Tereos Internacional Reports Fourth Quarter and Full Year 2010/11 Results

Full Year Highlights

- **Total Revenues: R$5.7 billion**
  +13.5% year-on-year; +26.0% at constant exchange rate
- **Adjusted EBITDA: R$850 million**
  +10.3% year-on-year; +20.1% at constant exchange rate
- **Net Profit before Taxes: R$225 million**
  Dividends: R$44.6 million for 2010/11

Fourth Quarter Highlights

- **Total Revenues: R$1.5 billion**
  +24.2% year-on-year; +25.8% at constant exchange rate
- **Adjusted EBITDA: R$205 million**
  +16.7% year-on-year; +18.3% at constant exchange rate
- **Net Profit before Taxes: R$139 million**
  3.4x year-on-year

ALEXIS DUVAL, CHIEF EXECUTIVE OFFICER, COMMENTED ON THE COMPANY'S PERFORMANCE:

"Our fourth quarter results demonstrated a significant increase in revenues for the period, driven by the favorable pricing impact of new contracts in our starch segment. We also benefited from the continued strong performance of our Brazilian and Indian Ocean sugarcane operations, as well as increased volumes and strong pricing environment at our European ethanol activity.

On the year, Tereos Internacional has delivered a strong growth in its sugarcane activities. We were pleased to enter into the strategic partnership with Petrobras Biocombustível in Guarani which involves a R$1.6 billion investment and to successfully conclude and integrate the Mandu and Vertente acquisitions in Brazil, as well as Groupe Quartier Français in La Réunion Island.

Still on our sugarcane activities, the recently announced investment plan for Guarani shows that our commitment with development in Brazil continues, with an increase of 3.5 million tons of crushing in our mills as well as a multiplication of 4.5 times in our cogeneration sales.

On the starch segment, we started the diversification of the Tereos BENP unit with the gluten project, and we launched our project for investment in Brazil. Brazil has a rapidly expanding market for starch and starch derivatives products, we shall leverage on our long-term position in the country and our industrial know-how that, combined, grant a strategic advantage for Tereos Internacional.

We were also pleased to have strengthened the company's financial structure through two major refinancing programs for Tereos EU and for Guarani, as well as for the BNDES long term loan. We believe that Tereos Internacional is in a strong position to continue to benefit from the positive fundamentals in our markets and to leverage our expertise and global footprint."

São Paulo, May 23rd, 2011 - Tereos Internacional (BM&FBOVESPA: TERI3), one of the world's leading producers of sweeteners and bioenergy through its sugarcane and cereal processing activities, reported financial results for the fourth quarter and full year ended March 31st, 2011. The Company's financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). Figures for Q4 2010/11 are not audited.

FOURTH QUARTER 2010/11 FINANCIAL AND OPERATING HIGHLIGHTS

R$ Million	Q4 2010/11 As Reported	Q4 2009/10 As Reported	Change As Reported	Change At Constant Currency[1]
Net Revenues	1,519	1,223	+24.2%	+25.8%
EBITDA	263	206	+27.2%	+28.9%
EBITDA Margin	17.3%	16.9%		
Adj. EBITDA[2]	205	176	+16.7%	+18.3%
Adj. EBITDA Margin	13.5%	14.4%		
Depreciation and Amortization	-92	-95	-2.4%	+0.9%
EBIT	172	111	+54.3%	+53.7%
EBIT Margin	11.3%	9.1%		
Adj. EBIT[2]	114	81	+41.7%	+40.6%
Adj. EBIT Margin	7.5%	6.6%		
Net Result before Tax[3]	139	41	3.4x	3.4x
Income Tax	-33	152	-121.8%	-
Capex	284	203	+39.9%	-

[1] Change at Constant Currency: amounts corresponding to the results reported for Q4 2009/10, calculated by the application of the exchange rate applied for Q4 2010/11.

R$ / Euro	Q4 2010/11	Q4 2009/10
Closing Rate	2.3122	2.4068

[2] Adjusted EBITDA/EBIT: EBITDA/EBIT excluding items from discontinued operations, accounting effect of adjustments in the fair value of the financial instruments (including one-off accounting results for the trading derivatives booked in other operating item) and of the biological assets.

[3] Net Result before Tax: consists on consolidated net results, including non controlling interests participation, before the income tax positive or negative effect.

FOURTH QUARTER 2010/11 OPERATING AND FINANCIAL PERFORMANCE

- Net revenues amounted to R$1.5 billion, a 24.2% increase over last year's fourth quarter. On a constant currency basis, fourth quarter revenues were up 25.8% from the year-ago quarter. The increase in revenues came mainly from the new contracts negotiated in the third quarter for the starch activities and from the increased volumes and good price environment for the sugarcane activities.

- Adjusted EBITDA was R$205 million, representing an increase of 16.7% over the year-ago quarter, calculated on the same basis. On a constant currency basis, Adjusted EBITDA was up 18.3% from last year's fourth quarter, driven by positive contributions from all segments.

- The Adjusted EBITDA excludes from the EBITDA the following accounting effects:

  - +R$53.2 million: accounting effect of adjustments in the fair value of biological assets;
  - +R$4.6 million: accounting effect of adjustments in the fair value of financial instruments (including one-off accounting results for the trading derivatives booked in other operating items).

- Net financial expenses were R$32.6 million, compared to R$68.9 million in Q4 2009/10.

- Net income before tax of R$139.4 million, compared to R$41.4 million in Q4 2009/10. Taxes expenses for this quarter are of R$33.2 million, while last year's fourth quarter there was a positive effect from taxes of R$152.4 million due to carried forward losses on the starch segment which have been recognized as deferred taxes.

FULL YEAR 2010/11 FINANCIAL AND OPERATING HIGHLIGHTS

R$ Million	FY 2010/11 As Reported	FY 2009/10 As Reported	Change As Reported	Change At Constant Currency[1]
Net Revenues	5,688	5,011	+13.5%	+26.0%
EBITDA	816	802	+1.8%	+10.7%
EBITDA Margin	14.3%	16.0%		
Adj. EBITDA[2]	850	771	+10.3%	+20.1%
Adj. EBITDA Margin	14.9%	15.4%		
Depreciation and Amortization	-508	-402	+26.2%	+36.0%
EBIT	380	398	-4.6%	+4.9%
EBIT Margin	6.7%	8.0%		
Adj. EBIT[2]	415	368	+12.7%	+24.2%
Adj. EBIT Margin	7.3%	7.3%		
Net Result before Tax[3]	225	302	-25.3%	-21.9%
Income Tax	-30	129	-122.9%	-
Capex	631	457	+38.1%	-

[1] Change at Constant Currency: amounts corresponding to the results reported for FY 2009/10, calculated by the application of the exchange rate applied for FY 2010/11.

R$ / Euro	FY 2010/11	FY 2009/10
Closing Rate	2.3122	2.4068

[2] Adjusted EBITDA/EBIT: EBITDA/EBIT excluding items from discontinued operations, accounting effect of adjustments in the fair value of the financial instruments (including one-off accounting results for the trading derivatives booked in other operating item) and of the biological assets.

[3] Net Result before Tax: consists on consolidated net results, including non controlling interests participation, before the income tax positive or negative effect.

FULL YEAR 2010/11 OPERATING AND FINANCIAL PERFORMANCE

- Net revenues were R$5.7 billion, a 13.5% increase over last year. On a constant currency basis, net revenues were up 26.0% from the prior year. Revenues for the 2010/11 period were driven by rises in volumes in the sugarcane activities, from the contributions of Mandu and Vertente in Brazil, and Groupe Quartier Français in La Réunion, and the effect in prices due to a favorable pricing environment.

- EBITDA was of R$816 million, representing a slight increase of 1.8% over last year, calculated on the same basis. On a constant currency basis, EBITDA was up 10.7% from last year.

- Adjusted EBITDA was R$850 million, representing an increase of 10.3% over last year, calculated on the same basis. On a constant currency basis, Adjusted EBITDA was up 20.1% from last year, due to favorable market conditions and increase in volumes, mainly in the sugarcane segment both in Brazil and in La Réunion.

- The Adjusted EBITDA excludes from the EBITDA the following accounting effects:

  - +R$39.8 million: accounting effect of adjustments in the fair value of biological assets;
  - -R$71.2 million: accounting effect of adjustments in the fair value of financial instruments (including one-off accounting results for the trading derivatives booked in other operating items);
  - -R$3.0 million: accounting effect of non recurring operating expenses/revenues.

- Net financial expenses were R$158.7 million, compared to the R$97.8 million reported last year, mainly because foreign exchange losses, due to the Real evaluation as compared to the Euro and the US Dollar.

- Net income before tax of R$225.4 million, compared to R$301.6 million for full year 2009/10. Taxes expenses for 2010/11 are of R$29.5 million, while last year there was a positive effect from taxes of R$129.1 million due to carried forward losses on the starch segment which have been recognized as deferred taxes. Consolidated net income after tax is of R$195.9 million for the full year 2010/11 and the group interest net income is of R$187.9 million.

FULL YEAR 2010/11 BALANCE SHEET HIGHLIGHTS

- Tereos Internacional's total net debt (plus related parties) at year end was R$2.2 billion, representing 2.5x Net Debt/Adjusted EBITDA vs 3.0x Net Debt/Adjusted EBITDA at year end 2009/10, and a 6.2% decrease compared to last year.

- Tereos Internacional has concluded the refinancing of its two segments during 2010/11: (i) Tereos EU €450 million refinancing syndicated loan, extending the maturity to 2015 and improving the loan conditions, concluded in June/2010; and (ii) Guarani US$560 million syndicated loan, mostly for refinancing and simplifying the company's debt structure, extending maturity to 2016 and improving the financial conditions, concluded in March/2011. For the financing of our sugarcane activities investment plan we also obtained a R$764 million credit line with the BNDES at competitive interest rates and 11-year maturity with 2 years grace period.

- As of March 31st, 2011, 23% of the gross debt was Real-denominated, 27% was US Dollar-denominated, 48% was Euro denominated and 2% was related to other currencies.

MARKET COMMENTARY - SUMMARY

Following is a summary of the market commentary that reviews major price and production trends for the Company's primary product categories. A more detailed discussion can be found below under "ADDITIONAL MARKET COMMENTARY".

- **Sugar**

Sugar prices reached a record in early February/2011 before falling back to average 30.5 US$ cents/lb for the fourth quarter. This fall was a result of some factors, including better-than-expected crops from Thailand and Pakistan and liquidations of long-term positions of certain funds.

