2 November 2017

TATE & LYLE PLC
STATEMENT OF HALF YEAR RESULTS
For the six months to 30 September 2017

Six months to 30 September Continuing operations £m unless stated otherwise	Statutory results 2017	2016	Change	Adjusted results[1] 2017	2016	Constant currency change
Sales	**1 398**	1 321	6%			
Profit before tax (PBT)	**161**	128	26%	**169**	140	13%
Diluted earnings per share	**26.5p**	27.4p	(3%)	**27.6p**	24.3p	6%
Net debt (comparative 31 March 2017)	**371**	452				
Dividend per share	**8.4p**	8.2p				

Strong First Half Performance

Key Headlines

- 13%[2] increase in Group adjusted PBT with volume growth in both business divisions
- £10m increase in Speciality Food Ingredients adjusted operating profit to £104m:
  – 3% volume growth, return to growth in North America (+1%), good growth in other regions
  – 4%[2] profit growth after investments to grow business over longer term
- £29m increase in Bulk Ingredients adjusted operating profit to £93m:
  – 16%[2] profit growth in core, driven by strong execution, good demand and firm margins
  – £10m profit from Commodities (2016: loss of £3m)
- 14% increase in sales from New Products[3] to US$58m
- £33m higher Group reported PBT with improved trading and currency benefit
- Adjusted effective tax rate 23.5% (2016: 18.3%); rate for fiscal 2018 expected in upper end of 21-24% guided range
- 6%[2] increase in adjusted diluted earnings per share from continuing operations to 27.6p
- Net debt at £371m, £81m lower than 31 March 2017 with stronger adjusted free cash flow
- Interim dividend increased by 0.2p to 8.4p

Javed Ahmed, Chief Executive, said:

"We have made a strong start to the year, with good performance across the Group and higher adjusted diluted earnings per share.

Speciality Food Ingredients delivered broad-based volume growth in the core business, including North America despite market conditions in that region remaining challenging. New Products once again delivered double digit sales growth as customers continue to seek innovative solutions to reduce sugar, calories and fat in food and drink.

Bulk Ingredients had another period of excellent performance, well ahead of a strong comparative period, with improved overall earnings resulting from disciplined commercial execution and margin expansion.

Turning to the outlook, we expect underlying adjusted profit before tax in constant currency for the full year to be modestly higher than we anticipated coming into the year driven by the strong first half performance."

1 The results for the six months to 30 September 2017 have been adjusted to exclude exceptional items, net retirement benefit interest, amortisation of acquired intangible assets, the tax on those adjustments and tax items that themselves meet these definitions. A reconciliation of statutory and adjusted information is included in Note 2 to the Financial Information
2 Percentage changes in constant currency
3 New Products represent products in the first seven years after launch

FINANCIAL HIGHLIGHTS

Six months to 30 September **Continuing operations**	**2017** **£m**	2016 £m	**Change**	**Constant currency change**
Sales:				
– Speciality Food Ingredients	**509**	487	5%	(2%)
– Bulk Ingredients	**889**	834	6%	0%
Sales	**1 398**	1 321	6%	0%
Adjusted operating profit				
– Speciality Food Ingredients	**104**	94	10%	4%
– Bulk Ingredients	**93**	64	45%	36%
– Central	**(27)**	(25)		
Adjusted operating profit	**170**	133	28%	20%
Adjusted net finance expense	**(14)**	(12)		
Share of profit after tax of joint ventures and associates	**13**	19	(32%)	(37%)
Adjusted profit before tax	**169**	140	21%	13%
Adjusted effective tax rate	**23.5%**	18.3%		
Adjusted diluted earnings per share	**27.6p**	24.3p	14%	6%
Adjusted free cash flow	**151**	138		
Net debt at 30 September (comparative 31 March 2017)	**371**	452		

The results for the six months to 30 September 2017 have been adjusted to exclude exceptional items, net retirement benefit interest, amortisation of acquired intangible assets, the tax on those adjustments and tax items that themselves meet these definitions. A reconciliation of statutory and adjusted information is included in Note 2 to the Financial Information.

The following commentary is principally focused on the adjusted performance measures because they provide insight into the key elements of the Group's statutory results:

- Group adjusted operating profit increased by 20% in constant currency to £170m.
- Share of profit after tax of joint ventures and associates of £13m was in line with share of profit in the second half of the 2017 financial year, but £6m lower than the stronger first half comparative period.
- The adjusted effective tax rate for continuing operations in the period was 23.5% (2016 – 18.3%). As previously communicated, the impact of changes in legislation and to our internal financing structure drove an increase in the adjusted effective tax rate, with the increasing mix of US profits further increasing the rate to the upper end of the 21% to 24% guided range. The adjusted effective tax rate for the full 2018 financial year is also expected to be in the upper end of this guided range. The statutory effective tax rate was a charge of 22.8% (2016 – credit of 0.9%).
- Adjusted diluted earnings per share from continuing operations were 27.6p, up by 3.3p or 14% (6% in constant currency).
- Statutory diluted earnings per share from continuing operations decreased by 3% to 26.5p reflecting exceptional deferred tax credits of £26m in the comparative period partially offset by strong operating performance and favourable impact of currency translation.
- Adjusted free cash flow increased to £151m benefiting from higher earnings, lower capital expenditure at £61m (2016 – £77m) and currency translation. We continue to expect capital expenditure for the full financial year to be around £150m.
- Net debt at £371m was £81m lower than at 31 March 2017, with strong cash flow generation and the beneficial impact of foreign exchange translation of US dollar debt, partially offset by the final 2017 dividend payment of £92m. Net debt/EBITDA (on a financial covenant basis) reduced to 0.8x (31 March 2017 – 0.9x).
- Interim dividend increased by 0.2p to 8.4p per share.

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.

A copy of this Statement of Half Year Results for the six months to 30 September 2017 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, 1 Kingsway, London WC2B 6AT.

SPLENDA® is a trademark of Heartland Consumer Products LLC.

Webcast and Conference Call Details

A presentation of the results by Chief Executive, Javed Ahmed and Chief Financial Officer, Nick Hampton will be audio webcast live at 10.00 (GMT) on Thursday 2 November 2017. To view and/or listen to a live audio-cast of the presentation, visit http://view-w.tv/p/797-1031-18784/en. 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 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:

Dial in details:
UK dial in number: +44 (0) 20 3003 2666
US dial in number: +1 212 999 6659
Password: Tate & Lyle

14 day conference call replay:
UK replay number: +44 (0) 20 8196 1998
US replay number: +1 866 583 1035
Access pin: 1475377#

For more information contact Tate & Lyle PLC:

Christopher Marsh, Group VP, Investor and Media Relations
Tel: +44 (0) 20 7257 2110 or Mobile: +44 (0) 7796 192 688

Andrew Lorenz, FTI Consulting (Media)
Tel: +44 (0) 20 3727 1323 or Mobile: +44 (0) 7775 641 807

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DIVISIONAL OPERATING PERFORMANCE

Speciality Food Ingredients

Six months to 30 September Continuing operations	Volume Change	Sales 2017 £m	Sales 2016 £m	Sales Change %	Sales Constant currency change %	Adjusted operating profit 2017 £m	Adjusted operating profit 2016 £m	Adjusted operating profit Change %	Adjusted operating profit Constant currency change %
North America	**1%**	**180**	175	4%	(1%)				
Asia Pacific and Latin America	**6%**	**79**	68	15%	8%				
Europe, Middle East and Africa	**8%**	**80**	68	17%	9%				
Total: excluding SPLENDA® Sucralose and Food Systems	**3%**	**339**	311	9%	3%	**66**	62	7%	3%
Food Systems	**(5%)**	**94**	92	2%	(5%)	**9**	7	22%	13%
SPLENDA® Sucralose	**(17%)**	**76**	84	(9%)	(15%)	**29**	25	14%	5%
Total Speciality Food Ingredients	**3%**	**509**	487	5%	(2%)	**104**	94	10%	4%

Encouraging performance with broad-based volume growth in core business, including modest growth in North America

Overall, volume increased by 3%. We saw broad-based volume growth in the core business, including North America returning to modest growth. This region benefited from our approach of focusing on higher growth sub-categories and customer channels, while continuing to provide high-quality service to our larger customers. Adjusted operating profit grew 4% in constant currency with solid performance in the core business as we focused on top-line growth and continued to invest in the longer-term development of the business.

The effect of currency translation was to increase sales by £30 million and adjusted operating profit by £6 million.

Speciality Food Ingredients excluding SPLENDA® Sucralose and Food Systems

Volume increased 3%, with sales also 3% higher in constant currency.

Adjusted operating profit of £66 million increased by 3% in constant currency, with adjusted operating margins flat in constant currency reflecting both a focus on top-line growth and continued investment in customer-facing capabilities, in areas such as sales and applications, to deliver an increasingly solution-based approach for customers.

In North America, volume grew by 1%, an improved performance in the face of continued challenging market conditions. The overall US food and beverage market remains sluggish, with consumers increasingly seeking alternatives to traditional brands. As a result, our largest customers in this region, where our top ten customers represent around 40% of sales, continue to see consumption softness. Modest volume growth was driven by progress on three fronts: (1) share gains in our larger food and beverage customers; (2) developing our business over time in customer channels growing above market, such as food service and own label; and (3) continuing to win new business in targeted higher-growth sub-categories in areas such as health and nutrition, where our technical depth and expertise and solutions are providing increasing value to our customers. Sales for the region decreased by 1% in constant currency to £180 million, driven by product mix while gross margin was maintained.

