TATE & LYLE

CONSISTENTLY FIRST IN RENEWABLE INGREDIENTS

Interim Results Presentation

Javed Ahmed, Chief Executive
Tim Lodge, Group Finance Director

6 November 2009

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Introduction

Javed Ahmed, Chief Executive

6 November 2009

Good morning ladies and gentlemen and thank you all for coming here today. As you know, I joined Tate & Lyle only five weeks ago so you will realise that it is a little bit too early for me to talk to you about our strategy or the details of our results.

However, I do want to take this opportunity to meet as many of you as possible and to tell you a little bit about my background.

After spending my early career at Procter & Gamble and Bain & Co, I joined Benckiser, which later became Reckitt Benckiser, where I spent 17 years working in North America, Europe and Australia. My last role at Reckitt Benckiser was as Executive Vice President, Europe, and I was also a member of Reckitt's Executive Committee for the past 6 years.

Since I joined Tate & Lyle on October 1, I have spent much of my time meeting people both inside and outside the business to listen to their views about the Company. As you would expect, I have visited a number of our major North American and European operating sites and also met with the senior management team and as many staff as possible. I have certainly been encouraged by the enthusiasm and commitment of the people I have met at Tate & Lyle so far, and I really do look forward to leading this great Company into the next stage of its development.

As I have gone round the Company, I have stressed the importance of continuing to reduce capital expenditure, optimise working capital and reduce our costs. These are critical disciplines for any Company and will be key areas of focus for us at Tate & Lyle. As you will have seen in today's announcement, I have initiated a full review of our approach to capital investment planning and implementation with the assistance of external experts with a view to significantly improving the efficiency and effectiveness of future capital expenditure.

That's all I am going to say for now, so I will ask Tim Lodge to take you through our results for the six months ended 30 September 2009. We will be happy to take your questions at the end of the presentation.

Agenda

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Introduction	Javed Ahmed
Operating & Financial Review	Tim Lodge
Outlook	Tim Lodge

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Thank you, Javed and good morning….

I will take you through a combined operating and financial review of the last six months before turning to the outlook for the remainder of the financial year.

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Operating & Financial Review

Tim Lodge, Group Finance Director

6 November

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Key Results

Six months to September

Continuing operations [1]

	2009 (£1=US$1.60)	2008 (£1=US$1.93)	Change	Change at constant currency
Adjusted operating profit [2]	**£148m**	£150m	(1)%	(16)%
Core value added food ingredients adjusted operating profit	**£65m**	£59m	10 %	(6)%
Adjusted profit before tax [2]	**£112m**	£128m	(13)%	(25)%
Diluted EPS [2]	**18.3p**	19.1p	(4)%	(14)%
Free cash flow [3]	**£258m**	£11m		
Dividend	**6.8p**	6.8p		

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods
[2] Before exceptional items and amortisation of acquired intangible assets
[3] Free cash flow is defined as operating cash flows from continuing operations after working capital, interest, taxation and capital expenditure

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I will start with the key results from our continuing operations and as usual I will focus on performance adjusted to exclude exceptional items and amortisation.

We performed slightly ahead of our expectations in the first half of the year before the impact of exchange translation. Operating profit at £148 million was £2 million below the comparative period last year, although we had a £27 million benefit from the impact of exchange rates on the translation of profits.

Core value-added food ingredients were relatively steady and, at £65 million, generated 44% of the Group's operating profits, but were slightly lower than the comparative period in constant currency.

Adjusted profit before tax was £112 million compared with £128 million last year, and that reflects the higher interest charges we discussed at the preliminary results back in May.

With a lower tax rate, diluted earnings per share at 18.3p were 4% below the comparative period.

As you know, we have focused on taking the actions necessary to strengthen the Group's Balance Sheet, through lowering working capital and tight management of capital expenditure. We have also undertaken a number of cost saving initiatives which have delivered underlying savings of £16 million in the six months. The business has risen well to the challenge and I am pleased to report free cash inflow from the continuing operations in the six months of £258 million.

Given this good cash cover, the Board has declared a maintained interim dividend of 6.8 pence per share.

Highlights

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Financial Performance

- Maintained strong focus on cash management
- Net debt reduced by 20% since 31 March 2009 to £987m

Operational Performance

- Demand from food and beverage customers steady at levels marginally below comparative period
- Industrial and EU sugar markets remained challenging
- Continued growth of volumes and sales in Sucralose
- Impact from global corn price movements
  - European Ingredients benefited from lower corn costs
  - US Ingredients affected by lower co-product returns

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Looking at the highlights, our continuing strong focus on cash management and the decisive actions taken to reduce the cost base, optimise working capital and reduce capital expenditure has led to a net debt of £987 million. This is a 20% reduction since the end of March. Excluding the benefits of exchange rate movements, the underlying reduction is £133 million or 11%.

Looking at our operational performance, we saw steady demand in both the Americas and Europe from food and beverage customers and have experienced the re-establishment of ordering patterns even though volumes have been slightly below the level of the same period last year.

Industrial markets remained challenging, and results were below the comparative period due to lower industrial starch, ethanol and co-product profits.

As expected, the EU Sugar market remained challenging during the final period of the Regime reforms.

Sucralose sales volumes grew by 15% while sales revenues were up 9% in constant currency. There was geographical growth as well as some customer restocking.

Corn prices came down from their highs of summer 2008. This had a positive impact on profits at Food & Industrial Ingredients, Europe but, more materially, we did not see a repeat of the very high co-product returns in North America.

