7 November 2013

TATE & LYLE PLC
STATEMENT OF HALF YEAR RESULTS
For the six months to 30 September 2013

Continuing operations[1] £m unless stated otherwise	Six months to 30 September (Unaudited) **2013**	 2012 (restated)	% change	% change in constant currency[4]
Sales	**1 737**	1 631	+ 7%	+ 3%
Adjusted results				
Adjusted operating profit[2]	**187**	194	- 4%	- 6%
Adjusted profit before tax[3]	**173**	178	- 3%	- 5%
Adjusted diluted earnings per share[3]	**29.9p**	30.5p	- 2%	- 4%
Statutory results				
Operating profit	**176**	186	- 5%	- 8%
Profit before tax	**158**	168	- 6%	- 9%
Profit for the period (on total operations[5])	**130**	164	- 21%	- 23%
Diluted earnings per share (on total operations[5])	**27.6p**	34.5p	- 20%	- 22%
Net debt	**336**	386		
Dividend per share	**7.8p**	7.4p	+ 5.4%	

Javed Ahmed, Chief Executive, said:
"While our overall results were held back by a soft beverage season in the US which affected both divisions, the business performed solidly in the first half with good sales growth in Speciality Food Ingredients supported by particularly strong volume growth in emerging markets. We continue to be pleased with the progress we are making in delivering our long-term strategy. As well as broadening the geographic mix of the business, we are increasingly leveraging the investments we have made to strengthen our global innovation capabilities and to collaborate more closely with our customers."

Summary

- Speciality Food Ingredients sales growth of 10% (7% in constant currency) with adjusted operating profit up 3% (1% in constant currency) at £112 million (2012 – £108 million)
- Bulk Ingredients adjusted operating profit 9% lower (down 11% in constant currency) at £92 million (2012 – £101 million) as a result of lower US sweetener volumes
- 5.4% increase in interim dividend to 7.8p (2012 – 7.4p)
- Balance sheet remains strong with £143 million reduction in net debt to £336 million (March 2013 – £479 million)

Outlook
In Speciality Food Ingredients, we expect to deliver growth in volumes, sales and profits across all regions for the full year.

Within Bulk Ingredients, in North America we expect solid demand for liquid sweeteners and stable demand for our other products. In Europe, lower corn prices are expected to more than offset the impact of lower sugar prices on isoglucose margins. Consequently, we anticipate this division delivering a stronger performance during the second half than the same period last year and full year profits to be more evenly distributed between the first and second half.

Our profits remain sensitive to fluctuations in foreign currency particularly the US dollar to sterling exchange rate. In addition, as usual, the outcome of the calendar year sweetener pricing rounds will influence performance in the final quarter of the financial year.

Overall, we expect to deliver another year of profitable growth.

1 Excluding the results of discontinued operations in both periods unless otherwise stated.
2 Before net exceptional charge of £6 million (2012 – £2 million) and amortisation of intangible assets acquired through business combinations of £5 million (2012 – £6 million).
3 Before net exceptional charge of £6 million (2012 – £2 million), amortisation of intangible assets acquired through business combinations of £5 million (2012 – £6 million) and post-retirement pension interest charge of £4 million (2012 – £2 million) and, for adjusted diluted earnings per share, the tax effect of these items.
4 Changes in constant currency are calculated by retranslating comparative period results at current period exchange rates.
5 Profit and diluted earnings per share on total operations in the comparative period includes a one-off gain of £21 million on disposal of our Vietnam sugar interests.

Cautionary statement

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

A copy of this Statement of Half Year Results for the six months ended 30 September 2013 can be found on our website at www.tateandlyle.com. A hard copy of this statement is also available from the Company Secretary, Tate & Lyle PLC, 1 Kingsway, London WC2B 6AT.

SPLENDA® is a trademark of McNeil Nutritionals, LLC.

Webcast and Conference Call Details

A presentation of the results by Chief Executive, Javed Ahmed and Chief Financial Officer, Tim Lodge will be audio webcast live at 10.00 (UKT) on Thursday 7 November 2013. To view and/or listen to a live audio-cast of the presentation, visit http://view-w.tv/p/797-1031-13578/en. Please note that remote listeners will not be able to ask questions during the Q&A session. A webcast replay of the presentation will be available within two hours of the end of the live broadcast on the link above.

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

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

14 day conference call replay:
UK replay number: +44 (0) 20 8196 1998
US replay number: +1 866 583 1035
Replay Access code: 3879672

For more information contact Tate & Lyle PLC:

Mathew Wootton, Group VP, Investor and Media Relations
Tel: +44 (0) 20 7257 2110 or Mobile: +44 (0) 7500 100 320

Andrew Lorenz, FTI Consulting
Tel: +44 (0) 20 7269 7113 or Mobile: +44 (0) 7775 641807

STATEMENT OF HALF YEAR RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2013

Results for the continuing operations are adjusted to exclude exceptional items, post-retirement benefit interest and amortisation of intangible assets acquired through business combinations. Except where specifically stated to the contrary, this commentary relates only to the adjusted results for the continuing operations. A reconciliation of statutory and adjusted information is included at Note 15.

While the overall results for the Group were held back by a soft beverage season in the US which reduced demand for sweeteners across both divisions, Tate & Lyle performed solidly in the first half with good sales growth in Speciality Food Ingredients supported by particularly strong volume growth in emerging markets.

Sales increased by 7% (3% in constant currency) to £1,737 million (2012 – £1,631 million). Adjusted operating profit was 4% lower (6% in constant currency) at £187 million (2012 – £194 million) with adjusted profit before tax down 3% (5% in constant currency) at £173 million (2012 – £178 million). On a statutory basis, profit before tax decreased by £10 million to £158 million (2012 – £168 million).

Net debt at 30 September 2013 decreased by £143 million to £336 million (31 March 2013 – £479 million), driven by the strong free cash flow generated during the period. Our average four quarter cash conversion cycle for the period ended 30 September 2013 increased by 1 day to 43 days (31 March 2013 – 42 days), primarily as a result of our prudent policy of holding high corn inventories for security of supply during most of the previous harvest year. Within this, the cash conversion cycle for the first half of this financial year at 39 days was seven days shorter than the second half of the previous financial year.

Key performance indicators

Our Key Performance Indicators (KPIs) are as follows:

KPI	**Measure**	**First Half 2013**	First Half[1] 2012	Change[2]
Growth in SFI sales	Sales	**£519m**	£471m	+ 7%
Profitability	Adjusted operating profit	**£187m**	£194m	- 6%
Working capital efficiency	Cash conversion cycle[3]	**43 days**	42 days	Lengthened by 1 day
Financial strength	Net debt/EBITDA[4]	**0.8x**	0.9x	
Financial strength	Interest cover[4]	**10.9x**	11.4x	

1 All comparative measures relate to the period ended 30 September 2012 apart from the cash conversion cycle which is for the period ended 31 March 2013.
2 Sales and operating profit growth are shown in constant currency.
3 Defined as controllable working capital divided by quarterly sales, multiplied by number of days in quarter on a four quarter rolling basis (a reduction in the number of days represents an improvement).
4 These ratios have been calculated under the Group's bank covenant definitions.

DELIVERING OUR STRATEGY

We continue to make steady progress building the business in line with our long-term strategy to grow our Speciality Food Ingredients division. Growth will come from three main sources: (1) increasing collaboration and becoming more deeply engaged with customers; (2) developing a systemic ability to expand our product portfolio through innovation; and (3) by diversifying the business through penetrating new markets.

1. Focus on the customer

Many of our investments in the past three years in terms of infrastructure, capabilities and people were made to develop a much closer, more collaborative and innovation-led relationship with our customers across the world. The frequency and quality of customer engagement are key measures of long-term success as both lead to the development of specific projects with customers which deepen the level of collaboration and generate sales. In the first half of the year, customer visits to our global Commercial and Food Innovation Centre in Chicago increased by just under 40% on the comparative period, with an increase in visits from customers in key areas such as R&D and Marketing. Around one fifth of customer visits made in the period to our six main innovation and applications facilities were in Asia and Latin America, reflecting our increasing presence and level of customer engagement in these growing markets.

In the first half, we commissioned an independent analysis in the US to better understand our customers' views of our developing innovation capabilities. The results of this analysis reveal a marked improvement in the way we are perceived by those customers who interact with us at our global Commercial Food and Innovation Centre where they increasingly see us as a high-quality and long-term strategic innovation partner.