In Asia Pacific and Latin America, volume was 6% higher, with especially strong growth in Mexico and China. Sales for the overall region increased by 8% in constant currency to £79 million. Latin America delivered double-digit volume growth. In Mexico, we saw broad-based growth, with particularly strong demand for our sweeteners helped by favourable market dynamics. Our business in Brazil grew modestly and we saw continued good growth in other Southern and Central American operations. In Asia Pacific, we saw good volume growth in the first quarter, with the second quarter lower due to the phasing of sweetener shipments in the comparative period. Our business in China continues to perform well, particularly our fibres. During the period, we added both sales and applications development resources in support of expansions to our applications facilities in Singapore, Shanghai and Mexico City.

In Europe, Middle East and Africa, volume increased by 8% benefiting from good growth in all platforms. We saw double digit growth in fibres and sweeteners, strong growth in Southern Europe including Turkey, and double digit growth in Central Europe. With volume of maltodextrin sweeteners in line in the period due to capacity constraints, we have recently committed to an extension of capacity at our Slovakian facility. Sales increased by 9% in constant currency to £80 million.

Food Systems

In our global blending business adjusted operating profit was 13% higher in constant currency at £9 million reflecting the benefits of our restructured cost base following the consolidation of our European blending sites. Volume was 5% lower and sales decreased by 5% in constant currency. This principally reflected two issues: firstly, lower shipments into the Russian market following the termination of a distribution agreement in the second half of the previous financial year due to a credit issue; and secondly, the rebuilding of our wider European business following supply constraints resulting from the consolidation of blending facilities in this region. Our products are now available again in Russia, and with the gradual realisation of benefits from our manufacturing consolidation, we expect earnings in Europe to improve over time.

SPLENDA® Sucralose

As expected, volume reduced by 17% reflecting the sale of excess inventory in the comparative period following the successful transition to our single facility at McIntosh, Alabama which was completed in March 2016. This facility continues to operate well and at capacity, with our business fully contracted with pricing similar to the previous year. Sales decreased 15% in constant currency to £76 million.

Adjusted operating profit increased to £29 million, an increase of 5% in constant currency, supported by firm pricing and lower manufacturing costs driven by fully sourcing product from our McIntosh facility.

The overall market demand for sucralose continues to grow. While the majority of our business is contracted to at least the end of the current financial year, over the longer term, we continue to expect that market prices are likely to be affected by changes in industry supply in China.

New Products

Volume of New Products grew by 23%, and sales increased by 14% to US$58 million or £45 million (2016 – US$51 million or £37 million) driven by growth across sweeteners and texturants.

Our partnership with Sweet Green Fields (SGF) shows good potential, with high levels of customer interest in our expanded stevia-based product line. We continued to develop the pipeline of new sweetener products by introducing Star-Dri® NG, a non-GMO[1] soluble maltodextrin product.

Our Claria® line of functional clean label starches is performing well with a newly released line of Instant starches and a robust customer project pipeline. Non-GMO remains an important consumer trend, and we continue to broaden our offering in this area. Our PromOat® Beta Glucan and PrOatein® products, as well as several starches, recently received Non-GMO Project Verified certification and will help food and beverage manufacturers benefit from this growth.

[1] Non-GMO means from a non-genetically modified source

Bulk Ingredients

Six months to 30 September Continuing operations	Volume Change
Volume	
North American Sweeteners	**2%**
North American Industrial Starches	**0%**
Total Bulk Ingredients	**2%**

	2017 £m	2016 £m	Change %	Constant currency change %
Sales				
Total Bulk Ingredients	**889**	834	6%	0%
Adjusted operating profit				
Core Bulk Ingredients	**83**	67	24%	16%
Commodities	**10**	(3)	n/a	n/a
Total Bulk Ingredients	**93**	64	45%	36%

Consistent execution and firm margins deliver strong profit performance

Volume increased by 2% driven by North American sweetener growth and reflecting good contract compliance.

Adjusted operating profit of £93 million increased by £29 million. Adjusted operating profit in core Bulk Ingredients increased by 16% in constant currency benefiting from strong commercial and supply chain execution. In addition, solid demand and moderate margin gains secured in the 2017 calendar year contracting round further benefited performance. Commodities contributed profits of £10 million, an increase of £13 million.

The effect of currency translation was to increase sales by £52 million and adjusted operating profit by £6 million.

Overall, the US corn wet milling industry remains relatively well balanced, reflecting firm overall demand and stable industry exports to Mexico, where demand for regular carbonated soft drinks (CSDs) remained firm.

Corn prices

For the fourth consecutive year, the US corn crop is expected to be good with strong yields resulting in high closing inventories. Corn prices varied through the first half peaking in early July at around $4.20 per bushel, ahead of full visibility of the strength of the 2017 crop. Corn prices subsequently fell gradually, and traded in the $3.40 to $3.60 per bushel range during September. Relatively stable and low corn prices in the last few years have benefited the competitive position of corn-derived products.

North American Sweeteners

Overall, volume increased 2%, led by growth in export volume to Mexico. Shipments to US bulk sweetener customers saw modest growth reflecting good contract compliance and supply chain execution. Margin gains secured during the 2017 bulk sweetener pricing round, active product mix management, and efficiency initiatives drove improved profitability.

North American Industrial Starches

North American Industrial Starches volume was flat compared to the prior period. Overall demand for paper remains steady with growing demand for packaging and tissue, fueled by increasing online shopping, offsetting declines in printing and writing paper. Demand for starches in construction materials also remained steady in a relatively stable US housing market.

Commodities

Commodities delivered a profit of £10 million mainly reflecting market opportunities in Co-products and gains from the sourcing of corn.

US ethanol cash margins have remained relatively steady and towards the low-end of the historical range with industry inventories high.

OTHER MATTERS

North American Free Trade Agreement (NAFTA)

The United States, Canada, and Mexico commenced discussions in August 2017 to modernise NAFTA. NAFTA is very important to the US food and agriculture sector, and Mexico in particular is a key export market for the corn wet milling industry, particularly for high fructose corn syrup. Talks between the three parties are ongoing, and are expected to last at least into the first quarter of the 2018 calendar year.

Prior to the commencement of the talks on NAFTA, in June 2017 the US Department of Commerce and the Mexican Secretariat of Economy agreed revised Sugar Suspension Agreements. These Agreements, originally put in place in 2014, suspend the anti-dumping and countervailing duty investigations on imports of Mexican sugar into the US. They also limit the amount of sugar that Mexican companies can export to the US, and set price floors for that sugar. The revised Agreements maintain a productive US trading relationship with Mexico, and preserve cross-border trade of sweeteners between the two countries.

Board Changes

Liz Airey, a Non-Executive Director, retired from the Board after 10 years of service at the AGM on 27 July 2017.

Jeanne Johns, a Non-Executive Director, ceased to be a director with effect from 31 October 2017. Jeanne has been appointed chief executive officer of a company listed on the Australian Securities Exchange and, as a result, is no longer able to commit the required time to travel to the UK on a regular basis to attend Tate & Lyle Board meetings.

Executive Team Appointments

During the period, the Group Executive Committee was further strengthened with the following appointments:

i) Andrew Taylor was appointed President, Innovation and Commercial Development from 5 September 2017. Andrew previously worked at The Boston Consulting Group, where he was a Senior Partner and Managing Director, and also led the global Innovation Practice.

ii) Melissa Law was appointed President, Global Operations from 18 September 2017. Melissa previously worked at Baker Hughes, where she led the Global Specialties Chemicals Division, a major part of its Oilfield Service portfolio.

Summary of financial results for the period ended 30 September 2017 (unaudited)

Six months to 30 September [1] **Continuing operations**	**2017 £m**	2016 £m	Change %	Constant currency change %
Sales	**1 398**	1 321	6%	0%
Adjusted operating profit				
- Speciality Food Ingredients	**104**	94	10%	4%
- Bulk Ingredients	**93**	64	45%	36%
- Central	**(27)**	(25)		
Adjusted operating profit	**170**	133	28%	20%
Adjusted net finance expense	**(14)**	(12)		
Share of profit after tax of joint ventures and associates	**13**	19		
Adjusted profit before tax	**169**	140	21%	13%
Exceptional items	**–**	(3)		
Amortisation of acquired intangible assets	**(5)**	(6)		
Net retirement benefit interest	**(3)**	(3)		
Profit before tax	**161**	128		
Income tax (expense)/credit	**(37)**	1		
Profit for the period – continuing operations	**124**	129		
Profit for the period – discontinued operations	**–**	1		
Profit for the period – total operations	**124**	130		
Earnings per share – continuing operations (pence)				
Basic	**26.8p**	27.7p	(3%)	
Diluted	**26.5p**	27.4p	(3%)	
Adjusted earnings per share – continuing operations (pence)				
Basic	**28.0p**	24.6p	14%	7%
Diluted	**27.6p**	24.3p	14%	6%
Cash flow and net debt				
Adjusted free cash flow	**151**	138		
Net debt – At 30 September (comparative at 31 March 2017)	**371**	452		

Sales from continuing operations of £1,398 million were 6% higher than the prior year (flat at constant currency).

