May 31, 2012

TATE & LYLE PLC
ANNOUNCEMENT OF FULL YEAR RESULTS
For the year ended March 31, 2012

Continuing operations[1]	2012		2011		Change (reported)	Change (constant currency)[4]
	£m	$m[5]	£m	$m[5]		
Sales	**3 088**	**4 928**	2 720	4 341	+ 14%	+ 16%
Adjusted results[2]						
Adjusted operating profit	**348**	**555**	321	512	+ 8%	+ 11%
Adjusted profit before tax	**323**	**516**	263	420	+ 23%	+ 26%
Adjusted diluted earnings per share	**56.4p**	**90.0¢**	45.7p	72.9¢	+ 23%	+ 25%
Statutory results						
Operating profit	**404**	**645**	303	484		
Profit before tax	**379**	**605**	245	391		
Profit for the year (on total operations)	**309**	**493**	167	267		
Diluted earnings per share (on total operations)	**64.3p**	**102.6¢**	34.7p	55.4¢		
Cash flow and net debt						
Free cash flow[3]	**79**	**126**	178	284		
Net debt	**476**	**760**	464	741		
Dividend per share	**24.9p**	**39.7p**	23.7p	37.8¢	+ 5.1%	

Javed Ahmed, Chief Executive, said:
"Tate & Lyle performed well with steady growth across a number of our markets supported by exceptionally strong returns from co-products in the first half. This was a year of working hard to achieve a number of our business transformation milestones while at the same time delivering profitable growth. During the year we opened our new global Commercial and Food Innovation Center in Chicago which will help us to transform the way we interact with customers and represents a key component of the foundations for long-term growth. We also restarted production at our SPLENDA® Sucralose facility in the US further reinforcing our position as the leading global provider of sucralose. In the current financial year we expect to make further progress as we build upon the investments we have made and continue to take the steps necessary to transform the business."

Financial performance
- Speciality Food Ingredients sales up 10% at £887 million, $1,416 million (12% in constant currency)
- Adjusted operating profit up 8% at £348 million, $555 million (11% in constant currency)
- Adjusted diluted earnings per share up 23% at 56.4p, 90.0¢ (25% in constant currency)
- 5.3% increase proposed for the final dividend to 17.8p, 28.4¢, making a total dividend of 24.9p, 39.7¢ (2011 – 23.7p, 37.8¢)

Operational highlights
- Good progress on our business transformation programme with a number of key milestones achieved:
  - Global Commercial and Food Innovation Centre in Chicago opened in March 2012
  - Global Shared Service Centre in Łódź, Poland now operational
  - Global IS/IT system – now into the test phase with first roll out in summer 2012
- Restart of production at SPLENDA® Sucralose facility in McIntosh, Alabama

Outlook
In Speciality Food Ingredients we expect to achieve good sales growth, although operating margins in this division are expected to be slightly lower reflecting the additional fixed costs associated with the restart of McIntosh and its share of the investment in the business transformation programme. In Bulk Ingredients, we anticipate improved bulk sweetener margins in both Europe and the US to broadly offset our expectation of more normal co-product returns and the impact of softer market conditions in industrial starches in Europe and ethanol in the US. Overall, taking into account the current level of economic uncertainty and despite a step change in fixed costs associated with the investment necessary to transform the business, we expect to make progress during this financial year.

1 Excluding the results of discontinued operations in both periods except where noted otherwise.
2 Before net exceptional gains of £68 million, $109 million (2011 – net charge of £5 million, $8 million) and amortisation of acquired intangible assets of £12 million, $19 million (2011 – £13 million, $21 million).
3 Free cash flow is operating cash flows from continuing operations after working capital, interest, taxation and capital expenditure.
4 Changes in constant currency are calculated by retranslating comparative period results at current period exchange rates.
5 All US dollar conversions provided at the average rate for the year ended March 31, 2012 of 1.5960 = £1 unless otherwise stated.

Cautionary statement

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

A copy of this Announcement of Full Year Results for the year ended March 31, 2012 can be found on our website at www.tateandlyle.com. A hard copy of this statement is also available from the Company Secretary, Tate & Lyle PLC, 1 Kingsway, London, WC2B 6AT.

SPLENDA® is a trademark of McNeil Nutritionals, LLC.