2. Focus on innovation

During the period, we worked closely with a number of customers to qualify our novel salt-reduction ingredient, SODA-LO® Salt Microspheres, and get it approved for use in specific applications. It is estimated that the market for salt reduction will double in the next 5 years and SODA-LO®, which has now won major innovation awards in all four regions of the world, provides us with an excellent platform from which to benefit from this growth. Our current focus is to convert a number of customer projects into sales and to broaden the range of applications in which SODA-LO® can be used. For example, in May 2013 we extended our relationship with Eminate Limited to investigate the application of the hollow microsphere technology to reduce sodium bi-carbonate in baked goods.

In October 2013, we launched a new texturising ingredient, PULPIZ™ Pulp Extender. This modified starch can be used to replace over 25% of tomato paste or add pulpiness in specific applications such as soups and pasta sauces, thereby helping customers to reduce costs without compromising taste or texture.

The acquisition in May 2013 of Biovelop, a Swedish-based manufacturer of oat beta-glucan, has broadened our fibres offering and brought new oat-based products and innovation opportunities into our health and wellness platform. New products include PromOat® Beta Glucan, a unique and functional fibre with access to authorised health claims, including EFSA, for lowering cholesterol and reducing post-prandial glycaemic response; and prOATein® Oat Protein, a new and unique way to boost the protein content of a wide range of foods and nutritional supplements. We have started a programme to develop and position this business for long-term growth, initially by investing US$6 million to increase capacity threefold at the plant in Sweden.

3. Focus on new markets

We are making good progress in building our presence and sales in emerging markets, with strong double digit sales growth in Latin America and Asia in the first half. This is an important part of our strategy to diversify the geographic mix of our business and to capture a greater share of these fast growing markets.

We continue to expand our sales and technical coverage in these regions and to leverage the local infrastructure we have put in place. We are seeing encouraging levels of customer footfall at our applications and technical service facilities in Mexico City, São Paulo and Shanghai, and will be opening an additional applications facility in Singapore before the end of the financial year.

On 8 October 2013, we completed the acquisition of a 51% equity interest in Jiangsu Howbetter Food Co., Ltd, a leading Food Systems business in China. The new venture, Tate & Lyle Howbetter, provides us with the local infrastructure and capabilities to accelerate the growth of our Food Systems business in China.

Global IS/IT system and global shared services

The rollout of our global IS/IT platform continues with implementation of the next phase on track for the first half of calendar 2014, with £14 million of capital expenditure and £6 million of exceptional costs incurred on this project during the first half. During the period we continued to expand the scope of responsibilities for our global shared service centre in Poland, with the migration of financial transaction processing for our main Food Systems locations.

DIVISIONAL OPERATING PERFORMANCE

Speciality Food Ingredients

	Six months to 30 September		Change	
	2013 **£m**	2012 £m	**Reported**	**Constant currency**
Sales	**519**	471	+ 10%	+ 7%
Adjusted operating profit	**112**	108	+ 3%	+ 1%
Margin	**21.5%**	22.9%	- 1.40ppts	- 1.30ppts

Within Speciality Food Ingredients, volumes increased by 5% with strong growth in emerging markets and Europe partially offset by slightly lower volumes in the US, where softness in the beverage sector, on the back of the particularly cold spring and somewhat late start to the summer, held back volume growth for some of our speciality sweeteners. Sales increased by 10% (7% in constant currency) to £519 million (2012 – £471 million) reflecting the growth in volumes and the pass through of higher corn prices from the 2013 pricing round[1] within our starch-based speciality ingredients product category.

Adjusted operating profit increased by 3% (up by 1% in constant currency) reflecting the volume softness for our higher margin speciality sweeteners and slightly lower selling prices for SPLENDA® Sucralose than expected. The effect of exchange translation was to increase sales by £15 million and adjusted operating profit by £3 million compared with the first half last year.

The Speciality Food Ingredients division comprises three broad product categories namely: starch-based speciality ingredients; high-intensity sweeteners; and food systems.

Starch-based speciality ingredients

In starch-based speciality ingredients, sales grew by 15% (13% in constant currency) to £314 million (2012 – £273 million) with volumes up 6% on the comparative period. The rate of sales growth reflects the pass through of significantly higher corn prices at the time of the last calendar year pricing round, a trend that is likely to reverse in 2014 as a result of the significant reduction in corn prices since July 2013. While overall operating profit was slightly ahead and absolute unit margins were broadly in line, percentage margins were lower than the comparative period as a result of the pass through of higher corn prices.

In modified food starches, we saw volume growth across all regions with strong growth in Europe, Asia and Latin America. The growth we are seeing in emerging markets reflects rapid urbanisation and the associated increase in consumer demand for packaged foods and our investment in additional sales and technical service resources in these regions.

Good volume growth in Asia and Europe and strong growth in Latin America for our corn-based speciality sweeteners more than offset lower demand in the US which was affected by the soft beverage season. The additional functionality provided by these speciality sweeteners, specifically the provision of uniform texture and consistent taste, has helped us build a new market in Latin America in beverage applications.

The global health and wellness trend and consumers' focus on digestive health, continues to drive demand for our speciality fibres, with volume growth across all regions and particularly strong growth in Asia where their versatility enables use not only in fibre-fortification projects but also as a low calorie bulking agent in sugar replacement projects. The addition of PromOat® Beta Glucan, and prOATein® Oat Protein, following the acquisition of Biovelop in May 2013, further strengthens our portfolio in this attractive, global category.

[1] The average corn price during Oct-Dec 2012 was $7.36 per bushel

High-intensity sweeteners

We continue to see good long-term growth potential for no-calorie, high-intensity sweeteners driven by the focus on healthier lifestyles and calorie reduction due to the rising incidence of obesity and diabetes globally. Having broadened our high-intensity sweetener portfolio to include two natural, no-calorie alternatives, we are well placed to respond to this global trend.

Within the high-intensity sweetener category, which includes SPLENDA® Sucralose, PUREFRUIT™ Monk Fruit Extract and TASTEVA™ Stevia Sweetener, volume growth of 6% was held back by the softer demand for beverages in the US. Sales increased by 2% (1% in constant currency) to £106 million (2012 – £103 million) as a result of slightly lower selling prices for SPLENDA® Sucralose than expected. As a result, profits in this category were lower than the comparative period.

The global sucralose market continues to be an attractive and growing market. We saw some price erosion as we renewed contracts with our customers, some of which are multi-year and some of which involve the provision of a broader range of ingredients and services. As with our other product categories, this is a competitive process and, as well as renewing existing customer relationships, we are actively pursuing incremental sucralose volume by forming relationships with new customers. Based on what we see today, we anticipate a similar level of price erosion in SPLENDA® Sucralose for the full year as that seen in the first half.

We continue to focus on growing the market for SPLENDA® Sucralose which remains the high intensity sweetener of choice due to its superior taste profile and heat stability. This includes promoting customer initiatives offering 'concept-to-lab-to-market' services which are specifically designed to help our customers achieve their new product development or cost-optimisation goals. We are also continuing to invest in improving the operational efficiency of our two, large-scale, continuous processing plants in the US and Singapore, to further enhance our ability to offer the highest standards of reliability, quality and traceability in the industry.

We delivered strong volume growth in our natural high-intensity sweeteners, PUREFRUIT™ Monk Fruit Extract and TASTEVA™ Stevia Sweetener during the first half. While we are encouraged by the performance of these additions to our sweetener portfolio, their contribution to the overall high-intensity sweetener category remains relatively small.

Food Systems

In Food Systems, our blending business, volumes were 8% lower reflecting our strategy of focusing on higher margin blends. Sales increased by 5% (down 3% in constant currency) to £99 million (2012 – £95 million) largely driven by the strengthening of the Euro. Profits within this category were ahead of the first half last year due to improved mix and the effective management of input costs.

We saw good levels of customer interaction through our new facility in Roggenhorst, Germany, which provides technical, marketing, formulation and pilot plant services. The new facility is helping to drive closer customer engagement, identify and develop new solutions for our customers and build the future sales pipeline.

On 8 October 2013, we completed the acquisition of a 51% equity interest in Jiangsu Howbetter Food Co., Ltd, a leading Food Systems business in China. The creation of the Tate & Lyle Howbetter venture provides us with a solid platform from which to expand our Food Systems business in China.

