

## Going to market

We provide customers in four key markets with quality services and ingredients made from corn or cane sugar, which impart functionality that is vital for our customers' products. Generating returns and growing our business requires carefully managing the product mix. This involves maintaining a high-volume, low-cost commodity base to help produce our higher-margin, value added ingredients and services.

### Food and beverage

The global food and beverage ingredient market is currently worth about US\$30 billion and historically has grown at a rate of around 3% each year. We count the vast majority of the world's top 100 food and beverage companies as our customers. Food and beverage is Tate & Lyle's largest market, comprising over 70% of the Group's total sales. Key drivers in this market are the need for convenience and an interest in healthy eating, as people live longer, busier lives. The development of emerging economies, like Brazil, India and China, has also fuelled growth in demand for food ingredients in recent years.

### Industrial

The global market for industrial ingredients has come under severe pressure as a result of the continuing global recession. However, over the longer term, industrial ingredients remain a potential area of growth for Tate & Lyle as the trend towards greener living and the replacement of petrochemicals stimulates demand for ingredients made from renewable sources. Traditional industrial markets for Tate & Lyle have included paper and board (starches), fuels (ethanol) and household goods (acidulants). New markets for us include oil-well drilling (biogums), textiles and plastics (Bio-PDO™).

### Animal feed

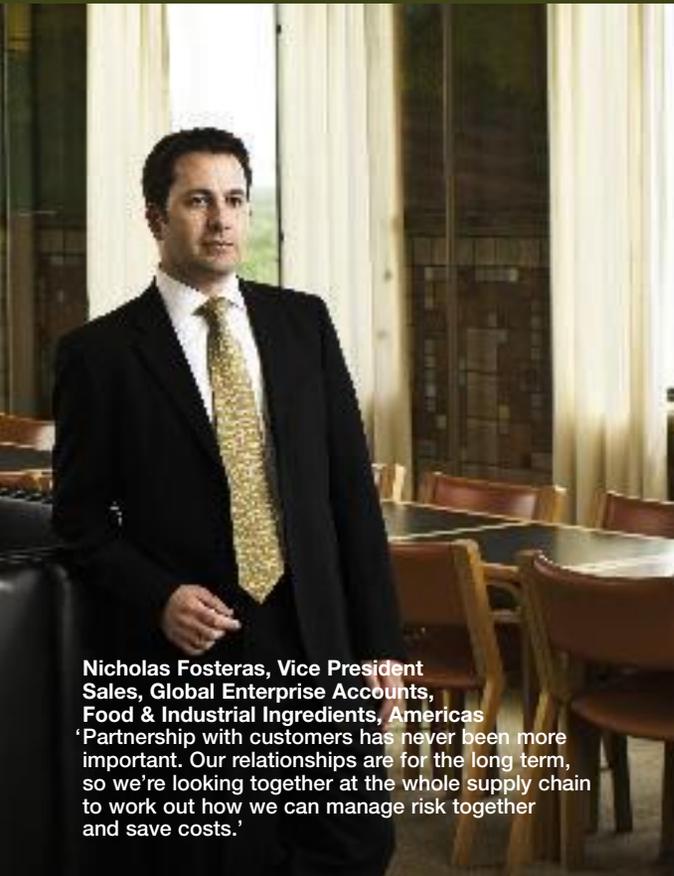
We serve this market with molasses produced in Europe and corn gluten meal and corn gluten feed produced in both Europe and the USA. These are by-products of our key production processes and are sold as nourishing feed ingredients for livestock, fish and pet foods. This is important because selling on these products helps us manage the net cost of our raw materials.

### Pharmaceutical and personal care

A nascent market for Tate & Lyle, pharmaceutical and personal care is one we expect will grow in the future although remaining relatively small. At the moment, we sell two value added ingredients into this market: Zemea™ (cosmetics and creams) through our joint venture DuPont Tate & Lyle BioProducts, and SPLENDA® Sucralose (to sweeten medicines without adding calories).



**01. Our ingredients are everywhere**  
Going shopping? You are likely to buy products made with our ingredients. Filling up the car? Bio-ethanol. Cakes and drinks? Sweetened with high fructose corn syrup, sugar or SPLENDA® Sucralose. Detergents to get clothes really clean? Citric acid. Your favourite monthly magazine? Strong and glossy thanks to our paper starch. Our ingredients are everywhere.



