

## 25 January 2006 – Tate & Lyle PLC

### Trading Update

Tate & Lyle issues the following routine trading update following the annual sales contract pricing rounds at three of its major businesses – Food & Industrial Ingredients, Europe; Sugars, Europe; and Food & Industrial Ingredients, Americas.

Overall, trading for Tate & Lyle since the announcement of our interim results on 3 November 2005 has continued to progress satisfactorily and the outlook for the year to 31 March 2006 has not altered.

The expansion of our Alabama SPLENDA<sup>®</sup> Sucralose facility and the construction of our new Singapore facility are on schedule. The expanded Alabama facility is expected to commence commissioning in April, as planned, thereby doubling the capacity acquired in April 2004.

### SALES PRICING ROUNDS

The overall net result of the annual sales contract pricing rounds is that we have achieved our objective of recovering next year's higher energy costs. The effect on the three businesses is detailed below.

The European market for sugar and related products has, as stated in both our interim results announcement and the 25 November 2005 announcement regarding reform of the sugar regime, been affected by an oversupply of sugar. As expected, the calendar 2006 sweetener pricing round in the markets where **Ingredients, Europe** competes with sugar has been challenging. The markets for value added food ingredients and industrial starches have been more robust. After higher energy costs we expect in local currency terms total net margins for Ingredients, Europe to be below those achieved in calendar 2005.

The anticipated oversupply of sugar in Europe has also affected our European cane refineries and our sugar beet operations in East and Central Europe. The market pressure that we previously highlighted has intensified in the last few months and this is expected to lead to a modest decline in earnings for **Sugars, Europe** in the balance of this financial year and a further decline in the year to March 2007.

**Ingredients, Americas** has substantially completed the negotiation of its calendar 2006 sweetener sales contracts. These contracts, as in previous years, are a mix of toll business (where Ingredients, Americas receives a fixed processing margin) and conventional supply contracts (where Ingredients Americas accepts risk on the price of corn, which it covers on the futures market). In calendar 2006 in local currency we expect to more than recover the higher energy costs. We also anticipate achieving higher total net margins on value added food ingredients and other products.

**END**

**For more information contact Tate & Lyle PLC:**

Mark Robinson (Investor Relations)

Tel: +44(0)20 7626 6525 or Mobile: +44(0)7793 515 861

Rowan Adams (Press)

Tel: +44(0)20 7626 6525 or Mobile: +44(0)7713 067 542

**About Tate & Lyle:**

Tate & Lyle is a world leading manufacturer of renewable food and industrial ingredients.

It uses innovative technology to transform corn, wheat and sugar into value-added ingredients for customers in the food, beverage, pharmaceutical, cosmetic, paper, packaging and building industries. The Company is a leader in cereal sweeteners and starches, sugar refining, value added food and industrial ingredients, and citric acid. Tate & Lyle is the world number-one in industrial starches and is the sole manufacturer of SPLENDA<sup>®</sup> Sucralose.

Headquartered in London, Tate & Lyle is listed on the London Stock Exchange under the symbol TATE.L. In the US its ADRs trade under TATYY. The Company operates more than 60 production facilities in 28 countries, throughout Europe, the Americas and South East Asia. It employs 6,700 people in its subsidiaries with a further 4,500 employed in joint ventures. Sales in the year to 31 March 2005 totalled £3.3 billion. Additional information can be found on [www.tateandlyle.com](http://www.tateandlyle.com).

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