TATE & LYLE PLC
STATEMENT OF HALF YEAR RESULTS
For the six months ended September 30, 2009
(US Dollar Conversion)

Continuing operations (£m/$m unless stated otherwise) [1]	Six months ended September 30 (Unaudited)			
	2009		2008	
	£m	**$m[6]**	**£m**	**$m[6]**
Sales	**1 823**	**2 908**	1 698	2 709
Adjusted results[2]				
Adjusted operating profit	**148**	**236**	150	239
Adjusted profit before tax	**112**	**179**	128	204
Adjusted diluted earnings per share	**18.3p**	**29.2¢**	19.1p	30.5**¢**
Statutory results				
Operating profit	**86**	**137**	143	228
Profit before tax	**50**	**80**	121	193
Profit for the period (on total operations)	**46**	**73**	65	104
Diluted earnings per share (on total operations)	**9.5p**	**15.2¢**	14.0p	22.3**¢**
Cash flow and net debt				
Free cash flow[3]	**258**	**412**	11	18
Net debt	**(987)**	**(1 575)**	(1 128)	(1 799)
Dividend per share	**6.8p**	**10.8¢**	6.8p	10.8**¢**

Javed Ahmed, Chief Executive, said:
"Tate & Lyle performed slightly ahead of our expectations in the first half of the year, before the impact of exchange translation, despite challenging conditions in a number of our markets. We are encouraged by the good progress made in reducing net debt, reflecting our focus on reducing costs, optimizing working capital and reducing capital expenditure."

Financial performance
- Net debt reduced by 20% since March 31, 2009 to £987 million, $1,575 million, (11% before exchange translation)
- Free cash flow[3] of £258 million, $412 million
- Adjusted operating profit down 1% at £148 million, $236 million, (16% in constant currency[4])
- Adjusted operating profit from core value added food ingredients[5] up 10% (down 6% in constant currency)
- Adjusted diluted earnings per share down 4% at 18.3p, 29.2**¢,** (14% in constant currency)

Operating performance
- Food and Industrial Ingredients, Americas reported higher profits from food ingredients, outweighed by lower industrial profits, reflecting weaker industrial starch and ethanol markets, and lower co-product income
- Food and Industrial Ingredients, Europe reported profits well ahead of the prior period, aided by lower corn costs
- The EU Sugar market remained challenging
- Sucralose sales increased by 15% in volume and by 9% in value in constant currency
- Underlying costs reduced by £16 million, $26 million, over the comparative period

Outlook
Overall, the Group's performance, before the impact of exchange translation, remains on track to meet our expectations for the full year.

At our Food and Industrial Ingredients businesses in the Americas and Europe, the order patterns of our food and beverage customers appear to have been re-established, albeit at slightly lower levels. However, global industrial starch, US ethanol and US animal feed markets remain under pressure. We expect continuing underlying growth in Sucralose and improved profits from Sugars in the second half. As usual, the outcome of the 2010 calendar year sweetener pricing rounds will influence performance in the last quarter of the financial year.

Against this backdrop, we continue to take the actions necessary to strengthen the Group's balance sheet, reduce our costs and ensure that we are well positioned as markets improve.

1 Excluding the results of International Sugar Trading and Eastern Sugar in both periods
2 Before exceptional costs of £55 million, $88 million, (2008 – £nil) and amortisation of acquired intangible assets of £7 million, $11 million (2008 – £7 million, $11 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 prior period results at current period exchange rates
5 Core value added food ingredients comprise value added starch-based food ingredients and excludes sucralose
6 All US dollar conversions provided at the average rate for the six months ending September 30, 2009 of $1.5953=£1 and represent a convenience translation.

Cautionary statement

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

A copy of this Statement for the six months ended September 30, 2009 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, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

SPLENDA® is a trademark of McNeil Nutritionals, LLC

Webcast and conference call

A presentation of the results by Chief Executive, Javed Ahmed and Group Finance Director, Tim Lodge will be audio webcast live at 10.00 (UKT) today. To view and/or listen to a live audio cast of the presentation, visit http://www.tateandlyle.com/TateAndLyle/investor_relations/results/default.htm or http://www.thomson-webcast.net/uk/dispatching/?event_id=c796a9511c4def0352dc2b673fad69f8&portal_id=39b37fe9dc2bfc6ead9b7087924f0a2e. Please note that remote listeners will not be able to ask questions during the Q&A session. A webcast replay of the presentation will be available within two hours of the end of the live broadcast for six months, on the link above.

