NOVEMBER 6, 2008

TATE & LYLE PLC
ANNOUNCEMENT OF INTERIM RESULTS
For the six months ended September 30, 2008

Six months ended September 30, (Unaudited)	2008 £	2008 $[6]	2007 £	2007 $[6]	Change	Change at constant currency
Continuing operations [1]						
Sales	**£1 698m**	**$3 273m**	£1 359m	$2 620m	+ 25%	+ 18%
Adjusted profit before taxation [2]	**£128m**	**$247m**	£123m	$237m	+ 4%	– 2%
Adjusted diluted earnings per share [2]	**19.1p**	**36.8¢**	16.6p	32.0¢	+ 15%	+ 6%
Dividend per share	**6.8p**	**13.1¢**	6.5p	12.5¢	+ 4.6%	+ 4.6%

Highlights

- Excellent results from Food & Industrial Ingredients, Americas, which achieved a 30% increase in adjusted operating profits (25% in constant currency)
- Adjusted operating profits from core value added food ingredients [3] increased by 28% (20% in constant currency)
- Sucralose sales ahead by 11% (7% in constant currency), in line with our strategy to grow volume (up 20%)
- Exposure to commodity pricing volatility reduced through the sale of international Sugar Trading
- Four-year major capital investment programme near completion
  - New value added capacity in Singapore and Sagamore, Indiana on-stream and operating in line with our plans
  - Corn wet mill in Loudon, Tennessee will be capable of full output at the beginning of the next financial year
  - New corn wet mill in Fort Dodge, Iowa on track for mechanical completion by March 2009
- Interim dividend increased by 4.6% to 6.8p, 13.1¢, per share

Financial strength

- Net debt increased by 8% from March 31, 2008 to £1,128 million, $2,175 million, but remained flat in constant currency
- Conservative debt maturity profile
- Notwithstanding this final year of heavy capital expenditure, solid cash flows underpin our progressive dividend policy

Statutory information

Six months ended September 30, (Unaudited)	2008 £	2008 $[6]	2007 £	2007 $[6]
Continuing operations – profit before tax [4]	**£121m**	**$233m**	£87m	$168m
Total operations [5] – profit for the period	**£65m**	**$125m**	£139m	$268m
Total operations [5] – diluted earnings per share	**14.0p**	**27.0¢**	27.9p	53.8¢

1 Excluding the results of international Sugar Trading and Eastern Sugar in both periods, and of Redpath, Occidente and the disposed of European starch plants in the six months ended September 30, 2007
2 Before exceptional costs of £nil million, $nil million, (2007 – £30 million, $58 million) and amortisation of acquired intangible assets of £7 million, $13 million, (2007 – £6 million, $12 million)
3 Core value added food ingredients comprise value added food ingredients and exclude sugar and sucralose
4 Continuing operations are defined in note 1; statutory profit before tax is reported after the exceptional costs and amortisation of acquired intangible assets defined in note 2
5 Total operations includes continuing operations and both the operating profits and the profits or losses on the disposal of discontinued operations
6 All US dollar conversions provided at the average rate for the six months ending September 30, 2008 of $1.9278 = £1

Commenting on the results for the six months ended September 30, 2008,

Sir David Lees, Chairman, said:

"Tate & Lyle produced a sound performance during the first half of the year. We have established a solid platform of efficient, low-cost and fully invested assets, leaving us well-positioned to benefit from growth opportunities in our chosen markets.

"The Board has declared an interim dividend of 6.8p, 13.1¢, per share, an increase of 4.6% over the prior year, reflecting our confidence in the outlook for the Group and our continued commitment to our progressive dividend policy."

Iain Ferguson, Chief Executive, said:

"Tate & Lyle performed well, slightly ahead of our expectations in the first half of the year, with profits from continuing operations ahead of the corresponding period last year.

"We continue to make good progress in growing the business in our areas of strategic focus and investment. In addition, we are beginning to see the benefits of our strategic reshaping and simplified management structure. Food & Industrial Ingredients, Americas again performed very strongly with adjusted operating profits increasing by 30% whilst the Group's adjusted operating profits from core value added food ingredients increased by 28%, driven by strong performances in both the Americas and Europe.

