3 November 2016

TATE & LYLE PLC
STATEMENT OF HALF YEAR RESULTS
For the six months to 30 September 2016

Continuing operations £m unless stated otherwise	Six months to 30 September (Unaudited) 2016	Restated* 2015	% change	% change in constant currency
Sales	**1 321**	1 170	13%	1%
Adjusted profit before tax*	**140**	103	37%	22%
Profit before tax	**128**	70	83%	63%
Adjusted diluted earnings per share*	**24.3p**	18.1p	34%	19%
Diluted earnings per share (on total operations)	**27.7p**	10.4p	166%	144%
Net debt (comparative 31 March 2016)	**418**	434		
Dividend per share	**8.2p**	8.2p		

Good Profit Growth in Both Divisions Drives Strong First Half

Key Headlines

- 22%[1] increase in Group adjusted profit before tax driven by strong performance in both divisions
- 12%[1] increase in Speciality Food Ingredients adjusted operating profit:
  - Good growth in core business
  - £15m increase in Sucralose supported by one-off inventory sell-down
  - £6m decrease in Food Systems driven by lower volume in Europe
- 18% increase in sales from New Products to US$51m
- 36%[1] increase in Bulk Ingredients adjusted operating profit driven by solid demand, robust margins and strong manufacturing performance
- Currency translation increased adjusted profit before tax by £15m with estimated[2] full year impact of around £40m
- £58m increase in profit before tax to £128m with improved operating performance and lower exceptional costs
- Adjusted free cash flow increased from £92m to £138m
- Interim dividend maintained at 8.2 pence per share to continue to build dividend cover

Javed Ahmed, Chief Executive, said:

“We have made a strong start to the year delivering good profit growth in both divisions supported by good US bulk sweetener demand in the key summer beverage season, and the benefit of the one-off sell-down of excess inventory in Sucralose. We continued to strengthen execution across the business, leading to further improvement in customer service and supply chain performance.

Speciality Food Ingredients performed well and consistent with our 2020 Ambitions, delivering double digit profit growth in the core business. All regions delivered solid volume performance other than North America where volume was held back by lower demand. Sales from New Products continued to gain good traction.

Bulk Ingredients performed particularly well, driven by solid demand, robust margins and strong manufacturing performance. We are continuing to actively position core Bulk Ingredients to deliver steadier earnings over the longer term, with an increasing focus on customer service, cost control and continuous manufacturing improvement.

Turning to the outlook, we expect adjusted profit before tax in constant currency for the full year to be higher than we anticipated coming into the year driven by the strong first half performance, with performance in the second half remaining in line with our expectations.”

* Adjusted results and a number of other terms and performance measures used in this document are not defined within accounting standards. For clarity, we have provided descriptions of restatements and, where relevant, ratio calculations in Notes 2 and 9, on pages 24, 35 and 36. Prior period results restated to reflect discontinued operations, refer to Note 1 on page 22.
[1] Percentage changes are in constant currency
[2] Estimate uses assumed average rates for the balance of the financial year: US dollar: £1 = $1.22; Euro: £1 = €1.10; Mexican Peso: £1 = 23.2 Peso; and Brazilian Real: £1 = 3.90 Real.

Financial Highlights

Continuing operations Six months to 30 September	2016 £m	Restated* 2015 £m	Change %	Constant currency change %
Sales:				
– Speciality Food Ingredients	**487**	446	9%	(2)%
– Bulk Ingredients	**834**	724	15%	3%
Sales	**1 321**	1 170	13%	1%
Adjusted operating profit				
– Speciality Food Ingredients	**94**	76	25%	12%
– Bulk Ingredients	**64**	42	51%	36%
– Central	**(25)**	(18)	(37%)	(34%)
Adjusted operating profit	**133**	100	34%	18%
Adjusted net finance expense	**(12)**	(10)	(16%)	(15%)
Share of profit after tax of joint ventures and associates	**19**	13	44%	44%
Adjusted profit before tax	**140**	103	37%	22%
Adjusted diluted earnings per share	**24.3p**	18.1p	34%	19%
Adjusted free cash flow	**138**	92	50%	
Net debt (comparative 31 March 2016)	**418**	434	(4)%	

The results for the six months to 30 September 2016 have been adjusted to exclude exceptional items, net retirement benefit interest, amortisation of acquired intangible assets, the tax on those adjustments and tax items that are themselves exceptional. A reconciliation of statutory and adjusted Income Statement information is included in Note 2 to the financial information.

* *The results for the six months to 30 September 2015 have been restated to reflect operations which were treated as discontinued operations in the year to 31 March 2016 and for the deferral of income from joint ventures in discontinued operations previously incorrectly recognised in the period to 30 September 2015 see Note 1 and Note 6 to the financial information.*

- First half performance benefited from good growth in core Speciality Food Ingredients, the benefit of the one-off sell-down of excess inventory in Sucralose, and good US bulk sweetener demand in the key summer beverage season.

- Adjusted diluted earnings per share (continuing operations) were up 34% (19% in constant currency) at 24.3p (2015 – 18.1p) with 3.4p of growth driven by underlying performance and 2.8p by currency translation. Statutory diluted earnings per share (continuing operations) were 27.4p (2015 – 14.3p).

- Currency translation increased adjusted profit before tax by £15m.

- Volume in both divisions benefited from the acquisition of 100% of the Slovakian facility in the second half of the 2016 financial year.

- The adjusted effective tax rate for continuing operations in the first half was 18.3% (2015 – 17.9%). We expect the adjusted effective tax rate for the full year to be around 18%, rising to slightly above 20% in the next financial year.

- Following the recent changes in UK tax legislation, the reported effective tax rate was a credit of 0.9% (2015 – charge of 4.5%) reflecting the recognition of a £26m deferred tax asset as an exceptional credit.

- Adjusted free cash flow increased to £138m benefiting from higher earnings, lower capital expenditure and currency translation. Improvements in working capital management generated an inflow of £62m in the period, an improvement of £9m.

- Net debt was £16m lower at £418m despite £44m adverse impact of foreign exchange translation.

