May 28, 2009

TATE & LYLE PLC
ANNOUNCEMENT OF FULL YEAR RESULTS
For the year ended March 31, 2009

Continuing operations[1]	Year ended March 31, 2009		Year ended March 31, 2008	
Sales	**£3 553m**	**$6 413m**	£2 867m	$5 175m
Adjusted results				
Adjusted profit before taxation[2]	**£247m**	**$446m**	£253m	$457m
Adjusted diluted earnings per share[2]	**38.0p**	**68.6¢**	34.6p	62.5¢
Statutory results				
Profit before tax	**£113m**	**$204m**	£182m	$329m
Profit for the year (on total operations)	**£70m**	**$126m**	£187m	$338m
Diluted earnings per share	**19.4p**	**35.0¢**	23.6p	42.6¢
Dividends per share	**22.9p**	**41.3¢**	22.6p	40.8¢

1 Excluding the results of International Sugar Trading and Eastern Sugar in both periods and of Redpath, Occidente, and the disposed European starch plants in the year ended March 31, 2008.

2 Before exceptional charges of £119 million, $215 million, (2008 – £59 million, $106 million) and amortisation of acquired intangible assets of £15 million, $27 million, (2008 – £12 million, $22 million).

Financial Performance

- Adjusted profit before taxation down 2% at £247 million, $446 million, (18% in constant currency)
- Adjusted operating profit from core value added food ingredients[3] up 20% (3% in constant currency) to £107 million, $193 million
- Adjusted diluted earnings per share increased by 10% to 38.0p, 68.6¢, (8% decrease in constant currency)
- Proposed final dividend maintained at 16.1p, 29.1¢, making a total dividend of 22.9p, 41.3¢, per share, up 1.3%
- Dividend covered 1.5 times by free cash flow[4] and 1.7 times by earnings

Operational Highlights

- Decisive action taken to generate cash through focus on working capital, the cost base, capacity management and control of capital expenditure
- Strong performance in first half year within Food & Industrial Ingredients, Americas offset by weaker second half year with deterioration in industrial starch volumes and ethanol margins
- Good progress made by reshaped Food & Industrial Ingredients business in Europe
- Breakthrough in sucralose yields enables cost economies through mothballing of US plant, giving rise to an exceptional charge of £97 million, $175 million, in the 2009 financial year
- Exposure to commodity pricing volatility and working capital requirements reduced by disposal of International Sugar Trading

Financial Position

- Net cash generated[5] of £245 million, $442 million, after payment of dividends and the final year of our major capital expenditure programme
- Net debt at March 31, 2009 was £1,231 million, $2,222 million, net debt/EBITDA ratio comfortably within our bank covenants
- Undrawn committed bank facilities of £524 million, $946 million, cash resources of £434 million, $783 million, and conservative debt maturity profile

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3 Core value added food ingredients comprise value added starch-based food ingredients and exclude sucralose.

4 Free cash flow is defined as cash flow from continuing operations after interest, taxation and capital expenditure.

5 Net cash generated is defined as cash from total operating activities, investing activities and share issues, less shares repurchased and dividends.

6 All US dollar conversions provided at the average rate for the year ended March 31, 2009 of $1.80497=£1 unless otherwise stated.

Sir David Lees, Chairman, said:

"Tate & Lyle performed soundly despite an increasingly challenging economic environment as the year progressed. The Board is recommending a maintained final dividend of 16.1p, 29.1¢, making a full year dividend of 22.9p, 41.3¢, per share, an increase of 1.3% over the prior year. In reaching this decision, the Board was mindful to the need to at least maintain the Company's investment grade credit ratings."

Iain Ferguson, Chief Executive, said:

"Overall, Tate & Lyle delivered a sound set of results underpinned by continuing growth from core value added food ingredients. Market conditions over the past few months have proved challenging, but our focus on the food and beverage sector, which comprises over 70% of our total sales, gives us a measure of resilience, although not immunity, to the economic downturn. In times like these, the actions we must take to sustain the health of our business are clear. We are optimizing cash flow and actively managing our cost base, while maintaining a keen focus on serving our customers. We are making good progress in the delivery of these priorities."

