TATE & LYLE

# Results for Six Months to 30 September 2010

4 November 2010, London

Good morning and welcome to the presentation of Tate & Lyle's results for the six months ended 30 September 2010.

## Agenda

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

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The agenda for today's presentation is on the screen.

I am pleased to report that our results for the first six months of the financial year were encouraging and that we have made good progress with the initiatives we are undertaking to focus, fix and grow our business.

I will provide you with a more detailed update later in the presentation.

## Key Results and Operating Highlights

## Javed Ahmed, Chief Executive

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Moving to our key results.

## Key Results

Six Months to September

Continuing operations [1]

| | **2010 (£1=US$1.52)** | 2009 (£1=US$1.60) | Change | Change at constant currency |
|---|---|---|---|---|
| Adjusted operating profit [2] | **£170m** | £144m | 18% | 13% |
| Speciality Food Ingredients adjusted operating profit | **£108m** | £82m | 32% | 27% |
| Bulk Ingredients adjusted operating profit | **£85m** | £75m | 13% | 8% |
| Diluted EPS [2] | **23.5p** | 18.0p | 31% | 21% |
| Dividend | **6.8p** | 6.8p | | |
| Free cash flow [3] | **£162m** | £225m | | |
| Net debt | **£540m** | £987m | | |

[1] Excluding the results of the Sugars segment in both periods

[2] Before exceptional items and amortisation of acquired intangible assets

[3] Free cash flow is defined as operating cash flows from continuing operations after working capital, interest, taxation and capital expenditure

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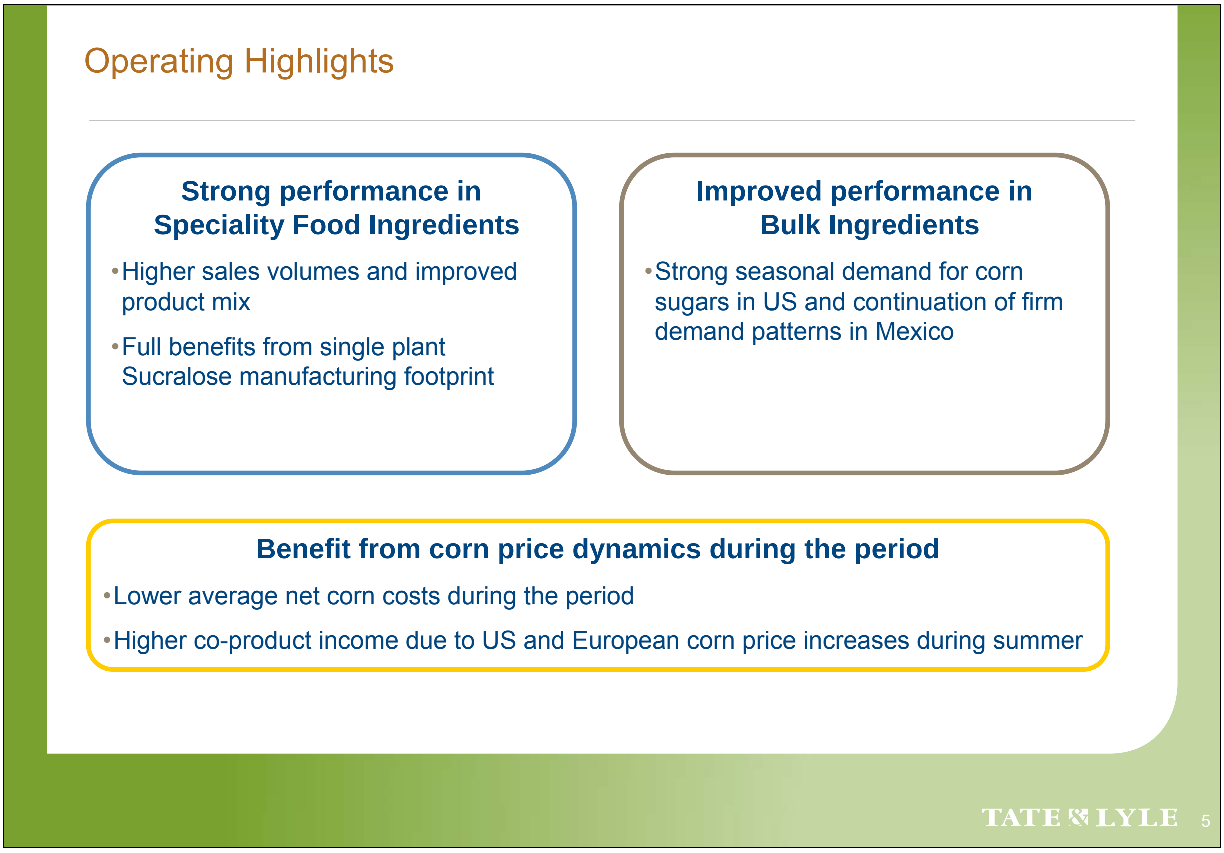
Unless stated to the contrary, all our comments will refer to the continuing operations at constant currency.

Adjusted operating profit was up 13% at £170m, driven by a strong performance from Speciality Food Ingredients which increased by 27% and an improved performance from Bulk Ingredients which was up 8%.

Diluted earnings per share on continuing operations increased by 21% to 23.5p benefiting from a lower effective tax rate. The Board has approved a dividend of 6.8p, maintained in line with the prior year.

We generated £162m of free cash flow during the period, and combined with the proceeds from the sale of our EU Sugar Refining operations, achieved a further reduction in net debt of 34% in the six months, to £540m at the end of September.




Looking at the operating highlights for the six months.

We experienced strong profit growth in Speciality Food Ingredients, driven by higher sales volumes across all product lines, improved product mix and the full benefits from the single plant Sucralose manufacturing footprint.

Bulk Ingredients benefited from strong seasonal demand for corn sugars in the US as well as the continued firm demand patterns in Mexico.

Corn price dynamics also benefited us during the period with lower net corn costs combined with higher co-product income.

## KPI Progress

| | KPI | Measure | Six months to 30 September 2010 | 2009 |
|---|---|---|---|---|
| Financial performance[1] | Growth in Speciality Food Ingredients | Sales | £414m | £403m |
| | Profitability | Adjusted operating profit | £170m | £144m |
| | Working capital efficiency | Cash conversion cycle | 33 days | 43 days |
| Financial strength | Balance sheet | Net debt / EBITDA<br>Interest cover | 1.4x<br>6.8x | 2.4x<br>5.3x |

[1] Excluding the results of the Sugars segment in both periods

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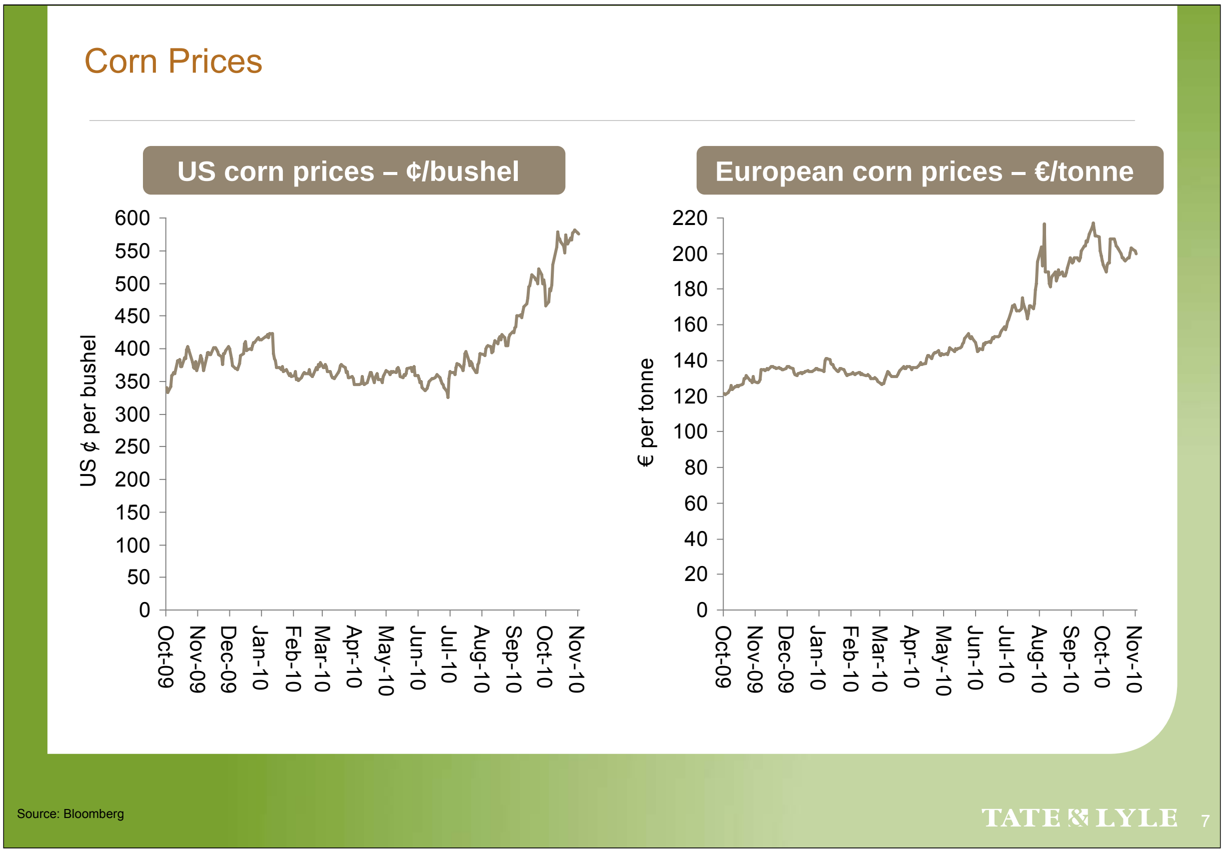
Back in May, we announced that we would report a set of Key Performance Indicators to measure our performance. The KPIs for asset utilisation and safety will be reported annually, but the progress in our other KPIs for the six months to 30 September 2010 is shown on this slide.

During the six months, we generated sales of £414m from Speciality Food Ingredients, flat in constant currency.

As mentioned earlier, adjusted operating profit for the Group was £170m, representing a 13% increase.

We continue to focus on actions to improve working capital efficiencies and through our efforts have improved our cash conversion cycle to 33 days, from 43 days a year ago.

We have continued to strengthen the Group's balance sheet. Through the progress we have made on net debt, we have significantly reduced our net debt to EBITDA ratio to 1.4 times at 30 September 2010. Our current level means that we are well within our new internal target of not more than 2 times. During the year, we have also improved our interest cover from 5.3 times to 6.8 times.




Global corn prices have increased towards the end of the summer following the tightening of world grain supplies as a result of adverse weather conditions. As at the start of November, corn prices in both the US and Europe were up by around 50% from a year ago.

