



## Press release

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Lille, June 30<sup>th</sup>, 2010

### **Tereos Europe €500,000,000 6 3/8% Senior Notes due 2014**

For the six month period ending March 31<sup>st</sup>, 2010

The Company will host a conference call to discuss its six months Results on July 2<sup>nd</sup>, 2010, at 11.00 a.m. Paris time (10.00 a.m. London time).

Full name and Conference ID will be required.

To attend the call, please use the following instructions:

International Dial In: +44 (0) 1452 560 212

UK Local Call: 0844 871 9339

Conf ID: 85723625

A replay of the call will be available until August 2<sup>nd</sup>, 2010 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: 85723625#

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## H1 2009/10 RESULTS

(Non-audited figures)

**REVENUE OF €1,681.8 MILLION, UP 1.8%**  
**EBITDA OF € 292.6 MILLION, UP 51.0%**

**NET DEBT DOWN 3.9%**

### Key financial and operational highlights:

- **Net Revenue** of €1,681.8 million up 1.8% in H1 2009/10 versus H1 2008/09, due to higher volumes in EU (sugar, starch & alcohol) and higher prices both in sugar and ethanol in Brazil
- Higher volume in **Sugar Sales** (+5.7%), **Alcohol Sales** (+4.9%) and **Starch Sales** (+1.5%) compared to H1 2008/09,
- **EBITDA** rose 51.0% to €292.6 million, with an EBITDA margin of 17.4% in H1 2009/10, significantly higher than in H1 2008/09 (11.7%), due to improved margins in Europe after the completion of the EU sugar reform and high prices on the world market.
  - **Sugar & Alcohol Europe EBITDA** up 78.8% versus H1 2008-09
  - **Sugar & Alcohol Brazil EBITDA** up 142.4% versus H1 2008-09
- **Sharp improvement in Net Profit** at € 118.9 million
- **Net Debt (IFRS basis)** reduced by 3.9% to €2,024 million at March 31, 2010 versus €2,105 million at March 31, 2009

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## H1 2009/10 OVERVIEW

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<b>Financial Highlights</b>			
€ Million	H1 2009/10	H1 2008/09	Variation
<b>Net Revenues</b>	<b>1,681.8</b>	<b>1,651.9</b>	<b>+1.8%</b>
<b>EBITDA (before price complements)</b>	<b>292.6</b>	<b>193.9</b>	<b>+51.0%</b>
EBITDA Margin	17.4%	11.7%	+ 570 bps
<b>Net Debt</b>	<b>2,024.4</b>	<b>2,105.5</b>	<b>-3.9%</b>
<b>Sugar sales ('000 t)</b>	1,515	1,433	+5.7%
<b>Alcohol sales ('000 m<sup>3</sup>)</b>	712	679	+4.9%
<b>Starch &amp; glucose sales (000 t)</b>	652	642	+1.5%

**Price complements:** We pay to our cooperative member a price complement based on the amount of sugarbeet supplied to Tereos France. Price complement is proposed by our Executive Board and voted by Tereos Supervisory Board. Price complement payments are now linked to Tereos France results. Unlike dividends, which are paid in proportion to share capital, price complements will continue to be paid based on the amount of sugarbeet delivered. As a result, we consider Price complement as payment for the purchase of raw materials and recognize it in our financial statements in the line item "Purchases and changes in inventory", above operating income. However, in order to have comparable financial statements with non cooperative companies, we calculate our EBITDA, during the periods under review by adding back the price complement.

## NET REVENUES

Tereos posted total revenues of €1,681.8 million for the six month ended March 31, 2010 compared with €1,651.9 million for the six month ended March 31, 2009.

