28 January 2009 – Tate & Lyle PLC

INTERIM MANAGEMENT STATEMENT

Tate & Lyle PLC issues the following management statement covering the period from 1 October 2008 to 31 December 2008.

OVERVIEW

The 2009 calendar year sweetener pricing round in the US has concluded satisfactorily, with price increases anticipated to recover higher net corn costs.

The global economy has continued to deteriorate since we reported our Interim Results on 6 November 2008, particularly in the US where results at our US Ingredients business were held back by significant customer de-stocking in November and December. Reductions in US gasoline consumption, together with a higher relative fall in the oil price than the corn price, also impacted ethanol demand and margins.

Results at our European Ingredients, Sugars and Sucralose businesses were together broadly in line with our expectations.

Significant movements in foreign exchange rates benefited the translation of profits earned in foreign currencies, but also had an adverse direct and indirect impact on our export markets.

In the first weeks of January 2009 we have seen signs that customer de-stocking may be coming to an end. However, orders remain at lower levels than in the first half of the financial year and we now expect the outturn for the Group's continuing operations in the year to 31 March 2009 to be broadly in line with the lower end of market expectations, which approximates to the outturn for the prior year. (notes 1 and 2)

Our focus on the food sector gives us a measure of resilience, although not immunity, to the current conditions in the global economy. We are a well-financed business and are confident of our ability to deliver positive cash flows and weather the prevailing economic storms.

TRADING PERFORMANCE

In the **Food & Industrial Ingredients, Americas** division, the difficult economic conditions led to significant de-stocking by customers, although in the first weeks of January 2009 we have seen signs that this de-stocking may now be coming to an end. As expected, costs were higher as we incurred additional costs in commissioning patented new technology at the Loudon, Tennessee corn wet mill. The strong US dollar, while benefiting the translation of profit into sterling, directly and indirectly affected demand. Exports of HFCS into Mexico became less competitive against local sugar as a result of the Mexican peso's devaluation of around 30%. In addition to reduced local demand, exports from the US paper industry, which is the main customer for our industrial starches, reduced as the strong US dollar undermined its competitiveness in the global market.

Oil prices fell from their highs of the summer, leading to much lower ethanol prices. Corn prices also fell but not to the same relative extent, resulting in low ethanol contribution margins, even for wet mill producers. With a number of dry mill ethanol producers operating within Chapter 11 bankruptcy, and reduced consumption of US gasoline, ethanol margins are likely to remain under pressure in the short term. Looking forward, ethanol margins should be supported by the Renewable Fuel Standard.

Energy prices are hedged in advance and there will be minimal impact from lower fuel costs in the remainder of the financial year.

At our Loudon, Tennessee plant, the second tranche of equipment required to meet design capacity will shortly be installed. During installation we will also take the opportunity to re-engineer the plant's manufacturing footprint to provide additional flexibility to swing capacity between key product lines. This is one of several initiatives to increase our operational flexibility in response to the current economic climate. The new corn wet mill in Fort Dodge, Iowa will be substantially complete by the end of March 2009.

Lower net corn costs benefited **Food & Industrial Ingredients, Europe**. There was good demand for food ingredients and HFCS (isoglucose) but there was reduced demand for industrial starches for use in paper and board. The Food Systems business continued to perform in line with our expectations.

Energy costs were higher at our corn wet mills. The interrupted gas supply from Russia affected our Central and Eastern EU plants during January. However, there was no major disruption in supplying our customers' needs and the profit impact was not material.

The small HFCS quota in the Netherlands was surrendered on 1 October 2008 and restructuring aid of €7 million (£5 million) was booked as operating profit during the period.

Within the **Sugars** division, our EU sugar refineries benefited from the lower institutional raw sugar prices from 1 October 2008, which reduced as part of the reform of the EU sugar regime. The market, particularly UK retail, remains extremely competitive, and the profit improvement until the next institutional price change on October 1 2009 is expected to be small. The construction of the new biomass boiler, which is able to replace up to 70% of current gas consumption at the UK refinery, is nearing completion on time and will be commissioned in the new financial year. In addition to the benefits of generating energy from biomass, falling gas prices will also reduce costs once current contracts expire. Molasses has continued its strong performance.