Despite the better-than-expected crop from Thailand, fundamentals remain constructive, and the world market is expected to have a continued low stock-to-use ratio, indicating only a 4-month product availability, the lowest in the last 10 years.

- **Starch**

Wheat and corn prices remained high in the fourth quarter of 2010/11, driven by strong global demand, strategic inventory building in North Africa and growing concerns about the global inventory levels available for export, although temporary price pullbacks occurred in mid March, reflecting social unrest in the Middle East and the aftermath of the tsunami in Japan. Prices for wheat and corn averaged 251 €/ton and 233 €/ton, respectively, in the fourth quarter, representing respective increases of 101% and 75% over the comparable period last year.

The sound demand for starch and derivative products in Europe continued into the fourth quarter of 2010/11. All product categories were positively affected by solid demand, particularly from the paper, chemical and food markets.

- **Ethanol/Alcohol**

In Brazil, in the context of low ethanol inventories at the end of 2010/11 crop and a strong increase in ethanol prices, there have been recent discussions on alternatives to incentivize ethanol producers, including the involvement of the ANP (National Petroleum Agency) as a regulator of the ethanol industry.

Worldwide ethanol prices increased reflecting higher grain costs and increased mandates for biofuels, which retained their competitiveness with gasoline as a result of rising oil prices. FOB Rotterdam reached 623 €/m³ on average over the quarter, a 20% increase over the comparable period last year.

SEGMENT HIGHLIGHTS

FOURTH QUARTER 2010/11 HIGHLIGHTS

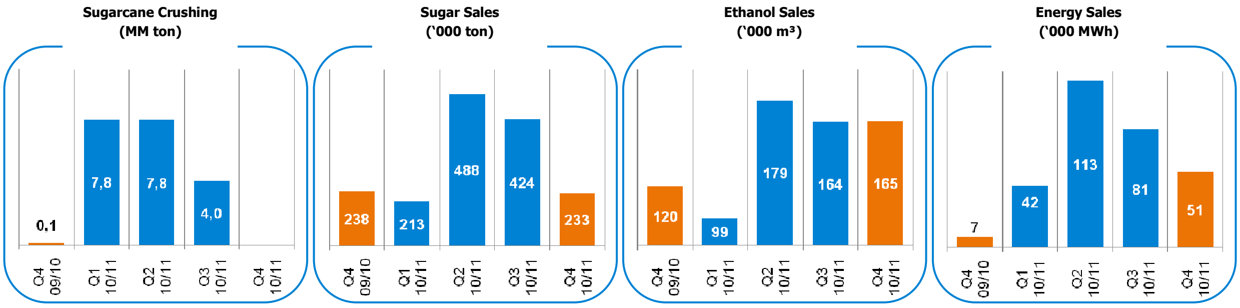
R$ Million	Q4 2010/11 As Reported	Q4 2009/10 As Reported	Change As Reported	Change At Constant Currency
NET REVENUES	**1,519**	**1,223**	**+24.2%**	**+25.8%**
Sugarcane	**555**	**487**	**+14.1%**	**+15.7%**
Brazil	431	390	+10.4%	+10.4%
Indian Ocean	124	97	+28.7%	+38.8%
Cereal	**964**	**736**	**+30.9%**	**+32.3%**
Starch Europe-Tereos Syral	751	560	+34.1%	+34.7%
Ethanol Europe-Tereos BENP & Tereos DVO	213	176	+20.6%	+24.5%
Other	**-**	**-**	**-**	**-**
EBITDA	**263**	**206**	**+27.2%**	**+28.9%**
Sugarcane	**169**	**104**	**+62.5%**	**+63.5%**
Brazil	132	96	+37.8%	+37.8%
Indian Ocean	37	8	4.5x	4.9x
Cereal	**98**	**102**	**-4.0%**	**-2.1%**
Starch Europe-Tereos Syral	72	78	-7.4%	-6.8%
Ethanol Europe-Tereos BENP & Tereos DVO	26	24	+7.0%	+13.8%
Other	**-5**	**-**	**-**	**-**
ADJUSTED EBITDA	**205**	**176**	**+16.7%**	**+18.3%**
Sugarcane	**95**	**74**	**+29.4%**	**+30.5%**
Brazil	79	66	+19.9%	+19.9%
Indian Ocean	16	8	+107.8%	+125.7%
Cereal	**114**	**102**	**+12.2%**	**+14.3%**
Starch Europe-Tereos Syral	88	78	+13.9%	+14.4%
Ethanol Europe-Tereos BENP & Tereos DVO	26	24	+7.0%	+13.8%
Other	**-5**	**-**	**-**	**-**

Full Year 2010/11 Highlights

R$ Million	FY 2010/11 As Reported	FY 2009/10 As Reported	Change As Reported	Change At Constant Currency
Net Revenues	**5,688**	**5,011**	**+13.5%**	**+26.0%**
Sugarcane	**2,496**	**1,558**	**+60.2%**	**+63.9%**
Brazil	1,956	1,319	+48.3%	+48.3%
Indian Ocean	540	239	+125.9%	+165.1%
Cereal	**3,190**	**3,453**	**-7.6%**	**+6.6%**
Starch Europe-Tereos Syral	2,512	2,701	-7.0%	+7.3%
Ethanol Europe-Tereos BENP & Tereos DVO	678	752	-9.7%	+4.1%
Other	**2**	**-**	**-**	**-**
EBITDA	**816**	**802**	**+1.8%**	**+10.7%**
Sugarcane	**489**	**329**	**+48.6%**	**+49.7%**
Brazil	381	305	+24.8%	+24.8%
Indian Ocean	108	24	4.5x	5.0x
Cereal	**341**	**472**	**-27.9%**	**-16.9%**
Starch Europe-Tereos Syral	289	391	-26.0%	-14.8%
Ethanol Europe-Tereos BENP & Tereos DVO	51	81	-37.1%	-27.4%
Other	**-14**	**-**	**-**	**-**
Adjusted EBITDA	**850**	**771**	**+10.3%**	**+20.1%**
Sugarcane	**521**	**294**	**+76.9%**	**+76.9%**
Brazil	428	281	+52.3%	+52.3%
Indian Ocean	93	13	6.9x	7.0x
Cereal	**343**	**476**	**-27.9%**	**-17.0%**
Starch Europe-Tereos Syral	292	395	-26.0%	-14.8%
Ethanol Europe-Tereos BENP & Tereos DVO	51	81	-37.1%	-27.4%
Other	**-14**	**-**	**-**	**-**

BRAZIL: GUARANI

RECORD ANNUAL REVENUES AND ADJUSTED EBITDA DRIVEN BY HIGH SUGAR AND ETHANOL PRICES AND ACQUISITIONS



Note: The sugarcane crushing in Brazil includes all legacy sugarcane operations in Brazil and the entire Vertente and Mandu plants.

FOURTH QUARTER 2010/11 BRAZIL

R$ Million	Q4 2010/11	Q4 2009/10	Change
Sugarcane crushed ('000 tons)	-	114	-
Sugar production ('000 tons)	-	17	-
Ethanol production ('000 m^3)	-	10	-
Net Revenues	431	390	+10.4%
Selling & Logistic Expenses	-13	-20	-36.6%
General & Administrative + Other operating results	-19	+4	-
Of which fair value adjustments on financial instruments	+21	+70	-70.1%
Of discontinued activities	-	-39	-
Depreciation and Amortization	-38	-39	-4.1%
EBITDA	132	96	+37.8%
EBITDA Margin	*30.7%*	*24.6%*	-
Adjusted EBITDA	79	66	+19.9%
Adjusted EBITDA Margin	*18.3%*	*16.9%*	-

FULL YEAR 2010/11 BRAZIL

R$ Million	FY 2010/11	FY 2009/10	Change
Sugarcane crushed ('000 tons)	19,660	13,763	+42.8%
Sugar production ('000 tons)	1,556	957	+62.6%
Ethanol production ('000 m^3)	692	481	+43.9%
Net Revenues	1,956	1,319	+48.3%
Selling & Logistic Expenses	-139	-97	+42.3%
General & Administrative + Other operating results	-223	-91	+144.0%
Of which fair value adjustments on financial instruments	-68	+32	-
Of discontinued activities	-3	-39	-92.3%
Depreciation and Amortization	-286	-198	+44.4%
EBITDA	381	305	+24.8%
EBITDA Margin	*19.5%*	*23.1%*	-
Adjusted EBITDA	428	281	+52.3%
Adjusted EBITDA Margin	*21.9%*	*21.3%*	-

Sugarcane Crushing
Sugarcane crushing reached 19.7 million tons for 2010/11 compared to 13.8 million tons for 2009/10. The sugarcane crushed in March/2010 is included in this total, since it was part of the 2010/11 crop that has started before the company's fiscal year. The entire crushing activity of Vertente and Mandu plants, acquired in the beginning of the year, is accounted by the company.

Sixty-seven percent of the sugarcane crushed in 2010/11 was supplied by third-party growers, with the remainder coming from own production on leased lands.

For full year 2010/11, the sugar content of the raw material (TRS - Total Recoverable Sugar) was 142 kg/ton of sugarcane compared to 132 kg/ton in the prior year, a relevant increase resulted mainly because of the dry season this crop. Average TRS for the Brazilian Center-South, according to Consecana, reached 140 kg/ton.

Production
Sugar production reached 1.5 million tons for the year, representing an organic growth rate of 29.0% and a total production increase of 58.9%. The year-over-year increase reflected the: (i) net effect of increased capacity at the São José and Cruz Alta plants; (ii) the ramp-up of the Tanabi sugar factory; and (iii) the impact of the Vertente and Mandu acquisitions. This sharp increase in sugar production led to an increase of 3.6 p.p. in the production mix towards sugar, ending up the year 2010/11 at 58.3%.

Ethanol production was 660,000 m^3, representing a 37.2% volume increase. Anhydrous ethanol accounted for 33.5% of full production, compared to 25.2% last year.

At March 31, 2011, inventories were up on a year-over-year basis:

- Sugar inventories were equal to 146,000 tons, representing 9.3% of production, significantly above the 43,000 tons of sugar stored at March 31, 2010. These greater inventories were a result of a combination of longer inter-harvest period and Guarani's needs to meet industry contracts, which are more stable.

- Ethanol inventories were 63,000 m³, representing also 9.5% of production and also above the 31,000 m^3 stored at March 31, 2010.