"Tate & Lyle is a strong business, well-placed to cope with the slowing economic environment and to deliver increasingly positive cash flows and growth in our chosen markets."

Outlook

Whilst the increasing uncertainty in global economic conditions makes any statement about the outlook particularly difficult, Tate & Lyle's diverse and balanced portfolio of ingredients, consumed by hundreds of millions of people around the world every day, makes us, in common with our sector, more resilient than many others to recessionary pressures in the wider economy. Looking forward:

– We anticipate that our Food & Industrial Ingredients businesses in the Americas and Europe will continue to perform well in the second half of the year. Current corn prices have improved industry fundamentals for the 2009 calendar year sweetener pricing rounds in both the US and Europe.

– The EU sugar market continues to be very difficult although we expect some improvement in the second half of our financial year as raw material costs decline. We see encouraging signs of market equilibrium being re-established, albeit slightly more slowly than expected, and we continue to expect this will lead to progressively firmer refining margins over time.

– We expect further sales growth from our fully invested Sucralose business and operating margins to remain at levels similar to those seen in the first half for the rest of the financial year. The rate of FMCG product launches, where, typically, higher margins can be achieved, has reduced as a consequence of the global slowdown. However, we continue to win the major share of these launches.

Tate & Lyle is a strong and well-financed business. Despite the increased turmoil in the external environment since our last outlook statement on September 18, but reinforced by the strengthening US currency, the Board remains confident that we are on track to continue to make progress for the year as a whole.

Cautionary statement

This Interim Statement 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 Interim Statement should be construed as a profit forecast.

A copy of this Interim Statement for the six months ended September 30, 2008 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.

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Webcast and conference call

A presentation of the results by Chief Executive, Iain Ferguson and Acting Group Finance Director, Tim Lodge will be audio webcast live at 10.00 (UKT) today. To view and/or listen to a live audio webcast of the presentation, visit:

http://www.thomson-webcast.net/uk/dispatching/?event_id=d74c02277ebb3799e9934c4a78a76912&portal_id=39b37fe9dc2bfc6ead9b7087924f0a2e (link via www.tateandlyle.com).

Please note that remote listeners will not be able to ask questions during the question and answer session. A webcast replay of the presentation will be available for six months, at the links above.

For those without video-streaming facilities, there will also be a teleconference facility for the presentation. Details are given below:

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

Replay numbers (available for 1 week):

UK: +44 (0) 208 196 1998
US: +1 866 583 1039
Replay Access code: 691691

TATE & LYLE PLC

STATEMENT OF INTERIM RESULTS for the six months ended September 30, 2008

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.

Overview

Tate & Lyle continues to trade soundly. Sales grew by 25% to £1,698 million, $3,273 million, (£1,359 million, $2,620 million) in the six months to September 30, 2008. Group operating profit increased by 3% to £150 million, $289 million, (£145 million, $280 million) and profit before tax was 4% higher at £128 million, $247 million, (£123 million, $237 million). Exchange translation accounted for a £78 million, $150 million, improvement in sales, a £9 million, $17 million, improvement in operating profit and an £8 million, $15 million, improvement in profit before tax. Adjusted diluted earnings per share increased by 15% to 19.1 pence, 36.8 cents, (16.6 pence, 32.0 cents).

We have successfully weathered difficult and volatile commodity markets in the first half year, particularly in Food & Industrial Ingredients, Americas, which delivered a very strong performance with a 30% increase in operating profit over the comparative period and generated two-thirds of the Group's adjusted operating profit before central costs. It is our largest division and has been the focus of the majority of our recent investment for growth. A key aspect of our strategy is to grow our value added business, and core value added food ingredient profits grew by 28% in the six months as we benefited from increased production capacity at Sagamore, Indiana and from the acquisition of Hahn in Europe.

As widely reported, the EU sugar market has been extremely difficult for all participants as it undergoes reform. The impact of this is reflected in the losses made in our refining operations in the period. We continue to believe in a strong future for our EU cane refineries due to their unique competitive position as we emerge from the most challenging period of the reform process.

