

TATE & LYLE PLC
STATEMENT OF HALF YEAR RESULTS
For the six months ended 30 September 2009

Continuing operations (£m unless stated otherwise)¹	Six months ended 30 September (Unaudited)	
	2009	2008
Sales	1 823	1 698
Adjusted results²		
Adjusted operating profit	148	150
Adjusted profit before tax	112	128
Adjusted diluted earnings per share	18.3p	19.1p
Statutory results		
Operating profit	86	143
Profit before tax	50	121
Profit for the period (on total operations)	46	65
Diluted earnings per share (on total operations)	9.5p	14.0p
Cash flow and net debt		
Free cash flow ³	258	11
Net debt	(987)	(1 128)
Dividend per share	6.8p	6.8p

Javed Ahmed, Chief Executive, said:

“Tate & Lyle performed slightly ahead of our expectations in the first half of the year, before the impact of exchange translation, despite challenging conditions in a number of our markets. We are encouraged by the good progress made in reducing net debt, reflecting our focus on reducing costs, optimising working capital and reducing capital expenditure.”

Financial performance

- Net debt reduced by 20% since 31 March 2009 to £987 million (11% before exchange translation)
- Free cash flow³ of £258 million
- Adjusted operating profit down 1% at £148 million (16% in constant currency⁴)
- Adjusted operating profit from core value added food ingredients⁵ up 10% (down 6% in constant currency)
- Adjusted diluted earnings per share down 4% at 18.3p (14% in constant currency)

Operating performance

- Food & Industrial Ingredients, Americas reported higher profits from food ingredients, outweighed by lower industrial profits, reflecting weaker industrial starch and ethanol markets, and lower co-product income
- Food & Industrial Ingredients, Europe reported profits well ahead of the prior period, aided by lower corn costs
- The EU Sugar market remained challenging
- Sucralose sales increased by 15% in volume and by 9% in value in constant currency
- Underlying costs reduced by £16 million over the comparative period

Outlook

Overall, the Group's performance, before the impact of exchange translation, remains on track to meet our expectations for the full year.

At our Food & Industrial Ingredients businesses in the Americas and Europe, the order patterns of our food and beverage customers appear to have been re-established, albeit at slightly lower levels. However, global industrial starch, US ethanol and US animal feed markets remain under pressure. We expect continuing underlying growth in Sucralose and improved profits from Sugars in the second half. As usual, the outcome of the 2010 calendar year sweetener pricing rounds will influence performance in the last quarter of the financial year.

Against this backdrop, we continue to take the actions necessary to strengthen the Group's balance sheet, reduce our costs and ensure that we are well positioned as markets improve.

1 Excluding the results of International Sugar Trading and Eastern Sugar in both periods.

2 Before exceptional costs of £55 million (2008 – £nil) and amortisation of acquired intangible assets of £7 million (2008 – £7 million).

3 Free cash flow is operating cash flows from continuing operations after working capital, interest, taxation and capital expenditure.

4 Changes in constant currency are calculated by retranslating prior period results at current period exchange rates.

5 Core value added food ingredients comprise value added starch-based food ingredients and excludes sucralose.

Cautionary statement

This Statement of Half Year Results contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Tate & Lyle PLC. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this Statement of Half Year Results should be construed as a profit forecast.

A copy of this Statement for the six months ended 30 September 2009 can be found on our website at www.tateandlyle.com. A hard copy of this Statement is also available from The Company Secretary, Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

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Webcast and conference call

A presentation of the results by Chief Executive, Javed Ahmed and Group Finance Director, Tim Lodge will be audio webcast live at 10.00 (UKT) today. To view and/or listen to a live audiocast of the presentation, visit http://www.tateandlyle.com/TateAndLyle/investor_relations/results/default.htm or http://www.thomson-webcast.net/uk/dispatching/?event_id=c796a9511c4def0352dc2b673fad69f8&portal_id=39b37fe9dc2bfc6ead9b7087924f0a2e. Please note that remote listeners will not be able to ask questions during the Q&A session. A webcast replay of the presentation will be available within two hours of the end of the live broadcast for six months, on the link above.

For those unable to view the webcast, there will also be a teleconference facility for the presentation. Details are given below:

UK dial in number: +44 (0) 203 003 2666

US dial in number: +1 866 966 5335

7 day conference call replay:

UK replay number: +44 (0) 208 196 1998

US replay number: +1 866 583 1035

Replay Access code: 691691#

STATEMENT OF HALF YEAR RESULTS for the six months to 30 September 2009

Results for the continuing operations are adjusted to exclude exceptional items and amortisation of acquired intangible assets. Except where specifically stated to the contrary, this commentary relates only to the adjusted results for the continuing operations. A reconciliation of statutory and adjusted information is included at Note 16.

Overview of Group financial performance

Tate & Lyle produced a performance slightly ahead of our expectations in the first half of the 2010 financial year against the backdrop of challenging conditions in a number of our markets. Sales increased by 7% to £1,823 million (reduced by 5% in constant currency). Adjusted operating profit reduced by 1% (16% in constant currency) to £148 million. Adjusted profit before tax reduced by 13% (25% in constant currency) to £112 million, while statutory profit before tax reduced by 59% to £50 million reflecting exceptional costs of £55 million following the decision to mothball the sucralose plant in McIntosh, Alabama. Adjusted diluted earnings per share on continuing operations reduced by 4% (14% in constant currency) to 18.3p, while statutory diluted earnings per share on total operations reduced by 32% to 9.5p.

We remain focused on strong cash management and, during the first half of the year, continued to reduce costs, optimise working capital and reduce capital expenditure across the business. As a result, free cash flow from our continuing operations increased to £258 million from £11 million in the comparative period. Net debt reduced to £987 million from £1,231 million at 31 March 2009. The reduction was made up of an underlying decrease of £133 million and £111 million benefit from exchange rate movements. The underlying decrease was underpinned by a reduction of £146 million in working capital, which reflected improvements achieved throughout the business as well as lower corn inventory levels in the US which had been run down in anticipation of deliveries from the new harvest. Capital expenditure was managed to 81% of the six month depreciation charge. The ratio of net debt to EBITDA was 2.4 times, comfortably inside the bank covenant maximum level of 4.0 times.

Sales volumes to food and beverage customers in both the US and Europe were steady at levels marginally below the comparative period. EU Sugar markets remained tough in the first half, with no improvement from the conditions seen during the second half of the 2009 financial year. However, following completion of the EU Sugar Regime reform process on 30 September 2009, we have seen signs of a return to equilibrium in EU Sugar markets and expect better margins within our EU sugar business during the second half of this financial year. We achieved 15% growth in sucralose sales volumes, due to both underlying demand growth and to customer restocking during the early part of the period. Sucralose sales by value increased by 9% in constant currency. The mothballing of the sucralose plant in McIntosh, Alabama, announced on 28 May 2009, is proceeding ahead of schedule.

Industrial markets in both the US and Europe continued to be challenging. With surplus capacity in US ethanol markets during much of the first half, operating margins in ethanol were significantly below the comparative period. Demand for industrial starches in both the US and Europe remained depressed at levels well below the comparative period.

Underlying costs reduced by £16 million in the first half compared to the comparative period. Savings were achieved through actions taken across the business encompassing improved energy and ingredient efficiencies, savings within the fixed manufacturing cost base, headcount reductions combined with a pay freeze at all levels, optimisation within the supply chain activities of the Group and savings in administrative costs and professional services.

Corn prices were below the level of the comparative period in both the US and Europe. Lower corn prices in Europe benefited our Food & Industrial Ingredients, Europe business, which delivered a strong performance with operating profits increasing by 40% at constant currency over the comparative period. Co-product prices in the US for corn oil and feed, which drove strong co-product income in the comparative period, were weak during the first half of the 2010 financial year due both to lower demand and an increased supply of the animal feed co-product of dry mill ethanol production.

Net interest expense increased by £14 million to £36 million, after an unfavourable currency variance of £5 million. This was due principally to an increase of £8 million in the pensions charge, an increase marginally above initial expectations, and an increase of £3 million following the cessation of capitalisation of interest at Fort Dodge while construction has been suspended. Interest cover was 5.3 times, comfortably above the bank covenant minimum level of 2.5 times.

Following the decision to mothball our sucralose plant in McIntosh, Alabama, as announced on 28 May 2009, we have recognised an exceptional charge in the period of £55 million representing the anticipated cash costs associated with this decision.

