26 May 2016

TATE & LYLE PLC
STATEMENT OF FULL YEAR RESULTS
For the year ended 31 March 2016

Continuing operations[1] £m unless stated otherwise	2016	Restated 2015	% change
Adjusted results			
Adjusted profit before tax[2]	**193**	184	5%
Adjusted diluted earnings per share[2]	**34.5p**	32.0p	8%
Statutory results			
Sales	**2 355**	2 341	
Operating profit	**127**	33	
Profit before tax	**126**	25	
Profit for the year (on total operations)	**163**	30	
Diluted earnings per share (on total operations)	**34.8p**	6.5p	
Net debt[3]	**434**	555	
Dividend per share	**28.0p**	28.0p	

Key Headlines[4]

- Group performed solidly with adjusted profit before tax up 5% (1% in constant currency), in line with expectations
- Major structural change initiatives successfully executed, significantly strengthening the business
  - Eaststarch joint venture re-aligned to increase speciality focus and reduce exposure to regulated markets
  - SPLENDA® Sucralose restructured and repositioned as a more focused, low cost and sustainable business
  - Capacity expansion projects for Speciality Food Ingredients completed as planned
- Stronger supply chain performance as operational disciplines continue to strengthen
- Early progress against each element of 2020 Ambition[5]

Financial Highlights

- Speciality Food Ingredients margin expansion, with adjusted operating profit up 10% (5% in constant currency)
- New Products[6] sales increased by 34% in constant currency
- Bulk Ingredients adjusted operating profit up 1% (3% lower in constant currency) with strong core business profit growth offsetting significant Commodities weakness
- Balance sheet strengthened with net debt reduced by £121m to £434m
- Return on capital employed down to 11.3% (90 bps) reflecting Eaststarch re-alignment and capital expenditure
- Adjusted diluted earnings per share up 2.5p (8%) at 34.5p
- Final dividend proposed at 19.8p, making an unchanged total dividend of 28.0p, as previously indicated

Javed Ahmed, Chief Executive, said:

"This has been a year of solid financial performance and strong project delivery. Both business divisions delivered margin expansion and we completed the major structural change initiatives needed to further strengthen the business and drive higher quality earnings. We also made progress against the 2020 Ambition we outlined in November 2015.

"Turning to the outlook for the 2017 financial year, subject to currency movements, we are confident the Group will continue to make progress in line with our plan and towards our 2020 Ambition."

1 Excluding the results of discontinued operations in both years unless otherwise stated. Adjusted metrics (and net debt) for the year ended 31 March 2015 have been restated for the adoption of equity accounting (see Note 2 of the financial information).
2 Adjusted for net exceptional charges of £50 million (2015 – £142 million), amortisation of acquired intangible assets of £11 million (2015 – £9 million) and net retirement benefit interest of £6 million (2015 – £8 million) and, for adjusted diluted earnings per share, the tax effect of these items: credit £27 million (2015 – credit £13 million).
3 Net debt excludes share of net debt/cash in joint ventures.
4 Changes in constant currency calculated by retranslating comparative period results at current period exchange rates.
5 Our ambition is to further strengthen the business mix by 2020 with three key outcomes: 1) 70% of Group profits to come from Speciality Food Ingredients; 2) 30% of Speciality Food Ingredients sales to come from Asia Pacific and Latin America; and 3) $200 million of sales to be generated from New Products.
6 New Products are products in the first seven years after launch.

Cautionary statement

This Statement 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 may occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts.

A copy of this Statement of Full Year Results for the year ended 31 March 2016 can be found on our website at www.tateandlyle.com. A hard copy of this statement is also available from the Company Secretary, Tate & Lyle PLC, 1 Kingsway, London WC2B 6AT.

SPLENDA® is a trademark of Heartland Consumer Products LLC.

Webcast and Conference Call Details

A presentation of the results by Chief Executive, Javed Ahmed and Chief Financial Officer, Nick Hampton will be audio webcast live at 10.00 (BST) on Thursday 26 May 2016. To view and/or listen to a live audio-cast of the presentation, visit http://view-w.tv/797-1031-17131/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: +1 866 966 5335
Password: Tate&Lyle

14 day conference call replay:
UK replay number: +44 (0) 20 8196 1998
US replay number: +1 866 583 1035
Access pin: 1951066#

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CHIEF EXECUTIVE'S REVIEW

Overview of Group Performance

The Group made solid progress during the year delivering improved earnings. A number of major structural change initiatives were also completed to further strengthen the business, drive higher quality earnings, and position the Group for long-term growth.

Speciality Food Ingredients performed well, benefiting from improved mix, good volume growth in the Asia Pacific and Europe, Middle East and Africa (EMEA) regions, and improved SPLENDA® Sucralose performance. Sales of New Products launched from the innovation pipeline continued to grow strongly.

Bulk Ingredients core business delivered strong performance. Margins improved significantly as US corn wet milling industry dynamics remained well-balanced, and we also delivered manufacturing efficiency improvements. This strength in the core business largely offset the performance of Commodities which deteriorated sharply in the face of extremely challenging market conditions, especially in US ethanol.

During the year, we successfully completed a number of major structural change initiatives including the re-alignment of the Eaststarch joint venture in Europe, the restructuring of the SPLENDA® Sucralose business, and the expansion of capacity for Speciality Food Ingredients. Taken together, these initiatives further re-shape and significantly strengthen the business in support of our 2020 Ambition.

Financial Summary

Group sales were £2,355 million, 1% higher than the prior year (3% lower in constant currency reflecting the pass through of lower corn prices). Speciality Food Ingredients sales were up 4% at £897 million (2% higher in constant currency) and Bulk Ingredients sales were 1% lower at £1,458 million (6% lower in constant currency). Margins grew strongly before the impact of Commodities, and adjusted operating profit was 2% higher at £188 million (4% lower in constant currency). Adjusted operating profit in Speciality Food Ingredients grew 10% to £150 million(5% higher in constant currency), and in Bulk Ingredients was 1% higher at £84 million (3% lower in constant currency). Central costs increased by £11 million to £46 million primarily reflecting the re-instatement of Group-wide employee incentive awards.

Adjusted profit before tax for continuing operations at £193 million was 5% higher (1% higher in constant currency) and included the Group's share of profits from joint ventures at £28 million, £5 million higher. Adjusted profit before tax was £67 million higher than the statutory reported profit before tax of £126 million, largely as a result of net exceptional costs in the year of £50 million. Exceptional items include costs relating to the restructuring of the SPLENDA® Sucralose and European businesses totaling £48 million (2015 – £118 million), US litigation costs of £15 million, and a net gain of £7 million in the Tate & Lyle Ventures fund. While we expect to recognise further modest exceptional costs in relation to the completion of the Group's restructuring in the 2017 financial year, we now expect the total cost to be below the level of £185 million announced in April 2015. The effect of exchange translation was to increase adjusted profit before tax by £8 million.

Adjusted diluted earnings per share for continuing operations were 2.5p higher at 34.5p, also benefiting from a lower effective tax rate of 16.5% (2015 – 18.4%).

Net debt at 31 March 2016 was £434 million, a reduction of £121 million. Adjusted free cash flow was slightly lower than the prior year at £53 million (2015 – £54 million). The reduction in net debt was primarily driven by the receipt of £254 million with respect to the Eaststarch re-alignment (comprising €240 million (£173 million) in cash proceeds, dividends from Eaststarch of €94 million (£68 million) as well as £13 million in respect of completion adjustments). Together these exceeded the Group's dividend payments of £130 million. Net debt increased by £15 million driven by the increase in the value of dollar denominated debt as a result of the strengthening of the US dollar against sterling.

As announced in October 2015, following the re-alignment of the Eaststarch joint venture, the Group adopted equity accounting for joint ventures in the presentation of its adjusted performance measures, having previously used proportionate consolidation (see Note 2 of the financial information). The commentary in respect of the adjusted full year results is therefore based on equity accounting for joint ventures. However, for comparison, using proportionate consolidation for the continuing operations, adjusted operating profit for the year to 31 March 2016 would have been £226 million (2015 - £214 million) an increase of 6% (2% in constant currency) and adjusted profit before tax would have been £203 million (2015 - £191 million) an increase of 6% (3% in constant currency). For more information see Note 3 of the financial information.

Summary Income statement – Continuing operations

	Year ended 31 March 2016 £m	Restated* Year ended 31 March 2015 £m
Sales:		
– Speciality Food Ingredients	**897**	865
– Bulk Ingredients	**1 458**	1 476
Total sales	**2 355**	2 341
Adjusted operating profit		
– Speciality Food Ingredients	**150**	136
– Bulk Ingredients	**84**	83
– Central	**(46)**	(35)
Adjusted operating profit	**188**	184
Adjusted net finance expense	**(23)**	(23)
Share of profit after tax of joint ventures and associates	**28**	23
Adjusted profit before tax	**193**	184

Reconciliation of adjusted to statutory profit before tax on continuing operations	**£m**	£m*
Adjusted profit before tax	**193**	184
Adjusted for:		
SPLENDA® Sucralose and European business re-alignment costs (net)	**(48)**	(118)
Re-measurement gain: Slovakia acquisition	**5**	–
Asset impairment reversal	**3**	–
SPLENDA® Sucralose – revised table top commercial arrangement (net)	**(2)**	–
Tate & Lyle Ventures – investment disposal (net)	**7**	–
US litigation costs	**(15)**	–
Business transformation costs	**–**	(12)
Termination of distribution rights agreement	**–**	(12)
Net exceptional charge	**(50)**	(142)
Amortisation of acquired intangible assets	**(11)**	(9)
Net retirement benefit interest	**(6)**	(8)
Statutory profit before tax	**126**	25

* Prior year restated to reflect discontinued operations. Adjusted metrics have been restated for the adoption of equity accounting (see Note 2 of the financial information).

The results for the year ended 31 March 2016 have been adjusted to exclude exceptional items, net retirement benefit interest and amortisation of acquired intangible assets and any tax on those items. The Group's statutory results are presented in accordance with International Financial Reporting Standards as adopted by the European Union. Except where specifically stated to the contrary, this commentary relates only to the adjusted results of continuing operations. A reconciliation between statutory and adjusted information is included in Note 3 of the attached financial information.

COMPLETION OF MAJOR STRUCTURAL CHANGE INITIATIVES

A number of major structural change initiatives were successfully completed to further reshape and significantly strengthen the business in support of the Group's 2020 Ambition.

Re-positioning SPLENDA® Sucralose as a more focused, low-cost and sustainable business

In April 2015, we announced our decision to re-focus the SPLENDA® Sucralose business in two ways to maximise returns. Firstly, by implementing a rigorous value-based approach to securing volume by focusing on those customers who fully value the benefits of our SPLENDA® Sucralose product including its quality, provenance, food safety and responsible manufacturing and environmental practices. Secondly, by lowering the manufacturing cost base of the business by consolidating production into a single facility in the US, and closing the facility in Singapore in Spring 2016.

Customers responded positively with volume ahead of the prior year, and the customer transition was efficiently managed. Production at the facility in Singapore was gradually reduced over the course of the year as certain assets were transferred to our facility in McIntosh, Alabama. Then, as scheduled, the Singapore facility was closed on 31 March 2016, having generated strong returns over its life-cycle well in excess of the Group's cost of capital. McIntosh now operating at a higher scale and utilisation levels, provides a materially lower-cost manufacturing position.

The fundamental changes we have made to how we approach this market and to our manufacturing footprint have been very efficiently executed. SPLENDA® Sucralose is now a more focused, low-cost and sustainable business, and generated higher profitability in the year than we anticipated.

Re-shaping our European business to strengthen our speciality focus

On 31 October 2015, we completed the re-alignment of our Eaststarch joint venture corn wet milling business in Europe with Archer Daniels Midland (ADM).

Under the re-alignment, we strengthened our Speciality Food Ingredients business by acquiring full ownership of the more speciality-focused facility in Slovakia, and substantially reduced our European Bulk Ingredients footprint by exiting the predominantly Bulk Ingredients facilities in Bulgaria, Turkey and Hungary. Two long-term distribution agreements were also established under which Tate & Lyle distributes crystalline fructose, a speciality sweetener, produced in Turkey, and ADM acts as exclusive distributor for bulk ingredients produced at our two corn wet mills in Europe.

The separation of the integrated Eaststarch business has been a complex process including IS/IT infrastructure, sales, supply chain and other support functions. This has been achieved while maintaining high levels of customer service.

Following the realignment, our business in Europe is now predominantly focused on Speciality Food Ingredients. The facility in Slovakia provides a solid base from which to grow our speciality business in Europe and our intention is to increase production of speciality food ingredients at the facility over time. Concurrently, the re-alignment has reduced our exposure to more regulated European commodity markets, and focused the Bulk Ingredients division on the North American market where we have strong market positions and efficient, scale assets. Around 90% of our bulk sweetener and industrial starch business is now in the larger and relatively more stable North American market, supporting our ambition for steady earnings from the core business of Bulk Ingredients.

In February 2016, we also signed an agreement with ADM to sell our small, wholly-owned and predominantly bulk ingredients corn wet mill in Casablanca, Morocco. Completion is expected to occur in the first half of the 2017 financial year.

Following the completion of the Eaststarch re-alignment, we commenced a restructuring of our European operations to reset the cost base and improve operating margins over time.

Increasing capacity for Speciality Food Ingredients

During the year, we completed the projects we announced in May 2014 to expand capacity for Speciality Food Ingredients, with the incremental capacity coming on stream over the course of the second half of the year. We have expanded capacity for Speciality Food Ingredients at our corn wet mills in Europe and the US, at our PromOat® Beta Glucan plant in Sweden, and added capacity to support growth in New Products.