Webcast and teleconference

A presentation of the results by Chief Executive, Javed Ahmed and Chief Financial Officer, Tim Lodge will be audio webcast live at 10.00 (UKT) today. To view and/or listen to a live audiocast of the presentation, visit http://view-w.tv/p/797-1031-11274/en. Please note that remote listeners will not be able to ask questions during the Q&A session. A webcast replay of the presentation will be available within two hours of the end of the live broadcast for six months, on the link above.

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

Dial-in details:
UK dial in number: +44 (0) 20 3003 2666
US dial in number: +1 646 843 4608
Password: Tate & Lyle

14 day conference call replay:
UK replay number: +44 (0) 20 8196 1998
US replay number: +1 866 583 1035
Replay Access code: 9174715

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CHIEF EXECUTIVE'S REVIEW

Results for the continuing operations are adjusted to exclude exceptional items and amortisation of intangible assets acquired through business combinations. Except where specifically stated to the contrary, this commentary relates only to the adjusted results for the continuing operations.

Overview of the Group's financial performance

Tate & Lyle performed well with steady growth across a number of our markets supported by exceptionally strong returns from co-products in the first half. This was a year of working hard to achieve our business transformation milestones while at the same time delivering profitable growth. During the year we opened our new global Commercial and Food Innovation Centre in Chicago which will help us to transform the way we interact with customers and represents a key component of the foundations for long-term growth. We also restarted production at our SPLENDA® Sucralose facility in the US further reinforcing our position as the leading global provider of sucralose.

Sales for the year were £3,088 million, $4,928 million (2011 – £2,720 million, $4,341 million), an increase of 14% (16% in constant currency) on the prior year. The effect of exchange translation was to reduce sales by £55 million, $88 million. In Speciality Food Ingredients, sales increased by 10% (12% in constant currency) to £887 million, $1,416 million (2011 – £805 million, $1,285 million) with sales volumes up by 4%. Within Bulk Ingredients, sales increased by 15% (18% in constant currency) to £2,201 million, $3,513 million (2011 – £1,915 million, $3,056 million).

Adjusted operating profit increased by 8% (11% in constant currency) to £348 million, $555 million (2011 – £321 million, $512 million). The effect of exchange translation was to reduce adjusted operating profit by £8 million, $13 million. In Speciality Food Ingredients, adjusted operating profit increased by 4% (5% in constant currency) to £214 million, $342 million (2011 – £206 million, $329 million) with good sales growth partly offset by higher input costs. In Bulk Ingredients, adjusted operating profit increased by 10% (13% in constant currency) to £172 million, $275 million (2011 – £157 million, $251 million), driven by an improved performance from industrial starches in Europe and exceptionally strong returns from co-products including an additional £19 million, $30 million of income during the first half. Central costs which include head office, treasury and reinsurance activities, decreased by £4 million, $6 million to £38 million, $61 million (2011 – £42 million, $67 million).

Net finance expense decreased from £58 million, $93 million to £25 million, $40 million following the repayment of our $300 million bond in June 2011, a credit within interest relating to post-retirement benefit plans and the charge taken in the prior year in relation to the unwinding of cash flow hedges. Adjusted profit before tax was up 23% (26% in constant currency) to £323 million, $516 million (2011 – £263 million, $420 million) reflecting the growth in operating profits and the reduction in the net finance expense. The effect of exchange translation was to reduce adjusted profit before tax by £7 million, $11 million. The effective tax rate reduced to 17.1% (2011 – 18.5%) and, after taking account of shares issued as scrip dividends in the prior year, adjusted diluted earnings per share increased by 23% (25% in constant currency) to 56.4p, 90.0¢.

Exceptional items within continuing operations generated a net gain of £68 million, $109 million on a pre-tax basis largely as a result of the reversal of impairment charges and provisions in relation to the restart of the McIntosh facility, offset by an exceptional charge of £15 million, $24 million in respect of business transformation costs.

On a statutory basis, profit before tax from continuing operations increased by 55% to £379 million, $605 million (2011 – £245 million, $391 million) and profit for the year from total operations, including a profit of £2 million, $3 million from discontinued operations, increased by 85% to £309 million, $493 million (2011 – £167 million, $267 million).

Balance sheet

Net debt of £476 million, $760 million at March 31, 2012 was £12 million, $19 million higher than at the end of the prior year driven by higher levels of working capital in the business, investment in our business transformation programme and the restart of our SPLENDA® Sucralose facility in McIntosh.