Safety

In September, one of our employees and a local farmer died following an industrial accident at one of our grain elevators in the US. The tragic loss of these two lives greatly saddens the entire Tate & Lyle family. We are reviewing all our safety protocols and procedures, not limited to the specific areas related to this accident, which will be supported by a comprehensive external review.

Our key safety indicators are measured annually and therefore are not included in the half year results.

Cautionary statement

This Statement of Half 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.

A copy of this Statement of Half Year Results for the six months to 30 September 2016 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 Heartland Consumer Products LLC.

Webcast and Conference Call Details

A presentation of the results by Chief Executive, Javed Ahmed and Chief Financial Officer, Nick Hampton will be audio webcast live at 10.00 (GMT) on Thursday 3 November 2016. To view and/or listen to a live audio-cast of the presentation, visit http://view-w.tv/797-1031-17616/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 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: +1 212 999 6659
Password: Tate&Lyle

14 day conference call replay:
UK replay number: +44 (0) 20 8196 1998
US replay number: +1 866 583 1035
Access pin: 6799254#

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DIVISIONAL OPERATING PERFORMANCE

Speciality Food Ingredients

Continuing operations Six months to 30 September	**Volume Change**	**Sales 2016 £m**	2015 (restated*) £m	**change %**	**change in constant currency %**	**Adjusted operating profit 2016 £m**	2015 (restated*) £m	**change %**	**change in constant currency %**
North America	**(3%)**	**175**	163	7%	(3%)				
Asia Pacific and Latin America	**7%**	**68**	60	15%	(1%)				
Europe, Middle East and Africa	**17%**	**68**	51	36%	20%				
Total excluding SPLENDA® Sucralose and Food Systems	**3%**	**311**	274	14%	2%	**62**	53	20%	13%
Food Systems	**(7%)**	**92**	95	(3%)	(12%)	**7**	13	(44%)	(49%)
SPLENDA® Sucralose	**3%**	**84**	77	9%	(3%)	**25**	10	150%	87%
Total Speciality Food Ingredients	**2%**	**487**	446	9%	(2%)	**94**	76	25%	12%

* Prior period measures restated to reflect discontinued operations.

Good performance with profit growth and margin expansion in the core business

Adjusted operating profit grew 12% in constant currency with better mix driving improved margins in the core business and SPLENDA® Sucralose benefiting from the sell-down of excess inventory carried into the year following the consolidation of the sucralose manufacturing footprint.

The division delivered 230bps operating margin improvement, driven by strong SPLENDA® Sucralose performance and good growth in the core business.

Adjusted operating profit in Food Systems was 49% lower in constant currency as we managed customer credit exposure and restructured our blending facilities across Europe to reduce our cost base and build a stronger platform for future growth.

The effect of currency translation was to increase sales by £49 million and adjusted operating profit by £10 million.

Speciality Food Ingredients excluding SPLENDA® Sucralose and Food Systems

Adjusted operating profit increased by 13% in constant currency, benefiting from good commercial execution, strong manufacturing performance and lower input costs. Volume grew by 3% with good growth in the second quarter following a softer than anticipated first quarter. Excluding the impact of the acquisition of 100% of the Slovakian facility, volume was 1% lower in the half.

In North America, volume was 3% lower driven by softer than expected demand from some of our larger customers, as growth in some of the categories they operate in continued to be challenging, and the overall US food and beverage market continued to be sluggish. We continue to secure new business as we demonstrate higher levels of customer service from existing and new capacity. We have re-aligned resources to pursue our focused approach of targeting specific higher growth sub-segments and broadening our customer base.

Volume in Asia Pacific and Latin America increased by 7%. As expected Asia Pacific delivered solid growth in the second quarter after lower sweetener volumes in Japan resulted in a softer than expected first quarter. Our business in China grew strongly in the second quarter and we continue to see good progress building our fibres and texturants businesses in several key categories, including dairy. In Latin America, we saw an encouraging return to growth driven strongly by our Mexican business. We also saw new speciality sweeteners and fibres business in Brazil despite the continued macro-economic challenges.

In Europe, Middle East and Africa, volume increased by 17% driven by increased sweetener volume from the full ownership of the facility in Slovakia, while growth of our fibres business continued.

Food Systems

In our global blending business, volumes were 7% lower. During the period, we proactively managed credit exposure to a large European customer and saw lower volume in Europe as the result of a restructuring of our blending sites undertaken to position the business for future growth. As a result, adjusted operating profit decreased by £6 million in constant currency.

In China, we have decided to change our food systems go-to-market approach to allow us to better serve customers and maximise our potential in that market. In October 2016, we agreed to sell our interest in Jiangsu Tate & Lyle Howbetter Food Co., Ltd. ("Howbetter") back to our partner. We have taken an exceptional charge of £5 million in respect of this investment, see Note 4. Howbetter was expected to be approximately break-even in the current year.

SPLENDA® Sucralose

Volume increased by 3%. We carried higher than normal SPLENDA® Sucralose inventory into the period as we transitioned to a single manufacturing facility at McIntosh. This transition reached planned production levels earlier than expected and allowed us to reduce inventory in the period. The one-off sell-down of this excess inventory more than offset the expected double digit decline resulting from the reduced manufacturing capacity.

The rate of decline in selling prices slowed. We were able to secure favourable spot prices for the excess inventory, with the majority of our volume committed to customers who value the benefits of our product quality and service.

Accordingly, adjusted operating profit increased by £15 million benefiting from incremental profit from the sale of the excess inventory and lower manufacturing costs.

In the second half of the financial year we expect double digit volume decline in line with our lower overall capacity and pricing to revert to the level of our contracted business.

New Products

Volume of New Products grew by 28% with growth across our three platforms of sweeteners, texturants and health and wellness. Sales increased by 18% to US$51 million or £37 million (2015 – US$43 million or £28 million).

Delivering innovative new products and solutions which meet customers' and consumers' needs in areas such as sugar and calorie reduction, 'clean-label' texturants and fibre enrichment, is a key enabler of growth. These can be breakthrough innovations or incremental extensions to existing product families. For example, we continued to develop our sweeteners range with MULTIVANTAGE® Syrup, a low sugar, low viscosity sweetener, and extended our range of clean label texturants with the launch of CLARIA® Delight, a line of tapioca-based functional clean label starches.