The effective tax rate on adjusted profit from continuing operations was 23.3% (30.4%). This is based on our expectations for the year to 31 March 2010 and the reduction reflects the change in the geographic mix of profits compared to the prior year, especially lower levels of profits in the US. The effective tax rate remains sensitive to the geographic mix of profits.

Dividend

The Board has approved an interim dividend of 6.8p, maintained in line with the prior year. This will be paid on 8 January 2010 to shareholders on the register on 4 December 2009. The Company intends to offer shareholders a scrip alternative.

Segmental analysis

In this segmental analysis, we discuss performance as reported, with sales and profits earned in foreign currencies translated at the relevant average exchange rates. In the commentary, we also discuss performance in constant currency terms to assist analysis. To arrive at a constant currency result, we have retranslated the results for the six months to 30 September 2008 using the average exchange rates for the six months to 30 September 2009.

Sales and operating profits by division are segmented between primary and value added ingredients. Value added ingredients are defined as those ingredients that utilise technology or intellectual property enabling our customers to produce distinctive products and Tate & Lyle to obtain a price premium and/or sustainable higher margins. There have been no material changes in classification between segments from the comparative period.

Food & Industrial Ingredients, Americas

	Six months to 30 September 2009			Six months to 30 September 2008		
	Primary £m	Value added £m	Total £m	Primary £m	Value added £m	Total £m
Sales						
– Food	503	189	692	388	164	552
– Industrial	155	92	247	180	79	259
	658	281	939	568	243	811
Adjusted operating profit						
– Food	48	51	99	48	46	94
– Industrial	(7)	2	(5)	13	2	15
	41	53	94	61	48	109
Margin						
– Food	9.5%	27.0%	14.3%	12.4%	28.0%	17.0%
– Industrial	(4.5)%	2.2%	(2.0)%	7.2%	2.5%	5.8%
	6.2%	18.9%	10.0%	10.7%	19.8%	13.4%

At Food & Industrial Ingredients, Americas, sales of £939 million were 16% higher than the comparative period (2% lower in constant currency). Adjusted operating profit decreased by 14% to £94 million (27% in constant currency) due to lower co-product income and lower profits from industrial ingredients. The effect of exchange translation was to increase operating profit by £20 million.

Co-product income was significantly below the level of the comparative period which benefited from strong co-product prices during the commodity price peak of summer 2008¹. Co-product feed prices have been weak during the first half year due both to lower demand, following reductions in US beef and dairy herds, and an increased supply of the co-product of dry mill ethanol production. A large US corn crop is forecast for 2009, and we expect corn prices to remain at levels broadly in line with recent experience. The animal feed market in the US is expected to remain challenging in the second half, keeping co-product income under pressure.

Performance within the Food segments was sound, with operating profit in constant currency before the impact of reduced co-product income in line with the comparative period. Within Primary Food, volumes sold to food and beverage customers were steady, although marginally below the comparative period. Profits in constant currency were below the level of the comparative period due to reduced corn oil co-product income. Our citric acid business performed well, benefiting from strong global demand. Operating profits from Almex, our Mexican joint venture, were below the level of the comparative period due to lower volumes. Shipments of High Fructose Corn Syrup (HFCS) to Mexico from the US increased towards the end of the period, encouraged by high Mexican sugar prices. With improving fundamentals for HFCS exports to Mexico, and a modest contribution margin returning to spot US ethanol markets, US corn wet milling utilisation levels have started to recover.

Operating profits from Value Added Food ingredients increased by 11% (reduced by 7% in constant currency). Volumes were below the level of the comparative period although the impact was partially offset by firmer pricing. We experienced good growth in demand for Promitor™ Soluble Corn Fiber.

Primary Industrial ingredients recorded a loss of £7 million (£13 million profit in the comparative period) due to lower ethanol volumes and margins, reduced profits from industrial starches, and lower income from our animal feed co-products. Industrial starch profits were significantly lower than the comparative period due both to lower levels of underlying demand and to additional demand in the comparative period following the floods in Iowa during 2008 which affected production at competitor plants. We expect industrial starch markets to remain difficult in the short term. Lower volumes and unit margins in ethanol led to operating profits in the first half below the level of the comparative period despite additional costs in the comparative period associated with the commissioning of the Loudon capacity expansion.

¹ Corn prices in the US saw an unprecedented spike in the 2008 calendar year, reaching almost US\$8 per bushel in July 2008. Corn co-product prices also peaked during the third quarter of the 2008 calendar year. However, the subsequent fall in corn and soy prices resulted in corresponding price declines for corn gluten feed and meal, and corn oil. Crude oil prices peaked at almost US\$150 per barrel in July 2008, but fell rapidly to below US\$40 per barrel during the second half of the 2008 calendar year.

As reported in our Trading Update on 25 September 2009, we are pleased with the environmental benefits we have realised at our Loudon plant following the installation of new technology last year. This technology has also allowed us to obtain some benefits through process yield improvements although below the level originally targeted. However, changes in energy and co-product pricing over the last two years have limited the benefits of the investment in energy cost reduction in today's markets, particularly since US gas prices have fallen significantly. Using our experiences at Loudon to date, we continue to evaluate the extent to which this technology can be used effectively within our plant network, including at our new plant in Fort Dodge, Iowa.

Ethanol and net corn prices have produced a modest cash margin for ethanol producers over the last few months, but forward margins remain under pressure.

Against a backdrop of continuing uncertainty in industrial starch, co-product feed and ethanol markets, we continue to evaluate the timing for final completion of our Fort Dodge, Iowa plant.

Operating profits from Value Added Industrial ingredients remained flat at £2 million (flat in constant currency). The loss from Bio-PDOTM reduced from the comparative period as sales volumes increased, although this impact was offset by decreased profits from industrial starches, reflecting lower levels of demand.

Underlying cost savings totalled £8 million in the first half compared to the comparative period. Savings were achieved through headcount reductions, lower warehousing and distribution costs and lower professional fees.

Food & Industrial Ingredients, Europe

	Six months to 30 September 2009			Six months to 30 September 2008		
	Primary £m	Value added £m	Total £m	Primary £m	Value added £m	Total £m
Sales						
– Food	75	116	191	98	104	202
– Industrial	67	–	67	90	–	90
	142	116	258	188	104	292
Adjusted operating profit						
– Food	14	14	28	4	13	17
– Industrial	0	–	0	2	–	2
	14	14	28	6	13	19
Margin						
– Food	18.7%	12.1%	14.7%	4.1%	12.5%	8.4%
– Industrial	0.0%	–	0.0%	2.2%	–	2.2%
	9.9%	12.1%	10.9%	3.2%	12.5%	6.5%

Food & Industrial Ingredients, Europe delivered an improved performance in the six months over the comparative period. Sales of £258 million were 12% lower than the comparative period (19% in constant currency). However, adjusted operating profit increased by 47% to £28 million (40% in constant currency) primarily due to lower net corn and energy costs at the corn wet mills. The effect of exchange translation was to increase profit by £1 million.

Food and beverage sales volumes were steady at levels marginally below the comparative period. Operating profits from Primary Food ingredients increased by £10 million to £14 million, reflecting significantly lower net corn costs. Cereal-based sweeteners in the EU are effectively priced against regulated sugar prices, and there is therefore a partial mismatch with corn input pricing (which is unregulated). Total sweetener volumes were marginally below the level of the comparative period following the closure of the Greek plant in September 2008 although isoglucose (HFCS) volumes in the continuing plants increased due to our enlarged EU quotas. The isoglucose capacity expansion at our Slovakia plant is proceeding in line with expectations. Restructuring levies totalling £4 million were recognised in the first half compared to £6 million in the comparative period. No further cost will be incurred going forward in respect of this levy, although this benefit is expected to be offset by a reduction in isoglucose selling prices following the final reduction in EU sugar reference prices with effect from 1 October 2009.

Operating profits from Primary Industrial ingredients reduced to nil from £2 million in the comparative period. Demand for industrial starches was significantly below the comparative period particularly from export markets, although this impact was partially offset by improved margins and volumes on ethanol sales at our recently expanded Hungarian joint venture.

Operating profits from Value Added Food ingredients increased by £1 million to £14 million (flat in constant currency) due to higher unit margins and increased volumes of modified food starches offset by slightly lower profits from our Food Systems business. The facility being built at our Koog, Netherlands, plant to produce polydextrose, the value added soluble fibre, is on track for completion in the first half of the 2010 calendar year. In our Food Systems operations, profits were slightly lower than the comparative period due to weaker export markets. We commissioned new blending facilities in Australia and South Africa during the period.

Underlying cost savings of £3 million were achieved compared to the comparative period through energy efficiency improvements, lower fixed manufacturing costs and savings in labour and administrative costs.