Operational and supply chain process enhancements

We have continued to enhance the Group's operational and supply chain processes, capabilities and disciplines. Global Operations, which is responsible for all manufacturing and supply chain aspects of the business, implemented improvements to the demand and supply planning process by establishing a common process embedded in each region. Global Operations remains focused on cost and productivity improvements with major projects such as the new combined heat and power plant at our Loudon facility. During the year, it also established a new, dedicated Continuous Improvement team to enhance efficiency in our plant network over time.

We have also made improvements to the monthly performance management cycle, driving improved forecasting and decision-making. These actions and the utilisation of the Group's new common IS/IT infrastructure are materially improving the effectiveness of our operational decision-making.

Building a stronger business

Execution of these important and complex structural initiatives has been a major undertaking. As a result, the business is now significantly stronger and more able to progress towards its 2020 Ambition.

PROGRESS AGAINST 2020 AMBITION

In November 2015, we announced our ambition to further strengthen the business by 2020 with three key outcomes. During the year, early progress has been made in relation to each element of our 2020 Ambition:

1) *Generate 70% of Group profits[1] from Speciality Food Ingredients*: increased in the year by 50 bps to 60%.

2) *Broaden the geographic mix of Speciality Food Ingredients' sales[2] with 30% coming from Asia Pacific and Latin America*: increased in the year by 60 bps to 21%. Sales in Asia Pacific grew strongly but weaker economic conditions and softer consumer demand in Latin America held back growth in the combined region. Our belief in the longer-term growth potential of these markets remains unchanged.

3) *Generate sales of US$200 million from New Products*: sales grew by 34% in constant currency to $86 million (£57 million). The momentum of previous years continued with volume growth across each of our three platforms. We continue to build strong customer interest across our new product portfolio and to strengthen the quality of our pipeline.

Delivering our 2020 Ambition will result in a materially re-shaped Speciality Food Ingredients focused business.

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[1] SFI profit includes SFI share of profit after tax of joint ventures and associates, Group profit is before Central costs and interest, but includes share of profit after tax of joint ventures and associates.

[2] Percentage of sales excluding SPLENDA® Sucralose and Food Systems

KEY PERFORMANCE INDICATORS (KPIs)

The KPIs of the Group's financial strength, the ratio of net debt to pre-exceptional earnings before interest, tax, depreciation and amortisation (EBITDA) and interest cover, both remain comfortably within our internal thresholds. At 31 March 2016, the net debt to EBITDA ratio reduced to 1.2 times (2015 – 1.3 times) well below our internal threshold of 2.0 times. Interest cover was unchanged from the prior year at 10.7 times, again comfortably ahead of our minimum threshold of 5.0 times.

The return generated on assets employed in the continuing business decreased during the year as capital employed increased, mainly due to the Eaststarch re-alignment and increased capital expenditure. Return on capital employed of 11.3% (2015 – 12.2%), remains well ahead of our weighted average cost of capital.

Adjusted Operating Cash Flow was lower at £122 million (2015 – £125 million) with cash generated from working capital of £24 million more than offset by an increase in capital expenditure in the year of £43 million as we invested in increasing Speciality Food Ingredients capacity.

Our safety performance improved in the 2015 calendar year. During the year, we further strengthened our safety programme with a number of new initiatives to enhance our safety management, controls and performance. Enhanced audits were undertaken at our manufacturing facilities, using both external and internal auditors, and these found that good progress had been made in both implementing corrective and preventative actions from previous audits and in overall safety management and control standards. Providing safe and healthy working conditions for all those that work in and visit our facilities remains our highest priority.

Our KPIs are as follows:

		Year ended 31 March		
			Restated	
KPI	**Measure**	**2016**	2015	Change[1]
Growth in SFI sales	Sales[2]	**897**	865	2%
Profitability	Adjusted operating profit[2]	**188**	184	(4%)
Cash generation	Adjusted operating cash flow[2,3]	**122**	125	
Financial strength	Net debt/EBITDA[4]	**1.2x**	1.3x	
	Interest cover[4]	**10.7x**	10.7x	
Return on assets	Return on capital employed[5]	**11.3%**	12.2%	
Corporate responsibility[6]	Safety – Recordable incident rate	**0.76**	0.85	
	Safety – Lost-work case rate	**0.16**	0.32	

1 Sales and adjusted operating profit growth are shown in constant currency.
2 For continuing operations only with prior year measures restated to exclude discontinued operations. Adjusted metrics restated for the adoption of equity accounting (see Note 2 of the financial information).
3 As outlined in the 2015 Annual Report, the Group has changed its key performance indicator for cash generation as it has concluded that adjusted operating cash flow is a better measure of overall cash management than the previous cash conversion cycle metric. Adjusted operating cash flow is defined as adjusted free cash flow from continuing operations excluding the impact of net retirement benefit obligations, derivative financial instruments, tax and net interest. (see reconciliation on page 17).
4 These ratios have been calculated under the Group's bank covenant definitions - see Additional Information, Ratio Analysis.
5 Prior year comparatives have been restated on an equity accounted basis and to remove discontinued operations.
6 Measured on a calendar year basis

Following the adoption of equity accounting for joint ventures and associates in the presentation of our adjusted performance measures, the Group has reviewed the appropriateness of adjusted operating profit as its profitability KPI, and concluded that adjusted profit before tax is a more effective measure of overall profitability and will adopt this measure from the 2017 financial year. Looking forward, the Group will continue to review whether its current key performance indicators remain the most appropriate in light of the 2020 Ambition, changes to management incentive structures and other changes the Group has made in presenting its financial performance.

DIVISIONAL OPERATING PERFORMANCE

The commentary on the performance of the business on the following pages has been prepared presenting results for the continuing operations using equity accounting for joint ventures. The results of the disposed elements of the Eaststarch joint venture and the held for sale Moroccan business are reported within Discontinued Operations.

Speciality Food Ingredients

Continuing operations	**Year ended 31 March 2016**			Restated* Year ended 31 March 2015		
	Volume Change	**Sales £m**	**Adjusted Operating Profit £m**	Volume Change	Sales £m	Adjusted Operating Profit £m
North America	**(2%)**	**327**		(2%)	313	
Asia Pacific and Latin America	**(4%)**	**119**		7%	109	
Europe, Middle East and Africa	**12%**	**109**		6%	104	
Total excluding SPLENDA® Sucralose and Food Systems	**0%**	**555**	**105**	1%	526	93
Food Systems	**12%**	**186**	**23**	15%	190	27
SPLENDA® Sucralose	**7%**	**156**	**22**	1%	149	16
Total Speciality Food Ingredients	**1%**	**897**	**150**	2%	865	136

* For continuing operations only with prior year measures restated to exclude discontinued operations. Adjusted metrics restated for the adoption of equity accounting (see Note 2 of the financial information).

In Speciality Food Ingredients, volumes were up 1%, driven by growth in EMEA, Asia Pacific and in Food Systems. Sales increased by 4% to £897 million (2% in constant currency), benefiting from improved mix of higher margin products.

The division delivered 100bps operating margin improvement, and adjusted operating profit increased by 10% to £150 million (5% in constant currency) reflecting a strong focus on the mix of sales as we actively managed capacity through most of the year, strengthened supply chain performance and improved performance from SPLENDA® Sucralose. The effect of exchange translation was to increase sales by £11 million and adjusted operating profit by £7 million.

Speciality Food Ingredients excluding SPLENDA® Sucralose and Food Systems

Volume was in line with the prior year and benefited from the acquisition of the Slovakian corn wet mill as part of the re-alignment of the Eaststarch joint venture. Sales grew by 6% (3% in constant currency) as we actively managed capacity for improved customer service and product mix.

Adjusted operating profit increased by 12% to £105 million (7% in constant currency). Improved year-on-year profitability was driven by the focus on sales mix to higher margin products and stronger supply chain performance. The additional capacity brought on line towards the end of the financial year creates additional growth headroom for the core business, but also increases the depreciation charge in the division by around £12 million for the 2017 financial year.

In North America, volume was 2% lower as we managed available capacity through most of the year ahead of the new capacity coming online for the 2016 calendar year contracting season and, in the third quarter of the year, also experienced softer demand from some larger customers. Volume increased in speciality fibres and speciality sweeteners, with offsetting reductions in some lower margin starch products. Sales increased by 4% (2% decrease in constant currency) to £327 million. Volume momentum improved in the fourth quarter and we continue to focus on the acceleration of volume growth in this region.

In Asia Pacific and Latin America, volume was 4% lower reflecting a sharp decline in Latin America partially offset by double digit growth in Asia Pacific. In Latin America weaker economic conditions and softer consumer demand for products utilising our speciality sweeteners led to the decline in volume. In Asia Pacific, volume

growth, which accelerated in the second half, was driven by speciality fibres and speciality starches, as we continued to build our business strongly in China. Sales for the combined region increased by 9% (10% in constant currency) to £119 million as a result of a stronger mix of higher value products and the benefit, in the first half, of the termination of crystalline fructose distribution rights previously held by a third party.

In EMEA, volume increased by 12% benefiting from good growth outside Western Europe driven by speciality starches and the benefit in the second half of the year of the full ownership of the facility in Slovakia. Sales increased by 5% on a reported basis (13% growth in constant currency) to £109 million.

Food Systems

In our global blending business, volumes were 12% ahead of the prior year benefiting from the full year impact of the acquisition of Gemacom Tech in Brazil in December 2014. While sales decreased by 2% in reported currency to £186 million, they grew by 2% in constant currency mainly driven by the Gemacom acquisition and the expansion into new territories and customers, primarily in Middle East, Africa and Asia Pacific. Adjusted operating profit was 13% lower (11% lower in constant currency) at £23 million largely driven by the sharp increase in the cost of egg powder, a key blending ingredient, following an outbreak of avian flu.

SPLENDA® Sucralose

Volume increased by 7% and sales increased by 4% (flat in constant currency) to £156 million. The rate of decline of our selling prices for SPLENDA® Sucralose slowed during the year as we pursued a rigorous value-based approach by focusing on those customers who fully value the benefits of our product.

The consolidation of sucralose manufacturing into a single facility in McIntosh, Alabama, US was completed as planned, with the Singapore facility closing on 31 March 2016.

Adjusted operating profit increased to £22 million (2015 – £16 million), benefiting from a reduction in the depreciation charge of £12 million following the impairment of the Singapore facility in the prior year and the lapping of prior year one-off costs resulting from an extended shutdown of the facility.

In the 2017 financial year we expect double digit volume decline in line with our lower overall capacity, although we expect this will be offset at the adjusted operating profit level by the benefit of lower manufacturing costs from consolidating production in McIntosh, Alabama. Looking further ahead, the market for sucralose is expected to continue to grow but industry capacity remains well in excess of demand and we expect this will lead to continued pricing pressure in the market.

New Products

New Products, which represent products launched in the past seven years, continued to perform well. Volume of New Products grew by 39% with volume growth across our three platforms of sweeteners, texturants and health and wellness. Sales increased by 25% (34% in constant currency) to US$86 million or £57 million (2015 – US$69 million or £43 million).

In sweeteners, we continue to see strong interest from customers for DOLCIA PRIMA® Allulose, a rare sugar with 90% less calories than sucrose, which has significant opportunities in a range of applications both to make low-calorie products taste better and to reduce calories through sugar replacement. DOLCIA PRIMA® Allulose is now approved for use in the US, Colombia and Chile.

Sales of fibres from the New Product portfolio continued their strong momentum from the prior year with significant growth in sales of PROMITOR® Soluble Fibre and PromOat® Beta Glucan. Through our fibre portfolio we support customers to achieve fibre enrichment claims and also to reduce calories through sugar substitution.

In texturants, sales of CLARIA® Functional Clean-Label Starches have grown consistently since their launch in 2014, and they are now being used in applications across a wide range of categories including dairy, soups and sauces.

Bulk Ingredients

Continuing Operations		**Year ended 31 March 2016**			Restated* Year ended 31 March 2015	
	Volume Change	**Sales £m**	**Adjusted Operating Profit £m**	Volume Change	Sales £m	Adjusted Operating Profit £m
North American Sweeteners	**1%**			1%		
North American Industrial Starches	**(3)%**			(3%)		
Total Core Bulk Ingredients			**93**			63
Commodities			**(9)**			20
Total Bulk Ingredients	**3%**	**1 458**	**84**	(1%)	1 476	83

* For continuing operations only with prior year measures restated to exclude discontinued operations. Adjusted metrics restated for the adoption of equity accounting (see Note 2 of the financial information).

Volume increased by 3% driven by strong North American bulk sweetener performance and the acquisition of 100% of the Slovakian facility, offset in part by the lower volume in industrial starch which declined in line with the market. Sales decreased by 1% to £1,458 million (6% decrease in constant currency), reflecting the pass through of lower corn costs and lower prices in the US for ethanol and co-products. Adjusted operating profit was 1% higher at £84 million (3% lower in constant currency). The core business delivered strong performance with growth in North American sweetener volume, and sharply improved operating margins reflecting tighter demand across the industry, improved manufacturing efficiency and lower energy prices. This offset weak performance from Commodities which reported a loss of £9 million, a reduction of £29 million from the 2015 financial year. The lower profits from Commodities were a result of very challenging market conditions, especially in US ethanol. The effect of exchange translation was to increase sales by £71 million and adjusted operating profit by £4 million.

