31 May 2012

TATE & LYLE PLC
ANNOUNCEMENT OF FULL YEAR RESULTS
For the year ended 31 March 2012

Continuing operations[1] **£m unless stated otherwise**	**2012**	2011	Change (reported)	Change (constant currency)[4]
Sales	**3 088**	2 720	+ 14%	+ 16%
Adjusted results[2]				
Adjusted operating profit	**348**	321	+ 8%	+ 11%
Adjusted profit before tax	**323**	263	+ 23%	+ 26%
Adjusted diluted earnings per share	**56.4p**	45.7p	+ 23%	+ 25%
Statutory results				
Operating profit	**404**	303		
Profit before tax	**379**	245		
Profit for the year (on total operations)	**309**	167		
Diluted earnings per share (on total operations)	**64.3p**	34.7p		
Cash flow and net debt				
Free cash flow[3]	**79**	178		
Net debt	**476**	464		
Dividend per share	**24.9p**	23.7p	+ 5.1%	

Javed Ahmed, Chief Executive, said:

"Tate & Lyle performed well with steady growth across a number of our markets supported by exceptionally strong returns from co-products in the first half. This was a year of working hard to achieve a number of our business transformation milestones while at the same time delivering profitable growth. During the year we opened our new global Commercial and Food Innovation Centre in Chicago which will help us to transform the way we interact with customers and represents a key component of the foundations for long-term growth. We also restarted production at our SPLENDA® Sucralose facility in the US further reinforcing our position as the leading global provider of sucralose. In the current financial year we expect to make further progress as we build upon the investments we have made and continue to take the steps necessary to transform the business."

Financial performance

- Speciality Food Ingredients sales up 10% at £887 million (12% in constant currency)
- Adjusted operating profit up 8% at £348 million (11% in constant currency)
- Adjusted diluted earnings per share up 23% at 56.4p (25% in constant currency)
- 5.3% increase proposed for the final dividend to 17.8p, making a total dividend of 24.9p (2011 – 23.7p)

Operational highlights

- Good progress on our business transformation programme with a number of key milestones achieved:
  - Global Commercial and Food Innovation Centre in Chicago opened in March 2012
  - Global Shared Service Centre in Łódź, Poland now operational
  - Global IS/IT system – now into the test phase with first roll out in summer 2012
- Restart of production at SPLENDA® Sucralose facility in McIntosh, Alabama

Outlook

In Speciality Food Ingredients we expect to achieve good sales growth, although operating margins in this division are expected to be slightly lower reflecting the additional fixed costs associated with the restart of McIntosh and its share of the investment in the business transformation programme. In Bulk Ingredients, we anticipate improved bulk sweetener margins in both Europe and the US to broadly offset our expectation of more normal co-product returns and the impact of softer market conditions in industrial starches in Europe and ethanol in the US. Overall, taking into account the current level of economic uncertainty and despite a step change in fixed costs associated with the investment necessary to transform the business, we expect to make progress during this financial year.

1 Excluding the results of discontinued operations in both periods except where noted otherwise.
2 Before net exceptional gains of £68 million (2011 – net charge of £5 million) and amortisation of acquired intangible assets of £12 million (2011 – £13 million).
3 Free cash flow is operating cash flows from continuing operations after working capital, interest, taxation and capital expenditure.
4 Changes in constant currency are calculated by retranslating comparative period results at current period exchange rates.

Cautionary statement

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

A copy of this Announcement of Full Year Results for the year ended 31 March 2012 can be found on our website at www.tateandlyle.com. A hard copy of this statement is also available from the Company Secretary, Tate & Lyle PLC, 1 Kingsway, London, WC2B 6AT.

SPLENDA® is a trademark of McNeil Nutritionals, LLC.

Webcast and teleconference

A presentation of the results by Chief Executive, Javed Ahmed and Chief Financial Officer, Tim Lodge will be audio webcast live at 10.00 (UKT) today. To view and/or listen to a live audiocast of the presentation, visit http://view-w.tv/p/797-1031-11274/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 for six months, 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: +1 646 843 4608
Password: Tate & Lyle

14 day conference call replay:
UK replay number: +44 (0) 20 8196 1998
US replay number: +1 866 583 1035
Replay Access code: 9174715

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CHIEF EXECUTIVE'S REVIEW

Results for the continuing operations are adjusted to exclude exceptional items and amortisation of intangible assets acquired through business combinations. Except where specifically stated to the contrary, this commentary relates only to the adjusted results for the continuing operations. A reconciliation of statutory and adjusted information is included at Note 17.

Overview of the Group's financial performance

Tate & Lyle performed well with steady growth across a number of our markets supported by exceptionally strong returns from co-products in the first half. This was a year of working hard to achieve our business transformation milestones while at the same time delivering profitable growth. During the year we opened our new global Commercial and Food Innovation Centre in Chicago which will help us to transform the way we interact with customers and represents a key component of the foundations for long-term growth. We also restarted production at our SPLENDA® Sucralose facility in the US further reinforcing our position as the leading global provider of sucralose.

Sales for the year were £3,088 million (2011 – £2,720 million), an increase of 14% (16% in constant currency) on the prior year. The effect of exchange translation was to reduce sales by £55 million. In Speciality Food Ingredients, sales increased by 10% (12% in constant currency) to £887 million (2011 – £805 million) with sales volumes up by 4%. Within Bulk Ingredients, sales increased by 15% (18% in constant currency) to £2,201 million (2011 – £1,915 million).

Adjusted operating profit increased by 8% (11% in constant currency) to £348 million (2011 – £321 million). The effect of exchange translation was to reduce adjusted operating profit by £8 million. In Speciality Food Ingredients, adjusted operating profit increased by 4% (5% in constant currency) to £214 million (2011 – £206 million) with good sales growth partly offset by higher input costs. In Bulk Ingredients, adjusted operating profit increased by 10% (13% in constant currency) to £172 million (2011 – £157 million), driven by an improved performance from industrial starches in Europe and exceptionally strong returns from co-products including an additional £19 million of income during the first half. Central costs which include head office, treasury and reinsurance activities, decreased by £4 million to £38 million (2011 – £42 million).

Net finance expense decreased from £58 million to £25 million following the repayment of our $300 million bond in June 2011, a credit within interest relating to post-retirement benefit plans and the charge taken in the prior year in relation to the unwinding of cash flow hedges. Adjusted profit before tax was up 23% (26% in constant currency) to £323 million (2011 – £263 million) reflecting the growth in operating profits and the reduction in the net finance expense. The effect of exchange translation was to reduce adjusted profit before tax by £7 million. The effective tax rate reduced to 17.1% (2011 – 18.5%) and, after taking account of shares issued as scrip dividends in the prior year, adjusted diluted earnings per share increased by 23% (25% in constant currency) to 56.4p.

Exceptional items within continuing operations generated a net gain of £68 million on a pre-tax basis largely as a result of the reversal of impairment charges and provisions in relation to the restart of the McIntosh facility, offset by an exceptional charge of £15 million in respect of business transformation costs.

On a statutory basis, profit before tax from continuing operations increased by 55% to £379 million (2011 – £245 million) and profit for the year from total operations, including a profit of £2 million from discontinued operations, increased by 85% to £309 million (2011 – £167 million).

Balance sheet

Net debt of £476 million at 31 March 2012 was £12 million higher than at the end of the prior year driven by higher levels of working capital in the business, investment in our business transformation programme and the restart of our SPLENDA® Sucralose facility in McIntosh.

The key performance indicators (KPIs) of our financial strength - the ratio of net debt to earnings before interest, tax, depreciation and amortisation (EBITDA) and interest cover - remain well within our internal thresholds. At 31 March 2012, the net debt to EBITDA ratio was 1.1 times (2011 – 1.1 times), against our maximum threshold of two times. Interest cover on total operations at 31 March 2012 was 11.1 times (2011 – 6.9 times), again ahead of our minimum threshold of five times. Both metrics were comfortably within our banking covenants.

Having delivered a significant improvement last year, our average quarterly cash conversion cycle lengthened by two days from 34 days to 36 days driven by the increase in working capital, including our decision to maintain full corn silos against a backdrop of tight market conditions. At the end of the year, we acquired a grain elevator facility in Overmyer, Indiana, to further reinforce our corn supply chain.

Return on capital employed increased from 20.6% to 21.6% reflecting the growth in profits with the average level of operating assets increasing by £59 million to £1,554 million as a result of the restart of the McIntosh facility and investment in our business transformation programme during the year.

Dividend

The Board recognises the importance of the dividend to shareholders and follows a progressive dividend policy with the aim of growing the dividend over time taking into account the long term earnings prospects of the business. The Board is recommending a 5.3% increase in the final dividend to 17.8p (2011 – 16.9p) making a full year dividend of 24.9p (2011 – 23.7p) per share, a 5.1% increase on the prior year. Subject to shareholder approval, the proposed final dividend will be due and payable on 3 August 2012 to all shareholders on the Register of Members at 29 June 2012. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan (DRIP) alternative.

Safety

We have no higher priority than safety and are committed to providing safe and healthy working conditions for all our employees, contractors and visitors. During calendar year 2011, we improved our safety performance with a reduction in the recordable incident and lost time accident rates of 10% and 30% respectively, reflecting the work we have done across the organisation to implement the recommendations from last year's independent audit. Whilst we are pleased with this performance, we still have more work to do including continuing to improve the safety of contractors who work at our sites.

Key performance indicators (KPIs)

Our KPIs for the year ended 31 March 2012 were as follows:

KPI	Measure	Year ended 31 March		Change*
		2012	2011	
Growth in SFI sales	Sales	**£887m**	£805m	+ 12%
Profitability	Adjusted operating profit	**£348m**	£321m	+ 11%
Working capital efficiency	Cash conversion cycle†	**36 days**	34 days	Lengthened by 2 days
Financial strength	Net debt/EBITDA**	**1.1x**	1.1x	
	Interest cover**	**11.1x**	6.9x	
Return on assets	ROCE	**21.6%**	20.6%	+ 100 bps
Corporate responsibility^	Safety – recordable incident rate	**0.85**	0.95	Improved by 10%
	Safety – lost time accident rate	**0.41**	0.59	Improved by 30%

*Sales and operating profit growth shown in constant currency
†Calculated as the average cash conversion cycle at the end of each of the four quarter ends to show the underlying result throughout the year
**Calculated under banking covenant definitions
^We use a range of key performance indicators to measure our sustainability performance which will be presented in the Corporate Responsibility section of our Annual Report. Unlike our other KPIs, we report safety performance by calendar year because we are required to do so for other regulatory reporting purposes. Due to an injury in 2010 that did not result in lost time until 2011, we have amended the 2010 recordable incident rate shown above to 0.95 (from 0.93 as previously reported) and the 2010 lost time accident rate to 0.59 (from 0.58 as previously reported).

Developing a platform for long-term growth

In March 2012, we reached a significant milestone with the opening of our new global Commercial and Food Innovation Centre in Chicago. The centre, which is the global headquarters of our Innovation and Commercial Development (ICD) group, features state-of-the-art laboratories, a demonstration kitchen, sensory testing, and analytical and pilot plant facilities. The new centre will help us to transform the way we interact with our customers and enable much closer customer collaboration. It will also form the hub of our global innovation network, connecting our satellite applications and technical services laboratories across the world.

Within ICD, we continued to build the innovation pipeline across our core categories of speciality sweeteners, texturants and health & wellness, with the total number of projects in the pipeline doubling during the year.