Given current phasing of the project pipeline, second half volume growth is expected to accelerate from that of the first half, with a strong pipeline of customer launches expected across the portfolio.

Bulk Ingredients

Continuing operations Six months to 30 September	Volume Change
Volume	
North American Sweeteners	**(2%)**
North American Industrial Starches	**2%**
Total Bulk Ingredients	**2%**

	2016 £m	2015 (restated*) £m	change %	change in constant currency %
Sales				
Total Bulk Ingredients	**834**	724	15%	3%
Adjusted operating profit				
Core Bulk Ingredients	**67**	44	52%	37%
Commodities	**(3)**	(2)	(60%)	(45%)
Total Bulk Ingredients	**64**	42	51%	36%

* Prior period measures restated to reflect discontinued operations.

Strong profit performance driven by solid demand, robust margins and strong manufacturing performance

Volume increased by 2% driven by modest sweetener growth in the core US business and the acquisition of 100% of the Slovakian facility.

Adjusted operating profit grew 36% in constant currency benefiting from solid demand, robust margins and strong manufacturing performance. Adjusted operating margin increased by 190 bps to 7.7%.

Operating margin gains were driven by favourable industry dynamics, strong customer contract compliance, manufacturing efficiencies, and the benefit of lower energy costs.

The overall effect of currency translation was to increase sales by £91 million and adjusted operating profit by £6 million.

The US corn wet milling industry remains well balanced, reflecting capacity reductions in the industry at the beginning of 2015 and more robust industry exports to Mexico where demand for regular carbonated soft drinks (CSDs) remained firm and where currently sugar prices are relatively high.

We are continuing to actively position our Bulk Ingredients business in North America to deliver steadier earnings over the longer term. We have refocused the business from a regional to a product line approach to strengthen our focus on product mix management and to lower costs across the supply chain, and established a dedicated team to generate continuous process improvements within the plant network. In addition, we continue to invest in further improving the longer-term efficiency of our plants such as the new combined heat and power facility in Loudon, Tennessee which is progressing to schedule and is expected to deliver benefits from the fourth quarter of this financial year. Commercial execution continues to improve, delivering stronger customer service supported by improving demand forecasting and supply chain decision-making.

<u>Corn prices</u>

The 2016 US corn crop is projected to be a record, with the USDA[1] currently estimating that corn yields will increase 3.0% from 2015. Overall US corn production is forecast to surpass 15 billion bushels for the first time in history, driving expected stocks to their highest levels in nearly 30 years.

[1] USDA is the US Department of Agriculture

Corn prices varied through the first half peaking in June 2016 at around $4.40 per bushel ahead of visibility of the 2016 crop. With the 2016 crop more evident, the expected higher corn supply drove prices down to the $3.00 to $3.50 per bushel range for the majority of the second quarter. Relatively stable and low corn prices in the last two years have benefited the competitive position of corn derived products.

North American Sweeteners

We saw modest growth in shipments to US bulk sweetener customers. Overall, volume declined 2% led by lower export volume into Mexico where, despite overall growing industry export demand, our shipments were lower than the unusually high levels in the comparative period.

The US consumption of regular carbonated soft drinks has been relatively stable with consumption decreasing slightly by 0.7%[1] in the financial year-to-date. This resulted in strong sweetener shipments through the summer beverage season. In addition, customers pulled volume strongly against their contracts resulting in good contract compliance, helping to optimise the efficiency of our plants.

As we exit the stronger demand in the key summer beverage season, we expect profit growth in our bulk sweetener business in the second half to be slower than the growth experienced in the first half.

North American Industrial Starches

Volumes remained robust with shipments up 2% and improved overall mix.

Demand for paper and board remains steady in a balanced market, where continued higher packaging and tissue demand offset a decline in demand for printing and writing paper. Demand for starches for building materials remained strong during the first half, in a relatively stable US housing market.

Commodities

Overall, the Commodities business remained modestly loss-making, led by US ethanol where industry margins remain around 80% lower than the same period two years ago. As long as industry production remains high in the current demand environment, we see no near term sign of improvement in the US ethanol industry.

[1] Source: IRI Infoscan Reviews, Total US Multi-Outlet + Convenience(FDM, WMT, Dollar Club, Convenience Stores)

OTHER MATTERS

Foreign currency impacts and the UK's referendum on EU membership

Average rates for the first half of the financial year were US dollar: £1 = $1.37; Euro: £1 = €1.22; Mexican Peso: £1 = 25.3 Peso; and Brazilian Real: £1 = 4.65 Real. Sterling has weakened significantly since 30 September 2016. If current exchange rates were to prevail for the remainder of the financial year, we estimate that our reported full year earnings would increase by around £40 million (including the £15 million increase reported in these first half results). In estimating this impact we have used the following assumed average rates for the balance of the year: US dollar: £1 = $1.22; Euro: £1 = €1.10; Mexican Peso: £1 = 23.2 Peso; and Brazilian Real: £1 = 3.90 Real.

Changes in foreign currencies also led to an increase in the Group's free cash flow, and therefore at current rates are expected to have a beneficial impact on the Group's full year cash dividend cover. The movement in closing exchange rates, particularly the US dollar, also led to an increase in net debt as a result of the translation of dollar-denominated debt.

Following the UK's referendum on EU membership on 23 June 2016, we have assessed the impact of the result on our business. The Group generates less than 2% of its revenues in the United Kingdom, with most revenues being US dollar based. The outcome of this referendum is not expected to have a material near-term impact on our business and we are well-placed to continue to grow our global business without significant disruption.

Board Changes

On 26 October 2016 Jeanne Johns joined the Board as a Non-Executive Director and a member of the Corporate Responsibility, Remuneration and Nominations Committees. During Jeanne's 30 year career with BP, she most recently served as the Head of Safety and Operational Risk for BP's global downstream business from 2011 to 2015 and was responsible for overhauling the safety and operational risk organisation.

Bill Camp will retire as a Director on 31 March 2017, having served on the Board since May 2010. On Bill's retirement Jeanne will assume the chairmanship of the Corporate Responsibility Committee.