The corn harvest in Europe is expected to be good and therefore we anticipate that corn prices will remain broadly in line with current, lower levels.

Sugars

	Six months to 30 September 2009			Six months to 30 September 2008		
	Primary £m	Value added £m	Total £m	Primary £m	Value added £m	Total £m
Sales						
– Products	372	36	408	352	33	385
– Molasses	117	–	117	132	–	132
	489	36	525	484	33	517
Adjusted operating profit						
– Products	(4)	1	(3)	(6)	3	(3)
– Molasses	6	–	6	10	–	10
	2	1	3	4	3	7
Margin						
– Products	(1.1)%	2.8%	(0.7)%	(1.7)%	9.1%	(0.8)%
– Molasses	5.1%	–	5.1%	7.6%	–	7.6%
	0.4%	2.8%	0.6%	0.8%	9.1%	1.4%

Sugars faced a challenging six months as the final stages of the EU Sugar reform continued to disrupt sugar markets. Sales of £525 million were 2% higher than the comparative period (3% lower in constant currency). Adjusted operating profit decreased by 57% to £3 million (67% in constant currency). The effect of exchange translation was to increase profit by £2 million.

Products made a loss of £3 million, in line with the loss recognised in the comparative period reflecting the surplus within the EU Sugar market and a highly competitive UK retail market. The EU Sugar refining business benefited from lower energy costs during the first half. We are moving towards the end of the commissioning phase of our bio-mass boiler which will reduce our exposure to volatile gas prices. Improvements in supply chain operations resulted in cost savings of £1 million.

World raw sugar prices have recently increased significantly following concerns over supply in both Brazil and India, and are currently at a level close to the EU raw sugar reference price. A prolonged period of high world sugar prices could, over time, increase the likelihood of a deficit in EU sugar markets.

With the EU Sugar Regime reform complete from 1 October 2009, we have seen the expected signs of a return to equilibrium in the EU sugar market. With the majority of sugar sales for the period to 30 September 2010 now contracted with customers, we are increasingly confident of achieving better margins within our EU Sugar business in the second half of the financial year, following the final institutional price change on 1 October 2009.

The Molasses business achieved a good result, with operating profit of £6 million in the period, although this was below the exceptionally strong profits achieved in the comparative period when the sharp spike in cereal prices during the summer of 2008 led to very high demand and prices for molasses.

Sucralose

	Six months to 30 September 2009			Six months to 30 September 2008		
	Primary £m	Value added £m	Total £m	Primary £m	Value added £m	Total £m
Sales	–	101	101	–	78	78
Adjusted operating profit	–	35	35	–	30	30
Margin	–	34.7%	34.7%	–	38.5%	38.5%

Sales of SPLEND[®] Sucralose of £101 million were 29% ahead of the comparative period (9% in constant currency). Adjusted operating profit was £35 million, 17% above the comparative period (3% in constant currency). The effect of exchange translation was to increase operating profit by £4 million.

Sucralose sales volumes increased by 15% due to both underlying demand growth and to customer restocking during the early part of the period. Growth continued in Europe, Latin America and Asia. The average selling price reduced due to volume incentive arrangements in long-term customer contracts and a more competitive High Intensity Sweetener market.

Following the significant yield improvements achieved last year, and the consequent decision to produce all sucralose at our fourth generation facility in Singapore, the process of mothballing the plant in McIntosh, Alabama is proceeding ahead of expectations, accelerating the benefit of lower cost production. Underlying cost savings of £3 million were driven by lower fixed manufacturing costs, as the business began to migrate to a single production site, lower freight costs through supply chain optimisation and savings in labour and administrative costs. Performance also benefited from lower ingredient prices.

As previously reported, we had expected operating margins in the 2010 financial year to be somewhat lower than the underlying level achieved in the 2009 financial year. In the event, operating margins of 34.7% in the first half of 2010 were higher than expected, driven principally by higher volume growth.

We continue to hold significant stocks of McIntosh production while customers complete their qualification of products manufactured in Singapore, and would expect to consume most of this higher cost inventory during the second half of the 2010 financial year. We remain on track to capture the anticipated benefits arising from the reduced operating costs of having a single plant. Finishing and packaging activities will continue in McIntosh until the end of the financial year, and we continue to maintain the McIntosh plant in a state whereby it can be restarted within a few months.

Whilst we expect our long-term customer contracts to continue to drive volume growth, performance in the second half of the 2010 financial year is not expected to benefit from the volume impact experienced in the early part of the period from customers' restocking.

Central costs

Central costs, which include head office, treasury and reinsurance activities, reduced by £3 million to £12 million. Underlying reductions in costs totalling £1 million were achieved. The comparative period included costs borne by our captive reinsurance company following boiler problems at our Decatur, Illinois facility.

Energy

The Group's energy cost at £100 million in the first half was 10% above the comparative period (7% lower in constant currency). The underlying reduction was due to lower energy prices (£2 million) and improved efficiency (£5 million). We have in place contracts and hedges that cover more than 80% of our estimated energy use for the current financial year.

Exceptional items

Following our announcement on 28 May 2009 of the decision to mothball our sucralose plant in McIntosh, Alabama, we have recognised an exceptional charge in the six months of £55 million representing the anticipated cash costs associated with this decision. These costs will be paid over three years and are expected to have a three year payback resulting from the reduced operating costs of running a single plant.

Exceptional items from discontinued operations in the comparative period reflected the anticipated £22 million loss in relation to the disposal of our International Sugar Trading operations.

Discontinued operations

Discontinued activities generated an adjusted operating loss of £1 million in the first half compared to a profit of £3 million in the comparative period. The operating loss in the current period arose from the activities of the International Sugar Trading business. Operating profit in the comparative period comprised profits from International Sugar Trading (£1 million) and Eastern Sugar, the beet sugar joint venture in Eastern Europe (£2 million).

Operating cash outflows from discontinued operations totalled £39 million in the first half of the 2010 financial year. As reported in the 2009 Annual Report and Accounts, a total of £29 million outflow was anticipated in the 2010 financial year arising from the disposal of the International Sugar Trading business, and the majority of this has been paid. Additionally, the significant increase in world sugar prices has led to further cash outflows from residual margin positions during the first half year. These positions will unwind over time.

The disposal of the minority interests related to the International Sugar Trading business is progressing. We continue to anticipate that the sale of these minority interests will occur in the 2010 financial year, although the profit on disposal is now expected to be below the £22 million exceptional loss reported in the comparative period arising from the sale of the International Sugar Trading business, due in part to the movement in exchange rates from the prior year.

Cash flow

Operating cash flow from continuing operations amounted to £357 million, an increase of £207 million over the comparative period. This increase was due principally to changes in working capital, which totalled an inflow of £146 million in the first half, compared to an outflow of £58 million in the comparative period. Improvements in working capital were achieved throughout the business, and reflected the actions we have focused on to optimise working capital in all aspects of the Group's activities. Inventory of corn in the US at 30 September 2009 was low because, as usual, we had run down inventories in anticipation of the first deliveries from the 2009 corn harvest. Based on normal inventory levels valued at current market prices, we would expect total raw material inventories in the US and Europe to increase by around £60 million during the second half.

Capital expenditure of £46 million was below the depreciation charge for the period of £57 million. In October, we initiated a full review of our approach to capital investment planning and implementation with the assistance of external experts with a view to improving the efficiency and effectiveness of future capital expenditure.

Net debt and financing profile

Net debt at 30 September 2009 was £987 million, a decrease of £244 million since 31 March 2009. The effect of exchange translation since 31 March 2009 was to reduce net debt by £111 million.

In addition to our bonds and other debt facilities, the Group has a core committed bank facility of US\$1,000 million that matures in October 2012 of which US\$775 million was undrawn at 30 September 2009. The average maturity of gross debt is 4.5 years and the first capital market issue to reach maturity is the US\$300 million Rule 144A bond in June 2011.

Balance sheet

The Group's net assets decreased by £147 million to £866 million at 30 September 2009 from £1,013 million at 31 March 2009. Profits for the period including minority interests of £46 million were offset by total dividend payments of £75 million. Actuarial losses on the Group's retirement benefits schemes were £110 million, and were driven by reductions in discount rates which increased plan liabilities, partially offset by increases in plan assets. After a positive impact from net investment hedging, balance sheet translation reduced net assets by £38 million.