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 well within our internal thresholds. At March 31, 2012, the net debt to EBITDA ratio was 1.1 times (2011 – 1.1 times), against our maximum threshold

of two times. Interest cover on total operations at March 31, 2012 was 11.1 times (2011 – 6.9 times), again ahead of our minimum threshold of five times. Both metrics were comfortably within our banking covenants.

Having delivered a significant improvement last year, our average quarterly cash conversion cycle lengthened by two days from 34 days to 36 days driven by the increase in working capital, including our decision to maintain full corn silos against a backdrop of tight market conditions. At the end of the year, we acquired a grain elevator facility in Overmyer, Indiana, to further reinforce our corn supply chain.

Return on capital employed increased from 20.6% to 21.6% reflecting the growth in profits with the average level of operating assets increasing by £59 million, $94 million to £1,554 million, $2,480 million as a result of the restart of the McIntosh facility and investment in our business transformation programme during the year.

Dividend

The Board recognises the importance of the dividend to shareholders and follows a progressive dividend policy with the aim of growing the dividend over time taking into account the long term earnings prospects of the business. The Board is recommending a 5.3% increase in the final dividend to 17.8p, 28.4¢ (2011 – 16.9p, 27.0¢) making a full year dividend of 24.9p, 39.7¢ (2011 – 23.7p, 37.8¢) per share, a 5.1% increase on the prior year. Subject to shareholder approval, the proposed final dividend will be due and payable on August 3, 2012 to all shareholders on the Register of Members at June 29, 2012. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan (DRIP) alternative.

Safety

We have no higher priority than safety and are committed to providing safe and healthy working conditions for all our employees, contractors and visitors. During calendar year 2011, we improved our safety performance with a reduction in the recordable incident and lost time accident rates of 10% and 30% respectively, reflecting the work we have done across the organization to implement the recommendations from last year's independent audit. Whilst we are pleased with this performance, we still have more work to do including continuing to improve the safety of contractors who work at our sites.

Key performance indicators (KPIs)

Our KPIs for the year ended March 31, 2012 were as follows:

KPI	Measure	Year ended March 31		Change*
		2012	2011	
Growth in SFI sales	Sales	**£887m / $1,416m**	£805m / $1,285m	+ 12%
Profitability	Adjusted operating profit	**£348m / $555m**	£321m / $512m	+ 11%
Working capital efficiency	Cash conversion cycle†	**36 days**	34 days	Lengthened by 2 days
Financial strength	Net debt/EBITDA**	**1.1x**	1.1x	
	Interest cover**	**11.1x**	6.9x	
Return on assets	ROCE	**21.6%**	20.6%	+ 100 bps
Corporate responsibility^	Safety – recordable incident rate	**0.85**	0.95	Improved by 10%
	Safety – lost time accident rate	**0.41**	0.59	Improved by 30%

*Sales and operating profit growth shown in constant currency
†Calculated as the average cash conversion cycle at the end of each of the four quarter ends to show the underlying result throughout the year
**Calculated under banking covenant definitions
^We use a range of key performance indicators to measure our sustainability performance which will be presented in the Corporate Responsibility section of our Annual Report. Unlike our other KPIs, we report safety performance by calendar year because we are required to do so for other regulatory reporting purposes. Due to an injury in 2010 that did not result in lost time until 2011, we have amended the 2010 recordable incident rate shown above to 0.95 (from 0.93 as previously reported) and the 2010 lost time accident rate to 0.59 (from 0.58 as previously reported).

Developing a platform for long-term growth

In March 2012, we reached a significant milestone with the opening of our new global Commercial and Food Innovation Center in Chicago. The center, which is the global headquarters of our Innovation and Commercial Development (ICD) group, features state-of-the-art laboratories, a demonstration kitchen, sensory testing, and analytical and pilot plant facilities. The new centre will help us to transform the way we interact with our customers and enable much closer customer collaboration. It will also form the hub of our global innovation network, connecting our satellite applications and technical services laboratories across the world.

Within ICD, we continued to build the innovation pipeline across our core categories of speciality sweeteners, texturants and health & wellness, with the total number of projects in the pipeline doubling during the year.

Additionally, our open innovation team continues to look for new products and technologies and to develop partnerships with universities and research institutes. In October 2011, we signed an agreement with Eminate Ltd, a subsidiary of The University of Nottingham, UK, for its novel salt reduction technology known as SODA-LO® and we expect to launch a range of products later this year.