Outlook

Although the new financial year has started in line with our expectations, the continuing global recession, and its uncertain impact on customer demand, makes it difficult to predict with confidence the outlook for the year ending March 31, 2010.

In the near-term, the actual level of customer demand and net corn costs will be key factors in determining our performance. Following de-stocking at the end of the 2008 calendar year, order levels from food and beverage customers appear to have stabilized, although at lower levels than the prior year. Demand for industrial starches remains weak.

In the second half of the 2010 financial year, our performance will also be influenced by pricing in the EU sugar operations following the final institutional price reduction on October 1, 2009 and we expect that this should generate improved margins. Of likely greater influence will be the timing of the recovery in ethanol margins and the outcome of the 2010 calendar year US sweetener pricing round.

Tate & Lyle's inherent ability to generate strong cash flows, assisted by the ending of our major capital expenditure programme, will help drive a stronger balance sheet in the year ahead. By delivering this, and continuing to take decisive and timely actions where necessary, Tate & Lyle will emerge a leaner, stronger and more flexible business, well-positioned to benefit from the economic recovery as and when it comes.

Cautionary statement

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

A copy of this Announcement of Full Year Results for the year ended March 31, 2009 can be found on our website at www.tateandlyle.com. Copies of the Annual Report for the year ended March 31, 2009 will be available to shareholders shortly, and will be obtainable from The Company Secretary, Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

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Webcast and Conference Call

Presentation

A presentation of the results by Chief Executive, Iain Ferguson and Group Finance Director, Tim Lodge will be audio webcast live at 10.00 (BST) today. To view and/or listen to a live audiocast of the presentation, visit http://www.tateandlyle.com/TateAndLyle/investor_relations/results/default.htm or http://www.thomson-webcast.net/uk/dispatching/?event_id=d3632813e95c39ff775d4d2b5468fb8e&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 links 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 1039
Replay Access code: 691691

CHIEF EXECUTIVE'S REVIEW

All comments refer to the continuing operations adjusted to exclude exceptional items and amortisation of acquired intangible assets, unless stated to the contrary. A reconciliation of reported and adjusted information is included in Note 15.

Overview

Overall, Tate & Lyle delivered a sound set of results. Sales for the year ended March 31, 2009 were £3,553 million, $6,413 million, 24% higher (8% in constant currency) than the prior year. Adjusted profit before tax was £247 million, $446 million, 2% lower (18% in constant currency) than the prior year. Profit before tax after exceptional items and amortisation of acquired intangible assets decreased by 38% (47% in constant currency) to £113 million, $204 million. Adjusted diluted earnings per share of 38.0p, 68.6¢, were 10% higher (8% decrease in constant currency), benefiting from a lower effective tax rate of 27.3% (2008 – 33.2%). Exchange translation increased adjusted profit before tax by £49 million, $88 million, compared to the prior year. The strengthening of the US dollar contributed 83% of this increase, although it also reduced the competitiveness of products from our US ingredients business in overseas markets, particularly Mexico and South America.

Following a breakthrough in sucralose manufacturing yields, we have taken the decision to mothball our McIntosh, Alabama facility and produce all of our sucralose from the newer and more efficient fourth generation facility in Singapore. We have recognised an exceptional charge of £97 million, $175 million, in the 2009 financial year reflecting the impairment of the carrying value of our McIntosh plant. Anticipated cash costs of £60 million, $108 million, associated with this decision will be paid over three years and recognised as an exceptional charge in the year ending March 31, 2010. These cash costs are expected to have a three year payback resulting from the reduced operating costs of having a single plant. The McIntosh facility will retain a core group of employees and, if needed, can be re-started and begin manufacturing sucralose within a few months.

Net debt increased by £190 million, $343 million, to £1,231 million, $2,222 million. Before the effects of exchange, net debt decreased by £188 million, $339 million. The impact of exchange movements during the year, which increased debt by £378 million, $682 million, was due principally to the weakness of sterling against the US dollar.

The Board is recommending a maintained final dividend of 16.1p, making a full year dividend of 22.9p, 41.3¢, per share, an increase of 1.3% over the prior year. In reaching this decision, the Board was mindful of the need to at least maintain the Company's investment grade credit ratings. The proposed final dividend of 16.1p, 29.1¢ (2008 – 16.1p, 29.1¢) will be due and payable on July 31, 2009 to all shareholders on the Register of Members at July 3, 2009.