Revenues
Fourth quarter net revenues were R$431.0 million, up 10.4% from the R$390.2 million reported for the comparable year-ago period. Sugar sales accounted for 55.7% of fourth quarter revenues, which reflected a decrease of 2.4% in volume and an increase of 1.0% in prices, compared to last year's fourth quarter. Ethanol sales accounted for 44.3% of fourth quarter revenues, reflecting a 37.2% increase in volumes and an 8.2% increase in prices.

Total net revenues for the 2010/11 year were R$1,956.5 million, up 48.3% on a year-over-year basis. The record net revenues also resulted from higher sales volumes and prices for sugar and ethanol. Sugar accounted for 62.0% of full year revenues, representing a 32.8% increase in volume and a 9.4% price increase. For the full year, ethanol sales represented 29.7% of total revenues, reflecting a 26.4% volume increase and a 15.1% price increase.

Gross Profit/Gross Margin
Gross margin for the fourth quarter was 29.4% representing a gross profit of R$126.7 million as compared to gross profit of R$72.7 million, or 18.6% of segment revenues, in last year's fourth quarter. For the year, gross profit increased 54.5% from R$295.3 million to R$456.3 million, and gross margin expanded to 23.3% from 22.4% sustained by the positive impact of the adjustments in the fair value of the biological assets and better TRS content, which has improved efficiency, helping to bring unitary costs down.

SG&A
Selling and logistics expenses were R$12.7 million, as compared to R$20.1 million, in the fourth quarter of 2009/10. For the full year, selling and logistics expenses were R$138.7 million, as compared to R$97.4 million. This increase in selling expenses reflects more sugar (+32.8%) and ethanol (+26.4%) sold. General and administrative expenses amounted to R$11.6 million in Q4 2010/11, a decrease of 50.2% compared to R$23.3 million in the fourth quarter 2009/10. For the full year, G&A expenses totaled R$148.7 million, a significant increase over R$77.3 million in 2009/10 mainly due to the effect of acquisitions (R$15.7 million) and accounts reclassification.

EBITDA
Adjusted EBITDA for the fourth quarter was R$79.0 million, a 19.9% increase over the R$65.9 million reported for the similar quarter of 2009/10. Adjusted EBITDA margin expanded to 18.3% from 16.9%. For the full year, Adjusted EBITDA was R$428.3 million, an increase of 52.3% over the R$281.1 million reported for 2009/10. Full year 2010/11 Adjusted EBITDA margin was 21.9%, similar to the year-ago Adjusted EBITDA margin of 21.3%.

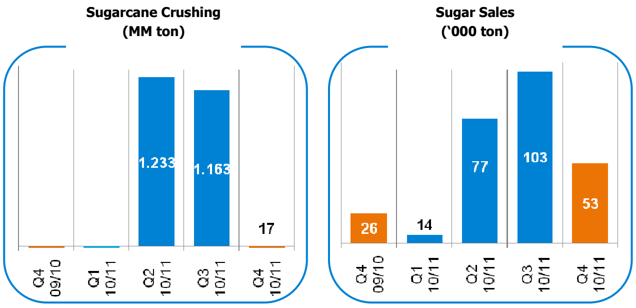
EBITDA was R$132.4 million for the fourth quarter and represented 30.7% of segment revenues, significantly ahead of the R$96.1 million, or 24.6% of segment revenues reported for last year's fourth quarter. For full year 2010/11, EBITDA was R$380.8 million up 24.8% from the R$305.1 million reported for the prior year.

Capital Expenditures
Capital expenditures for full year 2010/11 were R$378 million compared to R$242 million last year. Capital expenditures for the fourth quarter were R$205 million compared to R$174 million in last year's fourth quarter.

The breakdown of capital expenditures for full year 2010/11 was as follows:
- R$95 million for plantation activities focus to enhance productivity
- R$203 million for fixed assets including investments for increased crushing, cogeneration capacity, sugar factory at Tanabi and also the distillery at São José
- R$80 million for maintenance (industrial and agricultural)

INDIAN OCEAN - LA REUNION AND MOZAMBIQUE

- **SOLID INCREASE IN REVENUES AND ADJUSTED EBITDA DUE TO THE ACQUISITION OF GQF AND SUGAR PRICES**



FOURTH QUARTER & FULL YEAR 2010/11 INDIAN OCEAN

LA RÉUNION

Sugarcane Crushing and Production
The crop started on July 5th in Bois Rouge and ended on December 6th. In Le Gol, crushing started on July 15th and ended on December 15th. For full year 2010/11, 1.9 million tons of sugarcane was crushed.

Sugarcane operations in La Réunion produced 207,000 tons of sugar this year compared to 100,000 tons last year, mainly due to the acquisition of Quartier Français this year.

Revenues and EBITDA
Fourth quarter net revenues were R$117.2 million, a 19.5% increase from the R$98.1 million reported for last year's fourth quarter, mainly due to the acquisition of Quartier Français.

For full year 2010/11, net revenues were R$489.0 million, a significant increase over the R$198.7 million reported last year.

EBITDA reached R$21.5 million, up from R$10.3 million in the fourth quarter of 2009/10. EBITDA for full year 2010/11 was R$89.8 million, up from R$33.0 million last year. This significant increase, both on a quarterly and an annual basis, reflected the Quartier Français acquisition (adding more than 100,000 tons of sugar) as well as a more favorable product mix towards value-added sugar.

Provided that sugarcane activities in La Réunion are entirely based on third-party suppliers, there is no effect of the biological assets fair value calculation on EBITDA.

Capital Expenditures
Capital expenditures for the full year 2010/11 were R$73 million, well above the R$7 million from previous year. This sharp increase in CAPEX was driven by: (i) the acquisition of Quartier Français of approximately R$15 million; and (ii) inter-campaign maintenance costs of approximately R$50 million.

MOZAMBIQUE

Sugarcane Crushing and Production

Full year 2010/11 sugarcane crushing reached 536,000 tons for the crop that started in June 5th and terminated on December 5th, 2010, 23.5% higher than the 434,000 sugarcane crushed during the 2009 crop. This increase was driven by better sugarcane field conditions and the initial effects of irrigation on part of the sugarcane fields. As a consequence, total sugar production for the crop was 46,400 tons, representing an increase of 22.4% over the similar period of last year's crop.

Revenues and Adjusted EBITDA

Fourth quarter net revenues were R$7.3 million. Full year 2010/11 revenues were R$50.7 million, an increase of 26.2% from last year's levels, reflecting higher production and favorable pricing.

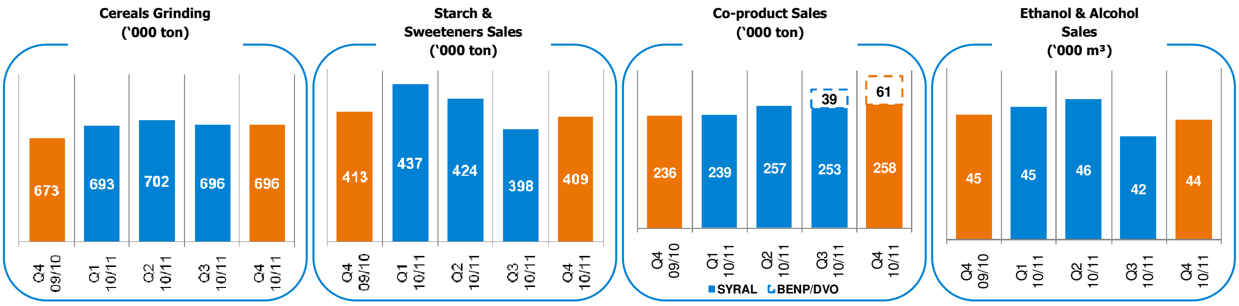
Adjusted EBITDA was negative R$5.0 million, exclusive of the fair value of biological asset adjustment of R$20.6 million. For the full year 2010/11, adjusted EBITDA was R$2.8 million, excluding the positive effect fair value of biological asset adjustment of R$15.8 million.

Capital Expenditures

Capital expenditures for full year 2010/11 were R$28 million, allocated to ongoing irrigation and planting programs, in line with the R$26 million invested in 2009/10.

STARCH EUROPE - TEREOS SYRAL

- **REVENUES AND EBITDA SHOW POSITIVE EFFECT OF NEW CONTRACTS**



FOURTH QUARTER 2010/11 TEREOS SYRAL

R$ Million	Q4 2010/11 As Reported	Q4 2009/10 As Reported	Change As Reported	Change At Constant Currency
Cereal grinded ('000 tons)	696	673	+3.4%	-
Starch & Sweeteners sales ('000 tons)	409	413	-1.0%	-
Alcohol & Ethanol sales ('000 m^3)	44	45	-1.4%	-
Net Revenues	751	560	+34.1%	+34.7%
Selling & Logistic Expenses	-87	-96	-8.7%	-3.9%
General & Administrative Expenses + Other Revenues	-18	+89	+120.6%	+127.1%
Of which fair value adjustments on financial instruments	-16	-	-	-
Depreciation and Amortization	-31	-37	-15.7%	-12.0%
EBITDA	72	78	-7.4%	-6.8%
EBITDA Margin	*9.6%*	*13.9%*	-	-
Adjusted EBITDA	88	78	+13.9%	+14.4%
Adjusted EBITDA Margin	*11.8%*	*13.9%*	-	-

FULL YEAR 2010/11 TEREOS SYRAL

R$ Million	FY 2010/11 As Reported	FY 2009/10 As Reported	Change As Reported	Change At Constant Currency
Cereal grinded ('000 tons)	2,788	2,722	+2.4%	-
Starch & Sweeteners sales ('000 tons)	1,668	1,660	+0.5%	-
Alcohol & Ethanol sales ('000 m^3)	178	179	-0.6%	-
Net Revenues	2,512	2,701	-7.0%	+7.3%
Selling & Logistic Expenses	-327	-349	-6.4%	+8.0%
General & Administrative Expenses + Other Revenues	-85	-53	+60.8%	+115.2%
Of which fair value adjustments on financial instruments	-3	-4	-31.5%	-21.0%
Depreciation and Amortization	-120	-143	-16.4%	-3.6%
EBITDA	289	391	-26.0%	-14.8%
EBITDA Margin	*11.5%*	*14.5%*	-	-
Adjusted EBITDA	292	395	-26.0%	-14.8%
Adjusted EBITDA Margin	*11.6%*	*14.6%*	-	-

Cereal Grinding
Cereal grinding reached 696,000 tons in the fourth quarter, in line with the third quarter and an increase of 3.4% compared to last year's fourth quarter. For full year 2010/11, cereal grinding increased by 2.4%. Capacity increase was due to optimization of existing grinding capacity following the closure in 2009 of the Greenwich plant in UK and higher utilization of corn capacity.