The autumn 2015 corn harvest was strong, albeit slightly behind the prior year's record, with a resulting small increase in corn inventories in the market. Three consecutive strong harvests have led to a period of relative stability in US corn prices with market prices varying largely within the $3.50 to $4.00 per bushel range in the past six months. The latest USDA production estimate for the 2016/17 harvest is good at 14.4 billion[1] bushels, a 6% increase on the previous year.

<u>North American Sweeteners</u>

North American bulk sweetener volumes grew by 1% driven by a relatively normal summer season's sweetener demand, improved demand in Mexico, and stronger supply chain performance.

Consumption of regular carbonated soft drinks is the main driver of high fructose corn syrup demand in the US. In the year ended 31 March 2016, US regular carbonated soft drinks consumption declined by 0.5%[2] slightly better than the longer-term trend in that market.

In our US bulk sweetener business, toll contracts (which pass the majority of the underlying commodity price risk to the customer) represented approximately 75% of volume. As most toll contract volume is multi-year, this reduces the volume of business that is re-contracted in any single year. Contracts renewed in the 2016 calendar year pricing round were renewed at moderately higher unit margins, reflecting tighter demand across the industry. The fourth quarter of the 2016 financial year benefited from these higher unit margins.

[1] USDA is the US Department of Agriculture

[2] Source: IRI Infoscan Reviews, Total US Multi-Outlet + Convenience(FDM, WMT, Dollar Club, Convenience Stores)

North American Industrial Starches

North American Industrial Starches volume was 3% lower, in line with the market. Overall demand for paper and board remains steady with reduced demand for printing and writing paper being mostly offset by higher packaging demand. Demand for building materials was strong during the period, benefiting products using starches such as dry-walling products, which offset weaker demand from our mailing/envelope customers for adhesives.

Commodities

During the year, low crude oil prices and high US ethanol inventory levels continued to pressure ethanol prices resulting in losses in our ethanol business. Despite lower corn prices, ethanol producers faced challenging economics with record ethanol production and inventory levels that reached a four-year high. The lowest crude oil prices in a decade helped overall fuel demand but also pushed gasoline prices below that of ethanol for parts of the 2015 calendar year. Additionally, US co-product market prices were lower in the year, mainly reflecting lower corn prices.

Adjusted operating profit from Commodities was £29 million lower than the prior year at a loss of £9 million (2015 – profit of £20 million), primarily driven by US ethanol. The fundamentals of the US ethanol industry do not show any near term signs of improving and therefore we currently expect returns from US ethanol to remain weak in the 2017 financial year.

OTHER MATTERS

Board changes

On 1 April 2016, Lars Frederiksen and Sybella Stanley joined the Board as Non-Executive Directors. Lars brings considerable knowledge of the global food ingredients industry having, as CEO, led Chr. Hansen Holding A/S from 2005 until his retirement in March 2013. Sybella serves as Director of Corporate Finance at RELX Group plc (formerly Reed Elsevier Group plc) where she is responsible for global mergers and acquisitions, having joined in 1997. Sybella's extensive commercial and financial experience will be of great benefit to the Board as we execute our strategy. Lars has joined the Remuneration, Corporate Responsibility and Nominations Committees while Sybella has joined the Audit and Nominations Committees.

As part of its review process, the Nominations Committee regularly considers the succession needs of the Board. Sir Peter Gershon has chaired the Company since July 2009 and, therefore, the Committee and Sir Peter have jointly agreed that it would be appropriate to start the process to identify his successor. This is in the early stages and an announcement will be made at the appropriate time.

Litigation

Two legal actions involving the Group were concluded in the year.

Sale of EU Sugars: As disclosed in September 2015, Judgement was handed down in the case brought by American Sugar Refining, Inc. (“ASR”) in which it made a number of claims totalling around £40 million in relation to its acquisition of the Group’s EU Sugars business in September 2010. The Court found in favour of ASR on two elements of its claims, whilst rejecting all other aspects. The Court awarded damages of £18 million to ASR. In October the Group settled the damages together with interest and costs totalling £5 million. At 31 March 2015, the Group held a provision totalling £5 million in respect of this claim. The excess over this provision, amounting to £18 million, has been reported as an exceptional charge within discontinued operations. The matter is now concluded and there are no contingent liabilities remaining in respect of these claims.

American Sugar Association (“ASA”) claim: In 2011, ASA and a number of sugar companies brought a suit against a number of HFCS manufacturers, including Tate & Lyle, claiming false advertising around the sale of HFCS in the period 2008 to 2012. The matter came to trial in November 2015, but the parties jointly reached a settlement of the lawsuit. Included in exceptional items within continuing operations is a cash charge of £9 million. The matter is now concluded and there are no contingent liabilities remaining in respect of these claims.

Further, the Group received information in respect of the Passaic River litigation which allowed a reliable estimate of the Group's expected loss in respect of the lower part of the river to be made and accordingly a £6 million provision has been recognised in respect of this issue at 31 March 2016 in continuing operations. As set out in Note 14, the Group is one of many defendants in this environmental case which dates back to the 1970s.

Dividend

The Board recognises the importance of dividends to shareholders and remains committed to the progressive dividend policy it implemented in 2009 under which it aims to grow the dividend over time taking into account the earnings prospects of the business.

As previously communicated, underpinned by the confidence it has in the strategy of the business, the Board intends to recommend an unchanged final dividend for the year ended 31 March 2016 of 19.8p to make an unchanged total for the year of 28.0p.

Reporting calendar for the 2017 financial year

The Group has decided to cease making pre-close statements in early October and April of each year ahead of the interim and full year results. The Group will continue to make trading statements in respect of the first and third quarter performance.

Accordingly, the dates for forthcoming communications for the year ending 31 March 2017 will be: First quarter trading statement – 21 July 2016; Interim results – 3 November 2016; Third quarter trading statement – 9 February 2017; and, Full year results – 25 May 2017.

Summary of financial results for the year ended 31 March 2016 (audited)

Year ended 31 March	2016 £m	Restated[1] 2015 £m	Change (reported)	Change (constant currency)
Continuing operations				
Sales	**2 355**	2 341	1%	(3%)
Adjusted operating profit	**188**	184	2%	(4%)
Adjusted net finance expense	**(23)**	(23)		
Share of profit after tax of joint ventures and associates	**28**	23		
Adjusted profit before tax	**193**	184	5%	1%
Exceptional items	**(50)**	(142)		
Amortisation of acquired intangible assets	**(11)**	(9)		
Net retirement benefit interest	**(6)**	(8)		
Profit before tax	**126**	25		
Income tax expense	**(5)**	(21)		
Profit for the year – continuing operations	**121**	4		
Profit for the year – discontinued operations	**42**	26		
Profit for the year – total operations	**163**	30		

	2016	2015	Change (reported)	Change (constant currency)
Earnings per share – continuing operations (pence)				
Basic	**26.1p**	0.9p		
Diluted	**25.9p**	0.8p		
Adjusted earnings per share – continuing operations (pence)				
Basic	**34.7p**	32.3p	7%	
Diluted	**34.5p**	32.0p	8%	
Dividends per share				
Interim paid	**8.2p**	8.2p		
Final proposed	**19.8p**	19.8p		
	28.0p	28.0p		
Net debt[2]				
At 31 March	**434**	555		

1 Prior year measures restated to remove discontinued operations - the disposed elements of the Eaststarch joint venture and Morocco. Adjusted metrics have been restated for the adoption of equity accounting (see Note 2 of the financial information).
2 Net debt excludes share of net debt/cash in joint ventures.

Sales from continuing operations of £2,355 million were 1% higher than the prior year (3% lower in constant currency). Sales in Speciality Food Ingredients increased by 4% to £897 million (2% in constant currency), with volumes increasing by 1%. Sales in Bulk Ingredients decreased by 1% to £1,458 million (6% in constant currency), with volumes 3% higher.

Adjusted operating profit from continuing operations increased by 2% to £188 million (decreased by 4% in constant currency) with strong performance in the core business more than offsetting weakness in Commodities. In Speciality Food Ingredients, adjusted operating profit was 10% higher than the prior year at £150 million (up 5% in constant currency). Bulk Ingredients adjusted operating profit increased by 1% to £84 million (decreased 3% in constant currency) despite a £9 million loss in Commodities (2015 – profit of £20 million), primarily as a result of weakness in US ethanol.

Adjusted profit before tax from continuing operations was 5% higher than last year, increasing to £193 million (1% higher in constant currency). Adjusted diluted earnings per share from continuing operations increased by 2.5p to 34.5p.

On a statutory basis, profit before tax from continuing operations increased by £101 million to £126 million. Statutory profit before tax is after exceptional items, amortisation of acquired intangibles and net retirement benefit interest. The largest driver of the year-on-year difference was a £50 million net exceptional charge, £92 million lower than the £142 million in the prior year. The tax charge for the year decreased by £16 million to £5 million, mainly as a result of the impact of the taxation of exceptional items, which arose mainly in the US. Profit for the year from total operations increased to £163 million (2015 – £30 million) with the current year benefiting from a £68 million exceptional profit in discontinued operations related to the disposed elements of the Eaststarch joint venture.

Overall, in the 2016 financial year we experienced some difficult market conditions, but we delivered improved quality of earnings and executed an extensive programme of change initiatives to strengthen the business.

Central costs

Central costs, which include head office costs, treasury and reinsurance activities, increased by £11 million to £46 million primarily reflecting the re-instatement of Group-wide employee incentive awards.

Exceptional items from continuing operations

Net exceptional costs in the year totalled £50 million (2015 – £142 million).

The Group incurred £48 million (2015 – £118 million) of net exceptional costs in continuing operations related to its re-structuring of the SPLENDA® Sucralose and European businesses. Of these, net costs of £33 million related to the Singapore facility (2015 – £113 million) which ceased production on 31 March 2016, with related site clearance activities to follow in the 2017 financial year. The Group also incurred exception costs related to the restructuring of the Group's European operations of £15 million. This restructuring will complete in the 2017 financial year.

Taking the SPLENDA® Sucralose and European restructuring together, total exceptional costs to date are £166 million, of which £55 million are cash exceptional costs and £111 million are non-cash (principally the impairment of the Singapore facility in the prior year). Of total cash exceptional costs of £50 million in the 2016 financial year, £29 million were settled in the year, with the remaining £21 million expected to be settled in the 2017 financial year.

Whilst we expect to recognise further modest exceptional costs in relation to the completion of the Group's restructuring in the 2017 year, we now expect the total cost to be below the level of £185 million disclosed in April 2015.

Included in exceptional items from continuing operations are costs related to litigation and legal claims in the US totalling £15 million. The Group settled litigation related to claims brought by the American Sugar Association for £9 million and a provision of £6 million was made for the Passaic River litigation.

Exceptional items in the year also include: a net exceptional profit of £7 million relating to the Tate & Lyle Venture fund, principally reflecting the disposal of investments (for which cash consideration of £18 million was received in the year); an exceptional gain of £5 million arising on acquiring full ownership of the Slovakian facility (see Note 16 of the additional information); a net charge of £2 million related to the renegotiation of our commercial agreements for our table top SPLENDA® Sucralose business following the sale of the SPLENDA® Brand by McNeil Nutritionals, LLC. (the cash impact of this in the period was an inflow of £5 million); and a credit of £3 million related to the reversal of certain previously impaired assets in the US.

Share of profit after tax of joint ventures and associates

The Group's share of profit after tax of our joint ventures and associates of £28 million was £5 million higher than in the prior year, reflecting strong performance at Almex in Mexico, where volumes and unit margins were higher for bulk sweeteners.

Net finance expense

After excluding net retirement benefit interest, adjusted net finance expense from continuing operations remained flat at £23 million. In November 2014, the Group repaid a maturing US$500 million bond. In October 2015, the Group refinanced this with a US$400 million US private debt placement with fixed rate notes having a blended coupon of around 4%.

Taxation

The Group's tax rate is sensitive to the geographic mix of profits and reflects a combination of higher rates in certain jurisdictions such as the US, nil effective rates in the UK due to available tax losses and rates that lie somewhere in between. In addition, the Group benefits from tax efficient internal financing structures, notably relating to its US business. The adjusted effective tax rate for the year reduced to 16.5% (2015 – 18.4%), with benefit in the current year from the positive settlement of some outstanding tax issues more than offsetting the overall trend in the mix of profits moving towards higher tax jurisdictions, notably the US. As a result of the continued shift in geographic mix of our profits, we anticipate that the adjusted effective tax rate in the 2017 financial year will be similar to the 2015 reported rate.

Our UK earnings continue to be relatively small following the sale of our legacy sugars and molasses businesses in 2010. Less than 1% of our total Group sales (2016 – £19 million) are derived from UK operations which are more than offset by our corporate costs, including the interest we pay on our borrowings. As a result, we pay no corporation tax in the UK.

The three key uncertainties impacting taxation arise from potential changes to legislation. Firstly, the OECD's Base Erosion and Profit Shifting (BEPS) project is one of the most significant multilateral initiatives in recent years for modifying international tax rules. As these recommendations are introduced into local tax legislation over the coming years, this may impact the Group effective tax rate. Secondly, the UK government announced in March 2016 draft changes to UK tax legislation. Whilst this legislation has yet to be finalized, these changes could impact our ability to utilise brought forward losses in the UK in the future. Lastly, the new US Related Party Debt Regulations issued in draft in early April 2016 may, if finalised, impact the Group's financing of its US operations and the Group's effective tax rate.

