

Results for year ended 31 March 2011

27 May 2011, London



TATE & LYLE

Good morning and welcome to the presentation of Tate & Lyle's results for the year ended 31 March 2011.

Agenda

Key Results and Operating Highlights	Javed Ahmed
Financial Review	Tim Lodge
Outlook	Javed Ahmed
Focus, Fix, Grow: Update	Javed Ahmed

Turning to the agenda.

I will start with an overview of how Tate & Lyle and the main operating divisions performed during the year.

Tim will then take you through the detailed financials then I will give a brief summary of the outlook for the year ahead and an update on our focus, fix and grow programme.

Key Results and Operating Highlights

Javed Ahmed, Chief Executive

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Starting with our key results.

Key Results

Year ended 31 March

Continuing operations ¹

	2011 (£1=US\$1.55)	2010 (£1=US\$1.61)	Change	Change (constant currency)
Adjusted operating profit ²				
- SFI operating profit up 25% in constant currency	£321m	£268m	+ 20%	+ 17%
- BI operating profit up 11% in constant currency				
PBTEA ²	£263m	£196m	+ 34%	+ 32%
Diluted EPS ²	45.7p	33.7p	+ 36%	+ 34%
Net debt	£464m	£814m	+ 43%	
Dividend	23.7p	22.9p	+ 3.5%	

¹ Excluding the results of the Sugars segment in both periods

² Before exceptional items and amortisation of acquired intangible assets

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As you will have seen from our statement this morning, Tate & Lyle performed well in the year.

As we talk through the numbers, we will refer to results for the continuing operations only, adjusted for exceptional items and amortisation of acquired intangible assets, unless specifically stated to the contrary.

Operating profit increased by 17% to £321m, with profit growth in Speciality Food Ingredients and Bulk Ingredients of 25% and 11% respectively. Profit before tax increased by 32% reflecting the strong operating performance and lower interest expense.

Diluted earnings per share increased by 34% to 45.7p benefiting from a lower effective tax rate.

Free cash flow generated by the business combined with the proceeds from the sale of our Sugars businesses and the Fort Dodge facility, resulted in a 43% reduction in net debt to £464 million.

The Board is recommending an increase in the final dividend of 5% to 16.9p, making a full year dividend of 23.7p an increase of 3.5% on the prior year.

Our KPIs

	KPI	Measure	Year ending 31 March		
			2011*	2010*	Change
Financial performance ¹	Growth in Speciality Food Ingredients	Sales	£805m	£788m	+ 2%
	Profitability	Adjusted operating profit	£321m	£268m	+ 17%
	Working capital efficiency	Cash conversion cycle	34 days	45 days	+ 11 days
	Return on assets	ROCE	20.6%	13.6%	+ 700 bps
Financial strength	Balance sheet	Net debt / EBITDA	1.1x	1.8x	
		Interest cover	6.9x	5.8x	
Corporate Responsibility**	Safety	Recordable incident rate	0.93	0.89	- 5%
		Lost time accident rate	0.58	0.39	- 49%

¹ Excluding the results of the Sugars segment in both periods

* Except for Safety measures which are for calendar years 2010 and 2009

** We are establishing an index for environmental sustainability which we will report on as a key performance indicator moving forward

Moving on to talk about our KPIs.

Sales in the Speciality Food Ingredients division grew by 2% to £805 million with good demand growth across all major product categories.

Our focus on working capital and cash management has resulted in an improvement in the average cash conversion cycle from 45 to 34 days.

Our Return on Capital Employed increased from 13.6% to 20.6% as a result of increased profits and a reduction in operating assets reflecting the write-down and subsequent disposal of Fort Dodge, exchange movements and the reduced level of working capital in the business.

Our balance sheet was strengthened further with net debt to EBITDA now at 1.1 times and interest cover of 6.9 times.

We have no higher priority than safety. Whilst our safety performance continues to compare favourably against the industry, the Group's overall safety performance deteriorated during 2010 and we take any reduction in performance very seriously. A detailed plan has been put in place to drive an improvement in performance which our global safety teams, employees and contractors are working hard to embed across the Group.

We are establishing KPIs for environmental sustainability which we will report on from next year.

Now let me move on to talk about the performance of our two main divisions in a bit more detail.