Sugar prices also affect Food & Industrial Ingredients, Europe, although considerably less so following the restructuring of this division over the past two years. The sale of five starch plants in September 2007 and the acquisition of Hahn in June 2007 have not only reduced the absolute size of our exposure to cereal-based sweeteners in the EU but have also increased the proportion of the division's operating profits from core value added food ingredients to 68% in the half year. Higher corn and energy prices affected profits, but were partially offset by a full period contribution from Hahn.

Sucralose sales grew by 11% in the period although operating profits were slightly lower due to changes in customer mix.

Energy costs increased by 21% to £91 million, $175 million, due to higher prices.

Reported profits benefited from strengthening US and European exchange rates. With over 80% of operating profit in the first half reported in US dollars, reported results are sensitive to the strengthening US currency. The average exchange rate used in the translation of profits was US$1.93 to £1, compared with US$2.00 in the six months to September 30, 2007. The period end rate was US$1.78 (US$2.03). The US dollar has continued to strengthen significantly against sterling since the period end. On November 4, 2008, the rate was US$1.61 to £1.

As we near the end of the four-year reshaping of the Group and the completion of the remaining major capital projects, we are now fully focused on delivering returns on the asset base, generating stronger free cash flow across the business and making progress towards our longer term target of a 20% Return on Net Operating Assets.

Dividend

The Board has declared an interim dividend of 6.8p, 13.1¢, an increase of 4.6% over the prior year, reflecting our confidence in the outlook for the Group and our continued commitment to a progressive dividend policy. This will be paid on January 9, 2009 to shareholders on the register on December 5, 2008.

Group financial performance

Sales grew by 25% to £1,698 million, $3,273 million, (£1,359 million, $2,620 million). Excluding the effect of exchange translation, which was to increase sales by £78 million, $150 million, growth was 18%. This sales increase was driven largely by an improvement in Food & Industrial Ingredients, Americas where sales grew by 21% (16% in constant currency) as a result of both higher production and the recovery of higher input costs through improved pricing.

Operating profit was £150 million, $289 million, (£145 million, $280 million) and benefited from a favourable £9 million, $17 million currency movement. The net interest expense was unchanged at £22 million, $42 million, despite an unfavourable currency variance of £1 million, $2 million. Interest cover based on total operations was 7.3 times (8.4 times) and for continuing operations was 6.8 times (6.6 times). Profit before tax was £128 million, $247 million, (£123 million, $237 million).

The effective tax rate on adjusted profit from continuing operations was 30.4% (32.5%). This is based on our expectations for the year to March 31, 2009. The reduction compared with the prior year includes the anticipated savings from the new internal financing for our US operations. The effective tax rate remains sensitive to the geographical mix of profits.

Total shareholders' equity at September 30, 2008 was £1,002 million, $1,932 million, which is £52 million, $100 million, higher than at March 31, 2008. The increase is due mainly to the profit for the period and the effects of translation as sterling weakened against the US dollar, offset by the 2008 year-end dividend. Net debt was £1,128 million, $2,175 million, compared to £1,041 million, $2,007 million, at March 31, 2008, the increase being principally accounted for by the £90 million, $174 million, effect of weaker sterling exchange rates on the translation of debt held in foreign currencies.

Segmental analysis

In this segmental analysis, we discuss performance as reported, with sales and operating profits earned in foreign currencies translated at the appropriate average exchange rates. In the text 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, 2007 using the average exchange rates used for the six months to September 30, 2008.

Food & Industrial Ingredients, Americas

	Six months to September 30, 2008			Six months to September 30, 2007		
	Primary £m	**Value added £m**	**Total £m**	Primary £m	Value added £m	Total £m
Sales						
– Food	**388**	**164**	**552**	323	146	469
– Industrial	**180**	**79**	**259**	136	66	202
	568	**243**	**811**	459	212	671
Operating profit						
– Food	**48**	**46**	**94**	32	38	70
– Industrial	**13**	**2**	**15**	16	(2)	14
	61	**48**	**109**	48	36	84
Margin						
– Food	**12.4%**	**28.0%**	**17.0%**	9.9%	26.0%	14.9%
– Industrial	**7.2%**	**2.5%**	**5.8%**	11.8%	(3.0)%	6.9%
	10.7%	**19.8%**	**13.4%**	10.5%	17.0%	12.5%