Additionally, our open innovation team continues to look for new products and technologies and to develop partnerships with universities and research institutes. In October 2011, we signed an agreement with Eminate Ltd, a subsidiary of The University of Nottingham, UK, for its novel salt reduction technology known as SODA-LO® and we expect to launch a range of products later this year.

In March 2012, we restarted production at our SPLENDA® Sucralose facility in McIntosh, Alabama further reinforcing our position as the leading global provider of sucralose. The restart of production at McIntosh, which took place ahead of schedule, was assisted by the return of more than 75 per cent of our former operators and technicians, many with more than ten years of experience working on sucralose production. This was the first major project to be governed by our new capital management disciplines instituted two years ago.

The costs incurred in restarting McIntosh included £12 million of capital expenditure and £1 million of operating expenses. The restart of production at McIntosh will be broadly cash neutral in year ending 31 March 2013 but after a depreciation charge of £8 million will reduce profits. As the volumes produced and contribution margin increases at McIntosh over the next few years, we expect to see good operational leverage benefits.

We continue to invest in higher growth markets and have made further progress during the year growing our Asian and Latin American businesses. As well as expanding the size of our teams in these regions we have also broadened our skills through the recruitment of additional technical and applications resources. This organisational strengthening has had a direct impact in helping to secure new business in both regions. As well as attracting the right people, we also invested in our innovation and customer-facing infrastructure in emerging markets through the opening of our new applications and technical services laboratories in São Paulo and Mexico City during the year. These laboratories link directly into our new Commercial and Food Innovation Centre in Chicago enabling us to globalise our innovation capabilities and allowing customers to interface with the new centre wherever they are located.

In terms of developing new customer channels, we have made progress during the year in the private label category, establishing direct relationships with a number of retailers. We continue to see the private label and small and medium-sized (SME) categories as providing good opportunities for growth.

In January 2011, we started two major initiatives to strengthen our operational capabilities: the move to global support services through a shared service centre; and the development of a common set of global business processes supported by a single global IS/IT platform. In September 2011, our new global Shared Service Centre in Łódź, Poland became operational. The centre is currently responsible for processing financial transactions for both our European and US businesses. When fully operational at the end of year ending 31 March 2013, it will be a multi-lingual facility employing approximately 200 people. The move to global shared services will help to support a common way of working across the business and deliver efficiency gains by eliminating the duplication of resources and is already delivering some cost benefits. Our new global IS/IT system is currently in the test stage with a phased roll-out across the business due to commence in the summer of 2012. The new system will significantly enhance our analytical capabilities, improve our decision making, speed and effectiveness and enable us to be more responsive to the needs of our customers.

We continued to strengthen, refresh and diversify the talent within the business and to fill key skills gaps in a number of areas, in particular, within our customer-facing, product management and innovation areas, with 17% of all employees having joined the Group in the last year. Within ICD, the profile of our people has changed considerably over the last two years with an increase in both qualification levels and the breadth of international experience.

We are starting to see the benefits of our new global sales incentive plan being embedded within the organisation in terms of encouraging the right behaviours and reinforcing a customer-focused and performance-driven culture.

Whilst our priority is to build a platform capable of delivering sustainable long-term organic growth, we will also look to accelerate that growth through acquisitions either within the base business or in adjacent categories.

Costs

During the year, £45 million of cash costs were incurred on our business transformation projects taking the total expenditure to £61 million over the last two years.

The total cost associated with the development of the new Commercial and Food Innovation Centre is expected to be £32 million, although the balance between capital and exceptional expense will be more weighted to capital than originally envisaged. During the year, we incurred £25 million of expenditure on the implementation of our global Shared Service Centre in Łódź and our common IS/IT platform, taking the total amount of expenditure incurred to date on these two projects to £35 million.

We expect the final costs of our business transformation projects to be around £10-15 million higher than the original estimate of £94 million as a result of some scope changes and timeline extensions in the phased rollout of our global IS/IT platform. As for the Commercial and Food Innovation Centre, the balance between capital and exceptional expense is expected to be more weighted to capital than originally estimated.

The investment we have made in our business transformation programme will result in a step change in fixed costs, including depreciation and amortisation, of £11 million during the year ending 31 March 2013.

Conclusion

We have made good progress delivering against the objectives we set at the start of the year as we continue to transform the business. In the coming year, we expect to complete the implementation of our principal initiatives to strengthen our operational capabilities with the transfer of our remaining businesses over to shared services and the roll-out of the new global IS/IT system. While we still have more work to do to build a strong platform capable of delivering sustainable long-term growth, we remain on track to deliver this objective.

Javed Ahmed
Chief Executive

Speciality Food Ingredients

	Year ended 31 March		Change	
	2012	2011	**Reported**	**Constant currency**
	£m	£m		
Sales	**887**	805	+ 10%	+ 12%
Adjusted operating profit	**214**	206	+ 4%	+ 5%
Margin	**24.1%**	25.6%	- 150bps	- 150bps

Market conditions and trends

While the food industry remains relatively resilient, it is not immune to fluctuations in the wider economy and, during the second half, the deterioration in the macroeconomic environment in Europe led to weaker demand within some food ingredient categories. Against this backdrop, the global market for speciality food ingredients continues to benefit from a number of key trends.

First, the increasing focus by consumers and governments on healthier lifestyles, and the rising prevalence of diabetes and obesity in both developed and developing markets is driving food and beverage companies to develop healthier alternatives and increasing demand for ingredients in the health and wellness space.

Second, volatile and high sugar prices and significant increases in the price of certain other raw materials have led to an increased focus by customers on cost reduction and a rise in the number of cost-optimisation projects.

Finally, continued rapid urbanisation, coupled with rising levels of disposable income in developing markets, are increasing the penetration of packaged and convenience foods particularly in Asia and Latin America.

Financial performance

Within Speciality Food Ingredients, volumes grew by 4% and sales increased by 10% (12% in constant currency) to £887 million (2011 – £805 million) with the level of sales growth partly reflecting the pass through of higher input costs. Volume growth in the second half was less than the first half due primarily to lower volumes in Europe. The effect of exchange translation was to decrease sales by £11 million.

Adjusted operating profit increased by 4% (5% in constant currency) to £214 million (2011 – £206 million). While absolute operating unit margins were slightly ahead of the prior year, percentage operating margins reduced by 1.5 percentage points to 24.1% (2011 – 25.6%) after the pass through of higher input costs. The effect of exchange translation was to decrease adjusted operating profit by £3 million.

This segment comprises three broad product categories: starch-based speciality ingredients, high intensity sweeteners and food systems.

<u>Starch-based speciality ingredients</u>

In starch-based speciality ingredients, sales increased by 14% (17% in constant currency) to £494 million (2011 – £434 million) with volumes up 4%. Despite higher corn and other input costs which were partly offset by the division’s share of additional co-product returns, we were able to maintain most of the five percentage point margin gains made during the prior year enabling us to deliver good growth in operating profit within this category.

In food starches, solid volume growth in the US and good growth in Latin America was offset by softer volumes in Europe driven primarily by lower demand for packaged foods. The continuing high price of potato starches and the change in the potato regime this year provided opportunities to expand volumes of higher-margin food starches in the snacks sector and we continued to work with customers wishing to substitute potato starch with our corn-based starches. In Latin America, where the demand for convenience and packaged foods continues to grow, the addition of dedicated sales and technical resources helped us to secure new customers and additional volumes within this category.

Speciality corn sweeteners continued to benefit from higher sales volumes in the US and emerging markets on the back of continuing volatile and high sugar prices. In addition to helping our customers reduce input costs by reducing sugar content, our products provide important functional benefits such as improved shelf-stability and mouth feel.

During the year we saw continued growth in our fibres range with volumes in Europe benefiting from the favourable opinion granted by the European Food Safety Authority (EFSA) on polydextrose at the beginning of the year. Building on the success we have had in the US and Latin America with our PROMITOR™ dietary fibre product line, in October 2011 we announced the expansion of our fibres offering in Europe, with the launch of PROMITOR™ Soluble Gluco Fibre. In China, as a result of adding sales people with specific expertise in the dairy sector, we secured additional fibre volume.

High-intensity sweeteners

Within high-intensity sweeteners, which comprises SPLENDA® Sucralose and our zero-calorie, fruit-based sweetener PUREFRUIT™, volumes grew by 13% and sales were up by 6% (8% in constant currency) to £197 million (2011 – £185 million). SPLENDA® Sucralose volumes grew by 12% and, as expected, the rate of price decline was lower as the impact of long-term, volume-incentive customer contracts continued to reduce.

We continued to see strong growth in demand for SPLENDA® Sucralose driven by the continuation of two key trends. First, the increased prevalence of diabetes and obesity which is driving demand for products with reduced sugar and fewer calories and second, the continuing volatile and high price of sugar is leading customers to look for more cost-effective alternatives. In both cases, we are able to leverage our applications and technical expertise to help customers maintain the functionality and taste profile of their products and optimise the cost in use of their ingredients.

On the back of the continuing growth in demand for SPLENDA® Sucralose, in March 2012 we restarted production at our facility in McIntosh, Alabama, further consolidating our position as the leading global provider of sucralose. Our investment in sucralose manufacturing technology means that our two unique large-scale, continuous-production SPLENDA® Sucralose facilities in the US and Singapore will allow us to continue to offer our customers the highest standards of quality, traceability and reliability in the industry.

During the year, we made good progress developing the demand pipeline for our zero-calorie, fruit-based sweetener, PUREFRUIT™ and started working with a number of customers in qualifying and testing the product. The focus over the coming year will be to continue to build the pipeline and to support customers on new product launches containing PUREFRUIT™.

Food systems

Sales from food systems increased by 5% (3% in constant currency) to £196 million (2011 – £186 million) with volumes up by 1%.

The year has seen significant increases in the price of certain raw materials, in particular guar and gelatin. Whilst we have had some success mitigating the impact of higher input costs, through the use of more cost-efficient corn-based substitutes and shortening the length of customer contracts, operating margins and profits for this category were somewhat lower than the prior year.

In the year, we made progress broadening the coverage of our food systems business by moving more into bakery. We also started to gain traction with our range of gluten-free products.

In June 2011, the former owner of G.C. Hahn & Co, which makes up the majority of our food systems operations in Europe, exercised their option to sell their remaining 5% shareholding for a total cost of €8 million (£7 million) resulting in Tate & Lyle owning 100% of the company.

Bulk Ingredients

	Year ended 31 March		Change	
	2012	2011	**Reported**	**Constant currency**
	£m	£m		
Sales	**2,201**	1,915	+ 15%	+ 18%
Adjusted operating profit	**172**	157	+ 10%	+ 13%
Margin	**7.8%**	8.2%	- 40bps	- 30bps

Market conditions and trends

Sugar is the key competitor of many of our bulk corn sweeteners. Despite world sugar prices falling from their peak in July 2011, they remained high by historical standards as a result of rising global demand against a backdrop of ongoing tight supply. US sugar prices also remained very high against which corn sugars remained very competitive. In Europe, which continues to be in structural deficit, sugar supply remained tight due to insufficient imports and low levels of inventory resulting in an increase in prices during the second half.

While US domestic demand for nutritive sweeteners declined, an increase in exports helped to offset this decline with Mexico continuing to represent the major export destination where US corn sugar continues to substitute more expensive local cane sugar. In Europe, the selling price of isoglucose (corn sugar), which is closely correlated with the sugar price, increased during the second half.

Although demand for industrial starches in the US remained above the levels seen during the downturn in 2008/09, overall demand was lower than the prior year. In Europe, the shortage of potato starch on the back of the poor 2010 harvest increased demand for corn starches benefiting industrial starch margins overall. After a better potato harvest in 2011 and due to increased uncertainty about the macroeconomic situation in Europe, market conditions started to soften during the final quarter.