Speciality Food Ingredients

Adjusted Operating Profit¹ (+26% reported, +25% constant currency)

Starch-based Speciality Ingredients

- Strong demand for modified food starches
- Continuing trend of “sugar substitution”
- Strong growth in Fibres

High Intensity Sweeteners

- Continued volume growth
- Market share maintained through long-term contracts
- Additional capacity will be required in fiscal year 2013

Food Systems

- Sustained growth in emerging markets
- Development largely driven by customer demand for cost optimisation

7% sales volume growth across segment

¹ Before exceptional items and amortisation of acquired intangible assets

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Starting with **Speciality Food Ingredients** where volumes grew by 7% across the division during the year. Strong profit growth was driven by a combination of operational leverage, improved product mix and lower manufacturing costs for sucralose.

Within **starch-based speciality ingredients**, we experienced increasing demand for modified food starches across all regions driven by the gradual economic recovery and the demand for more convenience foods in the developing markets. Speciality corn sweeteners benefited from the continuing trend of “sugar substitution” where customers are increasingly turning to us to provide alternative, lower cost sweetener solutions in an environment of high and volatile sugar prices. The success of PROMITOR™ Soluble Corn Fiber 85 has driven strong growth in our Fibres offering.

Within **high intensity sweeteners**, as expected, we continued to see good levels of volume growth for SPLENDA® Sucralose albeit at lower selling prices than the prior year, reflecting our strategy of securing long-term customer contracts with volume incentives. Lower sucralose manufacturing costs were a key driver of increased profitability for SFI overall.

Looking forward, we expect the decline we have seen in selling prices for SPLENDA® Sucralose to moderate towards the end of this financial year as contracts renew.

The fundamentals of our SFI business and SPLENDA® Sucralose remain strong with the global trends of rising obesity levels, an increased focus on health and wellness and the high and volatile price of sugar increasing demand for our products. On the back of these trends and a strong pipeline of demand for SPLENDA® Sucralose we are restarting production at McIntosh, Alabama during the first half of financial year 2013. This development reinforces our commitment to the sucralose business and further strengthens our position as the leading manufacturer and supplier of sucralose.

In **Food Systems**, we saw good levels of sales growth in developing markets and in the US. Tougher market conditions during the second half, notably in Russia, led to a fall in volumes in Europe but overall we saw a positive growth rate for this segment for the period.

Bulk Ingredients

Adjusted Operating Profit¹ (+15% reported, +11% constant currency)

Sweeteners

- In the US, lower unit margins offset by strong US seasonal demand and firm demand patterns in Mexico
- In Europe, higher volumes offset by lower selling prices
- Strong performance from Almex JV

Industrial Starches, Acidulants & Ethanol

- Higher industrial starch volumes offset by lower unit margins
- Slightly better ethanol margins but market still under pressure
- Good demand for citric acid

Co-products

- Strong increase in co-product income, driven by increasing corn prices during the year

¹ Before exceptional items and amortisation of acquired intangible assets

Moving on to **Bulk Ingredients**.

In **Sweeteners**, whilst we experienced firm demand from Mexico and strong US domestic demand, profits were less than the prior year as a result of lower corn sugar margins contracted for the 2010 calendar year. Volumes in Europe were higher, driven by the capacity expansion in our Slovakian plant and increased quotas. Unit margins were lower as corn costs increased at a faster rate than the price of sugar.

Operating profits from Almex, our Mexican joint venture, were up significantly reflecting higher volumes and improved pricing.

Whilst we have seen a small uptick in demand for industrial starches in the paper and board industry, margins remained under pressure, particularly in the US, where the market remains highly competitive. In Europe, tighter supply side conditions as a result of the poor potato harvest resulted in improved margins towards the end of the year.

Ethanol sales increased based on higher volumes and prices. Whilst cash margins improved in the US, ethanol continues to generate a loss at the operating level. The disposal of our ethanol facility at Fort Dodge reduces our exposure to what remains a highly volatile and commoditised industry.

Whilst sales increased within our citric acid business, profits were lower than the prior year as a result of higher input costs.

Corn prices across the US and Europe rose steadily throughout the year resulting in an additional £16 million of income from **co-products**. With 80% of our corn grind utilised by Bulk Ingredients the majority of this benefit is recorded within this segment.

Now let me hand over to Tim who is going to take you through the numbers.

Financial Review

Tim Lodge, Chief Financial Officer

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Thank you Javed, and good morning.