On a statutory basis, profit before tax from continuing operations increased by £33 million to £161 million. Statutory diluted earnings per share from continuing operations decreased by 0.9p to 26.5p as improved operating performance was more than offset by the effect of an increased statutory tax charge of 22.8%. In the comparative period, an effective tax rate of minus 0.9%, reflected an exceptional tax credit driven by the recognition of a deferred tax asset. As a result of the increased current period tax charge, profit for the period from total operations decreased to £124 million (2016 – £130 million).

Adjusted profit before tax from continuing operations was 21% higher than last year (13% at constant currency), increasing to £169 million, reflecting increased operating earnings. Adjusted diluted earnings per share from continuing operations increased by 3.3p to 27.6p reflecting increased earnings partially offset by a higher adjusted effective tax rate of 23.5% (2016 – 18.3%).

Central costs

Central costs, which include head office costs, treasury and reinsurance activities, were £2 million higher at £27 million.

Net finance expense

Adjusted net finance expense from continuing operations, which excludes net retirement benefit interest, was £2 million higher at £14 million, mainly driven by lower capitalised interest (principally related to the construction of the Loudon co-generation facility, subsequently commissioned in the third quarter of the 2017 financial year) and the impact of increased US interest rates on floating rate debt.

1 Adjusted results and a number of other terms and performance measures used in this document are not directly defined within accounting standards. We have provided descriptions of the various metrics and their reconciliation to the most directly comparable measures reported in accordance with IFRS, and the calculation where relevant of any ratios, in Note 2

Share of profit after tax of joint ventures and associates

The Group's share of profit after tax of joint ventures and associates of £13 million was in line with share of profit in second half of the 2017 financial year, but £6 million lower than the stronger first half comparative period.

Exceptional items from continuing operations

During the six months to 30 September 2017, there were no operating exceptional items from continuing operations (six months to 30 September 2016 – net costs of £3 million).

There were no tax exceptional items in the period. In the six months to 30 September 2016 an exceptional tax credit of £26 million was recorded reflecting the recognition of a deferred tax asset arising from previously unrecognised tax losses in the UK which are now expected to be utilised against future UK taxable profits.

Taxation

The adjusted effective tax rate on earnings for continuing operations for the six months to 30 September 2017 increased to 23.5% (2016 – 18.3%).

Two factors drove the increase in the adjusted effective tax rate in the period to the upper end of the guided range of between 21% and 24%. Firstly, as a result of changes to UK legislation arising from the OECD's Base Erosion and Profit Shifting (BEPS) project and consequent changes to the internal financing structure we use to fund our international businesses. Secondly, the results of the Group in the period reflect an increase in profits from the US, a jurisdiction with higher rates of corporation tax.

The reported effective tax rate (on statutory earnings) for the period was a charge of 22.8% (2016 – credit of 0.9%). In the comparative period, the Group recognised a deferred tax asset of £26 million as explained in "Exceptional items from continuing operations" above.

The recognition and measurement of deferred tax assets and liabilities is dependent on a number of key judgements, estimates and assumptions. Judgements in respect of this asset relate principally to: the size and duration of future internal financing arrangements; the interest coupon payable on these arrangements; the future level of deductible expenses incurred in the UK; and foreign currency exchange rates. Changes in assumptions, along with future changes in legislation, for example, impacting the utilisation of UK tax losses, could have a material impact on the amount of deferred tax recognised in future accounting periods. Legislation to limit the utilisation of carry forward losses in the UK is expected to be enacted in the second half of the year. If enacted, this may result in a write off of part of the deferred tax asset booked in the 2017 financial year, with a consequent charge to the statutory tax rate.

We estimate that the adjusted effective tax rate for the full 2018 financial year will be in the upper end of the previously guided range of between 21% and 24%. Over time and across accounting periods, we expect the rate of cash tax, being the amount of tax paid as a percentage of adjusted profit before tax, to align to the adjusted effective tax rate.

The list of key uncertainties affecting the Group's adjusted and reported effective tax rates, as well as the factors that are expected to influence the sustainability of the Group's effective tax rates in the future, are set out on page 34 and 35 of the Group's 2017 Annual Report, and remain unchanged.

Discontinued operations

There was no profit or loss or cash flows from discontinued operations in the six months to 30 September 2017 (2016 – profit of £1 million, cash used in discontinued operations £2 million outflow).

Earnings per share

Adjusted basic earnings per share from continuing operations increased by 14% (7% in constant currency) to 28.0p and adjusted diluted earnings per share from continuing operations at 27.6p were 14% higher (6% in constant currency).

Dividend

An increase in the interim dividend for the six months to 30 September 2017 of 0.2p to 8.4p has been approved by the Board, reflecting the Board's confidence in the business while at the same time continuing to rebuild cash cover. This will be paid on 5 January 2018 to all shareholders on the Register of Members on 1 December 2017. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan (DRIP) alternative.

Assets

Gross assets on a statutory basis of £2,617 million at 30 September 2017 were £154 million lower than at 31 March 2017, mainly reflecting the negative impact of the weakening US dollar.

Net assets decreased by £38 million to £1,294 million primarily reflecting the payment for the final year dividend of £92 million together with the negative impact of the weakening of the US dollar, with significant net exchange losses recognised in other comprehensive income of £43 million (six months to 30 September 2016 – gain of £93 million), partially offset by the profit for the period.

Retirement benefits

The Group maintains pension plans for our employees in a number of countries. Some of these arrangements are defined benefit pension schemes and, although we have closed the main UK scheme and the US salaried and hourly paid schemes to future accrual, certain obligations remain. In the US, we also provide medical benefits as part of retirement packages.

The net deficit on the Group's retirement benefits plans decreased by £20 million to £119 million compared to 31 March 2017. The deficit improvement was driven primarily by a decrease in the deficit of the US scheme largely as a result of foreign exchange movements from the weakening of the US dollar against sterling.

Under funding arrangements in connection with the 2016 actuarial valuation, the Group committed to make core funding contributions for the main UK scheme of £12 million per year and supplementary contributions of £6 million per year until 31 March 2023 into a secured funding account, payable to the Trustee on certain triggering events.

Cash flow and net debt

	Six months to 30 September[1]	
	2017 £m	2016 £m
Adjusted operating profit from continuing operations	**170**	133
Adjusted for:		
Non-cash items in adjusted operating profit and working capital	**95**	133
Net interest and tax paid	**(33)**	(31)
Net retirement benefit obligations	**(20)**	(20)
Capital expenditure	**(61)**	(77)
Adjusted free cash flow	**151**	138

	At 30 September	At 31 March
	2017 £m	2017 £m
Net debt	**371**	452

1 Adjusted results and a number of other terms and performance measures used in this document are not directly defined within accounting standards. We have provided descriptions of the various metrics and their reconciliation to the most directly comparable measures reported in accordance with IFRS, and the calculation where relevant of any ratios, in Note 2

Adjusted free cash flow (representing cash generated from continuing operations after net interest paid, income tax paid, and capital expenditure, and excluding the impact of exceptional items) was £151 million, £13 million higher than the prior period principally reflecting higher earnings and lower capital expenditure, partially offset by weaker inflows from the reduction of working capital, following significant improvements delivered in the comparative period.

Capital expenditure of £61 million, which included a £10 million investment in intangible assets, was 0.9 times the depreciation and adjusted amortisation charge of £71 million and reflects continued investment in capacity as well as efficiency and sustaining investments. We expect capital expenditure for the full 2018 financial year to be around £150 million.

Other significant cash flows in arriving at net debt included: £25 million of dividends received from joint ventures; external dividend payments of £92 million; and the £14 million payment for the purchase of shares to satisfy share option commitments.

Overall net debt at 30 September 2017 of £371 million was £81 million lower than at 31 March 2017. Net debt decreased by £60 million in the period (2016 – decrease of £60 million) before the favourable impact of exchange rates. Foreign currency translation, mainly from the impact of the weakening of the US dollar, reduced net debt by £21 million.

Basis of preparation

The Group's principal accounting policies are unchanged compared with the year ended 31 March 2017. A number of minor changes to accounting policies have been adopted during the year, although they have had no material effect on the Group's financial statements.

Details of the basis of preparation, including information in respect of the methodology used to calculate the Group's adjusted performance metrics, can be found in Note 1 to the attached financial information.

Going Concern

After making enquiries, the Directors are satisfied that the Group has adequate resources to continue to operate for a period of not less than 12 months from the date of approval of the financial information and that there are no material uncertainties around their assessment. For these reasons, the Directors continue to adopt the going concern basis in preparing the consolidated financial information of the Group.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group for the remaining six months of the financial year remain those detailed on pages 38 to 41 of the Tate & Lyle Annual Report 2017, a copy of which is available on the Company's website at www.tateandlyle.com.

The principal risks set out in the 2017 Annual Report relate to: acting safely and maintaining the safe operation of our facilities; growing in speciality food ingredients; innovating and commercialising new products; inability to attract, develop, engage and retain key personnel; failure to comply with legal or regulatory requirements and our Code of Ethics; maintaining the security of our information systems and data; maintaining the continuous operation of our plant network and supply chain, including high standards of customer service; managing fluctuations in prices and availability of raw materials, energy, freight and other operating inputs; maintaining the quality and safety of our products; changes in consumer, customer or government attitudes to our products; maintaining an effective system of internal financial controls; and changes in government regulations and/or trade policies.