€ million	H1 2009/10	H1 2008/09	Variation	%
<b>Sugar Europe</b>	<b>759.3</b>	<b>711.7</b>	<b>47.6</b>	<b>6.7%</b>
<b>Tereos Internacional</b>	<b>922.5</b>	<b>940.2</b>	<b>-17.7</b>	<b>-1.9%</b>
Starch	468.1	567.2	-99.1	-17.5%
Brazil	302.3	237.9	64.4	27.1%
Ethanol Europe	126.9	112.7	14.2	12.6%
Indian Ocean	25.2	22.4	2.8	12.5%
<b>Total</b>	<b>1,681.8</b>	<b>1,651.9</b>	<b>29.9</b>	<b>1.8%</b>

### **Sugar Europe sales (+6.7%): Increase due to sugar sales out of quota and alcohol**

Sugar beet activity for the six month period ended March 31, 2010 totalled €759.3 million, compared with €711.7 million for the six month ended March 2009.

The €47.6 million increase in net revenues is mainly due to:

- Volume impact: +15.6%, mainly due to sugar sales out of quota (strong increase linked to the historical high crop and the one-off EU export contingents increase), and strong alcohol sales;
- Price/product mix impact : -9.0% due to lower price for sugar under quota for H1 2009-10 compared with H1 2008-09 as a result of the EU sugar reform; price for non quota sugar increased by 7.1% as a result of the price increase for sugar on the world market; Alcohol prices remain lower than during H1 2008-09.
- Exchange rate impact: +0.2% due to the appreciation of the Czech crown compared to euro

### **Starch sales (-17.5%): Decrease in prices**

Starch sales for the six month period ended March 2010 reached €468.1 million, compared with €567.2 million for the six month ended March 31, 2009.

This decrease by 17.5% (€99.1 million) is the consequence of:

- Volume impact: +0.9%, driven by a resilient food industry;
- Price/product mix impact : -18.4% due to lower price all over the semester in line with the decrease in cereal prices.

### **Brazil sales (+27.1%): Increase in sugar prices and positive exchange rate impact**

Total sales in Brazil (incl. Mozambique) for the six month period ended March 31, 2010 was €302.3 million, compared with €237.9 million for the six months ended March 2009.

The increase in Brazil's revenues by 27.1% (€64.4 million) is due to :

- Volume impact: -13.4%, mainly due to a crop delayed by unfavorable weather conditions;
- Price/product mix impact : +23.1% supported by positive market fundamentals for sugar but also for ethanol.
- Exchange rate impact: +17.4% due the global appreciation of the Brazilian currency compared to euro.

### **Ethanol Europe revenues (+12.6%): Increase in the volumes sold**

Ethanol Europe revenues for the six month period ended March 31, 2010 totalled €126.9 million, compared with €112.7 million for the six months ended March 2009.

The €14.2 million increase in net revenues is mainly due to:

- Volumes impact : +16.6%, due to the production increase in our Lillebonne plant.
- Price/product mix impact : -4.0%, with lower prices than during H1 2008-09.

### **Indian Ocean revenues (+12.5%): Increase in the volumes sold**

Indian Ocean revenues for the six month period ended March 31, 2010 totalled €25.2 million, compared with €22.4 million for the six months ended March 2009.

The €2.8 million increase in net revenues is mainly due to:

- Volumes impact : +20.5%, thanks to the catch up of the delay in the crop for 2008/09.
- Price/product mix impact : -8.0%, as a result of the EU sugar reform.

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### **EBITDA (before price complements)**

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EBITDA totalled €292.6 million for the six month ended March 31, 2010 compared with €193.9 million for the six month ended March 31, 2009, a rise of 51.0%.

€ million	H1 2009/10	H1 2008/09	Variation	%
<b>Sugar Europe</b>	<b>154.3</b>	<b>86.3</b>	<b>68.0</b>	<b>78.8%</b>
<b>Tereos Internacional</b>	<b>147.4</b>	<b>108.9</b>	<b>38.5</b>	<b>35.4%</b>
Starch	53.3	67.5	-14.2	-21.0%
Brazil	73.7	30.4	43.3	142.4%
Ethanol Europe	14.3	8.0	6.3	78.8%
Indian Ocean	6.1	3.0	3.1	103.3%
<b>Holding</b>	<b>-9.1</b>	<b>-1.4</b>	<b>-7.7</b>	<b>-</b>
<b>Total</b>	<b>292.6</b>	<b>193.9</b>	<b>98.7</b>	<b>51.0%</b>

EBITDA margin was 17.4% for the period compared to 11.7% for H1 2008/09.