Sales Volumes
Starch & Sweeteners sales volumes declined 1.0% compared to last year's fourth quarter due to a change in product mix and to a slight amount of inventory building. For full year 2010/11, Starch & Sweeteners sales volumes increased by 0.5%, reflecting the same factors that affected fourth quarter volumes, namely a change in product mix and inventory building.

Alcohol & Ethanol sales volumes declined 1.4% compared to last year's fourth quarter and remain relatively stable, with a 0.6% decrease for the full year.

There was a 9.3% increase in sales volumes of co-products produced by Tereos Syral, mainly due to a destocking effect and to the increase in the volume of cereals ground. Since October 1st, 2010, the co-products produced by Tereos BENP are sold by Tereos Syral. This quarter, co-products from Tereos BENP represent additional sales of 61,000 tons to Tereos Syral.

Revenues
Fourth quarter net revenues increased 34.1% to R$751.0 million compared to last year's fourth quarter, reflecting an increase in average selling prices, the additional sales of Tereos BENP co-products and, in a less extent, a change in product mix, all these factors, representing 25.9% and an increase in volumes (8.6%).

Starch & Sweeteners revenues of R$458.2 million, accounted for 61.0% of fourth quarter segment revenues. The 25.6% increase compared to last year's fourth quarter was primarily due to a price improvement of 26.9%. As anticipated, fourth quarter 2010/11 results were positively impacted by the negotiations of new contracts that began at the end of the 2010/11 second quarter.

Alcohol & Ethanol revenues were R$75.9 million and accounted for 10.1% of fourth quarter segment revenues. Alcohol & Ethanol revenues also benefitted from a price improvement of 13.8%.

Co-products revenues increased 25.8% to R$179.5 million, reflecting a 9.4% volume increase and a 15.0% increase in average selling prices.

Other revenues represented R$37.5 million in 2010/11 fourth quarter, comprising sales of energy produced by the Company's cogeneration facilities, as well as recently-transferred sales of Tereos BENP co-products, which amounted to R$25.7 million.

For full year 2010/11, Tereos Syral's revenues for the year were R$2.5 billion, compared to R$2.7 billion reported for the prior year.

Gross Profit / Gross Margin

Fourth quarter gross profit was R$146.9 million, similar to the prior quarter but up 3.1 times compared to last year's fourth quarter. Gross margin more than doubled to 19.6% from 8.5%, already including the positive effect of the co-products produced by Tereos BENP and sold by Tereos Syral, in the total amount of R$25.7 million.

For the full year, gross profit margin was 23.2%, compared to 24.0% last year, with the positive effect of sales of Tereos BENP co-products accounted for just in the last two quarters of the 2010/11 year.

SG&A

Selling and logistics expenses were R$87.3 million in the quarter, which means a 3.9% decline compared to last year's fourth quarter, and were of R$327 million in the full year, with an increase of 8% in the year on year comparison.

General and administrative expenses were R$24.6 million. Similar to the third quarter, comparisons with year-ago quarters are not applicable as some G&A expenses in 2009/10 were accounted for on an annual basis.

Full year 2010/11, general and administrative expenses were R$139.5 million compared to R$145.6 million for the prior year.

EBITDA and Adjusted EBITDA

Fourth quarter Adjusted EBITDA amounted to R$88.4 million, 13.9% above last year's levels. For the full year, Adjusted EBITDA was R$292.2 million, a decrease of 14.8% at constant currency, due to the rapid increases in raw materials and energy costs prior to the negotiation of the new contracts. As a consequence, Adjusted EBITDA margins were also affected, with a 3 points decrease, from 14.6% to 11.6% for the full year 2010/11.

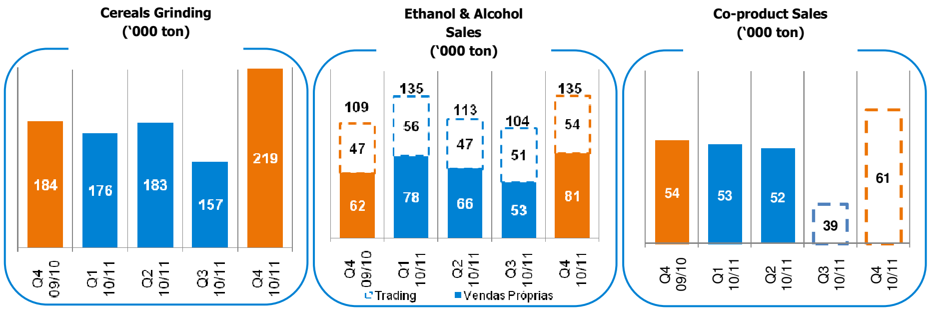
Most of the difference between Adjusted EBITDA and EBITDA in both periods resulted from the impacts of adjustments in the fair value of commodity financial instruments.

Capital Expenditures

Capital expenditures amounted to R$39 million for the fourth quarter again allocated to the optimization of production lines and to equipment purchases for the Selby grain alcohol plant. For full year 2010/11, capital expenditures were R$124 million, similar to the R$122 million of the prior year.

ETHANOL EUROPE - TEREOS BENP & TEREOS DVO

- **RECORD Q4 PRODUCTION, REVENUES AND PROFITABILITY**



Cereal Grinding

Cereal grinding reached 219,000 tons for this year's fourth quarter, an increase of 19.0% over last year's levels. Since the completion of regulatory maintenance operations in the third quarter, the plant has been running at significantly improved levels and reached record levels for the quarter.

Sales

Ethanol Europe's cereal grinding activities are driven by production. As a result of good production levels in this year's fourth quarter, Ethanol & Alcohol sales increased 23.5% compared to last year's fourth quarter.

Co-product sales are carried out by Tereos Syral and have been accounted for in Tereos Syral's revenues since Q3 2010/11. The sales have increased by 13.4% compared to last year's fourth quarter, at a lower pace than grinding due to certain mix and inventory effects.

Revenues

Ethanol Europe also includes sales of ethanol produced by Tereos Group's sugar factories in Europe. Ethanol & Alcohol revenues amounted to R$193.8 million, an increase of 39.0% compared to last year's levels, due to a 23.5% increase in volume and a 12.6% price increase.

For the full year, Ethanol Europe segment revenues were R$678.4 million compared to R$751.7 million for the 2009/10 year.

Gross Profit / Gross Margin

Fourth quarter gross profit was R$6.6 million compared to R$13.0 million for Q4 2009/10, when co-products sales were carried out by Tereos Syral. On a comparable basis, gross profit for the fourth quarter would have been R$32.3 million.

Cereal prices did not impact COGS significantly as the raw material used for ethanol production is acquired through a long term contract with associated French cereal cooperatives, and prices paid are based on Tereos BENP product selling prices, using a formula. Cereal used for Tereos DVO activities is bought on the open market, but wheat price variations are passed through to selling prices.

For full year 2010/11, gross profit was R$28.5 million compared to R$85.8 for the previous year, or R$74.3 million on a constant currency basis, and adjusted for the aforementioned calculation, was R$68.0 million, i.e. a decrease of 21% over the year, due to the significant reduction in volumes as result of the tests with barley.

SG&A

For full year 2010/11 SG&A expenses were R$53.2 million, a decrease when compared to the R$54.1 million registered in the previous year, or R$46.9 million on a constant currency basis.

EBITDA

EBITDA for the fourth quarter increased 13.8% on a constant currency basis to R$26.2 million compared to last year's fourth quarter, primarily as a result of higher production volumes and high prices.

For full year 2010/11, EBITDA was R$51.3 million, a decrease of 27.4% on a constant currency basis, mainly due to the reduced level of operation at Tereos BENP during the second and third quarter, due to industrial tests and maintenance.

Capital Expenditures
Capital expenditures for the fourth quarter were R$10 million compared to R$9 million in the prior year's fourth quarter. Full year capital expenditures were R$28 million and included a portion of the equipment purchases for the gluten project compared to R$60 million invested in the previous year. This reduction reflects the great amount invested in the previous year including Tereos DVO.

• RECENT CORPORATE DEVELOPMENTS

On April 4th, 2011, the Company announced for its sugarcane activities in Brazil:

(i) The Investment Plan

a. **The Investment Plan**: A R$767 million investment plan for Guarani to expand sugarcane crushing capacity by 3.5 million tons, from 21 million tons to 24.5 million tons and to expand annual energy cogeneration sales by 913 GWh, from 259 GWh to 1,172 GWh per year, over the next 4 years;

b. **Capital Injection from Petrobras Biocombustível**: In line with the agreement signed on April 30, 2010 regarding investments in Guarani, Petrobras Biocombustível participated in the financing of the above mentioned investments through a capital injection of R$195.4 million on March 31, 2011, increasing its current stake in Guarani from 26.5% to 31.4%;

c. **BNDES Financing**: To secure long term funding for its investment plan, the Brazilian Development Bank (BNDES) approved a R$764 million financial package for Guarani. The financing approved by BNDES has an average term of 11 years, comprising a 9-year amortization period and a 2-year grace period. From the total financial package, Guarani contracted R$400 million on March 31, 2011 to fund the first phase of Guarani's investment plan.

(ii) The Refinancing

a. **Syndicated Loan**: Together with the above initiatives, Guarani also concluded a refinancing process by agreeing to a US$560 million syndicated loan, comprising a 5-year amortization period and a 2-year grace period. The proceeds of the syndicated loan will be used to enhance Guarani's cash management efficiency, simplify its debt structure and extend its debt maturity.

At the Extraordinary Meeting of the Company held today, the following matters were approved by the shareholders: (i) Election of new members of the Board of Directors, in accordance with our *Formulário de Referência*; (ii) Change of the Company's headquarters address; (iii) Reduction of the capital stock and number of shares, to formalize the cancellation of the shares deposited in treasury; (iv) Approval of the increase of the authorized capital; (v) Creation of the position of Investors' Relation Officer; and (vi) Adoption of the current By-laws to the rules and regulations of BOVESPA.

• OUTLOOK AND CAPITAL INVESTMENT PLANS

Looking ahead, Mr. Duval concluded, "In Europe, we will continue to move forward with the process of converting our Lillebonne ethanol plant into a multiproduct facility, which will include gluten production. Our Selby plant in the UK is expected to become operational by December 2011, producing high-quality cereal alcohol and native wheat proteins.