Impact of changes in exchange rates

The Group's reported financial performance at average rates of exchange for the six months to 30 September 2017 was favourably impacted by currency translation. The average and closing US dollar and euro exchange rates used to translate reported results were as follows:

	Average rates		Closing rates	
Six months to 30 September	**2017**	2016	**2017**	2016
US dollar : sterling	**1.29**	1.37	**1.34**	1.30
Euro : sterling	**1.14**	1.22	**1.13**	1.16

For the period ended 30 September 2017, foreign exchange translation increased Speciality Food Ingredients adjusted operating profit by £6 million, and increased Bulk Ingredients adjusted operating profit by £6 million, with adjusted profit before tax for the Group increasing by £11 million.

Statement of Directors' responsibilities

The Directors confirm: that this condensed set of consolidated financial information has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union; that the condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss as required by the Disclosure Guidance and Transparency Rules (DTRs) sourcebook of the United Kingdom's Financial Conduct Authority, paragraph DTR 4.2.4; and that the interim management report herein includes a fair review of the information required by 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 2017. The only changes to the Board since 31 March 2017 being the retirement of Liz Airey on 27 July 2017, and the resignation of Jeanne Johns with effect from 31 October 2017.

For and on behalf of the Board of Directors:

Javed Ahmed Chief Executive	Nick Hampton Chief Financial Officer

1 November 2017

Independent review report to Tate & Lyle PLC

Report on the condensed consolidated financial statements

Our conclusion

We have reviewed Tate & Lyle PLC's condensed consolidated financial statements (the "interim financial statements") in the Statement of Half Year Results of Tate & Lyle PLC for the six month period ended 30 September 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated statement of financial position as at 30 September 2017;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Statement of Half Year Results of Tate & Lyle PLC have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Statement of Half Year Results, including the interim financial statements, 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 Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim 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 Tate & Lyle PLC for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

What a review of interim financial statements involves

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, 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.

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 interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
1 November 2017
London

Notes:

(a) The maintenance and integrity of the Tate & Lyle PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since it was initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of interim financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	**Six months to 30 September 2017 £m**	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Continuing operations				
Sales	3	**1 398**	1 321	2 753
Operating profit	3	**165**	124	233
Finance income		**1**	1	2
Finance expense		**(18)**	(16)	(34)
Share of profit after tax of joint ventures and associates		**13**	19	32
Profit before tax		**161**	128	233
Income tax (expense)/credit	5	**(37)**	1	22
Profit for the period – continuing operations		**124**	129	255
Profit for the period – discontinued operations	6	**–**	1	1
Profit for the period – total operations		**124**	130	256

Profit for the period from total operations is entirely attributable to owners of the Company.

Earnings per share		**Pence**	Pence	Pence
Continuing operations	7			
– basic		**26.8p**	27.7p	55.0p
– diluted		**26.5p**	27.4p	54.2p
Total operations:	7			
– basic		**26.8p**	28.0p	55.2p
– diluted		**26.5p**	27.7p	54.4p

Analysis of adjusted profit for the period – continuing operations		**£m**	£m	£m
Profit before tax – continuing operations		**161**	128	233
Adjusted for:				
Net charge for exceptional items	4	**–**	3	19
Amortisation of acquired intangible assets		**5**	6	12
Net retirement benefit interest	13	**3**	3	7
Adjusted profit before tax – continuing operations	2	**169**	140	271
Adjusted income tax expense – continuing operations	2, 5	**(40)**	(26)	(49)
Adjusted profit for the period – continuing operations	2	**129**	114	222

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Notes	**Six months to 30 September 2017 £m**	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Profit for the period		**124**	130	256
Other comprehensive income/(expense)				
Items that have been/may be reclassified to profit or loss:				
Fair value gain on cash flow hedges		**–**	1	1
Fair value (gain)/loss on cash flow hedges transferred to the income statement		**(2)**	4	4
Reclassified and reported in the income statement in respect of available-for-sale financial assets		**–**	–	(1)
Fair value gain on available-for-sale financial assets		**1**	–	–
(Loss)/gain on currency translation of foreign operations		**(65)**	147	185
Fair value gain/(loss) on net investment hedges		**22**	(54)	(69)
Share of other comprehensive (expense)/income of joint ventures and associates		**(7)**	4	7
Amounts transferred to the income statement upon disposal of subsidiary		**–**	(1)	(1)
Tax effect of the above items		**(1)**	(2)	–
		(52)	99	126
Items that will not be reclassified to profit or loss:				
Re-measurement of retirement benefit plans:				
– actual return (lower)/higher than interest on plan assets	13	**(14)**	219	179
– net actuarial gain/(loss) on net retirement benefit obligations	13	**1**	(279)	(106)
Tax effect of the above items		**1**	3	(30)
		(12)	(57)	43
Total other comprehensive (expense)/income		**(64)**	42	169
Total comprehensive income		**60**	172	425
Analysed by:				
– continuing operations		**60**	172	425
– discontinued operations		**–**	–	–
Total comprehensive income		**60**	172	425

Total comprehensive income is entirely attributable to owners of the Company.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Notes	**At 30 September 2017 £m**	At 30 September 2016 £m	At 31 March 2017 £m
ASSETS				
Non-current assets				
Goodwill and other intangible assets		**381**	415	401
Property, plant and equipment		**1 001**	1 033	1 061
Investments in joint ventures		**73**	83	92
Investments in associates		**–**	4	4
Available-for-sale financial assets		**35**	24	30
Derivative financial instruments		**10**	18	15
Deferred tax assets		**13**	29	22
Trade and other receivables		**1**	–	1
Retirement benefit surpluses	13	**123**	8	120
		1 637	1 614	1 746
Current assets				
Inventories		**380**	365	441
Trade and other receivables		**317**	302	291
Current tax assets		**1**	2	1
Available-for-sale financial assets		**1**	4	–
Derivative financial instruments		**35**	58	31
Cash and cash equivalents	9	**242**	289	261
Assets classified as held for sale	15	**4**	–	–
		980	1 020	1 025
TOTAL ASSETS		**2 617**	2 634	2 771
EQUITY				
Capital and reserves				
Share capital		**117**	117	117
Share premium		**406**	406	406
Capital redemption reserve		**8**	8	8
Other reserves		**201**	226	253
Retained earnings		**562**	362	548
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY –TOTAL EQUITY		**1 294**	1 119	1 332
LIABILITIES				
Non-current liabilities				
Trade and other payables		**10**	11	10
Borrowings	9	**574**	594	604
Derivative financial instruments		**27**	32	37
Deferred tax liabilities		**30**	33	25
Retirement benefit deficits	13	**242**	280	259
Provisions for other liabilities and charges		**16**	15	17
		899	965	952
Current liabilities				
Trade and other payables		**316**	323	315
Current tax liabilities		**55**	66	57
Borrowings and bank overdrafts	9	**28**	105	88
Derivative financial instruments		**17**	30	17
Provisions for other liabilities and charges		**8**	26	10
		424	550	487
TOTAL LIABILITIES		**1 323**	1 515	1 439
TOTAL EQUITY AND LIABILITIES		**2 617**	2 634	2 771

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Notes	**Six months to 30 September 2017 £m**	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Cash flows from operating activities				
Profit before tax from continuing operations		**161**	128	233
Adjustments for:				
Depreciation of property, plant and equipment		**56**	50	109
Amortisation of intangible assets		**20**	19	40
Share-based payments		**8**	8	21
Exceptional items	4	**(2)**	(10)	(5)
Finance income		**(1)**	(1)	(2)
Finance expense		**18**	16	34
Share of profit after tax of joint ventures and associates		**(13)**	(19)	(32)
Changes in working capital and other non-cash movements		**16**	62	4
Net retirement benefit obligations		**(20)**	(20)	(36)
Cash generated from continuing operations		**243**	233	366
Interest paid		**(12)**	(15)	(30)
Net income tax paid		**(22)**	(17)	(35)
Cash used in discontinued operations		**–**	(2)	(3)
Net cash generated from operating activities		**209**	199	298
Cash flows from investing activities				
Purchase of property, plant and equipment		**(51)**	(69)	(127)
Purchase of intangible assets		**(10)**	(8)	(26)
Disposal of property, plant and equipment		**–**	2	2
Cash adjustment in respect of previous acquisitions		**–**	3	3
Disposal of businesses, net of cash disposed		**–**	3	3
Purchase of available-for-sale financial assets		**(7)**	(3)	(4)
Disposal of available-for-sale financial assets		**1**	1	4
Interest received		**1**	1	2
Dividends received from joint ventures and associates		**25**	22	29
Net cash used in investing activities		**(41)**	(48)	(114)
Cash flows from financing activities				
Purchase of own shares to trust or treasury		**(14)**	–	(18)
Cash inflow from additional borrowings		**2**	73	66
Cash outflow from repayment of borrowings		**(69)**	(182)	(189)
Repayment of capital element of finance leases		**–**	–	(1)
Dividends paid to the owners of the Company	8	**(92)**	(92)	(130)
Net cash used in financing activities		**(173)**	(201)	(272)
Net decrease in cash and cash equivalents	9	**(5)**	(50)	(88)
Cash and cash equivalents				
Balance at beginning of period		**261**	317	317
Net decrease in cash and cash equivalents		**(5)**	(50)	(88)
Currency translation differences		**(14)**	22	32
Balance at end of period	9	**242**	289	261