Sucralose volumes increased by 6% over the comparative period in the prior year. Sales values were lower in constant currency, but margins remained stable. Although the rate of innovation by our customers has been variable, the number of new product launches increased over the comparative period. We are also encouraged by progress in improving manufacturing yields as we implement process developments identified at our pilot plant. Our petition to appeal the preliminary, non-binding decision in our International Trade Commission (ITC) litigation against a number of Chinese manufacturers and distributors concerning alleged infringement of certain of our patents was accepted. The ITC indicated that it would now publish its binding decision on 23 February 2009, a postponement from the previous indication of publication on 21 January 2009.

Central costs decreased as we benefited from last year's management reorganisation and other cost reductions. There was an improved performance at our captive reinsurance company.

DEBT

Net debt at 31 December 2008 was £1,530 million. The effect of exchange translation since 30 September 2008 was to increase reported net debt by £267 million and accounted for much of the £402 million increase over the period. There were higher variation margin calls in respect of corn positions for contracted business, primarily in the US, which accounted for the majority of the operational outflow in the period.

Undrawn committed bank facilities were US$437 million (£300 million) at 31 December 2008 and, in addition, the Group's cash resources totalled £281 million. Since September 2008 we have arranged a further committed bank facility of US$45 million and various other facilities to manage working capital movements, in particular to mitigate partially the impact of corn price fluctuations. Average gross debt maturity at 31 December 2008 was 4.7 years and the first major refinancing will be the US$300 million 144A bond maturing in June 2011.

Based on current corn prices we expect our net debt at 31 March 2009 to be similar to the net debt at 31 March 2008 once it has been adjusted for movements in exchange rates. (note 3)

We had set a target for capital expenditure of a maximum of 1.25 times the depreciation charge from the end of the current financial year when the current major capital projects will have been completed. Following a review of our short term capital plans, we now expect capital expenditure to be a maximum of 1.0 times the depreciation charge for the year ending 31 March 2010.

OUTLOOK

The persistent economic downturn and its uncertain impact on customer demand continues to make any comment about the outlook difficult.

We are pleased that, against the backdrop of a volatile and challenging market, we have been able to complete the annual sweetener pricing round in the US satisfactorily. Since the beginning of the 2009 calendar year we have seen signs that the significant customer de-stocking which occurred in November and December may be coming to an end.

Our short term focus is on the active management of our cost base and on maximising cash flow. We are making good progress in both these areas. Based on current corn prices we expect our net debt at 31 March 2009 to be similar to the net debt at 31 March 2008 once it has been adjusted for movements in exchange rates. (note 3)

Overall, based upon our current expectations for market conditions in the final quarter of the year and with the currency benefit of the strengthening US dollar, we now expect the outturn for the Group's continuing operations in the year to 31 March 2009 to be broadly in line with the lower end of market expectations, which approximates to the outturn for the prior year. (notes 1 & 2)

Our focus on the food sector gives us a measure of resilience, although not immunity, to the current conditions in the global economy. We are a well-financed business and are confident of our ability to deliver positive cash flows and weather the prevailing economic storms.

Note 1: for any comments on profits for the year to 31 March 2009, it has been assumed that the period end and average exchange rates for the last quarter of the year ending 31 March 2009 are £1 = US$1.45 = €1.1.

Note 2: The profit before tax for the continuing operations, adjusted to exclude exceptional items and amortisation of acquired intangible assets for the year ended 31 March 2008 and restated to exclude the results of international sugar trading, whose disposal was announced on 2 July 2008, was £253 million.

Note 3: the reported net debt of £1,041 million at 31 March 2008, re-translated at the year-end exchange rates at 31 March 2009 assumed above, would have been approximately £1,400 million.

END

A conference call will be held today at 8.00am UK time, hosted by Iain Ferguson, Chief Executive and Tim Lodge, Group Finance Director. 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 (UK freephone 0800 694 0257)
Conference ID: 82240086

A replay of this call will be available from two hours after the end of the live call, for 7 days until 3 February 2008.

Replay dial in number: +44 (0) 1452 55 00 00 (UK freephone 0800 953 1533)
Replay passcode: 82240086#

For more information contact Tate & Lyle PLC:

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About Tate & Lyle:
Tate & Lyle is a world leading manufacturer of renewable food and industrial ingredients. It uses innovative technology to transform corn 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® 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 50 production facilities throughout Europe, the Americas and South East Asia. In the year to 31 March 2007, it employed 6,488 people in its subsidiaries and joint ventures, and sales totalled £3.4 billion. Additional information can be found on http://www.tateandlyle.com.

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