Discontinued operations

	Year ended 31 March 2016			Year ended 31 March 2015	
	Eaststarch / Morocco	**Sugars / EU Starch**	**Total Discontinued**	Eaststarch / Morocco	Total Discontinued
Discontinued operations	**£m**	**£m**	**£m**	£m	£m
Sales	**13**	**–**	**13**	15	15
Operating profit/(loss) including exceptional items	**65**	**(20)**	**45**	–	–
Share of profit after tax of joint ventures and associates	**2**	**–**	**2**	26	26
Profit/(loss) before tax	**67**	**(20)**	**47**	26	26
Income tax charge	**(5)**	**–**	**(5)**	–	–
Profit/(loss) for the year	**62**	**(20)**	**42**	26	26
Diluted earnings per share			**8.9p**		5.7p

Profit for the year from discontinued operations totalled £42m.

On 31 October 2015, the Group completed the re-alignment of the Eaststarch joint venture with ADM and received €240 million (£173 million) in cash proceeds at completion, dividends from Eaststarch of €94 million (£68 million) as well as £13 million (net) under the purchase price adjustment process.

Profit for the year from Eaststarch and Morocco totalled £62 million. Included in this is an exceptional profit on disposal of £68 million (see Note 16 of the financial information). The profit on disposal includes an amount of £17 million representing the share of profit after tax attributable to the Group whilst the investments were classified as held for sale. The profit on disposal remains subject to change as a result of the finalisation of outstanding adjustments for closing working capital. The Group recognised £2 million in respect of its share of profit after tax of the Eaststarch joint venture relating to the period before the joint venture was held for sale. Also included in the profit for the year was a net charge of £8 million related to the disposal of its bulk ingredients facility in Morocco, comprising an operating loss of £3 million (including an exceptional impairment charge of £4 million) and an exceptional tax charge of £5 million in respect of historical Moroccan tax matters.

Further, the Group recognised a charge of £20 million in relation to settlement of certain legacy issues, comprising an exceptional legal settlement of £18 million relating to the sale of the Group's former EU Sugars business in September 2010 and a charge of £2 million arising from the transfer of all remaining obligations under a legacy pension scheme related to the Group's discontinued European Wheat Starch business.

Earnings per share

Adjusted diluted earnings per share from continuing operations at 34.5p were 8% higher. Adjusted basic earnings per share from continuing operations also increased by 7% to 34.7p. Total diluted earnings per share increased to 34.8p (2015 – 6.5p).

Dividend

The Board intends to recommend an unchanged final dividend for the year ended 31 March 2016 of 19.8p to make an unchanged total for the year of 28.0p.

Subject to shareholder approval at the Group's AGM on 21 July 2016, the proposed final dividend will be payable on 29 July 2016 to all shareholders on the Register of Members on 1 July 2016. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan (DRIP) alternative.

Assets

Gross assets of £2,554 million at 31 March 2016 were £131 million higher than the prior year on a statutory basis, reflecting capital expenditure above depreciation and the positive impact of the strengthening US dollar. Net assets increased by £93 million to £1,029 million.

Retirement benefits

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

The net deficit on our retirement benefit plans decreased by £19 million to £208 million. The deficit improvement was driven by the reduction in the defined benefit obligations, in both the UK and the US plans, reflecting an increase in the UK discount rate, favourable claims experience and favourable US mortality assumptions. The funding contributions made by the Company, which totalled £42 million (2015 – £52 million), further reduced the net deficit. Losses on the plans' asset portfolios, valued at 31 March, partially offset this improvement.

Net Debt

Net debt at 31 March 2016 decreased by £121 million to £434 million. Adjusted free cash flow generated from operations (which is for continuing operations and before cash flows from exceptional items) was £53 million (2015 – £54 million). The net cash outflow in respect of exceptional items was £33 million. The reduction in net debt was driven by these factors, offset by cash proceeds in respect of the Eaststarch re-alignment of £254 million (comprising the receipt of €240 million (£173 million) in cash proceeds, dividends from Eaststarch of €94 million (£68 million) and £13 million in respect of completion adjustments) which well exceeded the dividend payments of £130 million. An adverse exchange rate impact increased net debt by £15 million principally as a result of the stronger US dollar.

Cash Flow

	Year ended 31 March	
	2016	2015
	£m	£m
Adjusted operating profit from continuing operations	**188**	184
Adjusted for:		
Depreciation and amortisation	**104**	100
Share-based payments charge	**9**	–
Changes in working capital	**24**	8
Net retirement benefit obligations	**(38)**	(47)
Capital expenditure	**(198)**	(155)
Net interest and tax paid	**(36)**	(36)
Adjusted free cash flow	**53**	54
Add back: net interest and tax paid	**36**	36
Add back: net retirement obligations	**38**	47
Less: Derivatives and margin call movements within changes in working capital	**(5)**	(12)
Adjusted operating cash flow	**122**	125

Adjusted free cash flow (representing cash generated from continuing operations excluding the impact of exceptional items less net interest paid, less income tax paid, less capital expenditure) at £53 million, was £1 million lower than the prior year, with the impact of higher capital expenditure being broadly offset by a reduction in working capital.

We are focused on improving the efficiency of working capital. An underlying reduction in trade receivables helped generate cash inflows from working capital in the year of £24 million, a £16 million improvement against the £8 million inflow in the prior year. The cash outflow from the Group's retirement benefit plans amounted to £38 million (2015 - £47 million) reflecting lower payments into the main UK Group pension scheme.

Capital expenditure of £198 million, which included a £19 million investment in intangible assets, was 1.9 times the depreciation and amortisation charge of £104 million. During the year, we expanded capacity for speciality food ingredients at our corn wet mills in Europe and the US and at our PromOat® Beta Glucan plant in Sweden, and capacity to support growth in New Products.

Net interest paid decreased by £9 million mostly owing to timing of interest payments following our recent refinancing initiatives, but was offset by higher US taxation payments.

Adjusted operating cash flow, which excludes the impact of net retirement benefit obligations, derivative financial instruments, and tax and net interest, reduced by £3 million to £122 million.

We expect capital expenditure for the 2017 financial year to be around £150 million. At this level, capital expenditure will be around 1.2 times the level of the depreciation and amortisation charge in the 2017 financial year and looking forward we expect it to remain at around that level excluding any significant incremental capital required for major new product innovations, such as DOLCIA PRIMA® Allulose.

Basis of preparation

The Group's principal accounting policies are unchanged compared with the year ended 31 March 2015. A number of minor changes to accounting policies have been adopted during the year, although they have had no material effect on the Group's financial statements. As announced in October 2015, the Group has also changed the way it prepares and presents certain adjusted performance metrics.

Details of the basis of preparation, including the revised methodology used to calculate the Group's adjusted performance metrics, can be found in Note 2 to the attached financial information.

Impact of changes in exchange rates

In contrast to the prior year, the Group's reported financial performance at average rates of exchange for the year was favourably affected by currency translation. The effect of exchange translation was to increase adjusted profit before tax by £8 million compared with the prior year principally as a result of a strengthening of the US dollar against sterling, although, this impact was partially offset by movements in other currencies, principally the weakening of both the Mexican peso and Brazilian real currencies, which devalued by 13% and 36% respectively on average against sterling. The movement in closing exchange rates, particularly the strengthening US dollar, led to an increase in net debt as a result of the translation of dollar-denominated debt. The average and closing exchange rates used to translate reported results were as follows:

	Average rates		**Closing rates**	
	2016	2015	**2016**	2015
US dollar : sterling	1.51	1.61	1.44	1.49
Euro : sterling	1.37	1.28	1.26	1.38

For the year to 31 March 2016, the sensitivity of the Group's results to changes in the US dollar, the currency with the largest impact on earnings, estimated as the annual movement caused by a one cent movement on the translation of continuing profits from operations, is as follows: Speciality Food Ingredients – an increase in adjusted operating profit of £0.8 million; Bulk Ingredients – an increase in adjusted operating profit of £0.6 million; and adjusted net finance costs – an increase by £0.1 million in costs. As a result, each one cent movement in the US dollar caused adjusted profit before tax to increase by £1.3 million.

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 March 2016 £m	Restated* Year ended 31 March 2015 £m
Continuing operations			
Sales	4	**2 355**	2 341
Operating profit	4	**127**	33
Finance income	6	**1**	1
Finance expense	6	**(30)**	(32)
Share of profit after tax of joint ventures and associates		**28**	23
Profit before tax		**126**	25
Income tax expense	7	**(5)**	(21)
Profit for the year - continuing operations		**121**	4
Profit for the year - discontinued operations	8	**42**	26
Profit for the year - total operations		**163**	30
Profit for the year attributable to:			
– Owners of the Company		**163**	30
– Non-controlling interests		**–**	–
Profit for the year		**163**	30

Earnings per share		**Pence**	Pence
Continuing operations:	9		
– Basic		**26.1p**	0.9p
– Diluted		**25.9p**	0.8p
Total operations:	9		
– Basic		**35.1p**	6.6p
– Diluted		**34.8p**	6.5p

Analysis of adjusted profit for the year - continuing operations		**£m**	£m
Profit before tax - continuing operations		**126**	25
Adjusted for:			
Exceptional items	5	**50**	142
Amortisation of acquired intangible assets		**11**	9
Net retirement benefit interest	6,13	**6**	8
Adjusted profit before tax - continuing operations	3	**193**	184
Adjusted income tax expense - continuing operations	3,7	**(32)**	(34)
Adjusted profit for the year - continuing operations	3	**161**	150

* Prior year restated to reflect discontinued operations (see Note 2). Where adjusted metrics are presented, these have been further restated for the adoption of equity accounting (see Note 2).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Year ended 31 March 2016 £m**	Restated* Year ended 31 March 2015 £m
Profit for the year		**163**	30
Other comprehensive income/(expense)			
Items that have been/may be reclassified to profit or loss:			
Fair value loss on cash flow hedges		**–**	(5)
Fair value loss/(gain) on cash flow hedges transferred to profit or loss		**2**	(2)
Fair value gain on available-for-sale financial assets		**–**	2
Gain on currency translation of foreign operations		**60**	56
Fair value loss on net investment hedges		**(18)**	(32)
Share of other comprehensive expense of joint ventures and associates		**(12)**	(18)
Amounts transferred to income statement upon disposal of joint ventures	16	**34**	–
Tax income relating to the above components		**–**	2
		66	3
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit plans			
- Actual return (lower)/higher than interest on plan assets	13	**(52)**	161
- Net actuarial gain/(loss) on net retirement benefit obligation	13	**45**	(186)
Tax income relating to the above items		**2**	20
		(5)	(5)
Total other comprehensive income/(expense)		**61**	(2)
Total comprehensive income		**224**	28
Analysed by:			
- Continuing operations		**156**	16
- Discontinued operations		**68**	12
Total comprehensive income		**224**	28
Attributable to:			
- Owners of the Company		**224**	28
- Non-controlling interests		**–**	–
Total comprehensive income		**224**	28

* Prior year restated to reflect discontinued operations (see Note 2).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**At 31 March 2016 £m**	At 31 March 2015 £m
ASSETS			
Non-current assets			
Goodwill and other intangible assets		**390**	340
Property, plant and equipment		**926**	750
Investments in joint ventures	12	**82**	323
Investments in associates		**3**	4
Available-for-sale financial assets		**19**	15
Derivative financial instruments		**21**	30
Deferred tax assets		**3**	4
Trade and other receivables		**1**	2
Retirement benefit surplus	13	**45**	25
		1 490	1 493
Current assets			
Inventories		**389**	363
Trade and other receivables		**301**	290
Current tax assets		**3**	2
Available-for-sale financial assets		**4**	16
Derivative financial instruments		**43**	62
Other financial assets		**–**	2
Cash and cash equivalents	11	**317**	195
Assets classified as held for sale	8	**7**	–
		1 064	930
TOTAL ASSETS		**2 554**	2 423
EQUITY			
Capital and reserves			
Share capital		**117**	117
Share premium		**406**	406
Capital redemption reserve		**8**	8
Other reserves		**127**	61
Retained earnings		**370**	343
Equity attributable to owners of the Company		**1 028**	935
Non-controlling interests		**1**	1
TOTAL EQUITY		**1 029**	936
LIABILITIES			
Non-current liabilities			
Trade and other payables		**13**	13
Borrowings	11	**556**	463
Derivative financial instruments		**19**	15
Deferred tax liabilities		**21**	32
Retirement benefit deficit	13	**253**	252
Provisions for other liabilities and charges		**13**	8
		875	783
Current liabilities			
Trade and other payables		**337**	316
Current tax liabilities		**66**	45
Borrowings and bank overdrafts	11	**200**	305
Derivative financial instruments		**22**	25
Provisions for other liabilities and charges		**23**	13
Liabilities classified as held for sale	8	**2**	–
		650	704
TOTAL LIABILITIES		**1 525**	1 487
TOTAL EQUITY AND LIABILITIES		**2 554**	2 423

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 March 2016 £m	Restated* Year ended 31 March 2015 £m
Cash flows from operating activities			
Profit before tax from continuing operations		**126**	25
Adjustments for:			
Depreciation of property, plant and equipment		**80**	85
Amortisation of intangible assets		**35**	24
Share-based payments		**9**	–
Exceptional items	5	**17**	113
Finance income	6	**(1)**	(1)
Finance expense	6	**30**	32
Share of profit after tax of joint ventures and associates		**(28)**	(23)
Changes in working capital		**24**	8
Net retirement benefit obligations		**(38)**	(47)
Cash generated from continuing operations		**254**	216
Interest paid		**(21)**	(30)
Net income tax paid		**(16)**	(7)
Cash used in discontinued operations	8	**(29)**	–
Net cash generated from operating activities		**188**	179
Cash flows from investing activities			
Purchase of property, plant and equipment		**(179)**	(121)
Purchase of intangible assets		**(19)**	(34)
Acquisition of businesses, net of cash acquired	16	**(54)**	(26)
Disposal of joint ventures	16	**240**	–
Purchase of available-for-sale financial assets		**(4)**	(2)
Disposal of available-for-sale financial assets[#]		**18**	2
Interest received		**1**	1
Dividends received from joint ventures and associates		**83**	16
Net cash from/(used) in investing activities		**86**	(164)
Cash flows from financing activities			
Purchase of own shares (treasury shares)		**(7)**	(12)
Cash inflow from additional borrowings		**261**	278
Cash outflow from repayment of borrowings		**(286)**	(319)
Repayment of capital element of finance leases		**(4)**	(2)
Dividends paid to the owners of the Company	10	**(130)**	(130)
Net cash used in financing activities		**(166)**	(185)
Net increase/(decrease) in cash and cash equivalents	11	**108**	(170)
Cash and cash equivalents:			
Balance at beginning of year		**195**	346
Net increase/(decrease) in cash and cash equivalents		**108**	(170)
Currency translation differences		**14**	19
Balance at end of year	11	**317**	195

* Prior year restated to reflect discontinued operations (see Note 2).
# The cash flow associated with the exceptional profit on disposal of part of the Group's ventures portfolio.

