27 May 2010

TATE & LYLE PLC
ANNOUNCEMENT OF FULL YEAR RESULTS
For the year ended 31 March 2010

Continuing operations (£m unless stated otherwise)[1]	Year ended 31 March 2010	2009
Sales	**3,506**	3,553
Adjusted results[2]		
Adjusted operating profit	**298**	298
Adjusted profit before tax	**229**	247
Adjusted diluted earnings per share	**38.9p**	38.0p
Statutory results		
Operating profit	**8**	164
(Loss)/profit before tax	**(61)**	113
Profit for the year (on total operations)	**19**	70
Diluted earnings per share (on total operations)	**3.3p**	14.1p
Cash flow and net debt		
Free cash flow[3]	**540**	154
Net debt	**814**	1,231
Dividend per share	**22.9p**	22.9p

Financial performance

- Strong performance from core value added food ingredients[4], with adjusted operating profits up 22% (14% in constant currency)
- Reported net debt reduced by a third to £814 million benefiting from free cash flow of £540 million (2009 – £154 million)
- Following detailed appraisal of market conditions and costs to complete, view that Fort Dodge highly unlikely to be commissioned for the foreseeable future leads to £217 million exceptional charge
- Adjusted diluted earnings per share increased by 2% to 38.9p (down 2% in constant currency)
- Proposed final dividend maintained at 16.1p, making a total dividend of 22.9p (2009 – 22.9p)

Javed Ahmed, Chief Executive, said:
"Tate & Lyle delivered a solid performance in the face of challenging conditions in a number of our markets. In particular, our core value added food ingredients delivered a strong result, reflecting steady demand and firmer pricing. I am also pleased that, through resolute focus on the financial priorities we set ourselves at the beginning of the year, we have significantly strengthened the Group's balance sheet.

"I am announcing today that we are refocusing our strategy, with our Speciality Food Ingredients business being the key focus of investment and long-term growth, as well as making a number of important changes to the Group's organisation. Through these changes, and a strong focus on operational excellence and execution, we will build the platform to deliver sustainable long-term growth.

"Applying this new strategic focus and our new capital expenditure discipline has led us to conclude that we are highly unlikely to complete or commission the Fort Dodge, Iowa plant in the foreseeable future. As a consequence, we are taking a significant exceptional charge to deal with this legacy issue."

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1 Excluding the results of International Sugar Trading and Eastern Sugar.
2 Before exceptional items of £276 million (2009 – £119 million) and amortisation of acquired intangible assets of £14 million (2009 – £15 million).
3 Free cash flow is cash generated from continuing operations after net interest paid, income tax paid and capital expenditure.
4 Core value added food ingredients comprise value added starch-based food ingredients and exclude sucralose.

Outlook
Looking forward, we anticipate that steady demand patterns for value added food ingredients will continue and, combined with the benefits of a single plant sucralose manufacturing base, we expect a modest improvement in value added food performance in the 2011 financial year.

Within our primary markets, we expect continuing modest decline in US domestic sweetener demand to be largely offset by increased demand from Mexico, and stable demand in other markets for primary food ingredients. Despite some improvement in demand patterns, industrial starch margins are expected to remain at lower levels, reflecting industry overcapacity putting pressure on pricing, and we see little near term improvement in ethanol markets. Within Sugars, whilst unit refining margins have returned, profitability in the 2011 financial year will be constrained by short term supply challenges.

Overall, we anticipate progress in the coming financial year as we maintain our focus on the disciplines necessary to continue delivering strong cash flows from our business.

Webcast and conference call
A presentation of the results by Chief Executive, Javed Ahmed and Group Finance Director, Tim Lodge will be audio webcast live at 10.00 (BST) today. To view and/or listen to the audio webcast, visit http://www.thomson-webcast.net/uk/dispatching/?event_id=a64b8b9962474f08f284e9e796e14baa&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, on the link above.

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

Participant Telephone Numbers:

UK Toll: +44 (0)20 7138 0826
US Toll: +1 212 444 0481
Confirmation Code: 2994657

Replay:

UK Toll: +44 (0)20 7111 1244
US Toll: +1 347 366 9565
Access code: 2994657#

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

Tate & Lyle delivered a solid performance in the face of challenging conditions in a number of our markets. Adjusted operating profits from core value added food ingredients grew strongly, increasing by 22% (14% in constant currency) to £131 million. Profits within primary ingredients in the Americas and Europe were 22% below the prior year at £98 million (27% in constant currency), as lower co-product income and weaker industrial profits adversely impacted results.

Sales for the year were £3,506 million, 1% lower (6% in constant currency) than the prior year. Adjusted operating profit of £298 million was in line with the prior year (7% lower in constant currency). Adjusted profit before tax was £229 million, 7% lower (14% in constant currency) than the prior year, reflecting an increase of £16 million in the net finance expense for retirement benefit plans. Adjusted diluted earnings per share of 38.9p were 2% higher (2% lower in constant currency), benefiting from a lower effective tax rate of 20.4% (2009 – 27.3%). Exchange translation increased adjusted profit before tax by £19 million compared to the prior year. Loss before tax after exceptional items and amortisation of acquired intangible assets was £61 million compared to a profit of £113 million in the prior year.

Total net exceptional charges before tax of £276 million (2009 – £119 million) have been recognised in the year.

With regard to our plant in Fort Dodge, Iowa, in the last few months we have conducted detailed analyses of the end markets which the plant would supply under our new capital management processes. The continuing depressed and volatile outlook for ethanol, and uncertain conditions in industrial starch and corn gluten feed markets, do not provide any basis to complete and commission the plant.

Changes in feed and energy markets, together with the reconfiguration of technology required following our experience of installing new equipment at our Loudon plant, along with remobilisation costs, would mean that, if we were to complete Fort Dodge, total additional costs would now be in the region of £70 million.

Factoring in the risks associated with future returns from the plant, including the length of time to complete, regulatory uncertainty and a continuation of the current market conditions, we have concluded that the plant is highly unlikely to be completed or commissioned in the foreseeable future. As a result, the facility has been mothballed and written down to £17 million, leading to an impairment of £217 million which has been recognised as an exceptional charge in the 2010 financial year. A further exceptional charge of approximately £25 million will be recognised during the 2011 financial year in respect of long term contracts relating to the facility. We will continue to seek ways to maximise shareholder value from the Fort Dodge plant in these circumstances.

Net debt decreased by £417 million, or 34%, to £814 million, driven primarily by strong free cash flows from continuing operations. Before the effects of exchange, net debt decreased by £338 million. The impact of exchange movements during the year, which reduced debt by £79 million, was due principally to the strengthening of sterling against the US dollar by 6% year on year.

The Board is recommending a maintained final dividend of 16.1p (2009 – 16.1p), making a full-year dividend of 22.9p per share, in line with the prior year. The proposed final dividend will be paid on 30 July 2010 to all shareholders on the Register of Members at 25 June 2010.

During the year, we conducted a thorough, fact-based review of the Company's current position and a detailed analysis of the opportunities and challenges we face. Based on this review, we are implementing a number of fundamental changes to the way we are organised, in order to refocus the Group to deliver sustainable long-term growth. These changes are described in greater detail below.

Safety
Safety remains the highest priority for us. We are committed to providing safe and healthy working conditions for our employees, contractors and visitors. Every year, we measure and report our safety performance and we aim for continuous improvement. In 2009, our Group safety index improved by 3% although our Group contractor safety index worsened after significant improvements in 2008. Safety, including that of contractors, will continue to be a major area of focus for 2010 as we work towards our target of a safety index of zero for all of our operations. In this regard, we were saddened to learn that, last week, a fatality occurred at our joint venture plant in Turkey. A full investigation is underway.

Delivering on our short-term priorities
At the beginning of the year, recognising the need to act decisively and quickly in the face of the global economic downturn, we set out our three near-term financial priorities for the business: to optimise working capital; implement tight capital expenditure control; and reduce our cost base.

I am pleased to report that, due to the outstanding efforts of our employees across the business, we have made significant progress in each of these areas. Working capital reductions generated £291 million during the year, with improvements delivered by each operating division and within each major area of the working capital base. Capital expenditure of £79 million represented 68% of depreciation, in line with our commitment stated at the beginning of the financial year to hold expenditure below the annual depreciation charge. Underlying costs reduced by £30 million in the year compared to the comparative period, including the cost savings achieved from rationalising the sucralose manufacturing footprint, with reductions achieved through our focus on all areas of the cost base.

A stronger balance sheet
The Group's balance sheet has been strengthened significantly during the year. Net debt was reduced by 34% to £814 million at 31 March 2010 (from £1,231 million at 31 March 2009). This reduction has been achieved through a relentless focus on cash management within every area of the business. Tate & Lyle is a strongly cash generative business, and focus on cash management will remain an ongoing priority.

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. Consistent with the Group's financial strategy at least to maintain our investment grade credit ratings, during the year we tightened our maximum target for net debt to EBITDA to 2.0 times from 2.5 times. At 31 March 2010, the net debt to EBITDA ratio was 1.8 times (2009 – 2.4 times), within our new target and comfortably within our bank covenants. Interest cover on total operations at 31 March 2010 was 5.8 times (2009 – 6.1 times), again ahead of our minimum target of 5.0 times and well ahead of our bank covenants.

During the year we announced that, with a view to containing our pension costs and reducing balance sheet volatility, we had entered into consultation with employees who were active members of the UK Group Pension Scheme on the closure of that scheme to future accrual from April 2011. Following completion of the consultation process, the Company will close the UK Group Scheme from April 2011. We also took the decision to remove the early retirement discretion from November 2009. We have recognised an exceptional gain of £42 million in the 2010 financial year arising from these changes.

Overview of divisional business performance
Adjusted operating profit at Food & Industrial Ingredients, Americas was £178 million, 2% below the prior year (10% in constant currency). Operating profits from value added food ingredients increased

by 18% (9% in constant currency), reflecting firmer pricing and steadier demand patterns. Operating profits in primary food ingredients were below the prior year due to lower co-product income from the sale of corn oil. Performance from primary industrial ingredients, comprising ethanol, native industrial starches and animal feed co-products was below the level of the prior year due to lower animal feed co-product income and reduced industrial starch margins.

At Food & Industrial Ingredients, Europe, adjusted operating profits of £54 million were 6% above the prior year (4% in constant currency). Within Single Ingredients, profits from primary products were lower as reduced levels of capacity utilisation impacted unit margins, particularly in the second half of the year, although the business continues to benefit from the relative stability afforded by isoglucose quotas in Europe. Demand for value added food ingredients was steady, and unit margins increased with improved pricing. Food Systems performance was above the prior year, as demand in key markets proved relatively robust in the face of the economic downturn.

Adjusted operating profits within the Sugars division increased by 150% to £30 million (100% in constant currency) reflecting improved margins in our EU sugar business during the second half of the year following the final institutional price change on 1 October 2009. Performance also benefited from lower energy and distribution costs. Our molasses and storage business performed well in the year, with operating profit of £13 million, although this was below the exceptionally strong profits achieved in the comparative period when the sharp spike in cereal prices during the summer of 2008 led to very high demand and prices for molasses.

Sales of SPLENDA® Sucralose of £187 million were 11% above the prior year (4% in constant currency). Following the significant yield improvements achieved during the 2009 financial year, and the consequent decision to produce all sucralose at our fourth-generation facility in Singapore, the process of mothballing the plant in McIntosh, Alabama was completed ahead of schedule. Adjusted operating profits decreased by 7% to £67 million (9% in constant currency) due to one-off credits of £4 million in the prior year, certain costs in the current year associated with the rationalisation of the manufacturing footprint and the relatively high costs in opening inventory which impacted cost of sales in the 2010 financial year.

Central costs increased to £31 million from £18 million in the prior year. During the year, we incurred one-off costs of £5 million related to the review and reorganisation of the Group's activities, while the prior year included one-off credits totalling £6 million.

Exceptional items

Exceptional items within our continuing operations during the year totalled a net charge of £276 million (2009 - £119 million).

Following a detailed analysis of end markets, in light of costs of around £70 million to complete and commission our plant in Fort Dodge, and factoring in the risks associated with future returns from completing and operating the plant, we have concluded that the plant is highly unlikely to be completed or commissioned in the foreseeable future. As a result, the facility has been mothballed and written down to £17 million, leading to an impairment of £217 million which has been recognised as an exceptional charge in the 2010 financial year. A further exceptional charge of approximately £25 million will be recognised during the 2011 financial year in respect of long term contracts relating to the facility.

