

Tate & Lyle PLC – 2 April 2009

TRADING STATEMENT ON ENTERING CLOSED PERIOD

In line with our usual practice, Tate & Lyle issues the following trading update for the year ended 31 March 2009 ahead of the announcement of the full year results on 28 May 2009.

SUMMARY

Profit before tax¹ for the year to 31 March 2009 is expected to be marginally below our previous guidance of an outturn approximate to that of the prior year. However the mix of profits has reduced the tax rate so earnings per share are expected to be broadly in line with market expectations.

Solid progress has been made on debt reduction. Net debt at 31 March 2009 was less than £1.25 billion, around £300 million less than at 31 December 2008, and more than £150 million lower than net debt at 31 March 2008 once it has been adjusted for the effects of movements in exchange rates.

TRADING PERFORMANCE FOR THE QUARTER ENDED 31 MARCH 2009

Results at **Food & Industrial Ingredients, Americas** improved over the previous quarter as orders from most food and beverage customers began to return towards more normal levels. However, demand for sweeteners and industrial starches remained weak. Ethanol margins and volumes continued to be under severe pressure. As anticipated, we completed a sale of land in Mexico and have taken £3 million to profit.

Food & Industrial Ingredients, Europe continued to perform well. The Single Ingredients business benefited from lower net corn costs, despite experiencing pressure on industrial starch volumes. The Food Systems business continued to trade in line with our expectations. Following the closure of the Greek factory, as anticipated we have taken £4 million Restructuring Aid to profit.

In the **Sugars** division, the UK retail market remained extremely competitive. We continue to be encouraged by the significant progress of the EU Sugar Regime reforms, which have now achieved the majority of the agreed target reduction in production quotas. However, the profit performance of the division until the next institutional price change on 1 October 2009 is expected to be modest.

Sucralose volumes and profits increased over the previous quarter although they were lower than a strong quarter in the comparative prior year period. We continue to be encouraged by the considerable progress we are making in improving manufacturing yields as we implement process developments

identified at our pilot plant. The International Trade Commission (ITC) has further postponed to 3 April 2009 the publication of its binding decision in relation to litigation against a number of Chinese manufacturers and distributors concerning alleged infringement of certain of our patents.

Exchange rates have been relatively stable in the quarter, and continued to benefit the translation of profits earned in foreign currencies when compared with the prior year.

FORT DODGE

Construction activities at the Fort Dodge, Iowa plant have been progressing satisfactorily and are nearly complete.

However, given the continuing short term severe pressure on ethanol margins and volumes, we have postponed final completion of the construction and start-up of the plant until market conditions improve. The situation will be kept under review. We continue to believe that the Renewable Fuels Standard underpins the long term viability of ethanol.

TAXATION

The effective tax rate for the continuing operations for the year to 31 March 2009 is now expected to fall below our expectations of 30.4% as stated at the half-year results and to be around 28%. This reduction is due to change in the geographic mix of profits, in particular the higher proportion of non-US earnings.

EXCEPTIONAL ITEMS

During March we received the first tranche of a cash settlement in respect of a dispute with the Mexican government over a tax on soft drinks containing HFCS between 2002 and 2006 and we expect to receive the second payment in the coming months. Our share of the total settlement is £10 million and this will be treated as an exceptional profit. At Food & Industrial Ingredients, Americas, we are in dispute with a supplier over the performance and suitability of certain equipment it has supplied. As a prudent measure, we expect to take a £24 million exceptional write-down relating to this issue in the year to 31 March 2009.

DISPOSAL OF INTERNATIONAL SUGAR TRADING

The disposal of the international sugar trading business to Bunge, announced on 2 July 2008, was completed as scheduled on 31 March 2009. At completion, Bunge took over the remaining working capital of the disposed business, resulting in a total cash inflow of US\$81 million (£56 million), subject to closing adjustments.

DEBT

Management remains focused on strong cash management and has taken a significant number of actions to reduce costs, optimise working capital and reduce capital expenditure.

We indicated in our Interim Management Statement on 28 January 2009 that we expected net debt at 31 March 2009 to be similar to the net debt at 31 March 2008 once it had been adjusted for movements in exchange rates. Solid progress has been made in the last quarter and net debt at 31 March 2009 was less than £1.25 billion. This is around £300 million less than at 31 December 2008, and more than £150 million lower than net debt at 31 March 2008 once it has been adjusted for the effects of movements in exchange rates.

Undrawn committed bank facilities were US\$752 million (£526 million) at 31 March 2009 and, in addition, the Group's cash resources were more than £350 million. Average gross debt maturity at 31 March 2009 was 4.9 years and the first major refinancing will be the US\$300 million 144A bond maturing in June 2011.

IAIN FERGUSON, CHIEF EXECUTIVE, COMMENTS:

"In the face of the economic downturn and its uncertain impact on customer demand, we continue to focus on matters under our control, in particular through the active management of our cost base and by maximising cash flow. Through these actions we have made solid progress in reducing our debt which at the end of the financial year was lower than our previous expectations. We remain a well-financed business and confident of our ability to deliver positive cash flows."

¹ Comments on profit before tax relate to the continuing operations and profit is adjusted to exclude exceptional items and amortisation of acquired intangible assets

END

A conference call will be held today at 8.00am UK time, hosted by Iain Ferguson, Chief Executive and Tim Lodge, Group Finance Director. Participants are requested to dial in at least five 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: 92937568

A replay of this call will be available from two hours after the end of the live call, for seven days until 8 April 2009.

Replay dial in number: +44 (0) 1452 55 00 00 (UK freephone 0800 953 1533)
Replay passcode: 92937568#

For more information contact Tate & Lyle PLC:

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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 include 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.

SPLENDA® is a trademark of McNeil Nutritionals, LLC