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Income Statement
Six months to September
Continuing operations [1]

£m	2009 (£1=US$1.60)	2008 (£1=US$1.93)	At constant currency
Sales	**1 823**	**1 698**	(5)%
Adjusted operating profit [2]	**148**	**150**	(16)%
Net finance expense	**(36)**	**(22)**	(33)%
Adjusted profit before tax [2]	**112**	**128**	(25)%
Exceptional items	**(55)**	**-**	
Amortisation of acquired intangibles	**(7)**	**(7)**	
Profit before tax	**50**	**121**	(58)%
Income tax expense	**(2)**	**(37)**	
Profit from continuing operations	**48**	**84**	(31)%
Adjusted diluted earnings per share [2]	**18.3p**	**19.1p**	(14)%

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods
[2] Before exceptional items and amortisation of acquired intangible assets

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Moving on to the income statement, sales at £1.8 billion were down 5% at constant currency. In a moment I will drill into the details of the profit before tax of £112 million. Average US$ - sterling exchanges rates were $1.60 to the pound compared with $1.93 in the first half last year. This led to a positive impact on profit before tax of £22 million. Let me remind you that every 1 cent on the average dollar:sterling exchange rate for the full year impacts our profit before tax by around £1.4 million.

Sales and Operating Profit

Six months to September

Continuing operations [1]

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£m	Sales	At constant currency	Operating profit [2]	At constant currency
Food & Ind. Ingredients, Americas	**939**	(2)%	**94**	(27)%
Food & Ind. Ingredients, Europe	**258**	(19)%	**28**	40 %
Sugars	**525**	(3)%	**3**	(67)%
Sucralose	**101**	9 %	**35**	3 %
	1 823	(5)%	**160**	(17)%
Central costs			**(12)**	20 %
			148	(16)%

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods

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

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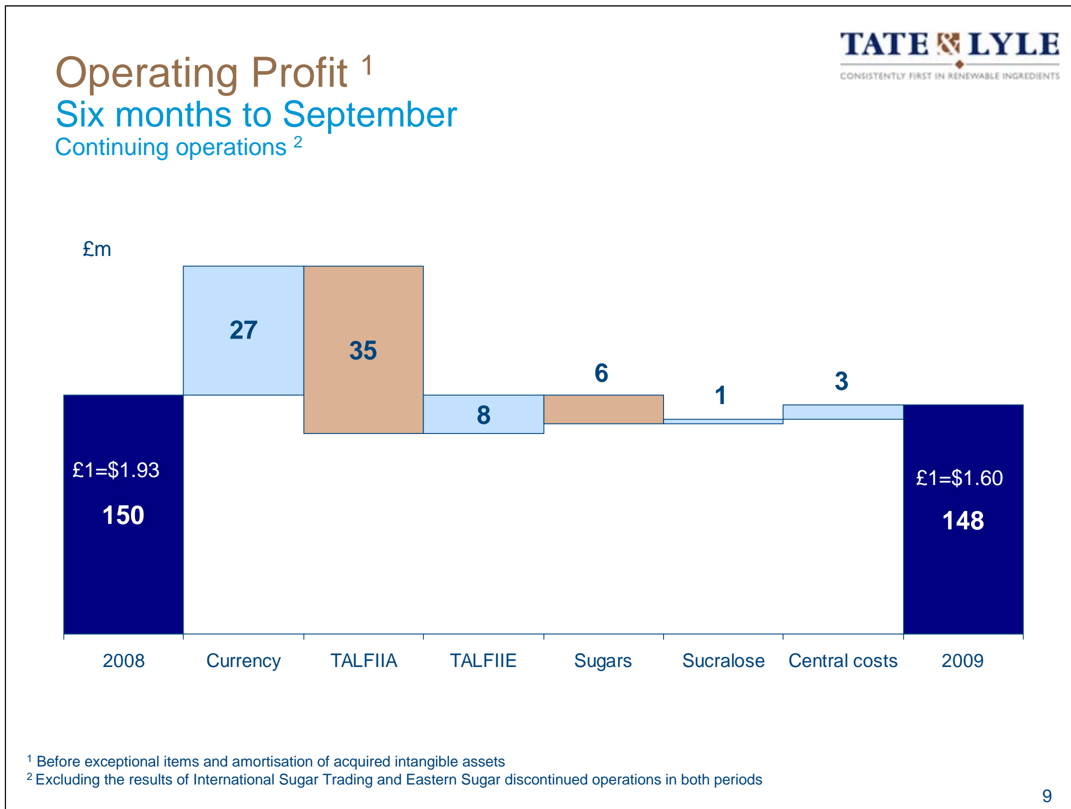
This slide shows the segmental sales and operating profit and we will look at that by division shortly, but let me cover Central costs here. At £12 million Central costs were lower by £3 million. You may recall that we had some costs in our captive reinsurance company last year which distort the comparison a bit, but there was still an underlying reduction of £1 million.

Let me take you to an analysis of the movement in operating profit.



Overall there was a £2 million reduction in operating profit from £150 million to £148 million. The two largest movements were £27 million of beneficial exchange impact and a reduction in underlying Food & Industrial Ingredients, Americas profits of £35 million. Food & Industrial Ingredients, Europe saw an £8m or 40% improvement. Sugars was £6 million lower, while Sucralose was £1m higher. And the final movement is an improvement in Central costs of £3 million.

I'll now take you into more detail one division at a time.

Food & Industrial Ingredients, Americas
Summary

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Six months to September £m	Sales		Operating profit [1]		Margin	
	2009	2008	2009	2008	2009	2008
	939	811	**94**	109	**10.0%**	13.4%
% change in constant currency	**(2)%**		**(27)%**			

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

- Weaker industrial starch, ethanol and co-product markets
- Volumes to food and beverage customers steady albeit marginally lower
- US corn wet milling utilisation levels have started to recover

Starting with Food & Industrial Ingredients, Americas.

The major factors which affected profits were weaker industrial starch, ethanol and co-product markets.

Overall volumes sold to food and beverage customers were steady, although marginally below the comparative period.

Shipments of HFCS to Mexico from the US increased towards the end of the period, encouraged by high Mexican sugar prices. With improving fundamentals for HFCS exports to Mexico, and a modest contribution margin returning to spot US ethanol markets, US corn wet milling utilisation levels have started to recover.