As reported at the half year, we recognised an exceptional charge of £55 million following the decision to mothball the Sucralose manufacturing facility in McIntosh, Alabama.

The reorganisation of our food systems business in Europe will lead to exceptional cash costs totalling £7 million, of which £3 million has been recognised in the 2010 financial year, with the balance recognised in the 2011 financial year.

In the Food & Industrial Ingredients, Americas segment, following a review of the portfolio of research and development projects in the context of our new strategic focus, we have written off

£28 million relating to a Xanthan gum pilot plant and other related assets following the decision not to pursue these products to full scale production.

Our sugar refining business in Israel continues to experience extremely challenging market conditions, with surplus refined sugar supplies placing considerable pressure on refining margins. Given the continued decline in the business' commercial prospects, we have recognised a further impairment charge of £15 million in addition to the charge of £9 million recognised in 2009.

An exceptional gain of £42 million has been recognised following the decision to close the UK Group Pension Scheme to future accrual from April 2011 and to remove the early retirement discretion from November 2009.

The tax impact on continuing net exceptional items totalled a £112 million credit (2009 - £44 million credit). In addition, an exceptional tax credit of £15 million has been recognised in the year relating to the release of certain tax provisions following the resolution of issues with tax authorities.

Business review

Since joining Tate & Lyle in October last year, I have led a thorough, fact-based review of the Company's current position, and an assessment of the opportunities and challenges in front of us.

Tate & Lyle has some real strengths we can build on. It was clear to me as soon as I joined the Company that acting safely, responsibly and sustainably, with high levels of integrity were hallmarks of Tate & Lyle. The Company also has a large, cost efficient, and well invested manufacturing footprint, and deep technical process and applications expertise. Our customer base includes many large, global companies with whom we have strong, long term relationships based on our clear focus on quality, reliability and customer service. We also have a long, successful history of operating internationally and, as can be seen for the past year's results, the potential for strong cash generation.

At the same time, we face a number of strategic and operational challenges. Strategically, we operate in a number of different markets with different characteristics and needs. We have solid competitive positions in some of these markets, but in others a path to leadership is unclear. We continue to have a relatively large exposure to commodity markets, with their inherent volatility and cyclicality, whilst, at the same time, having a limited exposure to key avenues of longer term growth, in terms of categories and geographies. Over the last few years there has also been some inconsistency between strategic intent and actual investment strategy, with the majority of our capital having been spent on our commodity rather than our speciality business. Additionally, the operating model has lacked focus, and constrained rather than driven performance. Finally, a number of enablers, such as the capital allocation and implementation process and the IS/IT infrastructure, need significant strengthening.

In order to address these issues and reinvigorate Tate & Lyle, we will take steps to focus, fix and grow our business.

1. Focus
In future, our purpose will be to grow our speciality food ingredients business. We will do this through deeper customer understanding, continuous innovation and agility; and through building stronger positions in high growth markets. We will continue to drive sustained cash generation from our bulk ingredients and sugars businesses to fuel this growth.

2. Fix
Fixing the operating model
The current business operating structure, with a mixture of regional and product-based business units, does not support execution of the Group's strategy. From 1 June 2010 we will reorganise and

operate through three global business units: Speciality Food Ingredients, Bulk Ingredients and Sugars. Each business unit will have a distinct go-to-market organisation to provide the necessary focus and bring the required expertise to the different markets we serve, and each will have a dedicated manufacturing asset base.

Fixing the operations
The review of our approach to capital investment planning and implementation, which we announced at our interim results in November, has been largely completed, and will lead to a number of changes to the way we invest fixed capital in our business in future. For all major capital projects, the approval process has been strengthened to incorporate a two-stage Board approval, including a more rigorous technical and commercial appraisal, supported where necessary by external experts. Ongoing reviews performed regularly by the Executive Committee, as well as peer reviews have also been added to sharpen the investment appraisal process. We will also create a dedicated, internal resource, independent of the operations, with responsibility for oversight of all capital expenditure.

We have already made huge strides in the way we control working capital in our business, evident from the improvement delivered in the 2010 financial year. There is a much clearer appreciation within the organisation now of the need for working capital optimisation and this is something I intend to build on. To this end, we have implemented standard measures of working capital efficiency across the Group, and have set clear targets by business. In the 2011 financial year, these targets will, for the first time, be linked to management incentive structures.

Our three business units will be supported by global support services, using shared service centres to eliminate duplication and rationalise resources required. This will also allow us to redeploy some needed resources to the ‘front end’ of our business.

We have already started work to strengthen operational enablers, by establishing a common set of performance metrics across the business and we will move to a single global IT platform to drive improved global decision making over the next two years. Although it will take time, I am confident that the steps we are taking now will lay the foundation to deliver significant improvements in operational execution over the coming months and years.

Exceptional costs of £8 million associated with the reorganisation and restructuring of the Group’s activities are expected to be recognised in the 2011 financial year, with further exceptional costs expected to be in the region of £13 million the following year. These cash costs are expected subsequently to pay back within two years. Additionally, we are developing a detailed implementation plan for a common, global IS/IT platform, which we anticipate will be implemented over the next 24 months.

Fixing the organisation
In order to fix our organisation, we are taking action to address our structure, our talent and our culture.

We will simplify and de-layer the organisation structure to accelerate decision-making and move management closer to the business. We have developed clear guidelines on global talent acquisition to upgrade our capabilities and fill skills gaps in key areas. We are taking steps to embed a common, performance-driven culture within the organisation, and to define clear organisational values. We are establishing a clearer, metric-driven, performance management process which will be implemented during the coming year. The Group’s incentive system is also being restructured, to ensure that at all levels of the organisation there is a sharp focus on what drives behaviours and results. A greater proportion of pay will be at risk, with appropriate rewards to incentivise outstanding performance.

Fixing the investment focus
Over the past four financial years, around two-thirds of our capital has been invested in our commodity business with one third in our speciality business. Geographically, investment has been overwhelmingly focused on the developed markets with emerging markets largely ignored.

Over time, our investment focus will be realigned to our strategy: our engine of growth and the focus of acquisitions will be speciality food ingredients, with greater emphasis on emerging markets. Our bulk ingredients and Sugars businesses remain strong and valued businesses, and we will continue to invest appropriately in order to increase their efficiency and generate cash.

3. Grow

A new unit, the Innovation and Commercial Development group, will be established, dedicated to driving sustained long-term growth, with a key focus on speciality food ingredients. This unit will integrate R&D, global marketing and global product management, and will enable a fully integrated approach to developing and commercialising innovation.

We expect to achieve growth both in our existing markets, through the benefits of our new operating model and investment focus, and also in emerging markets and in the Small and Medium sized enterprise (SME) and private label customer segments, where we have limited presence today.

Our new operating structure will provide a clean platform from which to grow the business, both organically and through acquisitions.

Conclusion

We have today announced our strategy of focusing on growing our Speciality Food Ingredients business, and set out a number of important changes to our operating model and the way we function. We will report a set of performance metrics which will measure progress towards delivery of this strategy, and are creating reward structures aligned to these metrics.

Through these changes we will build the platform to deliver sustainable long-term value for our employees, our customers and our shareholders.

Javed Ahmed
Chief Executive

GROUP FINANCIAL RESULTS

Basis of preparation

Adjusted performance

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

- results of discontinued operations, including gains and losses on disposal (Note 9);
- exceptional items from continuing operations (Note 4); and
- amortisation of acquired intangibles.

This adjusted information is used internally for analysing the performance of the business. A reconciliation of reported and adjusted information is included in Note 15.

Impact of changes in exchange rates

Our reported financial performance has been positively impacted this year by exchange rate translation, in particular due to the strengthening of the average US dollar and euro exchange rates against sterling. The average and closing exchange rates used to translate reported results were as follows:

	Average rates		**Closing rates**	
	2010	2009	**2010**	2009
US dollar:sterling	**1.61**	1.80	**1.52**	1.43
Euro:sterling	**1.13**	1.19	**1.12**	1.08

In addition to the impact on profits, the strengthening of the sterling closing exchange rate has had the effect of reducing our net debt, thereby benefiting reported net debt. Further details are set out in the net debt section below.

Divisional financial performance

In the discussion of divisional financial performance, we discuss performance as reported, with sales and profits earned in foreign currencies translated at the relevant average exchange rates. In the commentary, we also discuss performance in constant currency. Constant currency comparisons have been calculated by translating sales and profits in underlying currencies for the prior year at the average rates for the current year. Constant currency comparisons provide an insight into the movements in sales and cost levels driven by the real local changes, measuring progress in the underlying profitability of the business.

Primary and value added products

Value added products are defined as those that utilise technology or intellectual property, enabling our customers to produce distinctive products and us to obtain a price premium and/or sustainable higher margins. Co-products from our commodity corn milling and sugars businesses are classified as primary. There have been no material changes in classification of products between value added and primary from the comparative period.

Summary of financial results

	Year to 31 March 2010 £m	Year to 31 March 2009 £m	Actual change %	Constant currency change %
Continuing operations				
Sales	**3 506**	3 553	(1)	(6)
Adjusted operating profit	**298**	298	-	(7)
Net finance expense	**(69)**	(51)		
Profit before tax, exceptional items and amortisation	**229**	247	(7)	(14)
Exceptional items	**(276)**	(119)		
Amortisation of acquired intangibles	**(14)**	(15)		
(Loss)/profit before tax	**(61)**	113		
Income tax credit/(expense)	**84**	(19)		
Profit for the year from continuing operations	**23**	94	(76)	(78)
Loss for the year from discontinued operations	**(4)**	(24)		
Profit for the year	**19**	70	(73)	(90)
Earnings per share – continuing operations	**Pence**	Pence		
Basic	**4.2**	19.5	(78)	(81)
Diluted	**4.2**	19.4	(78)	(81)
Adjusted earnings per share from continuing operations				
Basic	**39.1**	38.2	2	(2)
Diluted	**38.9**	38.0	2	(2)
Dividends per share				
Interim paid	**6.8**	6.8	-	
Final proposed	**16.1**	16.1	-	
	22.9	22.9	-	
Net debt	**£m**	£m		
At 31 March	**814**	1 231	34	27

SUMMARY OF GROUP PERFORMANCE

Sales of £3,506 million from continuing operations were 1% lower than the prior year. After excluding the effects of exchange, sales were 6% lower.

Primary sales decreased by 4% (8% in constant currency) from £2,584 million to £2,476 million. This reduction was principally due to lower co-product income, lower industrial sales volumes in both the Americas and Europe and reduced selling prices of sugar and isoglucose in Europe, reflecting the institutional price cuts implemented under EU sugar regime reform. Value added sales increased by 6% (flat in constant currency) to £1,030 million, representing around 30% of Group sales.

Overall adjusted operating profit was in line with the prior year (decreased by 7% in constant currency) at £298 million. Adjusted operating profits in Food & Industrial Ingredients, Americas of £178 million were 2% below the prior year (10% in constant currency) as lower co-product income and reduced industrial starch profits were partly offset by increased profits from value added food ingredients. Food & Industrial Ingredients, Europe achieved an increase in operating profits of 6% (4% in constant currency) to £54 million, reflecting growth in value added food ingredients and Food Systems, partly offset by weaker primary food and industrial starch margins. Sugars delivered an increase of 150% (100% in constant currency) to £30 million, reflecting the expected increase in unit margins within EU sugar during the second half of the year. Adjusted operating profits in Sucralose reduced by 7% (9% in constant currency) to £67 million, with lower unit operating margins reflecting costs associated with the transition to a single manufacturing location. Central costs increased by £13 million to £31 million, due principally to one-off costs of £5 million during the year associated with the review and reorganisation of the Group's activities, and certain one-off credits totalling £6 million recognised in the prior year.

In addition to the effects of exchange rate changes, operating profit has been affected by a small number of one-off items during the 2010 financial year: we recognised income of £3 million following surrender of isoglucose quota in Romania; and incurred costs of £5 million relating to the review and reorganisation of the business performed during the year.

Amortisation of acquired intangibles totalling £14 million (2009 - £15 million) was marginally below the prior year.

