18 September 2008 – Tate & Lyle PLC

TRADING UPDATE

Tate & Lyle issues the following trading update for the six months ending 30 September 2008 ahead of the announcement of the interim results on Thursday, 6 November 2008. In light of the Board change announced earlier today, we have brought forward this update by a few days.

Iain Ferguson, Chief Executive, said: "The Group continues to trade satisfactorily. We expect profits from the Group's continuing operations in the first half year to be broadly in line with the corresponding period in the prior year and our own expectations."

TRADING UPDATE FOR THE SIX MONTHS TO 30 SEPTEMBER 2008

At our Food & Industrial Ingredients, Americas division, we continue to expect profits to be in line with our expectations at the time of the July Interim Management Statement. Value added food and industrial ingredients again performed well achieving both volume and margin gains. We benefited from the expansion of our Sagamore, Indiana value added plant. Liquid sweeteners continued to benefit from the modest margin improvements achieved in the 2008 calendar year pricing round.

As stated in July, we are incurring some additional costs in commissioning patented new technology at the Loudon, Tennessee corn wet mill. As we ramp-up our increased capacity, we are pleased with the cost improvements demonstrated by this new technology, which will have long-term economic and environmental benefits for this plant. Achieving full output, however, is taking longer than anticipated and the plant is currently running at 75% of targeted capacity. Some additional equipment has been ordered which, when installed in October 2008 and March 2009, should lead to output levels reaching 85% during the third quarter and 100% by the end of the financial year, respectively. The profit impact in the first half year is expected to be £15 million, which has been largely offset by improved profits elsewhere, particularly in by-product returns. At current corn prices, a further £10 million to £15 million of profit impact is expected during the second half of the financial year.

Construction of the new corn wet mill in Fort Dodge, Iowa is progressing satisfactorily and the experience we have gained in working with the new technology at Loudon increases our confidence that this new plant will meet its targets.

The corn price has fallen to below US$5.50 per bushel from highs in June of almost US$8 per bushel, but it is still around a third higher than this time last year. It remains volatile given recent weather conditions in the USA. Current corn prices have improved industry fundamentals for the forthcoming US 2009 calendar year sweetener pricing round, although this has reduced the overall improvement in by-product returns that was captured in the first quarter.

At our Food & Industrial Ingredients, Europe division, the corn wet milling operations benefited from improved co-product returns and falling corn costs, although the average net corn cost was higher than in the corresponding prior year period. The Food Systems businesses (Hahn and Cesalpinia) continued to perform well.

All EU sugar businesses, as widely reported, continue to operate in a very difficult market while surplus stock is absorbed against a backdrop of reducing institutional prices. Gas prices at our UK refinery have continued to be higher than expected. We remain confident that, during the second half of the year, market equilibrium between supply and demand for EU sugar will be restored, which should lead to progressively firmer refining margins. The molasses business is again performing strongly, experiencing strong demand from customers despite lower EU cereal prices.

Sucralose sales volume growth has continued to be strong and consistent with our longer-term capacity utilisation target. Sales values increased at a lower rate primarily due to changes in sales mix. As previously highlighted, the results will include the incremental impact of a first full six months of costs associated with the Singapore facility, which was commissioned in June 2007. Looking forward, there are indications that the current economic climate is having an impact on the number of FMCG product launches, particularly in the USA.

The preliminary non-binding decision by the administrative law judge in our patent infringement action in the US International Trade Commission (ITC) is expected on 22 September 2008, with the subsequent review and formal decision by the full ITC within four months of the judge's decision.

NET DEBT

Net debt at the end of August 2008 was £1,149 million compared with £1,041 million at 31 March 2008. The effect of movements in exchange rates since 31 March 2008 was to increase net debt by around £75 million.

OUTLOOK FOR THE YEAR TO 31 MARCH 2009

As we stated in July the general deterioration in global economic conditions coupled with the increased volatility in commodity prices, energy costs, and exchange rates make any statement about the outlook more than usually difficult. Nevertheless the Board is confident that the Group currently remains on track to make progress for the year as a whole. The adverse impact from the commissioning of new technology at Loudon should be largely offset by improved profits elsewhere and by beneficial exchange rate movements (note 1).

Note 1: we assume a £:US$ exchange rate of 1.85 in translating profits for the balance of the year

END

A conference call will be held today at 8.00am BST, hosted by Iain Ferguson, Chief Executive and Tim Lodge, Director of Investor Relations. 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 586 513 (UK freephone 0800 694 1503)
Conference ID: 65098256

Replay dial in number: +44 (0) 1452 550 000 (UK freephone 0800 953 1533)
Replay passcode: 65098256#

A replay of this call will be available from two hours after the end of the live call for 7 days until 24 September 2008.

For more information contact Tate & Lyle PLC:

Rowan Adams, Director of Corporate Affairs (Media)
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Tim Lodge, Director of Investor Relations
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About Tate & Lyle:

Tate & Lyle is a world-leading renewable food and industrial ingredients company, serving a global market from over 50 production facilities throughout the Americas, Europe and South East Asia. Our efficient, large-scale manufacturing plants turn agricultural products, corn and cane sugar, into valuable ingredients for our customers. These ingredients 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 SPLENDA® Sucralose, PROMITOR™ Dietary Fiber, STA-LITE® Polydextrose, Tate & Lyle Fairtrade Sugar and Lyle's Golden Syrup. Tate & Lyle also produces branded industrial ingredients including Bio-PDO™, Ethylex® and STA-Lock® paper starches; and staple ingredients such as high fructose corn syrup, sugar, ethanol, citric acid and basic starches. In addition to providing a wide range of ingredients our expert sales and product applications teams support customers by providing 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 2008, Tate & Lyle employed 6,488 people in its subsidiaries and joint ventures, and sales totalled £3.4 billion. http://www.tateandlyle.com. SPLENDA® is a trademark of McNeil Nutritionals, LLC