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Food & Industrial Ingredients, Americas

Lower US corn prices

- No repeat of higher corn by-product returns seen in comparative period
  - Trended lower in line with corn prices
  - Affected by lower demand and increased supply of alternative co-products

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You will remember that we experienced record high corn prices in summer 2008 after plantings were delayed by the weather and then some of the crop was damaged by floods in Iowa. The corn price peaked in July 2008 at just under $8 per bushel but ran mostly between $3 and $4 per bushel this half year.

Last year during the corn price spike we locked in very good co-product prices. As you know we hedge corn at the time we book our contracts with customers - or the customer takes the price risk through a toll contract - but mostly we cannot hedge co-products, so last year we were able to maximize income from co-product sales. This year the co-product prices fell alongside corn prices and we also started to see changes to the supply and demand balance in the animal feed markets, which is where most of our co-products go. Demand has reduced in line with reduced dairy and beef herds, while supply has grown with increasing dry mill ethanol production producing an alternative feed co-product.

Looking to the last couple of months, you can see the corn price has increased as a result of wet weather in the US corn belt. There are estimates of a record crop, but it still has to be brought in from the field and continuing wet weather will reduce its quality.

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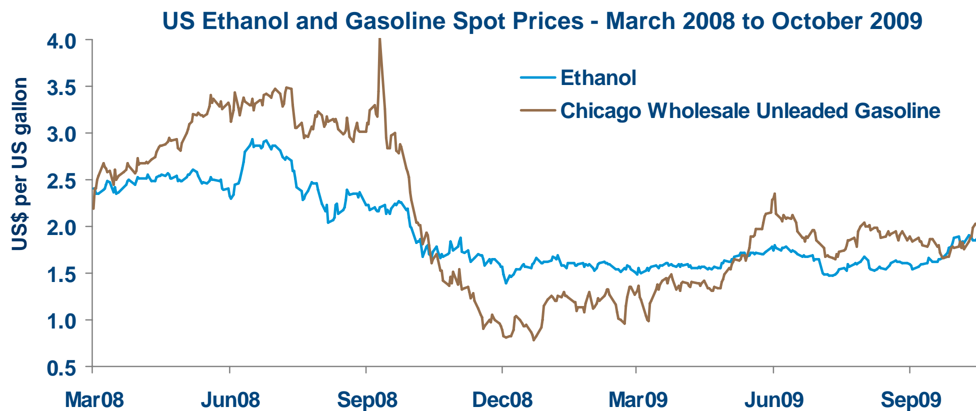
Food & Industrial Ingredients, Americas
Industrial starch and ethanol

- Demand for industrial starch remains depressed
- Lower volumes and unit margins in ethanol
- Fort Dodge – we continue to evaluate timing for final completion



Source: Renewable Fuels Association

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Moving on to our industrial markets, sales of starch to paper and board manufacturers continued to be depressed, and margins under pressure. There has been some demand improvement in recent weeks but we cannot yet see a return to sustainably higher margins and we would expect this to be linked to more general economic recovery.

In ethanol, you can see from this chart that the spot price of ethanol – that's the blue line on this chart - fell back to below the price of gasoline – the brown line – towards the end of our first quarter, incentivising blenders to incorporate ethanol into gasoline. This has encouraged some mothballed and bankrupt dry ethanol mills back into production, and this increase in supply has the effect of keeping cash margins at only a modest level and only in the spot market.

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

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Food & Industrial Ingredients, Americas
Segmental Analysis

Six months to September £m	Sales		Operating profit [1]		Margin	
	2009	At constant currency	2009	At constant currency	2009	2008
Primary Food	**503**	12 %	**48**	(17)%	**9.5 %**	12.4 %
Primary Industrial	**155**	(28)%	**(7)**	(150)%	**(4.5)%**	7.2 %
Value added Food	**189**	(5)%	**51**	(7)%	**27.0 %**	28.0 %
Value added Industrial	**92**	(4)%	**2**	-	**2.2 %**	2.5 %
	939	(2)%	**94**	(27)%	**10.0 %**	13.4 %

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

- Excluding corn oil co-product income, profits from Food Ingredients flat with comparator
- Value added food ingredients relatively resilient but slightly lower than comparator
- Primary industrial loss of £7m reflects challenging paper starch, ethanol and co-product markets

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So moving to the numbers, and focusing on operating profit.

Primary food showed a 17% decline in constant currency although there was a good performance in citric acid.

Profits from Value added food reduced slightly due to reduced volumes, although the impact was partially offset by firmer pricing.

Excluding the decline in income from corn oil, the co-product sold to food customers, total profits from Food Ingredients were flat over the prior year period.

The loss of £7 million in primary industrial markets reflects the challenging paper starch and ethanol markets as well as lower co-product returns from the animal feed market. The loss this year compares with a profit of £13 million last year, which included the impact of the slower-than-anticipated start up of commissioning new technology at our Loudon, Tennessee plant. As we reported in our Trading Update in September, the installation of this technology at Loudon has realised the environmental and co-product quality improvements in full, but has delivered some, but not all, of the yield improvements we originally anticipated.

Using our experiences at Loudon to date, we continue to evaluate the extent to which we can use this technology in the plant network, including at Fort Dodge.