Exceptional items totalling a charge of £276 million (2009 - £119 million) have been addressed in the Chief Executive's Review and are detailed in Note 4 to the Financial Information.

The net finance expense from continuing operations increased from £51 million to £69 million. The exchange impact within interest accounted for an increase of £4 million compared to the prior year. We recognised a charge within interest expense in the current year relating to post-retirement benefit plans of £19 million (2009 - £3 million). Interest capitalised in the year reduced to £2 million from £11 million in the comparative period, reflecting lower levels of capital expenditure and the decision to suspend completion and commissioning of the Fort Dodge, Iowa plant. Underlying net finance expense was below the level of the prior year, reflecting significantly lower levels of average net debt.

The loss before tax from continuing operations on a statutory basis was £61 million compared to a profit of £113 million in the prior year.

The effective rate of tax on adjusted profit from continuing operations was 20.4% (2009 – 27.3%). The decrease was due mainly to changes in the geographical origin of profits, especially lower levels of profits in the US, and the impact of our internal financing plan.

Discontinued operations comprise our former International Sugar Trading business and the residual activities in Eastern Sugar. The operating loss from discontinued operations totalled £2 million (2009 – £21 million, after exceptional losses of £22 million).

The exceptional losses for the year to 31 March 2009 of £22 million arose from the disposal of our International Sugar Trading business. A small number of minority interests related to the International Sugar Trading business were not included in the sale and are being addressed separately in accordance with the related shareholders' agreements. The process of sale of these minority interests has continued through the 2010 financial year, and is expected to be completed in the 2011 financial year. Fair value losses relating to these activities of £10 million have been recognised in the 2010 financial year through the consolidated statement of comprehensive income.

The loss from discontinued operations after taxation for the year was £4 million (2009 – £24 million).

Total basic earnings per share were 3.3p (2009 – 14.2p), 77% lower than the prior year. Total diluted earnings per share were 3.3p (2009 – 14.1p), down 77% from the prior year. Adjusted diluted earnings per share from continuing operations were 38.9p (2009 – 38.0p), an increase of 2% (decrease of 2% in constant currency). On the same basis, basic earnings per share were higher by 2% (2% lower in constant currency) at 39.1p (2009 – 38.2p).

DIVISIONAL FINANCIAL PERFORMANCE

Food & Industrial Ingredients, Americas

	Year to 31 March 2010			Year to 31 March 2009		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales						
– Food	**982**	**382**	**1 364**	878	369	1 247
– Industrial	**327**	**164**	**491**	393	157	550
	1 309	**546**	**1 855**	1 271	526	1 797
Adjusted operating profit/(loss)						
– Food	**85**	**98**	**183**	95	83	178
– Industrial	**(8)**	**3**	**(5)**	3	–	3
	77	**101**	**178**	98	83	181
Margin						
– Food	**8.7%**	**25.7%**	**13.4%**	10.8%	22.5%	14.3%
– Industrial	**(2.4)%**	**1.8%**	**(1.0)%**	0.8%	–	0.5%
– Total	**5.9%**	**18.5%**	**9.6%**	7.7%	15.8%	10.1%

Market conditions

Primary

US domestic demand for nutritive sweeteners in the 2010 financial year continued its gradual long-term downward trend although, during the second half of the 2010 financial year, exports of corn sweeteners to Mexico increased, offsetting this impact. Higher Mexican demand was driven by high sugar prices in the Mexican market, and a relative strengthening of the Mexican peso, which increased the competitiveness of US corn sweeteners.

US ethanol production increased to around 10.8 billion gallons in the 2009 calendar year from 9.3 billion gallons in the prior year. The industry continued to commission capacity in order to meet the increased demand for corn-based ethanol mandated under the Renewable Fuel Standard. Oil prices rose steadily throughout the 2010 financial year, to close at around US$80 per barrel at 31 March 2010, and US gasoline prices remained at a premium to ethanol selling prices from the middle of the 2009 calendar year. However, with ample supply of corn-based ethanol in US markets, there was, at most, a modest cash margin in spot ethanol markets during the 2010 financial year. Lower levels of profitability in ethanol have also placed pressure on pricing and unit margins of native starch products, since the industry has some ability to swing capacity between product lines in response to changes in relative returns.

Demand for industrial starches, primarily used in paper and packaging production, recovered modestly from the levels experienced during the second half of the 2009 financial year, and showed sequential quarterly growth in the final quarter of the 2010 financial year, although still significantly below the levels experienced before the economic downturn. The markets for industrial starches remain challenging due both to lower levels of demand and margin pressure from US wet mill ethanol capacity.

Record corn yields and a large corn crop in the 2009 calendar year produced a more stable corn price environment in the 2010 financial year compared with the prior year. Lower corn quality, from the late 2009 harvest following wet conditions during autumn 2009 in much of the US corn belt, caused some production issues for all corn processors. US corn acreage is expected to increase in 2010, and corn prices are expected to remain at levels experienced in recent months.

The market for corn gluten feed continued to be challenging, due both to pressure on US livestock numbers which affected demand, and the competitive impact of higher dry mill ethanol production, which drove the continuing increase in supply of distillers' dry grains, a substitute ingredient in animal feed applications. Access to EU markets for corn co-products manufactured from EU-approved GM varieties has reopened, although export activity remained limited due to a lack of US competitiveness.

Value added
Overall, the market for value added food ingredients remained steady throughout the 2010 financial year , although consumer focus on the trends of health and wellness and convenience has continued to drive growth in these areas.

Demand patterns for value added industrial starches remained at levels below those experienced before the economic downturn, consistent with the trend experienced in the primary industrial starch markets.

Financial performance
Sales of £1,855 million were 3% above the prior year (2% lower in constant currency). The decrease in constant currency was driven principally by the impact of lower co-product values. Adjusted operating profit of £178 million was 2% below the prior year (10% in constant currency). The effect of exchange translation was to increase operating profit by £17 million.

Primary
Sales increased by 3% to £1,309 million (decreased by 2% in constant currency). Operating profits decreased by £21 million to £77 million, a reduction of 21% (29% in constant currency). Co-product income was significantly below the comparative period, which benefited from strong prices during the commodity price peak of summer 2008[5]. Corn gluten feed selling prices were weak during the 2010 financial year due both to lower demand, following reductions in US beef and dairy herds, and an increased supply of the co-product from dry mill ethanol production.

Primary food sales of £982 million were 12% higher than the prior year (7% in constant currency). Operating profits of £85 million were 11% below the prior year (18% in constant currency). The reduction in operating profit was due to lower co-product income from the sale of corn oil. Excluding the impact of co-products, operating profits in primary food were marginally above the prior year. Total sales volumes within primary food were marginally above the prior year, as increased sweetener demand from Mexico in the second half of the 2010 financial year contrasted with a modest destocking effect experienced across all major product lines in the second half of the prior year.

Operating profits from primary sweeteners in the second half of the 2010 financial year were below the comparative period, reflecting margins in the final quarter somewhat below the prior year.

Profits at Almex, our Mexican cereal sweeteners and starches joint venture, were marginally below the prior year due to a modest reduction in unit margins. Our citric acid business performed well, with solid improvement in operating profit over the prior year reflecting strong global demand.

Primary industrial sales (comprising ethanol, native industrial starches and animal feed co-products) of £327 million were 17% below the prior year (21% in constant currency). Operating losses of £8 million in the 2010 financial year compared with operating profits of £3 million in the prior year. The reduction in operating profits was due principally to lower industrial starch profits and lower animal feed co-product income.

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

Industrial starch profits in the 2010 financial year were lower than the prior year due to lower levels of underlying demand (which reduced markedly from the third quarter of the 2009 financial year) and to additional demand in the comparative period following the floods in Iowa during 2008 which affected production at competitor plants. Demand remains relatively weak in the US domestic paper and packaging markets, and the relative strength of the US dollar has adversely impacted the overseas competitiveness of our major customers. Industrial starch prices and margins have also come under pressure from lower ethanol returns, as the industry has some ability to swing capacity between these product lines.

Ethanol losses were broadly in line with the comparative period. Although US ethanol markets improved slightly in the second half of the 2010 financial year, with a modest cash margin returning to spot markets, ethanol activities in the second half of the 2010 financial year still generated an operating loss.

Following a detailed analysis of end markets, in light of costs of around £70 million to complete and commission our plant in Fort Dodge, and factoring in the risks associated with future returns from completing and operating the plant, we have concluded that the plant is highly unlikely to be completed or commissioned in the foreseeable future. As a result, the facility has been mothballed and written down to £17 million, leading to an impairment of £217 million which has been recognised as an exceptional charge in the 2010 financial year. A further exceptional charge of approximately £25 million will be recognised during the 2011 financial year in respect of long term contracts relating to the facility.

Value added

Value added ingredients sales increased by 4% to £546 million (decreased by 3% in constant currency). Operating profits increased by 22% (12% in constant currency) to £101 million.

Operating profits from value added food increased by 18% (9% in constant currency) to £98 million reflecting firmer pricing and steady demand patterns. We have continued to experience good growth in sales volumes of our wellness ingredients. Promitor Soluble Corn Fiber performed strongly, with several major customers launching new products containing this ingredient during the year in order to meet increased consumer demand.

Operating profits from value added industrial ingredients were £3 million, compared with break even in the prior year. Operating profits from value added industrial starches were broadly in line with the prior year: while demand patterns have stabilised at levels somewhat below those experienced immediately following the economic downturn, unit margins continue to be under pressure. The Bio-PDO™ joint venture broke even in the 2010 financial year, having made a small loss in the prior year.

Looking forward

Demand for value added food ingredients has proved steady, and we expect this trend to continue. Within our primary food markets, we expect domestic demand for corn sweeteners to continue its long-term trend of gradual decline, although Mexico currently represents an attractive market for US sweeteners.

Whilst we have seen a degree of improvement in demand for industrial starches from the levels experienced during the second half of the 2009 financial year, with lower capacity utilisation levels in key US end markets and reduced export markets, we remain cautious about the timing and extent of further improvement in demand.

Visibility over the timing of any improvement in ethanol markets remains limited.

Corn costs have weakened since the start of the calendar year with the expectation of a large US corn crop in calendar year 2010. The level of net corn costs will, as usual, be a key factor in determining performance of this division in the coming financial year.

Food & Industrial Ingredients, Europe

	Year to 31 March 2010			Year to 31 March 2009		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales						
– Food	**133**	**225**	**358**	170	206	376
– Industrial	**133**	**–**	**133**	163	–	163
	266	**225**	**491**	333	206	539
Adjusted operating profit/(loss)						
– Food	**24**	**33**	**57**	27	24	51
– Industrial	**(3)**	**–**	**(3)**	–	–	–
	21	**33**	**54**	27	24	51
Margin						
– Food	**18.0%**	**14.7%**	**15.9%**	15.9%	11.7%	13.6%
– Industrial	**(2.3)%**	–	**(2.3)%**	–	–	–
– Total	**7.9%**	**14.7%**	**11.0%**	8.1%	11.7%	9.5%

Market conditions

Primary

Volumes of isoglucose produced within the EU are regulated via quota as part of the EU sugar regime. The selling price of isoglucose is linked to the price of sugar but, unlike sugar, the raw material input price is not regulated. During the four-year process of reform, isoglucose producers paid a restructuring levy, but also had their quotas increased by 60%. The payment of these levies ceased on 30 September 2009. Through our Eaststarch joint venture, and its 50% share in the Hungrana joint venture facility, the Group has an economic interest in approximately 55% of the EU's isoglucose quotas.

European demand for corn-based sweeteners for use in fermentation (which is not subject to quota control) continued to be adversely impacted by competition from out-of-quota sugar stocks, which act as a substitute for this purpose. Market demand for other primary food ingredients in the 2010 financial year was relatively steady at levels marginally below those experienced before the economic downturn.

Industrial starch markets in Europe have remained challenging. With demand still materially below the levels experienced before the economic downturn and greater competition from other carbohydrate sources, notably wheat and potato starches, pricing in this market has been under considerable pressure.

The good European corn crop of 2008 was followed by another in 2009, and net corn costs have remained at similar, lower levels throughout the 2010 financial year.

Value added

Demand for value added food ingredients has remained steady. Consumer focus on health and wellness continues to drive market growth in this area.

