28 May 2009

TATE & LYLE PLC
ANNOUNCEMENT OF FULL YEAR RESULTS
For the year ended 31 March 2009

Continuing operations[1]	Year ended 31 March 2009	2008
Sales	**£3 553m**	£2 867m
Adjusted results		
Adjusted profit before tax[2]	**£247m**	£253m
Adjusted diluted earnings per share[2]	**38.0p**	34.6p
Statutory results		
Profit before tax	**£113m**	£182m
Profit for the year (on total operations)	**£70m**	£187m
Diluted earnings per share	**19.4p**	23.6p
Dividends per share	**22.9p**	22.6p

1 Excluding the results of International Sugar Trading and Eastern Sugar in both periods and of Redpath, Occidente, and the disposed European starch plants in the year ended 31 March 2008.

2 Before exceptional charges of £119 million (2008 – £59 million) and amortisation of acquired intangible assets of £15 million (2008 – £12 million).

Financial Performance

- Adjusted profit before tax down 2% at £247 million (18% in constant currency)
- Adjusted operating profit from core value added food ingredients[3] up 20% (3% in constant currency) to £107 million
- Adjusted diluted earnings per share increased by 10% to 38.0p (8% decrease in constant currency)
- Proposed final dividend maintained at 16.1p, making a total dividend of 22.9p per share, up 1.3%
- Dividend covered 1.5 times by free cash flow[4] and 1.7 times by earnings

Operational Highlights

- Decisive action taken to generate cash through focus on working capital, the cost base, capacity management and control of capital expenditure
- Strong performance in first half year within Food & Industrial Ingredients, Americas offset by weaker second half year with deterioration in industrial starch volumes and ethanol margins
- Good progress made by reshaped Food & Industrial Ingredients business in Europe
- Breakthrough in sucralose yields enables cost economies through mothballing of US plant, giving rise to an exceptional charge of £97 million in the 2009 financial year
- Exposure to commodity pricing volatility and working capital requirements reduced by disposal of International Sugar Trading

Financial Position

- Net cash generated[5] of £245 million after payment of dividends and the final year of our major capital expenditure programme
- Net debt at 31 March 2009 was £1,231 million, net debt/EBITDA ratio comfortably within our bank covenants
- Undrawn committed bank facilities of £524 million, cash resources of £434 million and conservative debt maturity profile

3 Core value added food ingredients comprise value added starch-based food ingredients and exclude sucralose.

4 Free cash flow is defined as cash flow from continuing operations after interest, taxation and capital expenditure.

5 Net cash generated is defined as cash from total operating activities, investing activities and share issues, less shares repurchased and dividends.

Sir David Lees, Chairman, said:

"Tate & Lyle performed soundly despite an increasingly challenging economic environment as the year progressed. The Board is recommending a maintained final dividend of 16.1p, making a full year dividend of 22.9p per share, an increase of 1.3% over the prior year. In reaching this decision, the Board was mindful of the need to at least maintain the Company's investment grade credit ratings."

Iain Ferguson, Chief Executive, said:

"Overall, Tate & Lyle delivered a sound set of results underpinned by continuing growth from core value added food ingredients. Market conditions over the past few months have proved challenging, but our focus on the food and beverage sector, which comprises over 70% of our total sales, gives us a measure of resilience, although not immunity, to the economic downturn. In times like these, the actions we must take to sustain the health of our business are clear. We are optimising cash flow and actively managing our cost base, while maintaining a keen focus on serving our customers. We are making good progress in the delivery of these priorities."

Outlook

Although the new financial year has started in line with our expectations, the continuing global recession, and its uncertain impact on customer demand, makes it difficult to predict with confidence the outlook for the year ending 31 March 2010.

In the near-term, the actual level of customer demand and net corn costs will be key factors in determining our performance. Following de-stocking at the end of the 2008 calendar year, order levels from food and beverage customers appear to have stabilised, although at lower levels than the prior year. Demand for industrial starches remains weak.

In the second half of the 2010 financial year, our performance will also be influenced by pricing in the EU sugar operations following the final institutional price reduction on 1 October 2009 and we expect that this should generate improved margins. Of likely greater influence will be the timing of the recovery in ethanol margins and the outcome of the 2010 calendar year US sweetener pricing round.

Tate & Lyle's inherent ability to generate strong cash flows, assisted by the ending of our major capital expenditure programme, will help drive a stronger balance sheet in the year ahead. By delivering this, and continuing to take decisive and timely actions where necessary, Tate & Lyle will emerge a leaner, stronger and more flexible business, well-positioned to benefit from the economic recovery as and when it comes.

Cautionary Statement

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

A copy of this Announcement of Full Year Results for the year ended 31 March 2009 can be found on our website at www.tateandlyle.com. Copies of the Annual Report for the year ended 31 March 2009 will be available to shareholders shortly, and will be obtainable from The Company Secretary, Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

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Webcast and Conference Call

Presentation

A presentation of the results by Chief Executive, Iain Ferguson and Group Finance Director, Tim Lodge, will be audio webcast live at 10.00 (BST) today. To view and/or listen to a live audiocast of the presentation, visit http://www.tateandlyle.com/TateAndLyle/investor_relations/results/default.htm or http://www.thomson-webcast.net/uk/dispatching/?event_id=d3632813e95c39ff775d4d2b5468fb8e&portal_id=39b37fe9dc2bfc6ead9b7087924f0a2e . Please note that remote listeners will not be able to ask questions during the Q&A session. A webcast replay of the presentation will be available within two hours of the end of the live broadcast for six months, on the links above.

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

UK dial in number: +44 (0) 203 003 2666
US dial in number: +1 866 966 5335

7 day conference call replay
UK replay number: +44 (0) 208 196 1998
US replay number: +1 866 583 1039
Replay Access code: 691691

CHIEF EXECUTIVE'S REVIEW

All comments refer to the continuing operations adjusted to exclude exceptional items and amortisation of acquired intangible assets, unless stated to the contrary. A reconciliation of reported and adjusted information is included in Note 15.

Overview

Overall, Tate & Lyle delivered a sound set of results. Sales for the year ended 31 March 2009 were £3,553 million, 24% higher (8% in constant currency) than the prior year. Adjusted profit before tax was £247 million, 2% lower (18% in constant currency) than the prior year. Profit before tax after exceptional items and amortisation of acquired intangible assets decreased by 38% (47% in constant currency) to £113 million. Adjusted diluted earnings per share of 38.0p were 10% higher (8% decrease in constant currency), benefiting from a lower effective tax rate of 27.3% (2008 – 33.2%). Exchange translation increased adjusted profit before tax by £49 million compared to the prior year. The strengthening of the US dollar contributed 83% of this increase, although it also reduced the competitiveness of products from our US ingredients business in overseas markets, particularly Mexico and South America.

Following a breakthrough in sucralose manufacturing yields, we have taken the decision to mothball our McIntosh, Alabama facility and produce all of our sucralose from the newer and more efficient fourth generation facility in Singapore. We have recognised an exceptional charge of £97 million in the 2009 financial year reflecting the impairment of the carrying value of our McIntosh plant. Anticipated cash costs of £60 million associated with this decision will be paid over three years and recognised as an exceptional charge in the year ending 31 March 2010. These cash costs are expected to have a three year payback resulting from the reduced operating costs of having a single plant. The McIntosh facility will retain a core group of employees and, if needed, can be re-started and begin manufacturing sucralose within a few months.

Net debt increased by £190 million to £1,231 million. Before the effects of exchange, net debt decreased by £188 million. The impact of exchange movements during the year, which increased debt by £378 million, was due principally to the weakness of sterling against the US dollar.

The Board is recommending a maintained final dividend of 16.1p, making a full year dividend of 22.9p per share, an increase of 1.3% over the prior year. In reaching this decision, the Board was mindful of the need to at least maintain the Company's investment grade credit ratings. The proposed final dividend of 16.1p (2008 – 16.1p) will be due and payable on 31 July 2009 to all shareholders on the Register of Members at 3 July 2009.

A well-financed business

Tate & Lyle is a well-financed business with an inherent ability to generate strong cash flows. In the year ended 31 March 2009, the final year of our four-year major capital investment programme, our total operations generated £245 million (2008 – absorbed £160 million) of cash after the payment of dividends. Net debt at 31 March 2009 of £1,231 million was £188 million lower than net debt at 31 March 2008 before the effects of exchange. A number of projects have been established to reduce debt further and we are pleased with their progress to date.

The key performance indicators (KPIs) of our financial strength, the ratio of net debt to earnings before interest, tax, depreciation and amortisation (EBITDA) and interest cover, remain within our internal targets. At 31 March 2009, the net debt to EBITDA ratio was 2.4 times (2008 – 2.5 times)[1], compared to our internal target of 2.5 times or less and comfortably within our bank covenants.

[1] In prior years, net debt for covenant calculation was translated at year-end exchange rates while EBITDA from continuing operations was translated at average exchange rates. So that the ratio reflects the underlying economic conditions, an amendment was unanimously agreed with the participants in the US$1 billion Revolving Credit Facility that net debt and EBITDA be both calculated on average exchange rates. Under the previous calculation, net debt/EBITDA would have been 2.9 times (2008 – 2.6 times).

Interest cover on total operations at 31 March 2009 was 6.1 times (2008 – 7.8 times), again ahead of our internal target of above 5.0 times and well ahead of our bank covenants.

Return on net operating assets reduced to 12.7% from 15.5% in the prior year. This reduction was principally due to the lower returns from our EU sugar business, reduced profits from industrial starches and the investment in our new corn wet mill in Fort Dodge, Iowa, which was not commissioned during the financial year.

We continue to have a conservative debt maturity profile. The Group's undrawn committed bank facilities at 31 March 2009 were US$752 million (£524 million) and, additionally, cash resources were £434 million. Average gross debt maturity at 31 March 2009 was 4.8 years. Our next major refinancing is due in June 2011 when the US$300 million 144A bond matures.

A solid platform for growth

Our four-year major capital investment programme to support long-term growth in our business was essentially completed during the year.

The expansion of our corn wet mill in Sagamore, Indiana, to increase capacity for a variety of value added starches used by customers in dairy, beverages, snacks and dressings, was commissioned in the 2008 financial year and is performing in line with our expectations. Value added food production has been a key area of strategic focus and investment for Tate & Lyle over the past four years, so it is pleasing to report that adjusted operating profits from core value added food ingredients across the business in the year to 31 March 2009 increased by 20% (3% in constant currency) to £107 million (2008 – £89 million).

In March 2009 the second tranche of equipment required to meet design capacity at our corn wet mill in Loudon, Tennessee was installed. At the same time, the opportunity was taken to re-engineer the plant's manufacturing footprint to provide additional flexibility to swing capacity between key product lines. Also in March 2009, the new biomass boiler at our London sugar cane refinery was mechanically completed and commissioning work is currently underway.

In April 2009, in light of the continuing short term severe pressure on ethanol margins, we announced our decision to postpone final completion of the construction and start-up of the new corn wet mill at Fort Dodge, Iowa until market conditions improve. Construction activities at the plant had been progressing satisfactorily and the facility is about 95% complete. We are keeping the situation under review. We continue to believe that the US government's commitment to bio-fuels through the Renewable Fuel Standard (RFS) underpins the future viability of the US ethanol industry.