Bulk Ingredients

	Six months to 30 September		Change	
	2013 **£m**	2012 £m	**Reported**	**Constant currency**
Sales	**1 218**	1 160	+ 5%	+ 2%
Adjusted operating profit	**92**	101	- 9%	- 11%
Margin	**7.5%**	8.7%	- 1.20ppts	-1.10ppts

Within Bulk Ingredients, sales increased by 5% (2% in constant currency) to £1,218 million (2012 – £1,160 million) with volumes in line with the comparative period. Adjusted operating profit was 9% lower (11% in constant currency) at £92 million (2012 – £101 million) driven primarily by lower US sweetener volumes. This result includes a one-off gain of £3.5 million in the first quarter from the on-sale of Orsan China (a monosodium glutamate producer in which Tate & Lyle previously held a stake and which was sold in 2009). The effect of exchange translation was to increase sales by £36 million and adjusted operating profit by £3 million.

Towards the end of the first half, corn prices in the US fell significantly[2] on the expectation of a bumper crop, with the USDA projecting a 28% increase in US production over the prior year and a significant increase in the stocks-to-use ratio to 14.6% (from 5.9% last year). Corn prices in Europe followed a similar pattern.

The Bulk Ingredients division comprises three broad product categories namely: sweeteners; industrial starches, acidulants and ethanol; and co-products.

<u>Sweeteners</u>

In North America, sales of bulk corn sweeteners increased by 1% (down 2% in constant currency) to £518 million (2012 – £510 million) with a 5% reduction in volumes offsetting the pass through of higher corn prices following the 2013 pricing round. During the period, we experienced lower HFCS volumes as a result of a soft beverage season in the US. As a result, operating profits within this product category were somewhat lower than the comparative period.

On 31 October 2013, the Mexican government approved the introduction of a tax on soft drinks of one Mexican peso per litre which is expected to be signed into law in January 2014. We will monitor any impact this has on beverage demand in Mexico and on Mexican imports of US HFCS.

In Europe, bulk corn sweetener volumes increased by 4%, with volumes in the prior year period reflecting the impact of the strike at our joint-venture plant in Turkey. Sales increased by 12% (up 7% in constant currency) to £86 million (2012 – £77 million). European sugar prices, which provide the reference price for isoglucose, remained high resulting in increased margins and solid growth in operating profits overall.

<u>Industrial starches, acidulants and ethanol</u>

Sales of industrial starches, acidulants and ethanol increased by 7% (up 5% in constant currency) to £333 million (2012 – £312 million) with volumes 4% higher.

In the US, industrial starch volumes were slightly ahead of the comparative period with higher margins driven by firmer pricing. In Europe, margins were squeezed in the first half as a result of lower industrial starch prices driven by increased industry capacity and a more competitive market overall. The performance of this part of the business remains sensitive to changes in the macro-economic environment.

[2] Between 11 July 2013 and 30 September 2013, the US corn price reduced by 38%

In US ethanol, where we are a relatively small player, overall market conditions were slightly better as a result of a reduction in inventories and a more balanced demand and supply situation, with industry operating margins before fixed costs ahead of the prior year period. As a result, first half operating losses were lower than the prior year period.

Within our acidulants business, profits were slightly lower than the comparative period on lower volumes. Our Bio-PDO™ joint venture broke even during the first half.

Co-products

Co-product sales increased by 8% (5% in constant currency) to £281 million (2012 – £261 million) with volumes 5% higher than the comparative period.

During the second quarter, we were faced with the dual challenge of sharply lower corn prices and poor corn quality as we took deliveries of the remaining supplies of last year's harvest. We largely mitigated the impact of these through a combination of tight inventory management and contracting on a longer-term basis for our co-products.

GROUP OUTLOOK FOR YEAR ENDING 31 MARCH 2014

In Speciality Food Ingredients, we expect to deliver growth in volumes, sales and profits across all regions for the full year.

Within Bulk Ingredients, in North America we expect solid demand for liquid sweeteners and stable demand for our other products. In Europe, lower corn prices are expected to more than offset the impact of lower sugar prices on isoglucose margins. Consequently, we anticipate this division delivering a stronger performance during the second half than the same period last year, and full year profits to be more evenly distributed between the first and second half.

Our profits remain sensitive to fluctuations in foreign currency particularly the US dollar to sterling exchange rate. In addition, as usual, the outcome of the calendar year sweetener pricing rounds will influence performance in the final quarter of the financial year.

Overall, we expect to deliver another year of profitable growth.

FINANCIAL PERFORMANCE

These half year results reflect changes to IAS 19 covering Employee Benefits (see Note 1). For the period ended 30 September 2013, the new requirements have resulted in net finance costs recognised outside adjusted earnings of £4 million and reduced operating profit by £1 million. The Group continues to recognise actuarial gains and losses directly in other comprehensive income, in line with the previous and current standard. All comparatives have been restated accordingly.

As announced in May 2012, we now exclude post-retirement benefit interest from the presentation of our adjusted earnings.

Overview of Group financial performance

Sales increased by 7% (3% in constant currency) to £1,737 million (2012 – £1,631 million). Adjusted operating profit was 4% lower (6% in constant currency) at £187 million (2012 – £194 million) with adjusted profit before tax down 3% (5% in constant currency) at £173 million (2012 – £178 million). On a statutory basis, profit before tax decreased by £10 million to £158 million (2012 – £168 million).

Central costs

Central costs, which include head office, treasury and reinsurance activities, were slightly higher at £17 million (2012 – £15 million), with the comparative period benefiting from the favourable settlement of claims by our captive insurer.

Net finance expense

Net finance expense, from which we now exclude post-retirement benefit interest, was slightly lower than the comparative period at £14 million (2012 – £16 million) principally as a result of the redemption of our £100 million bond at its maturity in June 2012.

Exceptional items

During the period, a net exceptional charge of £6 million has been recognised in continuing operations, relating to business transformation costs, specifically the implementation of the common global IS/IT platform. This compares to a net exceptional charge in the comparative period of £2 million, with £10 million of business transformation costs largely offset by a credit of £8 million from the disposal of our share in Sucromiles SA, our former Colombian citric-acid joint venture.

The tax impact on continuing operations of net exceptional items was a £1 million credit (2012 – £2 million).

Taxation

The effective tax rate on adjusted profit at 18.7% (30 September 2012 – 18.9%) reflects a non-recurring tax credit in relation to a prior year adjustment in the US, the full impact of which has been taken in the first half. As we reported in our last full-year results announcement in May, as a result of our expectation of changes in the geographic mix of profits, we anticipate an effective tax rate for the full financial year to be higher than the prior full financial year (31 March 2013 – 18.0%).

Earnings per share

Adjusted diluted earnings per share on continuing operations decreased by 2% (4% in constant currency) to 29.9p (2012 – 30.5p). Statutory diluted earnings per share on continuing operations decreased by 7% to 27.6p (2012 – 29.6p).

Cash flow

Free cash flow of £239 million was £95 million higher than the comparative period (2012 – £144 million) largely driven by a working capital inflow of £114 million (2012 – inflow of £8 million) reflecting the managed reduction of our corn inventories in the lead up to the new harvest.

Capital expenditure of £64 million (2012 – £60 million) was 1.2 times the depreciation and amortisation charge (excluding amortisation of intangible assets acquired through business combinations) of £52 million and included £14 million of expenditure on the implementation of the global IS/IT system.

Our average four quarter cash conversion cycle for the period ended 30 September 2013 increased by 1 day to 43 days (31 March 2013 – 42 days), primarily as a result of our prudent policy of holding high corn inventories for security of supply during most of the previous harvest year. Within this, the cash conversion cycle for the first half of this financial year at 39 days was seven days shorter than the second half of the previous financial year.

Net debt and financing profile

Net debt at 30 September 2013 decreased by £143 million to £336 million (31 March 2013 – £479 million), driven by the strong free cash flow generated during the period. The effect of exchange translation was to decrease net debt by £25 million. The ratio of net debt to EBITDA for our banking covenants was 0.8 times, comfortably within our internal threshold of 2.0 times.