	Six months to September 30, 2008			Six months to September 30, 2007		
	Primary $m	**Value added $m**	**Total $m**	Primary $m	Value added $m	Total $m
Sales						
– Food	**748**	**316**	**1 064**	623	282	905
– Industrial	**347**	**152**	**499**	262	127	389
	1 095	**468**	**1 563**	885	409	1 294
Operating profit						
– Food	**92**	**89**	**181**	62	73	135
– Industrial	**25**	**4**	**29**	31	(4)	27
	117	**93**	**210**	93	69	162

Food & Industrial Ingredients, Americas was again the engine of growth, enjoying another six months of strong momentum whilst also successfully weathering difficult and volatile commodity markets. Sales of £811 million, $1,563 million, were 21% higher than the comparative period (16% in constant currency). Operating profit, which accounted for 66% of the Group's adjusted operating profit before central costs, increased by 30% to £109 million, $210 million, (25% in constant currency). The effect of exchange translation was a £3 million, $6 million, increase in operating profit.

Value added food ingredient profits increased by 21% (15% in constant currency), benefiting from initial volume growth from the expanded capacity at Sagamore, Indiana and firmer margins across almost the entire product range. Primary food ingredient profits were 50% higher than the comparative period (48% in constant currency), as a result of margin improvements achieved in the pricing round for calendar year 2008 and high prices for corn oil.

Almex, our Mexican joint venture, continued to perform well, although lower sugar prices are likely to limit volume growth and sweetener pricing in the 2009 calendar year. Tate & Lyle Custom Ingredients also performed well.

Industrial ingredients profits increased by 7% (nil in constant currency), although primary product profits were held back by lower ethanol margins. There was additional demand for starches following the floods earlier in the year in Iowa, which affected production at competitor plants. In value added industrial ingredients, the comparison with the six months to September 30, 2007 benefited from the absence of £5 million, $10 million, of losses and closure costs at astaxanthin.

We incurred additional costs in commissioning patented new technology at the Loudon corn wet mill as achieving full output is taking longer than anticipated. The profit impact in the first half was £17 million, $33 million. We are in the process of installing some additional equipment at Loudon, where we remain on schedule to be capable of full output at the beginning of the next financial year after the final tranche of equipment has been fitted. As announced in our trading update on September 18, at current corn prices, a further £10 million, $19 million, to £15 million, $29 million, of profit impact is expected during the second half of this financial year.

Construction of the new corn wet mill in Fort Dodge, Iowa is progressing satisfactorily and the experience we have gained in working with the new technology at Loudon increases our confidence that this new plant will meet its production targets. We continue to anticipate mechanical completion by the end of March 2009, at which point commissioning will start.

The corn price has now fallen to around US$4 per bushel and is at similar levels to prices at the same time a year ago, having reached highs in June this year of almost US$8 per bushel. In the half year we were able to benefit from corresponding higher by-product prices. The US corn harvest is much later than normal and it is expected that the 2009 calendar year sweetener pricing round will also complete later than last year.

Energy costs were higher, although the impact was mitigated by our long-term coal contracts.

Food & Industrial Ingredients, Europe

	Six months to September 30, 2008			Six months to September 30, 2007		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales						
– Food	**98**	**104**	**202**	81	64	145
– Industrial	**90**	**–**	**90**	63	–	63
	188	**104**	**292**	144	64	208
Operating profit						
– Food	**4**	**13**	**17**	13	8	21
– Industrial	**2**	**–**	**2**	5	–	5
	6	**13**	**19**	18	8	26
Margin						
– Food	**4.1%**	**12.5%**	**8.4%**	16.0%	12.5%	14.5%
– Industrial	**2.2%**	–	**2.2%**	7.9%	–	7.9%
	3.2%	**12.5%**	**6.5%**	12.5%	12.5%	12.5%

	Six months to September 30, 2008			Six months to September 30, 2007		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	$m	**$m**	**$m**	$m	$m	$m
Sales						
– Food	**189**	**200**	**389**	157	123	280
– Industrial	**174**	**–**	**174**	121	–	121
	363	**200**	**563**	278	123	401
Operating profit						
– Food	**8**	**25**	**33**	25	15	40
– Industrial	**4**	**–**	**4**	10	–	10
	12	**25**	**37**	35	15	50

Food & Industrial Ingredients, Europe performed better than expected in the six months. Higher corn prices from the 2007 harvest were the main driver of lower profits over the comparative period, as was the case in the second half of the prior year, but were offset partially by a full contribution to profit from Hahn, which was acquired in June 2007. Sales of £292 million, $563 million, were 40% higher than the comparative period (21% in constant currency). Operating profit, which accounted for 12% of the Group's adjusted operating profit before central costs, decreased by 27% to £19 million, $37 million, (37% in constant currency). The effect of exchange translation was a £4 million, $8 million increase in profit.