Financial Review

Overview of Group financial performance – continuing operations

Sales from continuing operations increased by 13% (1% in constant currency) to £1,321 million. Adjusted operating profit was 34% higher (18% in constant currency) at £133 million with adjusted profit before tax up 37% (22% in constant currency) at £140 million. On a statutory basis, profit before tax increased by £58 million to £128 million.

Central costs

Central costs, which include head office costs, treasury and reinsurance activities were £7 million higher at £25 million largely reflecting earlier recognition of the cost of Group-wide employee incentive awards.

Exceptional items

During the period to 30 September 2016, a net exceptional charge of £3 million has been recognised in operating profit within continuing operations. This includes a £3 million net charge in respect of the business re-alignment announced on 21 April 2015, a £6 million non-cash charge in respect of the impairment of certain redundant assets at our Decatur facility in the US, together with a £5 million charge in respect of exiting our interest in Jiangsu Tate & Lyle Howbetter Food Co., Ltd., and a £9 million non-cash gain in respect of the settlement of certain elements of our US retirement benefit plan obligations. A full summary of exceptional items can be found in Note 4 to the financial information.

The prior year net exceptional charge of £25 million related mainly to business re-alignment costs, predominantly associated with consolidation of Sucralose production through the closure of the Singapore facility.

For continuing operations, the Group recognised a £3 million tax charge on exceptional items in operating profit (2015 – £13 million credit), together with an exceptional tax credit of £26 million in respect of a deferred tax asset recognised in the period arising from the expected utilisation of UK losses (see Taxation section).

Adjusted net finance expense

The adjusted net finance expense, which excludes net retirement benefit interest, was £2 million higher at £12 million. This increase was principally due to steps taken to extend the weighted average maturity of debt. Proceeds from the draw down of the Group's US$400 million private debt, with a blended fixed rate notes coupon of around 4%, were partially used to repay short term commercial paper in October 2015.

During the six months to 30 September 2016, the Group repaid a maturing US$250 million bond.

Share of profit after tax of joint ventures

The Group's share of profit after tax of our joint ventures and associates of £19 million was £6 million higher than in the prior period, reflecting strong performance at our Almex joint venture in Mexico which benefited from solid demand for bulk sweeteners and the benefit of currency transaction gains arising from the strengthening of the US dollar against the Mexican Peso. Our Bio-PDO™ joint venture also delivered a stronger performance in the period.

Taxation

The adjusted effective tax rate (on adjusted earnings and excluding exceptional items) for continuing operations for the six months to 30 September 2016, which reflects the anticipated effective tax rate for the 2017 full financial year, was 18.3% (six months to 30 September 2015 – 17.9%).

As a result of recent changes in UK legislation arising from the OECD's Base Erosion and Profit Shifting (BEPS) project and changes to the internal financing arrangements we use to fund our international businesses, we have recognised a deferred tax asset of £26 million arising from previously unrecognised tax losses in the UK, which are now expected to be utilised against future UK taxable profits. In the current period the recognition of this deferred tax asset lowers the reported effective tax rate (on statutory earnings) to a credit of 0.9%.

Following this restructuring, we expect the adjusted effective tax rate for the year to be around 18% rising to slightly above 20% in the next financial year. We expect the rate of cash tax, being the amount of cash tax paid as a percentage of profit before tax, will align to the adjusted effective tax rate over time.

The deferred tax asset recognised of £26 million reflects a number of judgments related principally to: the size and duration of future internal financing arrangements; the interest coupon payable on these arrangements; the future level of deductible expenses incurred in the UK; and foreign currency exchange rates. Changes in these assumptions, along with future changes in legislation, for example impacting the utilisation of UK tax losses, could have a material impact on the amount of deferred tax recognised in future accounting periods.

The list of key uncertainties affecting the Group's adjusted and reported effective tax rates, as well as the factors that are expected to influence the sustainability of the Group's effective tax rates in the future, are set out on page 27 and 28 of the 2016 Annual Report.

Earnings per share

Adjusted diluted earnings per share on continuing operations increased by 34% (19% in constant currency) to 24.3p. Statutory diluted earnings per share on continuing operations increased by 92% (74% in constant currency) to 27.4p.

Discontinued operations

	Six months to 30 September 2016		Restated Six months to 30 September 2015		
	Eaststarch / Morocco	**Total Discontinued**	Eaststarch / Morocco	Sugars / EU Starch	Total Discontinued
Discontinued operations	**£m**	**£m**	£m	£m	£m
Sales	**3**	**3**	6	–	6
Operating profit/(loss) including exceptional items	**1**	**1**	(2)	(18)	(20)
Share of profit after tax of joint ventures and associates	**–**	**–**	2	–	2
Profit/(loss) before tax	**1**	**1**	–	(18)	(18)
Profit/(loss) for the period	**1**	**1**	–	(18)	(18)
Diluted earnings/loss per share		**0.3p**			(3.9p)

In the six months to 30 September 2016, the Group recognised a £1 million exceptional gain resulting from the recycling of cumulative foreign exchange translation gains from reserves to the Income Statement upon completion of the disposal of its corn wet mill in Casablanca, Morocco.

The discontinued loss for the six months to 30 September 2015 predominantly comprised an exceptional legal settlement of £18 million relating to the sale of the Group's former EU Sugars business in September 2010. The Eaststarch transaction completed in the second half of the 2016 financial year.

Assets

Gross assets of £2,634 million at 30 September 2016 were £80 million higher than at 31 March 2016 on a statutory basis, reflecting principally the positive impact of the strengthening US dollar. Net assets increased by £90 million to £1,119 million.

Retirement benefits

We maintain pension plans for our employees in a number of countries. Some of these arrangements are defined benefit pension schemes, although we have closed the UK scheme and the main US salaried and hourly paid schemes to future accrual. In the US, we also provide medical benefits as part of the retirement package.

During the period, employer contributions in respect of pension and other post-retirement schemes totalled £23 million (2015 – £23 million). In addition, we took further steps to reduce our pension risk, settling certain elements of our US retirement benefit obligations. An exceptional gain of £9 million was recorded on this transaction, for more information see Note 4.