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

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

7 day conference call replay:

UK replay number: +44 (0) 208 196 1998
US replay number: +1 866 583 1035
Replay Access code: 691691#

STATEMENT OF HALF YEAR RESULTS for the six months to 30 September, 2009

Results for the continuing operations are adjusted to exclude exceptional items and amortisation of acquired intangible assets. 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 16 to the full, sterling statement of the half year results.

Overview of Group financial performance

Tate & Lyle produced a performance slightly ahead of our expectations in the first half of the 2010 financial year against the backdrop of challenging conditions in a number of our markets. Sales increased by 7% to £1,823 million, $2,908 million (reduced by 5% in constant currency). Adjusted operating profit reduced by 1% (16% in constant currency) to £148 million, $236 million. Adjusted profit before tax reduced by 13% (25% in constant currency) to £112 million, $179 million, while statutory profit before tax reduced by 59% to £50 million, $80 million, reflecting exceptional costs of £55 million, $88 million, following the decision to mothball the sucralose plant in McIntosh, Alabama. Adjusted diluted earnings per share on continuing operations reduced by 4% (14% in constant currency) to 18.3p, 29.2**¢,** while statutory diluted earnings per share on total operations reduced by 32% to 9.5p, 15.2**¢**.

We remain focused on strong cash management and, during the first half of the year, continued to reduce costs, optimise working capital and reduce capital expenditure across the business. As a result, free cash flow from our continuing operations increased to £258 million, $412 million, from £11 million, $18 million, in the comparative period. Net debt reduced to £987 million, $1,575 million, from £1,231 million, $1,964 million, at March 31, 2009. The reduction was made up of an underlying decrease of £133 million, $212 million, and £111 million, $177 million, benefit from exchange rate movements. The underlying decrease was underpinned by a reduction of £146 million, $233 million, in working capital, which reflected improvements achieved throughout the business as well as lower corn inventory levels in the US which had been run down in anticipation of deliveries from the new harvest. Capital expenditure was managed to 81% of the six month depreciation charge. The ratio of net debt to EBITDA was 2.4 times, comfortably inside the bank covenant maximum level of 4.0 times.

Sales volumes to food and beverage customers in both the US and Europe were steady at levels marginally below the comparative period. EU Sugar markets remained tough in the first half, with no improvement from the conditions seen during the second half of the 2009 financial year. However, following completion of the EU Sugar Regime reform process on September 30, 2009, we have seen signs of a return to equilibrium in EU Sugar markets and expect better margins within our EU sugar business during the second half of this financial year. We achieved 15% growth in sucralose sales volumes, due to both underlying demand growth and to customer restocking during the early part of the period. Sucralose sales increased by 9% in constant currency. The mothballing of the sucralose plant in McIntosh, Alabama, announced on May 28, 2009, is proceeding ahead of schedule.

Industrial markets in both the US and Europe continued to be challenging. With surplus capacity in US ethanol markets during much of the first half, operating margins in ethanol were significantly below the comparative period. Demand for industrial starches in both the US and Europe remained depressed at levels well below the comparative period.

Underlying costs reduced by £16 million, $26 million, in the first half compared to the comparative period. Savings were achieved through actions taken across the business encompassing improved energy and ingredient efficiencies, savings within the fixed manufacturing cost base, headcount reductions combined with a pay freeze at all levels, optimisation within the supply chain activities of the Group and savings in administrative costs and professional services.

Corn prices were below the level of the comparative period in both the US and Europe. Lower corn prices in Europe benefited our Food & Industrial Ingredients, Europe business, which delivered a strong performance with operating profits increasing by 40% at constant currency over the comparative period. Co-product prices in the US for corn oil and feed, which drove strong co-product income in the comparative period, were weak during the first half of the 2010 financial year due both to lower demand and an increased supply of the animal feed co-product of dry mill ethanol production.

Net interest expense increased by £14 million, $22 million, to £36 million, $57 million, after an unfavourable currency variance of £5 million, $8 million. This was due principally to an increase of £8 million, $13 million, in the pensions charge, an increase marginally above initial expectations, and an increase of £3 million, $5 million, following the cessation of capitalisation of interest at Fort Dodge while construction has been suspended. Interest cover was 5.3 times, comfortably above the bank covenant minimum level of 2.5 times.