Our investment programme has established a solid platform for future growth. While the current economic environment has led utilisation rates to be somewhat below our original expectations, our enhanced asset base leaves us well positioned to benefit as market conditions improve. Within this, the flexibility we have built into our US plant network (to switch between finished products) gives us added protection against the impact of lower utilisation rates.

Taking decisive actions to maximise cash flow

To sustain the health of our business in the face of challenging and unpredictable market conditions, we have taken a number of decisive actions to maximise cash flow and defend our profitability. We have accelerated existing cost reduction projects, launched new cost reduction projects and taken a number of tough decisions to ensure our cost base is appropriate in light of the new economic realities. Actions taken to date include initiatives to reduce working capital, a pay freeze at all levels, plant shutdowns, a wide-ranging review of discretionary expenditure and headcount reductions across the business.

Management of capital expenditure is a key area of focus, and we will restrict expenditure to below the depreciation charge in the year ending 31 March 2010.

Benefiting from a breakthrough in sucralose manufacturing yields

In the last year, our sucralose manufacturing facilities have achieved significant and sustainable yield improvements of over 25% which has had the effect of significantly increasing production capacity. Consequently, we have taken the decision to mothball our McIntosh, Alabama facility, and produce all our sucralose from our newer and more efficient fourth generation facility in Singapore. The McIntosh facility will retain a core group of employees and, if needed, can be re-started and begin manufacturing sucralose within a few months.

The McIntosh facility has played a key role in establishing the prominent position of sucralose in the global High Intensity Sweetener market. The expansions of the facility from 2004 were critical for the development of sucralose as we had to move swiftly to meet the surge in customer demand that created the platform for its subsequent success.

Our decision to mothball the McIntosh facility, made possible by the breakthrough in manufacturing yield achieved over the last 12 months, will ensure that we remain the most efficient and lowest cost producer of sucralose in the market. This action will have no impact on our customers as, due to the yield increases and our ability to maintain high levels of safety stocks, the Singapore facility has more than enough capacity to meet current market needs. Our SPLENDA® Sucralose business continues to perform well and we remain confident of its long term future.

The financial impacts arising from our decision to mothball the McIntosh plant are set out in the Overview section above and the Exceptional Items section below.

Overview of divisional business performance

The Group's adjusted profit before tax was 2% lower (18% in constant currency) than the prior year. Adjusted operating profits from core value added food ingredients increased by 20% (3% in constant currency), but this was more than offset by lower profits from our EU sugar business, industrial starches and US ethanol. Energy costs at £208 million were 34% higher (17% in constant currency).

Operating profit at Food & Industrial Ingredients, Americas was £181 million, a reduction of 3% from the prior year (19% in constant currency). Sales and profits from value added food ingredients were resilient. Performance in primary food ingredients was above the prior year due to improved margins and a good performance by citric acid. However, operating profits from both primary and value added industrial starches, primarily used by the paper and board industries, were significantly lower than the prior year due to reduced sales volumes during the second half of the year as both domestic and export demand deteriorated rapidly. Export markets were adversely affected by the strengthening US dollar. The contribution from ethanol was also significantly below the prior year due to lower unit margins as we operated in a difficult industry environment. We have taken a number of actions to manage our capacity in the face of these impacts.

At Food & Industrial Ingredients, Europe, operating profits increased by 24% to £51 million (7% in constant currency). Within Single Ingredients, margins for both value added and primary products benefited from lower corn costs during the second half of the year. Demand for food ingredients proved more resilient in Central and Eastern Europe, where the majority of our Single Ingredients capacity is located. Operating profits from Food Systems were higher than the prior year, and benefited from a full year contribution from G.C. Hahn & Co. (Hahn), which was acquired in June 2007.

Sugars operating profits were significantly lower than the comparative period, reducing by 64% (66% in constant currency) to £12 million. Although improved balance between supply and demand within the EU sugar market began to return during the second half, the year as a whole was characterised by oversupply of refined sugar in the EU and an extremely competitive UK market. Margins are expected to improve following the final institutional price change on 1 October 2009. The competitive advantages of our Thames and Lisbon refineries will become increasingly apparent as the market returns to balance. The molasses business had an outstanding year as both volumes and margins benefited from high world cereal prices.

Sales of SPLENDA® Sucralose of £169 million were 14% above the prior year (4% reduction in constant currency). Operating profits increased by 9% to £72 million (reduced by 4% in constant currency) compared to the prior year. We achieved solid volume growth in international markets, particularly Europe where there were significant gains in retailer own-label ranges. In the US, McNeil Nutritionals launched "SPLENDA® with Fiber" formulated with SPLENDA® Sucralose and PROMITOR™ Soluble Corn Fibre.

A reshaped business

Over the past few years, we have taken a number of steps to reshape our business in line with our strategy to build a stronger value added business on a low-cost commodity base. A key part of this reshaping process has been to remove substantial risks by exiting markets where we could not manage to an acceptable level our exposure to raw material and commodity pricing volatility and regulation. In the 2008 financial year we exited European wheat and Canadian and Mexican sugar, and in the 2009 financial year we sold our International Sugar Trading business to Bunge. This sale was announced on 2 July 2008 and completed as scheduled on 31 March 2009. The financial impacts arising from this sale are set out in Discontinued Operations section below.

The Food Systems businesses which we acquired over the past four years to strengthen our value added offering (Cesalpinia Foods in 2005, Custom Ingredients in 2006, and Hahn in 2007) continue to perform well, and ahead of our expectations.

The simplified organisational structure we implemented last year, consisting of four distinct business divisions each reporting into the Chief Executive, is working well. We are confident that our de-layered organisational structure, led by a strong management team, is well placed to successfully meet the current challenging market conditions.

Our people

The difficult economic climate places people and organisations under notable pressure. We remain committed to taking the tough decisions needed to manage our cost base through this difficult time. However, we remain conscious of the need to continue to develop and invest in our people to ensure that the foundations of our business are protected, and we are well positioned to benefit when market conditions improve.

Individual responsibility and accountability are critical in times like these and we have made sure all our staff are aware of the need to meet our key priorities of defending our short term profitability, optimising cash flow, reducing costs and continuing to serve our customers. The professionalism and commitment shown by our people to embrace these priorities and to take necessary tough decisions is impressive.

Exceptional items

Exceptional items totalling a net charge of £119 million have been recognised in continuing operations in the 2009 financial year.

We have recognised a charge of £97 million in the 2009 financial year reflecting the impairment of the carrying value of our McIntosh, Alabama plant following the decision to mothball this facility and produce all our sucralose at our Singapore facility. This decision, made possible by the significant increase in manufacturing yields over the last 12 months, will ensure that we remain the most efficient and lowest cost producer of sucralose. Anticipated cash costs of £60 million associated with this decision will be paid over three years and recognised as an exceptional charge in the year ending 31 March 2010. These cash costs are expected to have a three year payback resulting from the reduced operating costs of having a single plant. Should future demand require it, we can bring the McIntosh plant back into production within a few months.

As reported in our pre-close trading update of 2 April 2009, we are in dispute with a supplier over the performance and suitability of ethanol dehydration equipment at our Loudon, Tennessee and Fort Dodge, Iowa, plants. We have provided an exceptional charge of £24 million associated with this issue.

We have reviewed the carrying value of many of the Group's assets given the changes to the economic environments in which we operate. The review of our sugar refining operation in Israel indicated an impairment of £9 million, which has also been recognised in the year.

During March 2009, we received the first tranche of a settlement from the Mexican government following a dispute over a tax on soft drinks containing HFCS between 2002 and 2006. We have since received the second tranche. Our share of the total settlement is £11 million, and this amount has been recognised as an exceptional gain in the 2009 financial year.

Central costs

Central costs decreased from £31 million in the 2008 financial year to £18 million in the 2009 financial year. This reduction was due to several factors: underlying costs reduced by £4 million compared to the prior year; one-off credits of £6 million in the 2009 financial year arose principally from the termination of a property lease; and redundancy and other one-off costs totalling £4 million, following the simplification of the Group's organisational structure, were recognised in the prior year. Central costs in the 2010 financial year are expected to be broadly in line with underlying costs in the 2009 financial year.

Conclusion

Market conditions over the past few months have proved challenging, but our focus on the food and beverage sector, which comprises over 70% of our total sales, gives us a measure of resilience, although not immunity, to the economic downturn. In times like these, the actions we must take to sustain the health of our business are clear. We are optimising cash flow and actively managing our cost base, while maintaining a keen focus on serving our customers. We are making good progress in the delivery of these priorities.

Iain Ferguson CBE
Chief Executive

GROUP FINANCIAL RESULTS

Basis of preparation

Adjusted performance

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

- results of discontinued operations, including gains and losses on disposal (Note 9);
- exceptional items from continuing operations (Note 4); and
- amortisation of acquired intangibles.

This adjusted information is used internally for analysing the performance of the business. A reconciliation of reported and adjusted information is included in Note 15.

Impact of changes in exchange rates

Our results have been positively impacted this year by exchange rate translation, in particular due to the strengthening of the US dollar and euro against sterling. The average and closing exchange rates used to translate reported results were as follows:

	Average rates		Closing rates	
	2009	2008	**2009**	2008
US dollar:sterling	**1.80**	2.01	**1.43**	1.99
Euro:sterling	**1.19**	1.42	**1.08**	1.26

Constant currency comparisons in this Announcement of Full Year Results have been calculated by translating sales and profits in underlying currencies for the prior year at the average rates for the current year. Constant currency comparisons provide an insight into the movements in sales and cost levels driven by the real local changes, demonstrating the progress in the underlying profitability of the business.

In addition to the impact on profits, the weakening of sterling has had the effect of increasing our net debt even though we have generated cash through the year. Further details are set out in the net debt section below.

Primary and value added products

Value added products are those that utilise technology or intellectual property, enabling our customers to produce distinctive products and us to obtain a price premium and/or sustainable higher margins.

Other products from our commodity corn milling and sugars businesses are classified as primary.

TATE & LYLE PLC

Summary of financial results

	Year to 31 March 2009 £m	Year to 31 March 2008 £m	Actual change %	Constant currency change %
Continuing operations				
Sales	**3 553**	2 867	24	8
Adjusted operating profit	**298**	295	1	(15)
Net finance expense	**(51)**	(42)		
Profit before tax, exceptional items and amortisation	**247**	253	(2)	(18)
Exceptional items	**(119)**	(59)		
Amortisation of acquired intangibles	**(15)**	(12)		
Profit before tax	**113**	182	(38)	(47)
Income tax expense	**(19)**	(76)		
Profit for the year from continuing operations	**94**	106	(11)	(21)
(Loss)/profit for the year from discontinued operations	**(24)**	81		
Profit for the year	**70**	187	(63)	(67)
Earnings per share	**Pence**	Pence		
Basic	**14.2**	40.9	(65)	(70)
Diluted	**14.1**	40.4	(65)	(69)
Adjusted earnings per share from continuing operations				
Basic	**38.2**	35.0	9	(8)
Diluted	**38.0**	34.6	10	(8)
Dividends per share				
Interim paid	**6.8**	6.5		
Final proposed	**16.1**	16.1		
	22.9	22.6	1	1
Net debt	**£m**	£m		
At 31 March	**1 231**	1 041	(18)	18

SUMMARY OF GROUP PERFORMANCE

Sales of £3,553 million from continuing operations were 24% higher than the prior year. After excluding the effects of exchange, sales were 8% higher. Growth was reported in all divisions.