US ethanol prices rose during the first half and continued largely to track the corn price until the end of the third quarter when prices fell sharply ahead of the expiry of the blenders' tax credit at the end of December 2011. Since then, prices have remained depressed as a result of an overhang in supply and an overall fall in the demand for gasoline. As a result, ethanol margins in the fourth quarter reduced to levels well below those achieved in the 2011 calendar year. Despite signs that excess capacity is starting to come out of the market, the environment over the next few months is expected to remain challenging.

US corn prices continued to rise in the first half peaking in June 2011 reflecting concerns about the quantity of the new crop following adverse weather conditions during the spring and early summer. While corn prices fell towards the end of the first half, prices remained high for the rest of the year due to the ongoing tight supply situation with the stocks to use ratio falling to 6.8%, well below the historical average. The price of corn in the EU largely tracked the US corn price during the year. The latest planting intentions reported by the USDA, indicate that planted corn acreage will increase to the highest level since 1937, driven by high corn prices.

Against a backdrop of high corn prices, a severe drought in Texas and renewed access to export markets, demand for animal feed was exceptionally strong during the first half with prices reaching record levels. In the second half, market conditions normalised as corn prices decreased, and demand for animal feed reduced as a result of a relatively mild winter.

Financial performance

In Bulk Ingredients, sales increased by 15% (18% in constant currency) to £2,201 million (2011 – £1,915 million[1]) with volumes down by 2% as we continued to divert grind to speciality food ingredients. The effect of exchange translation was to decrease sales by £44 million.

Adjusted operating profit increased by 10% (13% in constant currency) to £172 million (2011 – £157 million) driven by an improved performance in European industrial starches and exceptionally strong returns from co-products in the first half. The effect of exchange translation was to decrease adjusted operating profit by £5 million.

1 During the year we refined our product categories within Bulk Ingredients to, amongst other things, allocate revenue related to sales to certain of our joint ventures, previously included in industrial starches, acidulants and ethanol to the relevant categories, and to include the results of only feed, meal and oil within co-products. Prior period results have been restated on a comparable basis.

This division comprises three broad product categories: sweeteners; industrial starches, acidulants and ethanol; and co-products.

Sweeteners

In the Americas, sales of bulk corn sweeteners increased by 13% (16% in constant currency) to £876 million (2011 – £775 million[1]) as a result of higher corn prices, with volumes 2% lower than the prior year. As anticipated at the time of the 2011 calendar year sweetener pricing round, corn sugar unit margins were broadly in line with the comparative period and while we experienced firm US domestic demand and robust demand from Mexico, profits for the full year in this category were slightly lower than the prior year due to the slightly lower volumes and softer margins in other sweeteners.

In Europe, sales of bulk corn sweeteners increased by 15% (11% in constant currency) to £141 million (2011 – £123 million[1]) with volumes in line with the prior year. While margins during the first half were lower as a result of higher corn prices (for which hedging options within the EU are more limited), they recovered during the second half on the back of an increase in sugar prices, which provides the reference price for isoglucose in the EU, with full year profits ahead of the comparative period.

Operating profits from Almex, our Mexican joint venture, were up on the comparative period reflecting higher volumes and improved margins.

Following the unionisation of the Eaststarch joint venture plant in Turkey, a strike commenced in March 2012 which is ongoing and we have taken measures to mitigate the impact on our customers in the short-term. Most of the products in Turkey are bulk sweeteners however the plant also makes some starch-based speciality food ingredients.

Industrial starches, acidulants and ethanol

Sales of industrial starches, acidulants and ethanol increased by 6% (10% in constant currency) to £677 million (2011 – £641 million[1]).

In industrial starches, volumes were 5% lower as we continued to switch a proportion of corn grind to speciality food ingredients. In the US, where we are able to contract for longer periods than in Europe, while volumes were slightly lower than the comparative period, prices were higher reflecting the renewal of contracts struck at the time of the 2008 credit crisis. As a result, we were able to achieve higher margins and deliver a better performance for the year overall.

In Europe, the shortage of alternative starches as a result of poor harvests during the prior year increased demand for corn starches and led to a firmer pricing environment and an improved performance for the year. During the final quarter, we saw a slight softening in market conditions reflecting the more uncertain macro-economic environment and, with typical contract lengths in Europe being shorter than in the US, we remain cautious about the outlook.

In US ethanol, which represents a small part of our business, while we achieved improved cash margins during the first half we saw a substantial reduction in margins in the second half on the back of the significant fall in ethanol prices in December. While ethanol prices have stabilised recently, with inventory levels remaining high we expect the market for ethanol to remain soft in the near term and we have scaled back production volumes to the extent possible.

After a softer first half, the performance of our citric acid business improved, with profits for the full year in line with the prior year. In April 2012, we sold our share of the Sucromiles citric acid joint venture to our long term partner and will now focus on the sale and distribution of product to our customers. In the financial year ended 31 March 2012 our share of the joint venture contributed £2 million to Group operating profit.

Having broken-even last year and despite achieving higher volumes, our Bio-PDO™ joint venture made a small loss as a result of higher input costs.

1 During the year we refined our product categories within Bulk Ingredients to, amongst other things, allocate revenue related to sales to certain of our joint ventures, previously included in industrial starches, acidulants and ethanol to the relevant categories, and to include the results of only feed, meal and oil within co-products. Prior period results have been restated on a comparable basis.

We made good progress on the two initiatives we announced last year with Amyris to produce farnesene and with Genomatica to produce Bio-BDO, both at our pilot plant facilities in Decatur, Illinois. While the contribution made by these initiatives remains small, they provide a good opportunity to diversify our corn grind to reduce volatility over the longer term.

Co-products

Sales of co-products increased by 35% (37% in constant currency) to £507 million (2011 – £376 million[1]).

During the first half, we generated an additional £19 million of income from co-products as a result of a combination of factors. Firstly, high corn prices and strong demand meant co-product prices remained very firm throughout the period. Secondly, prices for animal feed in the US were further strengthened by the impact of the severe drought in Texas and renewed access to European markets. Finally, the tight demand/supply situation led to some changes in our customers' buying behaviour, with what is traditionally a short-term market seeing customers wanting to secure volumes several months in advance allowing us to fix longer-term sales at favourable pricing. While the additional income generated from co-products in the second half was marginally positive, overall the markets for co-products returned to more normal levels.

Since over 80% of our US corn grind is utilised to produce bulk ingredients, the majority of this impact is recorded within this division. During the period, sales of European co-products also rose on the back of the continuing high corn prices.

Group outlook for year to 31 March 2013

In Speciality Food Ingredients we expect to achieve good sales growth, although operating margins in this division are expected to be slightly lower reflecting the additional fixed costs associated with the restart of McIntosh and its share of the investment in the business transformation programme.

In Bulk Ingredients, we anticipate improved bulk sweetener margins in both Europe and the US to broadly offset our expectation of more normal co-product returns and the impact of softer market conditions in industrial starches in Europe and ethanol in the US.

Overall, taking into account the current level of economic uncertainty and despite a step change in fixed costs associated with the investment necessary to transform the business, we expect to make progress during this financial year.

1 During the year we refined our product categories within Bulk Ingredients to, amongst other things, allocate revenue related to sales to certain of our joint ventures, previously included in industrial starches, acidulants and ethanol to the relevant categories, and to include the results of only feed, meal and oil within co-products. Prior period results have been restated on a comparable basis.

GROUP FINANCIAL RESULTS

Basis of preparation

Adjusted performance

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

- results of discontinued operations, including gains and losses on disposal (Note 9 and Note 11);
- exceptional items from continuing operations (Note 4); and
- amortisation of intangible assets acquired through business combinations.

This adjusted information is used internally for analysing the performance of the business. A reconciliation of reported and adjusted information is included in Note 17. From the financial year ending 31 March 2013, we will also exclude the post-retirement benefit interest result from our adjusted measures. Note 2 of Additional Information provides a reconciliation on this basis for the current and prior year results.

Impact of changes in exchange rates

Our reported financial performance was adversely impacted this year by exchange rate translation, in particular due to the weakening of the average US dollar exchange rate against sterling which has reduced profits. The average and closing exchange rates used to translate reported results were as follows:

	Average rates		**Closing rates**	
	2012	2011	**2012**	2011
US dollar:sterling	**1.60**	1.55	**1.60**	1.60
Euro:sterling	**1.15**	1.19	**1.20**	1.13

Summary of financial results

Year ended 31 March	2012 £m	2011 £m	Change (reported) %	Change (constant currency) %
Continuing operations				
Sales	**3 088**	2 720	14%	16%
Adjusted operating profit	**348**	321	8%	11%
Net finance expense	**(25)**	(58)		
Adjusted profit before tax	**323**	263	23%	26%
Exceptional items	**68**	(5)		
Amortisation of intangible assets acquired through business combinations	**(12)**	(13)		
Profit before tax	**379**	245		
Income tax expense	**(72)**	(49)		
Profit for the year from continuing operations	**307**	196		
Profit/(loss) for the year from discontinued operations	**2**	(29)		
Profit for the year	**309**	167		
Earnings per share – continuing operations				
Basic	**65.9p**	42.6p		
Diluted	**64.6p**	41.9p		
Adjusted earnings per share – continuing operations				
Basic	**57.5p**	46.5p		
Diluted	**56.4p**	45.7p	23%	25%
Dividends per share				
Interim paid	**7.1p**	6.8p	4.4%	
Final proposed	**17.8p**	16.9p	5.3%	
	24.9p	23.7p	5.1%	
Net debt				
At 31 March	**476**	464		

Summary financial performance

Sales of £3,088 million (2011 – £2,720 million) from continuing operations were 14% higher than the prior year (16% in constant currency). Sales in Speciality Food Ingredients increased by 10% (12% in constant currency) from £805 million to £887 million, with sales volumes increasing by 4%. Sales in Bulk Ingredients grew by 15% (18% in constant currency) to £2,201 million (2011 – £1,915 million).

Adjusted operating profit increased by 8% over the prior year (11% in constant currency) to £348 million (2011 – £321 million). In Speciality Food Ingredients adjusted operating profit increased by 4% (5% in constant currency) to £214 million (2011 – £206 million) and in Bulk Ingredients, by 10% (13% in constant currency) to £172 million (2011 – £157 million).

Net finance expense decreased from £58 million to £25 million following the repayment of our $300 million bond in June 2011, a £5 million credit (2011 – £4 million charge) within interest relating to post-retirement benefit plans and the charge taken in the prior year in relation to the unwinding of cash flow hedges.

Adjusted profit before tax increased by 23% (26% in constant currency) to £323 million (2011 – £263 million). The effective rate of tax on adjusted profit from continuing operations reduced to 17.1% (2011 – 18.5%) driven by changes in the geographical origin of profits.

On a statutory basis, profit before tax from continuing operations increased by 55% to £379 million (2011 – £245 million) and profit for the year from total operations was up by 85% at £309 million (2011 – £167 million).

Central costs

Central costs, which include head office, treasury and reinsurance activities, decreased by £4 million to £38 million. The prior year included one-off costs of £6 million relating to the review of the Group's activities, while the current year includes costs of £2 million associated with the relocation of the Head Office.

Energy costs

Energy costs for the year of £171 million were broadly in line with the prior year (2011 – £170 million) at actual rates though there has been a slight increase in energy costs year on year at constant currency. This was mainly due to price increases, partially offset by lower consumption and favourable input mix. We have covered approximately 70% of our estimated energy needs for year ending 31 March 2013, and while contracts have been secured at higher prices than in the year ended 31 March 2012, we will look to mitigate this partially through further efficiencies.