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is presented in Note 11.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 equity £m
At 1 April 2014	523	8	58	460	1 049	1	1 050
Year ended 31 March 2015:							
Profit for the year - total operations	–	–	–	30	30	–	30
Other comprehensive income/(expense)	–	–	3	(5)	(2)	–	(2)
Total comprehensive income	–	–	3	25	28	–	28
Share based payments, net of tax	–	–	–	–	–	–	–
Purchase of own shares	–	–	–	(12)	(12)	–	(12)
Dividends paid (Note 10)	–	–	–	(130)	(130)	–	(130)
At 31 March 2015	**523**	**8**	**61**	**343**	**935**	**1**	**936**
Year ended 31 March 2016:							
Profit for the year - total operations	**–**	**–**	**–**	**163**	**163**	**–**	**163**
Other comprehensive income/(expense)	**–**	**–**	**66**	**(5)**	**61**	**–**	**61**
Total comprehensive income	**–**	**–**	**66**	**158**	**224**	**–**	**224**
Share based payments, net of tax	**–**	**–**	**–**	**6**	**6**	**–**	**6**
Purchase of own shares	**–**	**–**	**–**	**(7)**	**(7)**	**–**	**(7)**
Dividends paid (Note 10)	**–**	**–**	**–**	**(130)**	**(130)**	**–**	**(130)**
At 31 March 2016	**523**	**8**	**127**	**370**	**1 028**	**1**	**1 029**

NOTES TO THE FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 MARCH 2016

1. Background

The financial information on pages 20 to 47 is extracted from the Group's consolidated financial statements for the year ended 31 March 2016, which were approved by the Board of Directors on 25 May 2016.

The financial information does not constitute statutory accounts within the meaning of sections 434(3) and 435(3) of the Companies Act 2006 or contain sufficient information to comply with the disclosure requirements of International Financial Reporting Standards (IFRS).

The Company's auditors, PricewaterhouseCoopers LLP, have given an unqualified report on the consolidated financial statements for the year ended 31 March 2016. The auditors' report did not include reference to any matters to which the auditors drew attention without qualifying their report and did not contain any statement under section 498 of the Companies Act 2006. The consolidated financial statements will be filed with the Registrar of Companies, subject to their approval by the Company's shareholders on 21 July 2016 at the Company's Annual General Meeting.

2. Basis of preparation

Basis of accounting

The Group's consolidated financial statements for the year ended 31 March 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) and related interpretations as adopted for use in the European Union and those parts of the Companies Act 2006 that are applicable to companies reporting under IFRS.

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

The Group's principal accounting policies will be set out in Note 2 of the Group's 2016 Annual Report.

Changes in accounting policy and disclosures

In the current year, the Group has adopted the Defined Benefit Plans: Employee Contributions – Amendments to IAS 19, as well as the Annual Improvements to IFRS – 2010-12 and 2011-13 Cycles. These amendments have had no material effect on the Group's financial statements.

The following new standards, new interpretations and amendments to standards and interpretations, have been issued and are potentially relevant to the Group, but were not effective for the financial year ended 31 March 2016 and have not been adopted early:

- IFRS 9 Financial instruments (effective 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)
- IFRS 16 Leases (effective 1 January 2019)
- Various minor improvements to accounting standards arising from the IASB's 2012-2014 review cycles.

While the Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods, the Group has not yet undertaken a detailed impact assessment on their effect.

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.

Use of adjusted measures

The Group also presents adjusted performance measures, including adjusted operating profit, adjusted profit before tax, adjusted earnings per share, adjusted operating cash flow and adjusted free cash flow, which are used for internal performance analysis and incentive compensation arrangements for employees.

2. Basis of preparation (continued)

These measures are presented because they provide investors with valuable additional information about the performance of the business. For the periods presented, adjusted performance measures exclude, where relevant, exceptional items, the amortisation of acquired intangible assets, net retirement benefit interest and the tax on those items.

Adjusted measures were previously presented on a proportionately consolidated basis (whereby the Group's share of the income and expenses, assets and liabilities and cash flows of joint ventures was combined on a line-by-line basis with those of Tate & Lyle PLC and its subsidiaries) reflecting the Group's previous management of its joint ventures on an integrated basis with its subsidiaries. Following re-alignment of the Group's Eaststarch joint venture on 31 October 2015, adjusted performance metrics are now presented on an equity accounted basis with restated comparatives. Under the equity method of accounting, the Group's share of the after tax profits and losses of joint ventures are shown as one line of the consolidated income statement, its share of their net assets is shown as a single line of the consolidated statement of financial position and the consolidated statement of cash flows reflects cash flows between the Group and the joint ventures (investments in and dividends received from joint ventures) within cash flows from investing activities.

Adjusted performance measures reported by the Group are not defined terms under IFRS and may therefore not be comparable with similarly-titled measures reported by other companies. Reconciliations of the adjusted performance measures to the most directly comparable IFRS measures are presented in Note 3.

Exceptional items

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

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

Discontinued operations

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

- Eaststarch / Morocco

On the 31 October 2015, the Group completed the re-alignment of its Eaststarch joint venture leading to the disposal of the majority of the Group's European Bulk Ingredients business. In a related agreement, the Group also agreed to sell its corn wet mill in Casablanca, Morocco to Archer Daniels Midland Inc. (ADM) and the assets and liabilities to be disposed of as part of the transaction were classified as held for sale as at 31 March 2016 pending regulatory approval.

Comparative financial information for the year ended 31 March 2015 has been restated to reflect the disclosure of the financial performance of these operations as discontinued operations. There is no overall effect on the Group's prior year profit for the year from total operations.

- Sugars and European Starch Pensions settlements

The Group announced on 29 September 2015 that the Commercial Court in London had handed down a decision in a case brought by American Sugar Refining, Inc. (ASR) in which it made a number of claims in relation to its acquisition of the Group's European Sugars business in 2010. The European Sugars business formed part of the Group's discontinued Sugars segment, and accordingly the costs associated with those claims are recognised within discontinued operations.

During the year, the Group made a settlement payment of £2 million to transfer all remaining obligations under a legacy pension scheme related to the Group's discontinued European Wheat Starch business, which was disposed of in the 2008 financial year.

3. Reconciliation of adjusted performance measures

For the reasons set out in Note 2, the Group presents adjusted performance measures including adjusted operating profit, adjusted profit before tax and adjusted earnings per share. Following the re-alignment of the Group's Eaststarch joint venture, adjusted performance measures are now presented on an equity accounted basis. Further information can be found in Note 2.

For the periods presented, these adjusted performance measures exclude, where relevant:
- exceptional items
- the amortisation of acquired intangible assets
- net retirement benefit interest; and
- tax on the above items.

The Group also now presents two adjusted cash flow measures: adjusted operating cash flow; and adjusted free cash flow. These are presented and defined in Additional Information on page 48.

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

	Year ended 31 March 2016			Year ended 31 March 2015 (Restated*)		
£m unless otherwise stated	**IFRS Reported**	**Adjusting items#**	**Adjusted Reported**	IFRS Reported	Adjusting items#	Adjusted Reported
Continuing operations						
Sales	**2 355**	**–**	**2 355**	2 341	–	2 341
Operating profit	**127**	**61**	**188**	33	151	184
Net finance expense	**(29)**	**6**	**(23)**	(31)	8	(23)
Share of profit after tax of joint ventures and associates	**28**	**–**	**28**	23	–	23
Profit before tax	**126**	**67**	**193**	25	159	184
Income tax expense	**(5)**	**(27)**	**(32)**	(21)	(13)	(34)
Non-controlling interests	**–**	**–**	**–**	–	–	–
Profit attributable to owners of the company	**121**	**40**	**161**	4	146	150
Basic earnings per share	**26.1p**	**8.6p**	**34.7p**	0.9p	31.4p	32.3p
Diluted earnings per share	**25.9p**	**8.6p**	**34.5p**	0.8p	31.2p	32.0p
Effective tax rate	**4.0%**		**16.5%**	84.0%		18.4%

* The Group's prior year results on an adjusted basis have been restated from those reported in the 2015 Annual Report and accounts. The restatement reflects; 1) the adoption of equity accounting in adjusted performance measures; 2) the disposal of elements of the Eaststarch joint venture and classification of their performance as discontinued operations, and; 3) the announced disposal of the Group's corn wet mill in Morocco leading to these operations being reclassified as discontinued operations. Note 19 provides a reconciliation of the prior year restatement of adjusted performance measures.

Adjusting items within operating profit are £50 million of exceptional costs (see Note 5) (2015 - £142 million) and £11 million of amortisation of acquired intangible assets (2015 – £9 million). The adjusting item within net finance expense is a £6 million net retirement benefit interest charge (see Note 6) (2015 - £8 million). Further, there is a £27 million adjustment within income tax expense in respect of taxation on these adjusting items (see Note 7) (2015 - £13 million).

3. Reconciliation of adjusted performance measures (continued)

Following the re-alignment of the Eaststarch joint venture in October 2015, the Group has adopted equity accounting for joint ventures in the presentation of its adjusted performance measures, having previously used proportionate consolidation. The following table provides a reconciliation between equity accounting (the approach adopted during the year ended 31 March 2016) and proportionate consolidation for the Group's key adjusted performance measures.

Continuing operations	**Year ended 31 March 2016**			Year ended 31 March 2015		
£m	**Adjusted reported Equity Accounting basis**	**Adjustment**	**Adjusted Proportionate Accounting basis**	Adjusted reported Equity Accounting basis	Adjustment	Adjusted Proportionate Accounting basis
Adjusted operating profit	**188**	**38**	**226**	184	30	214
Adjusted net finance expense	**(23)**	**–**	**(23)**	(23)	–	(23)
Share of profit after tax of joint ventures and associates	**28**	**(28)**	**–**	23	(23)	–
Adjusted profit before tax	**193**	**10**	**203**	184	7	191
Adjusted income tax expense	**(32)**	**(10)**	**(42)**	(34)	(7)	(41)
Adjusted profit after tax	**161**	**–**	**161**	150	–	150
Adjusted basic earnings per share	**34.7p**	**–**	**34.7p**	32.3p	–	32.3p
Adjusted diluted earnings per share	**34.5p**	**–**	**34.5p**	32.0p	–	32.0p

Had the Group used proportionate consolidation in the year to 31 March 2016, adjusted operating profit for continuing operations would have been £226 million, 6% above the prior year (2% higher in constant currency), and adjusted profit before tax for continuing operations would have been £203 million, 6% higher (3% in constant currency). The adjusted diluted earnings per share for continuing operations would have been unchanged at 34.5p.

4. Segment information

Segment information is presented on a consistent basis with the information presented to the Board (the designated Chief Operating Decision Maker) for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses. Continuing operations comprise two operating segments: Speciality Food Ingredients and Bulk Ingredients. Central, which comprises central costs including head office, treasury and re-insurance activities, does not meet the definition of an operating segment under IFRS 8 'Operating Segments' but no sub-total is shown for the Group's two operating segments in the tables below so as to be consistent with the presentation of segment information presented to the Board. Both segments are served by a single manufacturing network, and receive services from a number of global support functions. The segmental allocation of costs is performed using standard product costs to allocate all direct costs (including plant-based depreciation) and allocation keys for all indirect costs (including share-based payments and amortisation) which reflect the value of service provided to each operating unit, consistently applied over time.

The Board uses adjusted operating profit as the measure of the profitability of the Group's businesses. Adjusted operating profit is, therefore, the measure of segment profit presented in the Group's segment disclosures. Adjusted operating profit represents operating profit before specific items that are considered to hinder comparison of the trading performance of the Group's businesses year-on-year. During the years presented, the items excluded from operating profit in arriving at adjusted operating profit were the amortisation of acquired intangible assets and exceptional items. Following the completion of the re-alignment of the Eaststarch joint venture, the Group has adopted equity accounting for joint ventures and associates in the presentation of its segmental information having previously used proportionate consolidation. The restated segmental information for the 2015 year is presented below. The segmental classification of exceptional items is detailed in Note 5.