Income Statement

Year ended 31 March

Continuing operations ¹

£m, unless stated	2011 (£1=US\$1.55)	2010 (£1=US\$1.61)	At constant currency
Sales	2,720	2,533	5%
Adjusted operating profit ²			
- SFI	206	163	25%
- BI	157	136	11%
- Central	(42)	(31)	(27%)
	321	268	17%
Net finance expense	(58)	(72)	22%
Adjusted profit before tax ²	263	196	32%
Adjusted diluted earnings per share ²	45.7p	33.7p	34%

¹ Excluding the results of the Sugars segment in both periods

² Before exceptional items and amortisation of acquired intangible assets

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Starting with the income statement for the continuing operations, sales at £2.7 billion were 5% higher than the prior year at constant currency. Volumes were higher but lower unit sales prices for some products offset these. The lower sales prices for these products were linked closely to the lower corn costs at the time we booked the calendar year 2010 contracts.

Adjusted operating profit at £321 million was 17% ahead of the comparative period. Speciality Food Ingredients profits increased by 25% and Bulk Ingredients profits by 11% and I will come back to these. Central costs rose by £11 million. As I mentioned at the half year results, we incurred a further £6 million of non-recurring costs arising from the review of the Group's activities and most of the rest of the increase reflects the costs of strengthening the senior management team.

Adjusted profit before tax of £263 million was £67 million, or 32%, ahead aided by a £14 million lower net interest charge. Exchange had a positive impact on profit before tax of £4 million, driven by the stronger dollar. I've given you an analysis of the sensitivity of profit to exchange rates by division in the supporting information.

The tax rate on adjusted profits at 18.5% was lower than the 20.8% last year and helped diluted earnings per share increase by 34% to 45.7p.

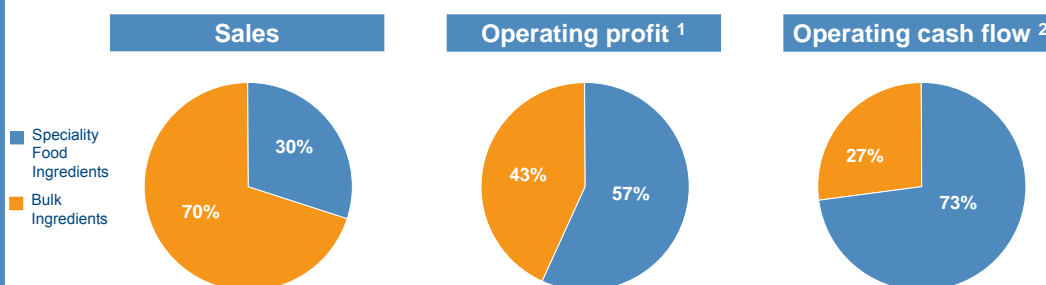
Now turning to Speciality Food Ingredients in more detail.

Speciality Food Ingredients

Year ended 31 March

£m, unless stated	2011	2010	At constant currency
Sales	805	788	2%
Adjusted operating profit ¹	206	163	25%
Margin ¹	25.6%	20.7%	
Operating cash flow	263	200	

Exchange effect on adjusted operating profit £2m



¹ Before central costs, exceptional items and amortisation of acquired intangible assets
² Before central expenses

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Sales increased by 2%, and are 30% of Group sales. Volume growth was 7%. Margins rose by just under five percentage points as a result of good operational leverage and product mix in our corn-based speciality products and because of the lower sucralose costs. Operating profit rose 25% to £206 million. Exchange translation improved profit by £2m. Speciality Food Ingredients account for 57% of the Group's operating profits before central costs, reflecting margins around three times those of Bulk Ingredients.

Operating cash flow was £263 million or 73% of the Group's operating cash flow before central expenses. The division improved its working capital position and its lower exposure to corn costs meant it generated more cash than Bulk Ingredients.

Speciality Food Ingredients

Year ended 31 March

£m, unless stated	2011	2010	At constant currency
Sales	805	788	2%
Adjusted operating profit ¹	206	163	25%
Margin ¹	25.6%	20.7%	

Starch-based Speciality Ingredients

Sales £434m, up 2%

- Operational leverage on existing product lines
- Product mix benefits especially fibre products

High Intensity Sweeteners

Sales £185m, down 3%

- Strong demand
- Full cost benefit of single plant footprint

Food Systems

Sales £186m, up 3%

- Commodity prices drive reformulation
- Weaker second half volumes

¹ Before exceptional items and amortisation of acquired intangible assets

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Turning to the three main product families:

Sales of starch-based Speciality Ingredients grew in all geographies. Margins increased by five percentage points, and our aim is to hold on to most of that margin in 2012. Javed mentioned that high and volatile sugar prices brought substitution opportunities for corn sweeteners in addition to normal underlying growth. We brought on additional sweetener capacity and also used more modified starch capacity, both of which were achieved with minimal incremental fixed costs. We also improved the product mix towards higher margin products, including from our expanding fibre portfolio.