The increase in corn prices in the US and Europe delivered a benefit to our co-product income in the first half of the financial year. Just to remind you, in the US we fully hedge the gross cost of corn for use in each sales contract. However, in Europe where hedging options are more limited, higher corn prices are expected to have a modest impact on profitability on current contracts during the final quarter of the 2010 calendar year.

With higher corn prices and anticipated tighter corn supply, we would expect to carry higher levels of working capital in the business at 31 March 2011.

Let me now give you a little more colour on the performance within our two business segments ...

## Speciality Food Ingredients

Adjusted Operating Profit[1] (+32% reported, +27% constant currency)

**Starch-based Speciality Ingredients**

- Volume increases across all major product lines
- New product launches in Health & Wellness category
- Commissioned first polydextrose facility in Europe

**c.50% of segmental sales by value**

**High Intensity Sweeteners**

- Robust volume growth offset by lower selling prices
- Full benefits from single plant Sucralose manufacturing footprint

**c.25% of segmental sales by value**

**Food Systems**

- Volume growth driven by increases in Asia Pacific, US and South Africa

**c.25% of segmental sales by value**

***7% sales volume growth across segment***

[1] Before exceptional items and amortisation of acquired intangible assets

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Firstly, Speciality Food Ingredients.

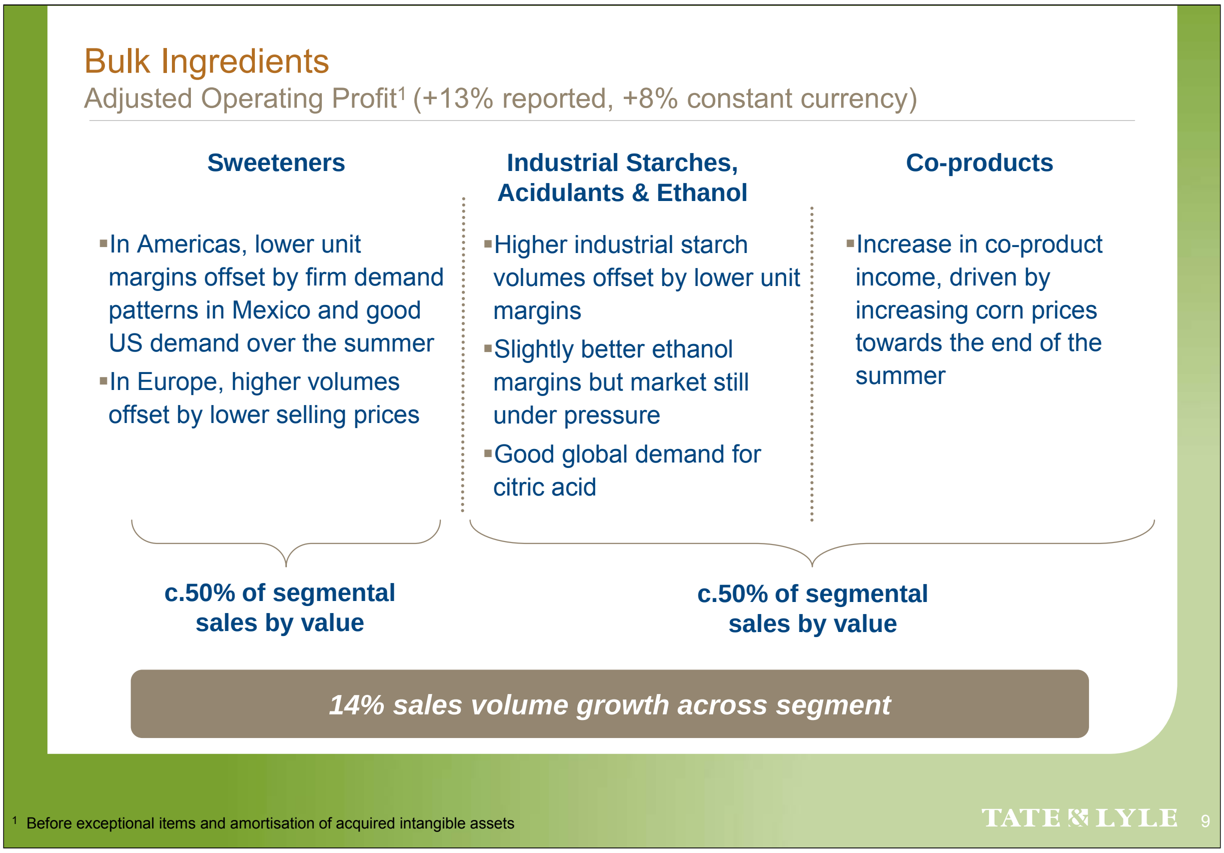
This slide shows the broad product platforms in the segment and their approximate contributions to sales by value.

Overall, the Speciality Food Ingredients segment achieved a 7% increase in sales volumes.

In starch-based speciality ingredients we saw volume increases across all major product categories. We continued to see positive growth in demand for products in the Health and Wellness area and launched a number of new ingredients including Resistamyl 140 – a bakery cream starch in Europe, and Promitor Corn Fiber 85 – a high fibre, low-calorie pre-biotic fibre, in the US and Latin America. We also commissioned the first polydextrose facility in Europe, in response to customer demand.

In High Intensity Sweeteners, namely Sucralose, we continued to experience robust volume growth. Sales by value were slightly lower, reflecting lower average selling prices due to volume-incentive arrangements in long-term customer contracts.

Food Systems continued to perform well, achieving high single digit volume growth, driven by increases in Asia Pacific and South Africa as well as in the US.




Moving on to Bulk Ingredients.

Sweeteners account for around 50% of this segment's sales by value.

Overall, we achieved strong sales volume growth of 14% across the segment.

In the Americas, profits from sweeteners were marginally above the comparative period. As expected, unit margins were lower. However, this was more than offset by good volume growth driven by strong seasonal demand for corn sugars in the US and the continuation of firm demand patterns in Mexico.

In Europe, increased isoglucose or corn sugar volumes were partially offset by lower selling prices following the final reduction in European sugar reference prices on 1 October 2009.

In industrial starch, the modest increase in volumes was more than offset by lower unit margins. In ethanol, the market remained under pressure despite slightly better unit margins.

Our citric acid business performed well with volumes benefiting from good global demand.

As mentioned previously, we saw an increase in co-product income, driven by the higher corn prices towards the end of the summer.

I will now hand over to Tim who will take you through the financials in more detail.

# Financial Review

## Tim Lodge, Chief Financial Officer

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Thank you Javed, and good morning.

## Income Statement

Six Months to September

Continuing operations [1]

| £m, unless stated | 2010 (£1=US$1.52) | 2009 (£1=US$1.60) | At constant currency |
|---|---|---|---|
| Sales | 1,348 | 1,298 | - |
| Adjusted operating profit [2] | 170 | 144 | 13% |
| Net finance expense | (34) | (37) | 13% |
| **Adjusted profit before tax [2]** | **136** | **107** | **21%** |
| Exceptional items | (25) | (55) | |
| Amortisation of acquired intangibles | (7) | (7) | |
| **Profit before tax** | **104** | **45** | **121%** |
| Income tax (expense) / credit | (8) | 1 | |
| **Profit from continuing operations** | **96** | **46** | **109%** |
| **Adjusted diluted earnings per share [2]** | 23.5p | 18.0p | 21% |

[1] Excluding the results of the Sugars segment in both periods
[2] Before exceptional items and amortisation of acquired intangible assets

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Starting with the income statement for the continuing operations, sales at £1.3 billion were flat at constant currency. Volumes were higher but lower unit sales prices for some products offset these. The lower sales prices for these products were linked closely to lower net corn costs. Operating profit at £170 million was 13% ahead of the comparative period at constant currency, while profit before tax of £136 million was £29 million, or 21% ahead, aided by a £7 million lower net interest charge for post retirement plans. The average US$ exchange rate against the pound was stronger than the comparative period. This led to a positive impact on profit before tax of £5 million. Let me remind you that every 1 cent on the average dollar:sterling exchange rate for the full year typically impacts our full year profit before tax by around £1.3 million. This £1.3 million can broadly be broken down into an impact on Speciality Food Ingredients of £1 million, on Bulk Ingredients of £600 thousand, with an offsetting £300 thousand in the net interest charge.

I'll talk about the exceptional item and tax in a moment.

## Sales and Operating Profit

Six Months to September 2010

Continuing operations [1]

| £m, unless stated | Sales | At constant currency | Adjusted operating profit [2] | At constant currency |
|---|---|---|---|---|
| Speciality Food Ingredients | 414 | - | 108 | 27% |
| Bulk Ingredients | 934 | - | 85 | 8% |
| | 1,348 | - | 193 | 18% |
| Central costs | | | (23) | (77%) |
| | 1,348 | - | 170 | 13% |

[1] Excluding the results of the Sugars segment
[2] Before exceptional items and amortisation of acquired intangible assets

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This slide shows the segmental sales and operating profit and we will look at that by division shortly, but let me cover Central costs here. At £23 million Central costs were higher than the comparative period by £10 million. We incurred a further £6 million of non-recurring costs arising from the review of the Group's activities. So underlying costs were £17 million and I anticipate costs to be similar to this underlying rate in the second half.

So, turning to Speciality Food Ingredients in more detail….

## Speciality Food Ingredients

Six Months to September

Continuing operations [1]

| £m, unless stated | 2010 | 2009 | At reported rates | At constant currency |
|---|---|---|---|---|
| Sales | **414** | 403 | 3% | - |
| Adjusted operating profit[1] | **108** | 82 | 32% | 27% |
| Margin[1] | **26.1%** | 20.3% | | |
| Operating cash flow | **105** | 92 | | |

- Volumes increased by 7%
- Exchange translation improved profit by £3m
- Full benefits achieved from single plant Sucralose manufacturing footprint

[1] Before exceptional items and amortisation of acquired intangible assets

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Overall volumes increased by 7%. Sales were flat at constant currency, reflecting the impact of lower average sucralose selling prices driven by the volume incentives within our long-term customer contracts.

Adjusted operating profit increased by £26m, or 27%, with improvement in all major product families as well as all geographies. The effect of exchange translation was to increase profit by £3m. We achieved the full benefits from the single plant Sucralose manufacturing footprint. Operating profit margin on sales for the division increased from 20.3% to 26.1%.

## Bulk Ingredients

Six Months to September

Continuing operations [1]

| £m, unless stated | 2010 | 2009 | At reported rates | At constant currency |
|---|---|---|---|---|
| Sales | **934** | 895 | 4% | - |
| Adjusted operating profit[1] | **85** | 75 | 13% | 8% |
| Margin[1] | **9.1%** | 8.4% | | |
| Operating cash flow | **143** | 247 | | |

- Strong demand in Mexico for corn sugars
- Sales affected by lower unit margins
- Firmer co-products pricing

[1] Before exceptional items and amortisation of acquired intangible assets

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Turning to Bulk Ingredients

Sales volumes were also higher.  Javed has talked about the strong demand for sweeteners in North America – both within Mexico and because of the fine weather over the summer.  We also benefitted from additional sweetener capacity in Europe and industrial starch volumes firmed off their low base.