Following the UK's referendum on EU membership, asset values in the UK schemes and UK corporate bond yields (the rate used to value UK plan liabilities under accounting rules) have changed significantly. An increase in the liability (of £279 million) in excess of the increase in assets (of £219 million) was the principal driver for the overall increase in the net deficit on the Group's retirement benefit plans of £64 million to £272 million. Both of these adjustments are recognised within Other Comprehensive Income.

The 31 March 2016 actuarial valuation for the main UK Scheme is underway.

Dividend

The Board has approved an unchanged interim dividend for the six months to 30 September 2016 of 8.2p. This will be paid on 3 January 2017 to all shareholders on the Register of Members on 25 November 2016. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan (DRIP) alternative.

Net Debt

Net debt at 30 September 2016 decreased by £16 million to £418 million (31 March 2016 – £434 million). Adjusted free cash flow generated from operations (which is for continuing operations and before cash flows from exceptional items) was £138 million. The net cash outflow in respect of exceptional items was £13 million. We received a net £6 million in respect of the Eaststarch re-alignment and gross consideration from the Morocco disposal. The Group received £22 million in cash dividends from its joint ventures and paid the 2016 final dividend of £92 million during the period. An adverse exchange rate impact increased net debt by £44 million, principally as a result of the stronger US dollar against sterling.

Cash Flow

	Six months to 30 September	
	2016	2015*
	£m	£m
Adjusted operating profit from continuing operations	**133**	100
Adjusted for:		
Depreciation and amortisation	**63**	51
Share-based payments charge	**8**	4
Changes in working capital	**62**	53
Net retirement benefit obligations	**(20)**	(22)
Capital expenditure	**(77)**	(81)
Net interest and tax paid	**(31)**	(13)
Adjusted free cash flow	**138**	92
Add back: Net interest and tax paid	**31**	13
Add back: Net retirement cash contributions	**23**	23
Less: Derivatives and margin call movements within Changes in working capital	**(7)**	(3)
Adjusted operating cash flow	**185**	125

* Restated to reflect exclusion of operating post-retirement benefit costs

Adjusted free cash flow (representing cash generated from continuing operations excluding the impact of exceptional items less net interest paid, less income tax paid, less capital expenditure) at £138 million, was £46 million higher than the prior period, reflecting higher profit and improved working capital inflows partially offset by higher US cash tax payments. Capital expenditure of £77 million, which included an £8 million investment in intangible assets, was 1.2 times the depreciation and adjusted amortisation charge of £63 million. We continue to expect the 2017 financial year capital expenditure to be around £150 million.

Adjusted operating cash flow, which further excludes the impact of net retirement benefit obligations, derivative financial instruments, and tax and net interest, improved by £60 million to £185 million.

Basis of preparation

Details of the basis of preparation can be found in Note 1 to the attached financial information. The Group's principal accounting policies are consistent with those used for the Group's Annual Report and Accounts for the year ended 31 March 2016. A number of minor amendments to accounting policies have been adopted during the year, although they have had no material effect on the Group's financial statements.

Going Concern

After making enquiries, the Directors are satisfied that the Group has adequate resources to continue to operate for a period of not less than 12 months from the date of approval of the financial information and that there are no material uncertainties around their assessment. For these reasons, the Directors continue to adopt the going concern basis in preparing the consolidated financial information of the Group.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 31 to 33 in the Tate & Lyle Annual Report 2016, a copy of which is available on the Company's website at www.tateandlyle.com. In the view of the Board there is no material change in these risks in respect of the remaining six months of the financial year.

The risks highlighted in the Annual Report are: failure to act safely and to maintain the safe operation of our facilities; failure to grow in speciality food ingredients; failure to innovate and commercialise new products; failure to maintain the quality and safety of our products, and high standards of customer service; inability to attract, develop, engage and retain key personnel; breach of legal or regulatory requirements; failure to maintain the continuous operation of our plant network and supply chain; cyber security breach leads to the misuse of information systems, or data; fluctuations in prices and availability of raw materials, energy, freight and other operating inputs; changes in consumer or government perception of our products and regulatory risks; failure to maintain an effective system of internal financial controls; and failure to manage shareholders' expectations.

Impact of changes in exchange rates

The Group's reported financial performance at average rates of exchange for the six months to 30 September 2016 was favourably impacted by currency translation. The effect of exchange translation was to increase adjusted profit before tax by £15 million compared with the comparative period principally as a result of a weakening of sterling against most other currencies following the UK's vote to leave the EU. The average and closing US dollar exchange rates used to translate reported results were as follows:

Average foreign exchange rates	**Six months to 30 September 2016**	Six months to 30 September 2015	Year to 31 March 2016
US dollar £1 = $	**1.37**	1.54	1.51

Period end foreign exchange rates	**At 30 September 2016**	At 30 September 2015	At 31 March 2016
US dollar £1 = $	**1.30**	1.51	1.44

Statement of Directors' responsibilities

The Directors confirm: that this condensed set of consolidated financial information has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union; that the condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss as required by the Disclosure Guidance and Transparency Rules (DTRs) of the Financial Conduct Authority, paragraph DTR 4.2.4; and that the interim management report herein includes a fair review of the information required by paragraphs DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of consolidated financial information;
- a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

The Directors are responsible for the maintenance and integrity of the Company's website. UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors of Tate & Lyle PLC are listed in the Tate & Lyle Annual Report for the year ended 31 March 2016. The only change to the Board since 31 March 2016 being the appointment of Jeanne Johns with effect from 26 October 2016.

For and on behalf of the Board of Directors:

Javed Ahmed	Nick Hampton
Chief Executive	Chief Financial Officer

2 November 2016

Independent review report to Tate & Lyle PLC

Report on the condensed set of consolidated financial information

Our conclusion

We have reviewed Tate & Lyle PLC's condensed set of consolidated financial information in the Statement of Half Year Results of Tate & Lyle PLC for the six month period to 30 September 2016. Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The condensed set of consolidated financial information comprises:

- the consolidated statement of financial position as at 30 September 2016;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the condensed set of consolidated financial information.