With a view to containing our pension costs and reducing balance sheet volatility, we have commenced consultation with employees who are active members of the UK Group Pension Scheme (around 400 employees, representing just over half of our UK workforce) on the closure of that scheme to future accrual from April 2011. The Scheme was closed to new entrants in April 2002.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 28 to 30 in the Report and Accounts for the year ended 31 March 2009, a copy of which is available on the Company's website at www.tateandlyle.com. In the view of the Board, other than as referred to elsewhere in this statement, there is no material change in these factors in respect of the remaining six months of the year.

Outlook

Overall, the Group's performance, before the impact of exchange translation, remains on track to meet our expectations for the full year.

At our Food & Industrial Ingredients businesses in the Americas and Europe, the order patterns of our food and beverage customers appear to have been re-established, albeit at slightly lower levels. However, global industrial starch, US ethanol and US animal feed markets remain under pressure. We look forward to continuing underlying growth in Sucralose and to improved profits from Sugars in the second half. As usual, the outcome of the 2010 calendar year sweetener pricing rounds will influence performance in the last quarter of the financial year.

Against this backdrop, we continue to take the actions necessary to strengthen the Group's balance sheet, reduce our costs and ensure that we are well positioned as markets improve.

Sir Peter Gershon
Chairman

Javed Ahmed
Chief Executive

Statement of Directors' responsibilities

The Directors confirm that this condensed set of financial statements has been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by the Disclosure Rules and Transparency Rules of the Financial Services Authority, paragraphs DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of consolidated financial information;
- a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

The Directors are responsible for the maintenance and integrity of the Company's website. UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors of Tate & Lyle PLC are listed in the Tate & Lyle Annual Report for the year ended 31 March 2009. The following changes to the Board occurred in the period:

- Sir Peter Gershon succeeded Sir David Lees as Chairman of the Company on 23 July 2009. Sir David ceased to be a Director of the Company on the same date; and
- Javed Ahmed succeeded Iain Ferguson as Chief Executive and as a Director of the Company on 1 October 2009. Mr Ferguson stepped down from the Board on the same date.

For and on behalf of the Board of Directors:

Sir Peter Gershon
Chairman

Javed Ahmed
Chief Executive

5 November 2009

TATE & LYLE PLC

Independent review report to Tate & Lyle PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the Statement of Half Year Results for the six months ended 30 September 2009, which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity and the related notes. We have read the other information contained in the Statement of Half Year Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial statements.

Directors' responsibilities

The Statement of Half Year Results is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Statement of Half Year Results in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this Statement of Half Year Results has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the Statement of Half Year Results based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Statement of Half Year Results for the six months ended 30 September 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
5 November 2009

TATE & LYLE PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	Six months to 30 September 2009 £m	Six months to 30 September 2008 £m	Year to 31 March 2009 £m
Continuing operations				
Sales	2	<u>1 823</u>	<u>1 698</u>	<u>3 553</u>
Operating profit	2	86	143	164
Finance income	4	11	18	27
Finance expense	4	<u>(47)</u>	<u>(40)</u>	<u>(78)</u>
Profit before tax		50	121	113
Income tax expense	5	<u>(2)</u>	<u>(37)</u>	<u>(19)</u>
Profit for the period from continuing operations		48	84	94
Loss for the period from discontinued operations	8	<u>(2)</u>	<u>(19)</u>	<u>(24)</u>
Profit for the period		<u>46</u>	<u>65</u>	<u>70</u>
Profit for the period attributable to:				
Equity holders of the Company		44	64	65
Minority interests		<u>2</u>	<u>1</u>	<u>5</u>
Profit for the period		<u>46</u>	<u>65</u>	<u>70</u>
Earnings per share attributable to the equity holders of the Company from continuing and discontinued operations				
	6	Pence	Pence	Pence
– Basic		9.5	14.1	14.2
– Diluted		<u>9.5</u>	<u>14.0</u>	<u>14.1</u>
Earnings per share attributable to the equity holders of the Company from continuing operations				
	6	Pence	Pence	Pence
– Basic		10.0	18.1	19.5
– Diluted		<u>10.0</u>	<u>18.0</u>	<u>19.4</u>
Dividends per share				
	7	Pence	Pence	Pence
– Proposed at the end of the period		6.8	6.8	16.1
– Paid in the period		<u>16.1</u>	<u>16.1</u>	<u>22.9</u>

Analysis of adjusted profit before tax from continuing operations		£m	£m	£m
Statutory profit before tax		<u>50</u>	<u>121</u>	<u>113</u>
Add back:				
Exceptional items	3	55	–	119
Amortisation of acquired intangible assets		<u>7</u>	<u>7</u>	<u>15</u>
Adjusted profit before tax, exceptional items and amortisation of acquired intangible assets		<u>112</u>	<u>128</u>	<u>247</u>

TATE & LYLE PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Six months to 30 September 2009 £m	Six months to 30 September 2008 £m	Year to 31 March 2009 £m
Profit for the period	46	65	70
Other comprehensive income ('OCI'):			
Exchange differences	(38)	50	139
Actuarial losses in post-employment benefit plans	(110)	(1)	(71)
Valuation (losses)/gains on available-for-sale financial assets	(11)	19	24
Net gains/(losses) on cash flow hedges	16	(13)	(34)
Deferred tax relating to the above components of OCI	22	1	40
Other comprehensive (expense)/income for the period, net of tax	(121)	56	98
Total comprehensive (expense)/income for the period	(75)	121	168
Attributable to:			
Equity holders of the Company	(75)	119	157
Minority interests	-	2	11
	(75)	121	168

TATE & LYLE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

		30 September 2009	30 September 2008	31 March 2009
	Notes	£m	£m	£m
ASSETS				
Non-current assets				
Intangible assets		350	321	374
Property, plant and equipment		1 416	1 363	1 548
Investments in associates		7	7	8
Available-for-sale financial assets		12	8	11
Derivative financial instruments		33	24	34
Deferred tax assets		46	1	30
Trade and other receivables		2	15	5
Retirement benefit surplus		3	67	47
		<u>1 869</u>	<u>1 806</u>	<u>2 057</u>
Current assets				
Inventories		443	467	538
Trade and other receivables		548	691	723
Current tax assets		7	7	6
Derivative financial instruments		180	162	213
Cash and cash equivalents	9	357	259	434
Assets held for sale	10	17	205	28
		<u>1 552</u>	<u>1 791</u>	<u>1 942</u>
TOTAL ASSETS		<u>3 421</u>	<u>3 597</u>	<u>3 999</u>
SHAREHOLDERS' EQUITY				
Capital and reserves attributable to the equity holders of the Company:				
Share capital		115	114	115
Share premium		404	404	404
Capital redemption reserve		8	8	8
Other reserves		186	149	219
Retained earnings		128	310	241
		<u>841</u>	<u>985</u>	<u>987</u>
Minority interests		25	17	26
TOTAL SHAREHOLDERS' EQUITY		<u>866</u>	<u>1 002</u>	<u>1 013</u>
LIABILITIES				
Non-current liabilities				
Trade and other payables		4	17	11
Borrowings	9	1 033	926	1 129
Derivative financial instruments		48	43	57
Deferred tax liabilities		56	115	78
Retirement benefit obligations		299	168	258
Provisions for other liabilities and charges		44	25	21
		<u>1 484</u>	<u>1 294</u>	<u>1 554</u>
Current liabilities				
Trade and other payables		481	400	538
Current tax liabilities		64	57	77
Borrowings and bank overdrafts	9	297	459	523
Derivative financial instruments		202	165	283
Provisions for other liabilities and charges		27	34	11
Liabilities held for sale	10	–	186	–
		<u>1 071</u>	<u>1 301</u>	<u>1 432</u>
TOTAL LIABILITIES		<u>2 555</u>	<u>2 595</u>	<u>2 986</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>3 421</u>	<u>3 597</u>	<u>3 999</u>