Following the decision to mothball our sucralose plant in McIntosh, Alabama, as announced on May 28, 2009, we have recognised an exceptional charge in the period of £55 million, $88 million, representing the anticipated cash costs associated with this decision.

The effective tax rate on adjusted profit from continuing operations was 23.3% (30.4%). This is based on our expectations for the year to March 31, 2010 and the reduction reflects the change in the geographic mix of profits compared to the prior year, especially lower levels of profits in the US. The effective tax rate remains sensitive to the geographic mix of profits.

Dividend

The Board has approved an interim dividend of 6.8p, 10.8¢ maintained in line with the prior year. This will be paid on January 8, 2010 to shareholders on the register on December 4 2009. The Company intends to offer shareholders a scrip alternative.

Segmental analysis

In this segmental analysis, we discuss performance as reported, with sales and profits earned in foreign currencies translated at the relevant average exchange rates. In the commentary, we also discuss performance in constant currency terms to assist analysis. To arrive at a constant currency result, we have retranslated the results for the six months to September 30 2008 using the average exchange rates for the six months to September 30 2009.

Sales and operating profits by division are segmented between primary and value added ingredients. Value added ingredients are defined as those ingredients that utilise technology or intellectual property enabling our customers to produce distinctive products and Tate & Lyle to obtain a price premium and/or sustainable higher margins. There have been no material changes in classification between segments from the comparative period.

Food & Industrial Ingredients, Americas

	Six months to September 30, 2009			Six months to September 30, 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales						
– Food	**503**	**189**	**692**	388	164	552
– Industrial	**155**	**92**	**247**	180	79	259
	658	**281**	**939**	568	243	811
Adjusted operating profit						
– Food	**48**	**51**	**99**	48	46	94
– Industrial	**(7)**	**2**	**(5)**	13	2	15
	41	**53**	**94**	61	48	109
Margin						
– Food	**9.5%**	**27.0%**	**14.3%**	12.4%	28.0%	17.0%
– Industrial	**(4.5)%**	**2.2%**	**(2.0)%**	7.2%	2.5%	5.8%
	6.2%	**18.9%**	**10.0%**	10.7%	19.8%	13.4%

	Six months to September 30, 2009			Six months to September 30, 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	$m	**$m**	**$m**	$m	$m	$m
Sales						
– Food	**803**	**301**	**1 104**	619	262	881
– Industrial	**247**	**147**	**394**	287	126	413
	1 050	**448**	**1 498**	906	388	1 294
Adjusted operating profit						
– Food	**77**	**81**	**158**	77	73	150
– Industrial	**(11)**	**3**	**(8)**	21	3	24
	66	**84**	**150**	98	76	174

At Food & Industrial Ingredients, Americas, sales of £939 million, $1,498 million, were 16% higher than the comparative period (2% lower in constant currency). Adjusted operating profit decreased by 14% to £94 million, $150 million, (27% in constant currency) due to lower co-product income and lower profits from industrial ingredients. The effect of exchange translation was to increase operating profit by £20 million, $32 million.

Co-product income was significantly below the level of the comparative period which benefited from strong co-product prices during the commodity price peak of summer 2008[1]. Co-product feed prices have been weak during the first half year due both to lower demand, following reductions in US beef and dairy herds, and an increased supply of the co-product of dry mill ethanol production. A large US corn crop is forecast for 2009, and we expect corn prices to remain at levels broadly in line with recent experience. The animal feed market in the US is expected to remain challenging in the second half, keeping co-product income under pressure.

Performance within the Food segments was sound, with operating profit in constant currency before the impact of reduced co-product income in line with the comparative period. Within Primary Food, volumes sold to food and beverage customers were steady, although marginally below the comparative period. Profits in constant currency were below the level of the comparative period due to reduced corn oil co-product income. Our citric acid business performed well, benefiting from strong global demand. Operating profits from Almex, our Mexican joint venture, were below the level of the comparative period due to lower volumes. Shipments of High Fructose Corn Syrup (HFCS) to Mexico from the US increased towards the end of the period, encouraged by high Mexican sugar prices.