### **Sugar Europe EBITDA (+78.8%): Increase due to sugar sales (under quota & out of quota), alcohol sales and improved production cost**

Sugar Europe EBITDA for the six month period ended March 31, 2010 totalled €154.3 million, compared with €86.3 million for the six months ended March 2009.

The increase in EBITDA of €68.0 million is primarily due to improved commercial margins, a decrease in energy costs and lower production costs (mainly thanks to a better sugarbeet quality).

Please note also high margin for exports of sugar out of quota as a result of the increase in the sugar world market price.

For the period October 2009 to March 2010, we booked a negative fair value impact of €7.9 million.

### **Starch EBITDA (-21.0%): back to normative results in a context of decreasing prices**

Starch EBITDA for the six month period ended March 31, 2010 reached €53.3 million, compared with €67.5 million for the six month ended March 31, 2009.

This decrease is primarily the result of the significant decrease in prices, partially offset by a decrease in the production costs (mainly decrease in energy costs). In addition, we booked a negative fair value impact of €2.4 million.

**Brazil EBITDA (+142.4%) : Strong increase in selling prices and positive fair value impact**

Brazil's EBITDA for the six month period ended March 31, 2010 reached €73.7 million, compared with €30.4 million for the six month ended March 31, 2009.

This increase is the result of high sugar prices (world market), in addition to a positive exchange rate impact and a positive fair value impact of €21.3 million.

**Ethanol Europe EBITDA (+78.8%): higher volumes sold and ongoing industrial improvement**

Ethanol Europe's EBITDA for the six month period ended March 31, 2010 reached €14.3 million, compared with €8.0 million for the six month ended March 31, 2009.

Ethanol Europe activity benefits from higher volumes sold, driven by the new energy and climate directive and an ongoing improvement in output and yield in our Lillebonne plant cumulated with a strong decrease in energy cost.

**Indian Ocean EBITDA (+103.3%): an increase driven by higher volumes sold**

Indian Ocean's EBITDA for the six month period ended March 31, 2010 reached €6.1 million, compared with €3.0 million for the six month ended March 31, 2009.

This increase is primarily the result of higher volumes sold thanks to the catch up of the delay in the crop for 2008/09.

**We confirm our EBITDA guidance for 2009-10 will be above €500 million.**

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**OPERATING INCOME (before price complements)**

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Operating Income totaled € 181.8 million for the six month ended March 31, 2010 compared with € 103.9 million for the six months ended March 31, 2009, a rise of 74.9%.

The increase in Operating Income of € 77.9 million results from an increase in EBITDA of € 98.8 million (+41.4%) combined with depreciation up by € 20.9 million (+23.2%).

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**INCOME BEFORE INTEREST (before price complements)**

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Income before interest totaled € 189.1 million for the six month period ending March 2010 compared with € 103.0 million for the six months ended March 31, 2009, an increase of 83.6%.

The increase in Income before interest is the result of the increase in Operating income, in addition to a € 8.2 million increase in non operating result, related to asset sales operation in Brazil.

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## NET FINANCIAL EXPENSES

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Our net financial expense decreased by €65.3 million, from a loss of €135.6 million for the six month period ended March 31, 2009 to a loss of €70.3 million for the six month period ended March 31, 2010.

This improvement is primarily due to the decrease of our net debt, in addition to a decrease in our exchange loss of €12.7 million and a €27.0 million increase in financial Fair Value.

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## PRICE COMPLEMENTS

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According to the improvement of the result, the company booked a provision for future price complements of € 43.6 million, compared to a provision of € 18.1 million for the six month period ended March 31, 2009.

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## CORPORATE INCOME TAX

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As a result of carry back activation in Syral Belgium, our corporate income tax is a gain of €42.7 million for six month period ended March 31, 2010 compared to a gain of € 18.5 million for the six month period ended March 31, 2010.