The Single Ingredients operations, which primarily comprise the corn wet mills in the Netherlands and the Eaststarch joint venture partnerships, were affected by higher corn and energy costs. Value added food ingredients benefited from growing sales of crystalline fructose following the recent upgrade of the facility in Turkey. Higher corn costs were recovered through higher by-product returns and price increases except in Primary Food ingredients, which are essentially cereal-based sweeteners, sold in the EU. Cereal-based sweeteners are effectively priced against regulated sugar prices and there is a partial mismatch with corn pricing. Volumes of HFCS (isoglucose) increased in line with the increased quotas awarded as part of the EU Sugar Regime reforms, and capacity was expanded in the joint venture plants in Hungary and Bulgaria. Industrial ingredients profits were lower than the comparative period but higher than the six months to March 31, 2008. Corn prices have fallen considerably following the recent good corn harvest.

The small corn wet mill in Greece was closed without disruption at the end of September. The HFCS quota has been surrendered and demolition of the plant and environmental remediation have already started. The small HFCS quota in the Netherlands was surrendered on October 1, 2008.

In our Food Systems operations, Hahn continued to perform well, and accounted for the improvement in value added food ingredients. Integration with the other Food Systems operations and the Food & Industrial Ingredients, Europe back office functions continues. A new Health and Wellness Innovation Centre in Lille, France was opened in September. This new facility will complement the existing Food Systems activities by supporting the development of new functional starches and fibres. It will also provide technical expertise for beverage customers in the region, including in our speciality sweetener portfolio and SPLENDA® Sucralose, which is sold through the Food & Industrial Ingredients, Europe sales force.

Sugars

	Six months to September 30, 2008			Six months to September 30, 2007		
	Primary £m	**Value added £m**	**Total £m**	Primary £m	Value added £m	Total £m
Sales						
– Products	**352**	**33**	**385**	290	36	326
– Molasses	**132**	**–**	**132**	84	–	84
	484	**33**	**517**	374	36	410
Operating profit						
– Products	**(6)**	**3**	**(3)**	9	3	12
– Molasses	**10**	**–**	**10**	5	–	5
	4	**3**	**7**	14	3	17
Margin						
– Products	**(1.7)%**	**9.1%**	**(0.8)%**	3.1%	8.3%	3.7%
– Molasses	**7.6%**	**–**	**7.6%**	6.0%	–	6.0%
	0.8%	**9.1%**	**1.4%**	3.7%	8.3%	4.1%

	Six months to September 30, 2008			Six months to September 30, 2007		
	Primary $m	**Value added $m**	**Total $m**	Primary $m	Value added $m	Total $m
Sales						
– Products	**679**	**64**	**743**	559	69	628
– Molasses	**254**	**–**	**254**	162	–	162
	933	**64**	**997**	721	69	790
Operating profit						
– Products	**(12)**	**6**	**(6)**	17	6	23
– Molasses	**19**	**–**	**19**	10	–	10
	7	**6**	**13**	27	6	33

Sugars faced a challenging six months. Sales of £517 million, $997 million, were 26% higher than the comparative period (22% in constant currency). Operating profit, which accounted for 4% of the Group's adjusted operating profit before central costs, decreased by 59% to £7 million, $13 million, (61% in constant currency). The effect of exchange translation was a £1 million, $2 million, increase in profit. As expected, the EU sugar market was extremely difficult in the period and Products made a loss of £3 million, $6 million, compared with a profit of £12 million, $23 million, in the comparative period. Molasses performed extremely well, doubling profit even after a strong performance in the comparative period. There was strong demand from customers and we were able to sell stocks into a rising market driven by higher cereal prices at the beginning of the year, with molasses pricing holding up well despite the later reduction in EU cereal prices.