Balance sheet

The Group's gross assets decreased by £225 million to £2,562 million at 30 September 2013 from £2,787 million at 31 March 2013, principally as a result of the reduction in corn inventories in the run up to the new harvest and the translation impact of foreign currencies, including the weakening of the US dollar, which reduced gross assets by approximately £101 million. Net assets decreased by £49 million to £987 million (31 March 2013 – £1,036 million) with profit after tax for the period being more than offset by payment of the final dividend for the 2013 financial year and exchange translation losses.

Post-retirement benefit plans

In September 2013, the Trustee of the Amylum UK pension scheme agreed a full buy-in of the scheme. The majority of the cost of the buy-in was settled using the schemes assets with a further cash payment by Tate & Lyle of £5.6 million, a cost which is lower than the contributions that were planned over the next eight years. The buy-in insurance policy mirrors the future cash payments that are expected to be made in respect of the scheme's pensioner and deferred pensioner liabilities.

This transaction, which follows the £347 million partial pensioner buy-in for Tate & Lyle's principal UK defined benefit scheme in December 2012, represents another important step in our strategy to work with our schemes' trustee and fiduciaries to reduce pension risk on a phased basis over time.

Dividend

The Board has approved an interim dividend of 7.8p, an increase of 5.4% on the prior year (2012 – 7.4p) in line with our progressive dividend policy. This will be paid on 3 January 2014 to shareholders on the register on 22 November 2013. In addition to the cash dividend option, shareholders continue to be offered a Dividend Reinvestment Plan (DRIP) alternative.

Discontinued operations

There were no sales or profits from discontinued operations in the first half of 2013 with the majority of the Group's former Sugar operations business now disposed. Operating cash outflows from discontinued operations totalled £1 million.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial information of the Group.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 26 to 28 in the Tate & Lyle Annual Report 2013, a copy of which is available on the Company's website at www.tateandlyle.com. In the view of the Board there is no material change in these risks in respect of the remaining six months of the year.

These risks are: failure to act safely and to maintain the continued safe operation of our facilities and quality of our products; failure to attract, develop and retain key personnel; non-compliance with legislation and regulation; fluctuations in prices, offtake and availability of raw materials, energy, freight and other operating inputs; failure to protect intellectual property; failure to implement the Group's programme to transform its operational capabilities; failure to counter negative perceptions of the Group's products; failure to identify important consumer trends and innovate; failure to manage capital expenditure and working capital, and to deliver key projects; failure to maintain an effective system of internal financial controls; and competitors achieving significant advantage.

Impact of changes in exchange rates

In comparison with the prior period, the Group's reported financial performance has been favourably impacted by exchange rate translation, driven by a strengthening of the average US dollar and Euro exchange rate against sterling. The movement in period-end exchange rates, particularly the weaker US dollar, led to a decrease in net debt as a result of the translation of accounts recorded in foreign exchange. The principal average and closing exchange rates used to translate reported results were as follows:

	Six months to 30 September				**Year to 31 March 2013**	
	Average rates		**Closing rates**		**Average rates**	**Closing rates**
	2013	2012	**2013**	2012		
US dollar : sterling	**1.54**	1.58	**1.62**	1.61	1.57	1.52
Euro : sterling	**1.18**	1.25	**1.19**	1.25	1.24	1.18

Statement of Directors' responsibilities

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

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

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

The Directors of Tate & Lyle PLC are listed in the Tate & Lyle Annual Report 2013.

For and on behalf of the Board of Directors:

Javed Ahmed Chief Executive	Tim Lodge Chief Financial Officer

6 November 2013

Independent review report to Tate & Lyle PLC

Introduction

We have been engaged by the Company to review the condensed set of consolidated financial information in the Statement of Half Year Results for the six months ended 30 September 2013, which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in shareholders' equity and related notes. We have read the other information contained in the Statement of Half Year Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial information.

Directors' responsibilities

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

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

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial information in the Statement of Half Year Results for the six months ended 30 September 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
6 November 2013

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	**Six months to 30 September 2013 £m**	Six months to 30 September 2012 (restated) £m	Year to 31 March 2013 (restated) £m
Continuing operations				
Sales	2	**1 737**	1 631	3 256
Operating profit	2	**176**	186	334
Finance income	2,4	**1**	1	1
Finance expense	2,4	**(19)**	(19)	(34)
Profit before tax	2	**158**	168	301
Income tax expense	5	**(28)**	(28)	(46)
Profit for the period from continuing operations		**130**	140	255
Profit for the period from discontinued operations		**–**	24	18
Profit for the period		**130**	164	273
Profit for the period attributable to:				
– Owners of the Company		**130**	163	272
– Non-controlling interests		**–**	1	1
Profit for the period		**130**	164	273
Earnings per share attributable to the owners of the Company from continuing and discontinued operations	6	**Pence**	Pence	Pence
– Basic		**28.0**	35.1	58.6
– Diluted		**27.6**	34.5	57.4
Earnings per share attributable to the owners of the Company from continuing operations	6	**Pence**	Pence	Pence
– Basic		**28.0**	30.2	54.9
– Diluted		**27.6**	29.6	53.8

Analysis of adjusted profit before tax from continuing operations		**£m**	Restated £m	Restated £m
Profit before tax		**158**	168	301
Adjustments for:				
Exceptional items	3	**6**	2	12
Amortisation of intangible assets acquired through business combinations		**5**	6	10
Post-retirement benefit interest	4	**4**	2	4
Adjusted profit before tax, exceptional items, amortisation of intangible assets acquired through business combinations and post-retirement benefit interest		**173**	178	327

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Six months to 30 September 2013 £m	Six months to 30 September 2012 (restated) £m	Year to 31 March 2013 (restated) £m
Profit for the period	**130**	164	273
Items that may be subsequently reclassified to profit or loss			
Net fair value gains/(losses) on cash flow hedges	**1**	(2)	(3)
Cash flow hedges reclassified and reported in the income statement during the period	**(1)**	3	4
Valuation losses on available-for-sale financial assets	**–**	–	(1)
Net exchange differences	**(59)**	(25)	27
Items recycled to income statement on disposal	**–**	(14)	(14)
Deferred tax relating to the above components	**–**	(12)	(6)
Items that will not be subsequently reclassified to profit or loss			
Remeasurements of post-employment plans	**(2)**	(100)	(151)
Deferred tax relating to remeasurements of post-employment plans	**(16)**	31	–
Other comprehensive expense for the period, net of tax	**(77)**	(119)	(144)
Total comprehensive income for the period	**53**	45	129
Total comprehensive income relating to continuing operations	**53**	27	117
Total comprehensive income relating to discontinued operations	**–**	18	12
	53	45	129
Attributable to:			
– Owners of the Company	**53**	43	127
– Non-controlling interests	**–**	2	2
	53	45	129

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Notes	**30 September 2013 £m**	30 September 2012 £m	31 March 2013 £m
ASSETS				
Non-current assets				
Goodwill and other intangible assets		**370**	329	356
Property, plant and equipment		**897**	896	958
Investments in associates		**6**	6	6
Available-for-sale financial assets		**28**	25	27
Derivative financial instruments		**39**	62	54
Deferred tax assets		**1**	38	8
Trade and other receivables		**2**	4	3
Retirement benefit surplus		**–**	113	12
		1 343	1 473	1 424
Current assets				
Inventories		**320**	434	510
Trade and other receivables		**339**	347	383
Current tax assets		**3**	4	4
Derivative financial instruments		**108**	108	86
Cash and cash equivalents	8	**449**	419	379
		1 219	1 312	1 362
Assets held for sale		**–**	3	1
		1 219	1 315	1 363
TOTAL ASSETS		**2 562**	2 788	2 787
SHAREHOLDERS' EQUITY				
Capital and reserves attributable to the owners of the Company:				
Share capital		**117**	117	117
Share premium		**406**	406	406
Capital redemption reserve		**8**	8	8
Other reserves		**80**	89	139
Retained earnings		**376**	357	366
TOTAL SHAREHOLDERS' EQUITY		**987**	977	1 036
LIABILITIES				
Non-current liabilities				
Trade and other payables		**–**	1	3
Borrowings	8	**769**	803	821
Derivative financial instruments		**11**	16	21
Deferred tax liabilities		**48**	22	24
Retirement benefit deficit		**232**	330	277
Provisions for other liabilities and charges		**10**	14	15
		1 070	1 186	1 161
Current liabilities				
Trade and other payables		**319**	418	382
Current tax liabilities		**55**	56	53
Borrowings and bank overdrafts	8	**52**	57	75
Derivative financial instruments		**57**	83	60
Provisions for other liabilities and charges		**22**	11	20
		505	625	590
TOTAL LIABILITIES		**1 575**	1 811	1 751
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2 562**	2 788	2 787