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## NET PROFIT (after price complements)

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Net profit after price complements is a gain of € 118.9 for the six month period ended March 31, 2010 compared with a loss of €29.8 million for the six month period ended March 31, 2010.

## NET DEBT

Our net financial debt at the end of March, 20210 was €2,024.4 million compared with €2,105.5 million at the end of March 2009: the net debt has been reduced by €81.1million (-3.8%).

At the end of March, Tereos' cash position was a positive € 271.4 million.

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

	Short Term	Medium & Long Term	Total	Cash	Adj. Fair Value	Net Debt	oct-09 sept-10	oct-10 sept-11	oct-11 sept-12	oct-12 sept-13	oct-13 sept-14	+
Overdraft	41.1	-	41.1	-49.9	-	-8.8	41.1	-	-	-	-	-
Revolving Credit facility	225.2	-	225.2	-	-	225.2	225.2	-	-	-	-	-
Term Loan	80.0	224.4	304.4	-	-	304.4	80.0	80.0	80.0	64.4	-	-
High Yield Bond	14.6	500.0	514.6	-	-6.4	508.2	8.2	-	-	-	500.0	-
Subordinated Loan	-	103.7	103.7	-	-	103.7	-	-	-	10.0	93.7	-
Debentures Loan	1.9	36.4	38.3	-	-	38.3	1.9	3.5	0.2	4.9	2.9	24.9
Others Debt	5.0	7.2	12.2	-	-1.4	10.8	3.6	2.5	2.4	2.1	0.1	0.1
<b>Total Tereos France</b>	<b>367.8</b>	<b>871.7</b>	<b>1,239.5</b>	<b>-49.9</b>	<b>-7.8</b>	<b>1,181.9</b>	<b>360.0</b>	<b>86.0</b>	<b>82.6</b>	<b>81.4</b>	<b>596.7</b>	<b>25.0</b>
Berneuil Participation	12.7	75.0	87.7	-0.1	-0.5	87.1	12.7	12.5	12.5	50.0	-	-
TTD	68.5	8.9	77.4	-4.3	-	73.1	68.5	8.9	-	-	-	-
SYRAL	203.2	118.8	322.0	-15.0	-0.5	306.5	123.2	30.9	30.6	54.8	2.4	79.6
BENP	42.0	107.2	149.2	-17.7	-1.8	129.7	42.0	16.5	17.5	18.6	19.8	33.0
DVO	-	-	-	-0.3	-	(0.3)	-	-	-	-	-	-
Guarani (Brazil)	296.3	74.2	370.6	-79.1	-0.3	291.1	296.3	45.0	15.3	12.4	1.5	-
Guarani (Mozambique)	38.3	-	38.3	-1.8	-	36.6	-	38.3	-	-	-	-
Bois Rouge (Réunion)	6.9	15.0	22.0	-3.1	-	18.8	6.9	0.7	0.7	0.7	0.5	12.4
Tereos EU	-	-	-	-50.0	-	-50.0	-	-	-	-	-	-
Tereos Agro Industrie	-	-	-	-0.2	-	-0.2	-	-	-	-	-	-
Tereos Internacional	-	-	-	-49.9	-	-49.9	-	-	-	-	-	-
<b>Total Net Debt</b>	<b>1,035.7</b>	<b>1,270.8</b>	<b>2,306.7</b>	<b>271.4</b>	<b>10.9</b>	<b>2,024.4</b>	<b>909.6</b>	<b>238.8</b>	<b>159.2</b>	<b>217.9</b>	<b>620.9</b>	<b>150.0</b>

Syndicated Loan Draw	Usable	Drawn	Undrawn
Term loan - Tereos	304.4	304.4	-
Term loan - Berneuil	87.5	87.5	-
Term loan - Syral	125.0	125.0	-
Revolving credit facility - Tereos	176.0	80.0	96.0
Revolving credit facility - Commerciale Tereos	110.0	110.0	-
Revolving credit facility - Brabant	35.0	35.0	-
<b>Total</b>	<b>837.9</b>	<b>741.9</b>	<b>96.0</b>

At March 31<sup>th</sup> 2010, the €837.9 million credit facility concluded with Calyon was drawn for €741.9 million.