The significant changes brought about by the reform of the EU sugar regime continued to disrupt the EU sugar market. The reforms have made significant progress with the majority of the targeted reduction in quotas now agreed. The market has been absorbing surplus stocks against a backdrop of reducing institutional prices and this has created an extremely difficult market. We remain confident that, during the second half of the year, equilibrium between supply and demand for EU sugar will be restored. This in turn should lead to progressively firmer refining margins over the medium term. The deficit production areas of the EU, including the Iberian peninsula which is supplied by our Portuguese refinery, and Italy which is supplied through our Eridania Tate & Lyle joint venture, are showing signs of price improvement, although the market in total remains difficult as we move through the final stages of the reform.

Negotiations remain on track for raw sugar supplies under the new regulatory arrangements, which come into force on October 1, 2009. We continue to be pleased with our customers' response to the ongoing conversion of our UK retail sugars range to Fairtrade.

Gas prices increased substantially in the UK. The biomass boiler project at the Thames refinery is on target for completion by the end of March 2009. It will replace up to 70% of current fossil fuel consumption in due course, providing both cost and environmental benefits.

In July we announced the disposal of the international Sugar Trading operations, whose results are now included as part of discontinued businesses. The transaction will complete at the end of March 2009, and we estimate that a further £40 million, $77 million, of working capital will be released through the course of the second half. The disposal represents another step in delivering on Tate & Lyle's strategy of reducing its exposure to volatile commodity markets.

Sucralose

	Six months to September 30, 2008			Six months to September 30, 2007		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales	**–**	**78**	**78**	–	70	70
Operating profit	**–**	**30**	**30**	–	32	32
Margin	**–**	**38.5%**	**38.5%**	–	45.7%	45.7%

	Six months to September 30, 2008			Six months to September 30, 2007		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	$m	**$m**	**$m**	$m	$m	$m
Sales	**–**	**150**	**150**	–	135	135
Operating profit	**–**	**58**	**58**	–	62	62

Sales of SPLENDA® Sucralose of £78 million, $150 million, were 11% ahead of the comparative period (7% in constant currency). Operating profit, which accounted for 18% of the Group's adjusted operating profit before central costs, was £30 million, $58 million, 6% lower than the comparative period (9% lower in constant currency). The effect of exchange translation was a £1 million, $2 million, increase in profit.

Global sales volumes of sucralose increased by 20%, higher than the 7% increase in sales values at constant currency. We focused on driving volume from our new capacity and this, together with good sales in Europe, accounts for much of the volume growth. The major volume growth was in some high-volume customer accounts which we believe were buying relatively less in the comparative period as they ran down their own stocks following the commissioning of the Singapore facility and resultant increased security of supply. The resulting changes in sales and customer mix have led to a decline in operating margins from 46% to 39%. While sucralose is taking the major share of new product launches, where, typically, higher margins can be achieved, the current economic downturn is having an impact on the number of FMCG new product launches, particularly in the USA.

We continue to work successfully to reduce our unit cost of production at our two plants. As previously reported, efficiency gains largely offset the higher energy costs in the first half year. Our investments in a pilot plant and a dedicated process development team have enabled us to identify potential opportunities for material molar yield improvements for further development.

In September, the preliminary ruling of the Administrative Law Judge at the US International Trade Commission (ITC) in our case against certain manufacturers and importers of Chinese sucralose was announced. We were disappointed that the Judge, in this preliminary ruling, did not agree with our claims and have now lodged our petition for an appeal by the full Commission of the ITC. We expect to hear by the end of November whether our petition for appeal has been allowed.

In addition to our patent estate, of which only a small proportion is under consideration at the ITC, we continue to develop the other elements which define Tate & Lyle's formidable competitive advantage in the global sucralose business. Our facilities in the USA and Singapore, which operate at a level of cost, efficiency and environmental stewardship surpassed by none, produce sucralose which meets the highest standards of quality, purity and hygiene. Our business is built on long-standing relationships with some of the world's leading food, beverage and pharmaceutical manufacturers, as well as on the established SPLENDA® Sucralose brand which is renowned as a high quality, reliable and trusted product in a number of markets.