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is presented in Note 9.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital and share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Attributable to the owners of the Company £m	Non-controlling interests (NCI) £m	Total equity £m
At 1 April 2017	523	8	253	548	1 332	–	1 332
Six months to 30 September 2017:							
Profit for the period – total operations	**–**	**–**	**–**	**124**	**124**	**–**	**124**
Other comprehensive expense	**–**	**–**	**(52)**	**(12)**	**(64)**	**–**	**(64)**
Total comprehensive (expense)/income	**–**	**–**	**(52)**	**112**	**60**	**–**	**60**
Share-based payments, net of tax	**–**	**–**	**–**	**8**	**8**	**–**	**8**
Purchase of own shares to trust or treasury	**–**	**–**	**–**	**(14)**	**(14)**	**–**	**(14)**
Dividends paid (Note 8)	**–**	**–**	**–**	**(92)**	**(92)**	**–**	**(92)**
At 30 September 2017	**523**	**8**	**201**	**562**	**1 294**	**–**	**1 294**
At 1 April 2016	523	8	127	370	1 028	1	1 029
Six months to 30 September 2016:							
Profit for the period – total operations	–	–	–	130	130	–	130
Other comprehensive income/(expense)	–	–	99	(57)	42	–	42
Total comprehensive income	–	–	99	73	172	–	172
Share-based payments, net of tax	–	–	–	8	8	–	8
Derecognition of put option on NCI	–	–	–	3	3	–	3
Movement on NCI	–	–	–	–	–	(1)	(1)
Dividends paid	–	–	–	(92)	(92)	–	(92)
At 30 September 2016	523	8	226	362	1 119	–	1 119
At 1 April 2016	523	8	127	370	1 028	1	1 029
Year to 31 March 2017:							
Profit for the year – total operations	–	–	–	256	256	–	256
Other comprehensive income	–	–	126	43	169	–	169
Total comprehensive income	–	–	126	299	425	–	425
Share-based payments, net of tax	–	–	–	24	24	–	24
Purchase of own shares to trust or treasury	–	–	–	(18)	(18)	–	(18)
Derecognition of put option on NCI	–	–	–	3	3	–	3
Movement on NCI	–	–	–	–	–	(1)	(1)
Dividends paid	–	–	–	(130)	(130)	–	(130)
At 31 March 2017	523	8	253	548	1 332	–	1 332

NOTES TO THE FINANCIAL INFORMATION

For the six months to 30 September 2017

1. Presentation of half year financial information

The principal activity of Tate & Lyle PLC and its subsidiaries, together with its joint ventures and associated undertakings, is the global provision of ingredients and solutions to the food, beverage and other industries.

The Company is a public limited company incorporated and domiciled in the United Kingdom and registered in England. The address of its registered office is 1 Kingsway, London WC2B 6AT. The Company has its primary listing on the London Stock Exchange.

Basis of preparation

This condensed set of consolidated financial information for the six months to 30 September 2017 has been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union (EU). The condensed set of consolidated financial information should be read in conjunction with the annual financial statements for the year to 31 March 2017, which have been prepared in accordance with IFRSs as adopted by the EU.

Having reviewed the Group's latest projected results, cash flows, liquidity position and borrowing facilities, the Directors are satisfied that the Group has adequate resources to continue to operate for a period not less than 12 months from the date of approval of the condensed set of financial information and that there are no material uncertainties around their assessment. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the condensed set of consolidated financial information.

The condensed set of 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 to 31 March 2017 were approved by the Board of Directors on 24 May 2017 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 498 (2) or (3) of the Companies Act 2006. The condensed set of consolidated financial information for the six months to 30 September 2017 on pages 15 to 34 was approved by the Board of Directors on 1 November 2017.

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 for the year to 31 March 2017, but also reflect the adoption, with effect from 1 April 2017, of new or revised accounting standards, as set out below:

- IAS 12 Income taxes (Amendments) (effective 1 January 2017)
- IAS 7 Statement of Cash Flows (Amendments) (effective 1 January 2017)
- Annual Improvements to IFRS – 2014-16 cycle

The adoption of these amendments from 1 April 2017 has had no material effect on the Group's financial statements.

The following new standards have been issued and are relevant to the Group, but were not effective for the financial year beginning 1 April 2017, and have not been adopted early:

- IFRS 15 – Revenue from Contracts with Customers (effective for the year ending 31 March 2019)

As disclosed in May 2017, the Group has undertaken a review of its commercial arrangements across all significant revenue streams and geographies including assessing the timing of revenue recognition as well as focusing on the accounting for principal and agency relationships, consignment stocks and discounts provided. As a result of the review, the Group has concluded that the adoption of IFRS 15 is not expected to have a material impact on reported revenue or revenue growth rates, and will continue to review its contracts and transactions with customers to ensure compliance with IFRS 15 on adoption.

- IFRS 9 – Financial Instruments (effective for the year ending 31 March 2019)

As also disclosed in May 2017, the Group has undertaken a review of the key areas of IFRS 9 focused principally on classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. The Group has concluded that the adoption of IFRS 9 will not have a material impact on its consolidated results or financial position, and will continue to review its activities in these areas to ensure compliance with IFRS 9 upon adoption.

1. Presentation of half year financial information (continued)

Changes in accounting policy and disclosures (continued)

– IFRS 16 – Leases (effective for the year ending 31 March 2020, subject to endorsement by the EU)

The standard eliminates the classification of leases as either operating or finance leases and introduces a single accounting model, and will require the Group to recognise substantially all of its current operating lease commitments on the statement of financial position. The Group will undertake a review of its lease arrangements and intends to provide an update of the impact in the Group's 2018 Annual Report.

– IFRIC 23 – Uncertainty over Income Tax Treatments (effective for the year ending 31 March 2020, subject to EU endorsement)

The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The financial impact of this, together with any other implications of this interpretation, will be assessed during the 2019 financial year.

There are no other new standards, new interpretations or amendments to standards or interpretations that have been published that are expected to have a significant impact on the Group's financial statements.

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.

Changes in constant currency

Where changes in constant currency are presented in this statement, they are calculated by retranslating current period results at prior period exchange rates. Reconciliations of the movement in constant currency have been included in the additional information within this document.

Use of alternative performance measures

The Group also presents alternative performance measures, including adjusted operating profit, adjusted profit before tax, adjusted earnings per share, adjusted operating cash flow and adjusted free cash flow, which are used for internal performance analysis and incentive compensation arrangements for employees. These measures are presented because they provide investors with valuable additional information about the performance of the business. For the periods presented, alternative performance measures exclude, where relevant:

- **Exceptional items** (excluded as they relate to events which are unlikely to recur, are outside the normal course of business and therefore merit separate disclosure in order to provide a better understanding of the Group's underlying financial performance);
- **Amortisation of acquired intangible assets** (costs associated with amounts recognised through acquisition accounting that impact earnings compared to organic investments);
- **Net retirement benefit interest** (accounting charges or credits which are not linked to the underlying performance of the business. The amounts excluded reflect the net interest cost of post-retirement benefit plans substantially closed to future accrual); and
- **Tax on the above items and tax items that themselves meet these definitions.**

Alternative performance measures reported by the Group are not defined terms under IFRS and may therefore not be comparable with similarly-titled measures reported by other companies. Reconciliations of the alternative performance measures to the most directly comparable IFRS measures are presented in Note 2.

Exceptional items

Exceptional items comprise items of income and expense, including tax items that are material in amount, relate to events which are unlikely to recur, are outside the normal course of business and therefore merit separate disclosure in order to provide a better understanding of the Group's underlying financial performance. Examples of events that give rise to the disclosure of material items of income and expense as exceptional items include, but are not limited to: impairment events; significant business transformation activities; disposals of operations or significant individual assets; litigation claims by or against the Group; changes in tax legislation; and restructuring of components of the Group's operations.

All material amounts relating to exceptional items in the Group's financial statements are classified on a consistent basis across accounting periods.

1. Presentation of half year financial information (continued)

Discontinued operations

An operation is classified as discontinued if it is a component of the Group that: (i) has been disposed of, or meets the criteria to be classified as held for sale; and (ii) represents a separate major line of business or geographic area of operations or will be disposed of as part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations. The results, assets and liabilities and cash flows of discontinued operations are presented separately from those of continuing operations.

There was no activity classified within discontinued operations in the six months to 30 September 2017.

Discontinued operations in the comparative periods related to the disposal of the Group's Moroccan subsidiary. As part of a broader transaction with Archer Daniels Midland Inc. (ADM), the Group sold its corn wet mill in Casablanca, Morocco to ADM on 1 June 2016.

NOTES TO THE FINANCIAL INFORMATION

For the six months to 30 September 2017

2. Reconciliation of alternative performance measures

For the reasons set out in Note 1, the Group presents alternative performance measures including adjusted operating profit, adjusted profit before tax and adjusted earnings per share.