Lower unit prices offset these higher volumes, and sales were flat over the comparative period.  There are two reasons for lower unit prices.  Firstly, as we reported back in January, sweetener contracting with customers in the Americas for this calendar year was conducted against the backdrop of lower demand, and we expected overall unit sweetener margins to be somewhat below the 2009 calendar year.  Secondly, we have also locked in lower net corn costs in the period and this is reflected in the unit sales prices for many of our bulk ingredient products, but is obviously margin neutral.

Operating profit increased over the comparative period by £10m, £4m of which was a benefit from exchange translation, so an increase of 8% at constant currency.  This was driven by firmer co-product pricing towards the end of the period, the good sweetener volumes on both continents, and in citric acid, although these were partially offset by a lower contribution from industrial starches.

We had efficiency and price gains on our energy costs in the half year.  I have included a chart on energy costs for the whole Group in the supporting information.  As a Group, we have contracts and futures in place that hedge over 80 percent of our energy costs for the full year.

## Interest, Tax and EPS

Six Months to September

Continuing operations [1]

| £m, unless stated | 2010 | 2009 | At constant currency |
|---|---|---|---|
| Interest reported | **(34)** | (37) | 13% |
| - add back pension interest | **2** | 9 | |
| - add back net hedge unwind | **5** | - | |
| Underlying interest | **(27)** | (28) | |
| Tax [2] | **(28)** | (23) | (22%) |
| Effective tax rate [2] | **20.4%** | 21.5% | |
| | | | |
| Earnings per share [2] | | | |
| - Basic | **23.7p** | 18.1p | 22% |
| - Diluted | **23.5p** | 18.0p | 21% |

[1] Excluding the results of the Sugars segment in both periods
[2] On profit from continuing operations before exceptional items and amortisation of acquired intangible assets

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We highlighted at the beginning of the year that the net interest charge for post retirement plans was expected to be lower than the comparative period and this reduced the net interest charge by £7 million. In our Interim Management Statement in July we told you that we had repaid debt to achieve a cash saving of £2 million. As this repayment involved the unwind of cash flow hedges, we took an accounting charge of £6 million which will reverse over the period to the loan's maturity in June 2012. With £1 million of the reversal being booked in the period, in this half year the net charge was £5 million. I expect the underlying net interest expense of £27 million to be similar in the second half despite the lower levels of debt. This is because we are holding cash to repay the $300 million bond, which matures in June 2011.

The effective rate of tax, based on our expectations for the full year was 20.4%, below the prior year anticipated rate of 21.5% but in line with the final outcome for the year ended 31 March 2010. This reduction reflects the change in the geographic mix of profits, particularly the lower proportion of profits earned in the higher-taxed jurisdiction of the US.

Aided by lower interest and tax rates, diluted earnings per share increased by 21% to 23.5 pence.

## Discontinued Operations
Six Months to September

| £m, unless stated | 2010 | 2009 |
|---|---|---|
| Sales | **482** | 604 |
| Adjusted operating profit[1] | **10** | 3 |
| | | |
| Cash proceeds from disposals | **212** | (9) |
| Cash disposed | **(5)** | - |
| Cash absorbed by discontinued operations | **(65)** | (6) |
| Total discontinued cash flow | **142** | (15) |

[1] On profit from discontinued operations before exceptional items and amortisation of acquired intangible assets

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Within our discontinued operations, Molasses produced another good performance as did Vietnam. The European Sugar Refining operations were marginally profitable up to the time of sale.

We received £212 million cash on 30th September for the sale of the European Sugar Refining operations. That included payment for £5m of cash held in the businesses. There was operating cash outflow of £65 million which relates primarily to the termination of certain working capital facilities prior to the sale.

So the cash inflow in the year to date from discontinued operations was £142 million.

The disposal of the other businesses within Sugars is progressing to plan.

## Exceptional Items

Six Months to September

| £m | 2010 | 2009 |
| --- | --- | --- |
| **Discontinued operations** | | |
| Loss on disposal of European Sugars | **(55)** | - |
| **Exceptional charges from discontinued operations** | **(55)** | - |
| | | |
| **Continuing operations** | | |
| Closure and restructuring costs | **(25)** | (55) |
| **Exceptional charges from continuing operations** | **(25)** | (55) |
| **Total exceptional charges (pre-tax)** | **(80)** | (55) |

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Moving to our exceptional items. Staying with our discontinued operations, we recognised a loss on the sale of our European Sugar Refining operations. We announced in July that we anticipated a loss of £55 million before costs and subject to exchange movements. On completion of the sale of the UK, Portuguese and Norwegian operations, we have recognised a loss of £55 million after costs. There are certain joint venture shareholdings that were subject to pre-emption rights by other shareholders which did not complete before the half year. The small profit or loss on these share sales, and any final adjustments to completion accounts, could impact the amount we book as final loss on disposal.

As we announced in May, we recognised one exceptional item in the year within continuing operations being the £25 million charge relating to long-term contracts at the mothballed Fort Dodge plant.

## Business Transformation

Anticipated Exceptional Items and Capital Expenditure

| £m | |
|---|---|
| **Exceptional charges** | |
| Commercial and Food Innovation Centre | 20 |
| Global shared services and common IS/IT platform | 21 |
| **Exceptional charges relating to Business Transformation** | **41** |
| | |
| **Capital expenditure** | |
| Commercial and Food Innovation Centre | 16 |
| Global shared services and common IS/IT platform | 40 |
| **Capital expenditure relating to Business Transformation** | **56** |

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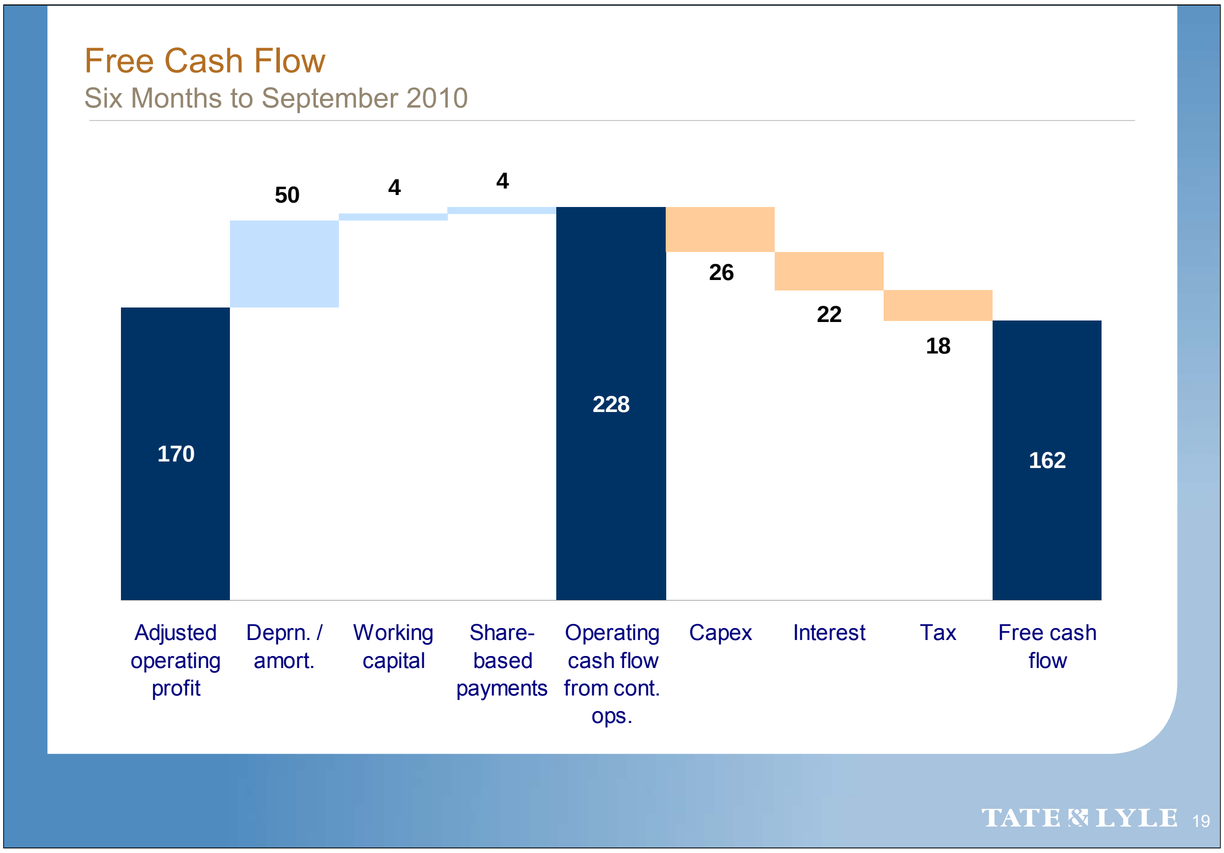
Over the course of the last few months we have discussed three major initiatives that underpin the "fix" element of "focus, fix and grow". These are the Commercial and Food Innovation Centre in Chicago that we announced a few weeks ago, and the implementation of Global Shared Services and a Common IS/IT platform. While some costs will be incurred in the current fiscal year and in the year ending 31 March 2013, the majority of these costs will be booked within fiscal 2012.

Using current exchange rates, the amounts to be booked as an exceptional charge total £41 million – that's the £20 million (or $36 million) we announced in October for the Commercial and Innovation Centre and the £21 million we announced back in May for the Global Shared Services initiative. We also expect to incur capital expenditure of up to £56 million. £16m (or $26 million) of that is for the Chicago Centre, and the only piece of information that's new today is the capital cost of up to £40 million for the implementation of the common IS/IT platform. The Shared Services and Common IS/IT platform projects will be run as a single transformation programme.




If we move to the free cash flow in the period, £220 million of EBITDA was the main component of £228 million of operating cash flow. I'll come back to the small working capital inflow in a moment. Capital expenditure at £26 million was just over half of the depreciation charge. It's unusually low due to the tight management of capital over the last year as we migrated to our new capital allocation process. We anticipate some pick-up in the rate of spend in the second half and continue to envisage capital expenditure within a range of 1 to 1 and a quarter times depreciation looking forward. Indeed, with the expenditure on the new Commercial & Innovation Centre, global IS/IT and shared services, we are likely to be at the upper end of this range in the year ending 31 March 2012. After tax and interest, both of which were lower than the comparative period, free cash flow was £162 million.