TATE & LYLE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

		Six months to 30 September 2009 £m	Six months to 30 September 2008 £m	Year to 31 March 2009 £m
	Notes			
Cash flows from operating activities				
Profit before tax from continuing operations		50	121	113
Adjustments for:				
Depreciation and impairment of property, plant and equipment		57	53	112
Exceptional items	3	55	–	119
Amortisation of intangible assets		11	9	20
Share-based payments charge		2	3	5
Finance income	4	(11)	(18)	(27)
Finance expense	4	47	40	78
Changes in working capital		146	(58)	31
Cash generated from continuing operations		357	150	451
Interest paid		(44)	(45)	(86)
Income tax paid		(25)	(2)	(17)
Cash (used in)/generated from discontinued operations	8	(39)	66	140
Net cash generated from operating activities		249	169	488
Cash flows from investing activities				
Proceeds on disposal of property, plant and equipment		–	1	5
Interest received		16	20	30
Purchase of available-for-sale financial assets		(1)	(3)	(6)
Proceeds on disposal of available-for-sale financial assets		–	4	9
Acquisitions of subsidiaries, net of cash acquired		–	(1)	(1)
Disposals of subsidiaries, net of cash disposed		–	–	(4)
Disposal of businesses		(9)	–	57
Purchase of property, plant and equipment		(46)	(112)	(224)
Purchase of intangible assets and other non-current assets		(2)	(3)	(7)
Net cash used in investing activities		(42)	(94)	(141)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares		–	2	3
Cash (outflow)/inflow from (repayment)/drawdown of borrowings		(191)	87	(13)
Cash outflow from repayment of capital element of finance leases		(1)	(1)	(3)
Dividends paid to the Company's equity holders	7	(74)	(73)	(104)
Dividends paid to minority interests		(1)	(1)	(1)
Net cash (used in)/generated from financing activities		(267)	14	(118)
Net (decrease)/increase in cash and cash equivalents	9	(60)	89	229
Cash and cash equivalents:				
Balance at beginning of period		434	165	165
Effect of changes in foreign exchange rates		(17)	5	40
Net (decrease)/increase in cash and cash equivalents		(60)	89	229
Balance at end of period	9	357	259	434

TATE & LYLE PLC

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

	Share capital & share premium	Capital redemption reserve	Other reserves	Retained earnings	Attributable to the equity holders of the Company	Minority interests	Total Shareholders' equity
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 April 2008	518	8	91	317	934	16	950
Other comprehensive income for the period	–	–	58	(3)	55	1	56
Profit for the period	–	–	–	64	64	1	65
Share-based payments charge, including tax	–	–	–	3	3	–	3
Proceeds from shares issued	–	–	–	2	2	–	2
Dividends paid	–	–	–	(73)	(73)	(1)	(74)
Balance at 30 September 2008	518	8	149	310	985	17	1 002
Balance at 1 April 2008	518	8	91	317	934	16	950
Other comprehensive income for the year	–	–	132	(40)	92	6	98
Profit for the year	–	–	–	65	65	5	70
Share-based payments charge, including tax	–	–	–	1	1	–	1
Proceeds from shares issued	1	–	–	2	3	–	3
Items transferred to income on disposal	–	–	(4)	–	(4)	–	(4)
Dividends paid	–	–	–	(104)	(104)	(1)	(105)
Balance at 31 March 2009	519	8	219	241	987	26	1 013
Balance at 1 April 2009	519	8	219	241	987	26	1 013
Other comprehensive expense for the period	–	–	(33)	(86)	(119)	(2)	(121)
Profit for the period	–	–	–	44	44	2	46
Share-based payments charge, including tax	–	–	–	3	3	–	3
Dividends paid	–	–	–	(74)	(74)	(1)	(75)
Balance at 30 September 2009	519	8	186	128	841	25	866

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

For the six months to 30 September 2009

1. Presentation of half year financial information

General information

The principal activities of Tate & Lyle PLC are the development, manufacture and marketing of food and industrial ingredients that have been made from renewable resources. The Group operates more than 45 production facilities and in numerous partnerships and joint ventures throughout Europe, the Americas and South East Asia. It operates through its subsidiary companies and numerous partnerships and joint ventures.

The Company is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Sugar Quay, Lower Thames Street, London EC3R 6DQ. The Company has its primary listing on the London Stock Exchange.

Basis of preparation

This condensed consolidated financial information for the six months ended 30 September 2009 has been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 *Interim Financial Reporting* as adopted by the European Union. The condensed consolidated financial information should be read in conjunction with the Annual Report and Accounts 2009, which have been prepared in accordance with IFRSs as adopted by the European Union.

The condensed consolidated financial information is unaudited, but has been reviewed by the external auditors. The condensed set of consolidated financial information in the Statement of Half Year Results does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Group's published consolidated financial statements for the year ended 31 March 2009 were approved by the Board of Directors on 27 May 2009 and filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain an emphasis of matter paragraph or a statement under Section 237 of the Companies Act 1985. The condensed set of consolidated financial statements for the six months ended 30 September 2009 on pages 14 to 33 was approved by the Board of Directors on 5 November 2009.

Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the condensed set of consolidated financial information are consistent with those of the Group's Annual Report and Accounts 2009, other than the adoption, with effect from 1 April 2009, of new or revised accounting standards, as set out below.

IFRS 8 *Operating Segments* is effective for accounting periods beginning on or after 1 January 2009 and replaces IAS 14 *Segment Reporting*. IFRS 8 takes the management view to determine the operating and reportable segments for disclosure purposes, rather than the risks and reward model and the primary and secondary segments currently required by IAS 14. The impact of adopting IFRS 8 is stated in note 2.

IAS 1 (revised) *Presentation of Financial Statements* introduces some terminology changes and changes in presentation and disclosure, in particular, the introduction of the consolidated statement of changes in shareholders' equity as a primary statement. Under IAS 1 (revised), the Group has adopted to present two statements, a Consolidated Income Statement and a Consolidated Statement of Comprehensive Income.

The following standards are effective for the Group's accounting period beginning on 1 April 2009 and where relevant have been adopted in this financial information. They have not had a material impact on the results or financial position of the Group:

- IFRIC 13 *Customer Loyalty Programmes*
- IFRIC 15 *Agreements for the Construction of Real Estate*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*
- Amendment to IFRS2 *Share-based Payment* – Vesting conditions and cancellations
- Amendment to IFRS7 *Financial Instruments: Disclosures* – Improving disclosures about financial instruments
- Revised IAS23 *Borrowing Costs*
- Amendment to IAS27 *Consolidated and Separate Financial Statements* – Cost of an investment in a subsidiary, jointly controlled entity or associate
- Amendment to IAS32 *Financial Instruments: Presentation* and IAS1 *Presentation of Financial Statements* – Puttable financial instruments and obligations arising on liquidation
- IASB's annual improvements project

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

1. Presentation of half year financial information (continued)

Use of adjusted measures

Tate & Lyle presents adjusted operating profit, profit before tax and earnings per share information. These measures are used by Tate & Lyle for internal performance analysis and incentive compensation arrangements for employees. The terms 'adjusted' and 'exceptional items' are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported excluding exceptional items and amortisation of intangible assets arising on acquisition of businesses. A reconciliation to reported information is provided in note 16.

Seasonality

The Group's principal exposure to seasonality is in relation to working capital. The Group's inventories are subject to seasonal fluctuations reflecting crop harvesting and purchases. Inventory levels typically increase progressively from September to November and gradually reduce in the first six months of the calendar year.

Going concern

Having reviewed the Group's latest projected results, cash flows, liquidity position and borrowing facilities, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the condensed set of financial statements.

2. Segment information

From 1 April 2009, the Group has adopted IFRS 8 *Segmental Reporting*. Under IFRS 8, there has been no change to the Group's reportable segments. Central costs, which include head office, treasury and reinsurance activities, does not meet the operating segment definition under IFRS 8 but has been disclosed as a reportable segment in the below results to be consistent with internal management reporting.

Discontinued operations comprise International Sugar Trading and Eastern Sugar (see note 8).

The segment results for the six months to 30 September 2009 were as follows:

Continuing operations

	Food & Industrial Ingredients, Americas £m	Food & Industrial Ingredients, Europe £m	Sugars £m	Sucralose £m	Central costs £m	Total £m	Discontinued operations (note 8) £m	Total £m
Sales								
Total sales	947	259	525	101	–	1 832	79	1 911
Inter-segment sales	(8)	(1)	–	–	–	(9)	–	(9)
External sales	<u>939</u>	<u>258</u>	<u>525</u>	<u>101</u>	<u>–</u>	<u>1 823</u>	<u>79</u>	<u>1 902</u>
Operating profit/(loss)								
Before exceptional items and amortisation of acquired intangible assets	94	28	3	35	(12)	148	(1)	147
Exceptional items (note 3)	–	–	–	(55)	–	(55)	–	(55)
Amortisation of acquired intangible assets	(2)	(4)	–	(1)	–	(7)	–	(7)
Operating profit/(loss)	<u>92</u>	<u>24</u>	<u>3</u>	<u>(21)</u>	<u>(12)</u>	<u>86</u>	<u>(1)</u>	<u>85</u>
Net finance expense						(36)	(1)	(37)
Profit/(loss) before tax						<u>50</u>	<u>(2)</u>	<u>48</u>

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

2. Segment information (continued)

The comparative segment results for the six months to 30 September 2008 were as follows:

	Continuing operations						Discontinued operations (note 8) £m	Total £m
	Food & Industrial Ingredients, Americas £m	Food & Industrial Ingredients, Europe £m	Sugars £m	Sucralose £m	Central costs £m	Total £m		
Sales								
Total sales	814	293	517	78	–	1 702	433	2 135
Inter-segment sales	(3)	(1)	–	–	–	(4)	(9)	(13)
External sales	<u>811</u>	<u>292</u>	<u>517</u>	<u>78</u>	<u>–</u>	<u>1 698</u>	<u>424</u>	<u>2 122</u>
Operating profit								
Before exceptional items and amortisation of acquired intangible assets	109	19	7	30	(15)	150	3	153
Exceptional items (note 3)	–	–	–	–	–	–	(22)	(22)
Amortisation of acquired intangible assets	(1)	(4)	–	(2)	–	(7)	–	(7)
Operating profit/(loss)	<u>108</u>	<u>15</u>	<u>7</u>	<u>28</u>	<u>(15)</u>	<u>143</u>	<u>(19)</u>	<u>124</u>
Net finance (expense)/income						(22)	1	(21)
Profit/(loss) before tax						<u>121</u>	<u>(18)</u>	<u>103</u>

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

2. Segment information (continued)

The segment results for the year to 31 March 2009 were as follows:

	Continuing operations								
	Food & Industrial Ingredients, Americas £m	Food & Industrial Ingredients, Europe £m	Sugars £m	Sucralose £m	Central costs £m	Total £m	Discontinued operations (note 8) £m	Total £m	
Sales									
Total sales	1 810	541	1 053	169	–	3 573	874	4 447	
Inter-segment sales	(13)	(2)	(5)	–	–	(20)	(22)	(42)	
External sales	<u>1 797</u>	<u>539</u>	<u>1 048</u>	<u>169</u>	<u>–</u>	<u>3 553</u>	<u>852</u>	<u>4 405</u>	
Operating profit									
Before exceptional items and amortisation of acquired intangible assets	181	51	12	72	(18)	298	1	299	
Exceptional items (note 3)	(13)	–	(9)	(97)	–	(119)	(22)	(141)	
Amortisation of acquired intangible assets	(3)	(8)	–	(4)	–	(15)	–	(15)	
Operating profit/(loss)	<u>165</u>	<u>43</u>	<u>3</u>	<u>(29)</u>	<u>(18)</u>	<u>164</u>	<u>(21)</u>	<u>143</u>	
Net finance expense						(51)	(2)	(53)	
Profit/(loss) before tax						<u>113</u>	<u>(23)</u>	<u>90</u>	

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

3. Exceptional items

	Six months to 30 September 2009 £m	Six months to 30 September 2008 £m	Year to 31 March 2009 £m
Continuing			
Closure costs (a)	(55)	–	–
Impairment charges (b)	–	–	(106)
Write-down of assets (c)	–	–	(24)
Settlement with Mexican government (d)	–	–	11
	<u>(55)</u>	<u>–</u>	<u>(119)</u>
Discontinued			
International Sugar Trading (e)	–	(22)	(22)
	<u>–</u>	<u>(22)</u>	<u>(22)</u>

(a) The Group has recognised an exceptional charge in relation to the decision to mothball the Sucralose manufacturing facilities in McIntosh, Alabama. The charge totalled £55 million for the six months to 30 September 2009 and includes costs connected with redundancy, clean-up activities and ongoing fixed costs. The cash outflows in the period totalled £9 million and the remaining outflows are forecast to be spent over three years.

(b) The decision to mothball the McIntosh plant resulted in an impairment charge of £97 million being recognised in the year ended 31 March 2009.

In addition, following a review of its sugar refining business in Israel, an impairment charge of £9 million relating to property, plant and equipment was recognised in the year ended 31 March 2009. The sugar refining business in Israel is reported in the Sugars segment.

(c) In the year ended 31 March 2009, the Group wrote off £24 million in relation to a dispute with a supplier over the performance and suitability of certain equipment. Of the £24 million, £6 million had previously been reported within property, plant and equipment and £18 million within prepayments. These assets relate to operations reported in the Food & Industrial Ingredients, Americas segment.

(d) In the year ended 31 March 2009, as a result of a settlement of a dispute with the Mexican government over tax on soft drinks containing HFCS, Almidones Mexicanos SA, the Group's joint venture in Mexico, received £22 million, of which the Group's share is £11 million, as compensation for lost revenue. The business is reported in the Food & Industrial Ingredients, Americas segment.

(e) In the six months to 30 September 2008, the Group recorded a loss of £22 million in relation to the disposal of its International Sugar Trading business. The loss reported was net of a gain of £4 million which arose from the disposal of an available-for-sale investment held in connection with the business.

There was a £21 million tax credit in relation to continuing exceptional items for the six months to 30 September 2009. There was no tax impact in respect of the discontinued exceptional items in the period to 30 September 2008. In the year to 31 March 2009 the tax impact on continuing net exceptional items, and on total net exceptional items, was a £44 million credit. Tax credits on exceptional items are only recognised to the extent that losses incurred will result in tax recoverable in the future.

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

4. Finance income and finance expense

Continuing	Six months to 30 September 2009 £m	Six months to 30 September 2008 £m	Year to 31 March 2009 £m
Finance income			
Interest receivable	11	18	27
Total finance income	<u>11</u>	<u>18</u>	<u>27</u>
Finance expense			
Interest payable on bank and other borrowings	(37)	(38)	(70)
Net finance (expense)/income arising on defined benefit retirement schemes:			
– interest cost	(37)	(38)	(79)
– expected return on plan assets	28	37	76
Unwinding of discounts in provisions	–	–	(1)
Finance lease charges	(1)	(2)	(3)
Fair value (loss)/gain on interest-related derivative instruments:			
– interest rate swaps – fair value hedges	(5)	(3)	30
– derivatives not designated as hedges	–	1	1
Fair value adjustment of borrowings attributable to interest rate risk	5	3	(32)
Total finance expense	<u>(47)</u>	<u>(40)</u>	<u>(78)</u>
Net finance expense	<u>(36)</u>	<u>(22)</u>	<u>(51)</u>

Discontinued

Included within the loss for the six months to 30 September 2009 in relation to discontinued operations (note 8) is net finance expense of £1 million (six months to 30 September 2008 – net finance income of £1 million; year ended 31 March 2009 – net finance expense of £2 million).

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

5. Income tax expense

	Six months to 30 September 2009 £m	Six months to 30 September 2008 £m	Year to 31 March 2009 £m
Continuing			
Current tax			
In respect of the current period			
– UK taxation	–	–	–
– Overseas taxation	12	29	70
Adjustments in respect of previous years	8	5	(14)
	<u>20</u>	<u>34</u>	<u>56</u>
Deferred tax	(18)	3	(37)
Income tax expense	<u>2</u>	<u>37</u>	<u>19</u>
Discontinued			
Current tax			
– UK taxation	–	–	–
– Overseas taxation	–	1	1
	<u>–</u>	<u>1</u>	<u>1</u>
Deferred tax	–	–	–
Income tax expense	<u>–</u>	<u>1</u>	<u>1</u>

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

6. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held in the employee share ownership trust or in treasury.

	Six months to 30 September 2009			Six months to 30 September 2008		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to equity holders of the Company (£m)	46	(2)	44	83	(19)	64
Weighted average number of ordinary shares in issue (millions)	457.2	457.2	457.2	456.2	456.2	456.2
Basic earnings/(loss) per share	10.0p	(0.5)p	9.5p	18.1p	(4.0)p	14.1p
	Year to 31 March 2009					
	Continuing operations	Discontinued operations	Total			
Profit attributable to equity holders of the Company (£m)	89	(24)	65			
Weighted average number of ordinary shares in issue (millions)	456.5	456.5	456.5			
Basic earnings per share	19.5p	(5.3)p	14.2p			

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. Potential dilutive ordinary shares arise from share option and award plans. For these, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options.

	Six months to 30 September 2009			Six months to 30 September 2008		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to equity holders of the Company (£m)	46	(2)	44	83	(19)	64
Weighted average number of diluted shares in issue (millions)	458.3	458.3	458.3	459.4	459.4	459.4
Diluted earnings/(loss) per share	10.0p	(0.5)p	9.5p	18.0p	(4.0)p	14.0p
	Year to 31 March 2009					
	Continuing operations	Discontinued operations	Total			
Profit attributable to equity holders of the Company (£m)	89	(24)	65			
Weighted average number of diluted shares in issue (millions)	459.8	459.8	459.8			
Diluted earnings per share	19.4p	(5.3)p	14.1p			

The adjustment for the dilutive effect of share options at 30 September 2009 was 1.1 million (30 September 2008 – 3.2 million; 31 March 2009 – 3.3 million).