A well-financed business

Tate & Lyle is a well-financed business with an inherent ability to generate strong cash flows. In the year ended March 31, 2009, the final year of our four-year major capital investment programme, our total operations generated £245 million, $442 million, (2008 – absorbed £160 million, $289 million) of cash after the payment of dividends. Net debt at March 31, 2009 of £1,231 million, $2,222 million, was £188 million, $339 million, lower than net debt at March 31, 2008 before the effects of exchange. A number of projects have been established to reduce debt further and we are pleased with their progress to date.

The key performance indicators (KPIs) of our financial strength, the ratio of net debt to earnings before interest, tax, depreciation and amortisation (EBITDA) and interest cover, remain within our internal targets. At March 31, 2009 the net debt to EBITDA ratio was 2.4 times (2008 – 2.5 times)[1], compared to our internal target of 2.5 times or less and comfortably within our bank covenants. Interest cover on total operations at March 31, 2009 was 6.1 times (2008 – 7.8 times), again ahead of both our internal target of above 5.0 times and well ahead of our bank covenants.

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[1] In prior years, net debt for covenant calculation was translated at year-end exchange rates while EBITDA from continuing operations was translated at average exchange rates. So that the ratio reflects the underlying economic conditions, an amendment was unanimously agreed with the participants in the US$1 billion Revolving Credit Facility that net debt and EBITDA be both calculated on average exchange rates. Under the previous calculation, net debt/EBITDA would have been 2.9 times (2008 – 2.6 times).

Return on net operating assets reduced to 12.7% from 15.5% in the prior year. This reduction was principally due to the lower returns from our EU sugar business, reduced profits from industrial starches and the investment in our new corn wet mill in Fort Dodge, Iowa, which was not commissioned during the financial year.

We continue to have a conservative debt maturity profile. The Group's undrawn committed bank facilities at March 31, 2009 were US$752 million (actual US dollar figure) and, additionally, cash resources were £434 million, $783 million. Average gross debt maturity at March 31, 2009 was 4.8 years. Our next major refinancing is due in June 2011 when the US$300 million (actual US dollar figure) 144A bond matures.

A solid platform for growth

Our four-year major capital investment programme to support long-term growth in our business was essentially completed during the year.

The expansion of our corn wet mill in Sagamore, Indiana, to increase capacity for a variety of value added starches used by customers in dairy, beverages, snacks and dressings, was commissioned in the 2008 financial year and is performing in line with our expectations. Value added food production has been a key area of strategic focus and investment for Tate & Lyle over the past four years, so it is pleasing to report that adjusted operating profits from core value added food ingredients across the business in the year to March 31, 2009 increased by 20% (3% in constant currency) to £107 million, $193 million, (2008 – £89 million, $161 million).

In March 2009 the second tranche of equipment required to meet design capacity at our corn wet mill in Loudon, Tennessee was installed. At the same time, the opportunity was taken to re-engineer the plant's manufacturing footprint to provide additional flexibility to swing capacity between key product lines. Also in March 2009, the new biomass boiler at our London sugar cane refinery was mechanically completed and commissioning work is currently underway.

In April 2009, in light of the continuing short term severe pressure on ethanol margins, we announced our decision to postpone final completion of the construction and start-up of the new corn wet mill at Fort Dodge, Iowa until market conditions improve. Construction activities at the plant had been progressing satisfactorily and the facility is about 95% complete. We are keeping the situation under review. We continue to believe that the US government's commitment to bio-fuels through the Renewable Fuel Standard (RFS) underpins the future viability of the US ethanol industry.

Our investment programme has established a solid platform of efficient assets. While the current economic environment has led utilisation rates to be somewhat below our original expectations, our enhanced asset base leaves us well positioned to benefit as market conditions improve. Within this, the flexibility we have built into the plant network (to switch between finished products) gives us added protection against the impact of lower utilisation rates.