[1] Corn prices in the US saw an unprecedented spike in the 2008 calendar year, reaching almost US$8 per bushel in July 2008. Corn co-product prices also peaked during the third quarter of the 2008 calendar year. However, the subsequent fall in corn and soy prices resulted in corresponding price declines for corn gluten feed and meal, and corn oil. Crude oil prices peaked at almost US$150 per barrel in July 2008, but fell rapidly to below US$40 per barrel during the second half of the 2008 calendar year.

With improving fundamentals for HFCS exports to Mexico, and a modest contribution margin returning to spot US ethanol markets US corn wet milling utilization levels have started to recover.

Operating profits from Value Added Food ingredients increased by 11% (reduced by 7% in constant currency). Volumes were below the level of the comparative period although the impact was partially offset by firmer pricing. We experienced good growth in demand for Promitor™ Soluble Corn Fiber.

Primary Industrial ingredients recorded a loss of £7 million, $11 million, (£13 million, $21 million, profit in the comparative period) due to lower ethanol volumes and margins, reduced profits from industrial starches, and lower income from our animal feed co-products. Industrial starch profits were significantly lower than the comparative period due both to lower levels of underlying demand and to additional demand in the comparative period following the floods in Iowa during 2008 which affected production at competitor plants. We expect industrial starch markets to remain difficult in the short term. Lower volumes and unit margins in ethanol led to operating profits in the first half below the level of the comparative period despite additional costs in the comparative period associated with the commissioning of the Loudon capacity expansion.

As reported in our Trading Update on September 25, 2009, we are pleased with the environmental benefits we have realized at our Loudon plant following the installation of new technology last year. This technology has also allowed us to obtain some benefits through process yield improvements although below the level originally targeted. However, changes in energy and co-product pricing over the last two years have limited the benefits of the investment in energy cost reduction in today's markets, particularly since US gas prices have fallen significantly. Using our experiences at Loudon to date, we continue to evaluate the extent to which this technology can be used effectively within our plant network, including at our new plant in Fort Dodge, Iowa.

Ethanol and net corn prices have produced a modest cash margin for ethanol producers over the last few months, but forward margins remain under pressure.

Against a backdrop of continuing uncertainty in industrial starch, co-product feed and ethanol markets, we continue to evaluate the timing for final completion of our Fort Dodge, Iowa plant.

Operating profits from Value Added Industrial ingredients remained flat at £2 million, $3 million, (flat in constant currency). The loss from Bio-PDO™ reduced from the comparative period as sales volumes increased, although this impact was offset by decreased profits from industrial starches, reflecting lower levels of demand.

Underlying cost savings totaled £8 million, $13 million, in the first half compared to the comparative period. Savings were achieved through headcount reductions, lower warehousing and distribution costs and lower professional fees.

Food & Industrial Ingredients, Europe

	Six months to September 30, 2009			Six months to September 30, 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales						
– Food	**75**	**116**	**191**	98	104	202
– Industrial	**67**	**–**	**67**	90	–	90
	142	**116**	**258**	188	104	292
Adjusted operating profit						
– Food	**14**	**14**	**28**	4	13	17
– Industrial	**0**	**–**	**0**	2	–	2
	14	**14**	**28**	6	13	19
Margin						
– Food	**18.7%**	**12.1%**	**14.7%**	4.1%	12.5%	8.4%
– Industrial	**0.0%**	**–**	**0.0%**	2.2%	–	2.2%
	9.9%	**12.1%**	**10.9%**	3.2%	12.5%	6.5%

	Six months to September 30, 2009			Six months to September 30, 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	$m	**$m**	**$m**	$m	$m	$m
Sales						
– Food	**120**	**185**	**305**	156	166	322
– Industrial	**107**	**–**	**107**	144	–	144
	227	**185**	**412**	300	166	466
Adjusted operating profit						
– Food	**22**	**22**	**44**	6	21	27
– Industrial	**0**	**–**	**0**	3	–	3
	22	**22**	**44**	9	21	30

Food & Industrial Ingredients, Europe delivered an improved performance in the six months over the comparative period. Sales of £258 million, $412 million, were 12% lower than the comparative period (19% in constant currency). However, adjusted operating profit increased by 47% to £28 million, $44 million, (40% in constant currency) primarily due to lower net corn and energy costs at the corn wet mills. The effect of exchange translation was to increase profit by £1 million, $2 million.