Food & Industrial Ingredients, Europe
Summary

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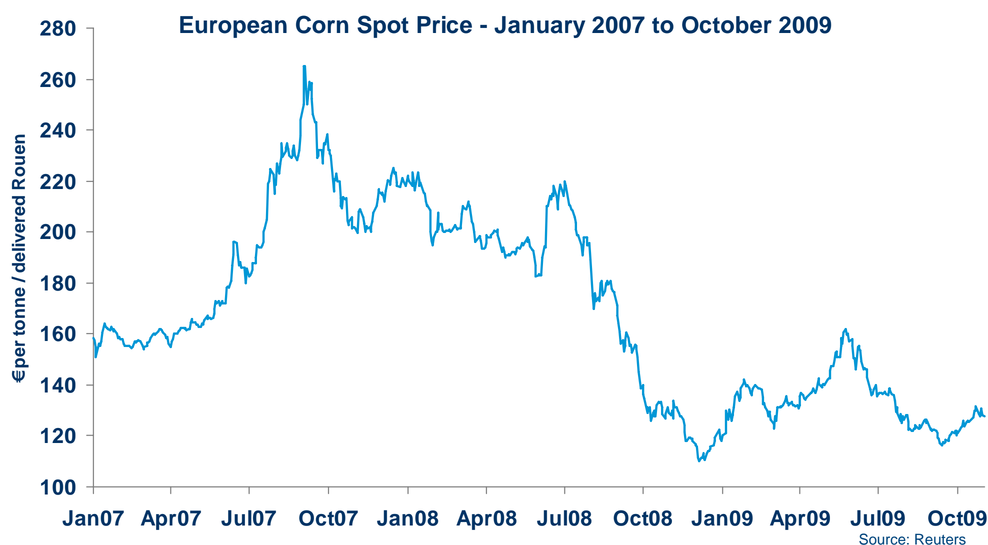
	Sales		Operating profit [1]		Margin	
Six months to September £m	2009	2008	2009	2008	2009	2008
	258	292	**28**	19	**10.9%**	6.5%
% change in constant currency	**(19)%**		**40%**			

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

- Food and beverage sales broadly in line with comparator
- Significantly lower net corn costs

Moving on to Food & Industrial Ingredients in Europe, as in the US, sales to food and beverage customers were steady, although marginally below the comparative period.

The major driver of the improvement in results was the net corn cost, which was the significantly lower as a result of the much improved 2008 harvest. Unlike in the US, this translates almost immediately into improved profits.



You can see from this chart that the good 2008 harvest brought prices down from the drought-affected crop in 2007. The current harvest is expected to yield corn volumes just below last year and we therefore do not anticipate movement away from recent low prices.

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Food & Industrial Ingredients, Europe
Segmental Analysis

Six months to September £m	Sales		Operating profit [1]		Margin	
	2009	At constant currency	2009	At constant currency	2009	2008
Primary Food	**75**	(27)%	**14**	180 %	**18.7 %**	4.1 %
Primary Industrial	**67**	(32)%	**0**	(100)%	**0.0 %**	2.2 %
Value added Food	**116**	(1)%	**14**	0 %	**12.1 %**	12.5 %
	258	(19)%	**28**	40 %	**10.9 %**	6.5 %

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

- Total food and beverage volumes broadly in line with comparative period
- Larger isoglucose quota but volumes lower due to Greek plant closure
- Value added food
  - Single ingredients benefited from higher unit margins and increased volumes
  - Food Systems profits lower due to weaker export markets

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Looking at the financials, you can see the biggest impact of the lower net corn costs in the primary food segment, where profit was £10 million higher than last year. Isoglucose volumes increased as a result of the larger quotas, although the closure of the Greek plant in September 2008 affected overall sweetener volumes. We recognised the last £4 million cost of the restructuring levies associated with the EU Sugar Regime reform. There will be no further levy going forward, but this cost saving is likely to be offset by the reduction in sugar, and therefore isoglucose, pricing. Energy costs were lower, both due to the closure of Greece and improved efficiencies elsewhere.

Primary industrial was impacted by the same issues affecting the paper and board industry in North America, but this was partially offset by ethanol margins from our recently expanded Hungarian joint venture plant.

Value-added food profits at £14 million were in line with the prior year period. Value-added starches performed well and our investment in the production of polydextrose, our value-added functional fibre, is on plan for completion in the first half of the 2010 calendar year.

The Food Systems business reported slightly lower profits due to weaker export markets.

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Sugars
Summary
Continuing operations [1]

Six months to September £m	Sales 2009	Sales 2008	Operating profit [2] 2009	Operating profit [2] 2008	Margin 2009	Margin 2008
	525	517	**3**	7	**0.6%**	1.4%
% change in constant currency	**(3)%**		**(67)%**			

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods
[2] Before exceptional items and amortisation of acquired intangible assets

- EU sugar market continued to experience tough market conditions
- Good result in Molasses but lower than comparator

Moving to Sugars. The major driver here was, as expected, the continuation of tough market conditions in the EU sugar market as we went through the final period of the Sugar Regime reforms. The surplus generated earlier in the reform process continued to keep pressure on pricing.

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Sugars

Conclusion of EU Sugar Regime Reform Process

- Signs of return to market equilibrium
- Majority of sales contracted with customers to September 2010:
  - Expect better margins
- Raw sugar supplies:
  - Prolonged period of high world sugar prices could increase likelihood of deficit in EU sugar markets

We have seen signs of the EU Sugar market returning to equilibrium. We have contracted the majority of sales through to September 2010 and expect better margins following the final changes to raw sugar prices that were effective from October 1st this year.

The high world sugar prices, which rose over Brazilian and Indian supply concerns, are now similar to the EU preferential price. A prolonged period of high world prices could, over time, increase the likelihood of a deficit in the EU. We continue to talk to the regulators to ensure that the mechanisms available to them, including increased duty-free imports, are employed to maintain a balanced market.

Sugars

Segmental Analysis

Continuing operations [1]

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Six months to September £m	Sales		Operating profit [2]		Margin	
	2009	At constant currency	2009	At constant currency	2009	2008
Products	**372**	2 %	**(4)**	20 %	**(1.1)%**	(1.7)%
Molasses	**117**	(21)%	**6**	(45)%	**5.1 %**	7.6 %
Value added	**36**	9 %	**1**	(67)%	**2.8 %**	9.1 %
	525	(3)%	**3**	(67)%	**0.6 %**	1.4 %

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods
[2] Before exceptional items and amortisation of acquired intangible assets

- EU Sugars (Products and Value added) performance in line
- Lower energy costs
- Good result in Molasses but lower than prior year exceptional profit

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Moving to the financials.