For the periods presented, these alternative performance measures exclude, where relevant:
– exceptional items;
– the amortisation of acquired intangible assets;
– net retirement benefit interest; and
– tax on the above items and tax items that themselves meet these definitions.

The following table shows the reconciliation of the key alternative performance measures to the most directly comparable measures reported in accordance with IFRS:

	Six months to 30 September 2017			Six months to 30 September 2016		
£m unless otherwise stated **Continuing operations**	**IFRS reported**	**Adjusting items**	**Adjusted reported**	IFRS reported	Adjusting items	Adjusted reported
Sales	**1 398**	**–**	**1 398**	1 321	–	1 321
Operating profit	**165**	**5**	**170**	124	9	133
Net finance expense	**(17)**	**3**	**(14)**	(15)	3	(12)
Share of profit after tax of joint ventures and associates	**13**	**–**	**13**	19	–	19
Profit before tax	**161**	**8**	**169**	128	12	140
Income tax (expense)/credit	**(37)**	**(3)**	**(40)**	1	(27)	(26)
Profit for the year	**124**	**5**	**129**	129	(15)	114
Basic earnings per share	**26.8p**	**1.2p**	**28.0p**	27.7p	(3.1p)	24.6p
Diluted earnings per share	**26.5p**	**1.1p**	**27.6p**	27.4p	(3.1p)	24.3p
Effective tax rate expense/(credit)	**22.8%**		**23.5%**	(0.9%)		18.3%

	Year to 31 March 2017		
Continuing operations	IFRS reported	Adjusting items	Adjusted reported
Sales	2 753	–	2 753
Operating profit	233	31	264
Net finance expense	(32)	7	(25)
Share of profit after tax of joint ventures and associates	32	–	32
Profit before tax	233	38	271
Income tax credit/(expense)	22	(71)	(49)
Profit for the year	255	(33)	222
Basic earnings per share	55.0p	(7.2p)	47.8p
Diluted earnings per share	54.2p	(7.1p)	47.1p
Effective tax rate (credit)/expense	(9.6%)		18.2%

The following table shows the reconciliation of the adjusting items in the current and comparative periods:

Continuing operations	Notes	**Six months to 30 September 2017 £m**	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Exceptional items in operating profit	4	**–**	3	19
Amortisation of acquired intangible assets		**5**	6	12
Total excluded from adjusted operating profit		**5**	9	31
Net retirement benefit interest	13	**3**	3	7
Total excluded from adjusted profit before tax		**8**	12	38
Tax on adjusting items	5	**(3)**	(1)	(6)
Exceptional deferred tax credits	4, 5	**–**	(26)	(65)
Total excluded from adjusted profit for the period		**5**	(15)	(33)

2. Reconciliation of alternative performance measures (continued)

The Group also presents two alternative cash flow measures which are defined as follows:

(a) Adjusted free cash flow represents cash generated from continuing operations after net interest paid, income tax paid, and capital expenditure, and excluding the impact of exceptional items.

(b) Adjusted operating cash flow is defined as adjusted free cash flow from continuing operations, adding back net interest and tax paid, retirement cash contributions, and excluding derivative and margin call movements within working capital.

The following table shows the reconciliation of these alternative cash flow performance measures:

	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Adjusted operating profit from continuing operations	**170**	133	264
Adjusted for:			
Depreciation and adjusted amortisation	**71**	63	137
Share-based payments charge	**8**	8	21
Changes in working capital and other non-cash movements	**16**	62	4
Net retirement benefit obligations	**(20)**	(20)	(36)
Capital expenditure	**(61)**	(77)	(153)
Net interest and tax paid	**(33)**	(31)	(63)
Adjusted free cash flow	**151**	138	174
Add back: net interest and tax paid	**33**	31	63
Add back: net retirement cash contributions	**25**	23	42
Less: derivatives and margin call movements within changes in working capital	**4**	(7)	(6)
Adjusted operating cash flow	**213**	185	273

NOTES TO THE FINANCIAL INFORMATION

For the six months to 30 September 2017

2. Reconciliation of alternative performance measures (continued)

The Group presents certain financial measures as defined in its external financial covenants as Key Performance Indicators. Net debt to EBITDA and interest cover are defined under the Group's financial covenants and are required to be reported on a proportionate consolidation basis. For financial covenant purposes these ratios are calculated based on the accounting standards that applied for the 2014 financial year, with new accounting standards adopted by the Group subsequent to 1 April 2014 disregarded, with performance based on the preceding 12 months' results. Net debt is calculated using average currency exchange rates. All ratios are calculated based on unrounded figures in £ million. The following table presents the calculation of these alternative measures:

	30 September 2017 £m	30 September 2016 £m	31 March 2017 £m
Calculation of Net debt to EBITDA ratio – on a financial covenant basis			
Net debt (see Note 9)	**371**	418	452
Further adjustments set out in financial covenants:			
to reflect use of average exchange rates in translating net debt and proportionate consolidation	**28**	(33)	(13)
Net debt – on a financial covenant basis	**399**	385	439
Adjusted operating profit	**301**	221	264
Further adjustments set out in financial covenants:			
to reflect proportionate consolidation	**40**	54	48
to exclude charges for share-based payments	**21**	13	21
to add back depreciation and adjusted amortisation	**145**	116	137
Pre-exceptional EBITDA – on a financial covenant basis	**507**	404	470
Net debt to EBITDA ratio (times)	**0.8**	1.0	0.9

Calculation of interest cover ratio – on a financial covenant basis			
Adjusted operating profit	**301**	221	264
Further adjustments set out in financial covenants:			
to reflect proportionate consolidation	**36**	47	43
to exclude charges for share-based payments	**21**	13	21
Operating profit before exceptional items and amortisation of intangible assets – on a financial covenant basis	**358**	281	328
Adjusted net finance expense	**27**	25	25
Less: Other financing costs	**(1)**	–	–
Further adjustments set out in financial covenants including proportionate consolidation and other adjustments	**(1)**	(2)	(1)
Net finance expense – on a financial covenant basis	**25**	23	24
Interest cover ratio (times)	**14.5**	12.2	13.9

3. Segment information

Segment information is presented on a basis consistent with the information presented to the Board (the designated Chief Operating Decision Maker) and with that presented in the Group's 2017 Annual Report. An analysis of total assets and total liabilities by operating segment is not presented to the Board but it does receive segmental analysis of net working capital. Accordingly, the amounts presented for segment assets and segment liabilities in the tables below represent those assets and liabilities that comprise elements of net working capital. Segment results were as follows:

(a) Segment sales and results

Sales	Notes	**Six months to 30 September 2017 £m**	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Speciality Food Ingredients		**509**	487	996
Bulk Ingredients		**889**	834	1 757
Sales – continuing operations		**1 398**	1 321	2 753
Sales – discontinued operations		**–**	3	3
Sales – total operations		**1 398**	1 324	2 756
Adjusted operating profit – continuing operations				
Speciality Food Ingredients		**104**	94	181
Bulk Ingredients		**93**	64	129
Central		**(27)**	(25)	(46)
Adjusted operating profit – continuing operations		**170**	133	264
Adjusting items:				
– exceptional items	4	**–**	(3)	(19)
– amortisation of acquired intangible assets		**(5)**	(6)	(12)
Operating profit – continuing operations		**165**	124	233
Finance income		**1**	1	2
Finance expense		**(18)**	(16)	(34)
Share of profit after tax of joint ventures and associates		**13**	19	32
Profit before tax – continuing operations		**161**	128	233
Profit before tax – discontinued operations		**–**	1	1
Profit before tax – total operations		**161**	129	234

	Six months to 30 September 2017 %	Six months to 30 September 2016 %	Year to 31 March 2017 %
Adjusted operating margin – continuing operations			
Speciality Food Ingredients	**20.4%**	19.3%	18.2%
Bulk Ingredients	**10.5%**	7.7%	7.3%
Central	**n/a**	n/a	n/a
Total	**12.2%**	10.1%	9.6%

3. Segment information (continued)

(b) Segment assets/(liabilities)

	At 30 September 2017		
	Assets £m	**Liabilities £m**	**Net £m**
Net working capital			
Speciality Food Ingredients	**364**	**(136)**	**228**
Bulk Ingredients	**318**	**(158)**	**160**
Central	**16**	**(32)**	**(16)**
Group working capital – continuing and total operations	**698**	**(326)**	**372**
Other assets/(liabilities)	**1 919**	**(997)**	**922**
Group assets/(liabilities)	**2 617**	**(1 323)**	**1 294**

	At 30 September 2016		
	Assets £m	Liabilities £m	Net £m
Net working capital			
Speciality Food Ingredients	347	(145)	202
Bulk Ingredients	309	(151)	158
Central	11	(38)	(27)
Group working capital – continuing and total operations	667	(334)	333
Other assets/(liabilities)	1 967	(1 181)	786
Group assets/(liabilities)	2 634	(1 515)	1 119

	At 31 March 2017		
	Assets £m	Liabilities £m	Net £m
Net working capital			
Speciality Food Ingredients	371	(129)	242
Bulk Ingredients	349	(146)	203
Central	13	(50)	(37)
Group working capital – continuing and total operations	733	(325)	408
Other assets/(liabilities)	2 038	(1 114)	924
Group assets/(liabilities)	2 771	(1 439)	1 332

NOTES TO THE FINANCIAL INFORMATION

For the six months to 30 September 2017

4. Exceptional items

There were no exceptional items impacting the income statement in the six months to 30 September 2017.