The condensed set of consolidated financial information included in the Statement of Half Year Results has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the condensed set of consolidated financial information, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the condensed set of consolidated financial information and the review

Our responsibilities and those of the Directors

The Statement of Half Year Results, including the condensed set of consolidated financial information, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Statement of Half Year Results in accordance with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the condensed set of consolidated financial information in the Statement of Half Year Results based on our review. This report, including the conclusion, has been prepared for and only for Tate & Lyle PLC for the purpose of complying with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of condensed set of consolidated financial information involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Statement of Half Year Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial information.

PricewaterhouseCoopers LLP
Chartered Accountants
London
2 November 2016

Notes:

a) The maintenance and integrity of the Tate & Lyle PLC website (www.tateandlyle.com) is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed set of consolidated financial information since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	**Six months to 30 September 2016 £m**	Restated* Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Continuing operations				
Sales	3	**1 321**	1 170	2 355
Operating profit	3	**124**	71	127
Finance income		**1**	–	1
Finance expense		**(16)**	(14)	(30)
Share of profit after tax of joint ventures and associates		**19**	13	28
Profit before tax		**128**	70	126
Income tax credit/(expense)	5	**1**	(3)	(5)
Profit for the period - continuing operations		**129**	67	121
Profit/(loss) for the period - discontinued operations	6	**1**	(18)	42
Profit for the period - total operations		**130**	49	163
Profit for the period attributable to:				
– Owners of the Company		**130**	49	163
– Non-controlling interests		**–**	–	–
Profit for the period		**130**	49	163

Earnings per share		**Pence**	Pence	Pence
Continuing operations:	7			
– Basic		**27.7p**	14.4p	26.1p
– Diluted		**27.4p**	14.3p	25.9p
Total operations:	7			
– Basic		**28.0p**	10.5p	35.1p
– Diluted		**27.7p**	10.4p	34.8p

Analysis of adjusted profit for the period - continuing operations		**£m**	£m	£m
Profit before tax - continuing operations		**128**	70	126
Adjusted for:				
– Net charge for exceptional items	4	**3**	25	50
– Amortisation of acquired intangible assets		**6**	4	11
– Net retirement benefit interest	13	**3**	4	6
Adjusted profit before tax - continuing operations	2	**140**	103	193
Adjusted income tax expense - continuing operations	2,5	**(26)**	(18)	(32)
Adjusted profit for the period - continuing operations	2	**114**	85	161

* Restated (see Notes 1 and 6)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Notes	**Six months to 30 September 2016 £m**	Restated* Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Profit for the period		**130**	49	163
Other comprehensive income/(expense)				
Items that have been/may be reclassified to profit or loss:				
Fair value gain/(loss) on cash flow hedges		**1**	(2)	–
Fair value loss on cash flow hedges transferred to profit or loss		**4**	1	2
Fair value loss on available-for-sale financial assets		**–**	(1)	–
Gain/(loss) on currency translation of foreign operations		**147**	(23)	60
Fair value (loss)/gain on net investment hedges		**(54)**	8	(18)
Share of other comprehensive income/(expense) of joint ventures and associates		**4**	(11)	(12)
Amounts transferred to income statement upon disposal of subsidiary		**(1)**	–	–
Amounts transferred to income statement upon disposal of joint ventures		**–**	–	34
Tax expense relating to the above items		**(2)**	–	–
		99	(28)	66
Items that will not be reclassified to profit or loss:				
Re-measurement of retirement benefit plans:				
- Actual return higher/(lower) than interest on plan assets	13	**219**	(81)	(52)
- Net actuarial (loss)/gain on net retirement benefit obligation	13	**(279)**	102	45
Tax income/(expense) relating to the above items		**3**	(2)	2
		(57)	19	(5)
Total other comprehensive income/(expense)		**42**	(9)	61
Total comprehensive income		**172**	40	224
Analysed by:				
- Continuing operations		**172**	64	156
- Discontinued operations		**–**	(24)	68
Total comprehensive income		**172**	40	224
Attributable to:				
- Owners of the Company		**172**	40	224
- Non-controlling interests		**–**	–	–
Total comprehensive income		**172**	40	224

* Restated (see Notes 1 and 6)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Notes	**At 30 September 2016 £m**	Restated* At 30 September 2015 £m	At 31 March 2016 £m
ASSETS				
Non-current assets				
Goodwill and other intangible assets		**415**	309	390
Property, plant and equipment		**1 033**	772	926
Investments in joint ventures		**83**	117	82
Investments in associates		**4**	4	3
Available-for-sale financial assets		**24**	16	19
Derivative financial instruments		**18**	25	21
Deferred tax assets		**29**	9	3
Trade and other receivables		**–**	1	1
Retirement benefit surplus	13	**8**	54	45
		1 614	1 307	1 490
Current assets				
Inventories		**365**	340	389
Trade and other receivables		**302**	270	301
Current tax assets		**2**	9	3
Available-for-sale financial assets		**4**	6	4
Derivative financial instruments		**58**	57	43
Cash and cash equivalents	9	**289**	234	317
Assets classified as held for sale		**–**	210	7
		1 020	1 126	1 064
TOTAL ASSETS		**2 634**	2 433	2 554
EQUITY				
Capital and reserves				
Share capital		**117**	117	117
Share premium		**406**	406	406
Capital redemption reserve		**8**	8	8
Other reserves		**226**	33	127
Retained earnings		**362**	323	370
Equity attributable to owners of the Company		**1 119**	887	1 028
Non-controlling interests		**–**	1	1
TOTAL EQUITY		**1 119**	888	1 029
LIABILITIES				
Non-current liabilities				
Trade and other payables		**11**	13	13
Borrowings	9	**594**	285	556
Derivative financial instruments		**32**	13	19
Deferred tax liabilities		**33**	36	21
Retirement benefit deficit	13	**280**	237	253
Provisions for other liabilities and charges		**15**	8	13
		965	592	875
Current liabilities				
Trade and other payables		**323**	337	337
Current tax liabilities		**66**	54	66
Borrowings and bank overdrafts	9	**105**	494	200
Derivative financial instruments		**30**	27	22
Provisions for other liabilities and charges		**26**	41	23
Liabilities classified as held for sale		**–**	–	2
		550	953	650
TOTAL LIABILITIES		**1 515**	1 545	1 525
TOTAL EQUITY AND LIABILITIES		**2 634**	2 433	2 554