Primary sales increased by 25% (10% in constant currency) from £2,065 million to £2,584 million with exchange accounting for £290 million of the increase. All divisions except Food & Industrial Ingredients, Europe reported growth in primary sales on a constant currency basis. Value added sales increased by 21% (4% in constant currency) to £969 million, driven by a full year's contribution from Hahn and exchange effects.

Overall adjusted operating profit increased by 1% (decreased by 15% in constant currency) to £298 million. Value added operating profit increased by 15% to £184 million (decreased by 1% in constant currency), while primary operating profit decreased by 20% (33% in constant currency) to £132 million. Central costs decreased from £31 million to £18 million in the year.

In addition to the effects of exchange rate changes, operating profit has been affected by several one-off items. We recognised additional costs of £28 million associated with ethanol and the commissioning of the capacity expansion at our plant in Loudon, Tennessee. We recognised gains totalling £11 million from restructuring aid in Greece and the Netherlands, a gain of £3 million on the final settlement of deferred consideration payable arising from the realignment of our global sucralose alliance with McNeil Nutritionals in 2004, and profits on the sale of property and a lease curtailment totalling £7 million. The mechanical failure of a boiler in April 2008 at our Decatur, Illinois plant resulted in costs of £5 million.

Amortisation of acquired intangibles increased to £15 million from £12 million in 2008, reflecting the impact of exchange translation and the full year effect of the intangibles acquired with Hahn.

We recognised exceptional items of £119 million. The mothballing of our McIntosh, Alabama sucralose facility resulted in an impairment charge of £97 million in the year ended 31 March 2009. Within our Food & Industrial Ingredients, Americas division, we incurred an exceptional charge of £24 million in relation to a dispute with a supplier over the performance and suitability of ethanol dehydration equipment at our Loudon and Fort Dodge plants, and recognised a credit of £11 million representing our share of the £22 million settlement of the NAFTA case against the Mexican government in relation to the sales tax imposed on soft drinks containing imported HFCS. Within the Sugars division, a review of the carrying value of our sugar refinery in Israel resulted in an impairment of £9 million which has been recognised in the year.

The net finance expense from continuing operations increased from £42 million to £51 million. The exchange impact within interest accounted for an increase of £7 million compared to the prior year. We recognised a charge within interest expense in the current year relating to post-retirement benefit plans of £3 million (compared with a credit of £4 million in the prior year). At constant currency, we benefited from lower average interest rates compared to the prior year.

Profit before tax from continuing operations on a statutory basis decreased by 38% (47% in constant currency) from £182 million to £113 million.

The effective rate of tax on adjusted profit was 27.3% (2008 – 33.2%). The decrease was due mainly to changes in the geographical origin of profits, especially lower levels of profits in the US, and the implementation of our internal financing plan.

Discontinued operations, comprising our former activities in International Sugar Trading and our Eastern Sugar business, reported a loss after tax of £24 million including an exceptional loss on disposal of the International Sugar Trading business of £22 million. We expect gains in the 2010 financial year from anticipated disposals of investments not included in the sale, but held in connection with our International Sugar Trading business to largely offset this exceptional loss. Discontinued operations in the 2008 financial year also comprised our Canadian and Mexican sugar businesses and the disposed European starch plants, and we recorded an overall profit of £81 million (after exceptional gains of £60 million) in that year.

Total basic earnings per share were 14.2p (2008 – 40.9p), 65% lower than the prior year. Total diluted earnings per share were 14.1p (2008 – 40.4p), down 65% from the prior year. Adjusted diluted earnings per share from continuing operations were 38.0p (2008 – 34.6p), an increase of 10% (decrease of 8% in constant currency). On the same basis, basic earnings per share were higher by 9% (8% lower constant currency) at 38.2p (2008 – 35.0p).

DIVISIONAL FINANCIAL PERFORMANCE

Food & Industrial Ingredients, Americas

	Year to 31 March 2009			Year to 31 March 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales						
– Food	**878**	**369**	**1 247**	651	293	944
– Industrial	**393**	**157**	**550**	309	133	442
	1 271	**526**	**1 797**	960	426	1 386
Adjusted operating profit						
– Food	**95**	**83**	**178**	76	68	144
– Industrial	**3**	**–**	**3**	42	–	42
	98	**83**	**181**	118	68	186
Margin						
– Food	**10.8%**	**22.5%**	**14.3%**	11.7%	23.2%	15.3%
– Industrial	**0.8%**	**–**	**0.5%**	13.6%	–	9.5%
– Total	**7.7%**	**15.8%**	**10.1%**	12.3%	16.0%	13.4%

Market conditions

Primary

Corn prices in the US saw an unprecedented spike in the 2008 calendar year, reaching almost US$8 per bushel in July 2008. Prices have since retreated to approximately half this level, although they remain above historic trend. Oil prices also peaked at almost US$150 per barrel in July 2008, but fell rapidly to below US$40 per barrel during the second half of the 2008 calendar year. These dramatic changes in oil and corn prices inverted the economics of ethanol, making it less attractive to gasoline blenders, and the ethanol market became significantly oversupplied from the final quarter of the 2008 calendar year. Supply in the 2009 calendar year continues to exceed the mandated demand contained in the Renewable Fuel Standard (RFS), particularly as effective demand in the year has been reduced by carry forward provisions contained in the RFS. The consequent collapse of ethanol margins drove a number of recently constructed dry-mill ethanol producers into bankruptcy proceedings. Market commentators continue to express their belief in the viability of the US ethanol industry, underpinned by the RFS.

Domestic US demand for nutritive sweeteners in the 2008 calendar year continued its long-term trend of reduction. Duty free access into Mexico for US high fructose corn syrup (HFCS) was granted under the provisions of NAFTA from the beginning of the 2008 calendar year. However, exports have been constrained by the sudden weakening of the Mexican peso half way through our 2009 financial year and relatively low sugar prices in the Mexican market.

Demand for industrial starches, which are primarily used in the manufacture of paper and packaging, fell between 20% and 25%, in line with the demand for the products in which they are used. This sharp decline was not only the impact of recessionary pressures in the US but also due to the significant strengthening of the US dollar which severely reduced the sales of the US paper and packaging industry as it became less able to compete in its export markets.

Corn co-product values peaked during the third quarter of the 2008 calendar year. However, the subsequent fall in corn and soy prices resulted in corresponding price declines for corn gluten feed and meal, and corn oil. Additionally, the competitive impact of the supply of distillers' dry grains produced by the rapidly expanded number of dry mill ethanol producers increased the supply of ingredients to the animal feed industry at the same time as US livestock numbers have reduced.

Value added
Demand for value added food ingredients was relatively resilient despite the economic downturn experienced during the second half of the financial year. Markets for value added industrial ingredients deteriorated during the second half of the financial year as demand fell in line with significant reductions in paper and packaging production.

Business performance
Sales of £1,797 million were 30% above the prior year (9% at constant currency). The increase in constant currency was driven by the recovery of higher corn input costs and increased co-product values. Adjusted operating profit decreased by 3% (19% in constant currency) from £186 million to £181 million.

Primary
Sales increased by 32% to £1,271 million (12% in constant currency). Operating profits reduced by £20 million to £98 million, a reduction of 17% (31% in constant currency).

Primary food sales were 35% higher than the prior year (16% in constant currency), and operating profits were 25% higher (3% in constant currency). Although sweetener volumes were marginally below the level of the prior year, primary sweetener profits increased due to the modest pricing increases achieved in the 2008 calendar year pricing round. Primary food starch volumes and unit margins were both slightly above the prior year. Co-product income was above the prior year, as the business benefited from strong refined corn oil selling prices during the second half of the 2008 calendar year and the co-products which are sold into animal feed increased broadly in line with corn and soya prices which hit unparalleled peaks during the summer of 2008. Profits at Almex, our Mexican cereal sweeteners and starches joint venture, were broadly in line with the prior year.

Our citric acid business performed well and delivered solid profit improvement over the prior year. Fundamentals have become more positive during the financial year, with a tightening in global supply. The International Trade Commission (ITC), in its final determination, has imposed anti-dumping duties on Chinese citric acid imports entering the US. We realised a profit of £4 million from selling land in Mexico owned by our citric acid joint venture which ceased production in 2003.

Primary industrial sales (comprising ethanol and native industrial starches) of £393 million were 27% above the prior year (4% in constant currency), However, operating profits of £3 million were 93% below (93% in constant currency) the total of £42 million achieved in the prior year. We recognised losses from ethanol, due to significantly lower unit margins particularly during the second half of the financial year and additional costs associated with the commissioning of the Loudon capacity expansion, with a combined effect of £28 million.

Primary industrial starch volumes were 9% below the prior year, although unit margins were marginally higher. Volumes during the first half of the 2009 financial year benefited from additional demand following floods in Iowa, which affected production at competitor plants. Volumes during the second half fell to levels appreciably below the comparative period as demand from the paper and packaging industries reduced significantly.

Value added
Value added ingredients sales increased by 23% to £526 million (4% in constant currency). Operating profits increased by 22% to £83 million (4% in constant currency).

Food volumes were below the prior year, due principally to a reduction in value added sweetener sales, but pricing improved over the prior year to a level which more than covered input cost increases. Profits in local currency at our US Food Systems business, Custom Ingredients, were in line with the prior year.

Value added industrial ingredients broke even, in line with the prior year. Sales volumes during the second half of the 2009 financial year were adversely impacted by lower levels of US domestic and export demand, leading to volumes well below the comparative period. This impact was offset by firmer pricing compared with the prior year which more than covered higher corn prices. The Bio-PDO™ loss in the year was smaller than the prior year.

Looking ahead

With the capacity expansion for value added food ingredients at Sagamore, Indiana complete and the expansion at Loudon, Tennessee being commissioned to produce ethanol, value added ingredients and substrate for the Bio-PDO™ plant, we now have an asset base from which to develop our business in the future. Food and beverage ingredient volumes have been reasonably resilient in the face of the economic downturn, and we expect this to continue.

Construction activities at the new corn wet mill at Fort Dodge, Iowa, which is designed to produce industrial starches and ethanol, had been progressing satisfactorily and are 95% complete. However, we have decided to postpone final construction and start-up of this plant until ethanol market conditions improve. With a number of dry mill ethanol producers operating within Chapter 11 bankruptcy, and reduced consumption of US gasoline, ethanol margins are likely to remain under pressure in the short term. We continue to believe that the RFS will underpin profitability in this industry over the medium to long term.

In the near-term, the actual level of customer demand and net corn costs will be key factors in determining our performance. In the second half of the 2010 financial year, our performance will also be influenced by the timing of the recovery in ethanol margins and the outcome of the 2010 calendar year US sweetener pricing round. Industrial starches have fallen in line with paper and packaging production and we would expect some recovery as and when the major economies emerge from the current recession. However, the competitiveness of the US paper and board industry will be dependent also on any further change in the relative strength of the US dollar against currencies of major export markets.