Exceptional items from continuing operations

	Year ended 31 March	
	2012	2011
	£m	£m
Reversal of fixed asset impairments – McIntosh and Decatur assets	60	–
Reversal of provision – McIntosh	23	–
Business transformation costs	(15)	(15)
Gain on disposal, net of pre-disposal costs – Fort Dodge	–	10
Exceptional gain/(loss)	68	(5)

Exceptional items within continuing operations generated a net gain of £68 million on a pre-tax basis. In May 2011, the Group made the decision to restart production at the mothballed SPLENDA® Sucralose facility in McIntosh, Alabama, resulting in the reversal of £53 million of the impairment charge previously recognised. In addition, £23 million of provisions in respect of obligations relating to the mothballed facility were no longer required and these have also been reversed.

As announced in the prior year, the Group signed an agreement with Amyris Inc to manufacture farnesene using assets that had previously been impaired at our Decatur, Illinois plant. Commercial viability of the new process was proven during the financial year, resulting in a £7 million reversal of the write-down recognised previously.

An exceptional charge of £15 million was recognised in relation to business transformation costs: £9 million in relation to the implementation of a common global IS/IT platform and global Shared Service Centre, £5 million in relation to the relocation of employees and restructuring associated with the new Commercial and Food Innovation Centre in Chicago, and £1 million of further restructuring costs relating to the Food Systems business.

The tax impact on continuing operations' net exceptional items is a charge of £31 million. In addition, there has been an exceptional tax credit of £10 million which represents the recognition of a deferred tax asset in respect of foreign tax credits recognised in association with the disposal of the ethanol facility in Fort Dodge, Iowa.

Exceptional items from continuing operations in the prior year comprised a £15 million charge relating to business transformation costs and a net exceptional gain of £10 million in respect of the sale of the ethanol facility at Fort Dodge, Iowa. The tax impact on continuing operations' net exceptional items was a £10 million charge and the Group also recognised an exceptional tax credit of £8 million in respect of unrealised profit in inventory following the restructuring of the business organisation.

Net finance expense

Net finance expense from continuing operations decreased significantly from £58 million to £25 million. Our underlying interest charge was £17 million lower mainly driven by the repayment of our US$300 million bond at its maturity in June 2011 and lower average net debt. The credit within interest relating to post-retirement benefit plans was £5 million which compares with a charge of £4 million in the prior year. A further £7 million reduction is attributable to the charge we incurred in the prior year in relation to the unwinding of cash flow hedges. This accounting impact will unwind completely in the first half of the year ending 31 March 2013.

From the financial year ending 31 March 2013 onwards, it is our intention to exclude from adjusted earnings the impact of post-retirement benefit plans on the calculation of net finance expense to provide a more accurate measure of the underlying performance of the business (see Note 2 of Additional Information). Excluding the impact of post-retirement benefit plans in both periods, we expect net interest expense in the year ending 31 March 2013 to be broadly in line with the year ended 31 March 2012.

Taxation

The taxation charge from continuing operations before exceptional items and amortisation of acquired intangible assets was £55 million (2011 – £49 million) as a result of higher pre-tax adjusted profit. The effective rate of tax on adjusted profit decreased to 17.1% (2011 – 18.5%) driven by the geographic mix of profits, in particular, reduced losses in the UK as a result of the lower net finance expense.

The underlying effective tax rate for the year ending 31 March 2013 is expected to be higher than this year's effective tax rate assuming that the geographical mix of profits is in line with our expectations. In addition, stripping out the impact of post-retirement benefit plans from the net finance expense will add approximately one percentage point to the effective tax rate on adjusted profit (see Note 2 of Additional Information).

Discontinued operations and legacy issues

Discontinued operations comprise our former Sugars division, principally the EU Sugars business which we sold in September 2010, Molasses which we sold in December 2010, legacy contracts and investments from our International Sugar Trading business and our Vietnamese sugar interests, which are held for sale.

Sales from discontinued operations for the year decreased to £72 million from £590 million as a result of the sale of EU Sugars and Molasses in the prior year. The operating profit from our discontinued operations totalled £16 million, after exceptional gains of £11 million (2011 – loss of £45 million, after a net exceptional loss of £43 million).

The exceptional gain for the year of £11 million relates to the disposal of our minority sugar holdings in Egypt and Saudi Arabia relating to the former International Sugar Trading business.

Taxation on our discontinued operations was a £15 million charge (2011 – £16 million credit) reflecting an increase in the exceptional tax charge in respect of outstanding tax matters associated with our former starch facilities in Europe, which are in the process of litigation. The profit from discontinued operations after taxation for the year was £2 million (2011 – loss of £29 million).

<u>Sale of EU Sugars – update on process to agree post completion statements</u>
In May 2011, we announced that the process to agree post completion statements on the sale of EU Sugars to ASR was ongoing and that items totalling £54 million were outstanding and were expected to be submitted for adjudication by an independent expert. Those items related to the impact of major turbulence in the supply of raw sugar to the EU during the period prior to closing which resulted in an increase in certain rolling re-export commitments of the business arising under the EU Sugar Regime. The expert's decision, notified to the parties on 8 May 2012, strongly supported Tate & Lyle's position and as a result, substantially all of the working capital adjustments proposed by ASR were reversed, and the loss on disposal remains unchanged at £55 million.

Separately, ASR has set out a number of claims it believes it has under certain other provisions of the Sale and Purchase Agreement. These claims have not been fully quantified, but in large part also relate to the turbulence in the supply of raw sugar to the EU during the period prior to closing and the increase in certain rolling re-export commitments of the business. The claims notified by ASR, and the validity of the notification itself, are under review by our legal advisers.

<u>Whitefox Technologies</u>
The dispute with Whitefox Technologies, a supplier of certain equipment and technology intended for use in the Group's ethanol production facilities in 2007 which the Group believes was not fit for purpose has been listed for a three-week jury trial in the Supreme Court of the State of New York in June 2012. Tate & Lyle is seeking damages from Whitefox of approximately US$20 million and Whitefox is claiming damages exceeding €100 million for breach of contract, damage to certain equipment and other losses. While we are confident in the merits of our legal position, given that this is a jury trial, the outcome is uncertain.

Earnings per share

Adjusted diluted earnings per share from continuing operations were 56.4p (2011 – 45.7p), an increase of 23% (25% in constant currency) as a result of higher operating profits, lower net finance expense and the reduction in the effective tax rate. On the same basis, basic earnings per share were higher by 24% (26% in constant currency) at 57.5p (2011 – 46.5p).

Total basic earnings per share increased by 86% to 65.5p (2011 – 35.3p) with the current year reflecting the improved operating performance and exceptional gains relating to the restart of McIntosh.

Dividend

The Board is recommending a 5.3% increase in the final dividend to 17.8p (2011 – 16.9p) making a full year dividend of 24.9p (2011 – 23.7p) per share, up 5.1% on the prior year. Subject to shareholder approval, the proposed final dividend will be due and payable on 3 August 2012 to all shareholders on the Register of Members at 29 June 2012. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan (DRIP) alternative.

Assets

Gross assets of £2,906 million at 31 March 2012 were £145 million lower than the prior year principally as a result of the repayment of our US$300m bond in June 2011 from our cash reserves. Net assets increased by £85 million to £1,058 million driven by the profits generated in the year partially offset by actuarial losses on our post-retirement schemes, dividend payments and foreign exchange losses on the translation of overseas subsidiaries.

Post-retirement benefits

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

In June 2011, the triennial valuation of the main UK pension scheme as at 31 March 2010 was concluded with a funding deficit of £88 million. Following the sale of the main UK sugar and molasses assets in the year ended 31 March 2011, we made a contribution of £45 million into the scheme during the year. The balance of the deficit will be paid at an annual rate of £12 million starting from the year ending 31 March 2013.

The net deficit on our post-retirement obligations at 31 March 2012 of £140 million was broadly in line with the prior year (2011 – £139 million), with higher cash contributions offset by an increase in liabilities as a result of lower discount rates used to value our obligations.

Net debt

Net debt increased by £12 million to £476 million (2011 – £464 million). Free cash flow of £79 million from continuing businesses was more than offset by dividend payments of £112 million, the repurchase of £19 million of ordinary shares to satisfy the Group's share option schemes and a £7 million outflow for the purchase of the remaining 5% interest in G.C. Hahn & Co. Operating cash flows from discontinued operations provided an inflow of £25 million while the disposal proceeds from the sale of the Group's minority holdings in Egypt and Saudi Arabia were £18 million.

During the year, net debt peaked at £507 million in January 2012. The average net debt was £454 million, a reduction of £207 million from £661 million in the prior year.

In June 2012 at its maturity, we will repay our 6.5% £100 million Guaranteed Notes from our cash resources.

Cash flow

Operating cash flow from continuing operations was £233 million, a decrease of £92 million compared with the prior year primarily due to increases in working capital of £121 million (2011 – £41 million). The increase in working capital included outflows of £49 million from higher inventories; £40 million from margin calls and derivatives, mostly reflecting the decrease in the corn price during the year; and an outflow from provisions of £12 million primarily relating to the costs associated with our original decision to mothball the McIntosh facility. The cash flow impact of payments made into the Group’s main pension schemes amounted to £80 million (2011 – £46 million), including a lump-sum payment of £45 million into the UK scheme following the conclusion of the triennial valuation. We also incurred £16 million of exceptional costs relating to our business transformation projects.

	Year ended 31 March	
	2012	2011
	£m	£m
Adjusted operating profit from continuing operations	**348**	321
Depreciation/amortisation	**91**	96
Working capital before retirement benefits and exceptional cash items	**(121)**	(41)
Net retirement benefit obligations	**(80)**	(46)
Cash expenditure on exceptional items	**(16)**	(14)
Share based payments	**11**	9
Operating cash flow	**233**	325
Capital expenditure	**(130)**	(70)
Operating cash flow less capital expenditure	**103**	255
Net interest and tax paid	**(24)**	(77)
Free cash flow	**79**	178

Capital expenditure of £130 million, including a £28 million investment in intangible assets, was 1.4 times the depreciation and amortisation charge of £91 million. Capital expenditure was £60 million higher than in the prior year driven by our business transformation projects in particular, the development of our new Commercial and Food Innovation Centre and global IS/IT system, and the restart of the McIntosh facility. We expect the ratio of capital expenditure to depreciation in the year ending 31 March 2013 to be broadly in line with that of 2012.

Net interest paid decreased by £6 million to £40 million principally as a result of the repayment of the US$300 million bond (£185 million) in June 2011.

Net income tax receipts were £16 million largely driven by a one-off US tax receipt of £24 million in relation to the recovery of tax as a result of the sale of the mothballed facility at Fort Dodge, Iowa.

Free cash inflow (representing cash generated from continuing operations after working capital, interest, taxation and capital expenditure) at £79 million was £99 million lower than the prior year principally as a result of the increases in working capital and contributions made into the Group's main pension schemes.

In June 2011, the former owner of G.C. Hahn & Co, which makes up the majority of our food systems operations in Europe, exercised its option to sell its remaining 5% shareholding to Tate & Lyle for a total cost of £7 million.

During the year we spent £19 million on the repurchase of ordinary shares to satisfy share option schemes and in June 2011, the Group repaid at maturity its US$300 million bond (£185 million). Parent company cash dividends paid were £112 million, £42 million higher than the prior year following the replacement of the scrip dividend option with the Dividend Reinvestment Plan (DRIP).

