

FDIN Open Innovation Summit 2011

A dedicated team at Tate & Lyle

John Stewart, Open Innovation Manager, Tate & Lyle



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- Tate & Lyle- who we are and what we do
 - Out with the old.. and in with the new
 - Why we are Open
 - What do we mean by networks?
 - How is it working?

Tate & Lyle- who we are

- **Global provider of ingredients and solutions to the food, beverage and other industries**
- **Founded in the UK in 1921**
- **Market cap £3.2bn November 2011; £2.7bn sales and £321m profit in FY2011**
- **We serve 93 of the top 100 food and beverage companies world wide**
- **Over 30 production facilities in the Americas, Europe and South East Asia**

**Corn Sweeteners
Sugar & Syrups**



Food starches



**SPLENDA®
Sucralose**



Bio-Ethanol



**Molasses /
Animal feed**



**Industrial
Starches**



Tate & Lyle- what we do

Speciality Food Ingredients

Starch-based Speciality Ingredients £434m sales

- Speciality starches and sweeteners
- Soluble Corn Fibres



High Intensity Sweeteners £185m sales

- SPLENDA®
Sucralose
- PUREFRUIT™
monk fruit extract



Food Systems £186m sales

- Blending businesses



Bulk Ingredients

US sweeteners £734m sales

- Corn sugars
- Dextrose
- Glucose



EU sweeteners £123m sales

- Corn sugars
- Dextrose
- Glucose



Industrial and other £1,058m sales

- Starches for paper and paperboard
- Citric acid
- Fuel ethanol
- Corn co-products including animal feed



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Out with the old...

In 2010 we sold our sugar business... and the world's oldest consumer brand



In with the new...

Our global innovation team has been expanded and improved!!

- **R&D becomes ICD- Innovation and Commercial Development**
- **Commercial and technical teams working much more closely**
- **New state-of-the-art Innovation HQ in Chicago**
- **A team dedicated to Open Innovation is created!**



What we look for..

Sweeteners

- Natural high potency sweeteners
- Sweetener solutions

Texturants

- Functional food starches
- Novel hydrocolloid systems
- Non-starch texturant systems

Health & Wellness

- Clinically proven ingredients in digestive health, weight management and healthy ageing
- Playing on our strengths in carbohydrates chemistry, fiber and prebiotics
- Expanding into new areas where there is a clear competitive advantage



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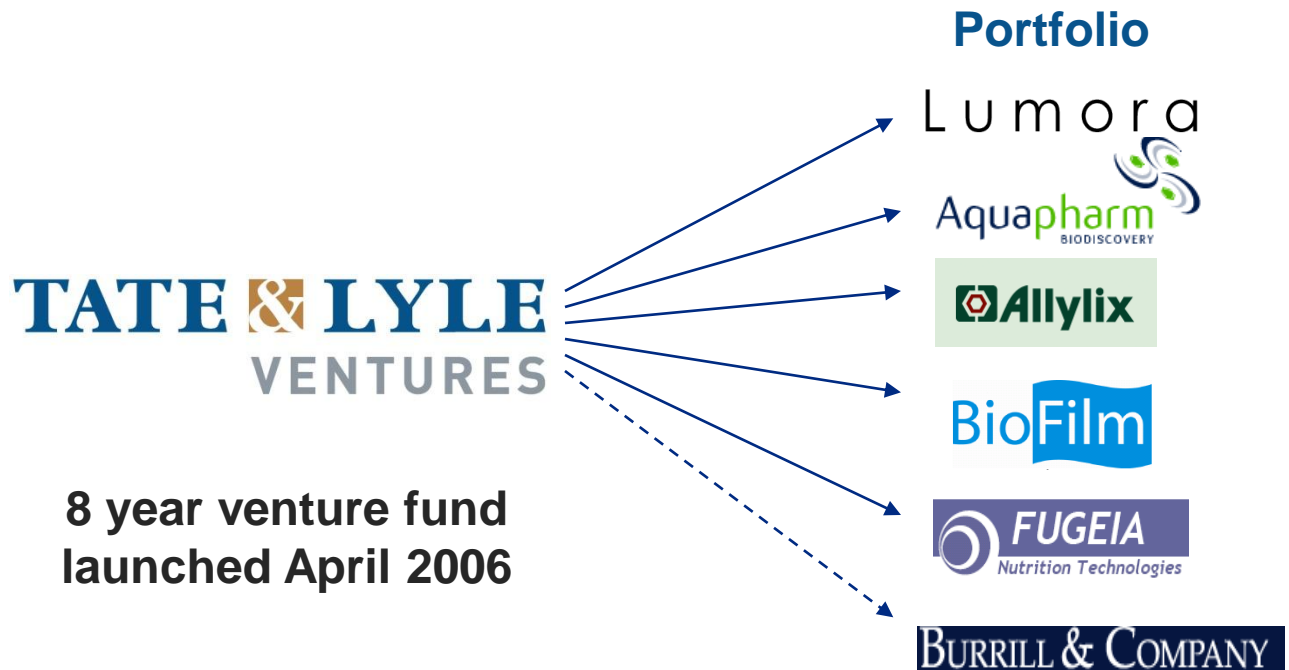
Open Innovation at Tate & Lyle is not new..