Food & Industrial Ingredients, Europe

	Year to 31 March 2009			Year to 31 March 2008		
	Primary £m	Value added £m	Total £m	Primary £m	Value added £m	Total £m
Sales						
– Food	170	206	376	168	155	323
– Industrial	163	–	163	138	–	138
	333	206	539	306	155	461
Adjusted operating profit						
– Food	27	24	51	14	21	35
– Industrial	–	–	–	6	–	6
	27	24	51	20	21	41
Margin						
– Food	15.9%	11.7%	13.6%	8.3%	13.5%	10.8%
– Industrial	–	–	–	4.3%	–	4.3%
– Total	8.1%	11.7%	9.5%	6.5%	13.5%	8.9%

Market conditions

Primary

The poor harvest in 2007 resulted in high corn costs in the first half year of the 2009 financial year. A good crop in 2008, however, contributed to significantly lower net corn costs in the second half.

Volumes of isoglucose (as HFCS is called in Europe) produced within the EU are regulated via quota as part of the EU Sugar Regime. The selling price of isoglucose is linked to the price of sugar although, unlike sugar, the raw material input price is not regulated. European demand for corn-based sweeteners for use in fermentation (which is not subject to quota control) was adversely affected throughout the 2009 financial year by competition from out-of-quota sugar stocks (which act as a substitute for this purpose).

The progress of the reforms of the EU Sugar Regime are discussed later within the commentary on the Sugars division. Unlike our EU cane refineries, isoglucose producers must pay a restructuring levy during the period of the reforms, but have had their quotas increased by 60%. Producers can also surrender quota in return for restructuring aid. Restructuring levies were charged throughout the financial year to 31 March 2009 and will continue until 30 September 2009.

Industrial starch demand (for products predominantly used in the paper and packaging industries) experienced a reduction similar to that in the US of approximately 20% during the second half of the financial year. As a result, pricing for industrial starches has come under pressure.

Value added

Food ingredient demand has remained relatively stable, despite the deterioration in the economic climate. Pricing has generally proved to be robust, even during the final quarter of the 2009 financial year.

Consumers continue to focus on foods which provide nutritional benefits, although there was evidence during the final quarter of the 2009 financial year that demand for Food Systems' products and solutions was affected by customer destocking and lower levels of consumer demand. There was greater interest from customers in reformulating their existing products to address rising ingredient costs.

Business Performance
Sales increased by 17% to £539 million (1% decrease in constant currency). Adjusted operating profits increased by 24% to £51 million (7% increase in constant currency). The Single Ingredients business performed well in the first full year following disposal of the five western starch plants, which was completed on 1 October 2007. The business benefited from the lower cost structure achieved by relocating its head office to Slovakia. The second half year benefited from lower net corn costs after the better harvest in 2008. Good progress was also made in reorganising the Food Systems business.

Primary
Sales of Primary products increased by 9% to £333 million (9% decrease in constant currency). Operating profits increased from £20 million to £27 million, an increase of 35% (18% in constant currency).

Within Primary food ingredients, liquid sweetener volumes were marginally above the prior year, as higher isoglucose volumes arising from EU quota increases were partially offset by lower dextrose sales to the fermentation industry (which were adversely impacted by competition from out-of-quota sugar). Margins were significantly higher because of the lower corn input prices, particularly in the second half of the 2009 financial year. The plants with the larger isoglucose quotas have a strategic advantage as they are located in Europe's corn-growing areas of Central and Eastern Europe in what have become sugar deficit markets.

During the year, Food & Industrial Ingredients, Europe paid levies into the EU restructuring fund totalling £10 million (2008 – £8 million). Restructuring aid of £11 million (2008 – £nil million) was recognised following the surrender of the small Netherlands and Greece isoglucose quotas. The small Greek plant was closed in September 2008. In the six months to 30 September 2009, after which restructuring levies are removed, the division will incur £4 million in levies, and is expected to recognise income of £3 million for our share of restructuring aid for the surrender of the Romanian isoglucose quota in September 2009, following which the plant will be closed.

Primary industrial ingredients broke even, compared with an operating profit of £6 million in the prior year. Volumes were below the prior year, particularly towards the end of the financial year, where demand fell in line with the paper and packaging markets.

Value added
Value added sales increased from £155 million to £206 million, an increase of 33% (15% in constant currency). Operating profits increased by 14% to £24 million (a reduction of 3% in constant currency).

Crystalline sweetener volumes increased due to growth in the dairy and beverage markets in southern Europe. Profits from modified food starches were slightly lower due to weaker pricing during the second half of the year although volumes increased.

The Food Systems business was previously comprised of three separate businesses: Hahn, Cesalpinia and our blending operation in South Africa. In order to align their activities and allow knowledge and expertise to be shared more readily, we restructured these businesses into a single unit during the year. Value added profits benefited from this reorganisation, as well as a full year contribution from Hahn (which was acquired in June 2007). The second half of the year saw pressure from the global economic downturn and changes to export markets caused by currency volatility depressing sales volumes slightly, although pricing of many key raw materials has also shown a downward trend over the same period.

Looking ahead

The outlook, particularly for the second half of the 2010 financial year, will be influenced by European cereal prices following the 2009 harvest.

An investment to double capacity at the Hungrana joint venture facility, now one of the largest corn wet mills in Europe, came on stream as planned during 2008; this allows the plant to manufacture its increased isoglucose quota (the largest in the EU) and become an important producer of bioethanol. An expansion at the Bulgarian joint venture was also completed successfully.

Production of polydextrose, a value added soluble fibre, is being added to the value added starch facility in the Netherlands to address a market which has been developed with product processed in our sister US facilities. The Slovakian joint venture facility is being expanded in order to supply the increased EU isoglucose quota.

Isoglucose prices will continue to be linked to EU sugar prices, and the impact on sugar selling prices of the final EU Sugar Regime reference price reduction on 1 October 2009 will be important in establishing a price level for isoglucose. We will benefit from the ending of restructuring levies on isoglucose quotas from 1 October 2009.

Industrial starch volumes are likely to remain under pressure until the recessionary impact on the paper and packaging industry starts to reverse.

Value added food ingredients are expected to remain relatively resilient and will benefit from the new polydextrose capacity in the Netherlands which will come on line towards the end of the 2010 financial year.

Sugars

	Year to 31 March 2009			Year to 31 March 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales						
– Products	**711**	**68**	**779**	596	73	669
– Molasses	**269**	**–**	**269**	203	–	203
	980	**68**	**1 048**	799	73	872
Adjusted operating (loss)/profit						
– Products	**(11)**	**5**	**(6)**	15	5	20
– Molasses	**18**	**–**	**18**	13	–	13
	7	**5**	**12**	28	5	33
Margin						
– Products	**(1.5)%**	**7.4%**	**(0.8)%**	2.5%	6.8%	3.0%
– Molasses	**6.7%**	**–**	**6.7%**	6.4%	–	6.4%
– Total	**0.7%**	**7.4%**	**1.1%**	3.5%	6.8%	3.8%

Market conditions
The EU market is coming to the end of the restructuring process agreed in November 2005. The Commission's expectation that six million tonnes of sweetener quota would be surrendered has been substantially met, and the Commissioner for Agriculture and Rural Development has declared the reform process a success. The actual timing of the quota surrender was later than initially expected, and the market has therefore been characterised by surplus stocks, albeit reducing, throughout the 2009 financial year, which has led to continued pressure on prices and refining margins.

There are clear signs of improving market conditions resulting from the completion of the voluntary quota surrender from October 2009. This is particularly true of markets in areas where quota surrender has been greatest relative to domestic market size, such as the Iberian peninsular. October 2009 is the final point of the formal restructuring process, when both the last voluntary quota surrender and final institutional price cut is implemented.

The reforms markedly increase the volume of raw and refined cane sugar that will need to be imported into the EU with cane sugar imports set to nearly double, which we see as positive for EU cane refining prospects.

In the molasses market, demand has benefited from the high prices of alternative raw materials that can be used in the animal feed sector. This kept molasses prices strong and margins good, particularly in the early part of the year.

Business performance
Sales increased by 20% to £1,048 million (13% in constant currency). Volumes of sugar processed in the EU were 6% ahead of the prior year. Higher prices reflected the changes to destination markets.

Adjusted operating profits fell by 64% (66% in constant currency) to £12 million reflecting the surplus for most of the year in the EU sugar market, a highly competitive UK retail market and record energy prices. We recognised £17 million of transitional aid in the year (2008 – £17 million). Selling, General & Administration costs within our European refining business reduced by £5 million compared with the prior year, due to reductions in staff, site and marketing costs.

Our Vietnamese cane sugar business, Nghe An Tate & Lyle, performed broadly in line with the prior year. Our refinery in Israel made a small loss as it was commissioned. As noted in the Exceptional Items section above, an impairment of £9 million was taken against these assets in the 2009 financial year.

Primary
Within the Primary segment, operating profits reduced to £7 million from £28 million in the prior year. Surplus sugar stocks in Northern Europe and an extremely competitive UK market depressed refining margins at our UK sugar business. Energy costs at our UK refinery more than doubled year-on-year, and added £11 million to our cost base, reflecting the impact of significantly higher gas prices. However, capacity expansion at our Lisbon refinery enabled us to achieve a 20% increase in volumes from this plant and improve profits compared with the prior year, with notable growth in the Spanish industrial market.

Our Molasses storage and distribution business had another exceptional year. Demand and pricing benefited from exceptionally high prices in alternative ingredients into animal nutrition.

Value added
Operating profits were flat at £5 million. EU retail volumes were below the prior year due to volume losses in the UK grocery channel. Pricing was broadly in line with the prior year.

We are pleased with the consumer response to our commitment to move all of our UK retail products to Fairtrade by the end of the 2009 calendar year.

Looking ahead
We see increasing evidence of equilibrium returning to EU sugar markets. We therefore expect our European sugar business to benefit from stronger refining margins after the October 2009 final price change under the EU sugar reform.

Although it is unclear exactly how the market will evolve once reform is complete, we continue to believe that the cane-only refining model, based at deep water ports, which we operate at both our refineries, will provide the cost structure and operational flexibility necessary to compete effectively in the EU market.

Negotiations remain on track for raw sugar supply under the new regulatory arrangements effective from 1 October 2009.

The commissioning of the biomass boiler at the Thames refinery, along with the new raw sugar unloading cranes, will improve the UK refinery's cost structure and provide important protection from energy price and demurrage risks. Our capacity expansion at Lisbon is providing a platform from which to grow our business in the Iberian peninsular.

With cereal prices reducing to levels closer to historic trend, and reduced volumes of molasses being traded on world markets, we expect the performance of the molasses business in the year ending 31 March 2010 to be below the exceptional levels achieved in the last two years.

In our Vietnamese sugar business, the current crop is suffering from grassy green shoot disease, which has reduced the sugar cane available from our growers and will depress profits in the 2010 financial year.

Sucralose

	Year to 31 March 2009			Year to 31 March 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales	**–**	**169**	**169**	–	148	148
Adjusted operating profit	**–**	**72**	**72**	–	66	66
Margin	**–**	**42.6%**	**42.6%**	–	44.6%	44.6%

Market conditions
We estimate that the value of the global market for High Intensity Sweeteners (HIS) reduced by 11% in the 2008 calendar year, returning to prior levels following the impact of Chinese saccharin supply issues in the 2007 calendar year which caused saccharin prices to treble. The North American market experienced a 6% value decline; price competition continues in this market from both incumbents and new entrants.