Food and beverage sales volumes were steady at levels marginally below the comparative period. Operating profits from Primary Food ingredients increased by £10 million, $16 million, to £14 million, $22 million, reflecting significantly lower net corn costs. Cereal-based sweeteners in the EU are effectively priced against regulated sugar prices, and there is therefore a partial mismatch with corn input pricing (which is unregulated). Total sweetener volumes were marginally below the level of the comparative period following the closure of the Greek plant in September 2008 although isoglucose (HFCS) volumes in the continuing plants increased due to our enlarged EU quotas. The isoglucose capacity expansion at our Slovakia plant is proceeding in line with expectations. Restructuring levies totaling £4 million, $6 million, were recognized in the first half compared to £6 million, $10 million, in the comparative period. No further cost will be incurred going forward in respect of this levy, although this benefit is expected to be offset by a reduction in isoglucose selling prices following the final reduction in EU sugar reference prices with effect from October 1, 2009.

Operating profits from Primary Industrial ingredients reduced to nil from £2 million, $3 million, in the comparative period. Demand for industrial starches was significantly below the comparative period particularly from export markets, although this impact was partially offset by improved margins and volumes on ethanol sales at our recently expanded Hungarian joint venture.

Operating profits from Value Added Food ingredients increased by £1 million, $1 million, to £14 million, $22 million, (flat in constant currency) due to higher unit margins and increased volumes of modified food starches offset by slightly lower profits from our Food Systems business. The facility being built at our Koog, Netherlands, plant to produce polydextrose, the value added soluble fiber, is on track for completion in the first half of the 2010 calendar year. In our Food Systems operations, profits were slightly lower than the comparative period due to weaker export markets. We commissioned new blending facilities in Australia and South Africa during the period.

Underlying cost savings of £3 million, $5 million, were achieved compared to the comparative period through energy efficiency improvements, lower fixed manufacturing costs and savings in labor and administrative costs.

The corn harvest in Europe is expected to be good and therefore we anticipate that corn prices will remain broadly in line with current, lower levels.

Sugars

	Six months to September 30, 2009			Six months to September 30, 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales						
– Products	**372**	**36**	**408**	352	33	385
– Molasses	**117**	**–**	**117**	132	–	132
	489	**36**	**525**	484	33	517
Adjusted operating profit						
– Products	**(4)**	**1**	**(3)**	(6)	3	(3)
– Molasses	**6**	**–**	**6**	10	–	10
	2	**1**	**3**	4	3	7
Margin						
– Products	**(1.1)%**	**2.8%**	**(0.7)%**	(1.7)%	9.1%	(0.8)%
– Molasses	**5.1%**	**–**	**5.1%**	7.6%	–	7.6%
	0.4%	**2.8%**	**0.6%**	0.8%	9.1%	1.4%

	Six months to September 30, 2009			Six months to September 30, 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	$m	**$m**	**$m**	$m	$m	$m
Sales						
– Products	**593**	**58**	**651**	561	53	614
– Molasses	**187**	**–**	**187**	211	–	211
	780	**58**	**838**	772	53	825
Adjusted operating profit						
– Products	**(7)**	**2**	**(5)**	(10)	5	(5)
– Molasses	**10**	**–**	**10**	16	–	16
	3	**2**	**5**	6	5	11

Sugars faced a challenging six months as the final stages of the EU Sugar reform continued to disrupt sugar markets. Sales of £525 million, $838 million, were 2% higher than the comparative period (3% lower in constant currency). Adjusted operating profit decreased by 57% to £3 million, $5 million, (67% in constant currency). The effect of exchange translation was to increase profit by £2 million, $3 million.

Products made a loss of £3 million, $5 million, in line with the loss recognized in the comparative period reflecting the surplus within the EU Sugar market and a highly competitive UK retail market. The EU Sugar refining business benefited from lower energy costs during the first half. We are moving towards the end of the commissioning phase of our bio-mass boiler which will reduce our exposure to volatile gas prices. Improvements in supply chain operations resulted in cost savings of £1 million, $2 million.

World raw sugar prices have recently increased significantly following concerns over supply in both Brazil and India, and are currently at a level close to the EU raw sugar reference price. A prolonged period of high world sugar prices could, over time, increase the likelihood of a deficit in EU sugar markets.