Financial performance

Sales decreased by 9% to £491 million (15% in constant currency). Adjusted operating profit increased by 6% to £54 million (4% in constant currency). EU restructuring aid totalling £3 million (2009 - £11 million) was recognised during the year, following the surrender of isoglucose quota in Romania. Excluding restructuring aid in both years, operating profit increased by 24% in constant currency. The effect of exchange translation was to increase profit by £1 million.

The Single Ingredients business achieved a result marginally below the prior year. Lower levels of capacity utilisation impacted unit margins, particularly in the second half of the year. The Food Systems business reported a result slightly ahead of the prior year, reflecting robust demand patterns and continuing benefit from the integration of this business.

Primary
Sales of primary products decreased by 20% to £266 million (25% decrease in constant currency). Operating profit reduced from £27 million to £21 million, a decrease of 22% (22% in constant currency).

Within primary food ingredients, liquid sweetener volumes were broadly in line with the prior year. Sweetener volumes reduced following closure of the Greek plant, but the business continued to benefit from its EU increased isoglucose quota and, during the year, completed the expansion of isoglucose capacity at our joint venture plant in Slovakia. However, against the backdrop of lower levels of demand we have seen following the economic downturn, unit margins in non-quota primary food were below the level of the prior year, reflecting a more competitive marketplace, particularly during the second half of the 2010 financial year.

During the first half of the 2010 financial year, the division recognised a charge of £4 million representing the final levies payable into the EU restructuring fund. During the second half of the 2010 financial year, restructuring aid of £3 million was recognised following our decision to surrender our Romanian isoglucose quota. During the second half of the prior year, restructuring aid of £11 million was recognised following the surrender of the small isoglucose quotas in the Netherlands and Greece.

Primary industrial ingredients generated an operating loss of £3 million in the year, compared to a result of breakeven in the prior year. Sales volumes were below the prior year, and unit margins came under pressure in an increasingly competitive marketplace.

Value added
Value added sales increased from £206 million to £225 million, an increase of 9% (2% in constant currency). Operating profits increased by 38% (32% in constant currency) to £33 million.

We achieved value added operating profit growth in both Single Ingredients and Food Systems. Single Ingredients' sales volumes increased slightly, and unit margins increased with improved pricing. Volumes benefited from the successful commissioning of the new polydextrose line at our plant in the Netherlands, the first polydextrose production facility in Europe. Food Systems performed above the prior year, as demand in key markets proved relatively robust in the face of the economic downturn.

Looking forward
Performance in the coming financial year will, as usual, be influenced by European cereal prices following this year's harvest. Isoglucose prices will continue to be linked to EU sugar prices, which appear to have stabilised following the completion of regime reform. While we expect continuing stability in demand from food and beverage customers, we remain cautious over the extent and timing of recovery in industrial starch markets.

Sugars

	Year to 31 March 2010			Year to 31 March 2009		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales						
– Products	**673**	**72**	**745**	711	68	779
– Molasses	**228**	**–**	**228**	269	–	269
	901	**72**	**973**	980	68	1,048
Adjusted operating profit/(loss)						
– Products	**14**	**3**	**17**	(11)	5	(6)
– Molasses	**13**	**–**	**13**	18	–	18
	27	**3**	**30**	7	5	12
Margin						
– Products	**2.1%**	**4.2%**	**2.3%**	(1.5)%	7.4%	(0.8)%
– Molasses	**5.7%**	**-**	**5.7%**	6.7%	–	6.7%
– Total	**3.0%**	**4.2%**	**3.1%**	0.7%	7.4%	1.1%

Market conditions

EU sugar

The sugar and isoglucose markets within the EU are regulated by the EU sugar regime legislation, part of the EU Common Agricultural Policy. A four-year period of reform, which saw the surrender of almost six million tonnes of beet sugar quotas and a reduction in the EU institutional price structures of 36%, ended on 1 October 2009 with the implementation of the final quota and price cuts.

During the reform period, the market was characterised by oversupply, because the timing of the beet quota surrender was later than initially forecast by the EU Commission. However, as expected, from 1 October 2009, the market has become better balanced, leading to improved unit refining margins for EU sugar processors.

Under the new regime, preferential access rights for cane sugar imports are granted to an expanded, but still limited, set of supplier countries. The supply of raw cane sugar in the EU market has come under increasing pressure in recent months both because supply from preferential sources has not grown as quickly as foreseen in the sugar reform process and because increased world sugar prices, which recently hit 30-year highs, have reduced the economic incentive to export all preferential raw sugar to the EU market.

Vietnam

Sugar prices in the Vietnamese market have remained strong due to the spike in world prices, and the impact of grassy green shoot disease, which has reduced sugar cane output in the region.

Molasses

In the molasses market, traded volumes have reduced from the prior year, although prices and margins have remained relatively strong.

Financial performance

Sales reduced by 7% to £973 million (10% in constant currency). This reduction principally reflected lower average selling prices following the final EU institutional price cut on 1 October 2009 and lower traded molasses volumes.

Adjusted operating profit increased by 150% to £30 million (100% in constant currency) reflecting improved margins in the EU during the second half of the 2010 financial year, following the 1 October

2009 price change. Performance also benefited from lower energy and distribution costs. We recognised £17 million of transitional aid in the year (2009 – £17 million). We will recognise the final £8.5 million of transitional aid in the six months to 30 September 2010. The effect of exchange translation was to increase profit by £3 million.

Our Vietnamese cane sugar business, Nghe An Tate & Lyle, performed marginally ahead of the prior year, with improved selling prices more than offsetting lower sales volumes.

Following a further decline in the commercial prospects of our sugar refining business in Israel, we have recognised an exceptional charge of £15 million (2009 – £9 million) representing a full write-down of the fixed assets and an inventory impairment.

Primary
Adjusted operating profit increased by £20 million to £27 million. Unit margins increased in all of our major EU industrial markets from 1 October 2009, although total sales volumes in the 2010 financial year were marginally below the prior year. Lower natural gas prices led to lower energy costs in the year while improvements in supply chain management led to a reduction in distribution costs.

Our molasses and storage business performed well in the year, with operating profit of £13 million. This was below the exceptionally strong profits of £18 million achieved in the comparative period when the sharp spike in cereal prices during the summer of 2008 led to very high demand and prices for molasses.

Value added
Operating profit of £3 million was 40% below the prior year (50% in constant currency) as the UK retail sugar marketplace remained extremely competitive during the year.

Securing raw sugar supplies
The business has worked hard to address the challenge of raw sugar supply. In July 2009, Mitr Lao, our joint venture in Laos, delivered its first sugar to our UK refinery. This was the first sugar delivered to Europe from Asia under the Everything But Arms (EBA) initiative. We anticipate growth from this project, and others in Laos and Cambodia, in future years. In April 2010, we announced that we have entered into an agreement with the Jamaican government for the supply of 100,000 tonnes of sugar in the 2011 calendar year.

During the year, we also formed a technical support group to work with our preferential cane sugar supplier partners to grow their sugar industries sustainably and profitably. Led by a Tate & Lyle employee with over 30 years' experience in the cane sugar supply chain, this group will help our partners improve their performance in field, factory and logistics.

Looking forward
In the 2011 financial year, we expect unit refining margins in EU Sugar to remain at levels similar to those achieved during the second half of the 2010 financial year. Before the impact of transitional aid, with lower levels of capacity utilisation, we expect operating profits from EU sugar to be marginally above the level achieved in the 2010 financial year.

Sucralose

	Year to 31 March 2010			Year to 31 March 2009		
	Primary	**Value added**	**Total**	Primary	Value added	Total
	£m	**£m**	**£m**	£m	£m	£m
Sales	**–**	**187**	**187**	–	169	169
Adjusted operating profit	**–**	**67**	**67**	–	72	72
Margin	**–**	**35.8%**	**35.8%**	–	42.6%	42.6%

Market conditions
We estimate that the value of the global market for high-intensity sweeteners (HIS) remained flat at around US$1.2 billion in the 2009 calendar year. SPLENDA® Sucralose again increased its share of the HIS market, increasing from 25% to 26% during the year, gaining share within every major geographic region.

During the year, SPLENDA® Sucralose also continued to capture an increasing share of new product launches containing HIS. Total product launches containing HIS increased by 11% year on year, while those containing SPLENDA® Sucralose increased by 15%. Geographically, the majority of new products launched with SPLENDA® Sucralose were in Japan, Latin America and Europe.

Customer product launches
During the year, there were a number of notable customer product launches, product line extensions and reformulations using SPLENDA® Sucralose. New product launches included Pepsi Max in China; Fanta flavoured beverages in Belgium; Orange Crush in Mexico; Cadbury Beldent Chewing Gum in Argentina; and Colgate Wisp in the USA. After experiencing success in the market, products such as Gatorade G2 and Pillsbury Reduced Sugar Bakery Mixes and Frostings extended their product lines. Hansen's Monster Energy expanded into the European market and is now available in Australia, the Netherlands, UK, France, Belgium, Spain and South Africa. SPLENDA® Sucralose has continued to lead the energy drink market as the preferred sweetener. Private label manufacturers continue to reformulate using SPLENDA® Sucralose, offering products for key retailers such as Kroger, Target, Schwan's, Aldi, Sainsbury's and Wal-Mart.

Financial performance
Total sales volumes increased by 14%, with growth principally in Europe, Latin America and Asia Pacific. Sales revenue increased by 11% to £187 million (4% in constant currency) with volume growth partly offset by lower average selling prices. Average selling prices reduced due to volume-incentive arrangements in long-term customer contracts and a more competitive HIS market. The effect of exchange translation was to increase operating profit by £2 million.

Following the significant yield improvements achieved during the 2009 financial year, and the consequent decision to produce all sucralose at our fourth-generation facility in Singapore, the process of mothballing our sucralose plant in McIntosh, Alabama was completed ahead of expectations, accelerating the benefit of lower-cost production.

Adjusted operating profit reduced by 7% (9% in constant currency) to £67 million. This decrease was driven by one-off credits of around £4 million in the prior year and lower unit margins, reflecting the non-exceptional costs arising from the reorganisation of the sucralose manufacturing footprint, together with the relatively high costs in opening inventory which impacted cost of sales in the 2010 financial year. These impacts were partly mitigated by reduced operating costs from running a single plant during the latter part of the financial year.

Operating margins of 35.8% were below the underlying margins in the high 30% range achieved in the 2009 financial year[6], but ahead of management's expectations due to a degree of customer re-stocking boosting sales volumes during the early part of the year and the accelerated capture of cost benefits from running a single plant during the latter part of the year.

Following the decision to mothball McIntosh, we recognised an exceptional charge in the first half of the 2010 financial year of £55 million representing the anticipated cash costs associated with this decision. Cash costs of £19 million were paid during the 2010 financial year.

Looking forward

We expect our strategy of putting in place long-term customer contracts with volume incentive arrangements to continue to drive sales volume growth at lower average selling prices. We have contracted the vast majority of sales for calendar year 2010, and a majority of sales for calendar year 2011, much of it through multi year agreements.

Having now consumed substantially all of the higher-priced inventory produced within the two plant manufacturing footprint, in the 2011 financial year we will achieve a full year's benefit from concentrating all production at the Singapore plant. As previously stated, we therefore expect operating margins in the 2011 financial year to move back to the high 30% range.

[6] Reported operating margin in the 2009 financial year was 42.6%. After adjusting for one-off credits, including those arising from the final settlement of deferred consideration payable to McNeil, underlying operating margins for the 2009 year were in the high 30% range.

Central costs

Central costs, which include head office, treasury and reinsurance activities, increased by £13 million to £31 million. Costs totalling £5 million arose from the review and reorganisation of the Group's activities performed during the year. The prior year included one-off credits totalling £6 million.

Central costs in the 2011 financial year, excluding any amounts related to the reorganisation of the Group's activities, are expected to be broadly in line with the reported charge for the 2010 financial year.

Energy costs

Energy costs for the year were £193 million (2009 – £208 million), a decrease of 7% (11% in constant currency). The improvement of £25 million in constant currency was due principally to lower prices (£14 million) and efficiency improvements (£11 million). We have covered approximately 65% of our estimated energy needs for the 2011 financial year at prices broadly in line with levels in the 2010 financial year.

Exceptional items from continuing operations

Exceptional items within our continuing operations during the year totalled a net charge of £276 million.