Global new product launches containing HIS in the 2009 financial year decreased by 5% compared to the prior year, although launches containing SPLENDA® Sucralose increased by 7% over the same period.

Business performance
Total sales volumes increased by 6% compared to the comparative period, with volume increase greatest in European food and beverage applications. Sales increased by 14% to £169 million (but reduced by 4% in constant currency primarily due to lower average selling prices compared to prior year). Adjusted operating profit increased by 9% to £72 million (but reduced by 4% in constant currency), reflecting lower gross margins due to selling price reductions and changes in customer mix. Margins at 42.6% were below the prior year. After adjusting for one-off credits, including those arising from the final settlement of deferred consideration payable to McNeil Nutritionals LLC (McNeil), underlying operating margins for the year were in the high thirty percent range.

SPLENDA® Sucralose increased its share by value of the global High Intensity Sweetener market from 23% in the 2008 financial year to 25% in the 2009 financial year. During the year, we had a number of notable customer product launches and reformulations with SPLENDA® Sucralose, including Diet Coke and Coke Zero in China to coincide with the Beijing Olympics. Coke Zero has also been formulated to contain SPLENDA® Sucralose in Japan, Singapore, Indonesia and Thailand. In the US, our partner, McNeil, launched "SPLENDA® with Fiber", which used both SPLENDA® Sucralose and another one of our value added products, PROMITOR™ Soluble Corn Fiber.

In Europe, sales growth continues to be driven by strong sales into the UK grocery retailers of which three of the top four have reformulated their own label food and beverage ranges to include SPLENDA® Sucralose. We also negotiated a new global distribution agreement with pharmaceutical company Merck to grow sales in the pharmaceutical / over-the-counter segments.

In the last year, our sucralose manufacturing facilities have achieved significant and sustainable yield improvements of over 25% which has had the effect of significantly increasing production capacity. Consequently, we have taken the decision to mothball our McIntosh, Alabama facility, and produce all our sucralose from the newer and more efficient fourth generation facility in Singapore. We have recognised an impairment charge against the McIntosh assets of £97 million in the 2009 financial year. The McIntosh facility will retain a core group of employees and, if needed, can be re-started and begin manufacturing sucralose within a few months.

Our decision to mothball the McIntosh facility will ensure that we remain the most efficient and lowest cost producer of sucralose in the market. This action will have no impact on our customers as, due to the yield increases and our ability to maintain high levels of safety stocks, the Singapore facility has more than enough capacity to meet current market needs.

In our patent infringement case at the US International Trade Commission (ITC), the Administrative Law Judge gave his Initial Determination in the case on 22 September 2008. The Judge did not find that Tate & Lyle's patents were infringed and his finding was upheld by the full six person Commission in April 2009. We do not intend to file a notice of appeal to the ITC decision. Selling, General & Administration costs were £7 million below the prior year principally due to lower legal costs arising from the ITC patent infringement case.

Looking forward

We anticipate modest growth in sales volumes in the 2010 financial year as we further develop our close working relationships with our key customers and continue to develop European and other international markets.

After adjusting for one-off credits, underlying margins in the 2009 financial year were in the high thirty percent range. The higher cost of sales brought forward, together with costs arising from the reorganisation of the sucralose manufacturing footprint which cannot be classed as exceptional, partially offset by lower depreciation costs, will cause operating margins to be somewhat lower in the 2010 financial year.

Anticipated cash costs of £60 million associated with the decision to mothball McIntosh will be paid over three years and recognised as an exceptional charge in the year ending 31 March 2010. These cash costs are expected to have a three year payback resulting from the reduced operating costs of having a single plant. Costs of £25 million are expected to be paid in the 2010 financial year.

Central costs

Central costs, which include head office, treasury and reinsurance activities, decreased by £13 million to £18 million. This decrease reflects a £4 million reduction in underlying head office costs. There were also one-off credits totalling £6 million (including a gain of £3 million on curtailment of a property lease) in 2009 compared with one-off redundancy costs in 2008 of £4 million arising from the simplification of the Group's organisational structure.

Energy costs

Energy costs for the year were £208 million (2008 – £155 million), an increase of 34% (17% in constant currency). Higher prices accounted for most of the underlying increase. We have covered approximately 70% of our estimated energy needs for the 2010 financial year at prices broadly in line with levels in the 2009 financial year.

Exceptional items from continuing operations

Exceptional items within our continuing operations during the year totalled a net charge of £119 million.

The mothballing of our McIntosh, Alabama sucralose facility gave rise to an impairment charge of £97 million in the year ended 31 March 2009. Anticipated cash costs of £60 million associated with the decision to mothball McIntosh will be paid over three years and recognised as an exceptional charge in the year ending 31 March 2010. Costs of £25 million are expected to be paid in the 2010 financial year.

Within our Food & Industrial Ingredients, Americas division, we incurred an exceptional charge of £24 million in relation to a dispute with a supplier over the performance and suitability of ethanol dehydration equipment and recognised a credit of £11 million representing our share of the £22 million settlement of the NAFTA case against the Mexican government in relation to the sales tax imposed on soft drinks containing imported HFCS.

Within the Sugars division, a review of the carrying value of our sugar refinery in Israel resulted in an impairment of £9 million which has also been recorded in the year.

Exceptional items from continuing operations in the 2008 financial year comprised restructuring and relocation charges in respect of our remaining Food & Industrial Ingredients, Europe operations amounting to £30 million; impairment charges in respect of our citric acid business of £12 million; and of our monosodium glutamate business in China (Orsan) of £17 million. Our effective ownership of Orsan was 41% and, as a result, the impact on profit attributable to shareholders was a charge of £7 million.

Net finance expense

The net finance expense from continuing operations increased from £42 million to £51 million. The exchange impact within interest accounted for an increase of £7 million compared with the prior year. We recognised a charge within interest expense in the current year relating to post-retirement benefit plans of £3 million (compared with a credit of £4 million in the prior year). At constant currency, we benefited from lower average interest rates compared to the prior year.

Interest cost is expected to be somewhat higher in the 2010 financial year due to slightly higher levels of average net debt, an increase of £12 million in charges related to post-retirement benefit plans and the suspension of interest capitalisation in respect of Fort Dodge while final completion is postponed.

The effective interest rate in the year on total operations, calculated as net finance expense divided by average net debt, was 4.3% (2008 – 4.9%). Interest cover for total operations was 6.1 times (2008 – 7.8 times).

Taxation

The taxation charge from continuing operations before exceptional items and amortisation of acquired intangible assets was £68 million (2008 – £84 million). The effective rate of tax on adjusted profit was 27.3% (2008 – 33.2%). The decrease was due mainly to changes in the geographical origin of profits, especially lower levels of profits in the US, to which the tax rate is particularly sensitive, and the implementation of our internal financing plan.

If the mix in the geographical origin of profits in the year to 31 March 2010 is similar to those in the six months to 31 March 2009, the tax rate is expected to fall to below 25%.

Discontinued operations

Discontinued operations comprise our former International Sugar Trading business, residual activities in Eastern Sugar, our former sugar businesses in Canada and Mexico and the five starch plants we disposed of in Europe. Sales from discontinued operations for the year amounted to £852 million (2008 – £951 million).

The operating loss from discontinued operations totalled £21 million (2008 – profit of £96 million), comprising a profit of £1 million before exceptional items (2008 – profit of £36 million) and exceptional losses of £22 million (2008 – profits of £60 million).

Exceptional items for the year totalling a charge of £22 million arose from the disposal of our International Sugar Trading business. A small number of minority interests related to the International Sugar Trading business were not included in the sale and are being addressed separately in accordance with the related shareholders' agreements. The sale of the International Sugar Trading business and the anticipated disposal of the minority interests are together unlikely to generate a material profit or loss on disposal. The sale of these minority interests is expected to occur in the 2010 financial year; the appropriate fair value gains have been recognised in the 2009 financial year through the statement of recognised income and expense. Exceptional items from discontinued operations in the prior year amounted to a profit of £60 million and comprised gains and losses from our former sugar processing businesses and the European starch plants.

The loss from discontinued operations after taxation for the year was £24 million (2008 – profit of £81 million).

Earnings per share

Adjusted diluted earnings per share from continuing operations were 38.0p (2008 – 34.6p), an increase of 10% (decrease of 8% in constant currency). On the same basis, basic earnings per share were higher by 9% (8% lower constant currency) at 38.2p (2008 – 35.0p).

Total basic earnings per share were 14.2p (2008 – 40.9p), 65% lower than the prior year. Total diluted earnings per share were 14.1p (2008 – 40.4p), also down 65% from the prior year.

Dividend

The Board is recommending a maintained final dividend of 16.1p, making a full year dividend of 22.9p per share, an increase of 1.3% over the prior year. In reaching this decision, the Board was mindful of the need to at least maintain the Company's investment grade credit ratings. The proposed final dividend of 16.1p (2008 – 16.1p) will be due and payable on 31 July 2009 to all shareholders on the Register of Members at 3 July 2009.

An interim dividend of 6.8p (2008 – 6.5p) was paid on 9 January 2009. Adjusted dividend cover based on total operations was 1.7 times (2008 – 1.8 times) and for continuing operations was 1.7 times (2008 – 1.5 times). The dividend was covered 1.5 times by free cash flow.

At the Annual General Meeting on 23 July 2009, shareholders will be asked to approve the issuing of scrip dividends, where shareholders can elect to accept newly issued shares in place of a cash dividend. If approved, scrip dividends could be offered for the first time for the year ending 31 March 2010.

Cash flow

Operating cash flow from continuing operations amounted to £451 million, an increase of over £200 million compared with the prior year. The improvement was driven principally by improvements in working capital, particularly in the second half of the year.

The adverse effects of margin calls of about £70 million, primarily against future corn purchases in the US, were more than compensated for by the decreases in inventory (principally in the US) and receivables amounting to £190 million. There were outflows from provisions of £75 million, primarily from pension payments of £31 million and the payment of exceptional restructuring and redundancy costs in respect of the European starch plants. The operating cash flows in the prior year also benefited from the receipt of transitional aid of £74 million for the EU sugar operations which is being recognised in income up to September 2010.

Net interest paid totalled £56 million (2008 – £34 million).

Income tax paid from continuing operations was £17 million (2008 – £75 million); the lower level was driven in part by refunds relating to prior years totalling about £35 million in the UK and the US.

Capital expenditure remained at similar levels to 2008 as capacity expansion projects and the construction of the new plant at Fort Dodge, Iowa, continued. These projects are now largely completed. Capital expenditure was 2.0 times depreciation in the year. In the year ending 31 March 2010, capital expenditure will be held below the depreciation charge.

Free cash inflow (representing cash generated from continuing operations less interest, taxation and capital expenditure) totalled £154 million (2008 – outflow of £127 million).

Cash generation from discontinued operations in the year amounted to £206 million (2008 – outflow of £108 million). The disposal and cessation of our International Sugar Trading activities realised cash of £57 million; there will be additional cash flows from these activities in the 2010 financial year as we settle retained creditor balances and run off the contractual arrangements not transferred to Bunge. In the 2010 financial year, we anticipate cash outflows to Bunge will be approximately £29 million. In addition, the Eastern Sugar restructuring funds were received this year, with our share being £53 million.