Central costs

Central costs, which include head office, treasury and reinsurance activities, increased by £1 million, $2 million, to £15 million, $29 million. Reductions relating to the simplified Group management and organisational structure were more than offset by the excess borne by our captive reinsurance company in relation to claims following some boiler problems at our Decatur, Illinois facility. We continue to expect full year central costs to be lower than the previous year.

Energy

The Group's energy cost at £91 million, $175 million, in the first half was 21% higher than the comparative period (18% in constant currency) as a result of higher prices. The reduction in cost through energy efficiency was offset by the additional energy used in our increased capacity. We have in place contracts and hedges that cover more than 80% of our estimated energy use for the current financial year.

Exceptional items

Exceptional items from discontinued operations reflect the anticipated £22 million, $42 million, loss in relation to the disposal of our international Sugar Trading operations as sold to Bunge. A small number of minority interests related to the sugar trading business were not included in the sale and are being addressed separately in accordance with the related shareholders' agreements. The sale of the international Sugar Trading business and the anticipated disposal of the minority interests are together unlikely to generate a material profit or loss on disposal. The sales of some of the minority interests, with associated profits, are expected to occur in the 2010 financial year; the appropriate fair value gains have been recognized in the period through the statement of recognized income and expense.

Net debt and financing profile

Net debt at September 30, 2008 was £1,128 million, $2,175 million, an increase of £87 million, $168 million, since March 31, 2008. The effect of exchange translation since March 31, 2008 was to increase net debt by £90 million, $174 million. Working capital outflows include a £75 million, $145 million, inflow from inventory reductions offset by £100 million, $193 million, outflows from variation margin calls in respect of corn positions for contracted business, primarily in the USA.

In addition to our bonds and other debt facilities, the Group has committed bank facilities of US$1,110 million, of which US$110 million matures in 2009 and US$1,000 million matures in 2012. Of the committed facilities, £298 million, $574 million, was undrawn at September 30, 2008. The average maturity of gross debt is 5.2 years and the first capital market issue to reach maturity is the US$300 million 144A bond in June 2011.

Management is fully focused on optimising capital both through the efficient utilisation of working capital and through constraining capital expenditure to a maximum of 1.25 times the depreciation charge from the end of the current financial year when the current major capital projects will have been completed. This compares with capital expenditure of 2.1 times in the six months to September 30, 2008.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 34 to 36 in the Report and Accounts for the year ended March 31, 2008, a copy of which is available on the Company's website at www.tateandlyle.com. In the view of the Board there is no material change in these factors in respect of the remaining six months of the year, although any impacts could be larger given the current turmoil in financial markets. The Group has some exposure to energy and raw material markets, especially to European corn, and in its ability to achieve satisfactory sales prices, particularly from some sizeable annual contracts which are effective for the calendar year 2009. The Group also retains an exposure to foreign currency movements for the translation of profits.

Outlook

Whilst the increasing uncertainty in global economic conditions makes any statement about the outlook particularly difficult, Tate & Lyle's diverse and balanced portfolio of ingredients, consumed by hundreds of millions of people around the world every day, makes us, in common with our sector, more resilient than many others to recessionary pressures in the wider economy. Looking forward:

– We anticipate that our Food & Industrial Ingredients businesses in the Americas and Europe will continue to perform well in the second half of the year. Current corn prices have improved industry fundamentals for the 2009 calendar year sweetener pricing rounds in both the US and Europe.

– The EU sugar market continues to be very difficult although we expect some improvement in the second half of our financial year as raw material costs decline. We see encouraging signs of market equilibrium being re-established, albeit slightly more slowly than expected, and we continue to expect this will lead to progressively firmer refining margins over time.

– We expect further sales growth from our fully invested Sucralose business and operating margins to remain at levels similar to those seen in the first half for the rest of the financial year. The rate of FMCG product launches, where, typically, higher margins can be achieved, has reduced as a consequence of the global slowdown. However, we continue to win the major share of these launches.

Tate & Lyle is a strong and well-financed business. Despite the increased turmoil in the external environment since our last outlook statement on September 18, but reinforced by the favourable trend of a strengthening US currency, the Board remains confident that we are on track to continue to make progress for the year as a whole.

Sir David Lees
Chairman

Iain Ferguson CBE
Chief Executive