During the six months to 30 September 2016, the Group recognised net operating exceptional costs of £3 million within continuing operations and an exceptional tax credit of £26 million. The exceptional tax credit related to the recognition of a deferred tax asset following changes to UK tax legislation.

In the year to 31 March 2017, the Group recognised net operating exceptional costs of £19 million within continuing operations. The Group also recognised an exceptional tax credit of £65 million related to the recognition of deferred tax assets.

Further details of amounts previously recognised in the 2017 financial year can be found in the Group's 2017 Annual Report.

The exceptional cash flows in the current and comparative periods were as follows:

Net cash outflow on exceptional items:	Footnote	**Six months to 30 September 2017 £m**	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Continuing operations				
Business re-alignment – impairment, restructuring and other net costs	(a)	**(2)**	(13)	(21)
Asset impairments – related costs		**–**	–	(3)
Net cash outflow – exceptional items		**(2)**	(13)	(24)
Income statement charge – included in profit before tax		**–**	3	19
Adjustment for: exceptional items – per cash flow statement		**(2)**	(10)	(5)

(a) In the six months to 30 September 2017, the Group made cash payments of £2 million in respect of business re-alignment costs for SPLENDA® Sucralose and its European operations. Further details of comparative amounts can be found in the Group's 2017 Annual Report.

5. Income tax expense

Continuing operations	**Six months to 30 September 2017 £m**	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Current tax:			
– United Kingdom	**–**	–	–
– Overseas	**(23)**	(13)	(23)
	(23)	(13)	(23)
Deferred tax:			
(Expense)/credit for the period	**(14)**	14	45
Income tax (expense)/credit	**(37)**	1	22

Reconciliation to adjusted income tax expense	Note	**£m**	£m	£m
Income tax (expense)/credit		**(37)**	1	22
Adjusted for:				
Taxation on exceptional items, amortisation of acquired intangibles and net retirement benefit interest		**(3)**	(1)	(6)
Exceptional deferred tax credits		**–**	(26)	(65)
Adjusted income tax expense – continuing operations	2	**(40)**	(26)	(49)

The Group recorded an income tax expense of £37 million in continuing operations for the six months to 30 September 2017 (six months to 30 September 2016 – credit of £1 million; year to 31 March 2017 – credit of £22 million).

The Group's statutory tax rate on continuing operations, calculated on the basis of the reported income tax expense of £37 million as a proportion of profit before tax of £161 million was 22.8% (six months to 30 September 2016 – credit of 0.9%; year to 31 March 2017 – credit of 9.6%). In the six months to 30 September 2016, the income tax credit included an exceptional tax credit in relation to the recognition of deferred tax assets of £26 million arising from previously unrecognised tax losses in the UK which following changes to UK legislation and internal financing arrangements are now expected to be utilised. In the year to 31 March 2017 deferred tax assets totaling £65 million were recognised (£34 million with respect to previously unrecognised tax losses as above, and £31 million with respect to the transfer at fair value of certain intellectual property assets).

The Group's adjusted effective tax rate on continuing operations, calculated on the basis of the adjusted income tax expense of £40 million as a proportion of adjusted profit before tax of £169 million was 23.5% (six months to 30 September 2016 – 18.3%; year to 31 March 2017 – 18.2%). The adjusted effective tax rate increased as a result of firstly, changes to UK legislation and consequent changes to the internal financing structure we use to fund our international businesses, and secondly, an increase in profits from the US, a jurisdiction with higher rates of corporation tax.

In March 2017, the UK government announced further draft changes to UK loss utilisation rules which, if carried into legislation, would impact our ability to utilise brought forward losses in the future.

The standard rate of corporation tax in the United Kingdom reduced from 20% to 19% on 1 April 2017 and is expected to reduce from 19% to 17% with effect from 1 April 2020.

6. Discontinued operations

The discontinued operations of the Group are set out in Note 1. There was no activity classified within discontinued operations in the six months to 30 September 2017 (six months to 30 September 2016 – gain of £1 million; year to 31 March 2017 – gain of £1 million).

7. Earnings per share

Basic earnings per share is calculated using a consistent methodology with that used at 31 March 2017 (see the Group's 2017 Annual Report for further details). The average market price of the Company's ordinary shares during the six months to 30 September 2017 was 710p (six months to 30 September 2016 – 666p; year to 31 March 2017 – 695p). The dilutive effect of share-based incentives was 6.7 million shares (30 September 2016 – 5.1 million shares; 31 March 2017 – 7.1 million shares).

	Six months to 30 September 2017			Six months to 30 September 2016		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit attributable to owners of the Company (£ million)	**124**	**–**	**124**	129	1	130
Weighted average number of ordinary shares (millions) – basic	**463.0**	**463.0**	**463.0**	464.4	464.4	464.4
Basic earnings per share	**26.8p**	**–**	**26.8p**	27.7p	0.3p	28.0p
Weighted average number of ordinary shares (millions) – diluted	**469.7**	**469.7**	**469.7**	469.5	469.5	469.5
Diluted earnings per share	**26.5p**	**–**	**26.5p**	27.4p	0.3p	27.7p

	Year to 31 March 2017		
	Continuing operations	Discontinued operations	Total
Profit attributable to owners of the Company (£ million)	255	1	256
Weighted average number of ordinary shares (millions) – basic	464.1	464.1	464.1
Basic earnings per share	55.0p	0.2p	55.2p
Weighted average number of ordinary shares (millions) – diluted	471.2	471.2	471.2
Diluted earnings per share	54.2p	0.2p	54.4p

Adjusted earnings per share

A reconciliation between profit attributable to owners of the Company from continuing operations and the equivalent adjusted metric, together with the resulting adjusted earnings per share metrics can be found below:

Continuing operations	Notes	**Six months to 30 September 2017 £m**	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Profit attributable to owners of the Company		**124**	129	255
Adjusting items:				
– exceptional items	4	**–**	3	19
– amortisation of acquired intangible assets		**5**	6	12
– net retirement benefit interest	13	**3**	3	7
– tax effect of the above adjustments	5	**(3)**	(1)	(6)
– exceptional deferred tax credits	5	**–**	(26)	(65)
Adjusted profit attributable to owners of the Company	2	**129**	114	222
Adjusted basic earnings per share (pence) – continuing operations		**28.0p**	24.6p	47.8p
Adjusted diluted earnings per share (pence) – continuing operations		**27.6p**	24.3p	47.1p

8. Dividends on ordinary shares

The Directors have declared an interim dividend of 8.4p per share for the six months to 30 September 2017 (six months to 30 September 2016 – 8.2p per share), payable on 5 January 2018.

The final dividend for the year to 31 March 2017 of £92 million, representing 19.8p per share, was paid during the six months to 30 September 2017.

9. Net debt

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

	At 30 September 2017 £m	At 30 September 2016 £m	At 31 March 2017 £m
Non-current borrowings	**(574)**	(594)	(604)
Current borrowings and bank overdrafts	**(28)**	(105)	(88)
Debt-related derivative financial instruments	**(11)**	(8)	(21)
Cash and cash equivalents	**242**	289	261
Net debt	**(371)**	(418)	(452)

Debt-related derivative financial instruments represents the net fair value of currency and interest rate swaps that are used to manage the currency and interest rate profile of the Group's net debt. At 30 September 2017, the net fair value of these derivatives comprised assets of £17 million (30 September 2016 – £25 million; 31 March 2017 – £17 million) and liabilities of £28 million (30 September 2016 – £33 million; 31 March 2017 – £38 million).

Movements in the Group's net debt were as follows:

	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Net debt at beginning of the period	**(452)**	(434)	(434)
Decrease in cash and cash equivalents in the period	**(5)**	(50)	(88)
Net decrease in borrowings*	**67**	109	124
Fair value and other movements	**(2)**	1	3
Currency translation differences	**21**	(44)	(57)
Decrease/(increase) in net debt in the period	**81**	16	(18)
Net debt at end of the period	**(371)**	(418)	(452)

* Where relevant, net change in borrowings includes repayments of capital elements of finance leases (six months to 30 September 2017 – £nil, six months to 30 September 2016 – £nil; year to 31 March 2017 – £1 million).

At 30 September 2017, the Group had no US commercial paper outstanding (30 September 2016 – £77 million; 31 March 2017 – £70 million). During the six months to 30 September 2016, the Group repaid a maturing US$250 million bond.

10. Contingent liabilities

Passaic River

The Group remains subject to a legal case arising from the notification in 2007 by the U.S. Environmental Protection Agency ('USEPA') that Tate & Lyle, along with approximately 70+ others, is a potentially responsible party ('PRP') for a 17 mile section of the northern New Jersey Passaic River, a major 'Superfund' Site. In March 2016, the USEPA issued its Record of Decision ('ROD') on the likely cost for the remediation of the lower 8 miles section of the river (the most contaminated). Whilst Tate & Lyle will continue to vigorously defend itself in this matter, in light of the publication of the ROD, the Group carries a provision of £6 million in respect of this. The Group continues to be unable to estimate a reasonably possible range of loss in respect of the remaining 9 mile section of the river and therefore has not recognised a provision in this regard.