Equity dividends were £104 million (2008 – £105 million). In total, we paid a net of £160 million (2008 – £139 million) to providers of finance in the form of dividends and interest. We recognised a net inflow of £3 million relating to employees exercising share options during the year (2008 – £8 million).

Net cash generated (defined as cash from operating activities, investing activities and share issues, less shares repurchased and dividends) amounted to £245 million compared with absorption of cash in 2008 of £160 million.

Net debt

Despite the strong cash generation in the year, net debt increased from £1,041 million to £1,231 million due to the effects of exchange (£378 million) and other non-cash movements (£57 million). The Group's debt is primarily denominated in US dollars and euros to match the underlying currencies of the operational cash flows and net assets and, therefore, as sterling has weakened against the US dollar and the euro, net debt reported in sterling has increased.

During the year, net debt peaked at £1,530 million in December 2008 (in the prior year, it peaked at £1,041 million in March 2008). The average net debt was £1,230 million, an increase of £385 million from £845 million in the prior year.

The Group is subject to financial covenants for certain facilities stipulating that pre-exceptional and amortisation interest cover ratio should not be less than 2.5 times, and the multiple of net debt to EBITDA, as defined in the financial covenants, should not be greater than 4.0 times. In prior years, net debt for this purpose was translated at year-end exchange rates, while EBITDA was translated at average exchange rates. So that this ratio more accurately reflects the underlying economic conditions, net debt and EBITDA are now both calculated using average exchange rates and, on this basis, the ratio of net debt to EBITDA for the 2009 financial year was 2.4 times (2008 – 2.5 times). An amendment was unanimously agreed with the participants in the US$1 billion Revolving Credit Facility to make this change to the calculation of this ratio to use average rates to translate net debt. Under the previous covenant calculation, the ratio of net debt to EBITDA would have been 2.9 times (2008 – 2.6 times).

Net assets and return on net operating assets

Net assets at 31 March 2009 were £1,013 million (2008 – £950 million). This increase was driven by retained profits of £70 million, exchange effects (net of hedging effects) of £139 million and gains on available for sale investments of £24 million, offset by post-retirement benefit actuarial losses of £40 million, cash flow hedge losses of £25 million and dividends of £104 million. Net current assets were marginally higher at £510 million. Return on net operating assets was 12.7% (2008 – 15.5%).

Post-retirement benefits

We maintain pension plans for our employees in a number of countries. Some of these arrangements are defined benefit pension schemes. In the US, we also provide medical and life assurance benefits as part of the retirement package. At 31 March 2009, there was a net deficit in respect of these arrangements of £211 million (2008 – £91 million). The increase in the deficit was driven by an exchange loss of £63 million and a reduction in assets of £247 million, partly offset by a reduction in benefit obligations of £176 million.

The service charge is forecast to reduce slightly from £14 million to £12 million in the forthcoming 2010 financial year, whilst the net interest cost is expected to increase by £12 million to £15 million.

Shareholders' equity

During the year, 0.1 million shares were issued and 1.4 million shares were released from treasury for a total consideration of £3 million. No shares were repurchased during the year. At 31 March 2009, there were 460.0 million shares in issue of which 1.3 million were held in treasury.

CONSOLIDATED INCOME STATEMENT

	Notes	Year to 31 March 2009 £m	Year to 31 March 2008 £m
Continuing operations			
Sales	3	**3 553**	2 867
Operating profit	3	**164**	224
Finance income	5	**27**	38
Finance expense	5	**(78)**	(80)
Profit before tax		**113**	182
Income tax expense	6	**(19)**	(76)
Profit for the year from continuing operations		**94**	106
(Loss)/profit for the year from discontinued operations	9	**(24)**	81
Profit for the year		**70**	187
Profit/(loss) for the year attributable to:			
Equity holders of the Company		**65**	194
Minority interests		**5**	(7)
Profit for the year		**70**	187
Earnings per share attributable to the equity holders of the Company from continuing and discontinued operations	7	**Pence**	Pence
– Basic		**14.2**	40.9
– Diluted		**14.1**	40.4
Earnings per share attributable to the equity holders of the Company from continuing operations	7		
– Basic		**19.5**	23.8
– Diluted		**19.4**	23.6
Dividends per share	8		
– Interim paid		**6.8**	6.5
– Final proposed		**16.1**	16.1
		22.9	22.6

Analysis of adjusted profit before tax from continuing operations		**£m**	£m
Statutory profit before tax		**113**	182
Add back:			
Exceptional items	4	**119**	59
Amortisation of acquired intangible assets		**15**	12
Adjusted profit before tax, exceptional items and amortisation of acquired intangible assets		**247**	253

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Note	**Year to 31 March 2009 £m**	Year to 31 March 2008 £m
Net exchange differences		**139**	57
Net actuarial loss on retirement benefit obligations		**(40)**	(7)
Net (loss)/gain on cash flow hedges		**(25)**	1
Gain/(loss) on revaluation of available-for-sale financial assets		**24**	(3)
Net income recognised directly in equity	13	**98**	48
Profit for the year		**70**	187
Total recognised income and expense for the year		**168**	235
Attributable to:			
Equity holders of the Company		**157**	242
Minority interests		**11**	(7)
		168	235

TATE & LYLE PLC

CONSOLIDATED BALANCE SHEET

	Notes	Year to 31 March 2009 £m	Year to 31 March 2008 £m
ASSETS			
Non-current assets			
Goodwill and intangible assets		**374**	320
Property, plant and equipment		**1 548**	1 196
Investments in associates		**8**	7
Available-for-sale financial assets		**11**	15
Derivative financial instruments		**34**	36
Deferred tax assets		**30**	1
Trade and other receivables		**5**	11
Retirement benefit surplus		**47**	53
		2 057	1 639
Current assets			
Inventories		**538**	562
Trade and other receivables		**723**	675
Current tax assets		**6**	18
Derivative financial instruments		**213**	275
Cash and cash equivalents	10	**434**	165
Assets held for sale		**28**	-
		1 942	1 695
TOTAL ASSETS		**3 999**	3 334
SHAREHOLDERS' EQUITY			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital		**115**	114
Share premium		**404**	404
Capital redemption reserve		**8**	8
Other reserves		**219**	91
Retained earnings		**241**	317
		987	934
Minority interests		**26**	16
TOTAL SHAREHOLDERS' EQUITY	13	**1 013**	950
LIABILITIES			
Non-current liabilities			
Trade and other payables		**11**	27
Borrowings	10	**1 129**	858
Derivative financial instruments		**57**	30
Deferred tax liabilities		**78**	107
Retirement benefit obligations		**258**	144
Provisions for other liabilities and charges		**21**	14
		1 554	1 180
Current liabilities			
Trade and other payables		**538**	488
Current tax liabilities		**77**	35
Borrowings and bank overdrafts	10	**523**	360
Derivative financial instruments		**283**	267
Provisions for other liabilities and charges		**11**	54
		1 432	1 204
TOTAL LIABILITIES		**2 986**	2 384
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3 999**	3 334

CONSOLIDATED CASH FLOW STATEMENT

	Notes	Year to 31 March 2009 £m	Year to 31 March 2008 £m
Cash flows from operating activities			
Profit before tax from continuing operations		**113**	182
Adjustments for:			
Depreciation of property, plant and equipment		**112**	100
Exceptional items	4	**119**	59
Amortisation of intangible assets		**20**	15
Share-based payments		**5**	7
Finance income	5	**(27)**	(38)
Finance expense	5	**78**	80
Working capital, non-cash movements and other operating cash		**31**	(159)
Cash generated from continuing operations		**451**	246
Interest paid		**(86)**	(87)
Income tax paid		**(17)**	(75)
Cash generated from/(used in) discontinued operations	9	**140**	(84)
Net cash generated from operating activities		**488**	–
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		**5**	7
Purchase of available-for-sale financial assets		**(6)**	(4)
Proceeds on disposal of available-for-sale financial assets		**9**	4
Interest received		**30**	53
Acquisitions of subsidiaries, net of cash and cash equivalents acquired		**(1)**	(75)
Disposals of subsidiaries, net of cash and cash equivalents disposed		**(4)**	341
Disposals of joint ventures, net of cash and cash equivalents disposed		**–**	42
Disposal of businesses		**57**	–
Purchase of property, plant and equipment		**(224)**	(264)
Purchase of other intangible assets		**(7)**	(7)
Net cash (used in)/generated from investing activities		**(141)**	97
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**3**	8
Repurchase of ordinary shares		**–**	(159)
Cash inflow from additional borrowings		**1**	152
Cash outflow from repayment of borrowings		**(14)**	(23)
Cash outflow from repayment of capital element of finance leases		**(3)**	(1)
Dividends paid to the Company's equity holders		**(104)**	(105)
Dividends paid to minority interests		**(1)**	(1)
Net cash used in financing activities		**(118)**	(129)
Net increase/(decrease) in cash and cash equivalents	10	**229**	(32)
Cash and cash equivalents			
Balance at beginning of year		**165**	189
Effect of changes in foreign exchange rates		**40**	8
Net increase/(decrease) in cash and cash equivalents		**229**	(32)
Balance at end of year	10	**434**	165

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009

1. Basis of preparation

The full year results for the year ended 31 March 2009 have been extracted from audited consolidated financial statements which have not yet been delivered to the Registrar of Companies. The financial information in this announcement does not constitute the Group's Annual Report and Accounts. The auditors have reported on the Group's statutory accounts for the year ended 31 March 2009. The report was unqualified and did not contain a statement under Section 237 of the Companies Act 1985.

The financial information for the year ended 31 March 2008 is derived from the statutory accounts for that year, except that the comparative information has been reclassified for the results of the discontinued operations of International Sugar Trading.

2. International Financial Reporting Standards (IFRS)

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union, and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

In accordance with IAS1 'Presentation of Financial Statements', certain items which are material to the result for the year and are of a non-recurring nature are presented separately. These are classified as exceptional items which comprise items of income and expense that are material in amount and unlikely to recur, and which merit separate disclosure in order to provide an understanding of the Group's underlying financial performance.

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

3. Segment information

Discontinued operations comprise International Sugar Trading, Eastern Sugar and, in the prior year, Redpath, Occidente and the disposed European starch plants (see note 9).

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

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

The segment results for the year to 31 March 2008 were as follows:

	Continuing operations							
	Food & Industrial Ingredients, Americas	Food & Industrial Ingredients, Europe	Sugars	Sucralose	Central costs	Total	Discontinued operations (note 9)	Total operations
	£m	£m	£m	£m	£m	£m	£m	£m
Sales								
Total sales	1 390	470	888	148	–	2 896	1 002	3 898
Inter-segment sales	(4)	(9)	(16)	–	–	(29)	(51)	(80)
External sales	1 386	461	872	148	–	2 867	951	3 818
Operating profit/(loss)								
Before exceptional items and amortisation of acquired intangible assets	186	41	33	66	(31)	295	36	331
Exceptional items (Note 4)	(12)	(47)	–	–	–	(59)	60	1
Amortisation of acquired intangible assets	(3)	(5)	–	(4)	–	(12)	–	(12)
Operating profit/(loss)	171	(11)	33	62	(31)	224	96	320
Net finance expense						(42)	1	(41)
Profit before tax						182	97	279

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

4. Exceptional items

Exceptional items are as follows:

	Year to 31 March 2009 £m	Year to 31 March 2008 £m
Continuing		
Write-down of assets (a)	**(24)**	–
Settlement with Mexican government (b)	**11**	–
Impairment charges (c)	**(106)**	(29)
Restructuring costs (e)	**–**	(30)
	(119)	(59)
Discontinued		
Loss on disposal - International Sugar Trading (d)	**(22)**	–
Loss on disposal - European starch plants (e)	**–**	(8)
Gain on disposal - Redpath (f)	**–**	60
Gain on disposal - Occidente (f)	**–**	8
	(22)	60

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

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

(c) The decision to mothball the sucralose manufacturing facility at McIntosh resulted in an impairment charge of £97 million being recognised in the year ended 31 March 2009.