"Additionally, in the starch segment, we foresee important opportunities to expand our activities to higher growth emerging market countries, consistent with our recent project announcements in Brazil."

"In Brazil, we recently announced major investments in our existing mills to expand sugarcane crushing capacity by 3.5 million tons of sugarcane processed, to create a new distillery in our São José mill and to expand our cogeneration capacity in the next four years".

"In summary, Tereos Internacional achieved important milestones this year, consolidating its cereal and developing its sugarcane businesses and building their profitable performance, strengthening its balance sheet and completing its refinancing program. We continue to pursue opportunities to further reinforce our position as leading producer of key agricultural products, with an international infrastructure, serving a global customer base".

• PRUDENT RISK POLICY AND USE OF FINANCIAL INSTRUMENTS

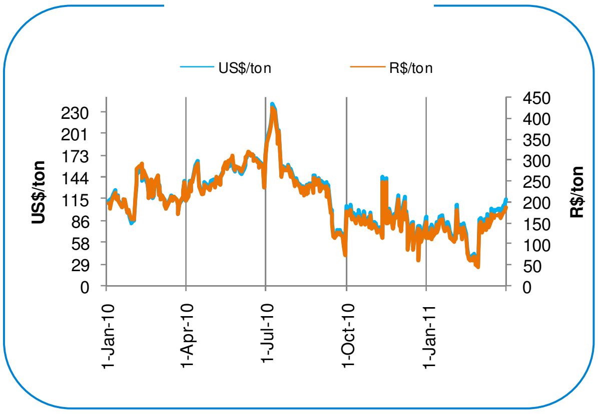
Sugar futures sales and swap transactions are qualified as cash-flow hedges (CFH), as such changes in fair value are booked in equity. Options are considered as trading transactions and their fair value variations are booked through the income statement. As a result, the impacts in income statement are directly related to changes in the commodities markets, which were extremely volatile over the year.

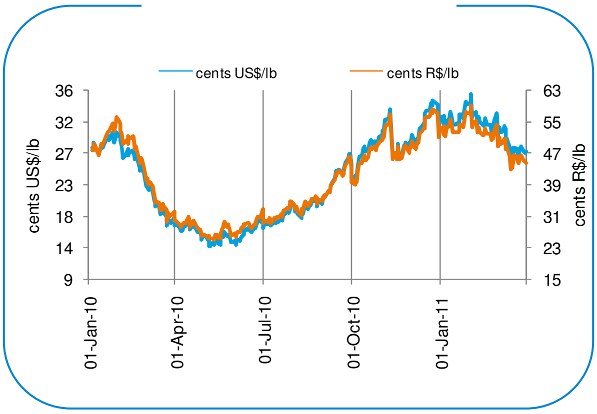
The Group's exposure to commodity derivatives is most significant in the third quarter of the year mainly due to the fact that positions are taken in the harvest period. The predominant part of the derivatives is futures purchase positions; a minor part is the purchase of options. Sales of options are very limited. The fair value of cereal derivatives was R$8.0 million negative in the whole position of commodities. All these operations are accounted for as trading derivatives in the income statement, although economically they are intended to hedge the Group's risk to raw material exposure.

Commodity derivatives are considered to be directly linked to core business activity of the Group and therefore the result of closed commodities operations and the fair value of commodities derivatives in trading are booked in operating result.

ADDITIONAL MARKET COMMENTARY

- ### SUGAR





World Sugar Market

Prices remain high, but have moderated after peaking in February

Fourth quarter 10/11 was marked again by volatility in international sugar prices. During January, 2011 raw sugar prices continued to rise, reaching a record 36.1 US$ cents/lb, on February 2, 2011. This reflected low levels of world stocks and reduced supplies from Brazil, China and Australia.

Since peaking, NY11 prices have fallen as a result of several factors, including: better-than-expected crops in Thailand and Pakistan; and the liquidation of long positions by more risk adverse funds.

Despite this recent decline in sugar prices and the volatility that persisted throughout the second half of the 2010/11 crop, raw sugar prices increased 15.2% from the last crop, averaging of 23.8 US$ cents/lb in 2010/11.

From a fundamental perspective, the scenario has remained substantially the same. According to FCStone, the world supply-demand should show a surplus of 1.6 million tons, indicating a continued low stock-to-use ratio of 32.1% or 4-month product availability, which is the lowest in the last 10 years. Although Thailand's production is less than that of Brazil or India, it is the second largest sugar exporter, and the expectation of higher exports of approximately 5.5 million tons has pressured prices.

Conversely, production in Brazil and India is not expected to increase. As a result of the lack of investments in new plants in Brazil, and the lower availability of sugarcane due to the drought during the 2010/11 crop, UNICA forecasts the sugarcane crushing for the 2011/12 crop to be about 568.5 million tons in the Center-South of Brazil. Sugar production from the 2011/12 crop is expected to be approximately 34.6 million tons, flat with the previous crop. Indications point to lower-than-expected production in India, although there has been little news on government approvals of export quotas. China is expected to be a more aggressive buyer of sugar during the second half of 2011, which has supported prices. The current forecast is for China to import 2.3 million tons in the 2011/12 crop, 41.8% above last year's imports.

Prices for refined sugar have followed similar trends to those of the raw sugar market, falling since February due to high physical deliveries, mainly from Thailand, which pushed down prices. White sugar started Q4 2010/11 quoted at 777.5 US$/ton, reached its peak in early February at 844.5 US$/ton, but dropped in March to 711.7 US$/ton. However prices for the quarter ended March 31st were 14.6% higher than the same quarter of last year, reaching an average of 638.7 US$/ton.

Over the intermediate term, future screens point to strengthened prices for the next 2 world crops. According to ICE figures from the end of March/2011 through July/2013 prices should trade above 21 US$ cents/lb. However, improvements in macroeconomic conditions or results of climate changes may bring volatility to sugar prices in the short to mid-term.

Brazilian Sugar Market

Expectation of strengthened prices, resulting from stable production

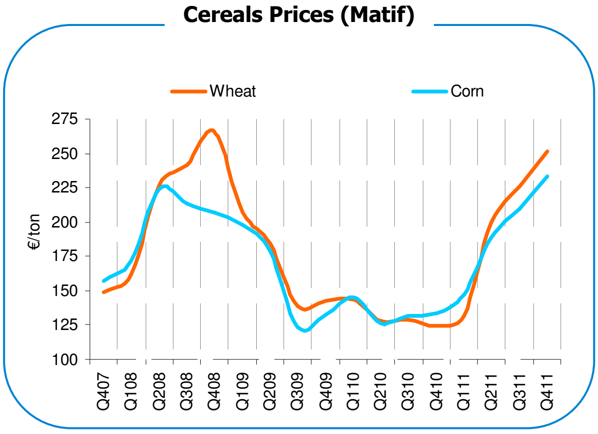
With the beginning of 2011/12 crop in the Center-South of Brazil, domestic sugar prices have been trending down after peaking in February. However, the recent decline in the ESALQ index is much less than the drop in international prices for raw and white sugar. Domestic sugar prices have fallen from 76.4 R$/50-kg-bag at the beginning of the quarter to 67.7 R$/50-kg-bag at the end of March. This price decline in the domestic market reflects the internal tight supply/demand balance for crystal and refined sugars and the greater volumes delivered at the ports.

Even with this recent decline, domestic prices are still higher than they have been in the last 5 years. Domestic prices in Q4 2010/11 were 4.3% above Q4 2009/10 levels and for the full year were 11.0% higher compared to the prior year.

On a sugar equivalent basis, domestic prices have been above NY11 prices for most of Q4 2010/11, allowing producers to prioritize domestic market sales. The level of profitability vis-à-vis ethanol remained the same. In Q4 2010/11, average ESALQ equivalent prices for sugar had premiums over hydrous and anhydrous ethanol of 37.5%, and 34.2%, respectively. However, this situation has changed since mid-March, due to increased demand for ethanol to be blended with gasoline, which is leading to a discount to anhydrous prices.

Final figures for the 2010/11 crop were disappointing when compared to mid-crop estimates (sugar production of 33.5 million tons), and now attention has turned to the 2011/12 prospects. According to UNICA's figures, sugarcane crushing and sugar production, should be in line with 2010/11 levels, implying that prices will remain above the levels seen in 2010/11 on a full crop basis, with upside potential in the event of a more rainy winter than anticipated.

- **STARCH**



Cereal Market

Concerns over stock-to-use ratios are sustaining cereal prices at high levels

Due to poor weather conditions, global milling wheat prices have soared since July/2010, and corn prices have followed suit as demand progressively migrated from wheat to corn.

In the fourth quarter of 2010/11, wheat and corn prices remained high, driven by robust global demand, strategic stock building in North Africa and growing concerns about global stocks available for export. However, prices declined to 199 €/t for corn and 203 €/t for wheat in mid-March 15, showing the impact of social unrest in the Middle East and the tsunami aftermath in Japan. Throughout the fourth quarter, weather, economic concerns and financial speculation created cereal price volatility beyond the traditional stock/use ratio analysis.

In particular, wheat price quotations eased at the beginning of March as artificial clouds diminished the risk identified on Chinese crops. At 181 million tons global soft wheat stocks are considered to be solid, though unlikely spread across the globe. According to USDA, wheat production estimates for 2010/11 at 670 million tons are more optimistic than initially anticipated, with positive surprises coming from both Argentina and Australia. Looking ahead, the wheat supply situation will be positively affected by the less restrictive export policies expected in Ukraine and Russia as of end of June 2011. However, the dry spring weather in the US and in Europe is currently affecting wheat market prices.

By contrast, and despite predictions of record global production at 868 million tons for 2010/11, corn was affected by two cumulative inflationary factors: firm demand from the ethanol and feed sectors (oil price hikes, regulatory ethanol boost in the US, growth in global meat consumption) and limited production growth in traditional corn growing areas (lower yields in the US and South Africa, bad weather conditions in Mexico), which was only partially offset by a better-than-anticipated harvest in Brazil, Argentina and Canada. Consequently, global corn carry-in declined to 118 million tons, with record lows in the US, and the CBOT corn quotation reached an all-time high of 300 US$/t in early April.

As a result, the corn and wheat price spreads on Euronext have progressively declined, from 18 €/t in January to 10 €/t at the end of March. The strengthening Euro has also moderated cereal price uptake in Europe vs. other major cereal markets.