Operating profit overall was £4 million lower than the last first half. Sugar Products overall was in line with last year. Primary Products was £2 million better and value-added, where our retail products are shown, was £2 million lower. Energy costs fell back from the very high levels of last year. We are moving towards the end of the commissioning phase of our bio-mass boiler which will reduce our exposure to volatile UK gas prices.

Molasses achieved a good result with profit of £6 million, although this was below the exceptionally strong profits last year which were made on the back of the sharp spike in cereal prices, against which molasses competes.

Sucralose
Moving to efficient single plant footprint

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- Mothballing of McIntosh proceeding ahead of expectations
- Significant inventory held at McIntosh
  - Customers completing qualification of Singapore products
  - Will be largely consumed in second half

McIntosh, Alabama

Singapore

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Turning to Sucralose, the mothballing of the McIntosh, Alabama plant is progressing well. We stopped the full manufacture of Sucralose at McIntosh ahead of schedule. We are now only running some finishing and packaging operations at McIntosh and we continue to maintain the plant in a state where it can be started within a few months.

We continue to hold significant stocks of McIntosh production while customers complete their qualification of products manufactured in Singapore. As originally planned, we expect to consume most of this higher-cost inventory during the second half of this financial year. The higher-than-expected volume in the first half was satisfied by lower-cost product from Singapore, which improved our average cost.

Sucralose
Summary

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Six months to September £m	Sales		Operating profit [1]		Margin	
	2009	2008	2009	2008	2009	2008
	101	78	**35**	30	**34.7%**	38.5%
% change in constant currency	**9%**		**3%**			

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

- 15% volume growth
  - Underlying growth and customer restocking
- Volume incentive arrangements in long-term customer contracts effective in more competitive High Intensity Sweetener market
- Margins benefit from higher volumes and faster mothballing

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Moving to the results, sales volumes were higher by 15%, due to a mixture of geographical growth and customer re-stocking. In a more competitive high-intensity sweetener market, our strategy of putting in place long-term customer contracts has been effective, even though the consequence of the volume incentives is lower average pricing. Overall, sales revenue increased by 9%.

I indicated back in May that we expected margins this financial year to be in the low 30 percents this year before returning back up towards the underlying level achieved last year, which was just below 40%. Working some high-priced stock through the system as well as some costs related to the mothballing of McIntosh, which are not included in the exceptional item, were the drivers of this margin change. In the event the actual margin, at just below 35%, was better than expected mainly because of the higher volumes .

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Innovation remains key

Tate & Lyle helping customers to focus on…

…Health & Wellness

- ENRICH™ food and drink concepts delivering substantial nutritional benefits
  - PROMITOR™ Soluble Corn Fiber, STA-LITE® polydextrose fibre, TEAWELL green tea extract

…Bottom line

- OPTIMIZE™ formulation service helping to create economical products without compromising on taste
  - CREAMIZ™ fat replacer brings creaminess and texture whilst reducing cost
  - SPLENDA® Sucralose brings lower calories and lower cost than sugar on a sweetness-equivalent basis

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Before I move on, I would like to remind you that our innovation continues alongside the tightened financial discipline. We continue to work closely with our customers to ensure that they are well equipped to address the demands of today's consumer.

Health and Wellness continues to be the number one consumer trend. Tate & Lyle's range of ENRICH™ solutions and ingredients have been specially created to deliver substantial nutritional benefits without compromising on taste. We are pleased with the continued commercial progress we have made with our PROMITOR™ soluble corn fibre. Kellogg's is increasing the fibre content in some of its most popular children's cereals in North America using PROMITOR™, whilst another major customer in the US is adding PROMITOR™ to its new range of high fibre soups.

Tate & Lyle's OPTIMIZE™ solutions also help customers to focus on their bottom line, optimising their costs, again without compromising on taste or quality. We have just launched a new starch in Europe for use in dairy and convenience foods. The starch, named CREAMIZ™, is a fat replacer which provides creaminess and texture, while also reducing cost to the manufacturer. SPLENDA® Sucralose is increasingly attractive to manufacturers, not only for its low-calorie benefits, but also on a cost basis, substituting sugar which is more expensive on a sweetness equivalent basis.

Energy Costs

Continuing operations [1]

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Six months to September £m	2009	2008	At constant currency	% of cost 2009	% of usage 2009
Gas	50	52	15 %	50 %	43 %
Electricity	35	26	(9)%	35 %	15 %
Coal and other	15	13	6 %	15 %	42 %
Total	**100**	**91**	**7 %**		

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods

- Covered more than 80% of estimated energy use for current financial year

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I've mentioned energy a couple of times. As you know, we hedge energy costs to protect ourselves from some of the impact of changes in the market. This means we were somewhat protected against an immediate impact of the spike in energy prices last year, but also do not capture the benefit straightaway of the big falls we saw earlier this year. However we did see underlying costs reduce by 7%, primarily through lower gas costs in EU Sugars and better efficiencies across the Group. The underlying electricity cost was just under £3 million higher, driven by higher prices at Sucralose, mainly in Singapore.

We have contracts and hedges in place that cover more than 80% of our estimated energy use for the current financial year.

Interest, Tax and EPS

Continuing operations [1]

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Six months to September	2009	2008	At constant currency
Interest (£m)	**(36)**	**(22)**	(33)%
Interest cover [2]	**5.3x**	**7.1x**	
Tax (£m) [3]	**(26)**	**(39)**	49 %
Effective tax rate [3]	**23.3%**	**30.4%**	
Earnings per share [3]			
- Basic	**18.4p**	**19.2p**	(14)%
- Diluted	**18.3p**	**19.1p**	(14)%

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods
[2] Calculated under the Group's bank covenant definitions
[3] On profit from continuing operations before exceptional items and amortisation of acquired intangible assets

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As discussed at the preliminary results in May, net interest charges increased for two main reasons. Pension interest charges increased by £8 million and the cessation of interest capitalisation at Fort Dodge during the suspension of construction, increased the P&L charge by £3 million. Exchange translation increased the net charge by a further £5 million, leaving an underlying reduction from lower rates and debt of £2 million.

