21 April 2015 – Tate & Lyle PLC

TATE & LYLE ANNOUNCES MAJOR BUSINESS RE-ALIGNMENT TO FURTHER FOCUS ON AND STRENGTHEN SPECIALITY FOOD INGREDIENTS

Tate & Lyle PLC (Tate & Lyle) announces the exit from the substantial part of its European Bulk Ingredients business and the re-structuring of its SPLENDA® Sucralose business to further focus on and strengthen Speciality Food Ingredients.

KEY HIGHLIGHTS

1. Re-alignment of Eaststarch European joint venture

- Tate & Lyle signs an agreement with ADM to re-align their Eaststarch corn wet milling joint venture in Europe. Under the re-alignment, Tate & Lyle will:
  - Strengthen its Speciality Food Ingredients business by acquiring full ownership of the more speciality-focused plant in Slovakia
  - Substantially reduce its European Bulk Ingredients footprint by exiting the predominantly Bulk Ingredients plants in Bulgaria, Turkey and Hungary
  - Receive €240 million in cash on completion of the transaction
- As a result of the re-alignment:
  - Tate & Lyle will substantially exit from bulk sweeteners in Europe for good value and before a decision on potential future capital investment is required arising from the reform of the EU Sugar Regime in 2017
  - Proportion of Group adjusted operating profit from Speciality Food Ingredients will increase from 50% to around 55%, and in Europe will effectively become all of the profit

2. Re-focus and re-structure SPLENDA® Sucralose to maximise returns

- SPLENDA® Sucralose business to pursue a rigorous value-based strategy
- Future cost base to be materially lower by consolidating all SPLENDA® Sucralose production into our facility in Alabama, US and closing the Singapore facility in Spring 2016
- SPLENDA® Sucralose business is expected to be around breakeven in the year ending 31 March 2016 and to return to modest profitability in the year ending 31 March 2017
- Positions SPLENDA® Sucralose as a more focused, low-cost and sustainable business

3. Overall financial impact of Eaststarch re-alignment and sucralose re-structuring

- Receipt of €240 million in cash on completion of the transaction, expected in the summer
- The financial impact on the Group's results of the Eaststarch re-alignment is as follows:
  - Had the transaction taken effect from 1 April 2014, a reduction of £32 million in Group adjusted operating profit in the year ended 31 March 2015
  - Depending on the timing of completion and final transition arrangements, a somewhat lower impact on Group earnings in the year ending 31 March 2016
  - Earnings dilution from the start of the year ending 31 March 2017 of around 3p per share
- Net exceptional items of around £125 million representing a profit on disposal of around £60 million, and exceptional charges of around £185 million (up to £65 million is cash)

4. Dividend

- The Board recognises the importance of dividends to shareholders and remains committed to the dividend policy it implemented in 2009. Underpinned by the confidence it has in the strategy of the business, the Board intends to recommend an unchanged final dividend for the year ended 31 March 2015 of 19.8p to make a total for the year of 28.0p, an increase of 1.4%. Further, the Board intends to maintain the total dividend payment at 28.0p for the year ending 31 March 2016.

Javed Ahmed, Chief Executive, Tate & Lyle said:

"By re-aligning the Eaststarch joint venture we will focus in Europe on Speciality Food Ingredients, and our Bulk Ingredients will become a predominantly North American business with strong market positions and efficient, scale assets.

"We are re-structuring SPLENDA® Sucralose as a more sustainable business. Our broader Speciality Food Ingredients business has an expanding global footprint and a steady flow of new products targeted at the higher growth health and wellness space, and is well-positioned for future growth.

"Overall, the actions announced today streamline and further focus Tate & Lyle as it continues to transition to a global Speciality Food Ingredients business supported by cash generation from Bulk Ingredients."

RE-ALIGNMENT OF EASTSTARCH EUROPEAN JOINT VENTURE

Tate & Lyle and Archer Daniels Midland Company (ADM) have signed an agreement to re-align Eaststarch C.V. (Eaststarch), their joint venture corn wet milling business in Europe in which each owns a 50% equity share. Eaststarch was formed in 1992 and owns and operates three corn wet mills located in Slovakia, Bulgaria and Turkey, and has a 50% equity share in Europe's largest corn wet mill in Hungary. Eaststarch produces a range of products, predominantly bulk ingredients, which are sold to a number of multinational and regional food and industrial customers. Under the terms of the agreement, Tate & Lyle will:

- Strengthen its Speciality Food Ingredients business by acquiring full ownership of the more speciality-focused plant in Slovakia
- Substantially reduce its European Bulk Ingredients footprint by exiting the predominantly Bulk Ingredients plants in Bulgaria, Turkey and Hungary
- Receive a cash sum of €240 million at closing, subject to customary closing adjustments, including for net cash and working capital, and an additional payment of up to €20 million in 2019 conditional on future corn and sugar pricing
- Continue to supply its European customers with crystalline fructose, a speciality sweetener, by being appointed as distributor for crystalline fructose produced from the plant in Turkey under a long-term agreement
- Focus its European business on Speciality Food Ingredients by appointing ADM as exclusive agent for Bulk Ingredients produced from the plant in Slovakia and Tate & Lyle's wholly-owned corn wet mill in The Netherlands under a long-term agreement.

Completion is conditional upon regulatory clearances which are expected in the summer. Net cash proceeds from this agreement to be received by Tate & Lyle will be retained to provide flexibility to invest for growth in Speciality Food Ingredients.

In the year ended 31 March 2014, Eaststarch had adjusted operating profit of £107 million and gross assets of £518 million of which the Group has a 50% share. Due to lower EU sugar prices, the results of Eaststarch for the year ended 31 March 2015 are expected to be around 23% lower at about £83 million.

Had the transaction taken effect from 1 April 2014, Group adjusted operating profit in the year ended 31 March 2015 would have been reduced by £32 million and diluted earnings per share would have been reduced by around 5.5 pence. Depending on the timing of completion of the transaction and the final transition arrangements, we anticipate the reduction on Group earnings will be somewhat lower in the year ending 31 March 2016. We anticipate that, following the impact of re-structuring the European operations, from the start of the year ending 31 March 2017 the dilution in earnings as a result of the transaction will be around 3 pence per share.

As part of the Group's full-year results communication on 28 May 2015, we will provide pro-forma financial information illustrating the impact of the transaction on our reported Group financial results for the year ended 31 March 2015.

The reform of the EU Sugar Regime in October 2017 brings with it the potential need for capital investment in bulk sweeteners. Tate & Lyle's strategy since 2010 has been to invest for growth in Speciality Food Ingredients and, therefore, the re-alignment of the joint venture at this time enables Tate & Lyle to realise good value from its Bulk Ingredients' assets before a decision on capital investment is required.

Further information on the financial impact is set out in the 'Exceptional Items' section below.

RE-FOCUSING AND RE-STRUCTURING SPLENDA® SUCRALOSE TO MAXIMISE RETURNS

In the past 18 months, industry economics for sucralose have changed significantly and, against this backdrop, we have undertaken a detailed analysis of our SPLENDA® Sucralose business to evaluate how to maximise returns.

Demand for sucralose remains strong driven largely by consumer desire for more calorie-reduced food and drink, and by the superior taste and functionality that sucralose delivers. However, a substantial increase in capacity in the market, particularly over the past two years, which is now well in excess of demand, has driven a significant change in industry behaviour and economics, and we do not expect this to change materially in the medium term.

To maximise returns in a competitive market, we have decided to re-focus the SPLENDA® Sucralose business in two ways. Firstly, we will take a rigorous valued-based approach to securing volume by focusing on the areas where we see value with customers who fully value the benefits of our SPLENDA® Sucralose product including quality, provenance, food safety and responsible manufacturing and environmental practices. Secondly, we will materially lower the manufacturing cost base of the business by consolidating all production into our facility in the US, and closing the Singapore facility which will not be cost competitive going forward. These actions will position SPLENDA® Sucralose as a more focused, low-cost and sustainable business.

From Spring 2016, all production of SPLENDA® Sucralose will be consolidated into our facility in McIntosh, Alabama, US. Over the next 12 months there will be a phased transfer of production from Singapore to McIntosh, after which the Singapore facility will be closed permanently. The McIntosh facility operating at a higher scale and utilisation level than it does currently will provide a materially lower-cost manufacturing position from which to operate.

We expect to invest around £18 million to consolidate production in McIntosh. This mainly relates to the transfer of equipment from Singapore to McIntosh, and for additional equipment at McIntosh to produce all our SPLENDA® Sucralose product forms. When the transfer is complete in Spring 2016, McIntosh will be capable of supplying our customers' existing and ongoing needs. McIntosh and Singapore both use the same process and manufacture to the same specification and, therefore, our product quality and service to customers will not be impacted.

The Singapore facility has played an important role in establishing the prominent position of SPLENDA® Sucralose in the global high intensity sweetener market. However, the combined effect of lower market pricing and higher energy and other production costs at the location, has led us to conclude that the Singapore facility will not be cost competitive going forward. Singapore remains the location for our Regional Head Office and Applications Centre for Asia Pacific, and a key hub for the future development of our Speciality Food Ingredients business in the region.