With regard to our plant in Fort Dodge, Iowa, in the last few months we have conducted detailed analyses of the end markets which the plant would supply under our new capital management processes. The continuing depressed and volatile outlook for ethanol, and uncertain conditions in industrial starch and corn gluten feed markets, do not provide any basis to complete and commission the plant.

Changes in feed and energy markets, together with the reconfiguration of technology required following our experience of installing new equipment at our Loudon plant, along with remobilisation costs, would mean that, if we were to complete Fort Dodge, total additional costs would now be in the region of £70 million.

Factoring in the risks associated with future returns from the plant, including the length of time to complete, regulatory uncertainty and a continuation of the current market conditions, we have concluded that the plant is highly unlikely to be completed or commissioned in the foreseeable future. As a result, the facility has been mothballed and written down to £17 million, leading to an impairment of £217 million which has been recognised as an exceptional charge in the 2010 financial year. A further exceptional charge of approximately £25 million will be recognised during the 2011 financial year in respect of long term contracts relating to the facility. We will continue to seek ways to maximise shareholder value from the Fort Dodge plant in these circumstances.

An exceptional gain of £42 million has been recognised in relation to changes announced to the Group Pension Scheme in the United Kingdom. Of the total gain, £32 million relates to a negative past service cost following the removal of the early retirement discretion from November 2009 and £10 million relates to a curtailment gain as a result of the decision to close the scheme to future benefit accrual for employee members from April 2011.

Within our Sucralose division, we have recognised an exceptional charge of £55 million in relation to the decision to mothball the Sucralose manufacturing facilities in McIntosh, Alabama. The charge covers costs connected with redundancy, clean-up activities and ongoing fixed costs, and includes provision for costs to final closure. The cash outflows in the year totalled £19

million and the remaining balance is expected to be spent in the years ending 31 March 2011 and 31 March 2012.

The reorganisation of our food systems business in Europe will lead to exceptional cash costs totalling £7 million, of which £3 million has been recognised in the 2010 financial year, with the balance expected to be recognised in the 2011 financial year.

Within the Food & Industrial Ingredients, Americas segment, following a review of research and development projects in the context of our new strategic focus, we have recognised an exceptional charge of £28 million in relation to a pilot plant and related assets since we no longer intend to pursue these products to full scale production.

The Group has recognised a further impairment charge of £15 million at its sugar refining business in Israel comprising a full write-down of the fixed assets and an inventory impairment following a further decline in the business' commercial prospects.

The tax impact on continuing net exceptional items in the 2010 financial year totalled a £112 million credit (2009 - £44 million credit). Tax credits on exceptional costs are only recognised to the extent that losses incurred will result in tax recoverable in the future. In addition, an exceptional tax credit of £15 million has been recognised in the 2010 financial year in respect of the release of certain tax provisions.

Exceptional items from continuing operations in the 2009 financial year comprised an impairment charge of £97 million in connection with the mothballing of our McIntosh, Alabama sucralose facility; a charge of £24 million in relation to a dispute with a supplier over the performance and suitability of ethanol dehydration equipment; a credit of £11 million representing our share of the £22 million settlement of the NAFTA case against the Mexican government in relation to the sales tax imposed on soft drinks containing imported high fructose corn syrup (HFCS); and an impairment of £9 million following a review of the carrying value of our sugar refinery in Israel.

Costs associated with the reorganisation of the Group's activities

Exceptional costs of £8 million associated with the reorganisation and restructuring of the Group's activities are expected to be recognised in the 2011 financial year, with further exceptional costs expected to be in the region of £13 million the following year. These cash costs are expected subsequently to pay back within two years. Additionally, we are developing a detailed implementation plan for a common, global IS/IT platform, which we anticipate will be implemented over the next 24 months.

Net finance expense

The net finance expense from continuing operations increased from £51 million to £69 million. The exchange impact within interest accounted for an increase of £4 million compared to the prior year. We recognised a charge within interest expense in the current year relating to post-retirement benefit plans of £19 million (2009 - £3 million). Interest capitalised in the year reduced to £2 million from £11 million in the comparative period, reflecting lower levels of capital expenditure and the decision to suspend completion and commissioning of the Fort Dodge, Iowa plant. Underlying net finance expense was below the level of the prior year, reflecting significantly lower levels of average net debt.

Lower levels of average net debt will benefit interest expense in the 2011 financial year, although the mix of debt will cause the average cost of debt to increase over the previous year. We expect net interest charges related to post-retirement benefit plans to be around £6 million in the 2011 financial year.

The effective interest rate in the year on total operations, calculated as net finance expense excluding net financing charges relating to retirement benefits and including capitalised interest, divided by average net debt, was 5.3% (2009 – 5.0%).

Interest cover for total operations, calculated on a bank covenant basis, was 5.8 times (2009 – 6.1 times).

Taxation

The taxation charge from continuing operations before exceptional items and amortisation of acquired intangible assets was £47 million (2009 – £68 million). The effective rate of tax on adjusted profit was 20.4 % (2008 – 27.3%). The decrease was due mainly to changes in the geographical origin of profits, especially lower levels of profits in the US, and the impact of our internal financing plan.

If the mix in the geographical origin of profits in the year to 31 March 2011 is similar to those in the year to 31 March 2010, the tax rate is expected to remain in the low 20% range.

Discontinued operations

Discontinued operations comprise our former International Sugar Trading business and the residual activities in Eastern Sugar. Sales from discontinued operations for the year amounted to £101 million (2009 – £852 million).

The operating loss from discontinued operations totalled £2 million (2009 – £21 million, after exceptional losses of £22 million).

The exceptional losses for the year to 31 March 2009 of £22 million arose from the disposal of our International Sugar Trading business. A small number of minority interests related to the International Sugar Trading business were not included in the sale and are being addressed separately in accordance with the related shareholders' agreements. The process of sale of these minority interests has continued through the 2010 financial year, and is expected to be completed in the 2011 financial year; fair value losses of £10 million have been recognised in the financial year through the consolidated statement of comprehensive income.

The loss from discontinued operations after taxation for the year was £4 million (2009 – £24 million).

Earnings per share

Adjusted diluted earnings per share from continuing operations were 38.9p (2009 – 38.0p), an increase of 2% (decrease of 2% in constant currency). On the same basis, basic earnings per share were higher by 2% (2% lower in constant currency) at 39.1p (2009 – 38.2p).

Total basic earnings per share were 3.3p (2009 – 14.2p), 77% lower than the prior year. Total diluted earnings per share were 3.3p (2009 – 14.1p), down 77% from the prior year.

Dividend

The Board is recommending a maintained final dividend of 16.1p, making a full year dividend of 22.9p per share, in line with the prior year. The proposed final dividend of 16.1p (2009 – 16.1p) will be due and payable on 30 July 2010 to all shareholders on the Register of Members at 25 June 2010. A scrip dividend alternative is being offered.

An interim dividend of 6.8p (2009 – 6.8p) was paid on 8 January 2010. Adjusted earnings dividend cover, based on total operations, was 1.7 times (2009 – 1.7 times) and for continuing operations was

1.7 times (2009 – 1.7 times). The dividend was covered 5.2 times by free cash flow (2009 – 1.5 times).

Cash flow

Operating cash flow from continuing operations increased by 59% to £716 million (2009 – £451 million), driven principally by strong working capital inflows during the 2010 financial year.

Working capital inflows totalled £291 million (2009 – £31 million). The continued reduction in inventory levels generated cash inflows of £113 million (2009 – £113 million), while improvements from receivables and payables generated inflows of £175 million (2009 – £33 million). Margin calls reduced, resulting in an inflow of £35 million (2009 – outflow of £70 million). Net interest paid totalled £59 million (2009 – £56 million). Income tax paid from continuing operations was £38 million (2009 – £17 million), with the lower prior year tax outflow being driven by one-off refunds in both the UK and US. Capital expenditure of £79 million (2009 – £224 million), at around two-thirds of the depreciation charge, reduced significantly from the prior year following the completion of the four year capital expenditure program. In the year ending 31 March 2011, we would expect capital expenditure to be broadly in line with depreciation.

Free cash inflow (representing cash generated from continuing operations less interest, taxation and capital expenditure) totalled £540 million (2009 – inflow of £154 million).

Within discontinued operations, net cash outflows totalled £54 million, including a £26 million repayment of proceeds to Bunge following completion of the sale of International Sugar Trading. The remaining outflows primarily relate to retained counterparty positions that were not included in the sale to Bunge.

During the year, the Group paid around £21 million to acquire a further 15% in G.C. Hahn & Co (‘Hahn’), following the exercise of an option by Hahn Familien GmbH, the former owner of Hahn, set out in the original acquisition agreement, requiring Tate & Lyle to acquire this shareholding. Tate & Lyle acquired 80% of the issued share capital of Hahn on 15 June 2007. The option consideration paid for the 15% was fixed under the terms of the original acquisition agreement, and is equivalent pro rata to the value paid for the 80% stake. The acquisition agreement allows for Tate & Lyle to acquire the remaining 5% of the issued share capital of Hahn prior to 1 January 2020 through put and call options.

Equity dividends paid in cash were £103 million (2009 – £104 million). In total, we paid a net of £162 million (2009 – £160 million) to providers of finance in the form of dividends and interest. We recognised a net inflow of £2 million relating to employee share option exercises during the year (2009 – £3 million), and a net outflow of £6 million from repurchase of our own shares by the Employee Share Ownership Trust (2009 – £nil).

Net cash generated (defined as cash from operating activities, investing activities and share issues, less shares repurchased and dividends) amounted to £347 million (2009 – £245 million).

Net debt

Net debt reduced from £1,231 million at 31 March 2009 to £814 million at 31 March 2010, primarily due to significant working capital inflows and lower levels of capital expenditure. The effects of exchange provided a benefit of £79 million. The Group’s debt is primarily denominated in US dollars and euros to match the underlying currencies of the operational cash flows and net assets and, therefore, as sterling has strengthened against the US dollar and the euro during the year, net debt reported in sterling has reduced.

During the year, net debt peaked at £1,247 million in April 2009 (2009 – peak of £1,530 million in December 2008). The average net debt was £1,020 million, a reduction of £210 million from £1,230 million in the prior year.

Net assets

Net assets at 31 March 2010 were £854 million (2009 – £1,013 million). This decrease was driven by retained profits of £19 million, cash flow hedge gains of £24 million and deferred tax on components of other comprehensive income of £25 million, offset by post-retirement benefit actuarial losses of £104 million, exchange effects (net of hedging effects) of £10 million, losses on available for sale investments of £10 million and dividends (including minority interest dividends) of £107 million. Net current assets were £119 million higher at £631 million.

Post-retirement benefits

We maintain pension plans for our employees in a number of countries. Some of these arrangements are defined benefit pension schemes. In the US, we also provide medical and life assurance benefits as part of the retirement package. At 31 March 2010, there was a net deficit in respect of these arrangements of £257 million (2009 – £211 million). The increase in the deficit was driven by an increase in benefit obligations of £243 million, offset by an increase in assets of £197 million.

The service charge in the forthcoming 2011 financial year is forecast to remain broadly in line with the charge of £11 million recognised in the 2010 financial year, whilst the net finance expense is expected to decrease from £19 million to around £6 million.

Shareholders' equity

During the year, 0.5 million scrip dividend shares were issued and 0.8 million shares were released from treasury for a total consideration of £2 million. At 31 March 2010, there were 460.6 million shares in issue of which 0.5 million were held in treasury.