## Change in Working Capital

Six Months to September

Continuing operations [1]

| £m, unless stated | 2010 | 2009 |
|---|---|---|
| (Increase) / decrease in inventories | **(51)** | 75 |
| Increase in payables | **42** | 8 |
| US margin calls | **11** | 26 |
| Decrease in receivables | **9** | 13 |
| Movement in derivatives, provisions and other | **(7)** | (1) |
| **Change in working capital** | **4** | 121 |

[1] Excluding the results of the Sugars segment in both periods

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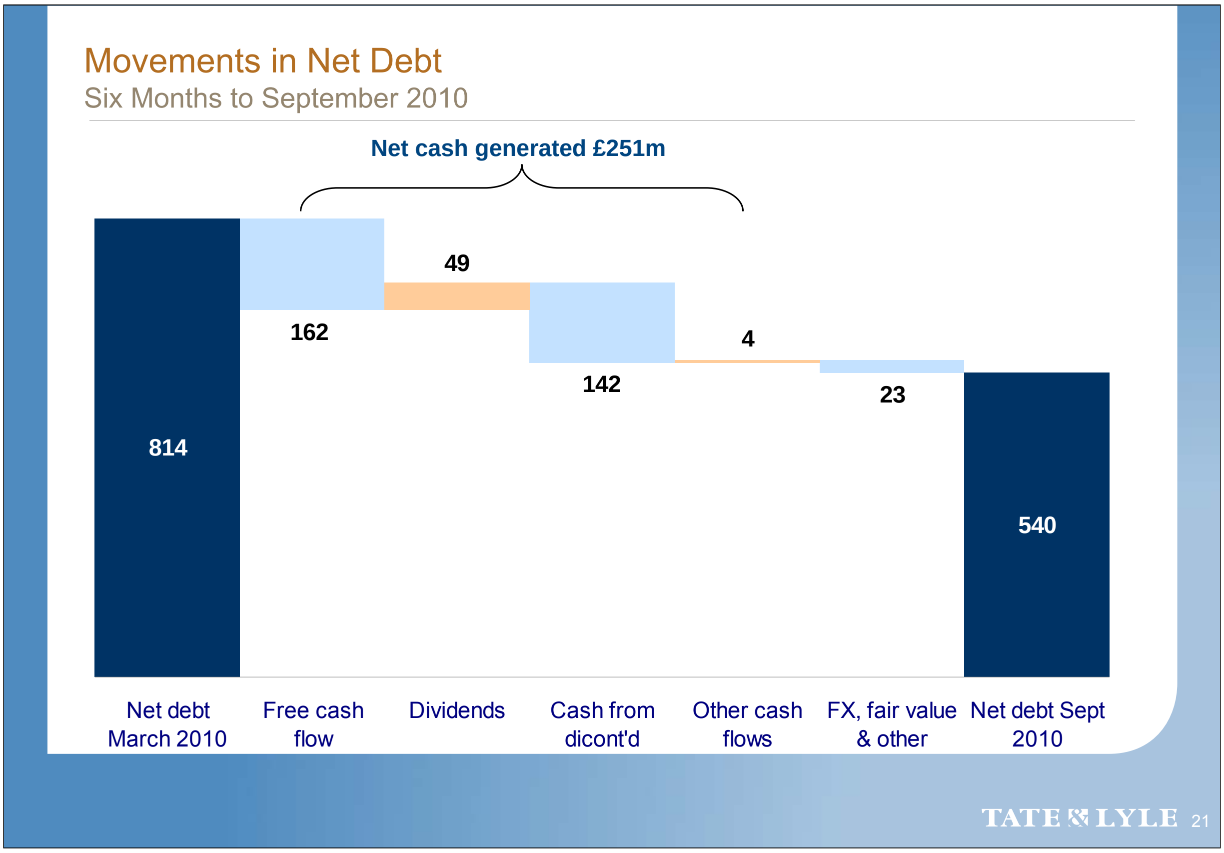
Coming back to working capital for a moment. Overall we had a £4 million inflow on working capital. The early harvest in the US meant that we had largely filled our grain silos with corn by the period end. We had not necessarily paid for all that corn at 30 September and that accounts for much of the increase in payables. With tighter supply and demand for corn than we have seen for a while, we are more likely to hold this corn through to the end of the harvest year, and carry higher inventories at the financial year end compared with last year.

While the higher corn price benefits us in the short term with margin calls on futures being in our favour, it will add to the costs we finance through inventory and through receivables. This just adds to our focus on the disciplines needed to improve the efficiency of, and reduce the amount of, funds tied up in working capital.




So, coming back to net debt and the movement over the period: Net cash generation was £251 million. From the free cash flow of £162m we paid out £49 million in dividends. That is a smaller amount than we declared as a final dividend and reflects the higher take up of the scrip option on around one third of the shares. After the cash from the discontinued operations and the £23 million benefit from exchange translation, net debt reduced by £274 million, around a third, to £540 million at the end of September.

Annualised net debt to EBITDA for the period, under our covenant definition, was 1.4 times, well within our covenant limit of no more than 4.0 times and our internal target of not more than 2 times. Interest cover strengthened to 6.8 times under bank covenant definitions, again ahead of the covenant minimum level of 2.5 times.

The average maturity of gross debt at the end of March was 5.3 years and we continue to have significant undrawn committed bank facilities.

## Balance Sheet

As at

| £m, unless stated | 30 Sept 2010 | 30 Sept 2009 |
|---|---|---|
| Goodwill, intangibles and fixed assets | **1,341** | 1,802 |
| Inventories | **358** | 443 |
| Trade and other receivables | **325** | 550 |
| DFI (non-debt related) | **6** | (23) |
| Trade and other payables | **(388)** | (485) |
| Other, including provisions | **(390)** | (367) |
| **Net operating assets** | **1,252** | **1,920** |
| Net debt | **(540)** | (987) |
| Net tax asset / (liability) | **94** | (67) |
| **Shareholders' equity** | **806** | **866** |

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Moving to the Balance Sheet:

Net Operating Assets have reduced by around 35% from last year to £1.25 billion. There are three drivers of this: the sale of the European Sugar Refining operations reduces the asset base; the impairments that were booked at the end of March, primarily relating to the mothballing of Fort Dodge, and the initiatives to reduce the working capital employed in our business.

Provisions increased due to the impact of pension liabilities, which I will cover on the next slide.

## Pensions

| £m, unless stated | 31 March 2010 | Exchange | Subtotal | Net movements | 30 Sept 2010 |
|---|---|---|---|---|---|
| Net asset / (liability) | | | | | |
| UK | **5** | - | 5 | 1 | **6** |
| US | **(154)** | 6 | (148) | (46) | **(194)** |
| Other | **(7)** | (1) | (8) | 2 | **(6)** |
| Subtotal | **(156)** | 5 | (151) | (43) | **(194)** |
| US healthcare | **(101)** | 4 | (97) | (13) | **(110)** |
| **Total** | **(257)** | 9 | (248) | (56) | **(304)** |

| £m | Sep-09 | Sep-10 |
|---|---|---|
| **P&L charge** | | |
| Service | **6** | **8** |
| Net interest | **9** | **2** |
| **Total** | **15** | **10** |

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Our estimate of the net pension liability has increased by £47m from £257m in March 2010 to £304m at the end of September; this movement is almost entirely due to an increase in pension liabilities, driven by lower discount rates. We have announced that our main pension schemes in the US will close to future accrual on 1 January 2011. We do not believe that the changes will have a material impact on the Group's Balance Sheet, but these are consistent with the main UK scheme which closes to future accrual at the end of the year.

We have retained the historic pension liabilities of the UK Sugars operations.

## Summary of Financial Position

- Adjusted operating profit up 13% in constant currency
- Adjusted diluted EPS up 21% in constant currency
- Cash generated £251m; net debt / EBITDA 1.4 times
- Standard & Poor’s revised outlook from negative to stable

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So let me summarise:

The Group delivered an encouraging performance in the first half year, particularly in Speciality Food Ingredients, and overall operating profit was higher than the comparative period by 13% at constant currency.

With lower interest and tax rates, our adjusted diluted earnings per share increased by 21% at constant currency.

We generated cash of £251 million both from operations and the sale of our European Sugar Refining businesses, and have brought our net debt to EBITDA down to 1.4 times.  On 30 September Standard & Poor’s revised the outlook on our rating from negative to stable.

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

# Outlook

## Javed Ahmed, Chief Executive

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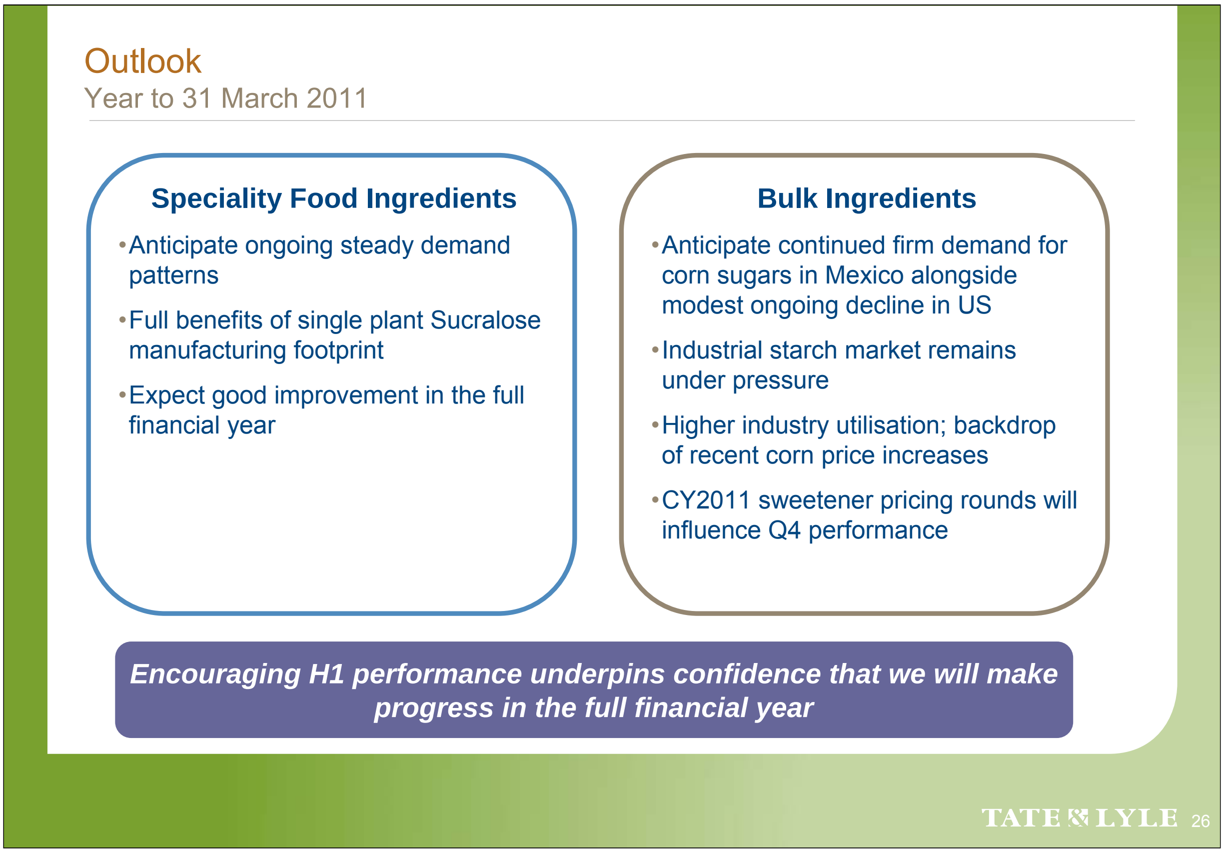
Thank you Tim.