Taking decisive actions to maximise cash flow

To sustain the health of our business in the face of challenging and unpredictable market conditions, we have taken a number of decisive actions to maximise cash flow and defend our profitability. We have accelerated existing cost reduction projects, launched new cost reduction projects and taken a number of tough decisions to ensure our cost base is appropriate in light of the new economic realities. Actions taken to date include initiatives to reduce working capital, a pay freeze at all levels, plant shutdowns, a wide-ranging review of discretionary expenditure and headcount reductions across the business.

Management of capital expenditure is a key area of focus, and we will restrict expenditure to below the depreciation charge in the year ending March 31, 2010.

Benefiting from a breakthrough in sucralose manufacturing yields

In the last year, our sucralose manufacturing facilities have achieved significant and sustainable yield improvements of over 25% which has had the effect of significantly increasing production capacity.

Consequently, we have taken the decision to mothball our McIntosh, Alabama facility, and produce all of our sucralose from our newer and more energy efficient fourth generation facility in Singapore. The McIntosh facility will retain a core group of employees and, if needed, can be re-started and begin manufacturing sucralose within a few months.

The McIntosh facility has played a key role in establishing the prominent position of sucralose in the global High Intensity Sweetener market. The expansions of the facility from 2004 were critical for the development of sucralose as we had to move swiftly to meet the surge in customer demand that created the platform for its subsequent success.

Our decision to mothball our McIntosh facility, made possible by the breakthrough in manufacturing yield achieved over the last 12 months, will ensure that we remain the most efficient and lowest cost producer of sucralose in the market. This action will have no impact on our customers as, due to the yield increases and our ability to maintain high levels of safety stocks, the Singapore facility has more than enough capacity to meet current market needs. Our SPLENDA® Sucralose business continues to perform well and we remain confident of its long term future.

The financial impacts arising from our decision to mothball the McIntosh, Alabama plant are set out in the Overviews section above and the Exceptional items section below.

Overview of divisional business performance

The Group's adjusted profit before tax was 2% lower (18% in constant currency) than the prior year. Adjusted operating profits from core value added food ingredients increased by 20% (3% in constant currency), but this was more than offset by lower profits from our EU sugar business, industrial starches and US ethanol. Energy costs at £208 million, $375 million, were 34% higher (17% in constant currency).

Operating profit at Food & Industrial Ingredients, Americas was £181 million, $327 million, a reduction of 3% from the prior year (19% in constant currency). Sales and profits from value added food ingredients were resilient. Performance in primary food ingredients was above the prior year due to improved margins and a good performance by citric acid. However, operating profits from both primary and value added industrial starches, primarily used by the paper and board industries, were significantly lower than the prior year due to reduced sales volumes during the second half of the year as both domestic and export demand deteriorated rapidly. Export markets were adversely affected by the strengthening US dollar. The contribution from ethanol was also significantly below the prior year due to lower unit margins as we operated in a difficult industry environment. We have taken a number of actions to manage our capacity in the face of these impacts.

At Food & Industrial Ingredients, Europe, operating profits increased by 24% to £51 million, $92 million (7% in constant currency). Within Single Ingredients, margins for both value added and primary products benefited from lower corn costs during the second half of the year. Demand for food ingredients proved more resilient in Central and Eastern Europe, where the majority of our Single Ingredients capacity is located. Operating profits from Food Systems were higher than the prior year, and benefited from a full year contribution from G.C.Hahn & Co. (Hahn), which was acquired in June 2007.

Sugars operating profits were significantly lower than the comparative period, reducing by 64% (66% in constant currency) to £12 million, $22 million. Although improved balance between supply and demand within the EU sugar market began to return during the second half, the year as a whole was characterised by oversupply of refined sugar in the EU and an extremely competitive UK market. Margins are expected to improve following the final institutional price change on October 1, 2009. The competitive advantages of our Thames and Lisbon refineries will become increasingly apparent as the market returns to balance. The molasses business had an outstanding year as both volumes and margins benefited from high world cereal prices.

Sales of SPLENDA® Sucralose of £169 million, $305 million, were 14% above the prior year (4% reduction in constant currency). Operating profit increased by 9% to £72 million, $130 million, (reduced by 4% in constant currency) compared to the prior year. We achieved solid volume growth in international markets, particularly Europe where there were significant gains in retailer own-label ranges. In the US, McNeil Nutritionals launched "SPLENDA® with Fiber" formulated with SPLENDA® Sucralose and PROMITOR™ Soluble Corn Fibre.