In High Intensity Sweeteners, we again saw good volume growth in sucralose but sales were slightly lower reflecting lower average selling prices which were driven by the volume incentives within our long-term customer contracts. We benefitted from a full year of the lower costs of producing from one plant in Singapore.

In Food Systems we saw volume and sales value growth. Volatile ingredient prices encouraged customers to re-formulate and growth was achieved at consistent margins although growth was slower in the second half.

McIntosh Re-opening

Year ended 31 March

- McIntosh EBIT positive in second year after commissioning

£m, unless stated	2009	2010	2012
Restart costs	-	-	(3)
			
McIntosh asset value			
- Impairment	(97)	-	50
- New capital	-	-	13
	(97)	-	63
Mothballing costs - exceptional	-	(55)	20

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Returning to sucralose; In re-starting McIntosh we will incur approximately £3 million of additional costs which will reduce profits in the year ending 31 March 2012 and the loss from the plant will be around double that amount in the following year as fixed costs increase. These will include the impact of depreciation as the plant is brought back into operation. Our plan is to operate Singapore at optimal capacity and campaign McIntosh to produce incremental volume. We will run two plants in such a way as to minimise the additional fixed costs and expect to achieve good operational leverage as volumes grow.

We expect to reverse around £50 million of the impairment cost and will avoid around £20 million of mothballing costs at current exchange rates. We will release both amounts as exceptional credits in the year to 31 March 2012. We will need to spend an estimated £13 million of new capital to be able to restart the plant.

Bulk Ingredients

Year ended 31 March

£m, unless stated	2011	2010	At constant currency
Sales	1,915	1,745	7%
Adjusted operating profit ¹	157	136	11%
Margin ¹	8.2%	7.8%	
Operating cash flow	99	402	

Exchange effect on adjusted operating profit £5m

¹ Before exceptional items and amortisation of acquired intangible assets

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Moving on to Bulk Ingredients:

Operating profit was £21 million or 11% higher than the prior year, helped by higher volumes and higher co-product income which were partially offset by lower margins on some products. Exchange translation improved profit by £5m.

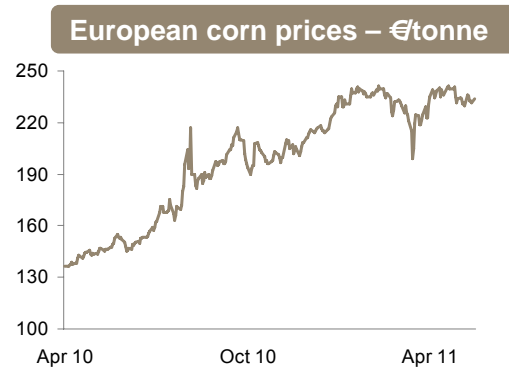
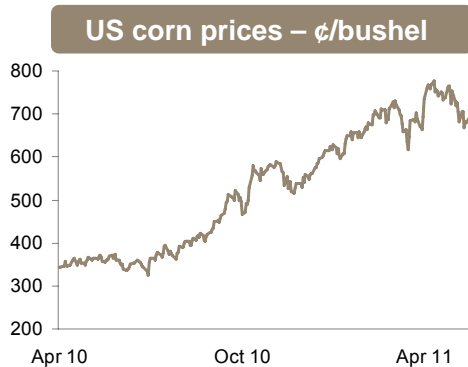
There was an operating cash inflow of £99 million despite the much higher corn inventories held at the end of March 2011. The strong cash flow in the prior year reflected the excellent working capital improvements in that year. We have decided to hold our silos full until the new harvest year given the current forecasts of very low corn stocks in the US. Our US inventories were £126 million higher this year, both because of the extra grain in store but also because of the unit cost increase. The tight balance between supply and demand looks set to continue into the next harvest year, and we expect to hold similar high inventory levels in March 2012.

Bulk Ingredients

Year ended 31 March

£m, unless stated	2011	2010	At constant currency
Sales	1,915	1,745	7%
Adjusted operating profit ¹	157	136	11%

Firmer co-product income added £16m to profit



¹ Before exceptional items and amortisation of acquired intangible assets

You can see the significant increase in corn prices in both the US and Europe from these graphs. While we can hedge the gross cost of corn in the US we cannot cover co-products, which broadly follow soft commodity prices. Thus rising corn prices during the year give us a benefit through firmer co-product income. The large movements year on year added £16 million to profit. The majority of this benefit is realised in Bulk Ingredients.