Starch & Sweeteners Market

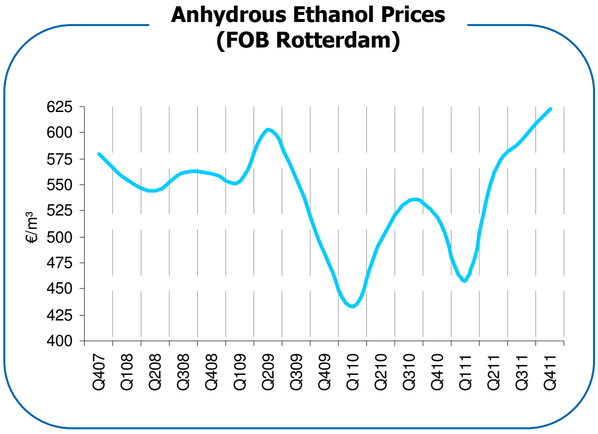
Sustained demand and increasing feedstock costs drive up prices

The solid demand for starch and derivative products in Europe, in the last quarter of 2010, extended into the first calendar quarter of 2011, virtually eliminating the traditional seasonal decline. Wheat and corn starch prices were driven up by soaring cereal prices coupled with potato and cassava demand that outpaced supply. This translated into significant price increases across starch categories, including corn-based, wheat-based and potato-based products. Also, contract terms were modified to enable suppliers to adjust selling prices in light of rising feedstock costs.

In Europe, paper manufacturers were still working at full capacity, further increasing pressure on starch suppliers in an area where available starch volumes remained very limited. Paper manufacturers are seeking to mitigate starch costs by either considering imports of cheaper GM-based corn or by replacing potato with mixes of potato & corn or potato & barley for wet end applications. Similarly, Asian starch-based product prices were influenced by firm demand and insufficient production of tapioca (mealy bug infestation), corn (weather issues) and potato (structurally limited).

All product prices, except for isoglucose, are driven up by feedstock stocks. A recovery in demand from chemical industry customers contributed to the tight supply. Additionally, certain food customers facing sugar shortages in Europe turned to liquid sweetener alternatives, while others were increasingly using maltodextrins to replace expensive milk derivatives.

- **ETHANOL AND ALCOHOL**



World Ethanol Market

Rising worldwide prices driven by high grain costs and reduced capacity investments

Ethanol prices increased in each of the major markets in Q4 2010/11. In Brazil, prices increased due to tight stocks as the harvest came to an end. Both in the US and the EU, ethanol prices continued their upward trends, boosted by higher grain prices. Additionally, tensions in the Middle East and North Africa pressured global oil prices, which surpassed the 100 US$/barrel mark.

In the US, corn prices increased due to concerns over corn supply for the coming months and the current inventory positions, which are at a 15-year low. At the same time, biofuels retained their competitiveness with gasoline as result of rising oil prices.

Both the tax credit and the import tariff were renewed for another year at their current levels of 0.45 US$/gallon and 0.54 US$/gallon. However, despite the pressure from Brazilian producers to eliminate the import tariff, the trade flow has changed direction recently and there were some exports from US to Brazil in Q4 2010/11, in an effort to mitigate the shortage of anhydrous ethanol or to arbitrage with strengthened domestic prices.

In the EU, the increase in ethanol prices was driven by higher US product and grain prices. Increased demand, mainly from higher mandates, means that the market needs more domestic supply and implies that prices will rise in the short term to reflect market requirements.

The world ethanol balance is moving back into a deficit position, as rising mandates are met with a slowdown in the growth of ethanol production, mainly in Brazil. Different from the past when Brazil has been the main supplier worldwide, it is likely that the US will be the main supplier due to production shortfalls in Brazil and the lack of supply in the EU.

European Ethanol Market

Oil prices, feedstock costs and tight supply-demand situation are driving high ethanol prices

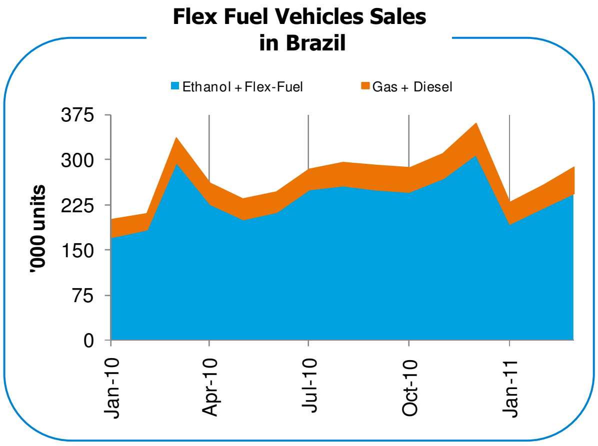
Ethanol

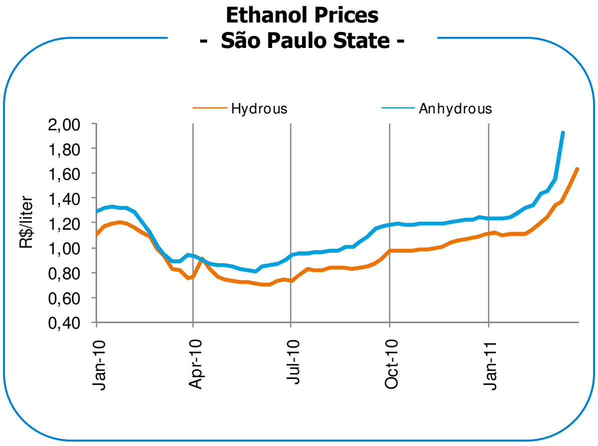
Ethanol demand remains strong globally and prices remained relatively firm in Europe in the Q4 2010/11 quarter. Ethanol usage in cars continues to grow, in particular in the US, after the EPA certified that two thirds of the cars could drive on E15 and with the extension of government subsidies (blenders tax credit) until December 2011. The sustained demand coupled with high cereal and oil prices caused T2 Fob Rotterdam prices to reach 635 €/m³ at the end of March. Mid January and mid March T2 Fob Rotterdam pricing was temporarily affected by E90 imports from the US, and by the weakening of US CBOT corn prices and higher inventory levels in the US.

EU imports were mostly fed by US ethanol in the form of E90, while Brazil export volumes were limited by strong internal demand.

Alcohol

The alcohol market was no exception to the trend of rising prices in Europe. Increased feedstock (cereal and sugar) and energy costs, sustained demand from both the spirits and the chemical industries, production issues at some manufacturers, and decreasing import availability from Pakistan and Latin America all contributed to the uptrend. As a result, suppliers have had to tightly control shipment volumes and food and industrial alcohol prices reached record levels in most European markets.





Brazilian Ethanol Market

Sharp rise in ethanol prices due to tight stocks and continuous growth of flex-fuel sales

Q4 2010/11 was marked by rising ethanol prices, which trended higher from the beginning of January on, increasing from 1.12 R$/l to 1.63 R$/l for hydrous and from 1.24 R$/l to 1.92 R$/l for anhydrous, by the end of March. The same higher prices are reflected on a crop basis, with ethanol prices approximately 15% above those of last year's crop.

These higher prices were driven by a unique combination of events. From the demand perspective, the economic recovery led to a solid increase in the flex-fuel fleet (6-year CAGR of 15.4%, reaching 43.5% of national light fleet), which sharply increased the ethanol volume needed to meet this demand.

At the same time, the supply has not accommodated this demand, as a result of several factors, including: the slowdown in investments to expand ethanol production capacity; the lack of prior investments to renew sugarcane fields, which has reduced the volume of sugarcane to be crushed; and a severe drought during last year's crop that jeopardized the development of the sugarcane available to be crushed in this year's crop.

As a result of this confluence of events, ethanol production in Brazil's Center-South region was 2.0 billion liters below UNICA's initial forecast, reaching 25.4 billion liters, although that was a 7.2% increase over the previous crop. Hydrous production accounted for 70.8% of this output, and the remainder was anhydrous, representing an increase of anhydrous production of 3.2 percentage points from the previous crop. This increase in anhydrous production was in anticipation of a possible premium over hydrous, in view of the deterioration of the 70% price parity of hydrous vis-à-vis gasoline (by the end of March, no Brazilian state had parity below 70%). Therefore, gasoline consumption increased over Q4 2010/11 (even with the need of imports, of around 0.5 billion liters in 2010).

From a product mix perspective, although producers prioritized sugarcane mix towards sugar in this crop given its competitiveness over ethanol, the impact did not change the mix dramatically from previous crop (44.7% in 2010/11 vs. 42.6% in 2009/10).

It is clear that investments will be required to expand ethanol capacity over the next years. Given the low level of investments in prior years, this tight scenario is not expected to change substantially over the short-term. From the "green light" to start-up at least 2 to 3 crops will be needed. Therefore, despite the fact that prices may show some weakness with the beginning of 2011/12 crop, they are expected to remain firm.

APPENDIX 1

CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement				
(R$ '000)	3-month period ended		12-month period ended	
	Mar 31, 2011	Mar 31, 2010	Mar 31, 2011	Mar 31, 2010
Revenue	**1.519**	**1.223**	**5,688**	**5,011**
Cost of sales	(1,185)	(1,058)	(4,540)	(4,025)
Gross Profit	**334**	**165**	**1,148**	**986**
Distribution costs	(123)	(123)	(496)	(479)
General and administrative expenses	(69)	(108)	(373)	(274)
Restructuring	(1)	(1)	-	(4)
Other operating income	31	178	101	170
Operating income	**172**	**111**	**380**	**399**
Net Financial Result	**(33)**	**(70)**	**(158)**	**(98)**
Net Financial Expenses	(156)	(62)	(703)	(451)
Net Financial Income	123	(8)	545	353
Share of profit of associates	0	(1)	4	1
Net Income Before Taxes	**139**	**40**	**226**	**302**
Income tax	(33)	152	(30)	129
Net Income (loss)	**106**	**192**	**196**	**431**
Attributable to non controlling interests	**25**	**79**	**8**	**171**
Attributable to owners of the parent	**81**	**114**	**188**	**260**