An analysis of total assets and total liabilities by operating segment is not presented to the Board but it does receive segmental analysis of net working capital (inventories, trade and other receivables, less trade and other payables). Accordingly, the amounts presented for segment assets and segment liabilities in the tables below represent those assets and liabilities that comprise elements of net working capital. In light of the restructuring of its operations, the Group has reviewed the appropriateness of segmental allocation rules and made adjustments to better reflect the way in which working capital is utilised by its two operating segments. The revised segmental allocation of working capital allocates raw material and co-product inventories, and associated payables, based on the segmental split of primary capacity. Other payables, work in progress and finished goods inventories and receivables are allocated based on the products to which they relate. The presented split of segmental working capital reflects this revised allocation and the prior year comparative information has been restated accordingly. The segment results were as follows:

(a) Segment sales and results

	Notes	**Year ended 31 March 2016 £m**	Restated* Year ended 31 March 2015 £m
Speciality Food Ingredients		**897**	865
Bulk Ingredients		**1 458**	1 476
Sales – continuing		**2 355**	2 341
Sales – discontinued operations	8	**13**	15
Sales – total operations		**2 368**	2 356
Adjusted operating profit – continuing operations			
Speciality Food Ingredients		**150**	136
Bulk Ingredients		**84**	83
Central		**(46)**	(35)
Adjusted operating profit – continuing operations		**188**	184
Adjusting items:			
– Exceptional items	5	**(50)**	(142)
– Amortisation of acquired intangible assets		**(11)**	(9)
Operating profit – continuing operations		**127**	33
Finance income	6	**1**	1
Finance expense	6	**(30)**	(32)
Share of profit after tax of joint ventures and associates		**28**	23
Profit before tax – continuing operations		**126**	25
Profit before tax – discontinued operations	8	**47**	26
Profit before tax – total operations		**173**	51

* Prior year restated to reflect discontinued operations (see Note 2). Where adjusted metrics are presented, these have been further restated for the adoption of equity accounting (see Note 2).

4. Segment information (continued)

	Year ended 31 March 2016 Percentage	Restated* Year ended 31 March 2015 Percentage
Adjusted operating margin		
Speciality Food Ingredients	**16.7%**	15.7%
Bulk Ingredients	**5.8%**	5.6%
Central	**n/a**	n/a
Total - continuing operations	**8.0%**	7.9%

(b) Segment assets / (liabilities)

			At 31 March 2016
	Assets £m	**Liabilities £m**	**Net £m**
Net working capital			
Speciality Food Ingredients	**339**	**(150)**	**189**
Bulk Ingredients	**341**	**(146)**	**195**
Central	**11**	**(54)**	**(43)**
Group working capital – continuing operations	**691**	**(350)**	**341**
Group working capital – discontinued operations	**5**	**(2)**	**3**
Group working capital – total operations	**696**	**(352)**	**344**
Other assets/(liabilities)	**1 858**	**(1 173)**	**685**
Group assets/(liabilities)	**2 554**	**(1 525)**	**1 029**

			At 31 March 2015 (Restated*)
	Assets £m	Liabilities £m	Net £m
Net working capital			
Speciality Food Ingredients	329	(140)	189
Bulk Ingredients	312	(153)	159
Central	8	(36)	(28)
Group working capital – continuing operations	649	(329)	320
Group working capital – discontinued operations	6	–	6
Group working capital – total operations	655	(329)	326
Other assets/(liabilities)	1 768	(1 158)	610
Group assets/(liabilities)	2 423	(1 487)	936

* Prior year restated to reflect discontinued operations (see Note 2). Where adjusted metrics are presented, these have been further restated for the adoption of equity accounting (see Note 2). Prior year restated to reflect segmental allocation rules updated in light of the Group's restructuring (see narrative on previous page).

5. Exceptional items

Exceptional items recognised in arriving at operating profit were as follows:

	Notes	**Year ended 31 March 2016 £m**	Year ended 31 March 2015 £m
Continuing operations			
Business re-alignment – impairment, restructuring and other net costs	(a)	**(48)**	(118)
Asset impairment reversal	(b)	**3**	–
SPLENDA® Sucralose – revised table top commercial agreement	(c)	**(2)**	–
Tate & Lyle Ventures – net investment disposal profit	(d)	**7**	–
US litigation	(e)	**(15)**	–
Slovakia re-measurement gain	(f)	**5**	–
Business transformation costs	(g)	–	(12)
Termination of distribution rights agreement	(g)	–	(12)
Exceptional items – continuing operations		**(50)**	(142)
Discontinued operations			
Business re-alignment – Eaststarch and Morocco disposals	(h)	**64**	–
ASR litigation settlement	(i)	**(18)**	–
Exceptional items – discontinued operations		**46**	–
Exceptional items – total operations		**(4)**	(142)

Continuing operations

(a) In the year ended 31 March 2016, the Group recognised exceptional costs relating to business re-alignment totalling £48 million. The Group recognised a net charge of £33 million in the year representing costs arising from the closure of the Singapore sucralose facility. Included in the net charge was a £5 million gain relating to the write back of certain assets previously utilised in Singapore that will be redeployed elsewhere within the Group as part of the business re-alignment. The Group also recognised a charge of £15 million in the year arising from the restructuring of its European operations. Of the total charge, £29 million was paid in cash in the year. Of the £48 million total cost, £43 million were recognised within the Speciality Food Ingredients segment and £5 million were classified as Central costs.

In the year ended 31 March 2015, the Group recognised a charge of £113 million within the Speciality Food Ingredients segment, comprising an impairment of the property, plant and equipment (£108 million) and associated intangible assets (£5 million) at Singapore. In addition, the Group incurred £5 million of one-off costs associated with the European business re-alignment (primarily consultancy and redundancy costs) which were classified as Central costs.

(b) In the year ended 31 March 2016, the Group has recognised a non-cash exceptional credit of £3 million in respect of the recognition of a partial reversal of an impairment of plant and equipment assets which were previously impaired through an exceptional charge. This exceptional credit was classified within Bulk Ingredients.

(c) In the year ended 31 March 2016, the Group received cash compensation of £5 million related to SPLENDA® Sucralose and the renegotiation of our commercial agreements for the SPLENDA® brand table top business following the sale of the SPLENDA® brand by McNeil Nutritionals, LLC. The Group also wrote off a marketing related intangible asset (loss of £9 million) and wrote back an associated payable (gain of £2 million) relating to the former alliance with McNeil. These amounts were all classified within the Speciality Food Ingredients segment.

(d) In the year ended 31 March 2016, the Group realised a £9 million profit on the disposal of part of its venture fund portfolio which was classified as an available-for-sale financial asset within the Group's Consolidated Statement of Financial Position. The Group also recognised £2 million of impairment charges in respect of this portfolio, leaving a net gain in the year of £7 million. Cash proceeds in respect of venture asset disposals totalled £18 million in the year ended 31 March 2016. This net profit was classified within Central costs.

5. Exceptional items (continued)

(e) In the year ended 31 March 2016, the Group recognised a £15 million exceptional charge in respect of two US litigation claims.

In November 2015, the Group reached settlement in respect of the claim brought by the American Sugar Association and others relating to alleged false advertising involving high fructose corn syrup (HFCS). The settlement together with associated costs totalled £9 million. These costs were classified within the Bulk Ingredients segment.

Further, the Group received information in respect of the Passaic River litigation which allowed a reliable estimate of the Group's expected loss in respect of the lower part of the river to be made and accordingly a £6 million provision as a non-cash exceptional expense has been recognised in respect of this issue at 31 March 2016 in continuing operations. As disclosed in Note 14, the Group is one of many defendants in this environmental case which dates back to the 1970s. These costs were classified within Central costs.

(f) In the year ended 31 March 2016, as part of the re-alignment of the Eaststarch joint venture, the Group recognised an exceptional gain of £5 million within continuing operations reflecting the re-measurement to fair value of its existing investment in Slovakia (see Note 16). This gain was recognised within the Speciality Food Ingredients segment.

(g) In the year ended 31 March 2015, the Group completed the implementation of a common global IS/IT system, with £12 million recognised as an exceptional cost in the prior year. These costs are classified within Central costs.

In December 2014, the Group made a payment of £12 million to terminate distribution rights previously awarded to a third party to sell our crystalline fructose principally in Asia Pacific. The expense was recognised within the Speciality Food Ingredients segment.

The tax impact of exceptional items within continuing operations was a £21 million credit (2015 - £8 million credit). Tax credits on exceptional costs are only recognised to the extent that losses incurred will result in tax recoverable in the future.

Discontinued operations

(h) In the year ended 31 March 2016, the Group recognised a net exceptional gain of £64 million in relation to the exit from a substantial part of its European Bulk Ingredients business.

The Group recognised an exceptional profit on disposal of £68 million in respect of the disposal of its share in the Eaststarch joint venture (see Note 16). The profit on disposal includes an amount of £17 million representing the share of profit after tax attributable to the Group whilst the investments were classified as held for sale.

The Group also recognised a £4 million non-cash impairment charge in respect of its Bulk Ingredients facility in Morocco with an agreement reached with Archer Daniels Midland Inc. (ADM) to purchase this facility. The impairment represents the excess of book carrying value over the expected proceeds.

(i) As previously announced, Judgement was handed down on 29 September 2015 in the case brought by American Sugar Refining, Inc. ("ASR") in which it made a number of claims totalling around £40 million in relation to its acquisition of the Group's EU Sugars business in September 2010 for a consideration of £211 million. The Court found in favour of ASR on two elements of its claims, whilst rejecting all other aspects. Accordingly, in the Judgement, the Court has awarded damages of £18 million to ASR. The full amount of damages awarded was paid to ASR at the end of October 2015, together with agreed interest and costs totalling £5 million. At 31 March 2015, the Group held a provision totalling £5 million in respect of this claim. The excess over this provision, amounting to £18 million, is reported as an exceptional item within discontinued operations.

5. Exceptional items (continued)

The tax impact on exceptional items within discontinued operations was £nil (2015 - £nil). Tax credits on exceptional costs are only recognised to the extent that losses incurred will result in tax recoverable in the future.

During the year ended 31 March 2016, the Group recognised an exceptional tax charge of £5 million in discontinued operations in respect of historic tax matters relating to the Moroccan facility which the Group has agreed to sell to ADM.

Exceptional cash flows:

Net cash outflow on exceptional items:	Footnote	**Year ended 31 March 2016 £m**	Year ended 31 March 2015 £m
Continuing operations			
Business re-alignment – impairment, restructuring and other net costs	a	**(29)**	(5)
SPLENDA® Sucralose – revised table top commercial agreement	c	**5**	–
US litigation	e	**(9)**	–
Business transformation costs & termination of distribution rights agreement	g	–	(24)
Net cash outflow – exceptional items		**(33)**	(29)
Income statement charge – included in profit before tax		**50**	142
Add back of non-cash exceptional item – within reconciliation of cash generated from continuing operating activities		**17**	113

In addition, there were exceptional cash flows relating to the sale of assets from the Group's venture fund portfolio totalling £18 million within cash from investing activities.

6. Finance income and finance expense

Finance income in the year was £1 million (2015 - £1 million), mostly related to interest on cash placed on deposit.

Continuing operations	Note	**Year ended 31 March 2016 £m**	Year ended 31 March 2015 £m
Finance expense			
Interest payable on bank and other borrowings		**(22)**	(23)
Fair value hedges:			
– fair value loss on interest rate derivatives		**(4)**	(3)
– fair value adjustment of hedged borrowings		**4**	3
Finance lease interest		**(1)**	(1)
Net retirement benefit interest	13	**(6)**	(8)
Unwinding of discount on liabilities		**(1)**	-
Total finance expense		**(30)**	(32)

Reconciliation to adjusted net finance expense	Note	**£m**	£m
Net finance expense (includes £1 million of finance income)		**(29)**	(31)
Net retirement benefit interest		**6**	8
Adjusted net finance expense – continuing operations	3	**(23)**	(23)

Finance expense is shown net of borrowing costs of £2 million (2015 – £1 million) capitalised within property plant and equipment (2015 – capitalised within intangible assets) at a capitalisation rate of 3.3% (2015 – 3.4%).

Interest payable on other borrowings includes £0.2 million (2015 – £0.2 million) of dividends in respect of the Group's 6.5% cumulative preference shares. Finance income and finance expense relate wholly to continuing operations.

7. Income tax expense

Continuing operations	**Year ended 31 March 2016 £m**	Restated* Year ended 31 March 2015 £m
Current tax:		
In respect of the current year		
– UK	**–**	–
– Overseas	**(32)**	(15)
Adjustments in respect of previous years	**2**	2
	(30)	(13)
Deferred tax credit/(charge)	**24**	(8)
Adjustments in respect of previous years	**1**	–
Income tax expense	**(5)**	(21)

Reconciliation to adjusted income tax expense – continuing operations	Note	**£m**	£m
Income tax expense		**(5)**	(21)
Taxation on exceptional items, amortisation of acquired intangibles and net retirement benefit interest		**(27)**	(13)
Adjusted income tax expense – continuing operations	3	**(32)**	(34)

*Prior year restated to reflect discontinued operations (see Note 2). Where adjusted metrics are presented, these have been further restated for the adoption of equity accounting (see Note 2).

Profit for the year from continuing operations gave rise to an income tax expense of £5 million (2015 – expense of £21 million). This included an income tax credit of £27 million (2015 – credit of £13 million) in respect of exceptional items, amortisation of acquired intangibles and net retirement benefit interest (see Note 3).