Bulk Ingredients

Year ended 31 March

£m, unless stated	2011	2010	At constant currency
Sales	1,915	1,745	7%
Adjusted operating profit ¹	157	136	11%
Margin ¹	8.2%	7.8%	
Operating cash flow	99	402	

Sweeteners

US Sweeteners

Sales £734m, down 1%

- High sugar prices accelerate demand for corn sugar in Mexico
- Good 2010 summer in US
- Almex performed well

EU Sweeteners

Sales £123m, up 14%

- Higher corn sugar quotas
- Higher corn costs reduced margins in H2

Industrial & Other

Sales £1,058m, up 13%

- US industrial over-capacity
- Corn starch benefits from low EU potato harvest
- Ethanol: lower losses
- Citric acid: another solid year

¹ Before exceptional items and amortisation of acquired intangible assets

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In US sweeteners, high domestic cane sugar prices in Mexico helped accelerate the substitution with corn sugar and fine weather last summer offset the impact of the long-term trend of declining domestic demand. However the contracting round for calendar year 2010 was conducted against the background of lower capacity utilisation and lower prices offset the benefit of the higher volumes. In January we reported overall flat unit margins for corn sugars for the 2011 calendar year and the expectation for slightly lower volumes. Almex, our joint venture in Mexico, performed very well.

In Europe, we benefitted from additional sweetener capacity to meet higher quotas, but the sharp rise in corn costs, which cannot be hedged beyond the near term in Europe, ate into margins in the second half of the year.

Industrial starch demand firmed off a low base, but margins deteriorated in the US where the market continues to be very competitive. In Europe, margins tightened towards the end of the year as demand for corn starch increased in response to the poor potato starch harvest.

Ethanol continued to make a loss at the operating profit level, but this was reduced compared with the very difficult market in the prior year. Citric acid sales increased although profits were lower because of higher input costs.

A quick word on energy - lower gas prices helped reduce our total cost by 7% and as usual I have included a chart on energy costs for the whole business in the supporting information. As a Group, we have contracts and futures in place that hedge around 70% of our energy costs for the 2012 financial year.

Interest, Tax and EPS

Year ended 31 March

Continuing operations ¹

£m, unless stated	2011	2010	At constant currency
Interest reported	(58)	(72)	22%
- add back pension interest	4	19	
- add back net hedge unwind	4	-	
Underlying interest	(50)	(53)	
Tax ²	(49)	(41)	(14%)
Effective tax rate ²	18.5%	20.8%	
Earnings per share ²			
- Basic	46.5p	33.9p	36%
- Diluted	45.7p	33.7p	34%

¹ Excluding the results of the Sugars segment in both periods

² On profit from continuing operations before exceptional items and amortisation of acquired intangible assets

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The reported interest charge was £14 million lower at £58 million. There are two unusual items here that are worth highlighting so you can see the underlying movement is a reduction of £3 million to £50 million. The first unusual item is the £15 million lower net interest charge for post retirement plans that I highlighted this time last year; the second comes from the accounting for the repayment of debt that we reported in July, which means we have a net charge of £4 million this year in order to get an overall cash benefit of £2 million.

In the year ending 31 March 2012, the post retirement interest will be a net credit of £5 million compared with a net cost of £4 million for fiscal 2011. We will also realise the benefit of the strong cash generation over the last couple of years when in June we apply some of our cash balance to repay the \$300m, six and an eighth percent bond.

The effective rate of tax on continuing operations was 18.5%. The reduction from 20.8% in the prior year reflects the change in the geographic mix of profits and also the resolution of some historical tax issues. Looking forward, the rate remains sensitive to changes in the geographic mix of profits, but I would anticipate the tax rate on continuing operations for the year to 31 March 2012 to be in the high teens as we will benefit from lower unrelieved UK losses because of the lower interest charge.

Aided by lower interest and tax, diluted earnings per share increased by 34% to 45.7p.

Discontinued Operations

Year ended 31 March

£m, unless stated	2011	2010
Sales	590	1,074
Adjusted operating profit ¹	(2)	28
Cash proceeds from disposals	290	(26)
Cash disposed	(10)	-
Cash (absorbed) / generated by discontinued operations	(105)	97
Total discontinued cash flow	175	71

¹ Before exceptional items and amortisation of acquired intangible assets

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Turning to discontinued operations, the adjusted operating loss was £2 million, reflecting the difficult trading conditions for sugar in the EU, Israel and on the remaining international sugar trading contracts. Molasses and Vietnam performed well.

In total the cash inflow from discontinued operations was £175 million.