Interest cover was 5.3 times under bank covenant definitions, comfortably ahead of the covenant minimum level of 2.5 times.

As I mentioned in May, the tax rate was expected to be below 25% based on the mix of profits in the second half of last year. The estimate for the full year is a rate around 23% and as usual we have applied the estimated full year rate to the first half. This leads to a diluted earnings per share of 18.3 pence, down from 19.1 pence last year.

Exceptional Items [1]
Six months to September

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£m		2009	2008
Continuing operations			
Sucralose	Mothballing of McIntosh plant	**(55)**	**-**
Discontinued operations			
Sugars	Loss on disposal of International Sugar Trading	**-**	**(22)**
Total exceptional items		**(55)**	**(22)**

[1] Before tax

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In May we talked about the £60 million cash costs of the mothballing of the Alabama Sucralose plant which we would book this financial year. The underlying dollar costs are the same but they translated into £55 million because of currency movements. We still anticipate payback on these cash costs within three years.

Last year we booked an exceptional charge on the sale of the international sugar trading business. We have got to an advanced stage on negotiation of the sale of the minority interests in Saudi Arabia and Egypt related to this business, and we expect to complete early in 2010. We no longer expect the profit on the sale of the businesses fully to offset the loss on disposal last year, partly due to the movement in exchange rates.

Balance Sheet

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£m	30 Sept 2009	31 March 2009
Fixed assets, goodwill and intangibles	1 783	1 939
Working capital	443	632
Pensions	(296)	(211)
Total provisions	(71)	(31)
Discontinued operations	61	34
Net operating assets	**1 920**	**2 363**
Net debt	(987)	(1 231)
Other assets and liabilities	(67)	(119)
Shareholders' equity	**866**	**1 013**
RONOA	**13.1%**	**12.7%**
Net debt to EBITDA	**2.4 x**	**2.5 x**

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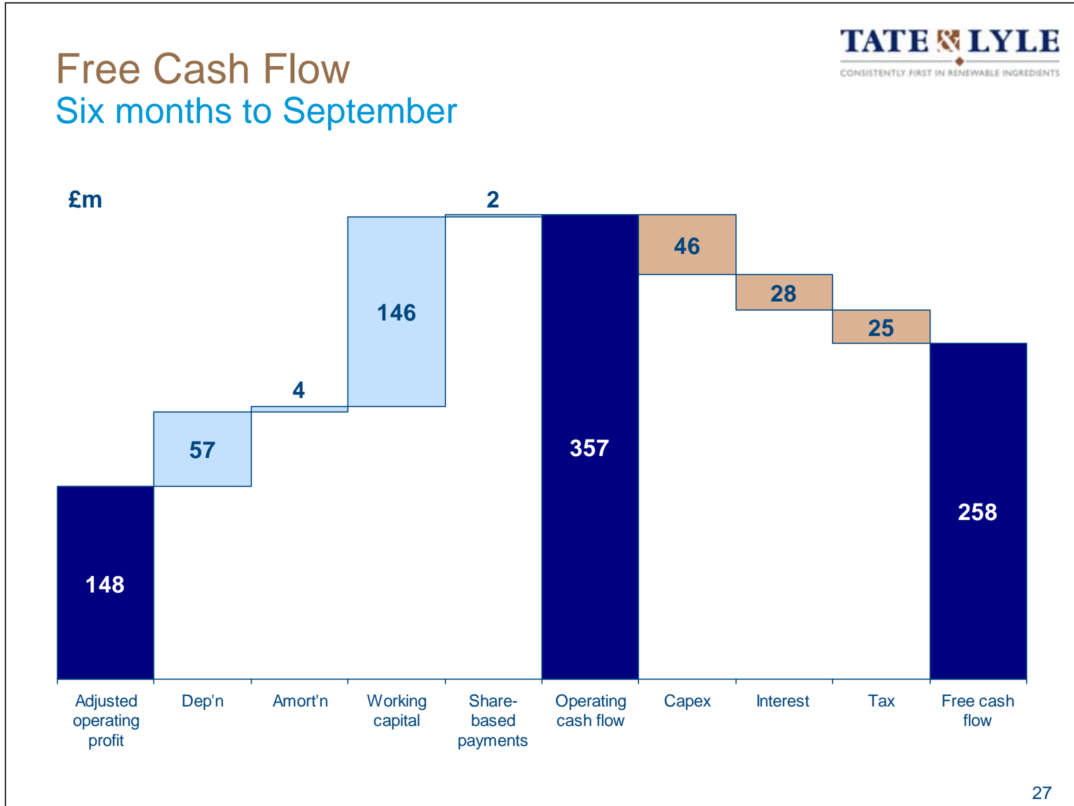
Moving to the Balance Sheet:

The weakening of the dollar against sterling in the last six months has had the impact of reducing the sterling value of each line in the Balance Sheet, and it will be clearer if we look at the movements in cash flow and the 20% reduction in net debt from £1,231 million at the end of March to £987 million in September to explain most of the movements on the Balance Sheet.

I will cover here the net pension liability which has increased from £211 million in March to £296 million at the end of September; this movement is almost entirely down to the reduction in the bond rates which are used to discount the liabilities. You will have seen from our announcement that, with a view to containing our pension costs and reducing balance sheet volatility, we are today entering consultation with the relevant employees over the closure of the UK defined benefit scheme to future accruals. The scheme has been closed to new entrants since 2002.



If we move to the free cash flow in the six months, we generated £258 million from the continuing operations. We set the target that capital expenditure would be less than depreciation this year. You can see that depreciation was £57 million and we managed capital expenditure to £46 million. We continue to target capital expenditure for the full year to be less than depreciation.