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

The Group also recognised an impairment charge of £17 million on its monosodium glutamate business in China in the year to 31 March 2008. £10 million of this impairment related to minority interests. The impairment was reported in the Food & Industrial Ingredients, Europe segment.

Following a review of the citric acid business in the year to 31 March 2008, an impairment charge of £12 million relating to property, plant and equipment was recognised. The citric acid business is reported in the Food & Industrial Ingredients, Americas segment.

(d) During the year the Group recorded a loss of £22 million in relation to the disposal of its International Sugar Trading business. The loss is net of a gain of £4 million arising from the disposal of an available-for-sale investment held in connection with the business. This business was previously reported in the Sugars segment.

(e) In the year to 31 March 2008, the overall net loss on disposal of the European starch plants in France, Belgium, Italy, Spain, and the UK was £38 million, comprising £30 million of redundancy and other restructuring costs within continuing operations, and a net loss of £8 million in discontinued operations. The restructuring costs resulted from the significant reduction in central support functions required by the retained Food & Industrial Ingredients, Europe business.

(f) In the year to 31 March 2008 the Group disposed of its shareholding of Tate & Lyle Canada Limited (Redpath) and its Mexican cane sugar business, Occidente, resulting in profits on disposal of £60 million and £8 million respectively. Both businesses were previously reported in the Sugars segment.

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

5. Finance income and finance expense

Continuing	Year to 31 March 2009 £m	Year to 31 March 2008 £m
Finance income		
Interest receivable	**27**	34
Net finance income arising on defined benefit retirement schemes:		
– interest cost	**–**	(67)
– expected return on plan assets	**–**	71
Total finance income	**27**	38
Finance expense		
Interest payable on bank borrowings	**(15)**	(6)
Interest payable on other borrowings	**(55)**	(69)
Net finance expense arising on defined benefit retirement schemes:		
– interest cost	**(79)**	–
– expected return on plan assets	**76**	–
Unwinding of discounts in provisions	**(1)**	(1)
Finance lease charges	**(3)**	(3)
Fair value gains on interest-related derivative financial instruments:		
– interest rate swaps – fair value hedges	**30**	16
– derivatives not designated as hedges	**1**	1
Fair value adjustment of borrowings attributable to interest rate risk	**(32)**	(18)
Total finance expense	**(78)**	(80)
Net finance expense	**(51)**	(42)

6. Income tax expense

Continuing	Year to 31 March 2009 £m	Year to 31 March 2008 £m
Current tax:		
In respect of the current year		
– UK	**–**	–
– Overseas	**70**	87
Adjustments in respect of previous years	**(14)**	(4)
	56	83
Deferred tax	**(37)**	(7)
Income tax expense	**19**	76

The income tax expense on continuing operations in the year to 31 March 2009 of £19 million (2008 – £76 million) includes a credit of £44 million in respect of exceptional items (2008 – £5 million credit).

The income tax expense in respect of discontinued operations in the year to 31 March 2009 is £1 million (2008 – £16 million).

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

7. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held in the Employee Share Ownership Trust or in Treasury.

	Year to 31 March 2009			Year to 31 March 2008		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to equity holders of the Company (£m)	**89**	**(24)**	**65**	113	81	194
Weighted average number of ordinary shares in issue (millions)	**456.5**	**456.5**	**456.5**	474.7	474.7	474.7
Basic earnings per share	**19.5p**	**(5.3)p**	**14.2p**	23.8p	17.1p	40.9p

Diluted

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

	Year to 31 March 2009			Year to 31 March 2008		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to equity holders of the Company (£m)	**89**	**(24)**	**65**	113	81	194
Weighted average number of diluted shares in issue (millions)	**459.8**	**459.8**	**459.8**	480.4	480.4	480.4
Diluted earnings per share	**19.4p**	**(5.3)p**	**14.1p**	23.6p	16.8p	40.4p

The adjustment for the dilutive effect of share options at 31 March 2009 was 3.3 million (2008 – 5.7 million).

Adjusted earnings per share

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

Continuing operations	**Year to 31 March 2009**	Year to 31 March 2008
Profit attributable to equity holders of the Company (£m)	**89**	113
Adjustments for:		
– exceptional items (note 4)	**119**	59
– amortisation of acquired intangible assets	**15**	12
– tax effect of the above adjustments	**(49)**	(8)
– minority interest share of exceptional items	**–**	(10)
Adjusted profit (£m)	**174**	166
Adjusted basic earnings per share from continuing operations	**38.2p**	35.0p
Adjusted diluted earnings per share from continuing operations	**38.0p**	34.6p

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

8. Dividends

	Year to 31 March 2009	Year to 31 March 2008
Dividends paid on ordinary equity shares		
– final paid relating to prior year (£m)	**73**	74
− interim paid relating to current year (£m)	**31**	31
Total dividend paid (£m)	**104**	105
The total ordinary dividend is 22.9p (2008 − 22.6p) made up as follows:		
− interim dividend paid	**6.8p**	6.5p
− final dividend proposed	**16.1p**	16.1p
	22.9p	22.6p

The final dividend proposed for the year, which has not been recognised as a liability, will be paid subject to approval by shareholders at the Company's Annual General Meeting on 23 July 2009 to shareholders who are on the Register of Members on 3 July 2009.

9. Discontinued operations

On 2 July 2008, the Group reached an agreement for the sale of its International Sugar Trading operations to Bunge Limited. Accordingly, the results of the International Sugar Trading operations are presented as discontinued operations for the years ended 31 March 2009 and 31 March 2008.

Following an extensive review of the impact of the new EU Sugar Regime, the Group's Eastern Sugar joint venture ceased processing beets by March 2007 and renounced its sugar quotas in Hungary, Czech Republic and Slovakia in return for Restructuring Aid. Accordingly, the results of Eastern Sugar are presented as discontinued operations for the years ended 31 March 2009 and 31 March 2008.

Discontinued operations in the year ended 31 March 2008 also include the results of the starch facilities in the UK, Belgium, France, Spain and Italy (disposed of on 1 October 2007), Redpath (sold on 22 April 2007) and Occidente (sold on 28 December 2007).

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

9. Discontinued operations (continued)

Year to 31 March 2009

	Sugar Trading £m	Redpath £m	Eastern Sugar £m	European starch plants £m	Occidente £m	Total £m
Sales	**852**	–	–	–	–	**852**
Operating (loss)/profit before exceptional items	**(1)**	–	**2**	–	–	**1**
Exceptional items (note 4)	**(22)**	–	–	–	–	**(22)**
Operating (loss)/profit	**(23)**	–	**2**	–	–	**(21)**
Finance income	**4**	–	**2**	–	–	**6**
Finance expense	**(8)**	–	–	–	–	**(8)**
(Loss)/profit before tax	**(27)**	–	**4**	–	–	**(23)**
Income tax expense (note 6)	**-**	–	**(1)**	–	–	**(1)**
(Loss)/profit for the year	**(27)**	–	**3**	–	–	**(24)**

Year to 31 March 2008

	Sugar Trading £m	Redpath £m	Eastern Sugar £m	European starch plants £m	Occidente £m	Total £m
Sales	557	11	31	308	44	951
Operating (loss)/profit before exceptional items	(9)	–	5	38	2	36
Exceptional items (note 4)	–	60	–	(8)	8	60
Operating (loss)/profit	(9)	60	5	30	10	96
Finance income	–	–	2	–	1	3
Finance expense	–	–	–	(1)	(1)	(2)
(Loss)/profit before tax	(9)	60	7	29	10	97
Income tax expense (note 6)	–	–	(1)	(7)	(8)	(16)
(Loss)/profit for the year	(9)	60	6	22	2	81

Income tax expense in Occidente in the year to 31 March 2008 included an £8 million charge in respect of exceptional items.

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

9. Discontinued operations (continued)

Net cash flows from discontinued operations are as follows:

	Year to 31 March 2009					
	Sugar Trading	**Redpath**	**Eastern Sugar**	**European starch plants**	**Occidente**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Net cash generated from operating activities	**87**	**–**	**53**	**–**	**–**	**140**
Net cash generated from investing activities	**62**	**–**	**4**	**–**	**–**	**66**

	Year to 31 March 2008					
	Sugar Trading	Redpath	Eastern Sugar	European starch plants	Occidente	Total
	£m	£m	£m	£m	£m	£m
Net cash (used in)/generated from operating activities	(120)	(8)	22	22	–	(84)
Net cash generated from/(used in) investing activities	–	–	1	(23)	(2)	(24)

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

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

10. Net debt

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

	Year to 31 March 2009 £m	Year to 31 March 2008 £m
Non-current borrowings	**(1 129)**	(858)
Current borrowings and overdrafts (a)	**(523)**	(360)
Debt-related derivative instruments (b)	**(13)**	12
Cash and cash equivalents	**434**	165
Net debt	**(1 231)**	(1 041)

(a) Current borrowings and overdrafts at 31 March 2009 include £98 million (31 March 2008 – £50 million) in respect of securitised receivables.

(b) Derivative financial instruments presented within assets and liabilities in the balance sheet of £93 million net liability comprise net debt-related instruments of £13 million liability and net non debt-related instruments of £80 million liability (2008 – £14 million net asset compromising net debt-related instruments of £12 million asset and net non debt-related instruments of £2 million asset).

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

	Year to 31 March 2009 £m	Year to 31 March 2008 £m
Balance at 1 April	**(1 041)**	(900)
Increase/(decrease) in cash and cash equivalents in the year	**229**	(32)
Cash outflow/(inflow) from decrease/(increase) in borrowings	**16**	(128)
Borrowings arising on acquisitions	**–**	(2)
Debt transferred on disposal of subsidiaries	**8**	55
Decrease/(increase) in net debt resulting from cash flows	**253**	(107)
Inception of finance leases	**(1)**	(2)
Trade finance recognised as debt	**(55)**	–
Fair value and other movements	**(9)**	–
Exchange differences	**(378)**	(32)
Increase in net debt in the year	**(190)**	(141)
Balance at 31 March	**(1 231)**	(1 041)

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

11. Acquisitions

During the year, the Group paid £1 million of deferred consideration relating to the acquisition of Tate & Lyle South Africa in the year ended 31 March 2005. This payment represents an adjustment to the purchase price and is recognised as an addition to goodwill in the year.

In the year ended 31 March 2008, the Group acquired 80% of the issued share capital of G.C. Hahn & Co. (Hahn) for £80 million. Cash acquired amounted to £5 million resulting in a net cash outflow of £75 million. The Group effectively bears all the risks and rewards for 100% of the business and therefore no minority interest is recognised in the Group's financial statements. The acquisition agreement allows for the Group to acquire the remaining 20% of the issued share capital of Hahn prior to 1 January 2020 through put and call options. As at 31 March 2009, this option had not yet been exercised. At 31 March 2009 deferred consideration of £28 million is recognised in trade and other payables.