- Sucralose was discovered in 1976 by T&L and researchers at Queen Elizabeth College (now part of Kings College London)
- As of 2010, generated sales of £185m worldwide

We learned that open innovation works!

Open Innovation at Tate & Lyle is not new..



Access external innovations

- Offers a “Window on the World” of innovation
- Providing an innovation pipeline - several hundred opportunities reviewed
- Investment in game-changing companies with potential to commercialize in c. 2 years

Open Innovation at Tate & Lyle is not new..

What *is* new is our dedicated Open Innovation team..



Faster growth through more 'win-win' partnerships

Benefits to T&L

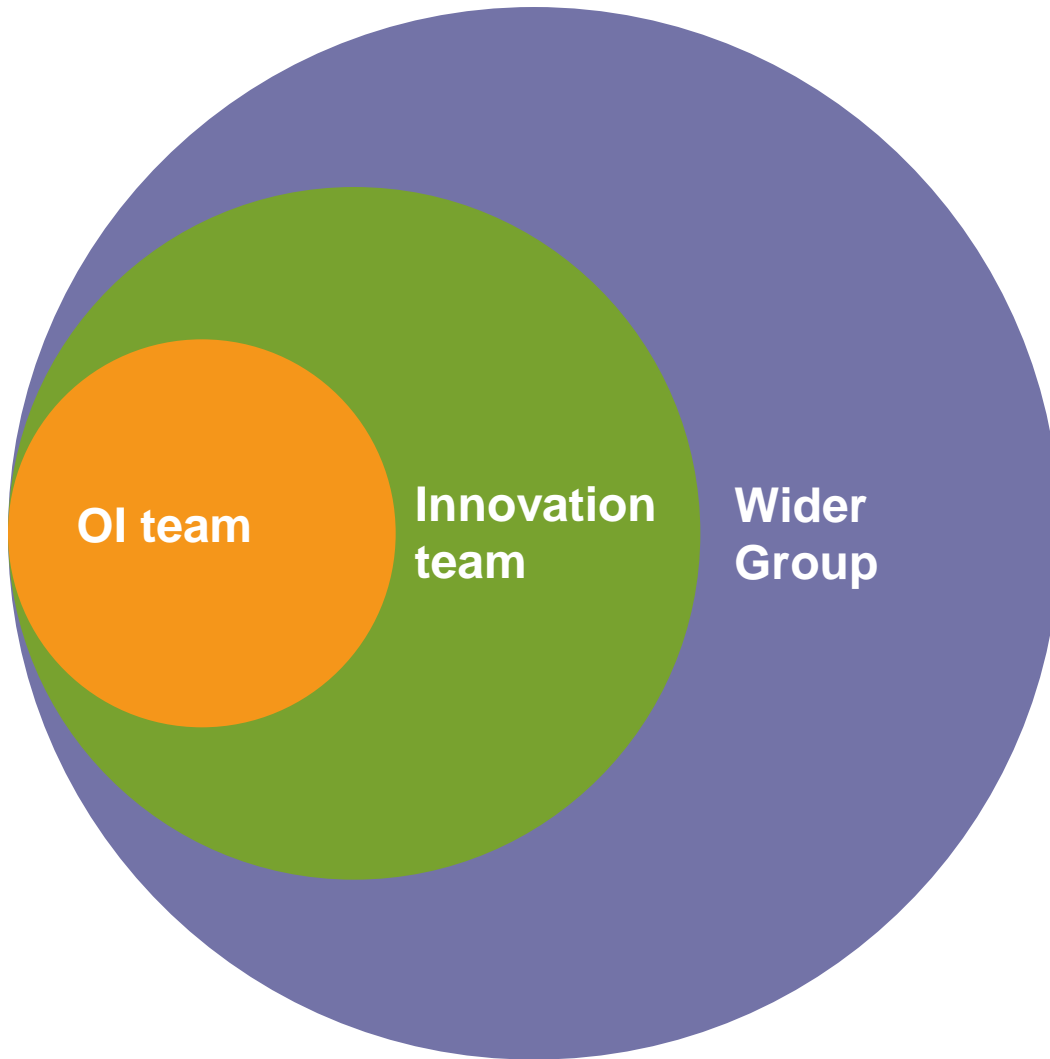
- **A dedicate team with broad networks and access within the Company**
- **Access to products and technologies**
- **Accelerated NPD and growth**