We received £225 million cash in September for the sale of the European Sugar Refining operations and £65 million for the sale of Molasses in December. That included payment for £10m of cash held in the businesses.

The final cash position and loss on disposal of EU Sugars is subject to closing adjustments arising from the agreement of post completion statements. The process to reach such agreement is ongoing and items totalling £54 million are outstanding. These relate to the impact of the major turbulence in the supply of raw sugar to the EU during the period prior to closing. We believe our position is fully supported and thus we have not taken any provision in respect of these items.

There were cash outflows of £105 million which relate primarily to the expiration of £51 million of working capital facilities that were in place at 31 March 2010 and were part of the £97 million inflow in that year. We felt the impact of very high world sugar prices through margin calls on the legacy international sugar trading contracts and the value of stocks in Vietnam.

Exceptional Items

Year ended 31 March

£m	2011	2010
<i>Continuing operations</i>		
Gain on disposal, net of disposal costs - Fort Dodge	10	-
Impairment charges - Fort Dodge	-	(217)
Business transformation costs	(10)	-
Closure and restructuring costs	(5)	(3)
McIntosh mothballing provision	-	(55)
UK Group Pension Scheme changes	-	5
Write-down of assets	-	(28)
Exceptional charges from continuing operations	(5)	(298)
<i>Discontinued operations</i>		
Net loss on disposal - EU Sugar / Molasses	(43)	-
UK Group Pension Scheme changes	-	37
Impairment charges	-	(15)
Exceptional charges from discontinued operations	(43)	22
Total exceptional charges (pre-tax)	(48)	(276)

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Moving to our exceptional items. As announced in March, we made a £10 million net accounting gain on the sale of Fort Dodge, following the impairment last year. We recorded £5 million on completing the reorganisation started last year and £10 million of costs against our Business Transformation, which I'll come back to.

Within discontinued operations, we recognised a loss on the sale of our European Sugar Refining operations of £55 million and a gain on the sale of Molasses of £12 million. After the year end we announced that we had reached a conditional agreement on the sale of our sugar interests in Vietnam. Assuming we get the appropriate local approvals, we expect this to complete in the first half of the fiscal year.

Business Transformation

£m 2011

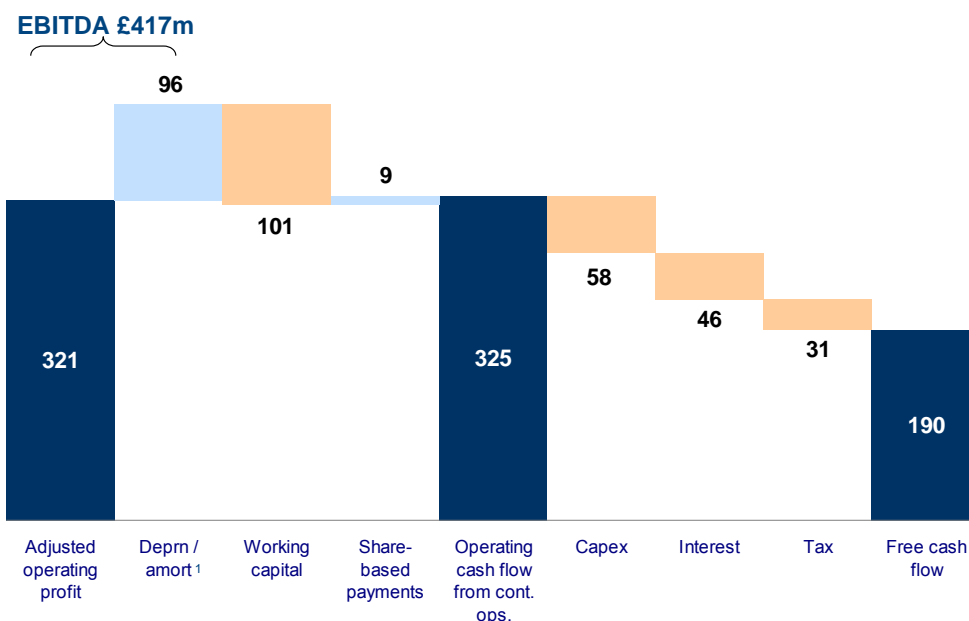
Commercial & Food Innovation Centre	6
IS/IT & Global Shared Services	10
	16

- 2011 – Exceptional cost £10m; Capital cost £6m
- 2012 – £65m estimated total expenditure; capital estimated at 60%
- 2013 – Remaining IS/IT and Global Shared Services estimated at £13m

Coming back to the Business Transformation projects - these are the major initiatives that underpin the “fix” element of “focus, fix and grow” and Javed will expand on these later. These are the Food and Commercial Innovation Centre in Chicago and the implementation of common, global, standard processes through a single IS/IT platform and Global Shared Services, which is being established in Poland. We have incurred £10 million as exceptional cost, and spent £6 million of capital on these projects. I expect expenditure on these projects to be around £65 million in the year ending 31 March 2012, about 60% of which will be capital. In the following year, we will spend around £13 million to complete the IS/IT and Global Shared Services projects.