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Notes	**Six months to 30 September 2013 £m**	Six months to 30 September 2012 (restated) £m	Year to 31 March 2013 (restated) £m
Cash flows from operating activities				
Profit before tax from continuing operations		**158**	168	301
Adjustments for:				
Depreciation and impairment of property, plant and equipment		**49**	48	91
Exceptional items, net of cash flow impact		**–**	(9)	(9)
Amortisation of intangible assets		**8**	9	17
Share-based payments		**5**	7	13
Finance income	4	**(1)**	(1)	(1)
Finance expense	4	**19**	19	34
Changes in working capital		**114**	8	(107)
Changes in net retirement benefit obligations		**(23)**	(21)	(42)
Cash generated from continuing operations		**329**	228	297
Interest paid		**(15)**	(18)	(36)
Net income tax paid		**(12)**	(7)	(18)
Net cash (used in)/generated from discontinued operations		**(1)**	11	8
Net cash generated from operating activities		**301**	214	251
Cash flows from investing activities				
Proceeds on disposal of property, plant and equipment		**–**	–	3
Proceeds on disposal of available for sale financial assets		**1**	–	–
Interest received		**1**	1	1
Purchase of available-for-sale financial assets		**(2)**	(2)	(4)
Acquisition of businesses, net of cash acquired		**(12)**	–	–
Disposal of joint ventures, net of cash disposed		**–**	15	15
Disposal of businesses, net of cash disposed		**3**	28	36
Purchase of property, plant and equipment		**(41)**	(41)	(92)
Purchase of intangible assets and other non-current assets		**(23)**	(19)	(42)
Net cash used in investing activities		**(73)**	(18)	(83)
Cash flows from financing activities				
Proceeds from issuance of ordinary and treasury shares		**–**	–	1
Purchase of ordinary shares		**(16)**	(23)	(23)
Cash (outflow)/inflow from (repaid)/additional borrowings		**(32)**	18	24
Cash outflow from repayment of borrowings		**–**	(117)	(117)
Cash outflow from repayment of capital element of finance leases		**(1)**	(1)	(2)
Dividends paid to the owners of the Company	7	**(88)**	(83)	(117)
Dividends paid to non-controlling interests		**–**	(2)	(2)
Net cash used in financing activities		**(137)**	(208)	(236)
Net increase/(decrease) in cash and cash equivalents	8	**91**	(12)	(68)
Cash and cash equivalents:				
Balance at beginning of period		**379**	446	446
Effect of changes in foreign exchange rates		**(21)**	(15)	1
Net increase/(decrease) in cash and cash equivalents		**91**	(12)	(68)
Balance at end of period	8	**449**	419	379

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

	Share capital & share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Attributable to the owners of the Company £m	Non-controlling interests £m	Total shareholders' equity £m
Balance at 1 April 2012	523	8	128	374	1 033	25	1 058
Other comprehensive (expense)/income for the period (restated)	–	–	(39)	(81)	(120)	1	(119)
Profit for the period (restated)	–	–	–	163	163	1	164
Total comprehensive (expense)/income for the year	–	–	(39)	82	43	2	45
Share-based payments charge, including tax	–	–	–	7	7	–	7
Share repurchase	–	–	–	(23)	(23)	–	(23)
Dividends paid	–	–	–	(83)	(83)	(2)	(85)
Non-controlling interests disposed	–	–	–	–	–	(25)	(25)
Balance at 30 September 2012	**523**	**8**	**89**	**357**	**977**	**–**	**977**
Balance at 1 April 2012	523	8	128	374	1 033	25	1 058
Other comprehensive income/(expense) for the year (restated)	–	–	11	(156)	(145)	1	(144)
Profit for the year (restated)	–	–	–	272	272	1	273
Total comprehensive income for the year	–	–	11	116	127	2	129
Share-based payments charge, including tax	–	–	–	15	15	–	15
Proceeds from shares issued	–	–	–	1	1	–	1
Share repurchase	–	–	–	(23)	(23)	–	(23)
Dividends paid	–	–	–	(117)	(117)	(2)	(119)
Non-controlling interests disposed	–	–	–	–	–	(25)	(25)
Balance at 31 March 2013	**523**	**8**	**139**	**366**	**1 036**	**–**	**1 036**
Balance at 1 April 2013	**523**	**8**	**139**	**366**	**1 036**	**–**	**1 036**
Other comprehensive expense for the period	**–**	**–**	**(59)**	**(18)**	**(77)**	**–**	**(77)**
Profit for the period	**–**	**–**	**–**	**130**	**130**	**–**	**130**
Total comprehensive (expense)/income for the year	**–**	**–**	**(59)**	**112**	**53**	**–**	**53**
Share-based payments charge, including tax	**–**	**–**	**–**	**2**	**2**	**–**	**2**
Share repurchase	**–**	**–**	**–**	**(16)**	**(16)**	**–**	**(16)**
Dividends paid	**–**	**–**	**–**	**(88)**	**(88)**	**–**	**(88)**
Balance at 30 September 2013	**523**	**8**	**80**	**376**	**987**	**–**	**987**

	Six months to 30 September 2013 £m	Six months to 30 September 2012 £m	Year to 31 March 2013 £m
Dividends per share	**Pence**	Pence	Pence
– Proposed at the end of the period	**7.8**	7.4	18.8
– Paid in the period	**18.8**	17.8	25.2

1. Presentation of half year financial information

General information

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

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

Basis of preparation

This condensed set of consolidated financial information for the six months ended 30 September 2013 has been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 *Interim Financial Reporting* as adopted by the European Union. The condensed set of consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with IFRSs as adopted by the European Union.

Having reviewed the Group's latest projected results, cash flows, liquidity position and borrowing facilities, the Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. Accordingly, it is appropriate to continue to adopt the going concern basis in preparing the condensed set of consolidated financial information.

Discontinued operations includes activity relating to businesses that were part of the former Sugars segment.

The condensed set of consolidated financial information is unaudited, but has been reviewed by the external auditors. The condensed set of consolidated financial information in the Statement of Half Year Results does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Group's published consolidated financial statements for the year ended 31 March 2013 were approved by the Board of Directors on 29 May 2013 and filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain an emphasis of matter paragraph or a statement under Section 498 (2) or (3) of the Companies Act 2006. The condensed set of consolidated financial information for the six months ended 30 September 2013 on pages 15 to 35 was approved by the Board of Directors on 6 November 2013.

Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the condensed set of consolidated financial information are consistent with those of the Group's Annual Report and Accounts for the year ended 31 March 2013, other than the adoption, with effect from 1 April 2013, of new or revised accounting standards, as set out below:

- Amendments to IAS 1 Presentation of financial statements – other comprehensive income
- Amendments to IAS 12 Income taxes
- Amendments to IAS 19 (Revised 2011) Employee benefits
- Amendments to IFRS 7 Financial instruments: asset and liability offsetting
- Annual Improvements 2011
- IFRS 13 Fair value measurement

The adoption of these standards and interpretations has not had a material effect on the results or financial position of the Group, with the exception of Amendments to IAS 19 Employee Benefits. The change to IAS 19 modifies the basis on which the financing charge is calculated by applying the discount rate to the net defined benefit obligation and requires the recognition of scheme administration costs within operating profit. For the period ended 30 September 2013, the new requirements have resulted in net finance costs recognised outside adjusted earnings of £4 million (30 September 2012 - £2 million; 31 March 2013 - £4 million) and a reduction in operating profit by £1 million (30 September 2012 - £1 million; 31 March 2013 - £2 million). The Group continues to recognise actuarial gains and losses directly in other comprehensive income, in line with the previous and current standard.

In addition, the Group has adopted the amendment to IAS 1 Presentation of Financial Statements which changes the presentation of certain items within other comprehensive income, and IFRS 13 Fair Value Measurement which provides a single source of fair value measurement and disclosure requirements for use across IFRS. The implementation of IFRS 13 does not require a restatement of historical transactions.