CONSOLIDATED INCOME STATEMENT

	Notes	Year to 31 March 2010 £m	Year to 31 March 2009 £m
Continuing operations			
Sales	3	**3 506**	3 553
Operating profit	3	**8**	164
Finance income	5	**5**	10
Finance expense	5	**(74)**	(61)
(Loss)/profit before tax		**(61)**	113
Income tax credit/(expense)	6	**84**	(19)
Profit for the year from continuing operations		**23**	94
Loss for the year from discontinued operations	9	**(4)**	(24)
Profit for the year		**19**	70
Profit for the year attributable to:			
Equity holders of the Company		**15**	65
Minority interests		**4**	5
		19	70
Earnings per share attributable to the equity holders of the Company from continuing and discontinued operations	7	**Pence**	Pence
– Basic		**3.3**	14.2
– Diluted		**3.3**	14.1
Earnings per share attributable to the equity holders of the Company from continuing operations	7		
– Basic		**4.2**	19.5
– Diluted		**4.2**	19.4
Dividends per share	8		
– Interim paid		**6.8**	6.8
– Final proposed		**16.1**	16.1
		22.9	22.9

Analysis of adjusted profit before tax from continuing operations		**£m**	£m
(Loss)/profit before tax		**(61)**	113
Add back:			
Exceptional items	4	**276**	119
Amortisation of acquired intangible assets		**14**	15
Adjusted profit before tax, exceptional items and amortisation of acquired intangible assets		**229**	247

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year to 31 March 2010 £m	Year to 31 March 2009 £m
Profit for the year	**19**	70
Other comprehensive income ('OCI'):		
Actuarial losses relating to retirement benefit plans	**(104)**	(71)
Net gains/(losses) on cash flow hedges	**24**	(34)
Valuation (losses)/gains on available-for-sale financial assets	**(10)**	24
Exchange differences	**(10)**	139
Deferred tax relating to the above components of OCI	**25**	40
Other comprehensive (expense)/income for the year	**(75)**	98
Total comprehensive (expense)/income for the year	**(56)**	168
Attributable to:		
Equity holders of the Company	**(59)**	157
Minority interests	**3**	11
	(56)	168

TATE & LYLE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 March 2010 £m**	31 March 2009 £m
ASSETS			
Non-current assets			
Goodwill and intangible assets		**340**	374
Property, plant and equipment		**1 208**	1 548
Investments in associates		**7**	8
Available-for-sale financial assets		**14**	11
Derivative financial instruments		**49**	47
Deferred tax assets		**143**	30
Trade and other receivables		**2**	5
Retirement benefit surplus		**16**	47
		1 779	2 070
Current assets			
Inventories		**409**	538
Trade and other receivables		**424**	723
Current tax assets		**4**	6
Derivative financial instruments		**150**	200
Cash and cash equivalents	10	**504**	434
Assets held for sale		**18**	28
		1 509	1 929
TOTAL ASSETS		**3 288**	3 999
SHAREHOLDERS' EQUITY			
Capital and reserves attributable to the equity holders of the Company:			
Ordinary share capital		**115**	115
Share premium		**405**	404
Capital redemption reserve		**8**	8
Other reserves		**220**	219
Retained earnings		**79**	241
		827	987
Minority interests		**27**	26
TOTAL SHAREHOLDERS' EQUITY		**854**	1 013
LIABILITIES			
Non-current liabilities			
Trade and other payables		**1**	11
Borrowings	10	**1 119**	1 129
Derivative financial instruments		**67**	72
Deferred tax liabilities		**59**	78
Retirement benefit obligations		**273**	258
Provisions for other liabilities and charges		**37**	21
		1 556	1 569
Current liabilities			
Trade and other payables		**485**	538
Current tax liabilities		**52**	77
Borrowings and bank overdrafts	10	**190**	523
Derivative financial instruments		**125**	268
Provisions for other liabilities and charges		**26**	11
		878	1 417
TOTAL LIABILITIES		**2 434**	2 986
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3 288**	3 999

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	**Year to 31 March 2010 £m**	Year to 31 March 2009 £m
Cash flows from operating activities			
(Loss)/profit before tax from continuing operations		**(61)**	113
Adjustments for:			
Depreciation of property, plant and equipment		**116**	112
Exceptional items	4	**276**	119
Amortisation of intangible assets		**20**	20
Share-based payments		**5**	5
Finance income	5	**(5)**	(10)
Finance expense	5	**74**	61
Change in working capital		**291**	31
Cash generated from continuing operations		**716**	451
Interest paid		**(62)**	(73)
Income tax paid		**(38)**	(17)
Cash (used in)/generated from discontinued operations	9	**(29)**	140
Net cash generated from operating activities		**587**	501
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		**–**	5
Purchase of available-for-sale financial assets		**(3)**	(6)
Proceeds on disposal of available-for-sale financial assets		**–**	9
Interest received		**3**	17
Acquisitions of subsidiaries, net of cash and cash equivalents acquired		**(21)**	(1)
Disposals of subsidiaries, net of cash and cash equivalents disposed		**–**	(4)
Disposal of businesses		**(26)**	57
Purchase of property, plant and equipment		**(79)**	(224)
Purchase of other intangible assets		**(5)**	(7)
Net cash used in investing activities		**(131)**	(154)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**2**	3
Purchase of ordinary shares		**(6)**	–
Cash inflow from additional borrowings		**198**	1
Cash outflow from repayment of borrowings		**(462)**	(14)
Cash outflow from repayment of capital element of finance leases		**(3)**	(3)
Dividends paid to the Company's equity holders		**(103)**	(104)
Dividends paid to minority interests		**(2)**	(1)
Net cash used in financing activities		**(376)**	(118)
Net increase in cash and cash equivalents	10	**80**	229
Cash and cash equivalents:			
Balance at beginning of year		**434**	165
Effect of changes in foreign exchange rates		**(10)**	40
Net increase in cash and cash equivalents		**80**	229
Balance at end of year	10	**504**	434

TATE & LYLE PLC

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital and premium	Capital redemption reserve	Other reserves	Retained earnings	Attributable to the equity holders of the Company	Minority interests	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance at 31 March 2008	518	8	91	317	934	16	950
Other comprehensive income/(expense) for the year	–	–	132	(40)	92	6	98
Profit for the year	–	–	–	65	65	5	70
Share-based payments charge, including tax	–	–	–	1	1	–	1
Proceeds from shares issued	1	–	–	2	3	–	3
Items transferred to income on disposal	–	–	(4)	–	(4)	–	(4)
Dividends paid	–	–	–	(104)	(104)	(1)	(105)
Balance at 31 March 2009	519	8	219	241	987	26	1 013
Other comprehensive income/(expense) for the year	**–**	**–**	**1**	**(75)**	**(74)**	**(1)**	**(75)**
Profit for the year	**–**	**–**	**–**	**15**	**15**	**4**	**19**
Share-based payments charge, including tax	**–**	**–**	**–**	**6**	**6**	**–**	**6**
Share purchase	**–**	**–**	**–**	**(6)**	**(6)**	**–**	**(6)**
Proceeds from shares issued	**1**	**–**	**–**	**1**	**2**	**–**	**2**
Dividends paid	**–**	**–**	**–**	**(105)**	**(105)**	**(2)**	**(107)**
Issue of share capital for scrip dividend	**–**	**–**	**–**	**2**	**2**	**–**	**2**
Balance at 31 March 2010	**520**	**8**	**220**	**79**	**827**	**27**	**854**

NOTES TO THE FINANCIAL INFORMATION

For the Year to 31 March 2010

1. Basis of preparation

The full year results for the year to 31 March 2010 have been extracted from audited consolidated financial statements which have not yet been delivered to the Registrar of Companies. The financial information in this announcement does not constitute the Group's Annual Report and Accounts. The auditors have reported on the Group's financial statements for the year to 31 March 2010. The report was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

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

2. Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the condensed set of consolidated financial information are consistent with those of the Group's Annual Report and Accounts 2009, other than the adoption, with effect from 1 April 2009, of new or revised accounting standards, as set out below.

IFRS 8 *Operating Segments* replaces IAS 14 *Segment Reporting*. IFRS 8 takes the management view to determine the operating and reportable segments, rather than the risks and reward model and the primary and secondary segments required by IAS 14. The impact of adopting IFRS 8 is stated in Note 3.

IAS 1 (revised) *Presentation of Financial Statements* introduces some terminology changes and changes in presentation and disclosure, in particular, the introduction of the consolidated statement of changes in shareholders' equity as a primary statement. Under IAS 1 (revised), the Group has elected to present two income statements, a consolidated income statement and a consolidated statement of comprehensive income. In addition, in accordance with IAS 1 (revised), the Group has re-presented the following comparative information to conform with current year presentation. Finance income and finance expense in the income statement for the year ended 31 March 2009 have been re-presented to disclose £17 million of the receipts and payments under interest rate swaps net, as opposed to gross, so as to reflect the economic substance of the underlying derivatives. The associated cash flows have also been re-presented. The Group has also re-presented certain held for trading derivatives in the statement of financial position, from current assets or liabilities to non-current assets or liabilities based upon contractual maturity date. £13 million of assets and £15 million of liabilities have been re-presented. There is no overall effect on the Group's profit for the year, equity or net increase in cash and cash equivalents from these re-presentations.

Amendment to IFRS 7 *Financial Instruments: Disclosures* introduces disclosures about financial instruments in the Group's financial statements.

The following standards are effective for the Group's accounting period beginning on 1 April 2009 and where relevant have been adopted in this financial information. They have not had a material impact on the results or financial position of the Group:

- *IFRIC 13 Customer Loyalty Programmes*
- *IFRIC 15 Agreements for the Construction of Real Estate*
- *IFRIC 16 Hedges of a Net Investment in a Foreign Operation*
- *Amendment to IFRS 2 Share-based Payment – Vesting conditions and cancellations*
- *Revised IAS 23 Borrowing Costs*
- *Amendment to IAS 27 Consolidated and Separate Financial Statements – Cost of an investment in a subsidiary, jointly controlled entity or associate*
- *Amendment to IAS 32 Financial Instruments: Presentation and Disclosure and IAS1 Presentation of Financial Statements on Puttable financial instruments and obligations arising on liquidation*
- *IASB's 2009 annual improvements project*

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

3. Segment information

From 1 April 2009, the Group has adopted IFRS 8 *Operating Segments*. The Group has identified the Chief Operating Decision Maker 'CODM' as the Board of Directors, as key decisions on assessing performance and allocation of resources are reviewed by the Board or its sub-committees. Under IFRS 8, there has been no change to the Group's reportable segments. Central costs, which include head office, treasury and reinsurance activities, do not meet the operating segment definition under IFRS 8 but has been disclosed as a reportable segment in the results below to be consistent with internal management reporting.

Discontinued operations comprise International Sugar Trading and Eastern Sugar (see Note 9).

The segment results for the year to 31 March 2010 are as follows:

	Continuing operations							
	Food & Industrial Ingredients, Americas	Food & Industrial Ingredients, Europe	Sugars	Sucralose	Central costs	Total	Discontinued operations (Note 9)	Total operations
	£m	£m	£m	£m	£m	£m	£m	£m
Sales								
Total sales	1 866	493	973	187	–	3 519	135	3 654
Inter-segment sales	(11)	(2)	–	–	–	(13)	(34)	(47)
External sales (note a)	1 855	491	973	187	–	3 506	101	3 607
Operating profit/(loss)								
Before exceptional items and amortisation of acquired intangible assets	178	54	30	67	(31)	298	(2)	296
Exceptional items (Note 4)	(245)	(3)	22	(55)	5	(276)	–	(276)
Amortisation of acquired intangible assets	(3)	(8)	–	(3)	–	(14)	–	(14)
Operating (loss)/profit	(70)	43	52	9	(26)	8	(2)	6
Net finance expense						(69)	(2)	(71)
Loss before tax						(61)	(4)	(65)

(a) One external customer (2009 – none) contributed more than 10% of the Group's continuing external sales for the year ended 31 March 2010. The external sales for this customer are £354 million which has been recorded across all the reportable segments, excluding central costs.

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

3. Segment information (continued)

The segment results for the year to 31 March 2009 are as follows:

	Continuing operations							
	Food & Industrial Ingredients, Americas £m	Food & Industrial Ingredients, Europe £m	Sugars £m	Sucralose £m	Central costs £m	Total £m	Discontinued operations (Note 9) £m	Total operations £m
Sales								
Total sales	1 810	541	1 053	169	–	3 573	874	4 447
Inter-segment sales	(13)	(2)	(5)	–	–	(20)	(22)	(42)
External sales	1 797	539	1 048	169	–	3 553	852	4 405
Operating profit/(loss)								
Before exceptional items and amortisation of acquired intangible assets	181	51	12	72	(18)	298	1	299
Exceptional items (Note 4)	(13)	–	(9)	(97)	–	(119)	(22)	(141)
Amortisation of acquired intangible assets	(3)	(8)	–	(4)	–	(15)	–	(15)
Operating profit/(loss)	165	43	3	(29)	(18)	164	(21)	143
Net finance expense						(51)	(2)	(53)
Profit/(loss) before tax						113	(23)	90

NOTES TO FINANCIAL INFORMATION

For the Year to 31 March 2010 (continued)

4. Exceptional items

Exceptional items are as follows:

	Year to 31 March 2010 £m	Year to 31 March 2009 £m
Continuing operations		
UK Group Pension Scheme changes (a)	**42**	–
Closure and restructuring costs (b)	**(58)**	–
Write-down of assets (c)	**(28)**	(24)
Impairment charges (d)	**(232)**	(106)
Settlement with Mexican government (e)	**–**	11
	(276)	(119)
Discontinued operations		
Loss on disposal - International Sugar Trading (f)	–	(22)
	–	(22)

(a) The Group has recognised an exceptional gain of £42 million in relation to changes announced to the Group Pension Scheme in the United Kingdom. Of the total gain, £32 million relates to negative past service costs following the removal of the discretionary early retirement benefit from November 2009 and £10 million relates to a curtailment gain as a result of the closure of the scheme to future benefit accrual for employee members from 6 April 2011. This exceptional item relates to the Sugars and Central Costs segments.

