€ million	% Total
Sugar & Alcohol in EU	1,145.5	52.0%	923.3	54.9%
France	901.0	40.9%	801.1	47.6%
Czech Republic	102.4	4.6%	85.1	5.1%
Reunion Island	142.1	6.4%	37.1	2.2%
Starch Products in EU	584.2	26.5%	468.1	27.8%
Sugar & Alcohol in Brazil	463.4	21.0%	290.4	17.3%
Other	10.9	0.5%	-	
Total	2,204.1	100%	1,681.8	100%

EBITDA to Adjusted EBITDA

€ million	EBITDA	Fair-value on biological assets	Fair-value on derivatives	Non-recurring (discontinued activities)	Adjusted EBITDA
Sugarbeet Division	209.3	-	-0.9	-	210.3
Western Europe	175.0	-	-0.9	-	176.0
Eastern Europe	34.3	-	-	-	34.3
Cereal Division	76.5	-	2.5	-	74.1
Starch Europe	59.9	-	2.5	-	57.5
Ethanol & Alcohol Europe	16.6	-	-	-	16.6
Sugarcane Division	121.7	8.0	-17.3	-	131.0
Sugar & Ethanol Brazil	91.4	9.7	-17.3	-	99.0
Sugar Indian Ocean	30.3	-1.7	-	-	32.0
Other	6.8	-	-	4.9	1.8
Total	414.3	8.0	-15.7	4.9	417.1

Profit & Loss Account

	Actual 31-mars-11	Actual 31-mars-10
Continuing operations		
Revenues	2 204,1	1 681,8
Purchases and changes in inventory	- 1 117,0	- 794,1
Other external charges	- 406,3	- 327,5
Taxes and other levies	- 42,5	- 37,6
Employee-related expenses	- 241,7	- 211,3
Other operating expenses	5,8	19,6
Fair value on derivatives	- 1,9	10,7
Amortization	8,1	- 13,7
Non recurring operations	5,6	- 8,9
EBITDA (EBITDA before price complements)	414,3	319,0
Depreciation and provision	- 160,3	- 131,1
Operating Income (before price complements)	254,1	187,9
Net financial expense	- 61,6	- 70,3
Price complements	- 46,1	- 43,6
Corporate income tax	- 17,2	40,9
Income from non consolidated compagnies	3,9	1,0
Net income/(loss) from continuing operations	133,2	116,0
Discontinued operations and assets held for sale		
Net income (loss) from discontinued operations and assets held for sale	-	-
Net Income	133,2	116,0
Attributable to owners of the parent	98,2	93,6
Minority Interests	35,0	22,4

Note:

- (1) EBITDA is defined as operating income before price complements paid to our cooperative members, before depreciation. Adjusted EBITDA is calculated as EBITDA before impact of fair value on biological assets, fair value on derivatives and non recurring items related to discontinued activities. You should not consider adjusted EBITDA as an alternative to operating profit or net income (as determined in accordance with IFRS), as an indicator of our operating performance, or as an alternative to cash flows from operating activities, investing activities or financing activities (as determined by IFRS), or as a measure of liquidity. We use adjusted EBITDA as a supplemental measure of operating performance, particularly because it is also an internationally recognized measure that is regularly used by securities analysts, rating agencies, investors and other parties to evaluate a company's operating performance. We also believe that adjusted EBITDA is a useful indicator of our ability to service our indebtedness. Adjusted EBITDA is not a measure of performance under IFRS and not all companies calculate adjusted EBITDA or similarly titled financial measures in the same manner. As such, adjusted EBITDA as disclosed by other companies may not be comparable with our use of adjusted EBITDA. Adjusted EBITDA also includes payments that we are required to make to the restructuring fund under the new EU sugar regime.

CONSOLIDATED SALES VOLUMES

	H1 2010-11	H1 2009-10
Sugar - Europe (000 tons)	899	959
Sugar - Brazil (000 tons)	657	505
Sugar – Rest of the world (000 tons)	199	59
Total sugar	1,755	1,524
Alcohol - Europe (000 cubic meters)	508	512
Alcohol - Brazil (000 cubic meters)	329	240
Total alcohol	837	751
Starch sales in Europe (000 tons)	807	805
Total starch	807	805

BALANCE SHEET

	Actual March 31st 2011	Actual Sept 30th 2010
Goodwill	1 246,0	1 250.6
Intangible assets	179,5	151.9
Biological assets	219,8	177.5
Property, plant and equipment	2 080,1	2 015.1
Non Current Financial assets	176,2	171.2
Deferred tax assets	179,0	172.4
Other non current tax assets	8,0	3.2
Non current Assets	4 088,5	3 941.7
Inventories and work in-progress	856,5	576.6
Trade receivables	514,0	446.7
Other current financial assets	357,5	279.3
Other current assets	23,9	69.7
Tax assets	20,4	14.5
Cash and cash equivalents	339,6	239.5
Current assets	2 112,0	1 626.2
Assets to be sold	203,3	189.0
Total assets	6 403,8	5 756.9
Equity and Liabilities		
- Reserves and retained earnings	862,7	726.0
- Net profit	98,2	121.3
Equity attributable to owners of the parent	960,9	847.2
Minority interests	780,4	770.6
Total Equity	1 741,3	1 617.9
- Cooperative capital	561,7	561.7
Cooperative Capital and Equity	2 303,0	2 179.6
Non current financial debt	1 153,7	1 189.1
Non current provisions	37,2	38.7
Deferred tax liabilities	45,8	42.6
Other non current tax liabilities	-	-
Other non current financial liabilities	251,4	240.5
Other non current liabilities	50,0	49.5
Non current liabilities	1 538,2	1 560.5
Current financial debt	1 285,2	951.3
Current provisions	7,8	13.6
Other current financial liabilities	430,3	385.8
Trade payables	575,8	462.4
Tax liabilities	19,0	15.8
Other liabilities	76,0	34.2
Current liabilities	2 394,0	1 863.0
Liabilities to be sold	168,5	153.8
Total liabilities	6 403,8	5 756.9

BIOLOGICAL ASSETS

Biological assets was €219.8 million as of March 31st, 2011 compared to €177.5 million as of September 30th 2010.

This increase is primarily due to an increase in biological assets for €29.5 million, in addition to a positive fair value impact of €30.5 million and amortization of €12 million.

PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment was €2,080.1 million as of March 31st, 2011 compared to €2,015.1 million as of September 30th 2010.

This increase is primarily due to increase in equipment and ongoing investments for €76.4 million and a €89.3 million respectively and a financial lease reclassification of €7 million, cumulated with amortization for €131.4 million in addition to a positive exchange rate impact of €4 million.

INVENTORIES

Inventories was €856.5 as of March 31st, 2011 compared to €576.6 as of September 30th 2010.

This change is primarily related to a €265.9 million increase in finished products inventories, mainly related to Tereos France, in addition to a positive exchange rate impact of €1.6 million and a €2 million change in amortization and other impacts.

EQUITY

Cooperative capital and equity was €2,303.0 million as of March 31st, 2011 compared to €2,179.6 as of September 30th 2010.

This increase is primarily due to the €133.1 million result of the company for the period October 2010 to March 2011, in addition to a €50.3 million positive impact in change of scope of consolidation and dividend distribution for €33.9 million.

CURRENT FINANCIAL DEBT

Current financial debt was €1,285.2 as of March 31st, 2011 compared to €951.3 million as of September 30th 2010.

This increase is mainly due to the last payment to our sugarbeet suppliers for the delivered raw material in Europe.