1. Presentation of half year financial information (continued)

Changes in accounting policy and disclosures (continued)

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 April 2013 and have not been adopted early:

- Amendments to IAS 32 Financial instruments assets and liability offsetting (effective 1 January 2014)
- Amendments to IAS 36 Impairment of assets (effective 1 January 2014)
- Amendment to IAS 39 Financial instruments: recognition and measurement (effective 1 January 2014)
- IAS 27 (Revised 2011) Separate financial statements (endorsed 1 January 2014)
- IAS 28 (Revised 2011) Associates and joint ventures (endorsed 1 January 2014)
- IFRS 10 Consolidated Financial Statements (endorsed 1 January 2014)
- IFRS 11 Joint Arrangements (endorsed 1 January 2014)
- IFRS 12 Disclosure of Interest in Other Entities (endorsed 1 January 2014)
- IFRS 9 Financial instruments (effective 1 January 2015)

In May 2011, the IASB issued IFRS 11 Joint Arrangements which is effective for accounting periods beginning on or after 1 January 2014 following endorsement by the European Union. While the Group's net result and net assets will remain unchanged, the presentation of the Consolidated Income Statement, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flow will change significantly as IFRS 11 does not allow proportional consolidation of joint ventures, which is the Group's current accounting policy, as allowed under IAS 31. Under IFRS 11, joint ventures will be accounted for using the equity method which, all other factors remaining the same, will reduce Group sales, operating profit, total assets, and total liabilities. Operating segment presentation will remain unchanged reflecting the use of proportional consolidation of joint ventures for internal reporting to the Group's Chief Operating Decision Maker. The adoption of the other standards is not expected to have a material impact on the Group's result or financial position, they may however affect disclosures in the Group's financial statements.

Use of adjusted measures

Tate & Lyle presents adjusted operating profit, profit before tax and earnings per share information. These measures are used by Tate & Lyle for internal performance analysis and incentive compensation arrangements for employees. The terms 'adjusted' and 'exceptional items' are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported excluding exceptional items, post-retirement benefit interest and amortisation of intangible assets acquired through business combinations. A reconciliation to reported information is provided in Note 15.

Seasonality

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

2. Segment information

The continuing operations of the Group consist of three distinct segments: Speciality Food Ingredients, Bulk Ingredients and Central costs.

Central costs, which include head office, treasury and reinsurance activities, does not meet the operating segment definition under IFRS 8 but has been disclosed as a reportable segment in the tables below to be consistent with internal management reporting.

Discontinued operations comprise the former Sugars businesses in both the current and comparative periods.

The segment results for the six months to 30 September 2013 were as follows:

	Continuing operations					
	Speciality Food Ingredients £m	Bulk Ingredients £m	Central Costs £m	Total £m	Discontinued operations £m	Total operations £m
Sales						
Total external sales	**519**	**1 218**	**–**	**1 737**	**–**	**1 737**
Operating profit/(loss)						
Before exceptional items and amortisation of intangible assets acquired through business combinations	**112**	**92**	**(17)**	**187**	**–**	**187**
Exceptional items (Note 3)	**–**	**–**	**(6)**	**(6)**	**–**	**(6)**
Amortisation of intangible assets acquired through business combinations	**(5)**	**–**	**–**	**(5)**	**–**	**(5)**
Operating profit/(loss)	**107**	**92**	**(23)**	**176**	**–**	**176**
Finance income (Note 4)				**1**	**–**	**1**
Finance expense before post-retirement benefit interest (Note 4)				**(15)**	**–**	**(15)**
Net post-retirement benefit interest expense (Note 4)				**(4)**	**–**	**(4)**
Profit before tax				**158**	**–**	**158**
Adjusted operating margin	**21.5%**	**7.5%**	**–**	**10.8%**		
Operating margin	**20.6%**	**7.5%**	**–**	**10.1%**		

2. Segment information (continued)

The comparative segment results for the six months to 30 September 2012 were as follows:

	Continuing operations					
	Speciality Food Ingredients £m	Bulk Ingredients £m	Central costs (restated) £m	Total (restated) £m	Discontinued operations £m	Total operations (restated) £m
Sales						
Total external sales	471	1 160	–	1 631	10	1 641
Operating profit/(loss)						
Before exceptional items and amortisation of intangible assets acquired through business combinations	108	101	(15)	194	3	197
Exceptional items (Note 3)	(1)	8	(9)	(2)	21	19
Amortisation of intangible assets acquired through business combinations	(6)	–	–	(6)	–	(6)
Operating profit/(loss)	101	109	(24)	186	24	210
Finance income (Note 4)				1	–	1
Finance expense before post-retirement benefit interest (Note 4)				(17)	–	(17)
Net post-retirement benefit interest expense (Note 4)				(2)	–	(2)
Profit before tax				168	24	192
Adjusted operating margin	22.9%	8.7%	–	11.9%		
Operating margin	21.4%	9.4%	–	11.4%		

2. Segment information (continued)

The segment results for the year to 31 March 2013 were as follows:

	Continuing operations					
	Speciality Food Ingredients £m	Bulk Ingredients £m	Central costs (restated) £m	Total (restated) £m	Discontinued operations £m	Total operations (restated) £m
Sales						
Total external sales	947	2 309	–	3 256	10	3 266
Operating profit/(loss)						
Before exceptional items and amortisation of intangible assets acquired through business combinations	213	182	(39)	356	(8)	348
Exceptional items (Note 3)	(3)	8	(17)	(12)	26	14
Amortisation of intangible assets acquired through business combinations	(10)	–	–	(10)	–	(10)
Operating profit/(loss)	200	190	(56)	334	18	352
Finance income (Note 4)				1	–	1
Finance expense before post-retirement benefit interest (Note 4)				(30)	–	(30)
Net post-retirement benefit interest expense (Note 4)				(4)	–	(4)
Profit before tax				301	18	319
Adjusted operating margin	22.5%	7.9%	–	10.9%		
Operating margin	21.1%	8.2%	–	10.3%		

3. Exceptional items

	Six months to 30 September 2013 £m	Six months to 30 September 2012 £m	Year to 31 March 2013 £m
Continuing			
Business transformation costs (a)	**(6)**	(10)	(20)
Gain on disposal of joint venture – Sucromiles (b)	**–**	8	8
	(6)	(2)	(12)
Discontinued			
Gain on disposal of subsidiary – Vietnam Sugar (c)	**–**	21	21
Gain on disposal – Molasses (d)	**–**	–	5
	–	21	26
Total exceptional (expense)/income	**(6)**	19	14

Continuing operations

(a) The Group has recognised an exceptional charge of £6 million (30 September 2012 – £10 million, 31 March 2013 – £20 million) in relation to business transformation costs. Of the costs incurred, £6 million (30 September 2012 – £9 million; 31 March 2013 – £18 million) relate to costs that did not meet the capitalisation criteria associated with the implementation of a common global IS/IT platform and Global Shared Services Centre. In the prior period, a further £1 million (31 March 2013 – £2 million) of costs in relation to the relocation of employees and restructuring associated with the Commercial and Food Innovation Centre in Chicago, Illinois. These costs are reported within Central costs (£6 million; 30 September 2012 – £9 million; 31 March 2013 – £17 million) and in the Speciality Food Ingredients segment (£nil; 30 September 2012 – £1 million; 31 March 2013 – £3 million).

(b) In the prior period, the Group completed the disposal of its share in Sucromiles SA, its Colombian citric acid joint venture, to its former joint-venture partner, Organizacion Ardila Lulle. After recycling foreign exchange revaluation gains previously held in reserves to the income statement, a gain on disposal of £8 million was recorded and reported in the Bulk Ingredients segment.

The tax impact on continuing net exceptional items is a £1 million credit (30 September 2012 - £2 million; 31 March 2013 – £5 million). Tax credits on exceptional costs are only recognised to the extent that losses incurred will result in tax recoverable in the future.

Discontinued operations

(c) In the prior period, the Group completed the sale of its Vietnam Sugar interests to TH Milk Food Stock Company. After recycling foreign exchange revaluation gains previously held in reserves to the income statement, a gain on disposal of £21 million was recorded.

(d) The Group completed sale of the land and buildings relating to the former Molasses business in the prior year, with a gain recognised on disposal of £5 million.

The tax impact on discontinued net exceptional items for the period is £nil (30 September 2012 - £nil; 31 March 2013 – £nil). Tax credits on exceptional costs are only recognised to the extent that losses incurred will result in tax recoverable in the future.

