

## 2 October 2006 – Tate & Lyle PLC

### Trading Update

In line with its regular practice, Tate & Lyle issues the following trading update on entering a closed period in respect of the interim results to 30 September 2006. The interim results will be announced on Wednesday, **1 November 2006**. Please note this is a change of date from that previously advised.

Overall trading since the update issued at the Annual General Meeting on 19 July 2006, and reaffirmed at our Value Added seminar on 7 September 2006, has continued to be in line with our expectations. We have started the year strongly. Over the five months to 31 August 2006, Group profit before tax and amortisation has comfortably exceeded the corresponding period of the prior year, before the benefit of lower depreciation as a result of the asset impairment in Ingredients Europe in the year to March 2006.

Food & Industrial Ingredients, Americas has demonstrated a strong performance across most categories. Value added food and industrial ingredients, commodity sweeteners and ethanol all achieved both volume and margin gains. Our UK fermentation business has been adversely affected by changes to the EU sugar regime, which have increased substrate costs for both our citric acid and Astaxanthin facilities. As expected, small start-up losses have been incurred at the Bio-PDO<sup>TM</sup> joint venture in Loudon, Tennessee where plant commissioning is underway. The resolution of the trade dispute on sweeteners with Mexico, which will lead to free trade for US high fructose corn syrup into Mexico from 1 January 2008, is good for industry fundamentals as we approach the sweetener pricing round for calendar 2007. Our intention in those negotiations is to improve margins again.

Food & Industrial Ingredients, Europe has performed in line with our expectations and trading profits are modestly below the corresponding period of the prior year. However, this has been more than offset by the benefit from lower depreciation as a result of the impairment charge taken in the year to 31 March 2006 (which will reduce the depreciation charge by £25 million in the year to March 2007). Higher prices for both main products and co-products were offset by the impact of higher cereal prices and energy costs. Good growth was achieved in value added food and industrial ingredients. As advised in the preliminary announcement of results on 25 May 2006, trading profits in the second half-year of the financial year ending March 2007 are expected to be significantly lower than in the corresponding period of the prior year.

The doubling of SPLENDA<sup>®</sup> Sucralose capacity in Alabama is now mechanically complete and production ramp up is currently underway. In Singapore, construction of the new facility is on schedule for mechanical completion in January 2007. We continue to expect sales for the year to 31 March 2007 to remain strong, with growth weighted to the second half. Our market approach continues to broaden as we develop SPLENDA<sup>®</sup> Sucralose sales.

In Sugars, Europe, as expected, profitability in our EU sugar refining business has been affected by lower domestic sales prices. This profit reduction has been partially offset by another good performance in sugar trading.

In Sugars, Americas, the mark-to-market gains seen last year in Canada have reversed and the performance of the division is below the corresponding period of the prior year.

Reported results will reflect changes in exchange rates, particularly the US dollar where the period average rate for the six months to 30 September 2006 was US[1.85] compared to the US\$1.79 reported for the year ended 31 March 2006.

Overall, we have started the year strongly and our expectations for the full financial year to 31 March 2007 remain unchanged. We continue to view the future with confidence and remain committed to our target for the profit contribution from total value added products to increase by 30% in the year to March 2007.

A conference call for analysts and investors will be held at 9.30 am today. The call will be hosted by Iain Ferguson, Chief Executive, John Nicholas, Group Finance Director and Mark Robinson, Director of Investor Relations. Participants are requested to dial in at least 5 minutes before the commencement of the call. Dial in details are:

Participant dial in number:	+44(0)20 7138 0836
Replay telephone number:	+44(0)20 7784 1024
Replay passcode:	4343705#

The replay of this call will be available for 7 days until 9 October 2006.

**END**

## **CONTACTS**

Mark Robinson, Director of Investor Relations  
Tel: 020 7626 6525 or Mobile: 07793 515861

Ferne Hudson, Head of Media and Public Relations  
Tel: 020 7626 6525

**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 65 production facilities in 29 countries, throughout Europe, the Americas and South East Asia. It employs 7,000 people in its subsidiaries with a further 4,800 employed in joint ventures. Sales in the year to 31 March 2006 totalled £3.7 billion. Additional information can be found on this website [www.tateandlyle.com](http://www.tateandlyle.com).

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