12. Disposals

International Sugar Trading

On 31 March 2009, the Group completed the disposal of its International Sugar Trading business. Total consideration, net of disposal costs was £57 million.

	Year to 31 March 2009
Total consideration, net of costs	**57**
Net assets disposed	**(14)**
Trade and other payables assumed	**(43)**
Other items, including risk transfer payments and fair value adjustments	**(22)**
Loss on disposal	**(22)**
Cash flows:	
Cash consideration, net of costs	**57**
Cash inflow in the year	**57**

Net assets disposed comprised inventories.

A number of other investments relating to the International Sugar Trading business were not included in the initial sale and are being addressed separately in accordance with the relevant shareholders' agreements. The sales of some of these investments, with associated profits, are expected to occur in the year ending 31 March 2010 and the investments are classified as held for sale. The sale of the International Sugar trading business and the anticipated disposal of the other investments are together unlikely to generate a material profit or loss on disposal. The disposal generated a cash inflow of £57 million; an outflow is anticipated in the forthcoming year of approximately £29 million.

Other disposals

On 21 January 2009, the Group disposed of its shareholding in Orsan UK Ltd, the holding company of its Chinese monosodium glutamate business. Total consideration, net of provisioning and disposal costs was £1 million and the profit on disposal was £2 million. The cash impact of the disposal was an outflow of £4 million.

In the year ended 31 March 2008, the Group made the following disposals:

- Tate & Lyle Canada (Redpath) on 22 April 2007 for total consideration, net of disposal costs of £140 million. The profit on disposal was £60 million.
- Five European starch plants on 1 October 2007 for total consideration, net of disposal costs of £212 million. The loss on disposal was £8 million.
- Its 49% indirect holding in Occidente on 28 December 2007 for total consideration, net of disposal costs of £46 million. The profit on disposal was £8 million.

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

13. Consolidated statement of changes in shareholders' equity

	Share capital and premium	Capital redemption reserve	Other reserves	Retained earnings	Attributable to the equity holders of the Company	Minority interests	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 April 2007	525	–	50	385	960	35	995
Net income/(expense) recognised directly in equity	–	–	55	(7)	48	–	48
Profit/(loss) for the year	–	–	–	194	194	(7)	187
Share-based payments including tax	–	–	–	2	2	–	2
Proceeds from shares issued	1	–	–	7	8	–	8
Items transferred to income on disposal	–	–	(14)	–	(14)	(1)	(15)
Share buy-backs	(8)	8	–	(159)	(159)	–	(159)
Dividends paid	–	–	–	(105)	(105)	(1)	(106)
Minority interests disposed	–	–	–	–	–	(10)	(10)
Balance at 31 March 2008	518	8	91	317	934	16	950
Net income/(expense) recognised directly in equity	–	–	132	(40)	92	6	98
Profit for the year	–	–	–	65	65	5	70
Share-based payments including tax	–	–	–	1	1	–	1
Proceeds from shares issued	1	–	–	2	3	–	3
Items transferred to income on disposal	–	–	(4)	–	(4)	–	(4)
Dividends paid	–	–	–	(104)	(104)	(1)	(105)
Balance at 31 March 2009	519	8	219	241	987	26	1 013

14. Foreign exchange rates

Average exchange rates	**Year to 31 March 2009**	Year to 31 March 2008
US dollar £1 = US$	**1.80**	2.01
Euro £1 = €	**1.19**	1.42

Year end exchange rates	**Year to 31 March 2009**	Year to 31 March 2008
US dollar £1 = US$	**1.43**	1.99
Euro £1 = €	**1.08**	1.26

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2009 (continued)

15. Reconciliation to adjusted information

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

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

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

	Year to 31 March 2009			Year to 31 March 2008		
	Reported £m	**Exceptional/ Amortisation £m**	**Adjusted £m**	Reported £m	Exceptional/ Amortisation £m	Adjusted £m
Continuing operations						
Sales	**3 553**	**–**	**3 553**	2 867	–	2 867
Operating profit	**164**	**134**	**298**	224	71	295
Net finance expense	**(51)**	**–**	**(51)**	(42)	–	(42)
Profit before tax	**113**	**134**	**247**	182	71	253
Income tax expense	**(19)**	**(49)**	**(68)**	(76)	(8)	(84)
Minority interests	**(5)**	**–**	**(5)**	7	(10)	(3)
Profit attributable to equity holders of the Company	**89**	**85**	**174**	113	53	166
Basic earnings per share (pence)	**19.5**	**18.7**	**38.2**	23.8	11.2	35.0
Diluted earnings per share (pence)	**19.4**	**18.6**	**38.0**	23.6	11.0	34.6
Tax rate	**16.8%**		**27.3%**	41.8%		33.2%
Discontinued operations						
Sales	**852**	**–**	**852**	951	–	951
Operating (loss) / profit	**(21)**	**22**	**1**	96	(60)	36
Net finance (expense)/income	**(2)**	**–**	**(2)**	1	–	1
(Loss) / profit before tax	**(23)**	**22**	**(1)**	97	(60)	37
Income tax expense	**(1)**	**–**	**(1)**	(16)	8	(8)
Minority interest	**–**	**–**	**–**	–	–	–
(Loss) / profit attributable to equity holders of the Company	**(24)**	**22**	**(2)**	81	(52)	29
Basic earnings per share (pence)	**(5.3)**	**4.9**	**(0.4)**	17.1	(11.0)	6.1
Diluted earnings per share (pence)	**(5.3)**	**4.8**	**(0.5)**	16.8	(10.8)	6.0
Tax rate	**(3.8)%**	**–**	**(75.0)%**	16.5%		21.6%
Total operations						
Sales	**4 405**	**–**	**4 405**	3 818	–	3 818
Operating profit	**143**	**156**	**299**	320	11	331
Net finance expense	**(53)**	**–**	**(53)**	(41)	–	(41)
Profit before tax	**90**	**156**	**246**	279	11	290
Income tax expense	**(20)**	**(49)**	**(69)**	(92)	–	(92)
Minority interests	**(5)**	**–**	**(5)**	7	(10)	(3)
Profit attributable to equity holders of the Company	**65**	**107**	**172**	194	1	195
Basic earnings per share (pence)	**14.2**	**23.6**	**37.8**	40.9	0.2	41.1
Diluted earnings per share (pence)	**14.1**	**23.4**	**37.5**	40.4	0.2	40.6
Tax rate	**22.2%**		**27.8%**	33.0%		31.7%

TATE & LYLE PLC

ADDITIONAL INFORMATION
For the Year to 31 March 2009

Adjusted operating profit margin analysis

	Year to 31 March 2009			Year to 31 March 2008		
	Primary £m	**Value added £m**	**Total £m**	Primary £m	Value added £m	Total £m
Sales						
Sugars						
– Products	**711**	**68**	**779**	596	73	669
– Molasses	**269**	**–**	**269**	203	–	203
	980	**68**	**1 048**	799	73	872
Food & Industrial Ingredients, Americas						
– Food	**878**	**369**	**1 247**	651	293	944
– Industrial	**393**	**157**	**550**	309	133	442
	1 271	**526**	**1 797**	960	426	1 386
Food & Industrial Ingredients, Europe						
– Food	**170**	**206**	**376**	168	155	323
– Industrial	**163**	**–**	**163**	138	–	138
	333	**206**	**539**	306	155	461
Sucralose	**–**	**169**	**169**	–	148	148
Total	**2 584**	**969**	**3 553**	2 065	802	2 867
Operating profit						
Sugars						
– Products	**(11)**	**5**	**(6)**	15	5	20
– Molasses	**18**	**–**	**18**	13	–	13
	7	**5**	**12**	28	5	33
Food & Industrial Ingredients, Americas						
– Food	**95**	**83**	**178**	76	68	144
– Industrial	**3**	**–**	**3**	42	–	42
	98	**83**	**181**	118	68	186
Food & Industrial Ingredients, Europe						
– Food	**27**	**24**	**51**	14	21	35
– Industrial	**–**	**–**	**–**	6	–	6
	27	**24**	**51**	20	21	41
Sucralose	**–**	**72**	**72**	–	66	66
Total	**132**	**184**	**316**	166	160	326
Central costs			**(18)**			(31)
Adjusted operating profit			**298**			295
Operating margin						
Sugars						
– Products	**(1.5)%**	**7.4%**	**(0.8)%**	2.5%	6.8%	3.0%
– Molasses	**6.7%**	**–**	**6.7%**	6.4%	–	6.4%
	0.7%	**7.4%**	**1.1%**	3.5%	6.8%	3.8%
Food & Industrial Ingredients, Americas						
– Food	**10.8%**	**22.5%**	**14.3%**	11.7%	23.2%	15.3%
– Industrial	**0.8%**	**–**	**0.5%**	13.6%	–	9.5%
	7.7%	**15.8%**	**10.1%**	12.3%	16.0%	13.4%
Food & Industrial Ingredients, Europe						
– Food	**15.9%**	**11.7%**	**13.6%**	8.3%	13.5%	10.8%
– Industrial	–	–	–	4.3%	–	4.3%
	8.1%	**11.7%**	**9.5%**	6.5%	13.5%	8.9%
Sucralose	**–**	**42.6%**	**42.6%**	–	44.6%	44.6%
Margin before central costs	**5.1%**	**19.0%**	**8.9%**	8.0%	20.0%	11.4%
Margin after central costs			**8.4%**			10.3%

ADDITIONAL INFORMATION
For the Year to 31 March 2009

Ratio analysis

	Year to 31 March 2009	Year to 31 March 2008
Net debt to EBITDA		
= Net debt*	**1 013**	1 002
Pre-exceptional EBITDA from continuing operations*	**419**	396
	= 2.4 times	= 2.5 times

* net debt translated at the average exchange rates, EBITDA per covenant definitions

	Year to 31 March 2009	Year to 31 March 2008
Gearing		
= Net debt	**1 231**	1 041
Total shareholders' equity	**1 013**	950
	= 122%	= 110%

Interest cover

= Operating profit from total operations before amortisation of acquired intangibles and exceptional items* / Net finance expense (total operations)*

	Year to 31 March 2009	Year to 31 March 2008
	303	336
	50	43
	= 6.1 times	= 7.8 times

* data per covenant definitions

	Year to 31 March 2009	Year to 31 March 2008
Earnings dividend cover		
= Adjusted earnings per share from continuing operations	**38.2**	35.0
Dividend per share	**22.9**	22.6
	= 1.7 times	= 1.5 times
Cash dividend cover		
= Free cash flow from continuing operations	**154**	(127)
Total dividends payable	**104**	105
	= 1.5 times	= N/A

Return on Net Operating Assets

= Profit before interest, tax and exceptional items / Average net operating assets

	Year to 31 March 2009	Year to 31 March 2008
	284	319
	2 239	2 054
	= 12.7%	= 15.5%

Net operating assets are calculated as:		
Total shareholders' equity	**1 013**	950
Add back net debt (see note 10)	**1 231**	1 041
Add back net tax liabilities	**119**	123
Net operating assets	**2 363**	2 114
Average net operating assets	**2 239**	2 054