4. Finance income and finance expense

Continuing operations	**Six months to 30 September 2013 £m**	Six months to 30 September 2012 (restated) £m	Year to 31 March 2013 (restated) £m
Finance income			
Interest receivable	**1**	1	1
Total finance income	**1**	1	1
Finance expense			
Interest payable on bank and other borrowings	**(14)**	(15)	(28)
Net finance expense arising on defined benefit retirement schemes	**(4)**	(2)	(4)
Finance lease charges	**(1)**	(1)	(2)
Fair value (loss)/gain/ on interest-related derivative instruments:			
– interest rate swaps – fair value hedges	**(13)**	5	–
– derivatives not designated as hedges	**–**	(1)	(1)
Fair value adjustment of borrowings attributable to interest rate risk	**13**	(5)	1
Total finance expense	**(19)**	(19)	(34)
Net finance expense	**(18)**	(18)	(33)

Reconciliation to adjusted net finance expense			
Net finance expense	**(18)**	(18)	(33)
Net post-retirement benefit interest expense	**4**	2	4
Adjusted net finance expense	**(14)**	(16)	(29)

Finance expense is shown net of borrowing costs of £1 million (six months to 30 September 2012 – £1 million; year to 31 March 2013 – £2 million) capitalised into the cost of assets.

Discontinued operations

Included within the profit for the six months to 30 September 2013 in relation to discontinued operations is net finance income of £nil (six months to 30 September 2012 – £nil; year to 31 March 2013 – £nil).

5. Income tax expense

Continuing operations	**Six months to 30 September 2013 £m**	Six months to 30 September 2012 (restated) £m	Year to 31 March 2013 (restated) £m
Current tax:			
In respect of the current period			
– UK	**–**	–	–
– Overseas	**16**	14	23
	16	14	23
Deferred tax charge	**15**	14	27
Exceptional tax credit	**–**	–	(4)
Adjustments in respect of previous years	**(3)**	–	–
Income tax expense	**28**	28	46

The effective tax rate relating to continuing operations on profit before exceptional items, amortisation of intangibles assets acquired through business combinations, post-retirement benefit interest and exceptional tax items is 18.7% (six months to 30 September 2012 – 18.9%; year to 31 March 2013 – 18.0%). The full year forecast rate is expected to be higher than the rate for the prior full financial year.

Discontinued operations

The income tax charge in respect of discontinued operations for the period ended 30 September 2013 is £nil million (30 September 2012 – £nil million; 31 March 2013 – £nil million).

6. Earnings per share

Basic

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

	Six months to 30 September 2013			Six months to 30 September 2012		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations (restated)	Discontinued operations	Total (restated)
Profit attributable to owners of the Company (£m)	**130**	**–**	**130**	140	23	163
Weighted average number of ordinary shares in issue (millions)	**464.3**	**464.3**	**464.3**	464.7	464.7	464.7
Basic earnings per share	**28.0p**	**–**	**28.0p**	30.2p	4.9p	35.1p

	Year to 31 March 2013		
	Continuing operations (restated)	Discontinued operations	Total (restated)
Profit attributable to owners of the Company (£m)	255	17	272
Weighted average number of ordinary shares in issue (millions)	464.2	464.2	464.2
Basic earnings per share	54.9p	3.7p	58.6p

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, and the Group's long term share incentive plans. For non-performance related share plans, 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. For performance-related share plans, a calculation is performed to determine the satisfaction or otherwise, of the performance conditions at the end of the reporting period, and the number of shares which would be issued based on the status at the end of the reporting period.

	Six months to 30 September 2013			Six months to 30 September 2012		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations (restated)	Discontinued operations	Total (restated)
Profit attributable to owners of the Company (£m)	**130**	**–**	**130**	140	23	163
Weighted average number of diluted shares (millions)	**470.4**	**470.4**	**470.4**	472.9	472.9	472.9
Diluted earnings per share	**27.6p**	**–**	**27.6p**	29.6p	4.9p	34.5p

	Year to 31 March 2013		
	Continuing operations (restated)	Discontinued operations	Total (restated)
Profit attributable to owners of the Company (£m)	255	17	272
Weighted average number of diluted shares (millions)	473.5	473.5	473.5
Diluted earnings per share	53.8p	3.6p	57.4p

The adjustment for the dilutive effect of share options at 30 September 2013 was 6.1 million (30 September 2012 – 8.2 million; 31 March 2013 – 9.3 million).

6. Earnings per share (continued)

Adjusted earnings per share

Adjusted earnings per share is stated after excluding exceptional items, amortisation of intangible assets acquired through business combinations and post-retirement benefit interest, as follows:

Continuing operations	**Six months to 30 September 2013**	Six months to 30 September 2012 (restated)	Year to 31 March 2013 (restated)
Profit attributable to owners of the Company (£m)	**130**	140	255
Adjustments for (£m):			
– exceptional items (Note 3)	**6**	2	12
– amortisation of intangible assets acquired through business combinations	**5**	6	10
– net post-retirement benefit interest expense (Note 4)	**4**	2	4
– tax effect on the above adjustments	**(4)**	(6)	(13)
Adjusted profit (£m)	**141**	144	268
Adjusted basic earnings per share from continuing operations	**30.3p**	31.0p	57.7p
Adjusted diluted earnings per share from continuing operations	**29.9p**	30.5p	56.6p

7. Dividends

The Directors have declared an interim dividend of 7.8p per share for the six months to 30 September 2013 (30 September 2012 – 7.4p per share), payable on 3 January 2014.

The final dividend for the year to 31 March 2013 of £88 million, representing 18.8p per share, was paid during the six months to 30 September 2013.

8. Net debt

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

	30 September 2013 £m	30 September 2012 £m	31 March 2013 £m
Non-current borrowings	**(769)**	(803)	(821)
Current borrowings and bank overdrafts	**(52)**	(57)	(75)
Debt-related derivative instruments	**36**	55	38
Cash and cash equivalents	**449**	419	379
Net debt	**(336)**	(386)	(479)

Derivative financial instruments presented within assets and liabilities in the statement of financial position of £79 million net asset (30 September 2012 – £71 million; 31 March 2013 – £59 million) comprise net debt-related instruments of £36 million asset (30 September 2012 – £55 million; 31 March 2013 – £38 million) and non net debt-related instruments of £43 million asset (30 September 2012 – £16 million; 31 March 2013 – £21 million).

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

	Six months to 30 September 2013 £m	Six months to 30 September 2012 £m	Year to 31 March 2013 £m
Balance at beginning of period	**(479)**	(476)	(476)
Increase/(decrease) in cash and cash equivalents in the period	**91**	(12)	(68)
Cash outflow from movement in borrowings	**33**	100	95
Debt acquired	**(3)**	–	–
Fair value and other movements	**(3)**	7	13
Exchange	**25**	(5)	(43)
Decrease/(increase) in net debt in the period	**143**	90	(3)
Balance at end of the period	**(336)**	(386)	(479)

9. Capital expenditure

In the six months to 30 September 2013, there were additions to intangible assets of £36 million (30 September 2012 – £19 million; 31 March 2013 – £44 million) and additions to property, plant and equipment of £41 million (30 September 2012 – £40 million; 31 March 2013 – £95 million).

	30 September 2013 £m	30 September 2012 £m	31 March 2013 £m
Commitments for the acquisition of intangible assets	–	–	6
Commitments for the acquisition of property, plant and equipment	**28**	17	21
Total commitments	**28**	17	27

10. Contingent liabilities

Sale of EU Sugars
As previously announced, American Sugar Holdings (ASR) has raised a number of claims totalling in the region of £40 million that it believes it has under the Share and Business Sale Agreement relating to its acquisition of the Group's EU Sugars business. These claims in large part relate to the turbulence in the supply of raw sugar to the EU during the period prior to closing and the increase in certain rolling re-export commitments of the business. Some, but not all, of these issues were considered in the expert adjudication on the closing accounts in which, as noted in the 2012 Annual Report, the expert strongly supported Tate & Lyle's position. ASR (through its subsidiary T&L Sugars Limited) has now commenced formal proceedings in respect of these claims which the Group intend to vigorously defend.

Other claims
The Group is subject to claims and litigation generally arising in the ordinary course of its business, some of which are for substantial amounts. All such actions are strenuously defended but provision is made for liabilities that are considered likely to arise on the basis of current information and legal advice and after taking into account the Group's insurance arrangements.