At end of March 2010, €96.0 million is available from the credit facilities with Calyon, plus €256.0 million in our operating subsidiaries.

The unused credit lines cumulated with cash available at year end totalled €623.4 million.

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## CAPEX

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For the six months ended March 31,2010, our capital expenditures were €83.0 million, compared with €92.7 million at the end of March 2009.

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## CONTACTS

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For further information, please contact:

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*Tereos is an agro-industrial cooperative group with 13,000 employees that processes sugar beet, sugar cane and grains into sugars and alcohols. We operate 32 industrial facilities in Europe, Brazil and Africa. In 2009, Tereos produced 2.8 million tons of sugar, 1.3 million tons of starch products and 1.4 million of cubic meters of alcohol and ethanol. With revenues of €3,309.2 million and EBITDA (before price complement) of €429.0 million for the 2009 financial year, we are one of the leading sugar, starch and ethanol producers in Europe and Brazil.*

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## FINANCIAL CALENDAR

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Q3 2009-2010 (April-June): Friday 13<sup>th</sup> August 2010

Annual 2009-2010: Friday 28<sup>th</sup> January 2011

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## APPENDICES

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### CONSOLIDATED SALES VOLUMES

	H1 2009-10	H1 2008-09
Sugar - Europe (000 tons)	959	774
Sugar - Brazil (000 tons)	524	633
Sugar – Rest of the world (000 tons)	32	26
<b>Total sugar</b>	<b>1,515</b>	<b>1,433</b>
Alcohol - Europe (000 cubic meters)	473	411
Alcohol - Brazil (000 cubic meters)	239	268
<b>Total alcohol</b>	<b>712</b>	<b>679</b>
Starch sales in Europe (000 tons)	652	642
<b>Total starch</b>	<b>652</b>	<b>642</b>

## PROFIT & LOSS

	Actual 31 March 2010	Actual 31 March 2009
<b>Revenues</b>	<b>1,681.8</b>	<b>1,651.8</b>
Purchases and changes in inventory	-817.0	-730.1
Other external charges	-339.8	-464.2
Taxes and other levies	-37.6	-42.8
Employee-related expenses	-225.2	-204.4
Other operating expenses	19.6	-18.8
Fair value on derivatives	10.7	2.3
<b>EBITDA (EBITDA before price complements)</b>	<b>292.6</b>	<b>193.8</b>
<i>Of which EBITDA Tereos Sucre France</i>	<i>133.8</i>	<i>73.4</i>
Depreciation and amortization allowances and provisions	-110.8	-89.9
<b>Operating Income (before price complements)</b>	<b>181.8</b>	<b>103.9</b>
Non recurring operations	7.3	-0.9
<b>Income before interests (and price complements)</b>	<b>189.1</b>	<b>103</b>
Net financial expense	-70.3	-135.6
Price complements	-43.6	-18.1
Corporate income tax	42.7	18.5
Income from non consolidated compagnies	1.0	2.4
<b>Net income/(loss)</b>	<b>118.9</b>	<b>-29.8</b>