Benefits to our partners

- **A single, dedicated project manager for the whole interaction with us**
- **An internal champion for your technology**
- **Faster decision making**

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We make the most of our *internal* networks



OI team

- Targeted approaches
- 'Plugged in' to VC funds, SMEs and Universities

Innovation team

- Ideation days with wider platforms
- Clear communication on technical needs
- Technical 'touch points'

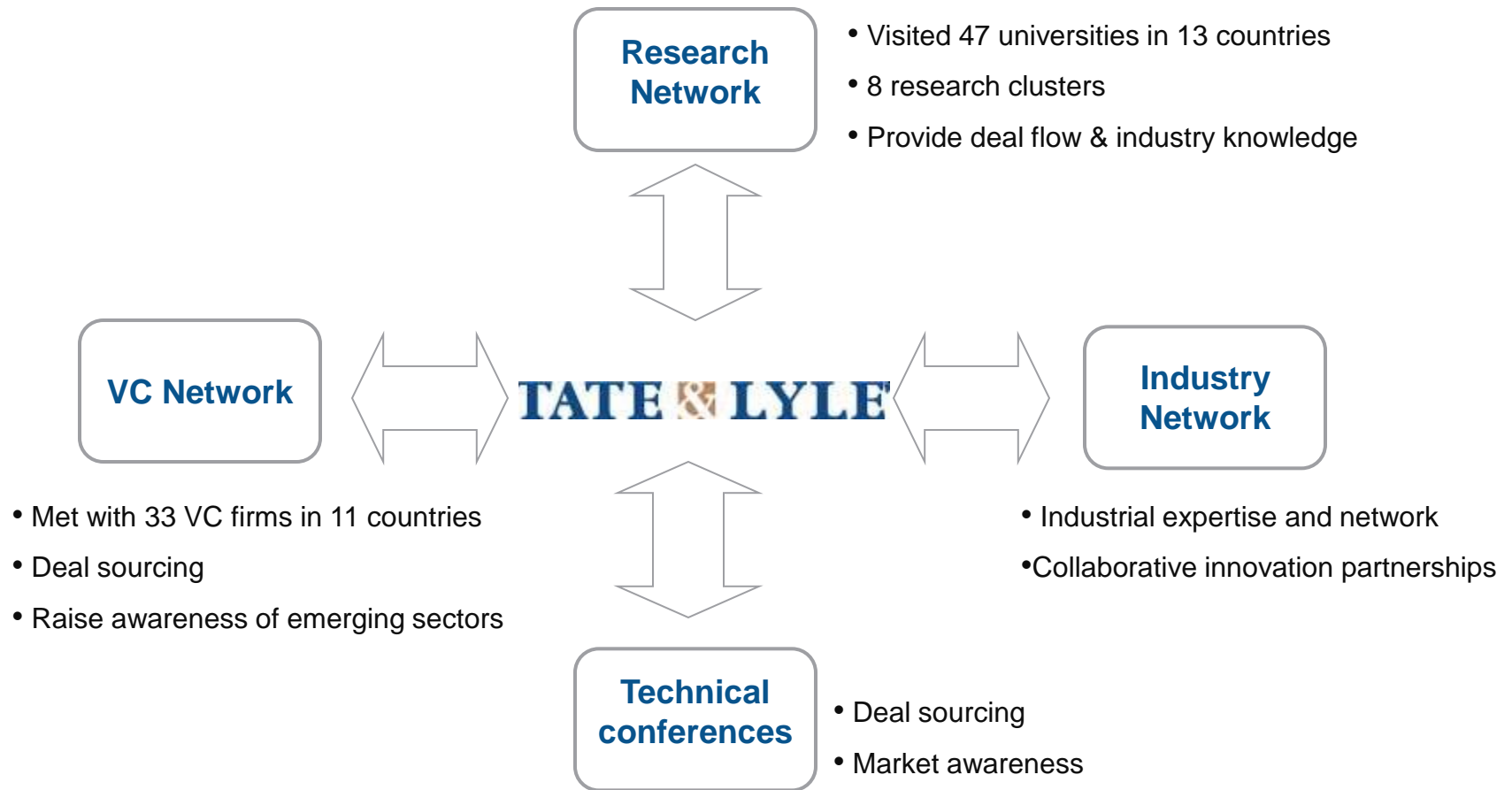
Wider Group

- Nearly 6000 employees

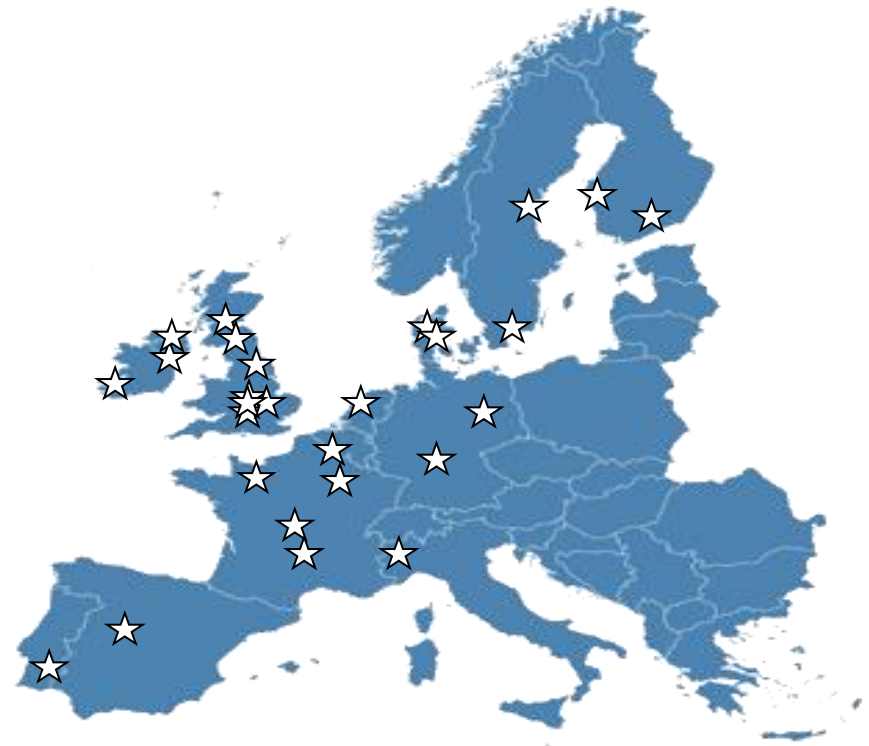
Do they all know what we are looking for...?

Create an overt Culture for Open Innovation

But its also all about having the *external* networks



Lots of leg work involved in building and maintaining these networks!!



- 47 universities in 13 countries
- 33 VC firms in 11 countries

Some 'early' OI tools

A number of tools in place and being developed

- **OI teaser document** created for global circulation
- Developing **social networking tools** to solicit internal ideas from wider group
- Working to create **external website** to solicit external ideas

Open Innovation

TATE & LYLE

Tate & Lyle PLC

Innovation and Commercial
Development: Open Innovation

Tate & Lyle

A global provider of distinctive, high quality ingredients and solutions to the food and beverage industry, we serve 93 of the top 100 food and beverage companies worldwide. Through our large-scale, efficient manufacturing plants we use unique technologies to turn renewable crops into great tasting, healthy ingredients for our customers. Our Innovation and Commercial Development team of scientists, engineers and commercialisation experts transforms innovations into profitable customer solutions. This process is supported by our open innovation team and a broad, global network of product, technology and research partners.

Ideas can come from anywhere

Tate & Lyle has a long history of open innovation with some of our most successful products coming from partnerships within our global network of universities, start-ups, corporates and customers. As part of our commitment to accelerating growth, we have committed new resources to sourcing, assessing and commercially developing innovations created outside Tate & Lyle.