While there is always uncertainty as to the outcome of any claim or litigation, it is not expected that claims and litigation existing at the statement of financial position date will have a material adverse effect on the Group's financial position.

11. Post balance sheet events

On 8 October 2013, we completed the acquisition of a 51% equity interest in Jiangsu Howbetter Food Co., Ltd, a leading Food Systems business in China. The new venture, Tate & Lyle Howbetter, provides us with the local infrastructure and capabilities to accelerate the growth of our Food Systems business in China.

12. Related party disclosures

The Group’s significant related parties are its associates and joint ventures as disclosed in the Tate & Lyle Annual Report 2013. There were no material differences in related parties or in the nature of related party transactions during the period.

13. Foreign exchange rates

The following exchange rates have been applied to translate the financial statements of the Group’s principal overseas operations**:**

Average foreign exchange rates		**Six months to 30 September 2013**	Six months to 30 September 2012	Year to 31 March 2013
US Dollar	£1 = $	**1.54**	1.58	1.57
Euro	£1 = €	**1.18**	1.25	1.24

Period end foreign exchange rates		**30 September 2013**	30 September 2012	31 March 2013
US Dollar	£1 = $	**1.62**	1.61	1.52
Euro	£1 = €	**1.19**	1.25	1.18

14. Financial instruments

The Group's financial instruments measured at fair value fit within the hierarchy noted below. These definitions and valuation techniques are consistent with those used at the year end 31 March 2013 and disclosed in Note 19 on pages 91 to 93 of the 2013 Annual Report.

- Quoted price (unadjusted) in active markets for identified assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Inputs for the assets or liability that are not based on observable market data (level 3).

The following table notes the Group's financial assets and liabilities measured at fair value at 30 September 2013:

	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**
Assets at fair value				
Available for sale financial assets	**–**	**–**	**28**	**28**
Derivative financial instruments :				
– currency swaps	**–**	**3**	**–**	**3**
– interest rate swaps	**–**	**45**	**–**	**45**
– forward foreign exchange contracts	**–**	**9**	**–**	**9**
– commodity pricing contracts	**1**	**19**	**70**	**90**
Assets at fair value	**1**	**76**	**98**	**175**

	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**
Liabilities at fair value				
Derivative financial instruments :				
– currency swaps	**–**	**(5)**	**–**	**(5)**
– interest rate swaps	**–**	**(5)**	**–**	**(5)**
– forward foreign exchange contracts	**–**	**(6)**	**–**	**(6)**
– commodity pricing contracts	**(21)**	**(11)**	**(20)**	**(52)**
Liabilities at fair value	**(21)**	**(27)**	**(20)**	**(68)**

For commodity pricing contracts, in evaluating the significance of fair value inputs, the Group generally classifies assets or liabilities as level 3 when their fair value is determined using unobservable inputs that individually, or when aggregated with other unobservable inputs represent more than 10% of the fair value of the observable inputs of the assets or liabilities.

Available-for-sale financial assets which are analysed at level 3 primarily represent investments in unlisted securities. The fair values of the unlisted securities are principally approximated at cost where the fair value cannot be reliably measured.

The following table reconciles the movement in the Group's financial instruments classified in level 3 of the fair value hierarchy:

	Commodity pricing contracts assets £m	**Commodity pricing contracts liabilities £m**	**Available-for-sale assets £m**	**Total £m**
At 1 April 2013	**53**	**(21)**	**27**	**59**
Total gains or (losses) :				
– in operating profit	**70**	**(20)**	**–**	**50**
– in other comprehensive income	**–**	**–**	**–**	**–**
Purchases	**–**	**–**	**2**	**2**
Settlements	**(53)**	**21**	**(1)**	**(33)**
At 30 September 2013	**70**	**(20)**	**28**	**78**

The fair value of borrowings is estimated to be £853 million (March 2013: £946 million) and has been determined using quoted market prices or discounted cash flow analysis. The value of other assets and liabilities held at amortised cost are not materially different from their fair values.

15. Reconciliation of adjusted financial information

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

- discontinued operations;
- exceptional items including losses on disposal of businesses, and closure and restructuring provisions;
- post-retirement benefit interest; and
- amortisation of intangible assets acquired through business combinations.

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

	Six months to 30 September 2013			Six months to 30 September 2012 (restated)		
	Reported £m	**Exceptional/ Adjusting items £m**	**Adjusted £m**	Reported £m	Exceptional/ Adjusting items £m	Restated Adjusted £m
Continuing operations						
Sales	**1 737**	**–**	**1 737**	1 631	–	1 631
Operating profit	**176**	**11**	**187**	186	8	194
Net finance expense	**(18)**	**4**	**(14)**	(18)	2	(16)
Profit before tax	**158**	**15**	**173**	168	10	178
Income tax expense	**(28)**	**(4)**	**(32)**	(28)	(6)	(34)
Profit attributable to the owners of the Company	**130**	**11**	**141**	140	4	144
Basic earnings per share (pence)	**28.0**	**2.3**	**30.3**	30.2	0.8	31.0
Diluted earnings per share (pence)	**27.6**	**2.3**	**29.9**	29.6	0.9	30.5
Tax rate	**17.7%**		**18.7%**	16.7%		18.9%
Discontinued operations						
Sales	**–**	**–**	**–**	10	–	10
Operating profit	**–**	**–**	**–**	24	(21)	3
Net finance income	**–**	**–**	**–**	–	–	–
Profit before tax	**–**	**–**	**–**	24	(21)	3
Income tax expense	**–**	**–**	**–**	–	–	–
Non-controlling interests	**–**	**–**	**–**	(1)	–	(1)
Profit attributable to the owners of the Company	**–**	**–**	**–**	23	(21)	2
Basic earnings per share (pence)	**–**	**–**	**–**	4.9	(4.4)	0.5
Diluted earnings per share (pence)	**–**	**–**	**–**	4.9	(4.5)	0.4
Total operations						
Sales	**1 737**	**–**	**1 737**	1 641	–	1 641
Operating profit	**176**	**11**	**187**	210	(13)	197
Net finance expense	**(18)**	**4**	**(14)**	(18)	2	(16)
Profit before tax	**158**	**15**	**173**	192	(11)	181
Income tax expense	**(28)**	**(4)**	**(32)**	(28)	(6)	(34)
Non-controlling interests	**–**	**–**	**–**	(1)	–	(1)
Profit attributable to the owners of the Company	**130**	**11**	**141**	163	(17)	146
Basic earnings per share (pence)	**28.0**	**2.3**	**30.3**	35.1	(3.6)	31.5
Diluted earnings per share (pence)	**27.6**	**2.3**	**29.9**	34.5	(3.6)	30.9
Tax rate	**17.7%**		**18.7%**	14.5%		18.4%

ADDITIONAL INFORMATION

For the six months to 30 September 2013

Ratio analysis

		As at 30 September 2013	As at 30 September 2012 (restated)	Year to 31 March 2013 (restated)
Net debt to EBITDA [a]				
=	Net debt	351	396	461
	Pre-exceptional EBITDA	463	457	469
		= 0.8 times	= 0.9 times	= 1.0 times
Interest cover [a]				
=	Operating profit before amortisation of acquired intangible assets and exceptional items	351	366	364
	Net interest and finance expense	32	32	33
		= 10.9 times	= 11.4 times	11.1 times
Cash dividend cover [b]				
=	Free cash flow from continuing operations	239	144	110
	Cash dividends	37	35	121
		= 6.5 times	= 4.1 times	= 0.9 times
Gearing				
=	Net debt	336	386	479
	Total shareholders' equity	987	977	1 036
		= 34%	= 40%	= 46%
Cash conversion cycle [c]				
Average quarterly cash conversion cycle		43 days	37 days	42 days

(a) These ratios have been calculated under the Group's bank covenant definitions and are based on unrounded figures. Net debt is calculated using average rates of exchange.
(b) Free cash flow is defined as cash generated from continuing operating activities, less interest paid, less income tax paid, less the purchase of property, plant and equipment, less the purchase of intangible and other non-current assets. Cash dividends refer to dividends paid or proposed in respect of the reporting period.
(c) Defined as controllable working capital divided by quarterly sales, multiplied by number of days in quarter on a four-quarter rolling basis.