(b) The Group has recognised an exceptional charge in relation to the decision to mothball the Sucralose manufacturing facilities in McIntosh, Alabama. In the year to 31 March 2010 the charge totalled £55 million and covers costs connected with redundancy, clean-up activities and ongoing fixed costs, and includes provision for costs to final closure. The cash outflows in the year totalled £19 million and the remaining balance is forecast to be spent in the years ending 31 March 2011 and 31 March 2012. This exceptional item relates to the Sucralose segment. Additionally, the Group has recognised £3 million of closure and other restructuring costs relating to the Food Systems business within the Foods & Industrial Ingredients, Europe segment.

(c) Following a review of its portfolio of research and development projects in the context of the new strategic focus, the Group has written off £28 million in relation to assets from which it does not expect to receive a commercial benefit. Of the £28 million, £20 million had previously been reported within property, plant and equipment, £6 million within intangible assets and £2 million within prepayments. These assets relate to operations reported in the Food & Industrial Ingredients, Americas segment.

In the year ended 31 March 2009, the Group wrote off £24 million in relation to a dispute with a supplier over the performance and suitability of certain equipment. Of the £24 million, £6 million had previously been reported within property, plant and equipment and £18 million within prepayments. This exceptional loss related to operations reported in the Food & Industrial Ingredients, Americas segment.

(d) Following a detailed analysis of end markets, in light of costs of around £70 million to complete and commission the plant in Fort Dodge, and factoring in the risks associated with future returns from operating the plant, the Group has concluded that the plant is highly unlikely to be completed or commissioned in the foreseeable future. As a result, the facility has been mothballed and an impairment charge of £217 million has been reflected in the year. Of the £217 million charge, £209 million relates to assets previously held in assets under construction and £8 million relates to prepayments. This exceptional item relates to the Food & Industrial Ingredients, Americas segment.

The Group has also recognised an impairment charge of £15 million at its sugar refining business in Israel comprising a full write-down of the fixed assets (£11 million) and an inventory impairment (£4 million). This impairment charge reflects future decline in the commercial prospects in Israel and is in addition to the impairment charge of £9 million recognised in the year ended 31 March 2009. The sugar refining business in Israel is reported in the Sugars segment.

In the year ended 31 March 2009, the decision to mothball the McIntosh plant resulted in an impairment charge of £97 million being recognised. This impairment charge is recognised in the Sucralose segment.

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

4. Exceptional items (continued)

(e) In the year ended 31 March 2009, as a result of a settlement of a dispute with the Mexican government over tax on soft drinks containing HFCS, Almidones Mexicanos SA, the Group's joint venture in Mexico, received £22 million, of which the Group's share is £11 million, as compensation for the lost revenue. The business is reported in the Food & Industrial Ingredients, Americas segment.

(f) In the year ended 31 March 2009 the Group recorded a loss of £22 million in relation to its Sugar Trading business. The loss is net of a gain of £4 million arising from the disposal of an available-for-sale investment held in connection with the business. The business was previously reported in the Sugars segment.

The tax impact on continuing net exceptional items is a £112 million credit (2009 – £44 million). There was no tax effect on the exceptional item from discontinued operations in the year to 31 March 2009. Tax credits on exceptional costs are only recognised to the extent that losses incurred will result in tax recoverable in the future. In addition, there are exceptional tax items of £15 million in respect of the release of various tax provisions following settlement of outstanding issues around the Group.

5. Finance income and finance expense

Continuing	**Year to 31 March 2010 £m**	Year to 31 March 2009 £m
Finance income		
Interest receivable	**5**	10
Total finance income	**5**	10
Finance expense		
Interest payable on bank borrowings	**(4)**	(15)
Interest payable on other borrowings	**(49)**	(38)
Net finance expense arising on defined benefit retirement schemes:		
– interest cost	**(76)**	(79)
– expected return on plan assets	**57**	76
Finance lease charges	**(2)**	(3)
Unwinding of discounts in provisions	**–**	(1)
Fair value (losses)/gains on interest-related derivative instruments:		
– interest rate swaps – fair value hedges	**(2)**	30
– derivatives not designated as hedges	**(1)**	1
Fair value adjustment of borrowings attributable to interest rate risk	**3**	(32)
Total finance expense	**(74)**	(61)
Net finance expense	**(69)**	(51)

Finance expense is shown net of borrowing costs capitalised into the cost of assets of £2 million (2009 – £11 million) at a capitalisation rate of 5.0% (2009 – 5.0%).

Interest payable on other borrowings includes £0.2 million (2009 – £0.2 million) of dividends in respect of the Group's 6.5% cumulative preference shares.

The comparative information has been re-presented as set out in Note 2.

Discontinued
Included within the loss for the year in relation to discontinued operations (Note 9) is net finance expense of £2 million (2009 – £2 million).

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

6. Income tax expense

Continuing	Year to 31 March 2010 £m	Year to 31 March 2009 £m
Current tax:		
In respect of the current year		
– UK	1	–
– Overseas	40	70
Adjustments in respect of previous years	(2)	(14)
Exceptional tax credit	(15)	–
	24	56
Deferred tax credit	(108)	(37)
Income tax (credit)/expense	(84)	19

The income tax credit relating to continuing operations in the year to 31 March 2010 of £84 million (2009 – expense of £19 million) includes a credit of £112 million in respect of exceptional items (2009 – £44 million).

The exceptional tax credit of £15 million represents releases of various tax provisions following settlement of outstanding issues around the Group.

The effective tax rate for the year, calculated on the basis of the total income tax credit relating to continuing operations as a proportion of loss before tax, is 137.7% (2009 – income tax expense on profit before tax of 16.8%). This compares with the standard rate of corporation tax in the United Kingdom of 28% (2009 – 28%).

Discontinued

The income tax expense in respect of discontinued operations (Note 9) in the year to 31 March 2010 is £nil million (2009 – £1 million).

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

7. Earnings per share

Basic

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

	Year to 31 March 2010			Year to 31 March 2009		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to equity holders of the Company (£m)	**19**	**(4)**	**15**	89	(24)	65
Weighted average number of ordinary shares in issue (millions)	**457.0**	**457.0**	**457.0**	456.5	456.5	456.5
Basic earnings/(loss) per share	**4.2p**	**(0.9)p**	**3.3p**	19.5p	(5.3)p	14.2p

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares. Potential dilutive ordinary shares arise from share options. For these, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options.

	Year to 31 March 2010			Year to 31 March 2009		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to equity holders of the Company (£m)	**19**	**(4)**	**15**	89	(24)	65
Weighted average number of diluted shares in issue (millions)	**459.3**	**459.3**	**459.3**	459.8	459.8	459.8
Diluted earnings/(loss) per share	**4.2p**	**(0.9)p**	**3.3p**	19.4p	(5.3)p	14.1p

The adjustment for the dilutive effect of share options at 31 March 2010 was 2.3 million shares (2009 – 3.3 million shares).

Adjusted earnings per share

Adjusted earnings per share is stated excluding exceptional items and amortisation of acquired intangible assets as follows:

Continuing operations	**Year to 31 March 2010**	Year to 31 March 2009
Profit attributable to equity holders of the Company (£m)	**19**	89
Adjustments for:		
– exceptional items (Note 4)	**276**	119
– amortisation of acquired intangible assets	**14**	15
– tax effect of the above adjustments	**(116)**	(49)
– exceptional tax credit (Note 6)	**(15)**	–
Adjusted profit (£m)	**178**	174
Adjusted basic earnings per share from continuing operations	**39.1p**	38.2p
Adjusted diluted earnings per share from continuing operations	**38.9p**	38.0p

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

8. Dividends

	Year to 31 March 2010	Year to 31 March 2009
Dividends paid on ordinary equity shares (£m):		
– final paid relating to prior year	**74**	73
− interim paid relating to current year	**31**	31
Total dividend paid (£m)	**105**	104
Satisfied by:		
– cash (£m)	**103**	104
– scrip dividends (£m) (note a)	**2**	–
	105	104
The total ordinary dividend is 22.9p (2009 − 22.9p) made up as follows:		
− interim dividend paid	**6.8p**	6.8p
− final dividend proposed (note b)	**16.1p**	16.1p
	22.9p	22.9p

(a) The interim dividend paid during the year ended 31 March 2010 was the first to be paid to shareholders with the option to receive dividends as a scrip issue.

(b) The final dividend proposed for the year, which has not been recognised as a liability, will be paid on 30 July 2010 to shareholders who are on the Register of Members on 25 June 2010, subject to approval by shareholders at the Company's Annual General Meeting.

9. Discontinued operations

As previously reported, during the year ended 31 March 2009, the Group reached an agreement for the sale of its International Sugar Trading operations to Bunge Limited. Accordingly, the results of the International Sugar Trading operations are presented as discontinued operations for the years to 31 March 2010 and 31 March 2009. Under the terms of the sale agreement, the Group managed the working capital of the business until 31 March 2009, when the balances were assumed by Bunge.

Following an extensive review of the impact of the new EU Sugar Regime, the Group's Eastern Sugar joint venture ceased processing beets by March 2007 and renounced its Sugar quota in Hungary, Czech Republic and Slovakia in return for Restructuring Aid. Accordingly, the results for Eastern Sugar are presented as discontinued operations for the years ended 31 March 2010 and 31 March 2009.

The results of International Sugar Trading and Eastern Sugar were both reported in the Sugars segment.

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

9. Discontinued operations (continued)

	Year to 31 March 2010		
	Sugar Trading £m	**Eastern Sugar £m**	**Total £m**
Sales	**101**	**–**	**101**
Operating (loss)/profit	**(3)**	**1**	**(2)**
Finance income	**1**	**–**	**1**
Finance expense	**(3)**	**–**	**(3)**
(Loss)/profit before and after tax	**(5)**	**1**	**(4)**

	Year to 31 March 2009		
	Sugar Trading £m	Eastern Sugar £m	Total £m
Sales	852	–	852
Operating (loss)/profit before exceptional items	(1)	2	1
Exceptional items (Note 4)	(22)	–	(22)
Operating (loss)/profit	(23)	2	(21)
Finance income	4	2	6
Finance expense	(8)	–	(8)
(Loss)/profit before tax	(27)	4	(23)
Income tax expense (Note 6)	–	(1)	(1)
(Loss)/profit for the year	(27)	3	(24)

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

9. Discontinued operations (continued)

Net cash flows from discontinued operations are as follows:

	Year to 31 March 2010		
	Sugar Trading £m	**Eastern Sugar £m**	**Total £m**
Net cash used in operating activities	**(25)**	**(4)**	**(29)**
Net cash used in investing activities	**(25)**	**–**	**(25)**

	Year to 31 March 2009		
	Sugar Trading £m	Eastern Sugar £m	Total £m
Net cash generated from operating activities	87	53	140
Net cash generated from investing activities	62	4	66

There were no cash flows used in or generated from financing activities in relation to discontinued operations in the years to 31 March 2010 and 2009.

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

10. Net debt

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

	31 March 2010 £m	31 March 2009 £m
Non-current borrowings	**(1 119)**	(1 129)
Current borrowings and overdrafts (note a)	**(190)**	(523)
Debt-related derivative instruments (note b)	**(9)**	(13)
Cash and cash equivalents	**504**	434
Net debt	**(814)**	(1 231)

(a) Current borrowings and overdrafts at 31 March 2010 does not include any amounts in respect of securitised receivables (2009 – £98 million).