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
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6. Earnings per share (continued)

Adjusted earnings per share

Adjusted earnings per share is stated excluding exceptional items and amortisation of acquired intangible assets, as follows:

Continuing operations	Six months to 30 September 2009	Six months to 30 September 2008	Year to 31 March 2009
Profit attributable to equity holders of the Company (£m)	46	83	89
Adjustments for:			
– exceptional items (note 3)	55	–	119
– amortisation of acquired intangible assets	7	7	15
– tax effect on the above adjustments	(24)	(2)	(49)
Adjusted profit (£m)	84	88	174
Adjusted basic earnings per share from continuing operations	18.4p	19.2p	38.2p
Adjusted diluted earnings per share from continuing operations	18.3p	19.1p	38.0p

7. Dividends

The Directors have declared an interim dividend of £31 million out of the profit for the six months to 30 September 2009 (30 September 2008 – £31 million), representing 6.8p per share (30 September 2008 – 6.8p), payable on 8 January 2010. The final dividend for the year to 31 March 2009 of £74 million, representing 16.1p per share, was paid during the six months to 30 September 2009.

TATE & LYLE PLC
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8. Discontinued operations

As previously reported, during the year ended 31 March 2009, the Group reached an agreement for the sale of its International Sugar Trading operations to Bunge Limited. Accordingly, the results of the International Sugar Trading operations are presented as discontinued operations for the periods ended 30 September 2009 and 30 September 2008 and for the year ended 31 March 2009. Under the terms of the sale agreement, the Group managed the working capital of the business until 31 March 2009, when the balances were assumed by Bunge. Accordingly, the related assets and liabilities were classified as held for sale at 30 September 2008 (note 10).

In addition, as a result of the EU Sugar Regime, the Group's Eastern Sugar joint venture ceased processing beets by March 2007 and renounced its sugar quotas in Hungary, Czech Republic and Slovakia in return for Restructuring Aid. Accordingly, the results of Eastern Sugar are presented as discontinued operations for the periods ended 30 September 2009, 30 September 2008 and the year ended 31 March 2009.

The results of International Sugar Trading and Eastern Sugar were both previously reported in the Sugars segment.

	Six months to 30 September 2009		
	Sugar Trading £m	Eastern Sugar £m	Total £m
Sales	79	–	79
Operating loss	(1)	–	(1)
Finance expense	(1)	–	(1)
Loss before tax	(2)	–	(2)
Income tax expense (note 5)	–	–	–
Loss for the period	<u>(2)</u>	<u>–</u>	<u>(2)</u>
	Six months to 30 September 2008		
	Sugar Trading £m	Eastern Sugar £m	Total £m
Sales	424	–	424
Operating profit before exceptional items	1	2	3
Exceptional items (note 3)	(22)	–	(22)
Operating (loss)/profit	(21)	2	(19)
Finance income	–	1	1
(Loss)/profit before tax	(21)	3	(18)
Income tax expense (note 5)	–	(1)	(1)
Loss for the period	<u>(21)</u>	<u>2</u>	<u>(19)</u>
	Year to 31 March 2009		
	Sugar Trading £m	Eastern Sugar £m	Total £m
Sales	852	–	852
Operating (loss)/profit before exceptional items	(1)	2	1
Exceptional items (note 3)	(22)	–	(22)
Operating (loss)/profit	(23)	2	(21)
Finance income	4	2	6
Finance expense	(8)	–	(8)
(Loss)/profit before tax	(27)	4	(23)
Income tax expense (note 5)	–	(1)	(1)
(Loss)/profit for the year	<u>(27)</u>	<u>3</u>	<u>(24)</u>

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

8. Discontinued operations (continued)

Net cash flows from discontinued operations are as follows:

	Six months to 30 September 2009		
	Sugar Trading £m	Eastern Sugar £m	Total £m
Net cash used in operating activities	(35)	(4)	(39)
Net cash used in investing activities	(9)	–	(9)
	Six months to 30 September 2008		
	Sugar Trading £m	Eastern Sugar £m	Total £m
Net cash generated from operating activities	46	20	66
	Year to 31 March 2009		
	Sugar Trading £m	Eastern Sugar £m	Total £m
Net cash generated from operating activities	87	53	140
Net cash generated from investing activities	62	4	66

There were no cash flows used in or generated from financing activities in relation to discontinued operations in the periods ended 30 September 2009, 30 September 2008 and the year ended 31 March 2009.

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For the six months to 30 September 2009

9. Net debt

The components of the Group's net debt profile are as follows:

	30 September 2009 £m	30 September 2008 £m	31 March 2009 £m
Non-current borrowings	(1 033)	(926)	(1 129)
Current borrowings and overdrafts ^(a)	(297)	(459)	(523)
Debt-related derivative instruments ^(b)	(14)	(2)	(13)
Cash and cash equivalents	357	259	434
Net debt	<u>(987)</u>	<u>(1 128)</u>	<u>(1 231)</u>

(a) Current borrowings and overdrafts at 30 September 2009 include £58 million (30 September 2008 – £70 million, 31 March 2009 – £98 million) in respect of securitised receivables.

(b) Derivative financial instruments presented within assets and liabilities in the statement of financial position of £37 million net liability (30 September 2008 – £22 million net liability; 31 March 2009 – £93 million net liability) comprise net debt-related instruments of £14 million liability (30 September 2008 – £2 million liability; 31 March 2009 – £13 million liability) and non debt-related instruments of £23 million liability (30 September 2008 – £20 million liability; 31 March 2009 – £80 million liability).

Movements in the Group's net debt profile are as follows:

	Six months to 30 September 2009 £m	Six months to 30 September 2008 £m	Year to 31 March 2009 £m
Balance at beginning of period	(1 231)	(1 041)	(1 041)
(Decrease)/increase in cash and cash equivalents in the period	(60)	89	229
Repayments of/(proceeds from) borrowings	192	(86)	16
Debt transferred on disposal of subsidiaries	–	–	8
Inception of finance leases	–	–	(1)
Trade finance recognised as debt	–	–	(55)
Fair value and other movements	1	–	(9)
Exchange differences	111	(90)	(378)
Decrease/(increase) in net debt in the period	<u>244</u>	<u>(87)</u>	<u>(190)</u>
Balance at end of period	<u>(987)</u>	<u>(1 128)</u>	<u>(1 231)</u>

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

10. Assets and liabilities classified as held for sale

On 31 March 2009 the Group completed the disposal of its International Sugar Trading operations to Bunge Limited. The assets and liabilities relating to this business were classified as held for sale at 30 September 2008.

A small number of minority interests related to the International Sugar Trading business were not included in the sale and are being addressed separately in accordance with the related shareholders' agreements. The sale of these minority interests are expected to occur in the second half of the year and have been classified as held for sale at 30 September 2009, 30 September 2008 and 31 March 2009.

Assets and liabilities as at 30 September 2009 are shown as held for sale as follows:

	30 September 2009 £m	30 September 2008 £m	31 March 2009 £m
Assets			
Inventories	–	39	–
Trade and other receivables	–	88	–
Derivative financial instruments	–	50	–
Available-for-sale financial assets	17	28	28
Total assets held for sale	17	205	28
Liabilities			
Trade and other payables	–	87	–
Derivative financial instruments	–	99	–
Total liabilities held for sale	–	186	–

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

11. Capital expenditure

In the six months to 30 September 2009, there were additions to intangible assets of £2 million (30 September 2008 – £3 million) and additions to property, plant and equipment of £46 million (30 September 2008 – £112 million). There were no material disposals of property, plant and equipment during the period (2008 – £nil million).

	30 September 2009 £m	30 September 2008 £m	31 March 2009 £m
Commitments for the acquisition of property, plant and equipment	22	44	29

12. Contingent liabilities

There have been no material changes to the Group's contingent liabilities since 31 March 2009.

13. Related party disclosures

The Group's significant related parties are its associates and joint ventures as disclosed in the Tate & Lyle Annual Report for the year ended 31 March 2009. There were no material differences in related parties or related party transactions in the period or prior period.

14. Post balance sheet events

There are no post balance sheet events requiring disclosure.