The Group's adjusted effective tax rate on continuing operations, calculated on the basis of the adjusted income tax expense of £32 million (2015 – £34 million) as a proportion of adjusted profit before tax of £193 million (2015 – £184 million) was 16.5% (2015 – 18.4%).

In respect of joint ventures, a tax charge of £10 million (2015 – £7 million) was recognised on profit before tax of £38 million (2015: £30 million). For its adjusted metrics the Group adopted equity accounting for joint ventures in the year to 31 March 2016 having previously used a proportionate consolidation basis. The Group adjusted effective tax rate for the continuing operations on a proportionate accounting basis would have been 20.7% (2015 – 21.5%), being a tax charge of £42 million (2015 – £41 million) on adjusted profit before tax of £203 million (2015 – £191 million).

The standard rate of corporation tax in the United Kingdom will reduce from 20% to 19% with effect from 1 April 2017 and from 19% to 18% with effect from 1 April 2020.

8. Discontinued operations and assets classified as held for sale

On 31 October 2015, the Group completed the re-alignment of its Eaststarch joint venture. As a result, the Group has substantially exited its European Bulk Ingredients business by disposing of its share of the plants in Bulgaria, Turkey and Hungary, whilst strengthening its Speciality Food Ingredients business by acquiring full ownership of the plant in Slovakia. In a related agreement, the Group also recently agreed to sell its corn wet mill in Casablanca, Morocco to Archer Daniels Midland Inc. (ADM) and the assets and liabilities of that facility (totalling net £5 million asset) are classified as held for sale at 31 March 2016. The results of the disposed operations in both current and comparative periods have been restated within discontinued operations.

The Group also announced on 29 September 2015 that the Commercial Court in London had handed down a decision in a case brought by American Sugar Refining, Inc. (ASR) in which it made a number of claims in relation to its acquisition of our European Sugars business. The European Sugars business formed part of the Group's discontinued Sugars segment, and accordingly an exceptional charge of £18 million was recognised within discontinued operations.

In addition, subsequent to the buy-in initiated in 2014 whereby the Group took steps to reduce pensions risks, the Group also made a £2 million payment in order to transfer all remaining obligations under a legacy pension scheme (The Amylum UK Pension Scheme) to a third party provider. The Amylum business formed part of the Group's discontinued European Starch facilities and accordingly these costs were also recognised within discontinued operations.

The results of the discontinued operations which have been included in the consolidated income statement were as follows:

		Year ended 31 March 2016		
		Eaststarch / Morocco	**Sugars / EU Starch**	**Total Discontinued**
Discontinued operations	Note	**£m**	**£m**	**£m**
Sales		**13**	**–**	**13**
Operating profit/(loss) including exceptional items		**65**	**(20)**	**45**
Share of profit after tax of joint ventures and associates		**2**	**–**	**2**
Profit/(loss) before tax		**67**	**(20)**	**47**
Income tax charge (exceptional item)		**(5)**	**–**	**(5)**
Profit/(loss) for the year - discontinued operations		**62**	**(20)**	**42**
Basic earnings per share - discontinued operations	9			**9.0p**
Diluted earnings per share - discontinued operations	9			**8.9p**

Sales of £13 million were recognised by the Group's corn wet mill in Casablanca, Morocco. The Group realised an exceptional profit on disposal of £68 million in respect of the disposal of the Hungarian, Bulgarian and Turkish Eaststarch plants. The profit on disposal includes an amount of £17 million representing the share of profit after tax attributable to the Group whilst the investments were classified as held for sale, £15 million of which was incorrectly recognised in the Statement of Half Year Results for the six months to 30 September 2015. Under IAS 28 guidance, the profit attributable to a joint venture business whilst held for sale should have been deferred and recognised as part of the profit on disposal. Whilst this has no impact on the Group's full year results, restatement will be made in the comparative amounts reported in the Group's statement of half year results for 2017. This exceptional profit was partially offset by a £3 million operating loss in relation to the Group's corn wet mill in Casablanca, Morocco which included an exceptional impairment charge of £4 million (see Note 5).

		Year ended 31 March 2015		
		Eaststarch / Morocco	Sugars / EU Starch	Total Discontinued
Discontinued operations	Note	£m	£m	£m
Sales		15	–	15
Share of profit after tax of joint ventures and associates		26	–	26
Profit before tax and for the year - discontinued operations		26	–	26
Basic and diluted earnings per share - discontinued operations	9			5.7p

8. Discontinued operations (continued)

The results of the discontinued operations which have been included in the consolidated cash flow statement were as follows:

	Year ended 31 March 2016		
	Eaststarch / Morocco	**Sugars / EU starch**	**Total Discontinued**
Discontinued operations	**£m**	**£m**	**£m**
Profit/(loss) before tax from discontinued operations	**67**	**(20)**	**47**
Adjustment for:			
Exceptional items and changes in working capital	**(69)**	**(5)**	**(74)**
Share of profit after tax of joint ventures and associates	**(2)**	**–**	**(2)**
Cash used in discontinued operations	**(4)**	**(25)**	**(29)**

There were no cash flows from discontinued operations in the year ended 31 March 2015.

9. Earnings per share

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 year, excluding an average of 4 million shares (2015 – 4 million shares) held by the Company or the Employee Benefit Trust to satisfy awards made under the Group's share-based incentive plans.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potentially dilutive ordinary shares as well as the profit attributable to owners of the Company for any proceeds on such conversions. Potentially dilutive ordinary shares arise from awards made under the Group's share-based incentive plans.

The greater any such excess, the greater the dilutive effect. The average market price of the Company's ordinary shares during the year was 574p (2015 – 640p). The dilutive effect of share-based incentives was 3.4 million shares (2015 – 3.8 million shares).

	Year ended 31 March 2016			Restated* Year ended 31 March 2015		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit attributable to owners of the Company (£million)	**121**	**42**	**163**	4	26	30
Weighted average number of ordinary shares (millions) - basic	**464.3**	**464.3**	**464.3**	464.2	464.2	464.2
Basic earnings per share	**26.1p**	**9.0p**	**35.1p**	0.9p	5.7p	6.6p
Weighted average number of ordinary shares (millions) - diluted	**467.7**	**467.7**	**467.7**	468.0	468.0	468.0
Diluted earnings per share	**25.9p**	**8.9p**	**34.8p**	0.8p	5.7p	6.5p

* Prior year restated to reflect discontinued operations (see Note 2).

Adjusted earnings per share

Adjusted earnings per share measures are calculated based on profit for the year from continuing operations attributable to owners of the Company before adjusting items as follows:

Continuing operations	Notes	**Year ended 31 March 2016 £m**	Restated* Year ended 31 March 2015 £m
Profit attributable to owners of the Company		**121**	4
Adjusting items:			
– exceptional items	5	**50**	142
– amortisation of acquired intangible assets		**11**	9
– net retirement benefit interest	6,13	**6**	8
– tax effect of the above adjustments	7	**(27)**	(13)
Adjusted profit attributable to owners of the Company	3	**161**	150
Adjusted basic earnings per share (pence) - continuing operations		**34.7p**	32.3p
Adjusted diluted earnings per share (pence) - continuing operations		**34.5p**	32.0p

* Prior year restated to reflect discontinued operations (see Note 2). Where adjusted metrics are presented, these have been further restated for the adoption of equity accounting (see Note 2).

10. Dividends on ordinary shares

Dividends on ordinary shares in respect of the financial year:

The Directors propose a final dividend for the financial year of 19.8p per ordinary share that, subject to approval by shareholders, will be paid on 29 July 2016 to shareholders on the Register of Members on 1 July 2016.

Based on the number of ordinary shares outstanding at 31 March 2016 and the proposed amount, the final dividend for the financial year is expected to amount to £92 million. Total dividends paid during the year were £130 million (2015 – £130 million).

Dividends on ordinary shares in respect of the financial year:

	Year ended 31 March 2016 Pence	Year ended 31 March 2015 Pence
Proposed in respect of the financial year:		
Interim	**8.2**	8.2
Final	**19.8**	19.8
	28.0	28.0
Paid in the financial year:		
Interim – in respect of the financial year	**8.2**	8.2
Final – in respect of the previous financial year	**19.8**	19.8
	28.0	28.0

11. Net debt

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

	At 31 March 2016 £m	Restated* At 31 March 2015 £m
Non-current borrowings	**(556)**	(463)
Current borrowings and bank overdrafts	**(200)**	(305)
Debt-related derivative financial instruments	**5**	18
Cash and cash equivalents	**317**	195
Net debt	**(434)**	(555)

* Prior year restated for the adoption of equity accounting (see Note 2).

Prior year comparatives have been restated and are now prepared on an equity accounted basis (excluding the share of net cash of joint ventures and associates).

Debt-related derivative financial instruments represents the net fair value of currency and interest rate swaps that are used to manage the currency and interest rate profile of the Group's net debt. At 31 March 2016, the net fair value of these derivatives comprised assets of £24 million (2015 – £33 million) and liabilities of £19 million (2015 – £15 million).

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

	Year ended 31 March 2016 £m	Restated* Year ended 31 March 2015 £m
Net debt at beginning of the year	**(555)**	(385)
Increase/(decrease) in cash and cash equivalents in the year	**108**	(170)
Net decrease in borrowings[#]	**29**	43
Fair value and other movements	**(1)**	1
Debt acquired on acquisition of subsidiaries	**–**	(5)
Currency translation differences	**(15)**	(39)
Decrease/(increase) in net debt in the year	**121**	(170)
Net debt at end of the year	**(434)**	(555)

* Prior year also restated for the adoption of equity accounting (see Note 2).

[#] Net (increase)/decrease in borrowings for the year ended 31 March 2016 includes a repayment of capital element of finance leases of £4 million (2015 – £2 million).

Share of net debt within joint ventures (not included in the equity accounted metrics above) at 31 March 2016 totalled £12 million (2015 – net cash of £51 million).

12. Investments in Joint Ventures

A reconciliation of the carrying amount of the Group's interest in joint ventures (at share) can be found in the below table:

	Year ended 31 March 2016 £m	Year ended 31 March 2015 £m
At beginning of the year	**323**	308
Share of profit after tax of joint ventures – total operations	**30**	49
Disposal (including goodwill)	**(177)**	–
Dividends	**(82)**	(16)
Other comprehensive expense (including exchange)	**(12)**	(18)
At end of the year	**82**	323

The disposal for the year ended 31 March 2016 reflect the re-alignment of the Group's interest in the Eaststarch joint venture.

13. Retirement benefit obligations

At 31 March 2016, the net liability in respect of retirement benefits was £208 million (2015 - £227 million), which may be analysed as follows:

	At 31 March 2016			At 31 March 2015		
	Pensions £m	**Medical benefits £m**	**Total £m**	Pensions £m	Medical benefits £m	Total £m
Present value of the benefit obligation	**(1 568)**	**(66)**	**(1 634)**	(1 692)	(69)	(1 761)
Fair value of plan assets	**1 426**	**–**	**1 426**	1 534	–	1 534
Net liability	**(142)**	**(66)**	**(208)**	(158)	(69)	(227)
Presented as:						
Deficits	**(187)**	**(66)**	**(253)**	(183)	(69)	(252)
Surpluses	**45**	**–**	**45**	25	–	25
Net liability	**(142)**	**(66)**	**(208)**	(158)	(69)	(227)

Changes in the net liability during the year may be analysed as follows:

	Year ended 31 March 2016		
	Pensions £m	**Medical benefits £m**	**Total £m**
Net liability at 1 April 2015	**(158)**	**(69)**	**(227)**
(Increase)/decrease in the benefit obligation:			
– Service cost current	**(1)**	**(1)**	**(2)**
– Credit in respect of past service cost	**–**	**3**	**3**
– Plan administration costs	**(3)**	**–**	**(3)**
– Interest on benefit obligation	**(56)**	**(2)**	**(58)**
– Net actuarial gain/(loss)	**43**	**2**	**45**
– Benefits paid	**78**	**4**	**82**
– Settlement	**79**	**–**	**79**
– Currency translation differences	**(16)**	**(3)**	**(19)**
Net decrease in the benefit obligation	**124**	**3**	**127**
Increase/(decrease) in the fair value of plan assets:			
– Interest on plan assets	**52**	**–**	**52**
– Actual return lower than interest on plan assets	**(52)**	**–**	**(52)**
– Employer's contributions	**38**	**4**	**42**
– Benefits paid	**(78)**	**(4)**	**(82)**
– Settlement	**(81)**	**–**	**(81)**
– Currency translation differences	**13**	**–**	**13**
Net decrease in the fair value of plan assets	**(108)**	**–**	**(108)**
Net liability at 31 March 2016	**(142)**	**(66)**	**(208)**

14. Contingent liabilities

Passaic River

As noted in the Statement of Half Year Results released on 5 November 2015, the Group is subject to a legal case arising from the notification in 2007 by the U.S. Environmental Protection Agency ("USEPA") that Tate & Lyle, along with approximately 70+ others, is a potentially responsible party ("PRP") for a 17 mile section of the northern New Jersey Passaic River, a major "Superfund" Site. The Group's involvement derives from a former Staley Chemical Company plant in Kearny, New Jersey (owned by A E Staley until 1978, around 10 years prior to the acquisition of Staley by Tate & Lyle), which is alleged to have generated hazardous waste which made its way to the Passaic River. At 5 November 2015, since the USEPA had not issued its final record of decision, the Group could not estimate a reasonably possible range of loss in relation to this case. In March 2016, the USEPA issued its Record of Decision ("ROD") on the likely cost for the remediation that it believes will be required. The ROD addresses the clean-up for the (most contaminated) lower 8.3 miles of the river section in question and sets a total assessment of expected costs at $1.38 billion. Based on the current status of the group of PRPs, Tate & Lyle's potential share of this cost, should it ultimately be held responsible, is around 0.6%. Whilst Tate & Lyle will continue to vigorously defend itself in this matter, in light of the publication of the ROD, the Group has taken an exceptional charge of £6 million in its accounts for the year ended 31 March 2016 in respect of this matter. Since it cannot estimate a reasonably possible range of loss in respect of the remaining 9 mile section of the river, the Group has not recognised a provision in this regard.