The biggest movement is the £146 million inflow from working capital and let me break this down for you on the next slide.

Working Capital [1]
Six months to September

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£m	2009
Decrease in inventories	52
Decrease in receivables	52
Decrease in US margin calls	26
Increase in payables	23
Other movements	(7)
Change in working capital	**146**

[1] Excluding non-cash movements

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As you can see we have generated cash from all the major lines in working capital, building on the progress made in the second half of the last financial year.

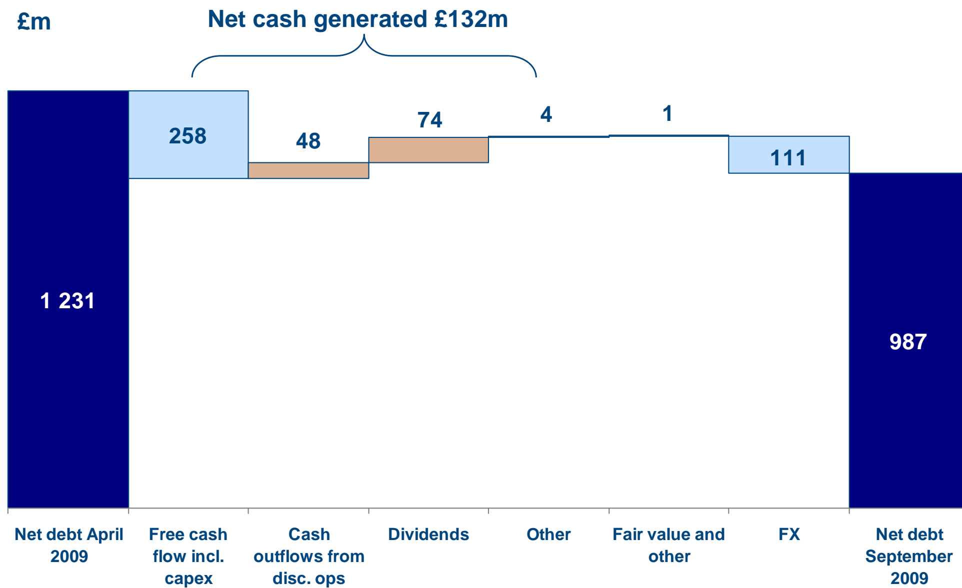
The decrease in inventories is driven by lower corn stocks, although we continue to make progress on optimising finished goods inventories across the Group. Raw sugar stocks increased primarily due to the timing of ship arrivals. Inventory of corn at 30 September this year, particularly in the US, was low because, as usual, we had run down stocks in anticipation of the first deliveries from the 2009 corn harvests. This helps working capital just before harvest, but is not sustainable throughout the year. Based on normal inventory levels valued at current market prices, I would expect to add back something in the region of £60 million between the US and Europe when we report corn inventory at other times of the year.

On receivables, we have tightened up collections and have improved our reporting and co-operation between finance and sales. We also received £10 million of restructuring aid from the surrender of European quotas.

We received a net £26 million from lower US margin calls; you may recall that this was an outflow of £70 million in the year to March 2009 because of the hedges taken on the corn futures market in summer 2008 when prices peaked.

We have also ensured we have standardised payment terms and have made good progress on payables in our Food & Industrial Ingredients, Europe business in particular.

While there have been a number of specific initiatives aimed at reducing the amount of our cash that is tied up in working capital, I believe that we are embedding a different culture throughout the business and the consequent change in behaviour is the single biggest factor in our working capital performance.



So, coming back to net debt and the movement over the six months: Net cash generation was £132 million in the six months. Some of the free cash flow of £258 million was used to pay out £48 million relating to discontinued and disposed operations and that's all related either to the disposal of the international sugar trading operations or to related contracts that were not included in the disposal and that will run off over time. In the period we also paid the final dividend of £74 million. Adding the benefit of £111 million from exchange translation to this, net debt reduced by £244 million to £987 million at the end of September.

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Outlook

Tim Lodge, Group Finance Director

6 November 2009

Moving to the outlook….

Outlook for Year to 31 March 2010

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- Overall, performance, before impact of exchange, remains on track to meet our expectations for full year
- In US and European Ingredients, order patterns of food and beverage customers re-established at slightly lower levels
- Global industrial starch, US ethanol and US animal feed markets remain under pressure
- Expect continuing Sucralose growth and improved profits from Sugars in second half
- As usual, outcome of calendar year sweetener pricing rounds will influence performance in last quarter

We continue to take actions to strengthen our balance sheet, reduce our costs and ensure that we are well positioned as markets improve

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

At our Food & 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.

Question and Answers

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Please wait for the microphone and state your name and that of your organisation

So, we will now take your questions. As usual, please could you wait for the microphone and state your name and that of your organisation……

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Appendix

Key Financial Indicators
Six months to September

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£m, unless stated	2009	2008
Profit before tax [1,2]	**112**	128
Effective tax rate [1] - total operations	**23.8%**	29.8%
- continuing operations [2]	**23.3%**	30.4%
Diluted eps [1] - continuing operations [2]	**18.3p**	19.1p
Operating cash flow - continuing operations [2]	**357**	150
RONOA - total operations	**13.1%**	13.2%
Net debt	**987**	1 128
Net debt / EBITDA - total operations	**2.4x**	2.5x
Interest cover - total operations [1,3]	**5.3x**	7.1x
Available undrawn facilities	**512**	298

[1] Before exceptional items and amortisation of acquired intangible assets
[2] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods
[3] This ratio has been calculated using the Group's bank covenant definitions

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Income Statement
Six months to September