CONSOLIDATED INCOME STATEMENT

	Notes	Year to 31 March 2012 £m	Year to 31 March 2011 £m
Continuing operations			
Sales	3	**3 088**	2 720
Operating profit	3	**404**	303
Finance income	5	**8**	3
Finance expense	5	**(33)**	(61)
Profit before tax		**379**	245
Income tax expense	6	**(72)**	(49)
Profit for the year from continuing operations		**307**	196
Profit/(loss) for the year from discontinued operations	9	**2**	(29)
Profit for the year		**309**	167
Profit for the year attributable to:			
– Owners of the Company		**305**	163
– Non-controlling interests		**4**	4
Profit for the year		**309**	167
Earnings per share attributable to the owners of the Company from continuing and discontinued operations	7	**pence**	pence
– Basic		**65.5**	35.3
– Diluted		**64.3**	34.7
Earnings per share attributable to the owners of the Company from continuing operations	7		
– Basic		**65.9**	42.6
– Diluted		**64.6**	41.9

Analysis of adjusted profit before tax from continuing operations		**£m**	£m
Profit before tax		**379**	245
Adjustments for:			
Exceptional items	4	**(68)**	5
Amortisation of intangible assets acquired through business combinations		**12**	13
Adjusted profit before tax, exceptional items and amortisation of intangible assets acquired through business combinations		**323**	263

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year to 31 March 2012 £m	Year to 31 March 2011 £m
Profit for the year	**309**	167
Actuarial (losses)/gains in post-employment benefit plans	**(87)**	58
Net fair value (losses)/gains on cash flow hedges	**(2)**	9
Cash flow hedges reclassified and reported in the income statement during the year	**(3)**	9
Valuation (loss)/gain on available-for-sale financial assets	**(1)**	1
Net exchange differences	**(30)**	(37)
Items recycled to the income statement on disposal	**(11)**	(23)
Deferred tax relating to the above components	**27**	–
Other comprehensive (expense)/income for the year, net of tax	**(107)**	17
Total comprehensive income for the year	**202**	184
Total comprehensive income relating to continuing operations	**211**	236
Total comprehensive income relating to discontinued operations	**(9)**	(52)
	202	184
Attributable to:		
– Owners of the Company	**198**	181
– Non-controlling interests	**4**	3
	202	184
Dividends per share:	**pence**	pence
– Interim paid	**7.1**	6.8
– Final proposed	**17.8**	16.9
	24.9	23.7

TATE & LYLE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 March 2012 £m**	31 March 2011 £m
ASSETS			
Non-current assets			
Goodwill and other intangible assets		**325**	320
Property, plant and equipment		**922**	855
Investments in associates		**5**	5
Available-for-sale financial assets		**23**	19
Derivative financial instruments		**57**	48
Deferred tax assets		**37**	74
Trade and other receivables		**2**	1
Retirement benefit surplus		**146**	103
		1 517	1 425
Current assets			
Inventories		**450**	454
Trade and other receivables		**332**	291
Current tax assets		**3**	25
Derivative financial instruments		**80**	135
Cash and cash equivalents	12	**424**	654
		1 289	1 559
Assets held for sale	10	**100**	67
		1 389	1 626
TOTAL ASSETS		**2 906**	3 051
SHAREHOLDERS' EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital		**117**	117
Share premium		**406**	406
Capital redemption reserve		**8**	8
Other reserves		**128**	175
Retained earnings		**374**	244
		1 033	950
Non-controlling interests		**25**	23
TOTAL SHAREHOLDERS' EQUITY		**1 058**	973
LIABILITIES			
Non-current liabilities			
Trade and other payables		**4**	1
Borrowings	12	**805**	887
Derivative financial instruments		**19**	56
Deferred tax liabilities		**25**	30
Retirement benefit deficit		**286**	242
Provisions for other liabilities and charges		**18**	21
		1 157	1 237
Current liabilities			
Trade and other payables		**382**	406
Current tax liabilities		**49**	33
Borrowings and bank overdrafts	12	**141**	227
Derivative financial instruments		**94**	126
Provisions for other liabilities and charges		**10**	44
		676	836
Liabilities held for sale	10	**15**	5
		691	841
TOTAL LIABILITIES		**1 848**	2 078
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2 906**	3 051

TATE & LYLE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	**Year to 31 March 2012 £m**	Year to 31 March 2011 £m
Cash flows from operating activities			
Profit before tax from continuing operations		**379**	245
Adjustments for:			
Depreciation of property, plant and equipment		**85**	91
Exceptional items, net of cash flow impact		**(84)**	(9)
Amortisation of intangible assets		**18**	18
Share-based payments		**11**	9
Finance income	5	**(8)**	(3)
Finance expense	5	**33**	61
Changes in working capital		**(121)**	(41)
Changes in net retirement benefit obligations		**(80)**	(46)
Cash generated from continuing operations		**233**	325
Interest paid		**(43)**	(49)
Income tax received/(paid)		**16**	(31)
Cash generated from/(used in) discontinued operations	9	**25**	(100)
Net cash generated from operating activities		**231**	145
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		**2**	37
Interest received		**3**	3
Purchase of available-for-sale financial assets		**(6)**	(5)
Disposal of available-for-sale financial assets		**18**	–
Acquisitions of subsidiaries, net of cash acquired	11	**(7)**	–
Disposal of businesses, net of cash disposed		**1**	280
Purchase of property, plant and equipment		**(102)**	(58)
Purchase of intangible assets and other non-current assets		**(28)**	(12)
Net cash generated from/(used in) investing activities in discontinued operations	9	**2**	(5)
Net cash (used in)/generated from investing activities		**(117)**	240
Cash flows from financing activities			
Proceeds from issuance of ordinary and treasury shares		**3**	2
Purchase of ordinary shares		**(19)**	–
Cash inflow from additional borrowings		**8**	7
Cash outflow from repayment of borrowings		**(188)**	(136)
Cash outflow from repayment of capital element of finance leases		**(5)**	(2)
Dividends paid to the owners of the Company		**(112)**	(70)
Net cash used in financing activities in discontinued operations	9	**(2)**	(18)
Net cash used in financing activities		**(315)**	(217)
Net (decrease)/increase in cash and cash equivalents	12	**(201)**	168
Cash and cash equivalents			
Balance at beginning of year		**654**	504
Effect of changes in foreign exchange rates		**(7)**	(18)
Net (decrease)/increase in cash and cash equivalents		**(201)**	168
Balance at end of year		**446**	654
As presented in the consolidated statement of financial position:			
Cash and cash equivalents	12	**424**	654
Assets held for sale	10	**22**	–
Balance at end of year		**446**	654

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital and share premium	Capital redemption reserve	Other reserves	Retained earnings	Attributable to the owners of the Company	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance at 31 March 2010	520	8	220	79	827	27	854
Other comprehensive (expense)/income for the year	–	–	(45)	63	18	(1)	17
Profit for the year	–	–	–	163	163	4	167
Share-based payments charge, including tax	–	–	–	10	10	–	10
Proceeds from shares issued	1	–	–	1	2	–	2
Dividends paid	–	–	–	(105)	(105)	(2)	(107)
Scrip issue of shares for dividend	2	–	–	33	35	–	35
Non-controlling interests disposed	–	–	–	–	–	(5)	(5)
Balance at 31 March 2011	523	8	175	244	950	23	973
Other comprehensive expense for the year	**–**	**–**	**(47)**	**(60)**	**(107)**	**–**	**(107)**
Profit for the year	**–**	**–**	**–**	**305**	**305**	**4**	**309**
Share-based payments charge, including tax	**–**	**–**	**–**	**13**	**13**	**–**	**13**
Proceeds from shares issued	**–**	**–**	**–**	**3**	**3**	**–**	**3**
Share repurchase	**–**	**–**	**–**	**(19)**	**(19)**	**–**	**(19)**
Dividends paid	**–**	**–**	**–**	**(112)**	**(112)**	**(2)**	**(114)**
Balance at 31 March 2012	**523**	**8**	**128**	**374**	**1 033**	**25**	**1 058**

1. Basis of preparation

The full year results for the year to 31 March 2012 have been extracted from audited consolidated financial statements which have not yet been delivered to the Registrar of Companies. The financial information in this announcement does not constitute the Group's Annual Report and financial statements. The auditors have reported on the Group's financial statements for the year to 31 March 2012. The report was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

2. Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the condensed set of consolidated financial information are consistent with those of the Group's Annual Report and Accounts for the year ended 31 March 2011, other than the adoption, with effect from 1 April 2011, of new or revised accounting standards, as set out below.

In the prior year, following the Group's decision to dispose of its remaining sugar operations, the Sugars segment was reclassified as discontinued operations. In the current year, the assets and liabilities of Vietnam Sugar, the remaining assets and liabilities of the former International Sugar Trading business and Sucromiles SA, the Group's Colombian citric acid joint venture, have been included within assets and liabilities held for sale.

The following standards are effective for the Group's accounting period beginning on 1 April 2011 and where relevant have been adopted in this financial information. They have not had a material impact on the results or financial position of the Group:

- IAS 24 (revised) *Related Party Disclosures*
- Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*
- IFRS Annual Improvements 2010
- Amendment to IFRS 1 *First time adoption on financial instrument disclosures*
- Amendment to IFRS 7 *Financial Instruments: Disclosures on fair value hierarchy*

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 April 2011 and have not been early adopted:

- Amendment to IAS 1 *Presentation of Financial Statements – other comprehensive income*
- Amendment to IAS 32 *Financial Instruments: Presentation*
- Amendment to IFRS 7 *Financial Instruments: Disclosures on Offsetting*
- IFRS 9 *Financial Instruments*
- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interest in Other Entities*
- IFRS 13 *Fair Value Measurement*
- Amendment to IAS 19 *Employee Benefits*

The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Group's result for the year or equity, other than the amendment to IAS 19. This changes the basis on which the financing charge is calculated by applying the discount rate to the net defined benefit obligation. For the year ended 31 March 2012, calculating the finance charge in accordance with the new requirements would have increased finance costs by £11 million (2011 – £9 million). Under its current accounting policies the Group recognises actuarial gains and losses directly in other comprehensive income, as required by the new standard.

The Group is continuing to assess the impact of IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities* which are all effective for accounting periods beginning on or after 1 January 2013, subject to endorsement of the standards by the European Union. Initial assessments have indicated that while net profit and net assets will remain unchanged, the presentation of the consolidated income statement and consolidated statement of financial position will change as IFRS 11 prohibits the proportional consolidation of certain joint arrangements.

3. Segment information

The Group operates two divisions within continuing operations: Speciality Food Ingredients and Bulk Ingredients. These divisions meet the definition of operating segment under IFRS 8. Central costs, which include head office, treasury and reinsurance activities, do not meet the operating segment definition under IFRS 8 but have been disclosed as a reportable segment in the tables below to be consistent with internal management reporting.

Discontinued operations comprise the former Sugars segment together with International Sugar Trading (Note 9).