A reshaped business

Over the past few years, we have taken a number of steps to reshape our business in line with our strategy to build a stronger value added business on a low-cost commodity base. A key part of this reshaping process has been to remove substantial risks by exiting markets where we could not manage to an acceptable level our exposure to raw material and commodity pricing volatility and regulation. In the 2008 financial year we exited European wheat and Canadian and Mexican sugar, and in the 2009 financial year we sold our International Sugar Trading business to Bunge. This sale was announced on July 2, 2008 and completed as scheduled on March 31, 2009. The financial impacts arising from this sale are set out in Discontinued Operations section below.

The Food Systems businesses which we acquired over the past four years to strengthen our value added offering (Cesalpinia Foods in 2005, Custom Ingredients in 2006, and Hahn in 2007) continue to perform well, and ahead of our expectations.

The simplified organisational structure we implemented last year, consisting of four distinct business divisions each reporting into the Chief Executive, is working well. We are confident that our de-layered organisational structure, led by a strong management team, leaves us well placed to successfully meet the current challenging market conditions.

Our people

The difficult economic climate places people and organisations under notable pressure. We remain committed to taking the tough decisions needed to manage our cost base through this difficult time. However, we remain conscious of the need to continue to develop and invest in our people to ensure that the foundations of our business are protected, and we are well positioned to benefit when market conditions improve.

Individual responsibility and accountability are critical in times like these and we have made sure all our staff are aware of the need to meet our key priorities of defending our short term profitability, optimising cash flow, reducing costs and continuing to serve our customers. The professionalism and commitment shown by our people to embrace these priorities and to take necessary tough decisions is impressive.

Exceptional items

Exceptional items totalling a net charge of £119 million, $215 million, have been recognised in continuing operations in the 2009 financial year.

We have recognised a charge of £97 million, $175 million, in the 2009 financial year reflecting the impairment of the carrying value of our McIntosh, Alabama plant following the decision to mothball this facility and produce all sucralose at our Singapore facility. This decision, made possible by the significant increase in manufacturing yields over the last 12 months, will ensure that we remain the most efficient and lowest cost producer of sucralose. Anticipated cash costs of £60 million, $108 million associated with this decision will be paid over three years and recognised as an exceptional charge in the year ending March 31, 2010. These cash costs are expected to have a three year payback resulting from the reduced operating costs of having a single plant. Should future demand require it, we can bring the McIntosh plant back into production within a few months.

As reported in our pre-close trading update of April 2, 2009, we are in dispute with a supplier over the performance and suitability of ethanol dehydration equipment at our Loudon, Tennessee and Fort Dodge, Iowa, plants. We have provided an exceptional charge of £24 million, $44 million, associated with this issue.

We have reviewed the carrying value of many of the Group's assets given the changes to the economic environments in which we operate. The review of our sugar refining operation in Israel indicated an impairment of £9 million, $16 million, which has also been recognised in the year.

During March 2009, we received the first tranche of a settlement from the Mexican government following a dispute over a tax on soft drinks containing HFCS between 2002 and 2006. We have since received the second tranche. Our share of the total settlement is £11 million, $20 million, and this amount has been recognised as an exceptional gain in the 2009 financial year.

Central costs

Central costs decreased from £31 million, $56 million, in the 2008 financial year to £18 million, $32 million, in the 2009 financial year. This reduction was due to several factors: underlying costs reduced by £4 million, $7 million, compared to the prior year; one-off credits of £6 million, $11 million, in the 2009 financial year arose principally from the termination of a property lease; and redundancy and other one-off costs totalling £4 million, $7 million, following the simplification of the Group's organisational structure, were recognised in the prior year. Central costs in the 2010 financial year are expected to be broadly in line with underlying costs in the 2009 financial year.

Conclusion

Market conditions over the past few months have proved challenging, but our focus on the food and beverage sector, which comprises over 70% of our total sales, gives us a measure of resilience, although not immunity, to the economic downturn. In times like these, the actions we must take to sustain the health of our business are clear. We are optimising cash flow and actively managing our cost base, while maintaining a keen focus on serving our customers. We are making good progress in the delivery of these priorities.

Iain Ferguson CBE
Chief Executive