Free Cash Flow

Year ended 31 March 2011



¹ Depn/amort includes amortisation of non-acquired intangibles

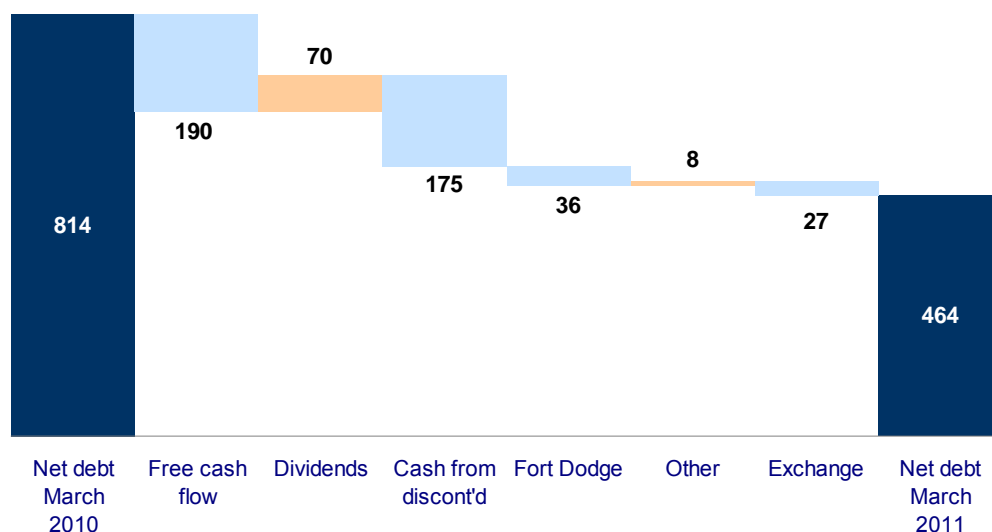
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Moving to the cash flow, we generated free cash flow of £190 million. EBITDA was £417 million. As anticipated, working capital was an outflow because of the £126 million spent on higher US corn inventories. The overall outflow was restricted to £101 million because of improvements elsewhere, primarily in payables. Capital expenditure at £58 million was around two thirds of depreciation. Expenditure has been unusually low due to the tight management of capital as we migrated to our new capital allocation process. With the business transformation expenditure and the amounts required to restart McIntosh, capital expenditure in the year ending 31 March 2012 is likely to be around 1.4 times depreciation.

Interest and tax payments totalled £77 million. Both will be lower in the 2012 financial year, due to the bond repayment and the cash tax benefits from the sale of Fort Dodge, which will benefit cash flows by around £65 million over the coming two years.

Movements in Net Debt

Year ended 31 March



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From the free cash flow of £190 million we paid out £70 million in dividends. That is a smaller amount than we declared and reflects the higher take up of the scrip alternative on around one third of the shares. After the cash inflow from the discontinued operations and a £27 million benefit from exchange translation, net debt reduced by £350 million, or 43%, to £464 million.

Annualised net debt to EBITDA for the period was 1.1 times and interest cover strengthened to 6.9 times, both calculated under bank covenant definitions and both comfortably within the covenant.

The average maturity of gross debt at the end of March was 4.8 years and we continue to have significant undrawn committed bank facilities.

Balance Sheet

As at 31 March

£m, unless stated	2011	2010
Goodwill, intangibles and fixed assets	1,199	1,569
Inventories	454	409
Trade and other receivables	292	426
Trade and other payables	(407)	(486)
Other, including provisions	(137)	(286)
Net operating assets	1,401	1,632
<i>Less: Pension and discontinued assets/liabilities</i>	50	(94)
Capital employed - continuing operations	1,451	1,538
<i>Return on average capital employed</i>	20.6%	13.6%
Shareholders' equity	973	854

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Moving to the Balance Sheet, Capital Employed for the continuing operations has reduced by £87 million to £1.45 billion, which broadly reflects the improvements in working capital. The Return on average Capital Employed was 20.6%, compared with 13.6% in the prior year, driven mainly by higher profits, the impairment then sale of Fort Dodge, the improvement in working capital and exchange.