Other claims

The Group is subject to claims and litigation generally arising in the ordinary course of its business, some of which are for substantial amounts. All such actions are strenuously defended but provision is made for liabilities that are considered likely to arise on the basis of current information and legal advice. While there is always uncertainty as to the outcome of any claim or litigation, it is not expected that claims and litigation existing at 30 September 2017 will have a material adverse effect on the Group's financial position.

11. Capital expenditure and commitments

In the six months to 30 September 2017, there were additions to intangible assets (excluding goodwill and acquired intangibles) of £10 million (30 September 2016 – £10 million; 31 March 2017 – £26 million) and additions to property, plant and equipment of £51 million (30 September 2016 – £70 million; 31 March 2017 – £128 million).

Commitments at the balance sheet date were as follows:

	At 30 September 2017 £m	At 30 September 2016 £m	At 31 March 2017 £m
Commitments for the purchase of intangible assets	**2**	–	–
Commitments for the purchase of property, plant and equipment	**32**	36	25
Total commitments	**34**	36	25

12. Financial instruments

The table below shows the Group's financial assets and liabilities measured at fair value at 30 September 2017. The fair value hierarchy categorisation, valuation techniques and inputs, consistent with those used in the year to 31 March 2017 (see Notes 2 and 29 of the Group's 2017 Annual Report) are:

– Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date;
– Level 2: Inputs are those, other than quoted prices included in Level 1, that are observable either directly or indirectly; and
– Level 3: Inputs are unobservable inputs. The Group generally classifies assets or liabilities as Level 3 when the fair value is determined using unobservable inputs that individually, or when aggregated with other unobservable inputs, represent more than 10% of the fair value of observable inputs of the assets or liabilities.

	At 30 September 2017				At 31 March 2017			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets at fair value								
Available-for-sale financial assets	**–**	**–**	**36**	**36**	–	–	30	30
Derivative financial instruments:								
– currency swaps	**–**	**–**	**–**	**–**	–	2	–	2
– interest rate swaps	**–**	**17**	**–**	**17**	–	15	–	15
– commodity pricing contracts	**3**	**2**	**23**	**28**	7	1	21	29
Assets at fair value	**3**	**19**	**59**	**81**	7	18	51	76
Liabilities at fair value								
Derivative financial instruments:								
– currency swaps	**–**	**(28)**	**–**	**(28)**	–	(38)	–	(38)
– commodity pricing contracts	**(8)**	**(5)**	**(3)**	**(16)**	(6)	(7)	(3)	(16)
Liabilities at fair value	**(8)**	**(33)**	**(3)**	**(44)**	(6)	(45)	(3)	(54)

The commodity pricing contracts included within the Group's Level 3 financial instruments are valued based on the Group's own assessment of the particular commodity, its supply and demand and expected pricing. The most significant unobservable input for those written commodity contracts remains the future price of co-product positions. The methodology used to value all Level 3 financial instruments remains unchanged from that used at 31 March 2017 and the sensitivity of the fair value of the Level 3 financial instruments to changes in the price of commodity contracts is not materially different to that disclosed at 31 March 2017. Further detail can be found on page 157 of the Group's 2017 Annual Report.

The following table reconciles the movement in fair value of net financial instruments classified in 'Level 3' of the fair value hierarchy:

	Available-for-sale financial assets £m	Commodity pricing contract – assets £m	Commodity pricing contract – liabilities £m	Total £m
At 31 March 2017	30	21	(3)	48
Total gains/(losses):				
– in operating profit	**–**	**15**	**(1)**	**14**
– in other comprehensive income	**(1)**	**–**	**–**	**(1)**
Re-measurement of non-qualified deferred compensation arrangements	**1**	**–**	**–**	**1**
Purchases	**7**	**–**	**–**	**7**
Settlements	**(1)**	**(13)**	**1**	**(13)**
At 30 September 2017	**36**	**23**	**(3)**	**56**

12. Financial instruments (continued)

Fair value of borrowings

The fair value of borrowings is estimated to be £621 million (30 September 2016 – £734 million; 31 March 2017 – £712 million) and has been determined using quoted market prices, broker dealer quotations or discounted cash flow analysis. The carrying value of other assets and liabilities held at amortised cost is not materially different from their fair value. Further details of these instruments and our associated accounting policies can be found in Note 2 on page 112 of the Group's 2017 Annual Report.

13. Retirement benefit obligations

At 30 September 2017, the net liability in respect of retirement benefits was £119 million (31 March 2017 – £139 million), which is analysed as follows:

	At 30 September 2017			At 31 March 2017		
	Pensions £m	**Medical benefits £m**	**Total £m**	Pensions £m	Medical benefits £m	Total £m
Present value of benefit obligations	**(1 630)**	**(72)**	**(1 702)**	(1 693)	(76)	(1 769)
Fair value of plan assets	**1 583**	**–**	**1 583**	1 630	–	1 630
Net liability	**(47)**	**(72)**	**(119)**	(63)	(76)	(139)
Presented as:						
Deficits	**(170)**	**(72)**	**(242)**	(183)	(76)	(259)
Surpluses	**123**	**–**	**123**	120	–	120
Net liability	**(47)**	**(72)**	**(119)**	(63)	(76)	(139)

Changes in the net liability during the period are analysed as follows:

	Six months to 30 September 2017		
	Pensions £m	**Medical benefits £m**	**Total £m**
Net liability at 1 April 2017	(63)	(76)	(139)
Income statement:			
– service cost	**(2)**	**(1)**	**(3)**
– plan administration costs	**(2)**	**–**	**(2)**
– net interest expense	**(2)**	**(1)**	**(3)**
Other comprehensive income:			
– actual return lower than interest on plan assets	**(14)**	**–**	**(14)**
– actuarial gain/(loss)	**2**	**(1)**	**1**
Other movements:			
– employer's contributions	**23**	**2**	**25**
– re-measurement of non-qualified deferred compensation arrangements	**(1)**	**–**	**(1)**
– currency translation differences	**12**	**5**	**17**
Net liability at 30 September 2017	**(47)**	**(72)**	**(119)**

14. Related party disclosures

The Group's significant related parties are its associate and joint ventures as disclosed in the 2017 Annual Report. There were no material changes in related parties or in the nature of related party transactions during the period.

15. Events after the reporting period and assets held for sale

Tapioca Development Corporation, the Group's associate with a carrying value of £4 million, was classified as held for sale at 30 September 2017, and was subsequently disposed on 2 October 2017.

TATE & LYLE PLC

ADDITIONAL INFORMATION

Calculation of changes in constant currency

Where changes in constant currency are presented in this statement, they are calculated by retranslating current period results at prior period exchange rates. The following table provides a reconciliation between the six months to September 2017 performance at actual exchange rates and at constant currency exchange rates. Absolute numbers presented in the table are rounded for presentational purposes, whereas the growth percentages are calculated on unrounded numbers.

Six months to 30 September Adjusted performance Continuing operations	**2017 £m**	FX £m	2017 at constant currency £m	Underlying growth £m	2016 £m	Change %	Change in constant currency %
Sales	**1 398**	(82)	1 316	(5)	1 321	6%	–
Adjusted operating profit							
Speciality Food Ingredients	**104**	(6)	98	4	94	10%	4%
Bulk Ingredients	**93**	(6)	87	23	64	45%	36%
Central	**(27)**	1	(26)	(1)	(25)		
Adjusted operating profit	**170**	(11)	159	26	133	28%	20%
Adjusted net finance expense	**(14)**	1	(13)	(1)	(12)		
Share of profit after tax of joint ventures and associates	**13**	(1)	12	(7)	19	(32%)	(37%)
Adjusted profit before tax	**169**	(11)	158	18	140	21%	13%
Adjusted income tax expense	**(40)**	3	(37)	(11)	(26)	(55%)	(43%)
Adjusted profit after tax	**129**	(8)	121	7	114	13%	6%
Adjusted diluted EPS (pence)	**27.6p**	(1.8p)	25.8p	1.5p	24.3p	14%	6%

Ratio analysis

		30 September 2017	30 September 2016	31 March 2017
Net debt to EBITDA – on a financial covenant basis				
=	Net debt	**399**	385	439
	Pre-exceptional EBITDA	**507**	404	470
		= 0.8 times	= 1.0 times	= 0.9 times
Interest cover – on a financial covenant basis				
=	Operating profit before exceptional items and amortisation of intangible assets			
	Net finance expense			
		358	281	328
		25	23	24
		= 14.5 times	= 12.2 times	= 13.9 times
Cash dividend cover				
=	Adjusted free cash flow from continuing operations	**151**	138	174
	Cash dividends	**39**	38	130
		= 3.9 times	= 3.6 times	= 1.3 times
Gearing				
=	Net debt	**371**	418	452
	Total equity	**1 294**	1 119	1 332
		= 29%	= 37%	= 34%

Note:
All ratios are calculated based on unrounded figures in £ million. Net debt to EBITDA, interest cover, adjusted free cash flow and adjusted operating cash flow are defined and reconciled in Note 2 of the attached financial information. Gearing is prepared using equity accounted net debt and total equity from the consolidated statement of financial position.

Cash dividends represent external dividends on ordinary shares paid or proposed in respect of the reporting period.