



## ETH and Brenco announce creation of bio-energy leader

*The new company, with a R\$ 7.3 billion total investment, will produce 3 billion liters of ethanol and generate 2,700 Gwh/year from biomass*

**São Paulo, February 18, 2010** – Four months after signing a memorandum of understanding, ETH Bioenergia, an Organização Odebrecht company, and Brenco have completed the asset merge process that has led to the creation of the leader in ethanol production and power generation from biomass.

The new company, which retains the ETH Bioenergia name, will produce 3 billion liters of ethanol and generate 2,700 Gwh electric power in 2012. It will have a milling capacity of 40 million metric tons of sugarcane per harvest in nine industrial units, with 100% mechanized agricultural operations.

The companies have together invested R\$ 3.8 billion and have committed to invest an additional R\$ 3.5 billion in the 2010 – 2012 period to take the nine units to their maximum production level. “This strategic operation represents a decisive step in ETH’s growth plan and creates a bio-energy leader that combines competitiveness and sustainability” said José Carlos Grubisich, President of ETH Bioenergia.

“The two companies feature assets that combine technology and production scale, and this strengthens the production center concept”. The bio-energy sector will grow significantly in the near future and the new company will have great opportunities in this context” declared Philippe Reichstul, President of Brenco.

By the agreement Odebrecht S.A., jointly with Sojitz Corporation, will hold 65% of ETH Bioenergia’s capital and Brenco’s shareholders will hold 35%. With regard to corporate management, a board of directors of 10 members will be formed, of which 7 will be designated by Odebrecht/Sojitz and 3 by the other shareholders.

The company formed by the asset merge has a workforce of 7,600, to be increased to 10,000 by 2012 as a result of the investment scheduled for the coming years.

“ETH Bioenergia is a company with a vocation for growth, and the strong investment program to be implemented over the coming years will generate more than 2,400 new jobs, in addition to the training of all operation crews” said Grubisich.

Features	ETH	Brenco	ETH Bioenergia
Industrial Units	5	4	9
Sugarcane milling capacity –2012	24,8 million metric tons	15,2 million metric tons	40 million metric tons
Ethanol production –2012	1,7 million m <sup>3</sup>	1,3 million m <sup>3</sup>	3 million m <sup>3</sup>
Power generation –2012	1,600 GWh	1,100 GWh	2,700 GWh
Workforce in 2012	5.8 thousand	4.2 thousand	10 thousand



## **Competitive Logistics**

CentroSul Transportadora Dutoviária, the company deploying the R\$ 1.7 billion ethanol pipeline from Alto Taquari (Mato Grosso State) to the Port of Santos, is also included in this negotiation.

### **THE NEW COMPANY IN NUMBERS:**

- 9 industrial units
- R\$ 7.3 billion total investment
- Sugarcane milling capacity: 40 million metric tons
- 3 billion liters of ethanol to be produced by 2012
- 2,700 Gwh/year electric power to be generated from biomass by 2012
- Workforce of 10 thousand by 2012
- 4 production centers in the states of São Paulo, Goiás, Mato Grosso do Sul and Mato Grosso

**Handouts: [www.cdn.com.br/eth](http://www.cdn.com.br/eth)**

*February/2010*

Press Information

#### **CDN – Comunicação Corporativa**

Carolina Botelho – [carolina.botelho@cdn.com.br](mailto:carolina.botelho@cdn.com.br) – +55 (11) 3643-2724

Maysa Penna – [maysa.penna@cdn.com.br](mailto:maysa.penna@cdn.com.br) – +55 (11) 3643-2771