Moving now onto our outlook for the full year to 31 March 2011.




Within Speciality Food Ingredients, we anticipate a continuation of the steady demand patterns experienced in the first half of the year. Together with the full benefits of a single plant Sucralose manufacturing footprint, we expect good improvement in the full financial year.

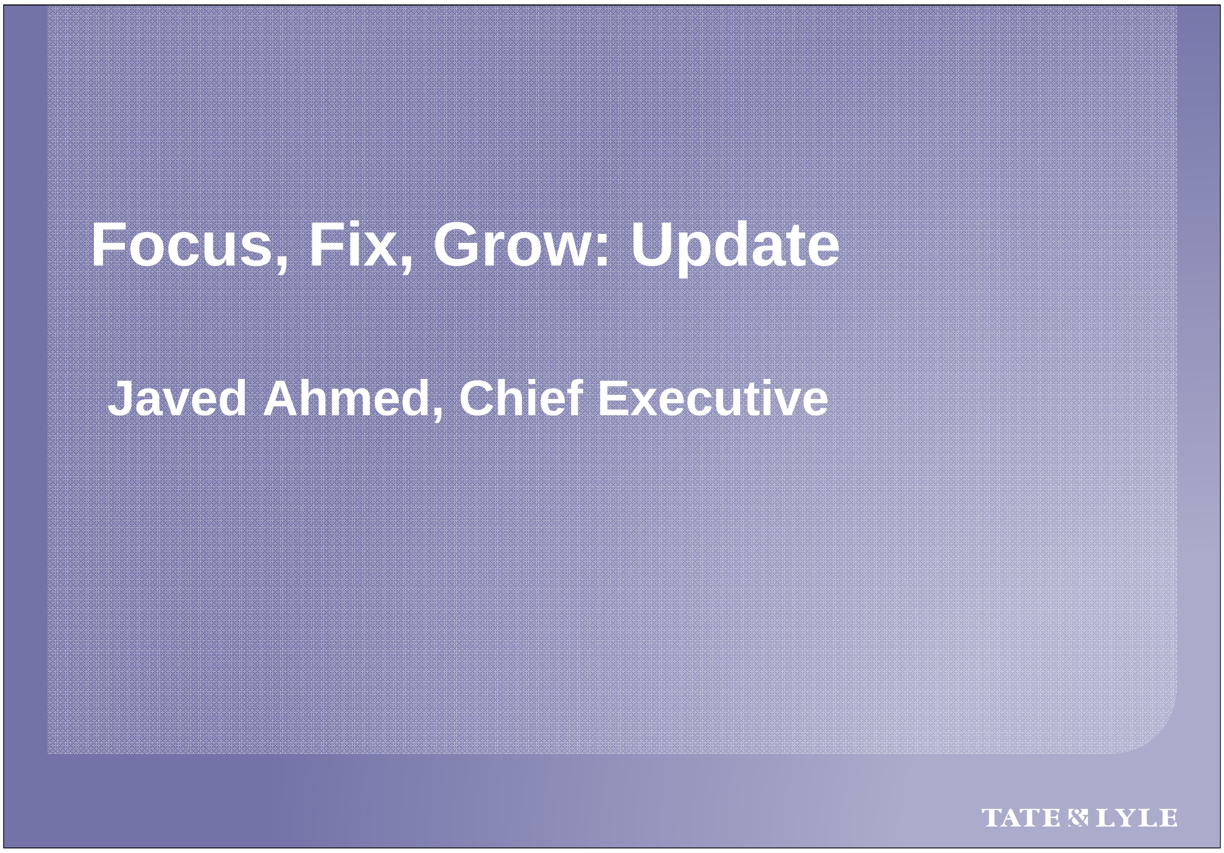
In Bulk Ingredients, we anticipate the firm demand for corn sugars into Mexico will continue alongside the modest ongoing decline in US domestic demand, subject to normal seasonal patterns.

Despite some improvement in demand for industrial starches, this market remains under pressure.

Industry utilisation has increased from the levels experienced a year ago. However, against the backdrop of recent corn price increases, the outcome of 2011 calendar year pricing rounds will, as usual, influence performance in the final quarter of the financial year.

The encouraging first-half performance underpins our confidence that we will make progress in the full financial year.

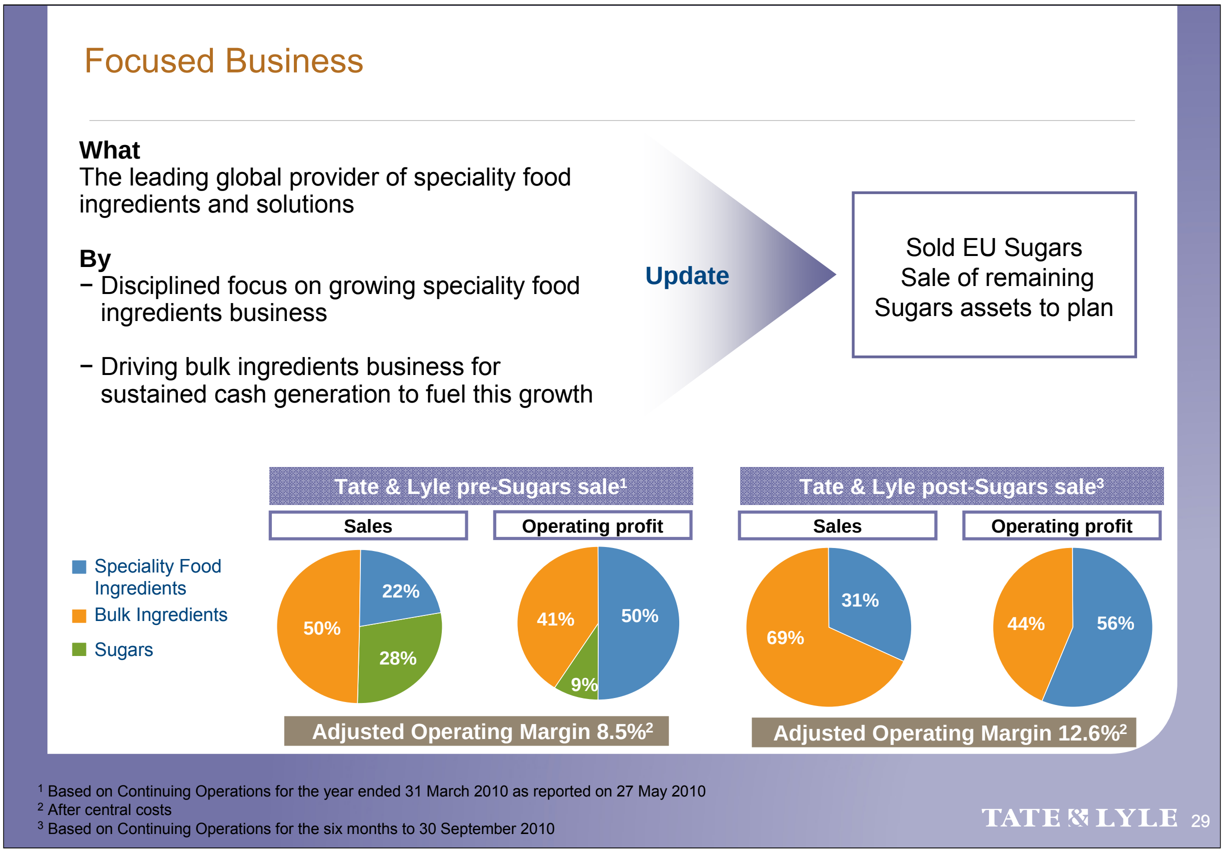
Moving now to the update on Focus, Fix and Grow.




In May I took you through the key strategic, operational and organisational challenges facing Tate & Lyle. At that time, I outlined a number of actions we were going to take to ‘focus fix and grow’ the business. Today, I want to give you a brief update on our progress.

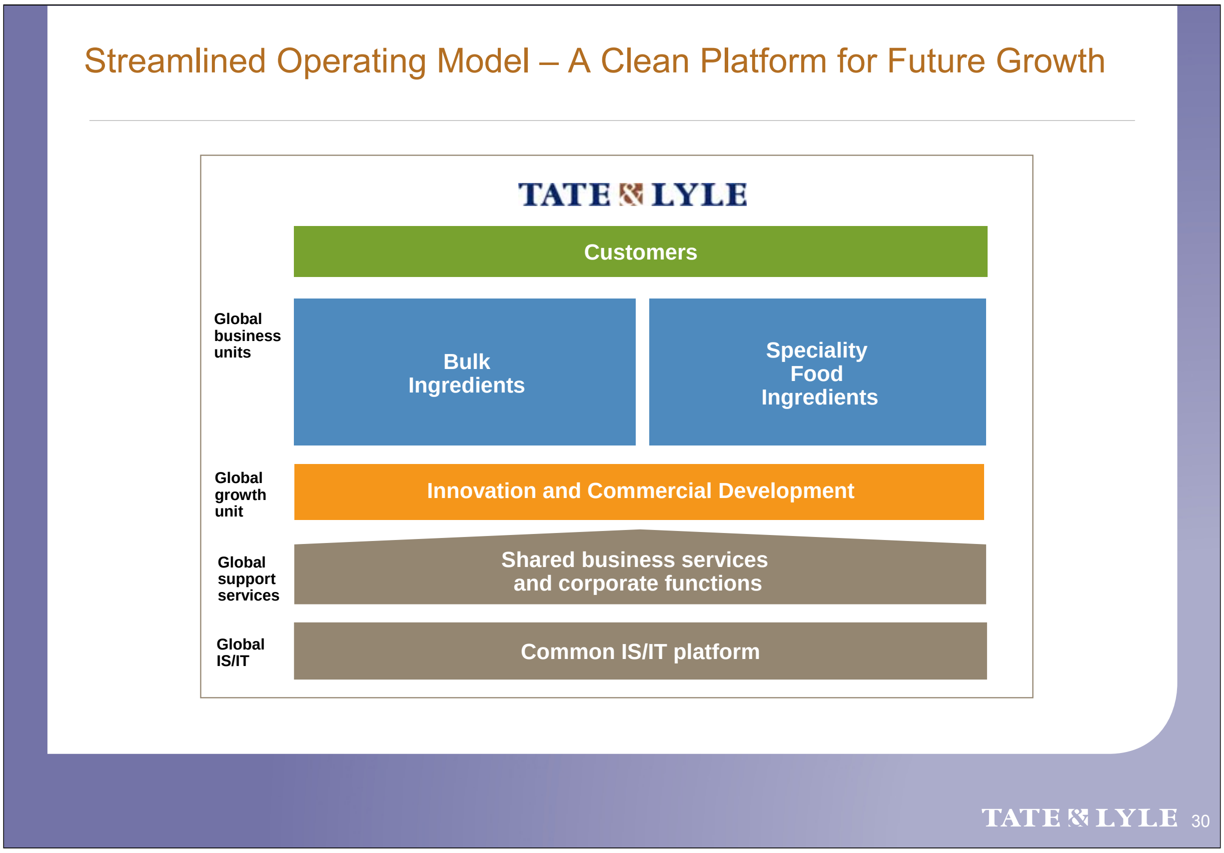
# 1. Focus

Starting with the focus.