Other claims

The Group is subject to claims and litigation generally arising in the ordinary course of its business, some of which are for substantial amounts. All such actions are strenuously defended but provision is made for liabilities that are considered likely to arise on the basis of current information and legal advice. While there is always uncertainty as to the outcome of any claim or litigation, it is not expected that claims and litigation existing at 31 March 2016 will have a material adverse effect on the Group's financial position.

15. Capital commitments

In the year ended 31 March 2016, there were additions to intangible assets (excluding goodwill and acquired intangibles) of £19 million (2015 – £34 million) and additions to property, plant and equipment of £175 million (2015 – £133 million).

Commitments at the balance sheet date were as follows:

	At 31 March 2016 £m	At 31 March 2015 £m
Commitments for the purchase of intangible assets	**1**	4
Commitments for the purchase of property, plant and equipment	**47**	71
Total commitments	**48**	75

16. Acquisitions and disposals

Eaststarch re-alignment
On 31 October 2015, the Group completed the re-alignment of its Eaststarch joint venture with Archer Daniels Midland Inc. (ADM). Under the re-alignment, the Group disposed of the predominantly bulk ingredients plants in Bulgaria, Turkey and Hungary and the acquisition of the remaining 50% interest in the more speciality food ingredients focused plant in Slovakia not already owned by the Group. The Group received net cash consideration of £173 million (€240 million) at closing.

Although the cash consideration was received as a single net amount, IFRS requires this consideration to be grossed-up to determine the cash effectively paid to acquire the 50% interest in the Slovakia business and the cash received for the disposal of the plants in Bulgaria, Turkey and Hungary. In addition, as the acquisition of the Slovakian business is a step acquisition, the Group's existing interest in this plant is required to be re-measured to its fair value, which is then included as a component of the consideration paid for the acquisition. This gross up of the net cash consideration was done at fair value. The result was that consideration of £112 million (€156 million) was paid for the acquired business, comprising £56 million (€78 million) of cash consideration and £56 million (€78 million) for the fair value of the Group's existing interest in Slovakia. Each of the components of the Eaststarch re-alignment, comprising the acquisition accounting for the Slovakia business, the gain on re-measurement of the Group's existing interest in that plant and the disposal of the plants in Bulgaria, Turkey and Hungary are outlined below.

Acquisition of Amylum Slovakia s.r.o.
As noted above, as part of the re-alignment of the Eaststarch joint venture, the Group acquired the remaining 50% of the plant in Slovakia, Amylum Slovakia s.r.o, and subsequently renamed it Tate & Lyle Boleraz s.r.o. As explained above, total consideration in respect of the Slovakian acquisition was £115 million. The fair value of identifiable net assets acquired was £80 million, resulting in provisional goodwill of £35 million.

The plant in Slovakia provides a solid base from which to grow the Group's Speciality Food Ingredients business in Europe and an opportunity to increase the production at the plant over time. Provisional goodwill of £35 million primarily represents the premium paid to acquire an established business with a proven workforce and growth potential in the Speciality Food Ingredients market.

At the same time, two long-term distribution agreements have also been put in place under which the Group will distribute crystalline fructose, a speciality sweetener, produced by ADM in Turkey and ADM will act as exclusive distributor for bulk ingredients, produced in the Group's Slovakia and Netherlands facilities.

The acquired business in Slovakia contributed sales of £52 million and an operating profit of £2 million for the period from acquisition on 31 October 2015 (including the amortisation of acquired intangibles recognised from the acquisition). Had the business been acquired at the beginning of the year, it would have contributed sales of £130 million and an operating profit of £5 million. Acquisition related costs were recognised as part of the overall Eaststarch re-alignment transaction costs (within exceptional items) and in cash flows from operating activities in the consolidated statement of cash flows.

The following table provides a summary of the acquisition accounting:

	Year ended 31 March 2016 £m
Consideration	**56**
Non cash consideration (fair value of existing interest in Slovakian joint venture)	**56**
Purchase price adjustments	**3**
Total consideration	**115**
Less: fair value of net assets acquired	**(80)**
Provisional goodwill at 31 March 2016	**35**
Cash flows:	
Total cash consideration (including purchase price adjustments)	**(59)**
Less: net cash and working capital adjustments	**5**
Acquisition of business, net of cash acquired	**(54)**

16. Acquisitions and disposals (continued)

The following table provides a summary of the fair value of the net assets acquired:

	Book value on acquisition £m	Fair value Adjustments £m	At 31 March 2016 £m
Intangible assets (customer relationships £20m, distribution agreement £9m)	–	29	29
Property, plant and equipment	48	(1)	47
Inventories	9	–	9
Trade and other receivables	9	–	9
Cash and cash equivalents	6	–	6
Trade and other payables	(10)	–	(10)
Tax liabilities (deferred tax liability £6 million)	(4)	(6)	(10)
Net assets on acquisition	58	22	80

Disposal of Eaststarch joint venture
As a result of the Eaststarch re-alignment the Group exited the predominantly bulk ingredient plants in Bulgaria, Turkey and Hungary resulting in an exceptional gain on disposal of £68 million within discontinued operations. The profit on disposal includes an amount of £17 million representing the share of profit after tax attributable to the Group whilst the investments were classified as held for sale:

	Note	50% Interest in Slovakia £m	Other Eaststarch plants £m	Total £m
Consideration		56	229	285
Purchase price adjustments		2	11	13
Total consideration		58	240	298
Total assets disposed		(52)	(133)	(185)
Foreign exchange recycled from Other Comprehensive Income		–	(34)	(34)
Disposal cost		(1)	(5)	(6)
Gain on re-measurement/disposal – reported within exceptional items	5	5	68	73
Cash flows:				
Disposal of joint ventures				240
Transaction costs (within exceptional cash outflow)				(4)
Net cash inflow on disposal				236
Exceptional gain on re-measurement/disposal reported as follows:				
Re-measurement of interest in Slovakia – continuing operations	5			5
Disposal of other Eaststarch joint ventures – discontinued operations	5			68
Total gain on re-measurement/disposal – exceptional items				73

16. Acquisitions and disposals (continued)

Update on acquisitions made during the year ended 31 March 2015
During the year, the Group concluded its purchase price allocation for Gemacom Tech Indústria E Comércio SA, in Brazil, in which it acquired a 90% equity interest in December 2014. This has resulted in the recognition of additional identifiable net assets acquired totalling £3 million (£4 million of intangible assets less £1 million of deferred tax liabilities) as outlined in the table below:

	Provisional At 31 March 2015 £m	Adjustment £m	Final £m
Cash consideration – including amounts paid to escrow	19	–	19
Deferred consideration	6	–	6
Contingent consideration	2	–	2
Total consideration	27	–	27
Add: liability recognised in respect of put option	2	–	2
Less: net assets acquired	(5)	(3)	(8)
Goodwill	24	(3)	21

The additional assets acquired relate to customer relationship intangibles, net of deferred tax. The remaining goodwill recognised of £21 million is attributable to: the acquisition of experienced management; research and technical teams; a platform to leverage the Group's existing recipe and ingredients portfolio; and buyer specific synergies from the ability to leverage the Group's existing relationships with its global enterprise customer base.

There were no changes to the provisional accounting in respect of the acquisition of Winway Biotechnology Nantong Co., Ltd which was also acquired during the year ended 31 March 2015.

17. Related party disclosures

The Group's significant related parties are its associates and joint ventures. These will be disclosed in the 2016 Tate & Lyle Annual Report. In the year, the Group disposed of its Eaststarch joint venture. There were no other material changes in related parties or in the nature of related party transactions during the year.

18. 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	**Year ended 31 March 2016**	Year ended 31 March 2015
US dollar £1 = $	**1.51**	1.61
Euro £1 = €	**1.37**	1.28

Period end foreign exchange rates	**At 31 March 2016**	At 31 March 2015
US dollar £1 = $	**1.44**	1.49
Euro £1 = €	**1.26**	1.38

19. Restatement of prior year adjusted performance metrics

The Group's prior year results on an adjusted basis have been restated from those reported in the annual report for the year ended 31 March 2015. The restatement reflects: 1) the adoption of equity accounting in adjusted performance measures; 2) the disposed elements of the Eaststarch joint venture and classification of their performance as discontinued operations; and 3) the announced disposal of the Group's corn wet mill in Morocco. The table below provides a reconciliation of the prior year restatement of adjusted performance metrics:

	Year ended 31 March 2015		
£m unless otherwise stated	Continuing operations	Discontinued operations	Total
Restated adjusted measures – proportionate consolidation of JV's			
Sales	2 546	148	2 694
Adjusted operating profit	214	33	247
Adjusted net finance expense	(23)	–	(23)
Share of profit after tax of joint ventures and associates	–	–	–
Adjusted profit before tax	191	33	224
Adjusted income tax expense	(41)	(7)	(48)
Non-controlling interests	–	–	–
Adjusted profit attributable to owners of the company	150	26	176
Adjusted basic earnings per share (pence)	32.3p	5.7p	38.0p
Adjusted diluted earnings per share (pence)	32.0p	5.7p	37.7p
Adjustment for equity accounting of JV's			
Sales	(205)	(133)	(338)
Adjusted operating profit	(30)	(33)	(63)
Adjusted net finance expense	–	–	–
Share of profit after tax of joint ventures and associates	23	26	49
Adjusted profit before tax	(7)	(7)	(14)
Adjusted income tax expense	7	7	14
Non-controlling interests	–	–	–
Adjusted profit attributable to owners of the company	–	–	–
Adjusted basic earnings per share (pence)	–	–	–
Adjusted diluted earnings per share (pence)	–	–	–
Restated adjusted measures – equity accounting of JV's			
Sales	2 341	15	2 356
Adjusted operating profit	184	–	184
Adjusted net finance expense	(23)	–	(23)
Share of profit after tax of joint ventures and associates	23	26	49
Adjusted profit before tax	184	26	210
Adjusted income tax expense	(34)	–	(34)
Non-controlling interests	–	–	–
Adjusted profit attributable to owners of the company	150	26	176
Adjusted basic earnings per share (pence)	32.3p	5.7p	38.0p
Adjusted diluted earnings per share (pence)	32.0p	5.7p	37.7p

20. Events after the reporting period

There were no post balance sheet events requiring disclosure in respect of the year ended 31 March 2016.

ADDITIONAL INFORMATION

RATIO ANALYSIS [a]

		31 March 2016	31 March 2015
Net debt to EBITDA – on banking covenant basis [b]			
=	Net debt	**423**	462
	Pre-exceptional EBITDA	**345**	360
		= 1.2 times	= 1.3 times
Interest cover – on banking covenant basis [b]			
=	Operating profit before exceptional items and amortisation of intangible assets	**235**	247
	Net finance expense	**22**	23
		= 10.7 times	= 10.7 times
Earnings dividend cover			
=	Adjusted basic earnings per share from continuing operations	**34.7**	32.3
	Dividend per share	**28.0**	28.0
		= 1.2 times	= 1.2 times
Cash dividend cover [c]			
=	Adjusted free cash flow from continuing operations	**53**	54
	Cash dividends	**130**	130
		= 0.4 times	= 0.4 times
Return on capital employed [d]			
=	Profit before interest, tax and exceptional items from continuing operations	**177**	175
	Average invested operating capital of continuing operations	**1 564**	1 436
		= 11.3%	= 12.2%
Adjusted operating cash flow [e]		**122**	125
Gearing			
=	Net debt [f]	**434**	555
	Total equity	**1 029**	936
		= 42%	= 59%

Notes:

(a) All ratios are calculated based on unrounded figures in £ million. Comparatives have been restated as prepared on an equity accounted basis where appropriate.

(b) Net debt to EBITDA and interest cover are defined under the Group's banking covenants and reported on a proportionate consolidation basis. For banking covenant purposes these ratios are calculated based on the accounting standards that applied for the 2014 financial year, with new accounting standards adopted by the Group subsequent to 1 April 2014 disregarded. Net debt is calculated using average currency exchange rates.

(c) Adjusted Free cash flow represents cash generated from continuing operations excluding the impact of exceptional items, less net interest paid, less income tax paid, less capital expenditure. Cash dividends represent external dividends on ordinary shares paid or proposed in respect of the reporting period, excluding dividends that are reinvested in shares through the DRIP scheme.

(d) Average invested operating capital represents the average at the beginning and end of the period of shareholders' equity excluding net debt, net tax assets/liabilities and net retirement benefit obligations. This ratio is now prepared on an equity accounted basis for continuing operations.

(e) As announced in the Group's 2015 Annual Report, the Group reviewed appropriateness of cash conversion cycle (CCC) as its cash flow KPI, and concluded that Adjusted Operating Cash Flow is a more effective measure of overall cash management. Adjusted Operating Cash Flow is defined as adjusted cash flow from continuing operations, excluding the impact of exceptional items, pensions, derivative financial instruments, tax, interest and acquisitions less capital expenditure.

(f) Prepared using equity accounted net debt and total equity from the Consolidated Statement of Financial Position.