

**28 July 2011 – Tate & Lyle PLC**

**Chairman's Annual General Meeting and Interim Management Statement**

This Interim Management Statement covers the period from 1 April 2011 to 30 June 2011, which is the first quarter of the financial year. At the Annual General Meeting of Tate & Lyle PLC, to be held in London today, Sir Peter Gershon, Chairman, will make the following statement:

**INTERIM MANAGEMENT STATEMENT**

**OPERATING PERFORMANCE – CONTINUING OPERATIONS**

The Group has made an encouraging start to the financial year, with a solid operational performance assisted by strong co-product returns, which were partially offset by the impact of currency movements on the translation of profits.

In our Speciality Food Ingredients division, overall volumes grew over the first quarter of the previous financial year, driven by solid demand for our corn-based speciality sweeteners and SPLENDA<sup>®</sup> Sucralose. Our plans to re-open the SPLENDA<sup>®</sup> Sucralose facility in McIntosh, Alabama are proceeding in line with expectations. In Food Systems we saw a continuation of tough trading conditions, particularly in Russia, and expect these to continue for the remainder of the year.

Within Bulk Ingredients, demand for liquid sweeteners remained firm in both the Americas and in Europe. In Europe, as anticipated, starch margins benefited from increased prices for industrial starches, although they were largely offset by sweetener margins which were lower because of higher raw material costs. Citric acid sales were lower than expected in a more competitive market, which we expect to continue for the remainder of the year.

In the first quarter, co-product returns benefited from higher market prices and we locked in sales further forward than usual to take advantage of strong demand. We still anticipate more normal co-product returns for the remainder of the year, especially when compared with the strong co-product performance in the second half of last financial year. Movements in co-products primarily affect the Bulk Ingredients division.

**DEBT MANAGEMENT AND BALANCE SHEET**

The Group's financial position has continued to strengthen.

Net debt of £454 million at 30 June 2011 has reduced from £464 million at 31 March 2011. The impact of exchange translation on reported net debt in the quarter was negligible. During June, at their maturity, we redeemed the US\$300 million bonds from our own funds.

The triennial valuation of the main UK pension scheme as at 31 March 2010 was concluded with a funding deficit of £88 million. Following the sale of the main UK sugar and molasses assets in the last financial year, we will pay £45 million cash into the

scheme in the year ending 31 March 2012. The balance of the deficit will be paid at an annual rate of £12 million thereafter.

Following the quarter end, we concluded the refinancing of the Group's US\$1 billion revolving credit facility with a new, US\$800 million five year committed revolving credit facility.

On July 15, Standard & Poor's upgraded Tate & Lyle's credit rating to "BBB/A-2 (stable outlook)" from "BBB-/A-3 (stable outlook)".

## **G.C.HAHN & CO**

In June, the former owner of G.C. Hahn & Co, which makes up the majority of our Food Systems operations in Europe, exercised their option to sell their remaining 5% shareholding to Tate & Lyle for a total cost of €8 million. As a result, Tate & Lyle now owns 100% of this company.

## **OUTLOOK**

We expect the current demand patterns for our main products in both Speciality Ingredients and Bulk Ingredients to continue. As planned, we are starting to diversify some US grind from Bulk Ingredients to Speciality Food Ingredients. Bulk sweetener volumes in the US are therefore expected to be slightly lower for the full year.

Overall, our expectations for the full year remain unchanged and we continue to anticipate another year of profitable growth.

## **END**

A conference call will be held today at 7:30am BST, 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: 83482849  
Replay dial in number: +44 (0) 1452 55 00 00  
Replay passcode: 83482849#

A replay of this call will be available from two hours after the end of the live call for 7 days until 3 August 2011.

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

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