

communiqué de presse / press release

Lille, February 4, 2011

FY 2009/10

Robust growth in financial results Financial position strengthened A year of significant expansion

- Revenues rose by 6.7% to €3.53 billion
- Adjusted EBITDA reached all-time high of €596 million (up 35.2%)
- €50 million in price supplements paid out to cooperative members
- Debt ratio reduced
- Creation of Tereos Internacional; association of major cereal cooperatives
- Partnership with Brazilian oil giant Petrobras in sugarcane and bioenergy
- New acquisitions in sugarcane in Brazil and La Réunion
- Continued expansion in speciality starch-based products and grain alcohols
- Partnerships with Danisco in betaine and PureCircle in stevia

During FY 2009/10, the Tereos Group registered further improvement in its profit margins in a climate of market volatility and continued consolidation in the sector worldwide.

Philippe Duval, Chairman of the Tereos Management Board, said: "*In an international environment that is increasingly feeling the impact of highly volatile commodities prices and exchange rates, the Tereos Group delivered an impressive rise in operating income, while lowering its debt ratio. The creation and listing of Tereos Internacional, the strategic partnership with Petrobras and the large French cereal cooperatives in Brazil, will give Tereos an added advantage in preparing for the future in a sector that is undergoing significant consolidation.*"

Thierry Lecomte, Chairman of the Supervisory Board, added: "*The excellent 2009/10 campaign and*

solid market trends were favourable for the European sugar beet sector. Concurrently, the market's health continues to improve. As a result, our price complements rose from € 18 million in 2008/09 to € 50 million in 2009/10. In 2010/11, the figures are expected to reflect further substantial increases and to be quite competitive with alternative crops."

Financial results

€m	2008/09	2009/10	Variation
Revenues	3,309.2	3,529.3	+6.7%
Adjusted EBITDA	440.4	595.6	+35.2%
Adjusted EBITDA Margin ¹	13.3%	16.9%	+3.8 pp
Net income (after PC*)	75.6	150.3	+98.3%
Debt/ Adjusted EBITDA	3.84x	3.28x	-56 bp

*Price complements

The Tereos Group's consolidated revenues rose by 6.7% to €3,529.3 million in 2009/10, from €3,309.2 million in 2008/09. Revenues from Sugar (sugar beet and sugarcane) were driven up 14.1% by the effects of higher prices coupled with favourable changes in scope and foreign exchange in Brazil and by volume growth in Brazil and in Europe. The cereals processing business registered a 9.5% fall in 2009/10 owing to the decline in starch product prices, which was partly offset by higher alcohol/ethanol sales for BENP and DVO.

The Group's adjusted EBITDA jumped by 35.2%, reaching an all-time high of €595.6 million. The adjusted EBITDA margin widened to 16.9% from 13.3% in the previous year. Adjusted EBITDA from the Sugar from beet business jumped to 20% of revenues to €300 million under the impetus of strong sales growth and lowering production costs owing to the good quality of beets harvested during the 2009/10 campaign. The Sugarcane division delivered 66.2% adjusted EBITDA growth fuelled by the increase in sugar prices, favourable market conditions for alcohol in Brazil and higher volumes in La Réunion. The Cereals Processing division registered a 17.1% fall in adjusted EBITDA due to the steep rise in cereal prices.

Current operating income before price complements rose sharply, to €325.4 million in 2009/10 from €248.9 million in 2008/09.

Net financial expenses totalled €136.1 million, €282 million less than in FY 2008/09.

After distribution of €50 million in price complements, the Group's net income came to €150.3 million, a twofold increase on FY 2008/09.

Further improvement in financial position

¹ Adjusted EBITDA: EBITDA before price complements, excluding discontinued operations, and including effect of fair value adjustments to biological assets and financial instruments.

The Net debt/Adjusted EBITDA ratio was 3.28x at September 30, 2010, compared with 3.84x at the end of the previous financial year. The Group is well within its banking covenants. Net debt was €1,952.3 million at September 30, 2010, compared with €1,689.5 million a year earlier. The increase is due to the acquisitions of Mandu and Vertente in Brazil, of Quartier Français in La Réunion and of shares in Tereos Participations, coupled with higher working capital requirements owing the rise in prices. In the months ahead, proceeds from the disposal of the Quartier Français group's non-sugar assets will be used to pay down the Group's debt.

Sugar beet division

Tereos France had a quota of 1,188,000 tonnes. Sugar sales for all activities totalled 1,742,000 tonnes in 2009/10 due to the large quantities of non-quota sugar that became available after that year's exceptional campaign. Sales of table sugar were about the same as in the previous year.

Alcohol sales benefited from a healthy business climate. Industrial customers began to replenish their inventories as the economic crisis began to wane. Ethanol sales remained stable in a highly volatile market.

In the summer of 2010, Tereos announced the creation of a joint venture with PureCircle, the world's leading producer of stevia extracts, to market this sweetener of natural origin to industrial customers, and a partnership with Danisco for betaine extraction.

