

27 September 2012 - Tate & Lyle PLC

Trading Update

Tate & Lyle issues the following trading update for the six months ending 30 September 2012 ahead of the announcement of Half Year Results on Thursday 8 November 2012.

OPERATING PERFORMANCE - CONTINUING OPERATIONS

Overall, we expect to report adjusted operating profit for the Group for the first half in line with our expectations and the prior year period, which benefited from an exceptionally strong performance from co-products.

In Speciality Food Ingredients, we saw an improved performance in the second quarter. Volume growth for the first half is expected to be in line with the market and sales ahead of the prior year period with solid growth in the US and emerging markets offsetting a weaker performance in Europe. We have seen good growth in Sucralose volumes in the second quarter, although overall volumes in the first half are expected to be lower than the comparative period (which included an unusually large volume from customers' new product launches) primarily due to the more difficult market conditions in Europe. This, together with the impact of the strike in Turkey and the previously announced step change in fixed costs associated with our business transformation initiatives¹, will result in first half operating profit in this division being lower than the prior year period.

Within Bulk Ingredients, operating profit is expected to be ahead of the comparative period with a strong performance from liquid sweeteners in both the US and Europe more than offsetting ongoing challenging market conditions in US ethanol. Income from co-products returned to more normal levels during the period.

While US corn prices have eased slightly since publication of the USDA's latest supply and demand estimates on 12 September 2012, prices remain high as a result of tight market conditions and continued uncertainty about the size and quality of this year's harvest following the severe drought in the mid-west. European corn prices have followed a similar pattern to the US.

DEBT MANAGEMENT

During the last quarter, we paid the £83 million final dividend for the year ended 31 March 2012 and received £15 million in net proceeds following completion of

¹ Restart of the McIntosh facility; investment in global shared services and IS/IT system; development of Commercial and Food Innovation Centre in Chicago

the disposal of our share in Sucromiles, our former Colombian citric-acid joint venture.

OUTLOOK

In Speciality Food Ingredients, while we expect continued challenging market conditions in Europe, overall we expect to achieve steady volume growth across all major product categories and solid sales growth for the full year.

In Bulk Ingredients, we expect the firm demand for liquid sweeteners in the US to continue and demand in our other food markets to remain stable. In Europe, higher corn prices are expected to reduce isoglucose margins in the second half. Market conditions in US ethanol are expected to remain challenging.

As usual, the outcome of the 2013 calendar year sweetener pricing rounds will influence performance in the final quarter of the financial year.

Overall, while recognising the current level of uncertainty around the wider economy and volatile corn markets, we continue to expect to make progress this financial year.

END

A conference call will be held today at 8:00am BST, hosted by Javed Ahmed, Chief Executive and Tim Lodge, Chief Financial Officer. Participants are requested to dial in at least 10 minutes before the commencement of the call. Dial in details are as follows:

Participant dial in number: UK +44 (0) 1452 555 566 / US +1 631 510 7498

Conference ID: 34175292

Replay dial in number: UK +44 (0) 1452 55 00 00 / US +1 866 247 4222

Replay passcode: 34175292#

A replay of this call will be available from four hours after the end of the live call for 14 days until 11 October 2012.

For more information contact Tate & Lyle PLC:

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