15. Foreign exchange rates

The following exchange rates have been applied in the translation of the financial statements of the Group's principal overseas operations:

	Six months to 30 September 2009	Six months to 30 September 2008	Year to 31 March 2009
Average exchange rates			
US Dollar £1 = \$	1.60	1.93	1.80
Euro £1 = €	1.14	1.26	1.19
Period end exchange rates			
US Dollar £1 = \$	1.60	1.78	1.43
Euro £1 = €	1.09	1.26	1.08

TATE & LYLE PLC
NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

16. Reconciliation of adjusted financial information

Adjusted information is presented as it provides both management and investors with valuable additional information on the performance of the business. The following items are excluded from adjusted information:

- discontinued operations;
- exceptional items including profits/losses on disposal of businesses and impairments; and
- amortisation of acquired intangibles.

The following table shows the reconciliation of the statutory information presented in the income statement to the adjusted information:

	Six months to 30 September 2009			Six months to 30 September 2008		
	Reported £m	Exceptional/ amortisation/ £m	Adjusted £m	Reported £m	Exceptional/ amortisation/ £m	Adjusted £m
Continuing operations						
Sales	1 823	–	1 823	1 698	–	1 698
Operating profit	86	62	148	143	7	150
Net finance expense	(36)	–	(36)	(22)	–	(22)
Profit before tax	50	62	112	121	7	128
Income tax expense	(2)	(24)	(26)	(37)	(2)	(39)
Minority interests	(2)	–	(2)	(1)	–	(1)
Profit attributable to equity holders of the Company	46	38	84	83	5	88
Basic earnings per share (pence)	10.0	8.4	18.4	18.1	1.1	19.2
Diluted earnings per share (pence)	10.0	8.3	18.3	18.0	1.1	19.1
Tax rate	5.3%		23.3%	30.7%		30.4%
Discontinued operations						
Sales	79	–	79	424	–	424
Operating (loss)/profit	(1)	–	(1)	(19)	22	3
Net finance (expense)/income	(1)	–	(1)	1	–	1
(Loss)/profit before tax	(2)	–	(2)	(18)	22	4
Income tax expense	–	–	–	(1)	–	(1)
(Loss)/profit attributable to equity holders of the Company	(2)	–	(2)	(19)	22	3
Basic (loss)/earnings per share (pence)	(0.5)	–	(0.5)	(4.0)	4.8	0.8
Diluted (loss)/earnings per share (pence)	(0.5)	–	(0.5)	(4.0)	4.8	0.8
Tax rate	(2.3)%		(2.3)%	(2.8)%		12.5%
Total operations						
Sales	1 902	–	1 902	2 122	–	2 122
Operating profit	85	62	147	124	29	153
Net finance expense	(37)	–	(37)	(21)	–	(21)
Profit before tax	48	62	110	103	29	132
Income tax expense	(2)	(24)	(26)	(38)	(2)	(40)
Minority interests	(2)	–	(2)	(1)	–	(1)
Profit attributable to equity holders of the Company	44	38	82	64	27	91
Basic earnings per share (pence)	9.5	8.4	17.9	14.1	5.9	20.0
Diluted earnings per share (pence)	9.5	8.3	17.8	14.0	5.9	19.9
Tax rate	5.4%		23.8%	36.5%		29.8%

ADDITIONAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

Additional Information

- (i) Adjusted operating profit margin analysis
- (ii) Ratio analysis

ADDITIONAL INFORMATION (UNAUDITED)
For the six months to 30 September 2009

(i) Adjusted operating profit margin analysis

	Six months to 30 September 2009			Six months to 30 September 2008		
	Primary £m	Value added £m	Total £m	Primary £m	Value added £m	Total £m
Sales						
Food & Industrial Ingredients, Americas						
– Food	503	189	692	388	164	552
– Industrial	155	92	247	180	79	259
	<u>658</u>	<u>281</u>	<u>939</u>	<u>568</u>	<u>243</u>	<u>811</u>
Food & Industrial Ingredients, Europe						
– Food	75	116	191	98	104	202
– Industrial	67	–	67	90	–	90
	<u>142</u>	<u>116</u>	<u>258</u>	<u>188</u>	<u>104</u>	<u>292</u>
Sugars						
– Products	372	36	408	352	33	385
– Molasses	117	–	117	132	–	132
	<u>489</u>	<u>36</u>	<u>525</u>	<u>484</u>	<u>33</u>	<u>517</u>
Sucralose	–	101	101	–	78	78
Total	<u>1 289</u>	<u>534</u>	<u>1 823</u>	<u>1 240</u>	<u>458</u>	<u>1 698</u>
Adjusted operating profit						
Food & Industrial Ingredients, Americas						
– Food	48	51	99	48	46	94
– Industrial	(7)	2	(5)	13	2	15
	<u>41</u>	<u>53</u>	<u>94</u>	<u>61</u>	<u>48</u>	<u>109</u>
Food & Industrial Ingredients, Europe						
– Food	14	14	28	4	13	17
– Industrial	0	–	0	2	–	2
	<u>14</u>	<u>14</u>	<u>28</u>	<u>6</u>	<u>13</u>	<u>19</u>
Sugars						
– Products	(4)	1	(3)	(6)	3	(3)
– Molasses	6	–	6	10	–	10
	<u>2</u>	<u>1</u>	<u>3</u>	<u>4</u>	<u>3</u>	<u>7</u>
Sucralose	–	35	35	–	30	30
Total	<u>57</u>	<u>103</u>	<u>160</u>	<u>71</u>	<u>94</u>	<u>165</u>
Central costs			(12)			(15)
Adjusted operating profit			<u>148</u>			<u>150</u>
Operating margin						
Food & Industrial Ingredients, Americas						
– Food	9.5%	27.0%	14.3%	12.4%	28.0%	17.0%
– Industrial	(4.5)%	2.2%	(2.0)%	7.2%	2.5%	5.8%
	<u>6.2%</u>	<u>18.9%</u>	<u>10.0%</u>	<u>10.7%</u>	<u>19.8%</u>	<u>13.4%</u>
Food & Industrial Ingredients, Europe						
– Food	18.7%	12.1%	14.7%	4.1%	12.5%	8.4%
– Industrial	0.0%	–	0.0%	2.2%	–	2.2%
	<u>9.9%</u>	<u>12.1%</u>	<u>10.9%</u>	<u>3.2%</u>	<u>12.5%</u>	<u>6.5%</u>
Sugars						
– Products	(1.1)%	2.8%	(0.7)%	(1.7)%	9.1%	(0.8)%
– Molasses	5.1%	–	5.1%	7.6%	–	7.6%
	<u>0.4%</u>	<u>2.8%</u>	<u>0.6%</u>	<u>0.8%</u>	<u>9.1%</u>	<u>1.4%</u>
Sucralose	–	34.7%	34.7%	–	38.5%	38.5%
Margin before central costs	<u>4.4%</u>	<u>19.3%</u>	<u>8.8%</u>	<u>5.7%</u>	<u>20.5%</u>	<u>9.7%</u>
Margin after central costs			<u>8.1%</u>			<u>8.8%</u>

(ii) Ratio analysis

	As at 30 September 2009	As at 30 September 2008	Year to 31 March 2009
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Net debt to EBITDA ^(a)

=	<u>Net debt</u>	<u>1 012</u>	<u>1 031</u>	<u>1 013</u>
	Annualised pre-exceptional EBITDA	421	414	419
		= 2.4 times	= 2.5 times	= 2.4 times

Gearing

=	<u>Net debt</u>	<u>987</u>	<u>1 128</u>	<u>1 231</u>
	Total shareholders' equity	866	1 002	1 013
		= 114%	= 113%	= 122%

Interest cover ^(a)

=	<u>Operating profit before amortisation of acquired intangibles and exceptional items</u>			
	Net interest and finance expense	<u>296</u>	<u>305</u>	<u>303</u>
		56	43	50
		= 5.3 times	= 7.1 times	= 6.1 times

Return on Net Operating Assets ^(b)

=	<u>Annualised profit before interest, tax and exceptional items</u>			
	Average net operating assets	<u>(2 x 140)</u>	<u>(2 x 146)</u>	<u>284</u>
		2 142	2 204	2 239
		= 13.1%	= 13.2%	= 12.7%

Net operating assets are calculated as:

Total shareholders' equity	866	1 002	1 013
Add back net debt (see note 9)	987	1 128	1 231
Add back net tax liabilities	67	164	119
Net operating assets	<u>1 920</u>	<u>2 294</u>	<u>2 363</u>
Average net operating assets	<u>2 142</u>	<u>2 204</u>	<u>2 239</u>

(a) These ratios have been calculated under the Group's bank covenant definitions.

(b) This ratio has been based on financial information from total operations.