## BALANCE SHEET

	Actual 31 March 2010	Actual 31 March 2009
Goodwill	1,078.5	1,009.8
Intangible assets	161.5	180.5
Biological assets	166.8	77.2
Property, plant and equipment	1,735.6	1,644.6
Non Current Financial assets	152.6	137.3
Deferred tax assets	152.1	77.3
Other non current tax assets	2.0	3.8
<b>Non current Assets</b>	<b>3,449.1</b>	<b>3,130.5</b>
Inventories and work in-progress	731.2	907.7
Trade receivables	433.3	422.2
Other current financial assets	230.4	150.9
Other current assets	37.2	48
Tax assets	10.5	11.9
Cash and cash equivalents	271.4	260.9
<b>Current assets</b>	<b>1,714.1</b>	<b>1,801.6</b>
Assets to be sold	4.6	8.3
<b>Total assets</b>	<b>5167.9</b>	<b>4940.4</b>
<b>Equity and Liabilities</b>		
- Reserves and retained earnings	665.6	603
- Net profit	94.3	-21.6
<b>Equity attributable to owners of the parent</b>	<b>759.9</b>	<b>581.4</b>
Minority interests	423.4	323.3
<b>Total Equity</b>	<b>1,183.3</b>	<b>904.7</b>
- Cooperative capital	561.7	561.8
<b>Cooperative Capital and Equity</b>	<b>1,745.0</b>	<b>1,466.5</b>
Non current financial debt	1,327.3	1,441.9
Non current provisions	25.1	37.4
Deferred tax liabilities	34.7	16.4
Other non current tax liabilities	0	89.3
Other non current financial liabilities	219.6	84.5
Other non current liabilities	41.6	27.9
<b>Non current liabilities</b>	<b>1,648.3</b>	<b>1,697.5</b>
Current financial debt	968.5	924.5
Current provisions	17.8	0.2
Other current financial liabilities	347.7	401.3
Trade payables	370.6	369.8
Tax liabilities	7.8	25.6
Other liabilities	60.9	51.8
<b>Current liabilities</b>	<b>1,773.4</b>	<b>1,773.2</b>
Liabilities to be sold	1.1	3.1
<b>Current liabilities</b>	<b>5,167.9</b>	<b>4,940.4</b>

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## BIOLOGICAL ASSETS

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Biological assets was € 166.2 as of March 31<sup>st</sup>, 2010 compared to € 77.2 as of March 31<sup>st</sup> 2009.

This increase is primarily due to the accounting reclassification from stock to non current assets (impact € 32 million), in addition to a positive fair value impact of € 19 million and a positive exchange rate impact of €21 million.

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## PROPERTY, PLANT & EQUIPMENT

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Property, plant and equipment was € 1,735.6 as of March 31<sup>st</sup>, 2010 compared to € 1,644.6 as of March 31<sup>st</sup> 2009.

This increase is primarily due to a scope change impact (including Vertente acquisition) in addition to a positive exchange rate impact of € 66 million.

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## INVENTORIES

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Inventories was € 731.2 as of March 31<sup>st</sup>, 2010 compared to € 907.7 as of March 31<sup>st</sup> 2009.

This decrease is related to a € 150 million reduction in inventories for Tereos France, in addition to the € 32 million reclassification of biological assets from stock to non current assets (see Biological assets).

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## EQUITY

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Cooperative capital and equity was € 1,745.0 as of March 31<sup>st</sup>, 2010 compared to € 1,466.5 as of March 31<sup>st</sup> 2009.

This increase is primarily due to the € 225 million result of the company for the period April 2009 to March 2010, in addition to a € 110 million positive exchange rate impact, partially offset by a negative impact of changes in scope of consolidation (minority interest buy back).

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## OTHER NON CURRENT TAX LIABILITIES

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Other non current tax liabilities was € 89.3 as of March 31<sup>st</sup>, 2009 and is 0 as at March 31<sup>st</sup>, 2010 due to the reclassification of the Refis tax debt in Non Current Financial Liabilities

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## OTHER NON CURRENT FINANCIAL LIABILITIES

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Other non current financial liabilities was € 219.6 million as of March 31<sup>st</sup>, 2010 and was € 84.5 million as at March 31<sup>st</sup>, 2009.

This increase is mainly due to the reclassification of the Refis tax liability (impact € 89 million) in addition to the € 15 million Refis debt booked for the period and an increase in the commitments with minority shareholders (put) of € 30 million.

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## OTHER CURRENT FINANCIAL LIABILITIES

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Other current financial liabilities was € 347.7 as of March 31<sup>st</sup>, 2010 and was € 401.3 million as at March 31<sup>st</sup>, 2009.

This decrease is primarily due to the last payment of the European restructuring levy (€ 53 million), in addition to a € 27 million decrease in other debt (mainly due to assets payment).