* Restated (see Notes 1 and 6)

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Notes	**Six months to 30 September 2016 £m**	Restated * Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Cash flows from operating activities				
Profit before tax from continuing operations		**128**	70	126
Adjustments for:				
Depreciation of property, plant and equipment		**50**	39	80
Amortisation of intangible assets		**19**	16	35
Share-based payments		**8**	4	9
Exceptional items	4	**(10)**	27	17
Finance income		**(1)**	–	(1)
Finance expense		**16**	14	30
Share of profit after tax of joint ventures and associates		**(19)**	(13)	(28)
Changes in working capital		**62**	53	24
Net retirement benefit obligations		**(20)**	(22)	(38)
Cash generated from continuing operations		**233**	188	254
Interest paid		**(15)**	(9)	(21)
Net income tax paid		**(17)**	(4)	(16)
Cash used in discontinued operations	6	**(2)**	(2)	(29)
Net cash generated from operating activities		**199**	173	188
Cash flows from investing activities				
Purchase of property, plant and equipment		**(69)**	(77)	(179)
Purchase of intangible assets		**(8)**	(4)	(19)
Acquisition of businesses, net of cash acquired		**–**	–	(54)
Cash adjustment in respect of previous acquisitions		**3**	–	–
Disposal of joint ventures		**–**	–	240
Disposal of businesses, net of cash disposed		**3**	–	–
Purchase of available-for-sale financial assets		**(3)**	(1)	(4)
Disposal of available-for-sale financial assets		**1**	18	18
Disposal of property, plant and equipment		**2**	–	–
Interest received		**1**	–	1
Dividends received from joint ventures and associates		**22**	9	83
Net cash (used in)/from investing activities		**(48)**	(55)	86
Cash flows from financing activities				
Purchase of own shares to trust or treasury		**–**	–	(7)
Cash inflow from additional borrowings		**73**	19	261
Cash outflow from repayment of borrowings		**(182)**	(3)	(286)
Repayment of capital element of finance leases		**–**	(1)	(4)
Dividends paid to the owners of the Company	8	**(92)**	(92)	(130)
Net cash used in financing activities		**(201)**	(77)	(166)
Net (decrease)/increase in cash and cash equivalents	9	**(50)**	41	108
Cash and cash equivalents				
Balance at beginning of period		**317**	195	195
Net (decrease)/increase in cash and cash equivalents		**(50)**	41	108
Currency translation differences		**22**	(2)	14
Balance at end of period	9	**289**	234	317

* Restated (see Notes 1 and 6)

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is presented in Note 9.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital & share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Attributable to the owners of the Company £m	Non-controlling interests £m	Total equity £m
At 1 April 2016	**523**	**8**	**127**	**370**	**1 028**	**1**	**1 029**
Six months to 30 September 2016:							
Profit for the period - total operations	**–**	**–**	**–**	**130**	**130**	**–**	**130**
Other comprehensive income/(expense)	**–**	**–**	**99**	**(57)**	**42**	**–**	**42**
Total comprehensive income	**–**	**–**	**99**	**73**	**172**	**–**	**172**
Share based payments, net of tax	**–**	**–**	**–**	**8**	**8**	**–**	**8**
Derecognition of put option on non-controlling interest	**–**	**–**	**–**	**3**	**3**	**–**	**3**
Movement on non-controlling interest	**–**	**–**	**–**	**–**	**–**	**(1)**	**(1)**
Dividends paid	**–**	**–**	**–**	**(92)**	**(92)**	**–**	**(92)**
At 30 September 2016	**523**	**8**	**226**	**362**	**1 119**	**–**	**1 119**
At 1 April 2015	523	8	61	343	935	1	936
Six months to 30 September 2015:							
Profit for the period - total operations	–	–	–	49	49	–	49
Other comprehensive (expense)/income	–	–	(28)	19	(9)	–	(9)
Total comprehensive (expense)/income	–	–	(28)	68	40	–	40
Share based payments, net of tax	–	–	–	4	4	–	4
Dividends paid	–	–	–	(92)	(92)	–	(92)
At 30 September 2015 (Restated)*	**523**	**8**	**33**	**323**	**887**	**1**	**888**
At 1 April 2015	523	8	61	343	935	1	936
Year to 31 March 2016:							
Profit for the year - total operations	–	–	–	163	163	–	163
Other comprehensive income/(expense)	–	–	66	(5)	61	–	61
Total comprehensive income	–	–	66	158	224	–	224
Share based payments, net of tax	–	–	–	6	6	–	6
Purchase of own shares to trust or treasury	–	–	–	(7)	(7)	–	(7)
Dividends paid	–	–	–	(130)	(130)	–	(130)
At 31 March 2016	**523**	**8**	**127**	**370**	**1 028**	**1**	**1 029**

* Restated (see Notes 1 and 6)

NOTES TO THE FINANCIAL INFORMATION

For the six months to 30 September 2016

1. Presentation of half year financial information

The principal activity of Tate & Lyle PLC and its subsidiaries, together with its joint ventures and associated undertakings, is the global provision of ingredients and solutions to the food, beverage and other industries.

The Company is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is 1 Kingsway, London WC2B 6AT. The Company has its primary listing on the London Stock Exchange.

Basis of preparation

This condensed set of consolidated financial information for the six months to 30 September 2016 has been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union. The condensed set of consolidated financial information should be read in conjunction with the annual financial statements for the year to 31 March 2016, which have been prepared in accordance with IFRSs as adopted by the European Union.

Having reviewed the Group's latest projected results, cash flows, liquidity position and borrowing facilities, the Directors are satisfied that the Group has adequate resources to continue to operate for a period not less than 12 months from the date of approval of the financial information and that there are no material uncertainties around their assessment. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the condensed set of consolidated financial information.