First of all, I would like to remind you of the clear objective for Tate & Lyle we set out in May – to be the leading global provider of speciality food ingredients and solutions. We said we would deliver against this objective in two ways; by a) a very disciplined focus on growing our Speciality Food Ingredients business, and b) by driving our Bulk Ingredients business for sustained cash generation to fuel this growth.

On 1st July, we took a major step to further focus our business by announcing the sale of our European Sugar Refining operations. At the same time we announced we would be launching a process to sell the remainder of our sugar assets. As you can see from the graphs on this slide, in the previous financial year including Sugars the Group's operating margin after central costs was 8.5%. In the first half of the current financial year, excluding Sugars, the operating margin has increased to 12.6%. If we had included Sugars and other discontinued businesses in our first-half figures, this would have been just 9.8%.




As shown on this slide, the decision to sell Sugars has further streamlined our new operating model, providing a cleaner platform for future growth both organically and through acquisitions.

## 2. Fix

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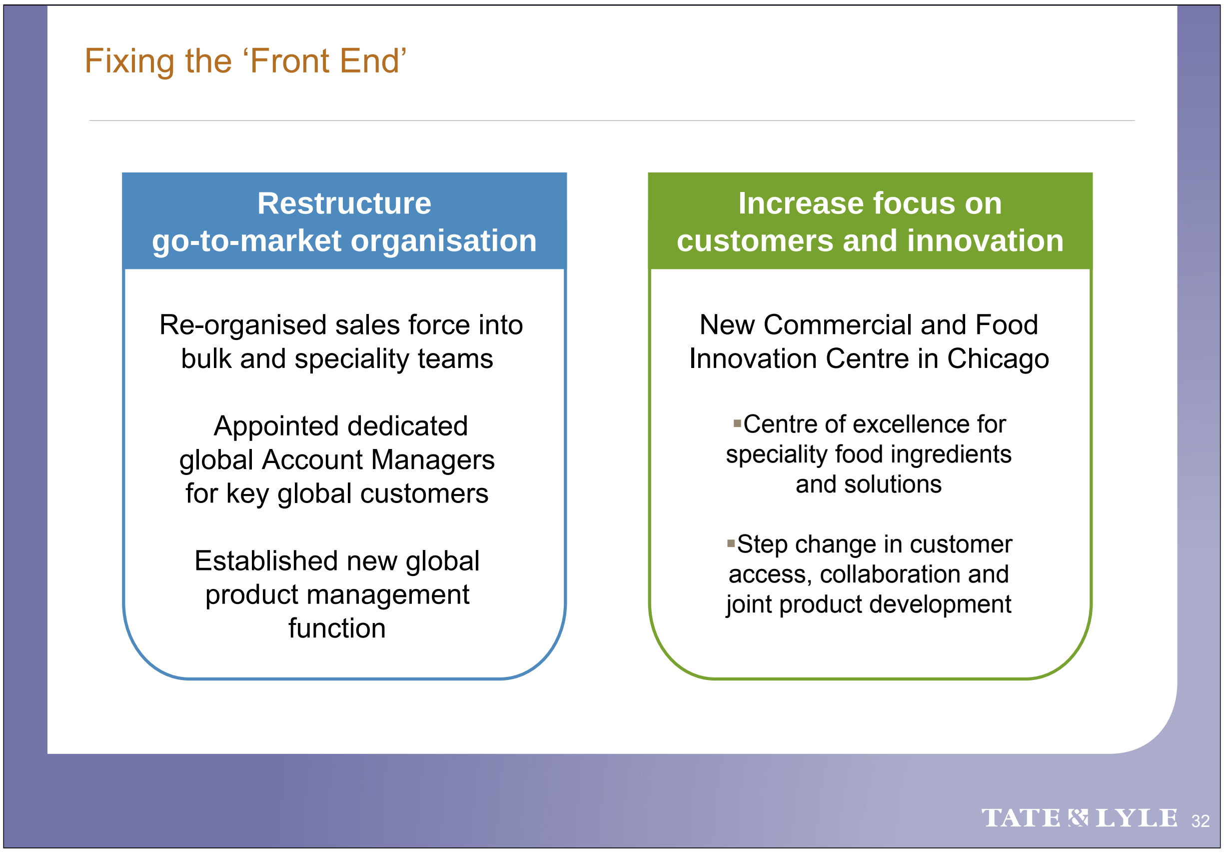
Today, we are heavily focused on 'fixing' our business. This consists of 3 main areas:

•the 'front end' or customer-facing part of our business;

•the 'back end' or operational capabilities of our business; and

•the culture of our business including our organisational bench strength.



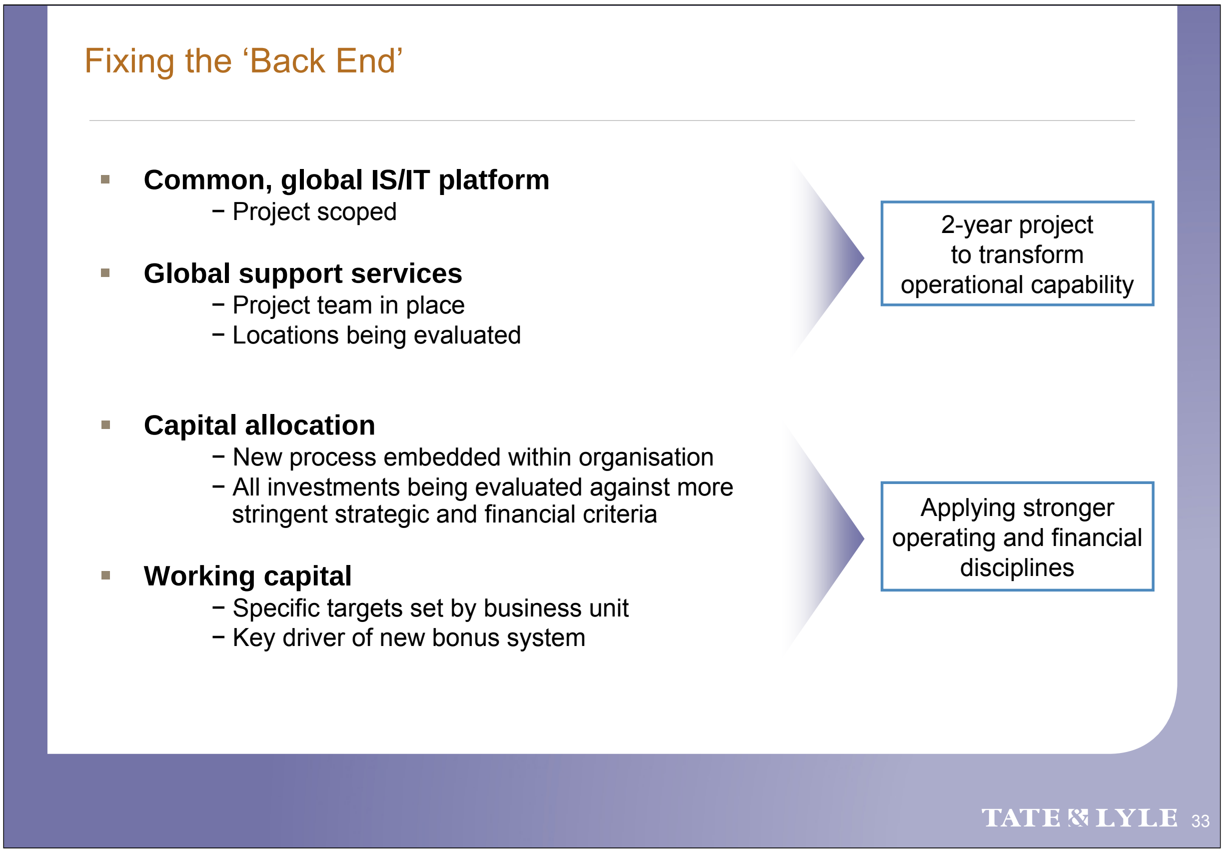

In the past six months, we have re-structured our go-to-market organisation.

•Firstly, we have separated our sales force into two distinct focussed teams – one for Bulk Ingredients and one for Speciality Food Ingredients – ensuring we have the necessary expertise and focus to serve our customers in these two very different end markets.

•Secondly, we have appointed dedicated global account managers to serve our key global customers;

•And thirdly, we have created a new global product management function.

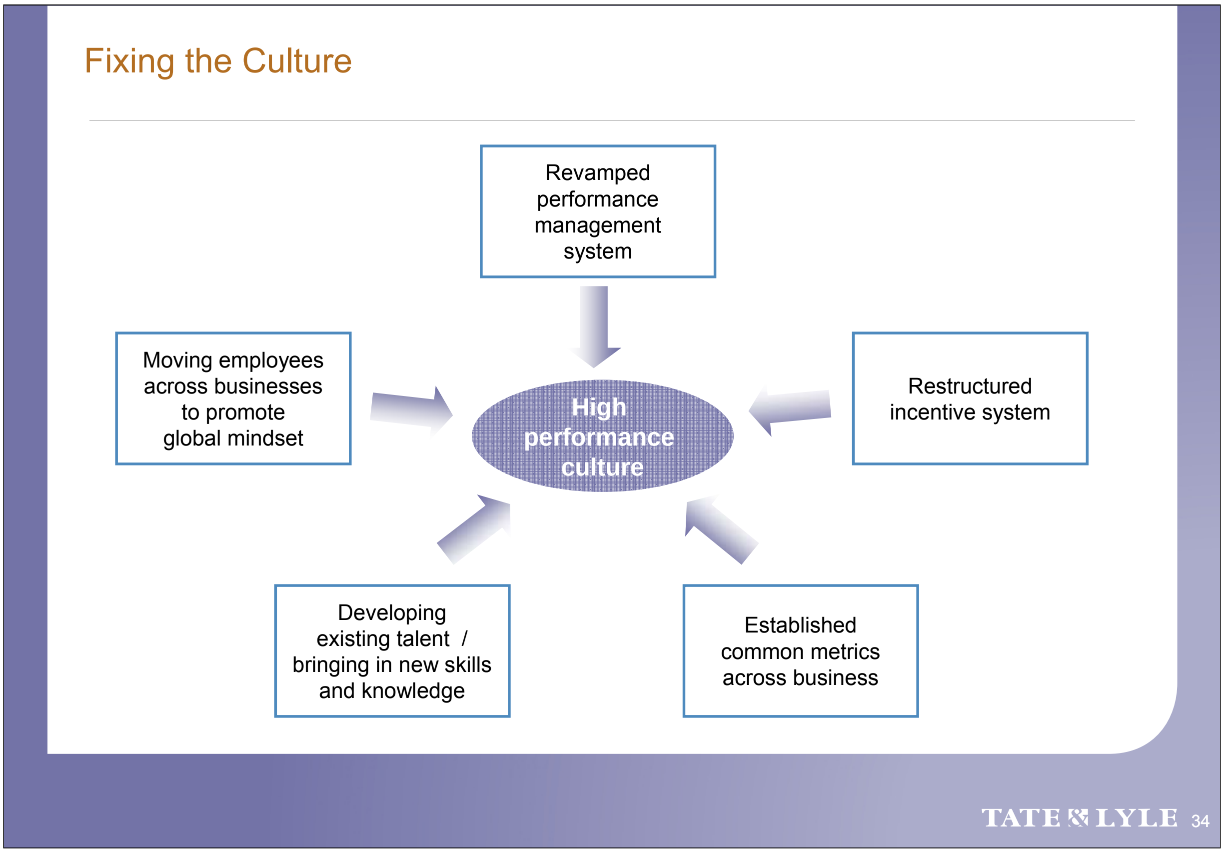
Meeting customer needs has to be at the core of our business proposition and we are significantly increasing our focus both on our customers and on innovation. Three weeks ago, we announced that by the end of next year we will open a new Commercial and Food Innovation Centre in Chicago. This state-of-the-art facility will be specifically designed to meet our customers' food ingredient needs and allow us to accelerate the process of bringing new products to market.  It will be the global headquarters of our Innovation and Commercial Development group and the regional headquarters for the Speciality Food Ingredients business in North America.  Its very convenient location in Chicago and leading-edge facilities will provide a step change in the way we collaborate with our customers, and in our access to them.




