

## **30 September 2010 – Tate & Lyle PLC**

### **Trading Update**

Tate & Lyle issues the following trading update for the six months ending 30 September 2010 ahead of the announcement of the Half Year Results on Thursday 4 November 2010.

Javed Ahmed, Chief Executive, said: “The encouraging start to the year has continued in the second quarter, particularly within Speciality Food Ingredients, with good operational performance and solid demand in a number of our markets. This underpins our confidence that we will make progress in the full financial year.”

### **OPERATING PERFORMANCE – CONTINUING OPERATIONS**

In Speciality Food Ingredients, growth in speciality sweeteners and starches remained steady. Sucralose volume growth was robust albeit, as expected, at lower average selling prices. Our single plant Sucralose manufacturing base continues to deliver substantial cost efficiencies.

Within Bulk Ingredients, corn sweetener volumes benefited from a continuation of the firm demand patterns for HFCS in Mexico and good demand over the summer in both the US and Europe. Industrial starch volumes in both the Americas and Europe were ahead of the prior year, although margins continued to be weak. Ethanol margins improved slightly in the second quarter, although the market remained under pressure.

### **CORN PRICES**

Corn prices across the US and Europe have risen through the summer. In the US, where we fully hedge the gross cost of corn for use in each sales contract, higher associated co-product prices delivered a benefit in the quarter. In Europe, where hedging options are more limited, while we benefited from higher co-product prices during the first half of the year, higher corn prices are expected to have a modest impact on profitability on current contracts during the final quarter of the 2010 calendar year.

### **SUGARS – DISCONTINUED OPERATIONS**

We are completing today on the sale of our EU Sugar Refining operations for a cash consideration of £211 million after initial working capital adjustments. The proceeds are subject to working capital finalisation and completion on the related sales of two small minority shareholdings in Italy and Laos. The disposal processes of the remaining businesses within our Sugars division, principally Molasses and Vietnamese Sugar, are progressing well.

## **DEBT MANAGEMENT**

We expect to report further underlying net debt reduction in the second quarter despite anticipated higher grain inventories at the end of September as a result of the earlier harvest in the US. We paid £46 million in respect of the final dividend for the year ended 31 March 2010 in July.

Reported net debt will reduce further following today's receipt of the proceeds from the disposal of our EU Sugar Refining operations.

## **OUTLOOK**

In Speciality Food Ingredients, we expect a continuation of the growth patterns experienced during the first half of the year.

In Bulk Ingredients, we expect the firm demand for corn sweeteners into Mexico to continue alongside the modest ongoing decline in US domestic demand, subject to normal seasonal patterns, and stable demand in our other food markets. As usual, the outcome of the 2011 calendar year sweetener pricing rounds will influence performance in the final quarter of the financial year. Despite some improvement in demand, the industrial starch markets remain under pressure.

The encouraging first half performance underpins our confidence that we will make progress in the full financial year.

**END**

### **Notes to Editor:**

1. 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 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: 12985616

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

Replay passcode: 12985616#

A replay of this call will be available from two hours after the end of the live call for 7 days until 6 October 2010.

2. We have published today on our website [www.tateandlyle.com](http://www.tateandlyle.com) Group income statements for the six months ending 30 September 2009 and for the year ending 31 March 2010 reflecting the reclassification of the Sugars division within discontinued operations.

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

Chris McLeish, Group VP, Investor and Media Relations  
Tel: +44 (0) 20 7977 6211 or Mobile: +44 (0) 7919 102 730

William Baldwin-Charles, Head of Media Relations  
Tel: +44 (0) 20 7977 6165 or Mobile: +44 (0) 7810 151 425

**About Tate & Lyle:**

Tate & Lyle is a global provider of ingredients and solutions to the food, beverage and other industries, operating from more than 45 production facilities around the world. Through our large-scale, efficient manufacturing plants, we turn raw materials into distinctive, high quality ingredients for our customers. Our ingredients and solutions add taste, texture, nutrition and increased functionality to products that millions of people around the world use or consume every day.

Tate & Lyle's range of leading branded food ingredients includes SLENDA® Sucralose, PROMITOR™ Dietary Fiber and STA-LITE® Polydextrose. Tate & Lyle also produces branded industrial ingredients including Bio-PDO™, Ethylex® and Sta-Lok® paper starches; and staple ingredients such as high fructose corn syrup, ethanol, citric acid and basic starches. In addition to providing a wide range of ingredients our Innovation and Commercial Development Group supports customers by providing product development, technical advice and proprietary consumer insight studies.

Tate & Lyle is listed on the London Stock Exchange under the symbol TATE.L. American Depositary Receipts trade under TATYY. In the year to 31 March 2010, Tate & Lyle employed 5,666 people in its subsidiaries and joint ventures, and sales totalled £3.6 billion. <http://www.tateandlyle.com>.

SLENDA® is a trademark of McNeil Nutritionals, LLC