

4 October 2013 - Tate & Lyle PLC

Trading Update

Tate & Lyle issues the following trading update for the six months ended 30 September 2013 ahead of the announcement of Half Year Results on Thursday 7 November 2013.

OPERATING PERFORMANCE – CONTINUING OPERATIONS

The Group's performance in the second quarter was broadly in line with our expectations. Adjusted¹ operating profit for the Group for the first half is expected to be slightly lower than the comparative period, largely driven by softness in the US beverage sector as a result of the cold spring and slow start to the summer which has affected sweetener volumes in both divisions.

In Speciality Food Ingredients, volume growth is expected to be in line with the wider speciality food ingredients market with strong volume growth in emerging markets and Europe, partially offset by slightly lower volumes in the US. We saw strong demand for our texturant and fibre ingredients, particularly in Asia Pacific and Latin America, but softness in the US beverage sector held back volume growth across our higher margin speciality sweeteners. This, together with lower selling prices for SPLENDA[®] Sucralose, is expected to result in operating profit in this division being broadly in line with the prior year period in constant currency.

Within Bulk Ingredients, operating profit is expected to be somewhat lower than the comparative period driven by lower US bulk liquid sweetener volumes. During the second quarter, we largely mitigated the increased costs associated with poor end of season corn quality and resultant lower starch production yields, and the significant decrease in the corn price.

OUTLOOK

In Speciality Food Ingredients, we expect to deliver growth in volumes, sales and profits across all regions for the full year.

Within Bulk Ingredients, in North America we expect solid demand for liquid sweeteners and stable demand for our other products. In Europe, lower corn prices are expected to more than offset the impact of lower sugar prices on isoglucose margins. Consequently, we anticipate this division delivering a stronger performance during the second half than the same period last year, and full year profits to be more evenly distributed between the first and second half.

¹ Continuing operations: before exceptional items and amortisation of intangible assets acquired through business combinations

Our profits remain sensitive to fluctuations in foreign currency particularly the US dollar to sterling exchange rate. In addition, as usual, the outcome of the calendar year sweetener pricing rounds will influence performance in the final quarter of the financial year.

Overall, we expect to deliver another year of profitable growth.

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:

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

UK replay number: +44 (0)20 8196 1998
International replay numbers:
<http://www.meetingzone.com/en-GB/replaydialinnumbers.aspx>
Replay access PIN: 3480340

A replay of this call will be available after the end of the live call for 14 days until 17 October 2013.

For more information contact Tate & Lyle PLC:

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