The segment results for the year to 31 March 2012 are as follows:

	Continuing operations					
	Speciality Food Ingredients £m	Bulk Ingredients £m	Central costs £m	Total £m	Discontinued operations (Note 9) £m	Total from continuing and discontinued operations £m
Sales						
Total sales	**992**	**2 277**	**–**	**3 269**	**72**	**3 341**
Inter-segment sales	**(105)**	**(76)**	**–**	**(181)**	**–**	**(181)**
External sales (a)	**887**	**2 201**	**–**	**3 088**	**72**	**3 160**
Operating profit/(loss)						
Before exceptional items and amortisation of intangible assets acquired through business combinations	**214**	**172**	**(38)**	**348**	**5**	**353**
Exceptional items (Note 4)	**70**	**7**	**(9)**	**68**	**11**	**79**
Amortisation of intangible assets acquired through business combinations	**(12)**	**–**	**–**	**(12)**	**–**	**(12)**
Operating profit/(loss)	**272**	**179**	**(47)**	**404**	**16**	**420**
Net finance (expense)/income				**(25)**	**1**	**(24)**
Profit before tax				**379**	**17**	**396**
Adjusted operating margin	**24.1%**	**7.8%**	**–**	**11.3%**		
Operating margin	**30.7%**	**8.1%**	**–**	**13.1%**		

(a) There were no customers that contributed more than 10% of the Group's external sales from continuing operations for the year ended 31 March 2012.

3. Segment information (continued)

The segment results for the year to 31 March 2011 are as follows:

	Continuing operations					
	Speciality Food Ingredients £m	Bulk Ingredients £m	Central costs £m	Total £m	Discontinued operations (Note 9) £m	Total from continuing and discontinued operations £m
Sales						
Total sales	916	1 987	–	2 903	590	3 493
Inter-segment sales	(111)	(72)	–	(183)	–	(183)
External sales (b)	805	1 915	–	2 720	590	3 310
Operating profit/(loss)						
Before exceptional items and amortisation of intangible assets acquired through business combinations	206	157	(42)	321	(2)	319
Exceptional items (Note 4)	(7)	9	(7)	(5)	(43)	(48)
Amortisation of intangible assets acquired through business combinations	(13)	–	–	(13)	–	(13)
Operating profit/(loss)	186	166	(49)	303	(45)	258
Net finance expense				(58)	–	(58)
Profit/(loss) before tax				245	(45)	200
Adjusted operating margin	25.6%	8.2%	–	11.8%		
Operating margin	23.1%	8.7%	–	11.1%		

(b) There were no customers that contributed more than 10% of the Group's external sales from continuing operations for the year ended 31 March 2011.

4. Exceptional items

Exceptional items are as follows:

	Year to 31 March 2012 £m	Year to 31 March 2011 £m
Continuing operations		
Reversal of fixed asset impairments – McIntosh and Decatur assets (a)	**60**	–
Reversal of provision – McIntosh (a)	**23**	–
Business transformation costs (b)	**(15)**	(15)
Gain on disposal, net of pre-disposal costs – Fort Dodge (c)	**–**	10
	68	(5)
Discontinued operations		
Gain on disposal of minority holdings – International Sugar Trading (d)	**11**	–
Loss on disposal – EU Sugars (e)	**–**	(55)
Gain on disposal – Molasses (f)	**–**	12
	11	(43)

Continuing operations

(a) On 26 May 2011, the Group took the decision to re-open the mothballed facility in McIntosh, Alabama and restart the production of sucralose. This decision has resulted in the reversal of £53 million of the impairment charge previously recognised against property, plant and equipment. In addition, £23 million of the provision in respect of obligations relating to the mothballed facility was no longer required and has also been reversed. These exceptional items are reported within the Speciality Food Ingredients segment.

In addition, in November 2010 the Group signed an agreement with Amyris, Inc. to manufacture Trans-beta-Farnesene using redundant assets located at the Decatur, Illinois plant that were previously impaired. Commercial viability of the new production process was proven during the current financial year resulting in a £7 million reversal of the write down previously recognised against property, plant and equipment. This exceptional item is reported within the Bulk Ingredients segment.

(b) The Group has recognised an exceptional charge of £15 million (2011 – £15 million) in relation to business transformation costs. The Group incurred £9 million (2011 – £6 million) of costs that did not meet the capitalisation criteria associated with the implementation of a common global IS/IT platform and Global Shared Services Centre, £5 million (2011 – £4 million) in relation to the relocation of employees and restructuring associated with the new Commercial and Food Innovation Centre in Chicago, Illinois, and £1 million (2011 – £5 million) of closure and other restructuring costs relating to the Food Systems business. These costs are reported in the Speciality Food Ingredients segment (£6 million, 2011 – £7 million) and within Central costs (£9 million, 2011 – £7 million). In the prior year, there was a charge of £1 million recognised within the Bulk Ingredients segment.

(c) In the prior year, the Group recorded a net exceptional gain of £10 million in respect of the sale of the previously impaired ethanol facility at Fort Dodge, Iowa. This exceptional item was reported within the Bulk Ingredients segment.

The tax impact on net exceptional items is a £31 million charge (2011 - £10 million). In addition, there has been a exceptional tax credit of £10 million which represents the recognition of a deferred tax asset in respect of foreign tax credits recognised in association with the disposal of the ethanol facility in Fort Dodge, Iowa.

In the year ended 31 March 2011, the Group recognised an exceptional tax credit of £8 million within continuing operations which represented the recognition of a deferred tax asset on unrealised profit in inventory following the restructuring of the Group.

4. Exceptional items (continued)

Discontinued operations

(d) On 12 October 2011, the Group completed the sale of its minority holdings in Egypt and Saudi Arabia relating to the former International Sugar Trading business and received £18 million in cash consideration. After recycling revaluation gains to the income statement, the Group has recorded an exceptional gain of £11 million.

(e) In the prior year, the Group recorded a loss of £55 million in relation to the disposal of EU Sugars. Further details are set out in Note 11.

(f) In the prior year, the Group recorded a gain of £12 million in relation to the disposal of its Molasses businesses. Further details are set out in Note 11.

The tax impact on net exceptional items is £nil in the current financial year (2011 - £19 million credit). Tax credits on exceptional costs are only recognised to the extent that losses incurred will result in tax recoverable in the future.

There has also been an exceptional tax charge within discontinued operations of £15 million in respect of outstanding tax matters associated with the starch facilities that formed part of the former Food & Industrial Ingredients, Europe segment, which are in the process of litigation. These facilities were disposed of by the Group in the year ended 31 March 2008.

5. Finance income and finance expense

Continuing operations	**Year to 31 March 2012 £m**	Year to 31 March 2011 £m
Finance income		
Interest receivable	**3**	3
Net finance income arising on defined benefit retirement schemes:		
– expected return on plan assets	**78**	–
– interest cost	**(73)**	–
Total finance income	**8**	3
Finance expense		
Interest payable on bank and other borrowings	**(31)**	(45)
Net finance expense arising on defined benefit retirement schemes:		
– interest cost	**–**	(76)
– expected return on plan assets	**–**	72
Finance lease charges	**(1)**	(1)
Unwinding of discounts in provisions	**–**	(2)
Fair value gains/(losses) on interest-related derivative instruments:		
– interest rate swaps – fair value hedges	**20**	7
– derivatives not designated as hedges	**(3)**	(3)
Fair value adjustment of borrowings attributable to interest rate risk	**(18)**	(7)
Recycle of cash flow hedge reserve in respect of borrowings paid	**–**	(6)
Total finance expense	**(33)**	(61)
Net finance expense	**(25)**	(58)

Finance expense is shown net of borrowing costs capitalised within additions to property, plant and equipment of £1 million (2011 – £nil) at a capitalisation rate of 3.7% (2011 – 5.0%).

Interest payable on other borrowings includes £0.2 million (2011 – £0.2 million) of dividends in respect of the Group's 6.5% cumulative preference shares.

Discontinued operations

Included within the profit for the year in relation to discontinued operations (Note 9) is net finance income of £1 million (2011 – £nil).

6. Income tax expense

Continuing operations	**Year to 31 March 2012 £m**	Year to 31 March 2011 £m
Current tax:		
In respect of the current year		
– UK	**–**	–
– Overseas	**7**	3
Adjustments in respect of previous years	**–**	(10)
	7	(7)
Deferred tax charge	**73**	64
Adjustments in respect of previous years	**2**	–
Exceptional tax credit	**(10)**	(8)
Income tax expense	**72**	49

The income tax charge relating to continuing operations for the year to 31 March 2012 is £72 million (2011 – £49 million) and includes a charge of £31 million in respect of pre-tax exceptional items (2011 – £10 million).

The effective tax rate for the year, calculated on the basis of the total income tax charge relating to continuing operations as a proportion of profit before tax, is 19.0% (2011 – income tax charge on profit before tax of 19.7%). This compares with the standard rate of corporation tax in the UK of 26% (2011 – 28%). The effective tax rate relating to continuing operations on profit before exceptional items, amortisation and exceptional tax items is 17.1% (2011 – 18.5%).

Included within deferred tax is a £2 million charge (2011 – £nil) principally relating to prior year adjustments to the tax base of fixed assets in a number of jurisdictions. Included within current tax in the prior year is a £10 million credit principally relating to the settlement of prior year tax obligations in a number of jurisdictions.

The exceptional tax credit of £10 million represents the recognition of a deferred tax asset in respect of foreign tax credits recognised in association with the disposal of Fort Dodge. The £8 million exceptional tax credit in the comparative year represented the recognition of a deferred tax asset on unrealised profit in inventory following the restructuring of the Group.

The standard rate of corporation tax in the United Kingdom has reduced from 26% to 24% from 1 April 2012.

Discontinued operations

The income tax charge in respect of discontinued operations (Note 9) in the year to 31 March 2012 is £15 million (2011 – £16 million credit). This comprises a £15 million exceptional charge increasing the provisions relating to outstanding tax matters associated with the starch facilities that formed part of the former Food & Industrial Ingredients, Europe segment, which are in the process of litigation. These facilities were disposed of by the Group in the year ended 31 March 2008.

7. Earnings per share

Basic

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

	Year to 31 March 2012			Year to 31 March 2011		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to owners of the Company (£million)	**307**	**(2)**	**305**	196	(33)	163
Weighted average number of ordinary shares in issue (millions)	**465.7**	**465.7**	**465.7**	461.5	461.5	461.5
Basic earnings/(loss) per share	**65.9p**	**(0.4)p**	**65.5p**	42.6p	(7.3)p	35.3p

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares. Potential dilutive ordinary shares arise from share options and the Group's long term share incentive plans. For non-performance related share plans, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. For performance related share plans, a calculation is performed to determine the satisfaction or otherwise, of the performance conditions at the end of the reporting period, and the number of shares which would be issued based on the status at the end of the reporting period.

	Year to 31 March 2012			Year to 31 March 2011		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to owners of the Company (£million)	**307**	**(2)**	**305**	196	(33)	163
Weighted average number of diluted shares (millions)	**474.9**	**474.9**	**474.9**	468.8	468.8	468.8
Diluted earnings/(loss) per share	**64.6p**	**(0.3)p**	**64.3p**	41.9p	(7.2)p	34.7p

The adjustment for the dilutive effect of share options at 31 March 2012 was 9.2 million shares (2011 – 7.3 million).

Adjusted earnings per share

Adjusted earnings per share is stated excluding exceptional items and the amortisation of intangible assets acquired through business combinations:

Continuing operations	**Year to 31 March 2012**	Year to 31 March 2011
Profit attributable to owners of the Company (£million)	**307**	196
Adjustments for (£million):		
– exceptional items	**(68)**	5
– amortisation of intangible assets acquired through business combinations	**12**	13
– tax effect of the above adjustments	**27**	8
– exceptional tax credit	**(10)**	(8)
Adjusted profit (£million)	**268**	214
Adjusted basic earnings per share from continuing operations	**57.5p**	46.5p
Adjusted diluted earnings per share from continuing operations	**56.4p**	45.7p

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION

For the Year to 31 March 2012 (continued)

8. Dividends

	Year to 31 March 2012	Year to 31 March 2011
Dividends paid on ordinary equity shares (£million):		
– final paid relating to prior year	**79**	74
– interim paid relating to current year	**33**	31
Total dividend paid (£million)	**112**	105
Satisfied by:		
– cash (£million)	**112**	70
– scrip dividend (£million) (note a)	**–**	35
Total	**112**	105
The total ordinary dividend is 24.9p (2011 − 23.7p) made up as follows:		
– interim dividend paid	**7.1p**	6.8p
– final dividend proposed (note b)	**17.8p**	16.9p
Total	**24.9p**	23.7p

(a) In the prior year, shareholders were given the option to receive the final dividend relating to the previous year and the interim dividend relating to that year in the form of a scrip issue. On 30 July 2010 and 7 January 2011, the Group issued 5,716,625 shares and 1,601,272 shares respectively for scrip at a nominal value per share of 25p and a cash equivalent value of £35 million.