With the EU Sugar Regime reform complete from October 1, 2009, we have seen the expected signs of a return to equilibrium in the EU sugar market. With the majority of sugar sales for the period to September 30, 2010 now contracted with customers, we are increasingly confident of achieving better margins within our EU Sugar business in the second half of the financial year, following the final institutional price change on October 1, 2009.

The Molasses business achieved a good result, with operating profit of £6 million, $10 million, in the period, although this was below the exceptionally strong profits achieved in the comparative period when the sharp spike in cereal prices during the summer of 2008 led to very high demand and prices for molasses.

Sucralose

	Six months to September 30, 2009			Six months to September 30, 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales	**-**	**101**	**101**	–	78	78
Adjusted operating profit	**-**	**35**	**35**	–	30	30
Margin	**-**	**34.7%**	**34.7%**	–	38.5%	38.5%

	Six months to September 30, 2009			Six months to September 30, 2008		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales	**-**	**161**	**161**	–	124	124
Adjusted operating profit	**-**	**56**	**56**	–	48	48

Sales of SPLENDA® Sucralose of £101 million, $161 million, were 29% ahead of the comparative period (9% in constant currency). Adjusted operating profit was £35 million, $56 million, 17% above the comparative period (3% in constant currency). The effect of exchange translation was to increase operating profit by £4 million, $6 million.

Global sales volumes of sucralose increased by 15% due to both underlying demand growth and to customer restocking during the early part of the period. Growth continued in Europe, Latin America and Asia. The average selling price reduced due to volume incentive arrangements in long-term customer contracts and a more competitive High Intensity Sweetener market.

Following the significant yield improvements achieved last year, and the consequent decision to produce all sucralose at our fourth generation facility in Singapore, the process of mothballing the plant in McIntosh, Alabama is proceeding ahead of expectations, accelerating the benefit of lower cost production. Underlying cost savings of £3 million, $5 million, were driven by lower fixed manufacturing costs, as the business began to migrate to a single production site, lower freight costs through supply chain optimisation and savings in labour and administrative costs. Performance also benefited from lower ingredient prices.

As previously reported, we had expected operating margins in the 2010 financial year to be somewhat lower than the underlying level achieved in the 2009 financial year. In the event, operating margins of 34.7% in the first half of 2010 were higher than expected, driven principally by higher volume growth.

We continue to hold significant stocks of McIntosh production while customers complete their qualification of products manufactured in Singapore, and would expect to consume most of this higher cost inventory during the second half of the 2010 financial year. We remain on track to capture the anticipated benefits arising from the reduced operating costs of having a single plant. Finishing and packaging activities will continue in McIntosh until the end of the financial year, and we continue to maintain the McIntosh plant in a state whereby it can be restarted within a few months.

Whilst we expect our long-term customer contracts to continue to drive volume growth, performance in the second half of the 2010 financial year is not expected to benefit from the volume impact experienced in the early part of the period from customers' restocking.

Central costs

Central costs, which include head office, treasury and reinsurance activities, reduced by £3 million, $5 million, to £12 million, $19 million. Underlying reductions in costs totaling £1 million, $2 million, were achieved. The comparative period included costs borne by our captive reinsurance company following boiler problems at our Decatur, Illinois facility.

Energy

The Group's energy cost at £100 million, $160 million, in the first half was 10% above the comparative period (7% lower in constant currency). The underlying reduction was due to lower energy prices (£2 million, $3 million) and improved efficiency (£5 million, $8 million). We have in place contracts and hedges that cover more than 80% of our estimated energy use for the current financial year.

Exceptional items

Following our announcement on May 28, 2009 of the decision to mothball our sucralose plant in McIntosh, Alabama, we have recognized an exceptional charge in the six months of £55 million, $88 million, representing the anticipated cash costs associated with this decision. These costs will be paid over three years and are expected to have a three year payback resulting from the reduced operating costs of running a single plant.

Exceptional items from discontinued operations in the comparative period reflected the anticipated £22 million, $35 million, loss in relation to the disposal of our International Sugar Trading operations.

Discontinued operations

Discontinued activities generated an adjusted operating loss of £1 million, $2 million, in the first half compared to a profit of £3 million, $5 million, in the comparative period. The operating loss in the current period arose from the activities of the International Sugar Trading business. Operating profit in the comparative period comprised profits from International Sugar Trading (£1 million, $2 million) and Eastern Sugar, the beet sugar joint venture in Eastern Europe (£2 million, $3 million).