£m	2009			2008		
	Continuing[1]	Discont'd	Total	Continuing[1]	Discont'd	Total
Sales	**1 823**	79	1 902	1 698	424	2 122
Operating profit [2]	**148**	(1)	147	150	3	153
Net finance costs	**(36)**	(1)	(37)	(22)	1	(21)
Profit before tax [2]	**112**	(2)	110	128	4	132
Exceptional items	**(55)**	-	(55)	-	(22)	(22)
Amortisation	**(7)**	-	(7)	(7)	-	(7)
Profit before tax	**50**	(2)	48	121	(18)	103
Tax	**(2)**	-	(2)	(37)	(1)	(38)
Profit	**48**	(2)	46	84	(19)	65

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods
[2] Before exceptional items and amortisation of acquired intangible assets

Food & Industrial Ingredients, Americas

Continuing operations

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Six months to September £m	2009		2008		At constant currency
Sales					
Primary Food	503		388		12 %
Primary Industrial	155		180		(28)%
Value added Food		189		164	(5)%
Value added Industrial		92		79	(4)%
	658	281	568	243	(2)%

Food & Industrial Ingredients, Europe

Continuing operations

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Six months to September £m	2009		2008		At constant currency
Sales					
Primary Food	75		98		(27)%
Primary Industrial	67		90		(32)%
Value added Food		116		104	(1)%
	142	116	188	104	(19)%

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Sugars

Continuing operations [1]

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Six months to September £m	2009		2008		At constant currency
Sales					
Products	372		352		2 %
Molasses	117		132		(21)%
Value added Food		36		33	9 %
	489	36	484	33	(3)%

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods

Product Analysis – Sales

Continuing operations [1] (at actual rates)

Six months to September £m	2009 Primary	2009 Value added	2009 Total	2008 Primary	2008 Value added	2008 Total
Sugars - Products	372	36	408	352	33	385
- Molasses	117	-	117	132	-	132
Ingredients Americas						
- Food	503	189	692	388	164	552
- Industrial	155	92	247	180	79	259
Ingredients Europe						
- Food	75	116	191	98	104	202
- Industrial	67	-	67	90	-	90
Sucralose	-	101	101	-	78	78
Total	**1 289**	**534**	**1 823**	**1 240**	**458**	**1 698**

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods

Product Analysis – Operating Profit

Continuing operations [1] (at actual rates)

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Six months to September £m		2009			2008	
	Primary	Value added	Total	Primary	Value added	Total
Sugars - Products	(4)	1	(3)	(6)	3	(3)
- Molasses	6	-	6	10	-	10
Ingredients Americas						
- Food	48	51	99	48	46	94
- Industrial	(7)	2	(5)	13	2	15
Ingredients Europe						
- Food	14	14	28	4	13	17
- Industrial	0	-	0	2	-	2
Sucralose	-	35	35	-	30	30
Central			(12)			(15)
Total	**57**	**103**	**148**	**71**	**94**	**150**

[1] Excluding the results of International Sugar Trading and Eastern Sugar discontinued operations in both periods

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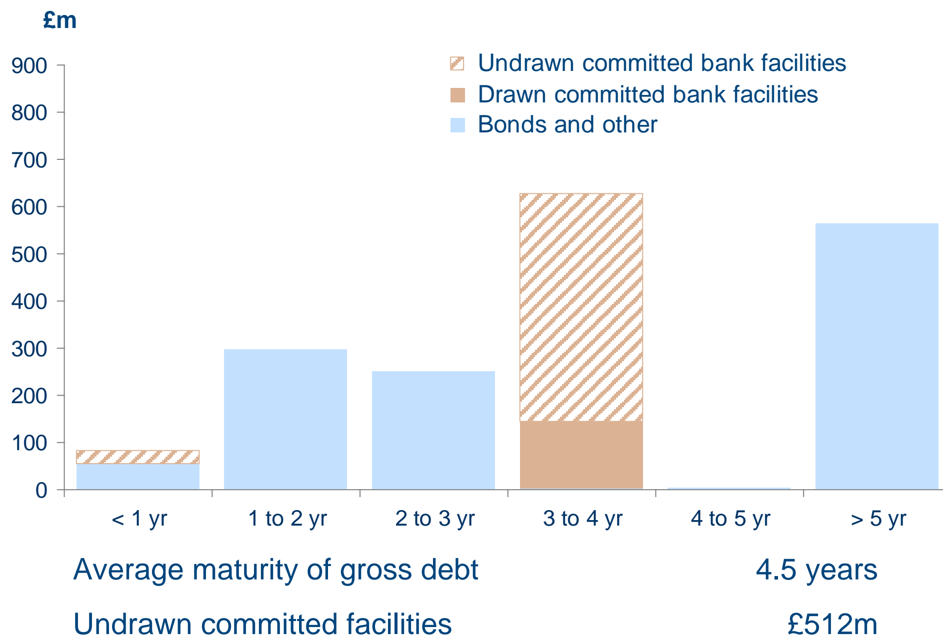
Effective Tax Rate
Six months to September

£m	2009 Continuing	2009 Discont'd	2009 Total	2008 Continuing	2008 Discont'd	2008 Total
Profit before tax	50	(2)	48	121	(18)	103
Tax	(2)	-	(2)	(37)	(1)	(38)
Reported tax rate	**5.3%**	**(2.3)%**	**5.4%**	**30.7%**	**(2.8)%**	**36.5%**
Adj. profit before tax [1]	112	(2)	110	128	4	132
Adjusted tax [1]	(26)	-	(26)	(39)	(1)	(40)
Adjusted tax rate [1]	**23.3%**	**(2.3)%**	**23.8%**	**30.4%**	**12.5%**	**29.8%**

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



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Debt Maturity Profile
As at September 2009
£m
900
800
700
600
500
400
300
200
100
0
Undrawn committed bank facilities
Drawn committed bank facilities
Bonds and other
< 1 yr
1 to 2 yr
2 to 3 yr
3 to 4 yr
4 to 5 yr
> 5 yr
Average maturity of gross debt 4.5 years
Undrawn committed facilities £512m
42