Our Open Innovation focus

Our focus is on rapidly commercialising new products and technologies across our three speciality food ingredient platforms:

- Innovations in sweetener technology, with a focus on natural sweeteners, flavours and flavour enhancers
- Innovations in texturant, emulsifier and speciality starch technologies
- Ingredient innovations across the health & wellness spectrum

What we look for

We are particularly interested in ideas that match the following criteria:

- Clean label ingredients
- Ingredients with a strong commercial need and clear route to market
- Great tasting ingredients that can be used across a wide range of food applications
- Proven technologies that can demonstrate a sustainable competitive advantage

Partner with a Global leader

- We serve 93 of the top 100 food and beverage companies worldwide
- Sales and marketing organisations in all global regions
- Strong customer applications support functions based in all regions
- Manufacturing footprint in the Americas, EU and Asia (including pilot-scale and pre-commercial production)
- Capabilities to quickly move products from "prototype" to "launch ready"
- Regulatory expertise in all key markets
- Expertise in market analysis, brand development and consumer insights

Contact us

If you would like to partner with a global leader to commercialise your technology, please contact us with non-confidential details of your project for an initial opinion.

Scope:
Sweeteners
Texturants
Health & wellness

Focus:
Ingredients & technologies

Collaborations:
Technology licensing
Joint development projects
Research collaborations
Equity investments
Co-marketing
Acquisitions

Geography:
Global

Contact:

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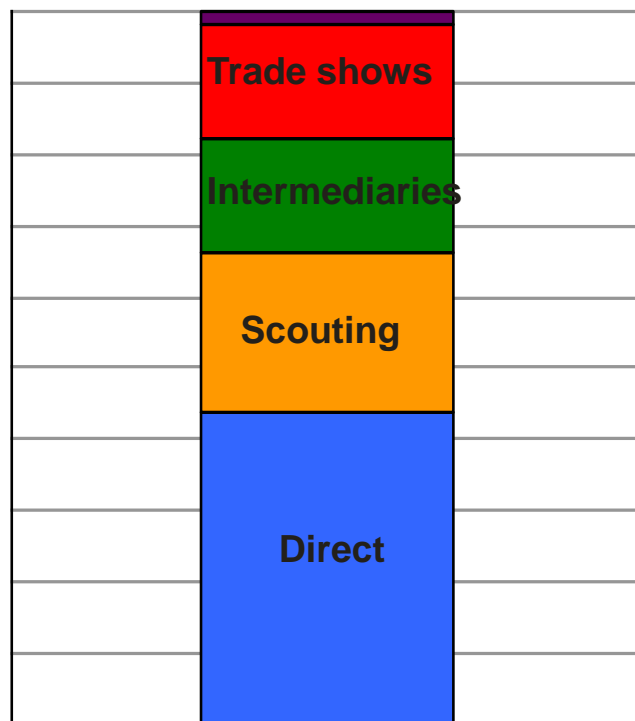
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Most of our OI leads from last 12 months still came from direct approaches... (which can be a good thing!)



- We receive many direct approaches from companies seeking partnerships
- Often from the networks we have created.. but also beyond
- Vast majority are rejected quickly

PUREFRUIT™ The only natural, fruit based calorie-free sweetener ingredient available



- Strategic partnership with BioVittoria Ltd
- Exclusive global marketing and distribution rights of monk fruit extract
- BioVittoria manage relationships with growers and manufacturing
- T&L improved the taste, and globalised the product

Product launched June 2011

Soda-Lo™ A unique salt replacer ingredient



- Exclusive, worldwide license agreement with Eminate Ltd.
- Eminate developed the technology
- T&L will use technical and applications development
- T&L will globalise the product via our broad customer reach

Product launched planned for 2012

Early days for our new team, but...some key learnings..

Define what you need from OI first

- Solving technical problems?
- Entering new markets?
- Finding entirely new products?

Some OI tools will be relevant and some will not- priorities what you need

Chances are your people may not know about OI- so find ways to help them understand it

From our half year results presentation this month...

Fix

Global shared services

- Centre in Lodz, Poland started operations
- Processes migrating in next 15 months

Common, global IS/IT platform

- Design phase completed in June
- Build phase now underway

Skills and talent

- Refreshing talent base / filling skills gaps
- Driving culture of high performance

Grow

Innovation

- Number of projects in pipeline increasing
- Open innovation team making progress

Customer engagement

- Global Innovation Centre opens Q1 2012
- Brazil, Mexico applications labs open end 2011

Emerging markets

- Continuing to strengthen sales / technical teams
- Encouraging progress in winning new customers

Contact us

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THANK YOU!!!!