(b) Derivative financial instruments presented within assets and liabilities in the statement of financial position of £7 million net asset comprise net debt-related instruments of £9 million liability and net non debt-related instruments of £16 million asset (2009 – £93 million net liability comprising net debt-related instruments of £13 million liability and net non debt-related instruments of £80 million liability).

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

	Year to 31 March 2010 £m	Year to 31 March 2009 £m
Balance at 1 April	**(1 231)**	(1 041)
Increase in cash and cash equivalents in the year	**80**	229
Cash outflow from net decrease in borrowings	**267**	16
Debt transferred on disposal of subsidiaries	**–**	8
Inception of finance leases	**–**	(1)
Trade finance recognised as debt	**(16)**	(55)
Fair value and other movements	**7**	(9)
Exchange differences	**79**	(378)
Decrease/(increase) in net debt in the year	**417**	(190)
Balance at 31 March	**(814)**	(1 231)

NOTES TO FINANCIAL INFORMATION

For the Year to 31 March 2010 (continued)

11. Acquisitions and Disposals

Acquisitions

During the year ended 31 March 2008, the Group acquired 80% of the issued share capital of G.C. Hahn & Co. (Hahn) from Georg Hahn Familien GmbH. As the Group effectively bears all the risks and rewards for 100% of this business, no minority interest is recognised in the Group's financial statements.

The acquisition agreement allowed for the Group to acquire the remaining 20% of the issued share capital of Hahn prior to 1 January 2020 through put and call options. During the year to 31 March 2010 a put option was exercised for 75% of the remaining 20% for a total consideration of £21 million which was paid by the Group on 31 March 2010. The Group can acquire the remaining 5% of the issued share capital of Hahn prior to 1 January 2020 through put and call options. At 31 March 2010 deferred consideration of £7 million is recognised in trade and other payables.

In the year ended 31 March 2009, the Group paid £1 million of deferred consideration relating to the acquisition of Tate & Lyle South Africa in the year ended 31 March 2005. The payment represented an adjustment to the purchase price and was recognised as an addition to goodwill in the year.

Disposals

International Sugar Trading

In the year to 31 March 2009, the Group disposed of its International Sugar Trading business to Bunge Limited (Bunge) for total consideration, net of disposal costs of £57 million. Following agreement of completion adjustments, the Group repaid £26 million to Bunge during the year to 31 March 2010. A summary of the disposal is provided below:

	Year to 31 March 2010	Year to 31 March 2009
	£m	£m
Total consideration, net of costs	**(26)**	57
Net assets disposed	**–**	(14)
Trade and other payables repaid/(assumed)	**26**	(43)
Other items, including risk transfer payments and fair value adjustments	**–**	(22)
Loss on disposal	**–**	(22)
Cash flows:		
Cash consideration, net of costs	**(26)**	57
Cash (used in)/generated from disposals	**(26)**	57

A number of minority interests relating to the International Sugar Trading business were not included in the initial sale and are being addressed separately in accordance with the relevant shareholders' agreements. The Group anticipates completion of disposal of these minority interests in the year to 31 March 2011. These minority interests are classified as current assets held for sale in the statement of financial position and are stated at £18 million as at 31 March 2010 (2009 – £28 million).

Other disposals

In the year to 31 March 2009, the Group disposed of its shareholding in Orsan UK Ltd, the holding company of its Chinese monosodium glutamate business. Total consideration, net of provisioning and disposal costs was £1 million and the profit on disposal was £2 million. The cash impact of the disposal was an outflow of £4 million.

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

12. Capital expenditure

In the year to 31 March 2010, there were additions to intangible assets of £7 million (31 March 2009 – £7 million) and additions to property, plant and equipment of £82 million (31 March 2009 – £229 million). There were £15 million of disposals of property, plant and equipment during the year (2009 – £nil million).

	31 March 2010 £m	31 March 2009 £m
Commitments for the acquisition of property, plant and equipment	**8**	29

13. Post balance sheet events

As a result of the decision being made to mothball the Fort Dodge plant, a further exceptional charge of approximately £25 million will be recognised during the 2011 financial year in respect of onerous contracts relating to the facility.

14. Foreign exchange rates

The following exchange rates have been applied in the translation of the financial statements of the Group's principal overseas operations**:**

Average exchange rates		**Year to 31 March 2010**	Year to 31 March 2009
US dollar	£1 = $	**1.61**	1.80
Euro	£1 = €	**1.13**	1.19

Year end exchange rates		**31 March 2010**	31 March 2009
US dollar	£1 = $	**1.52**	1.43
Euro	£1 = €	**1.12**	1.08

NOTES TO FINANCIAL INFORMATION
For the Year to 31 March 2010 (continued)

15. Reconciliation to adjusted information

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

– discontinued operations;
– exceptional items including profits/losses on disposals of businesses, impairments and closure and restructuring provisions; and
– amortisation of acquired intangibles.

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

	Year to 31 March 2010			Year to 31 March 2009		
	Reported £m	**Exceptional/ Amortisation £m**	**Adjusted £m**	Reported £m	Exceptional/ Amortisation £m	Adjusted £m
Continuing operations						
Sales	**3 506**	**–**	**3 506**	3 553	–	3 553
Operating profit	**8**	**290**	**298**	164	134	298
Net finance expense	**(69)**	**–**	**(69)**	(51)	–	(51)
(Loss)/profit before tax	**(61)**	**290**	**229**	113	134	247
Income tax credit/(expense)	**84**	**(131)**	**(47)**	(19)	(49)	(68)
Minority interests	**(4)**	**–**	**(4)**	(5)	–	(5)
Profit attributable to equity holders of the Company	**19**	**159**	**178**	89	85	174
Basic earnings per share (pence)	**4.2**	**34.9**	**39.1**	19.5	18.7	38.2
Diluted earnings per share (pence)	**4.2**	**34.7**	**38.9**	19.4	18.6	38.0
Tax rate	**137.7%**		**20.4%**	16.8%		27.3%
Discontinued operations						
Sales	**101**	**–**	**101**	852	–	852
Operating (loss)/profit	**(2)**	**–**	**(2)**	(21)	22	1
Net finance expense	**(2)**	**–**	**(2)**	(2)	–	(2)
Loss before tax	**(4)**	**–**	**(4)**	(23)	22	(1)
Income tax expense	**–**	**–**	**–**	(1)	–	(1)
Loss attributable to equity holders of the Company	**(4)**	**–**	**(4)**	(24)	22	(2)
Basic loss per share (pence)	**(0.9)**	**–**	**(0.9)**	(5.3)	4.9	(0.4)
Diluted loss per share (pence)	**(0.9)**	**–**	**(0.9)**	(5.3)	4.8	(0.5)
Tax rate	**–**		**–**	(3.8)%		(75.0)%
Total operations						
Sales	**3 607**	**–**	**3 607**	4 405	–	4 405
Operating profit	**6**	**290**	**296**	143	156	299
Net finance expense	**(71)**	**–**	**(71)**	(53)	–	(53)
(Loss)/profit before tax	**(65)**	**290**	**225**	90	156	246
Income tax credit/(expense)	**84**	**(131)**	**(47)**	(20)	(49)	(69)
Minority interests	**(4)**	**–**	**(4)**	(5)	–	(5)
Profit attributable to equity holders of the Company	**15**	**159**	**174**	65	107	172
Basic earnings per share (pence)	**3.3**	**34.9**	**38.2**	14.2	23.6	37.8
Diluted earnings per share (pence)	**3.3**	**34.7**	**38.0**	14.1	23.4	37.5
Tax rate	**129.2%**		**20.9%**	22.2%		27.8%

ADDITIONAL INFORMATION
For the Year to 31 March 2010

1. Adjusted operating profit margin analysis

	Year to 31 March 2010			Year to 31 March 2009		
	Primary £m	**Value added £m**	**Total £m**	Primary £m	Value added £m	Total £m
Sales						
Food & Industrial Ingredients, Americas						
– Food	**982**	**382**	**1 364**	878	369	1 247
– Industrial	**327**	**164**	**491**	393	157	550
	1 309	**546**	**1 855**	1 271	526	1 797
Food & Industrial Ingredients, Europe						
– Food	**133**	**225**	**358**	170	206	376
– Industrial	**133**	**–**	**133**	163	–	163
	266	**225**	**491**	333	206	539
Sugars						
– Products	**673**	**72**	**745**	711	68	779
– Molasses	**228**	**–**	**228**	269	–	269
	901	**72**	**973**	980	68	1 048
Sucralose	**–**	**187**	**187**	–	169	169
Total	**2 476**	**1 030**	**3 506**	2 584	969	3 553
Operating profit						
Food & Industrial Ingredients, Americas						
– Food	**85**	**98**	**183**	95	83	178
– Industrial	**(8)**	**3**	**(5)**	3	–	3
	77	**101**	**178**	98	83	181
Food & Industrial Ingredients, Europe						
– Food	**24**	**33**	**57**	27	24	51
– Industrial	**(3)**	**–**	**(3)**	–	–	–
	21	**33**	**54**	27	24	51
Sugars						
– Products	**14**	**3**	**17**	(11)	5	(6)
– Molasses	**13**	**–**	**13**	18	–	18
	27	**3**	**30**	7	5	12
Sucralose	**–**	**67**	**67**	–	72	72
Total	**125**	**204**	**329**	132	184	316
Central costs			**(31)**			(18)
Adjusted operating profit			**298**			298
Operating margin						
Food & Industrial Ingredients, Americas						
– Food	**8.7%**	**25.7%**	**13.4%**	10.8%	22.5%	14.3%
– Industrial	**(2.4)%**	**1.8%**	**(1.0)%**	0.8%	–	0.5%
	5.9%	**18.5%**	**9.6%**	7.7%	15.8%	10.1%
Food & Industrial Ingredients, Europe						
– Food	**18.0%**	**14.7%**	**15.9%**	15.9%	11.7%	13.6%
– Industrial	**(2.3)%**	**–**	**(2.3)%**	–	–	–
	7.9%	**14.7%**	**11.0%**	8.1%	11.7%	9.5%
Sugars						
– Products	**2.1%**	**4.2%**	**2.3%**	(1.5)%	7.4%	(0.8)%
– Molasses	**5.7%**	**–**	**5.7%**	6.7%	–	6.7%
	3.0%	**4.2%**	**3.1%**	0.7%	7.4%	1.1%
Sucralose		**35.8%**	**35.8%**	–	42.6%	42.6%
Margin before central costs	**5.0%**	**19.8%**	**9.4%**	5.1%	19.0%	8.9%
Margin after central costs			**8.5%**			8.4%

ADDITIONAL INFORMATION
For the Year to 31 March 2010

2. Ratio analysis

	Year to 31 March 2010	Year to 31 March 2009
Net debt to EBITDA [a]		
= Net debt	**780**	1 013
Annualised pre-exceptional EBITDA	**425**	419
	= 1.8 times	= 2.4 times
Interest cover [a]		
= Operating profit before amortisation of acquired intangibles and exceptional items	**301**	303
Net interest and finance expense	**52**	50
	= 5.8 times	= 6.1 times
Earnings dividend cover		
= Adjusted earnings per share from continuing operations	**39.1**	38.2
Dividend per share	**22.9**	22.9
	= 1.7 times	= 1.7 times
Cash dividend cover		
= Free cash flow from continuing operations	**540**	154
Cash dividends paid	**103**	104
	5.2 times	= 1.5 times
Gearing		
= Net debt	**814**	1 231
Total shareholders' equity	**854**	1 013
	= 95%	= 122%
Return on Net Operating Assets [b]		
= Profit before interest, tax and exceptional items	**282**	284
Average net operating assets	**1 998**	2 239
	= 14.1%	= 12.7%

Net operating assets are calculated as:		
Total shareholders' equity	**854**	1 013
Add back net debt (see Note 10)	**814**	1 231
Add back net tax (assets)/liabilities	**(36)**	119
Net operating assets	**1 632**	2 363
Average net operating assets [c]	**1 998**	2 239

(a) These ratios have been calculated under the Group's bank covenant definitions – net debt is calculated using average rates of exchange.
(b) This ratio has been based on financial information from total operations.
(c) This ratio is calculated using a straight line average between opening and closing net operating assets in the year.