CONSOLIDATED BALANCE SHEET

Consolidated statement of financial position			
(R$ '000)	Mar 31, 2011	Mar 31, 2010	Variation
ASSETS			
Cash and cash equivalent	633	501	26,3%
Trade receivables	726	630	15,2%
Inventories	738	447	65,1%
Current financial assets with related parties	70	307	-77,2%
Other current financial assets	472	359	31,5%
Current tax assets	47	25	88,0%
Other current assets	32	5	540,0%
TOTAL CURRENT ASSETS	**2,718**	**2,274**	**19,5%**
Deferred tax assets	424	398	6,5%
Biological assets	530	409	29,6%
Available-for-sale financial assets	24	16	50,0%
Non-current financial assets with related parties	11	14	-21,4%
Other non-current financial assets	169	89	89,9%
Investments in associates	20	110	-81,8%
Property, plant and equipment	3,160	2,682	17,8%
Goodwill	1,214	932	30.3%
Other intangible assets	91	73	24,7%
Other non current assets	5	-	
TOTAL NON-CURRENT ASSETS	**5,648**	**4,723**	**19,6%**
Non-current assets classified as held for sale	**-**	**-**	
TOTAL ASSETS	**8,366**	**6,997**	**19,6%**
LIABILITIES AND EQUITY			
Short-term borrowings	1,679	1,169	43,6%
Trade payables	740	493	50,1%
Current financial liabilities with related parties	51	676	-92,5%
Other current financial liabilities	616	373	65,1%
Short-term provisions	2	4	-50,0%
Current tax liabilities	38	20	90,0%
Other current liabilities	90	61	47,5%
CURRENT LIABILITIES	**3,216**	**2,796**	**15,0%**
Long-term borrowings	1,123	1,107	1,4%
Deferred tax liabilities	64	38	68,4%
Provisions for pensions and other post employment benefits	29	25	16,0%
Other long-term provisions	49	38	28,9%
Non current financial liabilities with related parties	9	163	-94,5%
Other non-current financial liabilities	360	195	84,6%
Other non-current liabilities	36	34	5,9%
NON-CURRENT LIABILITIES	**1,670**	**1,600**	**4,4%**
Liabilities directly associated with non-current assets (or group of assets) classified as held for sale	**17**	**18**	**-5,6%**
TOTAL LIABILITIES	**4,903**	**4,414**	**11,1%**
Issued capital	2,466	1,988	24,0%
Treasury shares	(29)	-	
Retained earnings and other reserves	305	92	231,5%
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**2,742**	**2,080**	**31,8%**
Non-controlling interests	721	503	43,3%
TOTAL EQUITY	**3,463**	**2,583**	**34,1%**
TOTAL EQUITY AND LIABILITIES	**8,366**	**6,997**	**19,6%**

CONSOLIDATED CASH FLOW STATEMENT

Consolidated statement of cash flow		
(R$ '000)	12-month period ended	
	Mar 31, 2011	Mar 31, 2010
Consolidated net income (loss)	**196**	**431**
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Share of profit of associates	(4)	(1)
Amortization, depreciation and changes due to harvest	509	403
Gain on bargain purchase	(72)	0
Fair value adjustments on biological assets	(40)	(42)
Other fair value adjustments through income statement	34	(51)
Gain (loss) on disposals of assets	15	0
Variation of marketable securities pledged as collaterals	24	7
Income tax expense (income)	30	(129)
Net finance expenses	174	237
Impact of the changes in working capital	(163)	215
of which decrease (increase) in trade and other receivables	*(99)*	*25*
of which increase (decrease) in trade and other payables	*231*	*112*
of which decrease (increase) in inventory	*(295)*	*78*
Change in financial assets with related parties	204	(165)
Change in financial liabilities with related parties	(704)	34
Change in other provisions	(29)	(46)
Cash provided by (used in) operating activities	**174**	**893**
Income taxes paid	(40)	(27)
Net cash provided by (used in) operating activities	**134**	**866**
Cash paid for the acquisitions, net of cash acquired	(319)	(117)
of which Mandu	*(278)*	
of which SSQF	*(41)*	
of which Vertente		*(117)*
Purchases of property, plant and equipment and intangibles assets	(522)	(337)
Purchases of biological assets	(104)	(119)
Acquisition of financial assets	(21)	(7)
Change in loans and advances granted	6	(0)
Grants received related to assets	3	7
Proceeds from the disposal of property, plant and equipment and intangible assets	17	76
Proceeds from the disposal of financial assets	56	
Net cash provided by (used in) investing activities	**(884)**	**(497)**
Capital increase	878	171
of which capital increase of Tereos Internacional		*120*
of which capital increase in Cruz Alta Participações	*683*	
of which capital increase in Guarani	*195*	
of which capital increase of other subsidiaries		*51*
Cash paid for the acquisition of non controlling of TOI	(3)	
Treasury shares	(29)	
Borrowings issues	2.053	882
Borrowings repayments	(1.773)	(1.089)
Interest paid	(212)	(272)
Interest and other financial income received	37	26
Dividends paid to equity holders of the parent	0	(60)
Dividends paid to non controlling interests	(9)	(38)
Net cash provided by (used in) financing activities	**942**	**(380)**
Impact of exchange rate on cash and cash equivalents in foreign currency	(5)	21
Net change in cash and cash equivalents, net of bank overdrafts	**187**	**10**
Cash and cash equivalents, net of bank overdrafts at opening	290	280
Cash and cash equivalents, net of bank overdrafts at closing	477	290
Net change in cash and cash equivalents	**187**	**10**

APPENDIX 2

1. Breakdown per segment

As of Mar 31, 2011 (R$ '000) 12-month period	Ethanol Europe	Starch	Brazil	Mozambique	Indian Ocean[2]	Central & eliminations	Total
Revenue	**678**	**2,511**	**1,957**	**51**	**489**	**2**	**5,688**
Cost Of Goods Sold	(649)	(1,930)	(1,501)	(35)	(425)	0	(4,540)
Gross profit	29	581	456	16	64	2	1,148
Selling Expenses	(23)	(327)	(139)	0	(8)	0	(496)
G&A Expenses	(31)	(140)	(149)	(9)	(27)	(18)	(373)
Other Recurring & non recurring	39	54	(74)	1	80	1	101
EBITDA	**51**	**289**	**381**	**19**	**90**	**(14)**	**816**
Depreciation of PPE, change due to harvest and amortization for intangible assets	(37)	(120)	(286)	(11)	(55)	0	(509)
Gain on bargain purchases	0	0	0	0	73	0	73
Operating income	**14**	**169**	**95**	**8**	**108**	**(14)**	**380**
Share of profit of associates						4	4
Net financial result						(158)	(158)
Income taxes						(30)	(30)
Net income (loss)							**196**
Operating assets	**612**	**2,067**	**3,587**	**298**	**611**	**1,191**	**8,366**
Operating liabilities	**632**	**887**	**875**	**14**	**165**	**2,330**	**4,903**
Investments in associates	**0**	**0**	**0**	**0**	**20**	**0**	**20**
Capital expenditure	**28**	**124**	**378**	**28**	**73**	**0**	**631**

As of Mar 31, 2010 (R$ '000) 12-month period	Ethanol Europe	Starch	Brazil[1]	Mozambique	Indian Ocean[2]	Central & eliminations	Total
Revenue	**752**	**2,701**	**1,319**	**40**	**199**	**0**	**5,011**
Cost Of Goods Sold	(666)	(2,050)	(1,024)	(59)	(224)	0	(4,025)
Gross profit	86	651	295	(19)	(25)	0	986
Selling Expenses	(21)	(349)	(97)	(1)	(10)	0	(479)
G&A Expenses	(33)	(146)	(77)	(8)	(10)	0	(274)
Other Recurring & non recurring	19	93	(14)	0	67	0	165
EBITDA	**82**	**392**	**305**	**(9)**	**33**	**0**	**802**
Depreciation of PPE, change due to harvest and amortization for intangible assets	(31)	(144)	(198)	(19)	(11)	0	(403)
Gain on bargain purchases	0	0	0	0	0	0	0
Operating income	**51**	**248**	**107**	**(28)**	**22**	**0**	**399**
Share of profit of associates						1	1
Net financial result						(98)	(98)
Income taxes						129	129
Net income (loss)							**431**
Operating assets	**621**	**2,248**	**2,760**	**124**	**184**	**1,060**	**6,997**
Operating liabilities	**119**	**670**	**868**	**178**	**161**	**2,419**	**4,414**
Investments in associates	**0**	**0**	**0**	**0**	**110**	**0**	**110**
Capital expenditure	**60**	**122**	**242**	**26**	**7**	**0**	**457**

Notes:

(1) due to the legal organization of the companies from the sugarcane segment, for accounting purposes the numbers for Indian Ocean do not include activities in Mozambique

2. Net revenues, Sales & Average Prices – 3 month period

Net Revenues – 3-month period					
(R$ '000)	Mar 31, 2011		Mar 31, 2010		Variation
Starch	**751**	**100.0%**	**560**	**100.0%**	**34.1%**
Starch and sweeteners	458	61.0%	344	61.4%	33.1%
Alcohol	76	10.1%	76	13.6%	-
Co-products	179	23.9%	147	26.3%	21.8%
Other	37	5.0%	(7)	-1.3%	-5.3x
Ethanol Europe	**213**	**100.0%**	**176**	**100.0%**	**20.6%**
Ethanol	194	91.1%	165	93.8%	17.6%
Co-products	-	0.0%	19	10.8%	-
Other	19	8.9%	(7)	-4.6%	-3.7x
Brazil	**431**	**100.0%**	**390**	**100.0%**	**10.4%**
Sugar	240	55.7%	244	62.4%	-1.4%
Ethanol	191	44.2%	129	32.9%	48.4%
Other	0	0.0%	18	4.6%	-99.4%
Indian Ocean (1)	**117**	**100.0%**	**99**	**100.0%**	**18.3%**
Sugar	68	57.9%	24	23.9%	186.5%
Other	49	42.1%	75	76.1%	-34.6%
Mozambique	**7**	**100.0%**	**(1)**	**100.0%**	**-628.6%**
Sugar	7	100.0%	(1)	100.0%	-628.6%
Other	-	-	-	0.0%	-
Total Net Revenue	**1,519**		**1,224**		**24.1%**

Volumes – 3-month period			
(tons '000) & (m^3 '000)	Mar 31, 2011	Mar 31, 2010	Variation
Starch			
Starch and sweeteners	408.7	413.0	-1.0%
Alcohol	44.0	44.6	-1.3%
Co-products	257.8	235.5	9.4%
Ethanol Europe			
Ethanol	135.0	109.3	23.5%
Co-products	-	54.0	-
Brazil			
Sugar	232.5	238.2	-2.4%
Ethanol	164.8	120.1	37.2%
Indian Ocean			
Sugar	51.5	17.2	199.3%
Mozambique			
Sugar	-	-	-