In May we announced we would be undertaking two major initiatives to transform our operational capability. The first was to implement a common global IS/IT platform and I am pleased to report that this has now been fully scoped. The second was to implement global support services through the use of shared service centres. The planning stage for this initiative is now complete and an internal team is in place. We are now in the process of evaluating the most appropriate locations for the shared service centres. Both initiatives, which will be run as a single transformation programme, will take about two years to complete. The project will be formally launched internally on 1 January 2011.

This time last year I announced a review of our capital allocation and implementation process. In May I told you that this review had been completed. I am pleased to report that this new process has now been fully embedded within the organisation. All new investments are now being evaluated against more stringent strategic and financial criteria, and all approved investments are subject to much greater scrutiny and have clearer milestones.

Our strong focus on controlling working capital has continued in the last six months. Specific working capital targets have been set for each business unit, and these targets are one of the key elements of the new bonus system.




The third part of the fix is the culture.

This is about having the right talent and driving a greater performance-orientated culture within the Company. You will appreciate that changing a Company's culture takes time, but we have taken some important steps since May to start the process of effecting deep cultural change.

•We have reviewed and revamped the performance management system to introduce a much clearer, metric driven process. Management now has specific, measurable individual and collective targets to achieve through the year.

•We have restructured the incentive system at all levels of the organisation to ensure a much stronger pay for performance link.  For example, in May I told you that the compensation of our sales force was 90% fixed and 10% variable.  Under the new incentive system, this has moved to 65% fixed and 35% variable with the ability to further increase the variable element for significant outperformance.

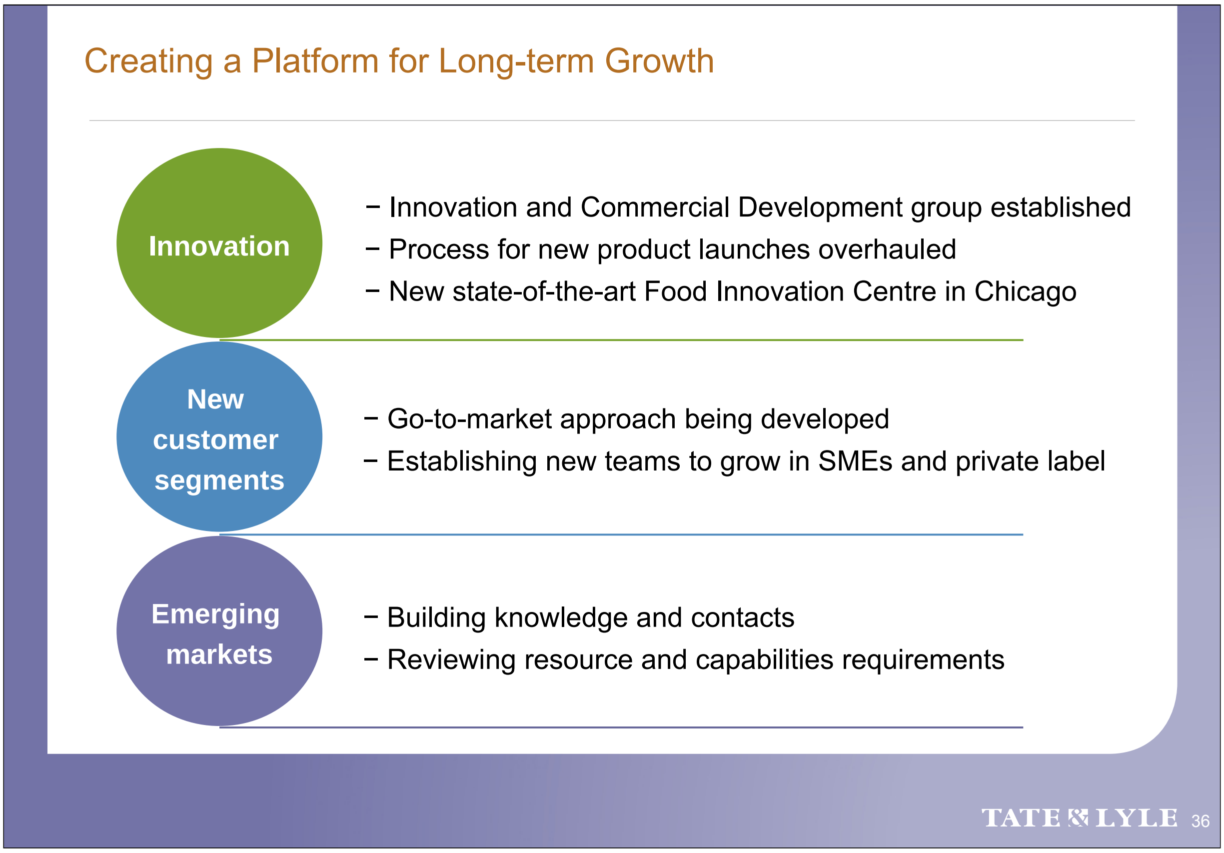
•We have established common metrics and 'common language' across the business for key areas such as safety, quality, customer service and manufacturing.

•Strengthening the talent base within the organisation is a key part of the transformation process and we have some very good, talented people at Tate & Lyle today. We're putting in place programmes to professionally develop them and increase their skills. Also, to ensure we recruit people with the right skills, values and a performance-orientated attitude, we have established a clear set of criteria for recruitment across the business.

•And finally, to ensure the organisation works and thinks with a global mindset, we have taken steps to ensure there is a regular movement of employees across the business units and the functions.

# 3. Grow

Finally, the ‘grow’.



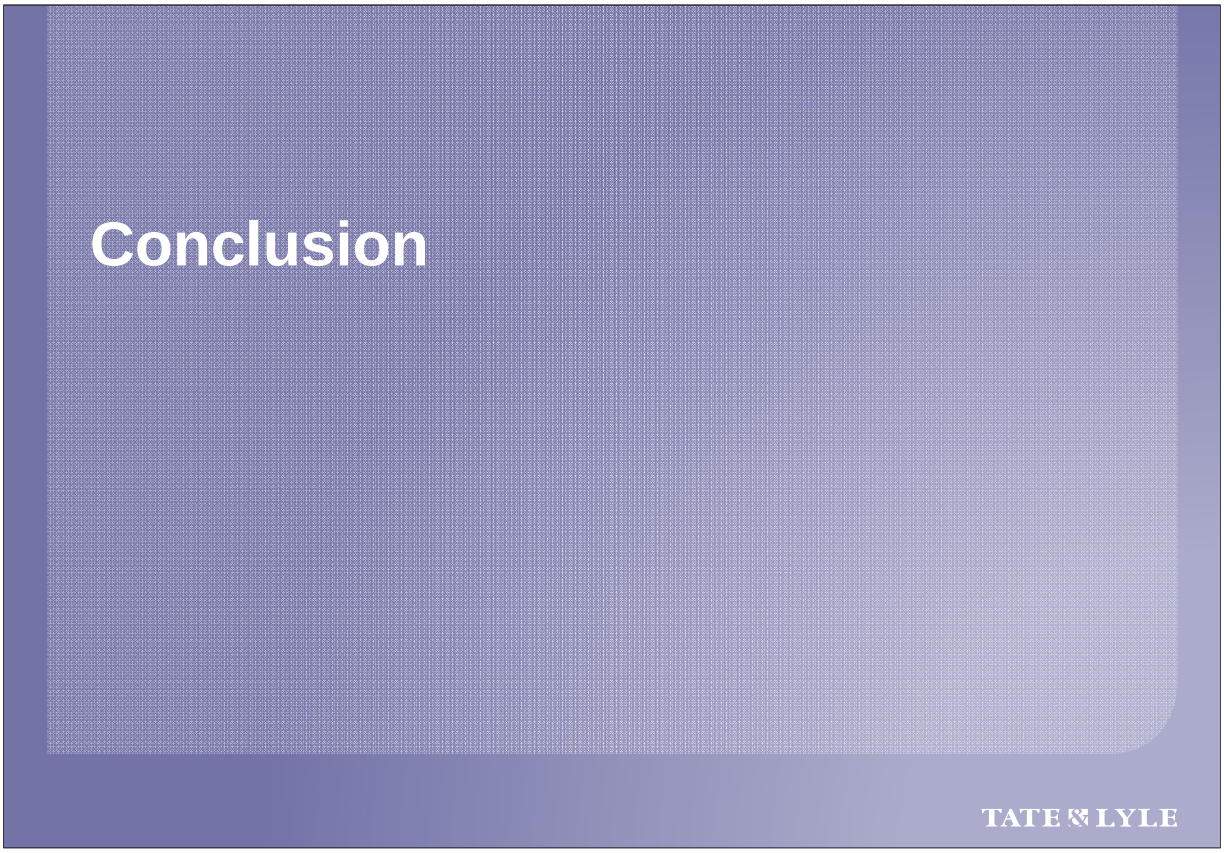

We are targeting three areas for our future growth – via innovation, via new customer segments; and via emerging markets.