In the year ended 31 March 2014, adjusted operating profit for SPLENDA® Sucralose was £62 million. As a result of the significantly changed industry economics over the past 18 months, profits are expected to fall by 75% to around £16 million in the year ended 31 March 2015. We continue to anticipate further price erosion in the year ending 31 March 2016. As a result, we expect this business will be around breakeven in the year ending 31 March 2016 with some anticipated transition costs offsetting a lower depreciation charge. Looking further ahead, in our 2017 financial year, we expect this business to return to modest profitability.

We intend to disclose the headline financial performance of SPLENDA® Sucralose in our results announcement for the year ended 31 March 2015 on 28 May 2015, and to continue with this disclosure thereafter.

SPLENDA® Sucralose is an integral ingredient in many of our customers' products, and sucralose continues to be the most incorporated high intensity sweetener in new product launches globally. The fundamental changes we are making to how we approach the market and our manufacturing footprint will position SPLENDA® Sucralose as a more focused, low-cost and sustainable business.

EXCEPTIONAL ITEMS RELATING TO THE BUSINESS RE-ALIGNMENT

The re-structuring of the European Bulk Ingredients business is expected to give rise to a pre-tax exceptional profit on disposal of approximately £60 million subject to exchange rate movements and the timing of completion.

In total, exceptional charges of around £185 million will be recognised. These include charges of around £120 million to be recognised in the year ended 31 March 2015, and a further exceptional charge to be recognised in the year ending 31 March 2016 of around £65 million. These exceptional charges consist of:

- An exceptional charge of around £165 million for the re-structuring of the SPLENDA® Sucralose business. This consists of around £115 million for the impairment of the full carrying value of the Singapore facility to be recognised in the year ended 31 March 2015, and anticipated cash closure costs of up to £50 million to be recognised in the year ending 31 March 2016.

- An exceptional charge of up to £20 million in relation to the re-structuring of our European operations to be predominantly recognised in the year ending 31 March 2016. This consists of up to £15 million of anticipated exceptional cash costs and around £5 million of non-cash items.

DIVIDEND

The Board recognises the importance of dividends to shareholders and remains committed to the dividend policy it implemented in 2009. Underpinned by the confidence it has in the strategy of the business, the Board intends to recommend an unchanged final dividend for the year ended 31 March 2015 of 19.8p to make a total for the year of 28.0p, an increase of 1.4%. Further, the Board intends to maintain the total dividend payment at 28.0p for the year ending 31 March 2016.

END

Conference call and webcast:

Chief Executive, Javed Ahmed, and Chief Financial Officer, Nick Hampton, will host an audio webcast presentation on 21 April 2015 at 8am BST in relation to the release. Should you wish to register for the webcast, please use the following link: http://view-w.tv/p/797-1031-15695/en. This will also give you access to the presentation slides.

Please note that there is no facility to ask questions if solely viewing the presentation through the webcast. To have the option of asking questions at the end of the presentation, please dial in to the conference call facility.

Dial in details are as follows:

Standard International Access: +44 (0) 20 3003 2666
Password: Tate & Lyle

The archived webcast will also be available on our website within 2 hours after the conclusion of the live event.

For more information contact Tate & Lyle PLC:

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About Tate & Lyle:

Tate & Lyle is a global provider of ingredients and solutions to the food, beverage and other industries, with operations in over 30 locations worldwide.

Tate & Lyle operates through two global divisions, Speciality Food Ingredients and Bulk Ingredients, supported by our Innovation and Commercial Development and Global Operations groups. The Group's strategy is to become a leading global provider of Speciality Food Ingredients through a disciplined focus on growth, and by driving Bulk Ingredients for sustained cash generation to fuel this growth.

Speciality Food Ingredients consists of three platforms: Texturants, which includes speciality starches and stabilisers; Sweeteners, which comprises nutritive sweeteners and our range of no-calorie sweeteners including SPLENDA® Sucralose; and our Health and Wellness portfolio which includes speciality fibres and our salt-reduction offering. Additionally, our Food Systems business provides a wide variety of blended ingredient solutions.

Tate & Lyle Bulk Ingredients includes bulk sweeteners, industrial starches and fermentation products (primarily acidulants). Corn co-products from both divisions are primarily sold as animal feed.

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 2014, Tate & Lyle sales totalled £3.1 billion. For more information, please visit http://www.tateandlyle.com.

SPLENDA® is a trademark of McNeil Nutritionals, LLC.