(b) The final dividend proposed for the year of £83 million (2011 – £79 million), based on the number of shares outstanding as at 31 March 2012, has not been recognised as a liability and will be settled, subject to approval by shareholders at the Company's Annual General Meeting on 26 July 2012, to shareholders who are on the Register of Members on 29 June 2012.

NOTES TO THE FINANCIAL INFORMATION
For the Year to 31 March 2012 (continued)

9. Discontinued operations

In the prior year, the Group announced its intention to sell all the businesses within the former Sugars segment. In September 2010, the Group completed the disposal of EU Sugars to American Sugar Refining, Inc and in December 2010, it completed the disposal of its Molasses business to W&R Barnett Ltd. In April 2011, the Group entered into a conditional agreement to sell its majority share of Vietnam Sugar to TH Milk Food Joint Stock Company for approximately £33 million, together with the Group's proportionate share of cash and working capital. The Group also ceased operations at its liquid sugar manufacturing operations in Israel during the year.

The results of these former Sugars businesses and the International Sugar Trading business are presented as discontinued operations for the years ended 31 March 2012 and 31 March 2011. The results of the Vietnam Sugar and Israel businesses are presented within the Other category for both periods. Other also includes £15 million of exceptional income tax expense (Note 6) in respect of outstanding tax matters associated with the starch facilities that formed part of the former Food & Industrial Ingredients, Europe segment, which are in the process of litigation.

					Year to 31 March 2012
	EU Sugars £m	**Molasses £m**	**International Sugar Trading £m**	**Other £m**	**Total £m**
Sales	**–**	**–**	**26**	**46**	**72**
Operating (loss)/profit before exceptional items	**–**	**–**	**(2)**	**7**	**5**
Exceptional items (Note 4)	**–**	**–**	**11**	**–**	**11**
Operating profit	**–**	**–**	**9**	**7**	**16**
Finance income	**–**	**–**	**–**	**2**	**2**
Finance expense	**–**	**–**	**(1)**	**–**	**(1)**
Profit before tax	**–**	**–**	**8**	**9**	**17**
Income tax expense	**–**	**–**	**–**	**(15)**	**(15)**
Profit/(loss) for the year	**–**	**–**	**8**	**(6)**	**2**
Non-controlling interests	**–**	**–**	**–**	**(4)**	**(4)**
Profit/(loss) attributable to owners of the Company	**–**	**–**	**8**	**(10)**	**(2)**

					Year to 31 March 2011
	EU Sugars £m	Molasses £m	International Sugar Trading £m	Other £m	Total £m
Sales	330	141	18	101	590
Operating (loss)/profit before exceptional items	(2)	7	(11)	4	(2)
Exceptional items (Note 4)	(55)	12	–	–	(43)
Operating (loss)/profit	(57)	19	(11)	4	(45)
Finance income	–	–	–	1	1
Finance expense	–	–	(1)	–	(1)
(Loss)/profit before tax	(57)	19	(12)	5	(45)
Income tax credit/(expense)	22	(1)	–	(5)	16
(Loss)/profit for the year	(35)	18	(12)	–	(29)
Non-controlling interests	–	(1)	–	(3)	(4)
(Loss)/profit attributable to owners of the Company	(35)	17	(12)	(3)	(33)

9. Discontinued operations (continued)

Net cash flows from discontinued operations are as follows**:**

					Year to 31 March 2012
	EU Sugars £m	**Molasses £m**	**International Sugar Trading £m**	**Other £m**	**Total £m**
Net cash generated from operating activities	**–**	**–**	**10**	**15**	**25**
Net cash generated from investing activities	**–**	**–**	**–**	**2**	**2**
Net cash used in financing activities	**–**	**–**	**–**	**(2)**	**(2)**

					Year to 31 March 2011
	EU Sugars £m	Molasses £m	International Sugar Trading £m	Other £m	Total £m
Net cash (used in)/generated from operating activities	(85)	(11)	(17)	13	(100)
Net cash (used in)/generated from investing activities	(5)	(1)	–	1	(5)
Net cash used in financing activities	(16)	(1)	–	(1)	(18)

10. Assets and liabilities classified as held for sale

In April 2011, the Group entered into a conditional agreement to sell its majority share of Vietnam Sugar to TH Milk Food Joint Stock Company. The purchaser has received clearance from the Vietnam Ministry of Finance and the required licence from the Ministry of Planning and Investment but still awaits the appropriate regulatory clearances from the State Bank. The disposal is expected to complete during the first half of the 2013 financial year.

At 31 March 2012 active discussions were taking place, and on 20 April 2012, the Group reached an agreement to sell its 50% share in Sucromiles SA (Sucromiles), its Colombian citric acid joint venture, to the joint venture partner, Organización Ardila Lülle, for total cash consideration of £20 million. The sale is conditional upon Colombian competition authority approval.

The Group is committed to the disposal of its remaining businesses within the legacy Sugars division, principally the legacy contracts relating to the former International Sugar Trading business. The status of the disposal process at 31 March 2012 is such that these contracts meet the criteria to be held for sale. The disposal of the available-for-sale financial assets relating to the Group's former International Sugar Trading business completed on 12 October 2011. These assets were classified as held for sale as at 31 March 2011.

In addition, land and buildings relating to the former Molasses business with a net book value of £2 million are included within assets held for sale.

In the prior year, the Group's liquid sugar manufacturing business in Israel was classified as held for sale as it met the criteria to be held for sale at that time. This business ceased operations during the year.

Assets and liabilities as at 31 March 2012 reported as held for sale are shown in the below table. Cash and cash equivalents includes balances in respect of both Vietnam Sugar and Sucromiles.

	31 March 2012 £m	31 March 2011 £m
Assets		
Intangible assets	**2**	2
Property, plant and equipment	**22**	22
Available-for-sale financial assets	**1**	17
Inventories	**25**	17
Trade and other receivables	**15**	9
Derivative financial instruments	**13**	–
Cash and cash equivalents	**22**	–
Total assets held for sale	**100**	67
Liabilities		
Trade and other payables	**(9)**	(5)
Current tax liabilities	**(1)**	–
Derivative financial instruments	**(5)**	–
Total liabilities held for sale	**(15)**	(5)

11. Acquisitions and disposals

Acquisitions

G.C. Hahn & Co – 2012

During the year to 31 March 2008, the Group acquired 80% of the issued share capital of G.C. Hahn & Co. (Hahn) from Georg Hahn Familien GmbH. As the Group effectively bore all the risks and rewards for 100% of this business, a non-controlling interest was not recognised in the financial statements at the date of acquisition. The acquisition agreement allowed for the Group to acquire the remaining 20% of the issued share capital of Hahn through put and call options at various times. During the financial year, following the exercise of a put option by Georg Hahn Familien GmbH the Group acquired the final 5% of the issued share capital of the business for consideration of £7 million, and has now acquired 100% of the issued share capital.

Disposals

International Sugar Trading – 2012

On 12 October 2011, the Group completed the sale of its minority holdings in sugar refineries in Egypt and Saudi Arabia relating to the former International Sugar Trading business and received £18 million in cash consideration. After recycling revaluation gains to the income statement, the Group has recorded an exceptional gain of £11 million (Note 4).

EU Sugars and Molasses – 2011

During the prior year the Group completed the disposal of its EU Sugars operations to American Sugar Holdings (ASR). The disposal comprised an asset sale of the Thames Sugar Refinery and its associated businesses in London and a share sale of Alcantara Empreendimentos SGPS, SA, Tate & Lyle Norge AS and Eridania Tate & Lyle SpA. In May 2011, the Group announced that the process to agree completion statements on the sale of EU Sugars to ASR was ongoing and that items totalling £54 million were outstanding and were expected to be submitted for adjudication by an independent expert. The expert’s decision, notified to the parties on 8 May 2012, strongly supported the Group’s position and as a result, substantially all of the working capital adjustments proposed by ASR were reversed, and there is no further adjustment required to the loss on disposal recognised in the prior year. The expert’s decision is final and binding on both parties and therefore finalises the completion statements. The receivable outstanding at 31 March 2012 has been settled subsequent to the balance sheet date.

During the prior year the Group also completed the disposal of its Molasses business to W&R Barnett Ltd. Total consideration was £66 million. During the current year, post-completion adjustments were agreed and the Group received a cash inflow of £1 million in respect of working capital settlements.

11. Acquisitions and disposals (continued)

The calculation of the result on disposal for both EU Sugars and Molasses is shown below:

	EU Sugars £m	Molasses £m	Total £m
Goodwill and intangible assets	1	2	3
Property, plant and equipment	203	14	217
Investment in associates	2	–	2
Available-for-sale financial assets	1	–	1
Derivative financial instruments – assets	18	7	25
Inventories	72	35	107
Trade and other receivables	66	42	108
Trade and other payables	(53)	(33)	(86)
Derivative financial instruments – liabilities	(15)	(3)	(18)
Retirement benefit obligation	(2)	–	(2)
Cash and cash equivalents	5	5	10
Borrowings	(5)	(3)	(8)
Taxation	(1)	(2)	(3)
Total assets disposed	292	64	356
Non controlling interests disposed	–	(5)	(5)
Net assets disposed	292	59	351
Cash received during the year to 31 March 2011	225	65	290
Cash received during the year to 31 March 2012	–	1	1
Receivable at 31 March 2012	2	–	2
Total consideration	227	66	293
Other items:			
Disposal costs	(4)	(4)	(8)
Recycling of cash flow hedge reserve	3	–	3
Exchange differences transferred from equity	11	9	20
(Loss)/gain on disposal recognised in the year to 31 March 2011	(55)	12	(43)
Cash flows:			
Cash consideration	225	66	291
Cash disposed	(5)	(5)	(10)
	220	61	281
Cash inflow during the year to 31 March 2011	220	60	280
Cash inflow during the year to 31 March 2012	–	1	1

12. Net debt

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

	31 March 2012 £m	31 March 2011 £m
Non-current borrowings	**(805)**	(887)
Current borrowings and bank overdrafts	**(141)**	(227)
Debt-related derivative instruments (note a)	**24**	(4)
Cash and cash equivalents	**424**	654
Assets held for sale – cash and cash equivalents	**22**	–
Net debt	**(476)**	(464)

(a) Derivative financial instruments reported in the statement of financial position of £24 million net asset comprise net debt-related instruments of £24 million asset and net non-debt-related instruments of £nil (2011 – £1 million net asset comprising net debt-related instruments of £4 million liability and net non-debt-related instruments of £5 million asset). Additional net non-debt related instruments of £8 million asset are included in assets and liabilities held for sale (Note 10).