Operating cash outflows from discontinued operations totalled £39 million, $62 million, in the first half of the 2010 financial year. As reported in the 2009 Annual Report and Accounts, a total of £29 million, $46 million, outflow was anticipated in the 2010 financial year arising from the disposal of the International Sugar Trading business, and the majority of this has been paid. Additionally, the significant increase in world sugar prices has led to further cash outflows from residual margin positions during the first half year. These positions will unwind over time.

The disposal of the minority interests related to the International Sugar Trading business is progressing. We continue to anticipate that the sale of these minority interests will occur in the 2010 financial year, although the profit on disposal is now expected to be below the £22 million, $35 million, exceptional loss reported in the comparative period arising from the sale of the International Sugar Trading business, due in part to the movement in exchange rates from the prior year.

Cash flow

Operating cash flow from continuing operations amounted to £357 million, $570 million, an increase of £207 million, $330 million, over the comparative period. This increase was due principally to changes in working capital, which totalled an inflow of £146 million, $233 million, in the first half, compared to an outflow of £58 million, $93 million, in the comparative period. Improvements in working capital were achieved throughout the business, and reflected the actions we have focused on to optimise working capital in all aspects of the Group's activities. Inventory of corn in the US at September 30, 2009 was low because, as usual, we had run down inventories in anticipation of the first deliveries from the 2009 corn harvest. Based on normal inventory levels valued at current market prices, we would expect total raw material inventories in the US and Europe to increase by around £60 million, $96 million, during the second half.

Capital expenditure of £46 million, $73 million, was below the depreciation charge for the period of £57 million, $91 million. In October, we initiated a full review of our approach to capital investment planning and implementation with the assistance of external experts with a view to improving the efficiency and effectiveness of future capital expenditure.

Net debt and financing profile

Net debt at September 30, 2009 was £987 million, $1,575 million, a decrease of £244 million, $389 million, since March 31, 2009. The effect of exchange translation since March 31, 2009 was to reduce net debt by £111 million, $177 million.

In addition to our bonds and other debt facilities, the Group has a core committed bank facility of US$1,000 million that matures in October 2012 of which US$775 million was undrawn at September 30, 2009. The average maturity of gross debt is 4.5 years and the first capital market issue to reach maturity is the US$300 million Rule 144A bond in June 2011.

Balance sheet

The Group's net assets decreased by £147 million, $235 million, to £866 million, $1,382 million, at September 30 2009 from £1,013 million, $1,616 million at March 31, 2009. Profits for the period including minority interests of £46 million, $73 million, were offset by total dividend payments of £75 million, $120 million. Actuarial losses on the Group's retirement benefits schemes were £110 million, $175 million, and were driven by reductions in discount rates which increased plan liabilities, partially offset by increases in plan assets. After a positive impact from net investment hedging, balance sheet translation reduced net assets by £38 million, $61 million.

With a view to containing our pension costs and reducing balance sheet volatility, we have commenced consultation with employees who are active members of the UK Group Pension Scheme (around 400 employees, representing just over half of our UK workforce) on the closure of that scheme to future accrual from April 2011. The Scheme was closed to new entrants in April 2002.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 28 to 30 in the Report and Accounts for the year ended March 31, 2009, a copy of which is available on the Company’s website at www.tateandlyle.com. In the view of the Board, other than as referred to elsewhere in this statement, there is no material change in these factors in respect of the remaining six months of the year.

Outlook

Overall, the Group's performance, before the impact of exchange translation, remains on track to meet our expectations for the full year.

At our Food and Industrial Ingredients businesses in the Americas and Europe, the order patterns of our food and beverage customers appear to have been re-established, albeit at slightly lower levels. However, global industrial starch, US ethanol and US animal feed markets remain under pressure. We look forward to continuing underlying growth in Sucralose and to improved profits from Sugars in the second half. As usual, the outcome of the 2010 calendar year sweetener pricing rounds will influence performance in the last quarter of the financial year.

Against this backdrop, we continue to take the actions necessary to strengthen the Group’s balance sheet, reduce our costs and ensure that we are well positioned as markets improve.

Sir Peter Gershon Chairman	Javed Ahmed Chief Executive