Net Prices – 3-month period			
R$/ton	Mar 31, 2011	Mar 31, 2010	Variation
Starch			
Starch and sweeteners	1,121.1	883.2	26.9%
Alcohol	1,725.1	1.515.5	13.8%
Co-products	696.2	605.5	15.0%
Ethanol Europe			
Ethanol	1,435.9	1,275.6	12.6%
Co-products	-	364.3	-
Brazil			
Sugar	1,033.1	1,023.1	1.0%
Ethanol	1,157.2	1,069.9	8.2%
Indian Ocean			
Sugar	1,318.8	1,377.9	-4.3%
Mozambique			
Sugar	-	-	-

Notes:

(1) Pro forma basis for Q4 2009/10

3. Net revenues, Sales & Average Prices – 12 month period

Net Revenues – 12-month period					
(R$ '000)	Mar 31, 2011		Mar 31, 2010		Variation
Starch	**2,513**	**100.0%**	**2,702**	**100.0%**	**-7.0%**
Starch and sweeteners	1,507	60.0%	1,687	62.4%	-10.7%
Alcohol	256	10.2%	295	10.9%	-13.2%
Co-products	626	24.9%	683	25.3%	-8.3%
Other	124	4.9%	37	1.4%	235.1%
Ethanol Europe	**678**	**100.0%**	**752**	**100.0%**	**-9.9%**
Ethanol	606	89.4%	653	86.8%	-7.2%
Co-products	32	4.7%	82	10.9%	-61.0%
Other	40	5.9%	17	2.3%	133.6%
Brazil	**1,957**	**100.0%**	**1,319**	**100.0%**	**48.3%**
Sugar	1,214	62.0%	835	63.3%	45.3%
Ethanol	581	29.7%	400	30.3%	45.5%
Other	162	8.3%	84	6.4%	91.5%
Indian Ocean (1)	**489**	**100.0%**	**199**	**100.0%**	**146.0%**
Sugar	246	50.3%	175	87.9%	40.8%
Other	243	49.7%	24	12.1%	912.7%
Mozambique	**51**	**100.0%**	**40**	**100.0%**	**26.2%**
Sugar	51	100.0%	40	100.0%	26.2%
Other	-	-	-	0.0%	-
Total Net Revenue	**5,687**		**5,012**		**13.5%**

Volumes – 12-month period			
(tons '000) & (m^3 '000)	Mar 31, 2011	Mar 31, 2010	Variation
Starch			
Starch and sweeteners	1,667.5	1,659.5	0.5%
Alcohol	177.9	179.1	-0.7%
Co-products	1,039.8	1,120.0	-7.2%
Ethanol Europe			
Ethanol	482.6	468.3	3.1%
Co-products	102.6	211.5	-51.5%
Brazil			
Sugar	1,357.1	1,021.9	32.8%
Ethanol	606.3	479.5	26.4%
Indian Ocean			
Sugar	200.0	98.2	103.7%
Mozambique			
Sugar	46.0	38.0	21.1%

Net Prices – 12-month period			
R$/ton	Mar 31, 2011	Mar 31, 2010	Variation
Starch			
Starch and sweeteners	903.6	1,016.6	-11.1%
Alcohol	1,439.0	1,647.1	-12.6%
Co-products	602.1	609.8	-1.3%
Ethanol Europe			
Ethanol	1,256.0	1,394.4	-9.9%
Co-products	311.9	387.7	-19.6%
Brazil			
Sugar	894.2	817.3	9.4%
Ethanol	958.9	833.4	15.1%
Indian Ocean			
Sugar	1,232.1	1,782.1	-30.9%
Mozambique			
Sugar	1,102.7	1,057.8	4.2%

4. Financial Income (Expenses)

Financial Expenses – 3-month period (R$ '000)	Mar 31, 2011	Mar 31, 2010
Interest Expenses	(40)	(115)
Gain (loss) on borrowings at amortized cost	(1)	(1)
Foreign exchange losses	(105)	57
Other financial expenses	(10)	(3)
Financial Expenses	**(156)**	**(62)**
Interest Income	-	-
Fair value gain (loss)	2	42
Foreign exchange gains	137	(45)
Other financial income	(16)	(5)
Financial Income	**123**	**(8)**
Net Financial Income (Expenses)	**(33)**	**(70)**

5. Net Debt

Net Debt (R$ '000)	Mar 31, 2011	Mar 31, 2010	Variation
Current	**1,684**	**1,170**	**43.9%**
Working capital	568	358	58.7%
Securitization	31	41	-24.4%
Investment financing	745	621	20.0%
Export pre-financing	340	150	126.7%
Non-current	**1,134**	**1,111**	**2.1%**
Working capital	65	165	-60.6%
Securitization	-	-	-
Investment financing	707	879	-19.6%
Export pre-financing	362	67	440.3%
Amortized cost	(15)	(5)	200.0%
Total Gross Debt	**2,803**	**2,276**	**23.2%**
In €	1,364	1,295	5.3%
In USD	763	269	183.6%
In R$	637	620	2.7%
Other currencies	54	97	-44.3%
Cash and cash Equivalent	(633)	(501)	26.3%
Total Net Debt	**2,170**	**1,775**	**22.3%**
Related parties net debt	(20)	518	-103.9%
Total Net Debt + Related parties	**2,150**	**2,293**	**-6.2%**

HEDGING POLICY

Financial Instruments

Financial Instruments Consolidated	Fair Value Total	Notional			
		< 1 year	1-5 years	> 5 years	TOTAL
Interest rate derivatives	**6**	233	847	37	1,117
Foreign exchange Derivatives	**8**	444	-	-	444
Commodity derivatives	**(187)**	824	182	-	1,005
Energy Derivatives	**(4)**	33	5	-	38
Total	**(178)**	**1,534**	**1,034**	**37**	**2,604**

The global position of R$2.6 billion for financial instruments accounts for 43% interest rate derivatives (predominantly for euro denominated debt), 38% commodities derivatives (mainly sugar), 17% foreign exchange derivatives (relative to export sales) and 1.5% energy derivatives (swaps on emission rights in Europe).

Except energy derivatives, all positions of financial instruments were concerned by significant changes during the quarter ended March/2011. Interest rate derivatives decreased slightly in notional due to amortization, at the same time fair values improved considerably because of general increase in interest rates. Foreign exchange derivatives positions almost tripled in notional amount due to significant hedging activity during the quarter in Europe. These operations are exclusively linked to the future export sales income of Tereos Syral. The fair value of the FX derivatives was positively impacted, it more than doubled compared to December/2010. On the commodities side positions in notional amount doubled during the last quarter, as well for cereals as for sugar derivatives, whereby fair value was positively impacted by the price variations, coming essentially from sugar. Energy derivatives position remained unchanged compared to December/2010, fair value improved slightly because of favorable market variations.

Interest rate Instruments

IR Derivatives	Fair Value Total	Notional			
		< 1 year	1-5 years	> 5 years	TOTAL
Vanilla swaps	**5**	223	837	15	1,075
Options and structured	**1**	10	10	21	42
Total	**6**	**233**	**847**	**37**	**1,117**

Foreign Exchange Instruments

FX Derivatives	Fair Value Total	Notional			
		< 1 year	1-5 years	> 5 years	TOTAL
Forwards / NDF	**8**	149	-	-	149
Options	**0**	294	-	-	294
Total	**8**	**444**	**-**	**-**	**444**

CEREAL & ENERGY DERIVATIVES (STARCH & ETHANOL EU SEGMENTS)

Cereal Instruments

Cereal Derivatives	Fair Value Total	Notional			
		< 1 year	1-5 years	> 5 years	TOTAL
Futures	**(7)**	217	13	-	230
Option	**(1)**	1	-	-	1
Total	**(8)**	**218**	**13**	**-**	**231**

Positions in cereal derivatives increased considerably since the last quarter, their notional amount has almost tripled. The increase comes only from futures positions, option positions remained very low. This increase is due to the anticipations on the new crop. Cereal derivatives represented about 23% of total commodities derivatives of the Group at the end of March/2011.

Globally we cover the main part (between 80% and 90%) of the cereal needs for our production by physical contracts with fixed prices. The remaining share comes from the Futures or Options contracts on the Futures, used in order to fix the purchase price of anticipated volumes of cereals to be purchased and processed in the coming months.

The current price uptakes are not expected to materially impact the results of the next quarters, as we have already cover between 10 and 100% of our monthly needs for 2011/12.

Energy Instruments

Energy Derivatives	Fair Value Total	Notional			
		< 1 year	1-5 years	> 5 years	TOTAL
Swaps	**(4)**	33	5	-	38
Total	**(4)**	**33**	**5**	**-**	**38**

Energy derivatives concern predominantly swaps on CO2 emission rights, of which more than a half is considered a cash-flow hedge, representing the hedge of future obligations, and the remaining part in trading, representing optimization products. No change in policy was observed.

SUGAR DERIVATIVES (BRAZIL SEGMENT)

Financial Instruments/HEDGING

Sugar Derivatives	Fair Value Total	Notional			
		< 1 year	1-5 years	> 5 years	TOTAL
Futures	**(145)**	333	169	-	502
Option	**(34)**	272	-	-	272
Total	**(179)**	**605**	**169**	**-**	**774**

The sugar derivatives position increased considerably, it more than doubled in notional amount during the last quarter. The increase was mainly due to seasonality of operations and it was observed predominantly on the options position. At the same time, fair values improved, mainly due to market reasons.

At March 31st, 2011, hedging position on sugar represented, through Futures and Options, prices of:

- 2011/12: 444,584 tons at 20.22 ¢/lb for raw sugar and 116,327 tons at 459 US$/ton for white sugar
- 2012/13: 304,218 tons at 16.33 ¢/lb for raw sugar

About 58% of the open position of exports and dollar related sales has been hedged for the next crop.

FINANCIAL CALENDAR

Conference Call in Portuguese

Date: Tuesday, May 24th, 2011
09h00 am (New York) - 10h00 am (Brasília)
Phone: +55 (11) 2188-0155
Code: Tereos Internacional
Replay: +55 (11) 2188-0155
Code: Tereos Internacional

Conference Call in English

Date: Tuesday, May 24th, 2011
10h30 am (New York) - 11h30 am (Brasília)
Phone: +1 (412) 317-6776
Code: Tereos Internacional
Replay: +1 (412) 317-0088
Code: 451207#

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