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

	Year to 31 March 2012 £m	Year to 31 March 2011 £m
At 1 April	**(464)**	(814)
(Decrease)/increase in cash and cash equivalents in the year	**(201)**	168
Cash outflow from net decrease in borrowings	**185**	147
Inception of finance leases	**(7)**	–
Debt transferred on disposal of businesses	**–**	8
Fair value and other movements	**7**	–
Exchange	**4**	27
(Increase)/decrease in net debt in the year	**(12)**	350
At 31 March	**(476)**	(464)

13. Capital commitments

	31 March 2012 £m	31 March 2011 £m
Commitments for the acquisition of property, plant and equipment	**21**	15
Commitments for the acquisition of intangible assets	**10**	9
Total commitments	**31**	24

14. Contingent liabilities

Sale of EU Sugars

In May 2011, the Group announced that the process to agree completion statements on the sale of EU Sugars to American Sugar Holdings (ASR) was ongoing and that items totalling £54 million were outstanding and were expected to be submitted for adjudication by an independent expert. Those items related to the impact of major turbulence in the supply of raw sugar to the EU during the period prior to closing which resulted in an increase in certain rolling re-export commitments of the business arising under the EU Sugar Regime. The expert's decision, notified to the parties on 8 May 2012, strongly supported the Group's position and as a result, substantially all of the working capital adjustments proposed by ASR were reversed, and there is no further adjustment to the loss on disposal previously recognised. The expert's decision is final and binding on both parties and therefore finalises the completion statements. Separately, ASR has set out a number of claims it believes it has under certain other provisions of the Sale and Purchase Agreement. These claims have not been fully quantified, but in large part also relate to the turbulence in the supply of raw sugar to the EU during the period prior to closing and the increase in certain rolling re-export commitments of the business. The claims notified by ASR, and the validity of the notification itself, are under review by our legal advisers.

Whitefox Technologies

Whitefox Technologies (Whitefox) supplied certain equipment and technology intended for use in certain of the Group's ethanol production facilities in 2007 which the Group believes was not fit for purpose. Tate & Lyle is seeking damages from Whitefox of approximately US$20 million. Whitefox claims damages exceeding €100 million for breach of contract, damage to certain equipment and other losses. The dispute with Whitefox has been listed for a jury trial in the Supreme Court of the State of New York in June 2012. Whilst we are confident in the merits of our legal position, given that this is a jury trial, the outcome is uncertain.

Other claims

In addition to the above, the Group is subject to claims and litigation generally arising in the ordinary course of its business, some of which are for substantial amounts. Such claims and litigation are strenuously defended, but provision is made for liabilities that are considered likely to arise on the basis of current information and legal advice and after taking into account the Group's insurance arrangements. While there is always uncertainty as to the outcome of any claim or litigation, it is not expected that claims and litigation existing at the statement of financial position date will have a material adverse effect on the Group's financial position.

15. Post balance sheet events

On 20 April 2012, the Group reached an agreement to sell its 50% share in Sucromiles SA, its Colombian citric acid joint venture, to Organización Ardila Lülle, for total cash consideration of £20 million. The sale is conditional upon Colombian competition authority approval.

16. Foreign exchange rates

The following exchange rates have been applied in the translation of the financial statements of foreign subsidiaries, joint ventures and associates**:**

Average foreign exchange rates	**Year to 31 March 2012**	Year to 31 March 2011
£1 = US$	**1.60**	1.55
£1 = €	**1.15**	1.19

Year end foreign exchange rates	**31 March 2012**	31 March 2011
£1 = US$	**1.60**	1.60
£1 = €	**1.20**	1.13

17. Reconciliation to adjusted information

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

– exceptional items including profits and losses on disposals of businesses, impairments, closure and restructuring provisions, and significant business transformation activities; and
– amortisation of intangible assets acquired through business combinations.

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

	Year to 31 March 2012			Year to 31 March 2011		
	Reported £m	**Exceptional/ Amortisation £m**	**Adjusted £m**	Reported £m	Exceptional/ Amortisation £m	Adjusted £m
Continuing operations						
Sales	**3 088**	**–**	**3 088**	2 720	–	2 720
Operating profit	**404**	**(56)**	**348**	303	18	321
Net finance expense	**(25)**	**–**	**(25)**	(58)	–	(58)
Profit before tax	**379**	**(56)**	**323**	245	18	263
Income tax (expense)/credit	**(72)**	**17**	**(55)**	(49)	–	(49)
Profit attributable to owners of the Company	**307**	**(39)**	**268**	196	18	214
Basic earnings per share (p)	**65.9**	**(8.4)**	**57.5**	42.6	3.9	46.5
Diluted earnings per share (p)	**64.6**	**(8.2)**	**56.4**	41.9	3.8	45.7
Tax rate	**19.0%**		**17.1%**	19.7%		18.5%
Discontinued operations						
Sales	**72**	**–**	**72**	590	–	590
Operating profit/(loss)	**16**	**(11)**	**5**	(45)	43	(2)
Net finance income	**1**	**–**	**1**	–	–	–
Profit/(loss) before tax	**17**	**(11)**	**6**	(45)	43	(2)
Income tax (expense)/credit	**(15)**	**15**	**–**	16	(19)	(3)
Profit/(loss) after tax	**2**	**4**	**6**	(29)	24	(5)
Non-controlling interests	**(4)**	**–**	**(4)**	(4)	–	(4)
(Loss)/profit attributable to owners of the Company	**(2)**	**4**	**2**	(33)	24	(9)
Basic (loss)/earnings per share (p)	**(0.4)**	**0.9**	**0.5**	(7.3)	5.4	(1.9)
Diluted (loss)/earnings per share (p)	**(0.3)**	**0.8**	**0.5**	(7.2)	5.3	(1.9)
Total operations						
Sales	**3 160**	**–**	**3 160**	3 310	–	3 310
Operating profit	**420**	**(67)**	**353**	258	61	319
Net finance expense	**(24)**	**–**	**(24)**	(58)	–	(58)
Profit before tax	**396**	**(67)**	**329**	200	61	261
Income tax (expense)/credit	**(87)**	**32**	**(55)**	(33)	(19)	(52)
Profit after tax	**309**	**35**	**274**	167	42	209
Non-controlling interests	**(4)**	**–**	**(4)**	(4)	–	(4)
Profit attributable to owners of the Company	**305**	**(35)**	**270**	163	42	205
Basic earnings per share (p)	**65.5**	**(7.5)**	**58.0**	35.3	9.3	44.6
Diluted earnings per share (p)	**64.3**	**(7.4)**	**56.9**	34.7	9.1	43.8
Tax rate	**21.9%**		**16.8%**	16.4%		19.7%

TATE & LYLE PLC

ADDITIONAL INFORMATION
For the Year to 31 March 2012

1. Ratio analysis

	Year to 31 March 2012	Year to 31 March 2011
Net debt to EBITDA [a]		
= Net debt	**481**	474
Pre-exceptional EBITDA	**450**	426
	= 1.1 times	= 1.1 times
Interest cover [a]		
= Operating profit before amortisation of acquired intangibles and exceptional items	**364**	329
Net interest and finance expense	**33**	48
	11.1 times	= 6.9 times
Earnings dividend cover		
= Adjusted basic earnings per share from continuing operations	**57.5**	46.5
Dividend per share	**24.9**	23.7
	= 2.3 times	= 2.0 times
Cash dividend cover [b]		
= Free cash flow from continuing operations	**79**	178
Cash dividends	**116**	110
	= 0.7 times	= 1.6 times
Gearing		
= Net debt	**476**	464
Total shareholders' equity	**1 058**	973
	= 45%	= 48%
Return on capital employed		
= Profit before interest, tax and exceptional items	**335**	308
Average invested operating capital [c]	**1 554**	1 495
	= 21.6%	= 20.6%
Average quarterly cash conversion cycle [d]	**36 days**	34 days

(a) These ratios have been calculated under the Group's bank covenant definitions and are based on unrounded figures. Net debt is calculated using average rates of exchange.
(b) Free cash flow is defined as cash generated from continuing operating activities, less interest paid, less income tax paid, less the purchase of property, plant and equipment, less the purchase of intangible and other non-current assets. Cash dividends refer to dividends paid or proposed in respect of the reporting period, excluding the impact of any scrip dividend option where available.
(c) Defined as shareholders equity excluding net debt, net tax assets/liabilities, net retirement benefit obligations and net operating assets of discontinued operations.
(d) Defined as controllable working capital divided by quarterly sales, multiplied by number of days in quarter.

TATE & LYLE PLC

ADDITIONAL INFORMATION
For the Year to 31 March 2012

2. Post-retirement benefit interest restatement

From the year ending 31 March 2013, post-retirement benefit interest will be excluded from the Group's adjusted measures. This interest charge or credit is largely driven by market factors at the balance sheet date which has resulted in significant volatility in the Group's income statement over recent years. The proposed changes to IAS 19 reduce but do not wholly remove this volatility.

The following table shows the reconciliation of the statutory information presented in the income statement to the adjusted information for the years ended 31 March 2012 and 2011 had retirement benefit interest been excluded in these years:

	Year to 31 March 2012			Year to 31 March 2011		
	Reported £m	**Exceptional/ Adjusting items £m**	**Adjusted £m**	Reported £m	Exceptional/ Adjusting items £m	Adjusted £m
Continuing operations						
Sales	**3 088**	**–**	**3 088**	2 720	–	2 720
Operating profit	**404**	**(56)**	**348**	303	18	321
Net finance expense	**(25)**	**(5)**	**(30)**	(58)	4	(54)
Profit before tax	**379**	**(61)**	**318**	245	22	267
Income tax (expense)/credit	**(72)**	**14**	**(58)**	(49)	(4)	(53)
Profit attributable to owners of the Company	**307**	**(47)**	**260**	196	18	214
Basic earnings per share (p)	**65.9**	**(10.1)**	**55.8**	42.6	3.9	46.5
Diluted earnings per share (p)	**64.6**	**(9.9)**	**54.7**	41.9	3.9	45.8
Tax rate	**19.0%**		**18.2%**	19.7%		19.7%
Discontinued operations						
Sales	**72**	**–**	**72**	590	–	590
Operating profit/(loss)	**16**	**(11)**	**5**	(45)	43	(2)
Net finance income	**1**	**–**	**1**	–	–	–
Profit/(loss) before tax	**17**	**(11)**	**6**	(45)	43	(2)
Income tax (expense)/credit	**(15)**	**15**	**–**	16	(19)	(3)
Profit/(loss) after tax	**2**	**4**	**6**	(29)	24	(5)
Non-controlling interests	**(4)**	**–**	**(4)**	(4)	–	(4)
(Loss)/profit attributable to owners of the Company	**(2)**	**4**	**2**	(33)	24	(9)
Basic (loss)/earnings per share (p)	**(0.4)**	**0.9**	**0.5**	(7.3)	5.4	(1.9)
Diluted (loss)/earnings per share (p)	**(0.3)**	**0.8**	**0.5**	(7.2)	5.3	(1.9)
Total operations						
Sales	**3 160**	**–**	**3 160**	3 310	–	3 310
Operating profit	**420**	**(67)**	**353**	258	61	319
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Income tax (expense)/credit	**(87)**	**29**	**(58)**	(33)	(23)	(56)
Profit after tax	**309**	**(43)**	**266**	167	42	209
Non-controlling interests	**(4)**	**–**	**(4)**	(4)	–	(4)
Profit attributable to owners of the Company	**305**	**(43)**	**262**	163	42	205
Basic earnings per share (p)	**65.5**	**(9.2)**	**56.3**	35.3	9.3	44.6
Diluted earnings per share (p)	**64.3**	**(9.1)**	**55.2**	34.7	9.2	43.9
Tax rate	**21.9%**		**17.8%**	16.4%		21.1%