1 February 2011 – Tate & Lyle PLC

INTERIM MANAGEMENT STATEMENT

Tate & Lyle issues the following management statement covering the period from 1 October 2010 to 31 December 2010.

Javed Ahmed, Chief Executive, said: “The Group’s encouraging performance in the year to date continues to underpin our confidence that we will make progress in the full financial year.”

OPERATING PERFORMANCE – CONTINUING OPERATIONS

The Group continued to deliver an encouraging performance in the third quarter ended 31 December 2010, and we remain on track to meet our expectations for the financial year ending 31 March 2011.

We continued to grow sales volume within Speciality Food Ingredients globally. Within Bulk Ingredients, North American liquid sweetener volumes benefited from the continuation of firm demand patterns in Mexico. Higher corn prices drove an increase in co-product income which primarily benefits the Bulk Ingredients division. In Europe, where hedging options are more limited than the US, liquid sweetener margins declined slightly due to the impact of higher net corn costs. During the period we started to increase industrial starch margins against a backdrop of a tighter European market following a poor potato harvest.

SALE OF MOLASSES – DISCONTINUED OPERATIONS

On 6 December 2010 we announced completion of the sale of the Molasses business to W&R Barnett Ltd. The total consideration was £70 million, including an initial working capital adjustment of £3 million, of which £61 million was received in the quarter. We expect a further £9 million of proceeds, subject to any final adjustments for working capital.

BALANCE SHEET AND WORKING CAPITAL

Net debt at 31 December 2010 was £462 million. The improvement from £540 million at 30 September 2010 was primarily driven by the proceeds from the sale of the Molasses business.

At the time of the half year results, we indicated that we were likely to carry higher levels of working capital in the business at 31 March 2011 because of higher corn prices and anticipated tighter corn supply. As anticipated, corn prices have continued to rise as supply forecasts continue to tighten, increasing the working capital demands on the business. The majority of the corn we are purchasing to keep our silos full through to the end of the harvest year has been paid for in January. As a result, and based on current corn prices and exchange rates[1], we currently anticipate that this will drive a net cash outflow in the final quarter of the financial year and that net debt will revert to levels similar to those reported at 30 September 2010.

1. At 28 January 2011 the corn price was US$6.40 per bushel and the £/US$ exchange rate 1.58.

CUSTOMER CONTRACTING

The 2011 calendar year pricing round in North America for the Bulk Ingredients business is now substantially complete. This pricing round has been conducted against the backdrop of significantly higher corn costs.

In North America, we achieved slightly higher margins on our annual fixed price corn sugar contracts despite corn price increases of more than 40%. However, some multi-year toll contracts, which had been struck against the backdrop of firmer ethanol margins and higher industry capacity utilisation, were renewed at slightly lower terms. Overall we expect average unit margins to be broadly similar calendar year-on-year. Bulk Ingredients sweetener volumes are likely to be marginally lower as we diversify some grind from corn sugars to Speciality Food Ingredients products.

In Europe, sugar prices, which typically set a ceiling on corn sugar selling prices, have not increased at the same pace as corn prices. We have shortened corn sugar contracts wherever possible to match the period over which we can cover corn costs to try to mitigate price volatility, an approach we have also taken for industrial starches. Starch margins have firmed in Europe because of tightened industry capacity, caused to some extent by the poor potato crop. Overall, for the remainder of the current financial year, we expect performance in Europe to be in line with expectations.

OUTLOOK

The Group's encouraging performance in the year to date continues to underpin our confidence that we will make progress in the full financial year.

END

A conference call will be held today at 8.00am GMT, hosted by Javed Ahmed, Chief Executive and Tim Lodge, Chief Financial Officer. Participants are requested to dial in at least 5 minutes before the commencement of the call. Dial in details are as follows:

Participant dial in number: +44 (0) 1452 555 566
Conference ID: 40392458
Replay dial in number: +44 (0) 1452 55 00 00
Replay passcode: 40392458#

A replay of this call will be available from two hours after the end of the live call until 7 February 2011.

For more information contact Tate & Lyle PLC:

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