With the further reduction in net debt and even after the sale of Sugars, Shareholders' Equity rose by 14% to £973 million.

Pensions

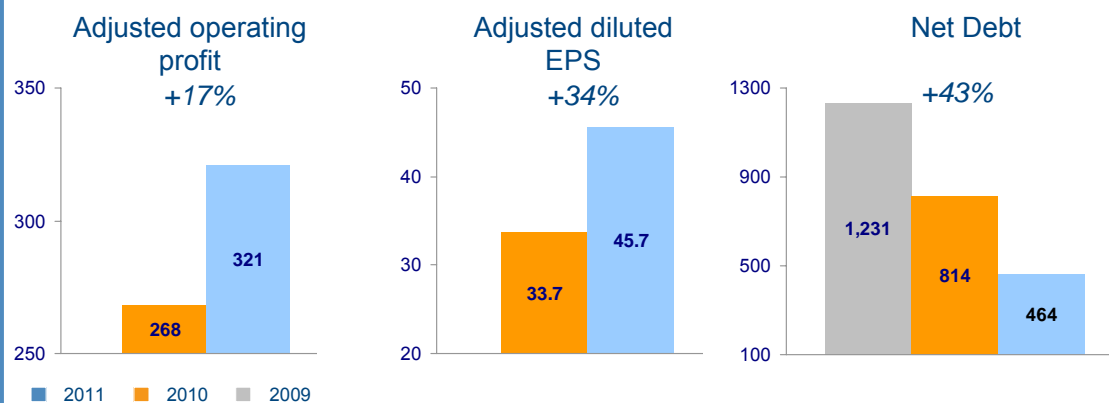
£m, unless stated	31 March 2010	Exchange	Constant currency movements	31 March 2011
Net asset / (liability)				
UK	5	-	91	96
US	(154)	9	11	(134)
Other	(7)	1	2	(4)
Subtotal	(156)	10	104	(42)
US healthcare	(101)	6	(2)	(97)
Total	(257)	16	102	(139)

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Before I leave the Balance Sheet, I'd like to cover the net pension liability which had decreased from £257 million to £139 million at the end of March 2011. This movement is primarily due to changes in UK pension liabilities, which were driven by higher discount rates. As planned, our main pension schemes in the US closed to future accrual in January and the main UK scheme closed to future accrual in April.

The funding valuation of the main UK scheme as at 31 March 2010 is not yet complete, but this will be a deficit. The difference between the accounting and funding valuations is mainly driven by the different valuation methodologies we must use.

Summary of Financial Position



Note: Adjusted operating profit and Net debt are shown in £m and Adjusted diluted EPS shown at pence/share. Percentage changes are shown at constant currency for adjusted operating profit and adjusted diluted EPS.

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So let me summarise:

Operating profit was 17% higher, with a 25% increase in Speciality Food Ingredients, our focus for growth. With lower interest and tax, diluted earnings per share increased by 34%, and net debt reduced by 43% to £464 million, just over a third of the level at the end of fiscal 2009.

With that, let me hand you back to Javed....

Outlook

Javed Ahmed, Chief Executive

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Thanks Tim.

Outlook

For the year ending 31 March 2012

Speciality Food Ingredients

- Current demand patterns expected to continue and expect a year of good sales growth
- Lower sucralose manufacturing costs now reflected in performance of this division
- Level of profit growth expected to be more modest than that achieved in financial year 2011

Bulk Ingredients

- Overall, we expect average unit margins in US Sweeteners to be broadly similar calendar year-on-year
- Modest recovery in industrial starch markets
- Income from co-products to return to more normal levels

Financial position

- Continued strong cash generation and lower net debt resulting in reduced interest expense

Overall, we expect to deliver another year of profitable growth

In Speciality Food Ingredients, we expect the current steady demand patterns to continue and anticipate a year of good sales growth. The lower sucralose manufacturing costs are now reflected in the performance of this division and, accordingly, the level of profit growth in the coming financial year is expected to be more modest than that achieved in financial year 2011.

In Bulk Ingredients, we expect sweetener margins to remain flat calendar year on year with volumes slightly down as we diversify some grind to Speciality Food Ingredients. Elsewhere, industrial starches are expected to perform better, particularly in Europe, but not sufficiently to offset more normal co-product returns.

Given the Group's strong cash generation and reduction in net debt, interest costs are expected to decrease.

Overall, with a more focused business, a stronger balance sheet and a continuation of the steps we are taking to focus, fix and grow our business, we expect to deliver another year of profitable growth.