On 1 June, we established the new Innovation and Commercial development group bringing together R&D, marketing and platform management into one global team. In the past six months, the new group has made solid progress embedding itself within the new organisational structure, and has started to work with customers on product development and innovation initiatives.

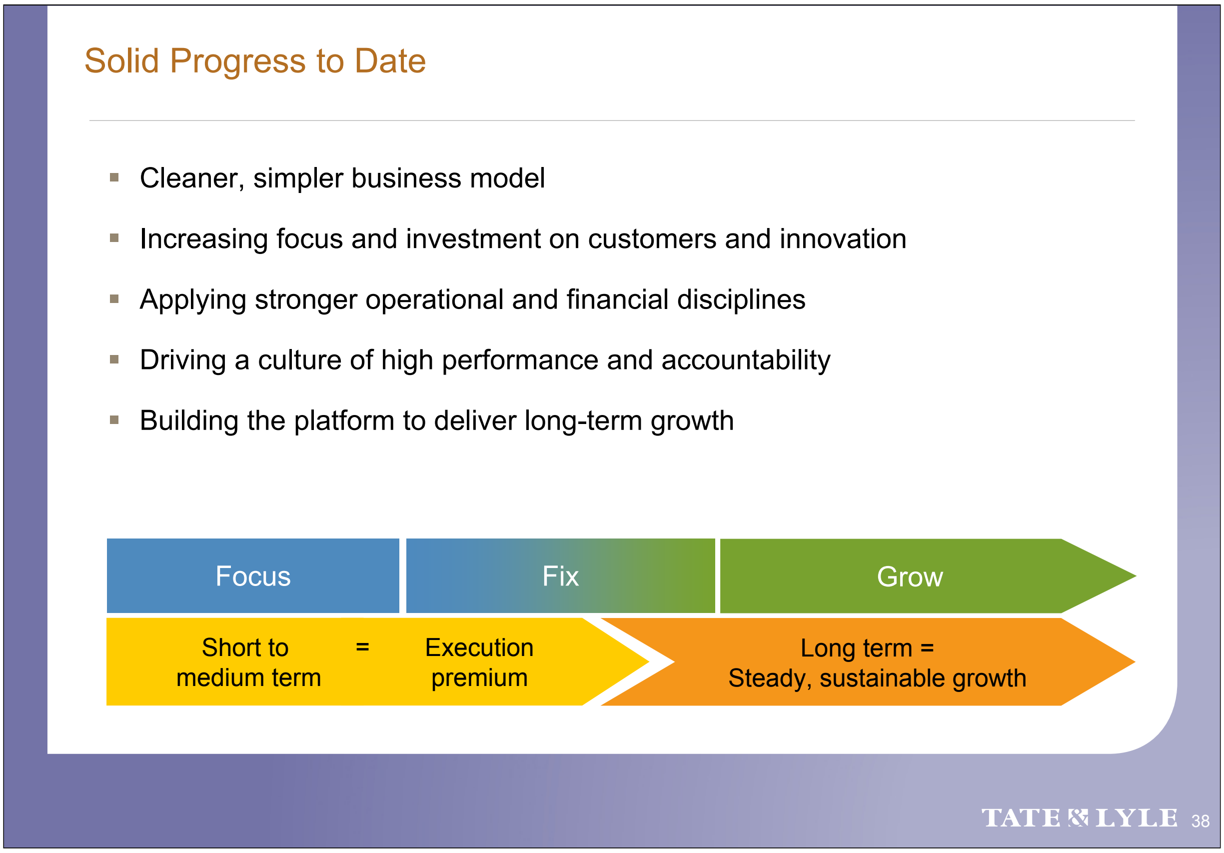
We have started to put in place processes to ensure our innovation pipeline is managed more effectively. We now have formal pipeline review sessions with the Innovation and Commercial Development team every two months. In addition, in the summer we completed a review of the way we launch new products resulting in an improved and more efficient process for future launches. And our new Commercial and Food Innovation Centre in Chicago will, in due course, enable us to collaborate much more closely with our customers and help us meet their new product development and innovation needs.

We are also looking to grow by penetrating new customer segments where historically we have been under represented, such as SMEs and private label. This remains work-in-progress as we develop a more detailed and granular go to market approach.

And we believe emerging markets also present a growth opportunity for us. We are in the process of building our knowledge and contacts in both the Asia Pacific and Latin American regions, and are also reviewing our current resources and capabilities in these geographies. This is also work-in-progress and I will give you a further update in due course.




So to conclude.




The sale of Sugars has created a cleaner, simpler, business model;

We are significantly increasing our focus and investment on customers and innovation;

We are continuing to take the necessary actions to apply stronger operational and financial disciplines, and to drive a culture of high performance and accountability.

Over the past six months I have been extremely pleased with the commitment and energy shown by our employees to embrace and drive through the changes we are making to our business. As I said before, transforming Tate & Lyle is not an overnight fix.  We are in the process of making some major structural changes to the business to set ourselves up for long term growth, and these changes will take up to two years to complete. We have made good progress to-date but there is still much more we need to do.

As I said in May, we believe that by making structural changes to the business we have today we will be able to extract an execution premium in the short to medium term.  Looking forward, we continue to work towards building a platform to create sustainable, long-term growth and value for our shareholders.

The management team remains highly engaged and extremely committed to delivering on these objectives.

Thank you.

# Questions and Answers

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With that let me open up the floor to questions. Please wait for the microphone and state your name and company before asking your question.

# Appendix

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## Key Financial Indicators

Six Months to September

| £m, unless stated | 2010 | 2009 |
|---|---|---|
| Profit before tax[1,2] | **136** | 107 |
| Effective tax rate[1] - total operations | **19.9%** | 23.8% |
| - continuing operations[2] | **20.4%** | 21.5% |
| Diluted EPS - continuing operations[2] | **23.5p** | 18.0p |
| Operating cash flow - continuing operations[2] | **228** | 320 |
| Net debt | **540** | 987 |
| Net debt/EBITDA - total operations[1,3] | **1.4x** | 2.4x |
| Interest cover - total operations[1,3] | **6.8x** | 5.3x |
| Cash dividend cover[4] | **5.2x** | 7.3x |
| Dividend cover - continuing operations | **3.5x** | 2.7x |
| Available undrawn facilities | **636** | 512 |

1 Before exceptional items and amortisation of acquired intangible assets.
2 Excluding the results of the Sugars segment in both periods.
3 This ratio is calculated using the Group's covenant definitions.
4 Calculated as statutory free cash flow divided by dividend declared.

# Income Statement

## Six Months to September

| £m, unless stated | 2010 Cont'd[1] | 2010 Discont'd | 2010 Total | 2009 Cont'd[1] | 2009 Discont'd | 2009 Total |
|---|---|---|---|---|---|---|
| Sales | 1,348 | 482 | 1,830 | 1,298 | 604 | 1,902 |
| Operating profit[2] | 170 | 10 | 180 | 144 | 3 | 147 |
| Net finance costs | (34) | 1 | (33) | (37) | - | (37) |
| **Profit before tax[2]** | **136** | **11** | **147** | 107 | 3 | 110 |
| Exceptional items | (25) | (55) | (80) | (55) | - | (55) |
| Amortisation | (7) | - | (7) | (7) | - | (7) |
| **Profit/(loss) before tax** | **104** | **(44)** | **60** | 45 | 3 | 48 |
| Tax | (8) | 21 | 13 | 1 | (3) | (2) |
| **Profit** | **96** | **(23)** | **73** | 46 | - | 46 |

[1] Excluding the results of the Sugars segment in both periods.
[2] Before exceptional items and amortisation of acquired intangible assets.

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## Effective Tax Rate

Six Months to September

| £m, unless stated | 2010 Cont'd [1] | 2010 Discont'd | 2010 Total | 2009 Cont'd [1] | 2009 Discont'd | 2009 Total |
|---|---|---|---|---|---|---|
| (Loss) / profit before tax | 104 | (44) | 60 | 45 | 3 | 48 |
| Tax | (8) | 21 | 13 | 1 | (3) | (2) |
| Reported tax rate | 7.9% | 45.9% | (20.3%) | (2.2%) | 105.6% | 5.4% |
| | | | | | | |
| Adj. profit before tax[2] | 136 | 11 | 147 | 107 | 3 | 110 |
| Adjusted tax[2] | (28) | (1) | (29) | (23) | (3) | (26) |
| Adjusted tax rate[2] | 20.4% | 15.4% | 19.9% | 21.5% | 105.6% | 23.8% |

[1] Excluding the results of the Sugars segment in both periods.
[2] Before exceptional items and amortisation of acquired intangible assets.

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## Energy Costs

Six Months to September

Continuing operations [1]

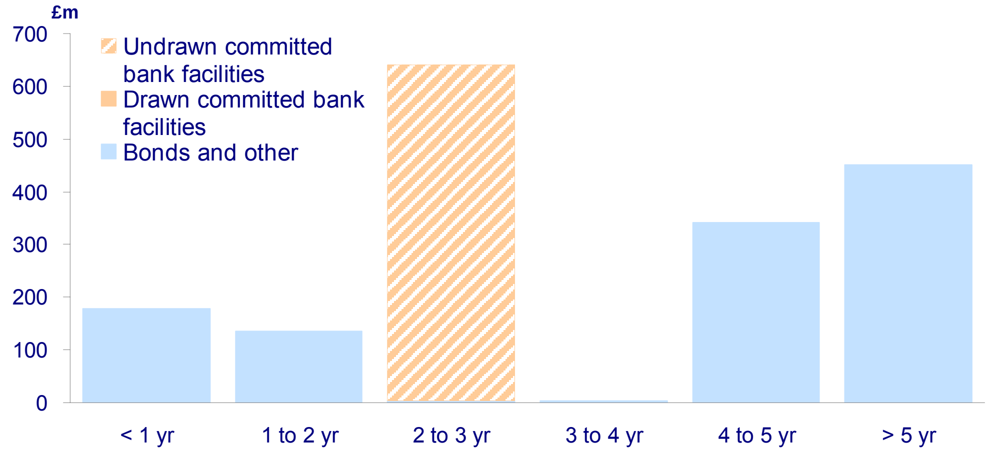
| £m, unless stated | 2010 | 2009 | At constant currency | % of cost H1 2011 | % of usage H1 2011 |
|---|---|---|---|---|---|
| Gas | **33** | 43 | 23% | 39% | 39% |
| Electricity | **35** | 34 | 3% | 41% | 17% |
| Coal and other | **17** | 16 | - | 20% | 44% |
| Total | **85** | 93 | 11% | | |

- 11% reduction in constant currency driven by both price and efficiency improvements
- Covered approximately 82% of estimated energy use for FY2011

[1] Excluding the results of the Sugars segment in both periods.

## Debt Maturity Profile

September 2010




| | |
|---|---|
| **Average maturity of gross debt** | **5.3 years** |
| **Undrawn committed facilities** | **£636m** |
| **Cash and cash equivalents** | **£586m** |