In March 2012, we restarted production at our SPLENDA® Sucralose facility in McIntosh, Alabama further reinforcing our position as the leading global provider of sucralose. The restart of production at McIntosh, which took place ahead of schedule, was assisted by the return of more than 75 per cent of our former operators and technicians, many with more than ten years of experience working on sucralose production. This was the first major project to be governed by our new capital management disciplines instituted two years ago.

The costs incurred in restarting McIntosh included £12 million, $19 million of capital expenditure and £1 million, $2 million of operating expenses. The restart of production at McIntosh will be broadly cash neutral in year ending March 31, 2013 but after a depreciation charge of £8 million, $13 million will reduce profits. As the volumes produced and contribution margin increases at McIntosh over the next few years, we expect to see good operational leverage benefits.

We continue to invest in higher growth markets and have made further progress during the year growing our Asian and Latin American businesses. As well as expanding the size of our teams in these regions we have also broadened our skills through the recruitment of additional technical and applications resources. This organisational strengthening has had a direct impact in helping to secure new business in both regions. As well as attracting the right people, we also invested in our innovation and customer-facing infrastructure in emerging markets through the opening of our new applications and technical services laboratories in São Paolo and Mexico City during the year. These laboratories link directly into our new Commercial and Food Innovation Centre in Chicago enabling us to globalise our innovation capabilities and allowing customers to interface with the new centre wherever they are located.

In terms of developing new customer channels, we have made progress during the year in the private label category, establishing direct relationships with a number of retailers. We continue to see the private label and small and medium-sized (SME) categories as providing good opportunities for growth.

In January 2011, we started two major initiatives to strengthen our operational capabilities: the move to global support services through a shared service centre; and the development of a common set of global business processes supported by a single global IS/IT platform. In September 2011, our new global Shared Service Center in Łódź, Poland became operational. The center is currently responsible for processing financial transactions for both our European and US businesses. When fully operational at the end of year ending March 31, 2013, it will be a multi-lingual facility employing approximately 200 people. The move to global shared services will help to support a common way of working across the business and deliver efficiency gains by eliminating the duplication of resources and is already delivering some cost benefits. Our new global IS/IT system is currently in the test stage with a phased roll-out across the business due to commence in the summer of 2012. The new system will significantly enhance our analytical capabilities, improve our decision making, speed and effectiveness and enable us to be more responsive to the needs of our customers.

We continued to strengthen, refresh and diversify the talent within the business and to fill key skills gaps in a number of areas, in particular, within our customer-facing, product management and innovation areas, with 17% of all employees having joined the Group in the last year. Within ICD, the profile of our people has changed considerably over the last two years with an increase in both qualification levels and the breadth of international experience.

We are starting to see the benefits of our new global sales incentive plan being embedded within the organisation in terms of encouraging the right behaviours and reinforcing a customer-focused and performance-driven culture.

Whilst our priority is to build a platform capable of delivering sustainable long-term organic growth, we will also look to accelerate that growth through acquisitions either within the base business or in adjacent categories.

Costs

During the year, £45 million, $72 million of cash costs were incurred on our business transformation projects taking the total expenditure to £61 million, $97 million over the last two years.

The total cost associated with the development of the new Commercial and Food Innovation Centre is expected to be £32 million, $51 million, although the balance between capital and exceptional expense will be more weighted to capital than originally envisaged. During the year, we incurred £25 million, $40 million of expenditure on the implementation of our global Shared Service Center in Łódź and our common IS/IT platform, taking the total amount of expenditure incurred to date on these two projects to £35 million, $56 million.

We expect the final costs of our business transformation projects to be around £10-15 million, $16-$24 million higher than the original estimate of £94 million, $150 million as a result of some scope changes and timeline extensions in the phased rollout of our global IS/IT platform. As for the Commercial and Food Innovation Centre, the balance between capital and exceptional expense is expected to be more weighted to capital than originally estimated.

The investment we have made in our business transformation programme will result in a step change in fixed costs, including depreciation and amortisation, of £11 million, $18 million during the year ending March 31, 2013.

Conclusion

We have made good progress delivering against the objectives we set at the start of the year as we continue to transform the business. In the coming year, we expect to complete the implementation of our principal initiatives to strengthen our operational capabilities with the transfer of our remaining businesses over to shared services and the roll-out of the new global IS/IT system. While we still have more work to do to build a strong platform capable of delivering sustainable long-term growth, we remain on track to deliver this objective.

Javed Ahmed
Chief Executive