**Nicholas Fosteras, Vice President Sales, Global Enterprise Accounts, Food & Industrial Ingredients, Americas**  
 'Partnership with customers has never been more important. Our relationships are for the long term, so we're looking together at the whole supply chain to work out how we can manage risk together and save costs.'



**Caroline Sanders, Marketing Director Food & Industrial Ingredients, Europe**  
 'Challenging economic circumstances offer us new ways to help customers. Our Optimize™ formulation service, by which we modify customers' recipes to reduce costs without compromising the taste of the product, is particularly interesting for food and beverage customers right now.'



**Andrew Jones, Sales & Marketing Director, Sugars**  
 'Both we and our customers want to get through these difficult economic times with success, so it makes sense to help each other. We're working with our customers to find ways of dealing with operational and business issues for our mutual benefit.'



**Rheem Lock, Senior Product Manager, Sucralose**  
 'Our history of excellent product quality, with purity levels consistently above 99%, makes us the safest option for customers, who also value the complete traceability of our SPLENDA® Sucralose and our reliability in shipping on time, every time.'

# Going to market continued

## Food and beverage



Market/  
consumer  
trends

- Health and wellness
  - digestive health and immunity
  - weight management
  - children's health/development
  - heart health
- Convenience
- Indulgence
- Clean label/  
natural/organics
- Sustainability/ethical sourcing
- Portion/calorie control
- Home baking (sugars)

Customer  
trends

- Cost consciousness
  - volatile raw material prices
  - rise of private label (own-label)
  - cost-effective ways of delivering nutritional benefits
- Increasing pressure for high quality from suppliers
- Supply chain ethics
- Dealing with a changing regulatory environment
- Traceability

Types of  
customer

- Manufacturers (branded and contract)
  - beverage
  - dairy
  - bakery
  - snack food/convenience
  - confectionery
- Retailers
- Food service operators

Examples of branded or  
value added ingredients

- PROMITOR™ dietary fibres
- KRYSTAR® crystalline fructose
- STA-Lite® polydextrose
- SPLENDA® Sucralose
- Value added starches, e.g. STA-Slim™, TENDERJEL®, Merigel, Resistamyl and FREEZIST®
- Food stabilising systems, e.g. Hamulsion® and Frimulsion®
- Retail brands:
  - Lyle's Golden Syrup
  - Branded retail sugars
    - Tate & Lyle (UK)
    - Sidul/Sores (Portugal)
- Services:
  - CREATE® – innovations in shape, structure, taste and texture
  - OPTIMIZE® – maximising efficiency and value
  - REBALANCE® – reformulating to lower-fat, lower-sugar and lower-calorie positions
  - ENRICH® – enhancing nutritional benefits of foods and beverages

Examples of high-  
volume primary  
products and  
by-products

- High fructose corn syrup
- Citric acid
- Corn oil
- Corn syrup/glucose
- Pearl starches
- Industrial sugars

## Industrial



- Increased awareness of green issues/environmental footprint
- Replacement of plastics/ petrochemicals

- Increased awareness of petrochemical vs. renewable options
- Cost consciousness (volatile raw material prices)

- Manufacturers
  - paper
  - detergent
  - packaging/ plastics
  - adhesives
  - de-icing
  - textiles
  - building products

- Oil-well drilling
- Fuel suppliers

- ETHYLEX<sup>®</sup> paper starch
- STA-LOK<sup>®</sup> cationic starches
- STADEX<sup>®</sup> dextrin
- STARPOL<sup>®</sup> water soluble polymers
- StaZan X<sup>™</sup> industrial xanthan gums
- Susterra<sup>™</sup> industrial grade Bio-PDO<sup>™</sup>

- Pearl starches
- Ethanol
- Citric acid

## Animal feed



- High nutrient digestibility/ nutrient efficiency
- Animal health

- Volatile cereal costs (global) impacting feed costs

- Producers
  - dairy
  - beef
  - pig
  - poultry
  - aquaculture
  - pet

- Molasses
- Corn gluten feed
- Corn gluten meal

## Personal care and pharmaceuticals



- Replacement of petrochemicals/ preference for 'natural' products

- Pricing awareness but willingness to pay for functionality
- Natural product claims (personal care)

- Manufacturers
  - cosmetics and personal care (hand creams, deodorants)
  - over-the-counter (OTC) pharmaceuticals

- Zemea<sup>™</sup> personal care grade Bio-PDO<sup>™</sup>
- SPLENDA<sup>®</sup> Sucralose

- Corn syrup/glucose
- Sugar