In the Czech Republic, TTD delivered excellent results in 2009/10, with net income of €24.9 million before tax, underpinned by its know-how in production and its business cooperation with Tereos France.

Cereals division

In 2009/10, growth resumed in the European market for starch products. Against this backdrop, Syral retained its market share and increased its sales volumes in the starch, maltodextrin and polyol segments.

The price trend was not as favourable, as prices were negotiated at the end of 2009 when cereal prices were on the decline. Even so, Syral maintained solid profitability owing to improvement in its product mix and to measures to control production costs.

In addition, 2009/10 was impacted by continued rationalisation of production facilities, with the closure of the Greenwich plant and the build-up of many investments, including the new edible glucose line in Nesle, the new maltodextrin drying tower in Marckolsheim and the new starch dryer in Saragossa, Spain.

In alcohol, the Group retained its position as European leader in high-purity wheat alcohol for use by the spirits industry, which is produced by the Nesle, Saluzzo and Origny distilleries. One of the key events of the year was the start-up of the new grain alcohol production unit in Origny, which was

approved by Bacardi. The Group also broke ground on the wheat distillery in Selby, UK. The first shipments are scheduled to begin at the end of 2011.

In ethanol, after three years of substantial sales growth, during FY 2009/10, the Group focused on enhancing its production capacity utilisation rates. In 2009/10, ethanol sales advanced by 8% and Tereos consolidated its position as the European leader in alcohol/ethanol, all sectors combined.

Sugarcane division

In Brazil, after a 2009/10 campaign affected by heavy rainfall, 2010/11 was a drought year, resulting in lower yields and higher prices.

Over the period, Guarani processed 20 million tonnes of sugarcane in its seven Brazilian plants. Sugar production surged to 1.6 million tonnes, primarily owing to the start-up of the Tanabi sugar plant and the build-up of the Sao José and Cruz Alta plants. Bioethanol production rose by over 200,000 m³ to 700,000 m³ and electricity generated through cogeneration amounted to 260,000 MWh.

In Brazil, the key events in 2009/2010 were the finalisation of a major strategic and financial partnership with domestic oil giant Petrobras and the increase in production capacity in the State of Sao Paulo via the acquisitions of Mandu and Vertente. The partnership also led to the signature of a large ethanol distribution contract. This major accomplishment is the fruit of Tereos' efforts in Brazil since 2000. It reflects the quality of our staff and of our production facilities.

In La Réunion, following acquisition of Quartier Français in May 2010, the Tereos Group is now the only sugar producer on the island. This strengthened position will ensure a secure supply of brown sugar for the Olmedo refinery in Spain and for the development of speciality cane sugars. Tereos is now the largest cane sugar producer in the European Union.

Outlook

2009/10 was an eventful year for the Tereos Group, with the creation of Tereos Internacional, the partnership with the cereal cooperatives, the strategic partnership with Petrobras, and continued expansion in Brazil and in La Réunion. Moreover, the Group's joint ventures with PureCircle in stevia and Danisco in betaine, investments in starch-glucose production and contributions to the development of second-generation reflect Tereos' dynamic approach and its involvement in the most highly innovative projects in the sector. In 2010/11, the Group plans to continue to expand by exploring new outlets for all of its business areas and by participating in the wave of consolidation in the sector.

In addition, in France, beet sugar is confirming its position as an increasingly competitive alternative to cane sugar. This means that Europe will be able to reduce its dependency on sugar imports and its exposure to the shortages that arise whenever there is another surge in world prices.

The financial outlook for FY 2010/11 is excellent, particularly as the markets are showing resilience.

About Tereos



Tereos is a cooperative agro-industrial group that specialises in the primary processing of sugar beet, sugarcane and cereals. Thanks to the commitment of the 12,000 beet farmers and the 40,000 grain farmers in France who are its cooperative partners, the Tereos Group has expanded considerably over the last twenty years, increasing its total production of sugar, starch and alcohol by a factor of 50. This expansion enables Tereos to respond to the challenges of worldwide consolidation in its business sectors, increasing globalisation of its markets and volatile commodity prices. Its 35 production facilities in Europe, South America and the Indian Ocean offer long-term outlets for one million hectares of cultivated farmland. Tereos has a workforce of 17,000 permanent employees involved in producing and processing sugar beet, sugarcane and cereals and marketing a comprehensive range of sugars, starches and bioethanol, along with by-products used for animal feed and power generation. Thanks to its ability to anticipate future developments, its expertise, technological skills and knowledge of its markets, Tereos is now one of the world's leading players in its business areas. True to its long-term vision of agriculture, Tereos creates value from the natural resources it processes while reducing its environmental impact and offering employees a pleasant working environment.

Key figures

12,000 cooperative members
17,000 employees
1,000,000 hectares of cultivated farmland
35 production facilities
3,600,000 tonnes of sugars
1,800,000 tonnes of starch products
1,700,000 m³ of alcohol and bioethanol
655,000 MWh of electricity generated
Revenues of €3.5 billion
Net income of €150 million

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