The condensed set of consolidated financial information is unaudited, but has been reviewed by the external auditors. The condensed set of consolidated financial information in the Statement of Half Year Results does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Group's published consolidated financial statements for the year to 31 March 2016 were approved by the Board of Directors on 25 May 2016 and filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain an emphasis of matter paragraph or a statement under Section 498 (2) or (3) of the Companies Act 2006. The condensed set of consolidated financial information for the six months to 30 September 2016 on pages 16 to 39 was approved by the Board of Directors on 2 November 2016.

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 for the year to 31 March 2016, but also reflect the adoption, with effect from 1 April 2016, of new or revised accounting standards, as set out below:

- IFRS 11 Joint arrangements (Amendments)
- IAS 16 Property plant and equipment (Amendments)
- IAS 38 Intangible assets (Amendments)
- IAS 27 Separate financial statements (Amendments)
- IAS 1 Presentation of financial statements (Amendments)
- Annual Improvements to IFRS – 2012-14 cycles

The adoption of these amendments has not had a material effect on the Group's financial statements.

The following new standards, new interpretations and amendments to standards and interpretations have been issued and are potentially relevant to the Group, but were not effective for the financial year beginning 1 April 2016, and have not been adopted early:

- IFRS 9 Financial instruments (effective 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)
- IFRS 16 Leases (effective 1 January 2019)
- IFRS 2 Share-based Payment (Amendments) (effective 1 January 2018)
- IAS 12 Income taxes (Amendments) (effective 1 January 2017)
- IAS 7 Statement of Cash Flows (Amendments) (effective 1 January 2017)

The Group is carrying out an assessment of the impacts of these changes ahead of their various effective dates.

1. Presentation of half year financial information (continued)

Seasonality

The Group's principal exposure to seasonality is in relation to working capital. The Group's inventories are subject to seasonal fluctuations reflecting crop harvesting and purchases. Inventory levels typically increase progressively from September to November and gradually reduce in the first six months of the calendar year.

Changes in constant currency

Where changes in constant currency are presented in this statement, they are calculated by retranslating current period results at prior period exchange rates. This represents a change to the methodology applied in previous years, which involved retranslating prior period results at current period exchange rates. This change, which has not had a material impact, has been made to align with how the majority of external stakeholders view constant currency performance comparisons.

Use of adjusted measures

The Group presents adjusted performance measures, including adjusted operating profit, adjusted profit before tax, adjusted earnings per share, adjusted operating cash flow and adjusted free cash flow, which are used for internal performance analysis and incentive compensation arrangements for employees.

These measures are presented because they provide investors with valuable additional information about the performance of the business. For the periods presented, adjusted performance measures exclude, where relevant:

- **Exceptional items** (excluded as they relate to events which are unlikely to recur, are outside the normal course of business and therefore merit separate disclosure in order to provide a better understanding of the Group's underlying financial performance);
- **Amortisation of acquired intangible assets** (costs associated with amounts recognised through acquisition accounting that impact earnings compared to organic investments);
- **Net retirement benefit interest** (accounting charges or credits which are not linked to the underlying performance of the business. The amounts excluded reflect the net interest cost of post-retirement benefit plans substantially closed to future accrual);
- **Tax on the above items and tax items that are themselves exceptional items by definition.**

Adjusted performance measures reported by the Group are not defined terms under IFRS and may therefore not be comparable with similarly-titled measures reported by other companies. Reconciliations of the adjusted performance measures to the most directly comparable IFRS measures are presented in Note 2.

Exceptional items

Exceptional items comprise items of income and expense, including tax items that are material in amount, relate to events which are unlikely to recur, are outside the normal course of business and therefore merit separate disclosure in order to provide a better understanding of the Group's underlying financial performance. Examples of events that give rise to the disclosure of material items of income and expense as exceptional items include, but are not limited to, impairment events, significant business transformation activities, disposals of operations or significant individual assets, litigation claims by or against the Group, changes in tax legislation and restructuring of components of the Group’s operations.

All material amounts relating to exceptional items in the Group’s financial statements are classified on a consistent basis across accounting periods.

Restated comparative financial information

The comparative financial information for the six months to 30 September 2015 has been restated to reflect operations which were treated as discontinued operations in the year to 31 March 2016 and for the deferral of income from joint ventures in discontinued operations previously incorrectly recognised in the six months to 30 September 2015.

In the six months to 30 September 2015, the Group incorrectly recognised income in discontinued operations of £15 million representing the share of profit after tax attributable to the Group whilst its investments in parts of the Eaststarch joint venture were classified as held for sale. Under IAS 28 guidance, the profit attributable to a joint venture business whilst held for sale should have been deferred and recognised as part of the profit on disposal. Whilst this had no impact on the Group’s results for the full year to 31 March 2016, restatement has been made in the comparative amounts for the period ended 30 September 2015 reported within this statement. The restatement reduces both basic and diluted earnings per share from total operations by 3.3p each, from 13.8p and 13.7p to 10.5p and 10.4p respectively. For continuing operations, there was no change in operating profit, earnings per share metrics or adjusted profit and adjusted earnings per share metrics.

1. Presentation of half year financial information (continued)

Discontinued operations

An operation is classified as discontinued if it is a component of the Group that: (i) has been disposed of, or meets the criteria to be classified as held for sale; and (ii) represents a separate major line of business or geographic area of operations or will be disposed of as part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations. The results, assets and liabilities and cash flows of discontinued operations are presented separately from those of continuing operations. Discontinued operations comprised the following activities:

- Eaststarch / Morocco

On 31 October 2015, the Group completed the re-alignment of its Eaststarch joint venture leading to the disposal of the majority of the Group's European Bulk Ingredients business. In a related agreement, the Group also agreed to sell its corn wet mill in Casablanca, Morocco to Archer Daniels Midland Inc. (ADM) and the assets and liabilities to be disposed of as part of the transaction were classified as held for sale as at 31 March 2016.

Comparative financial information has been restated to reflect the disclosure of the financial performance of these operations as discontinued operations. There is no overall effect on the Group's prior period profit from total operations.

- Sugars and European Starch Pensions settlements

The Group announced on 29 September 2015, that the Commercial Court in London had handed down a decision in a case brought by American Sugar Refining, Inc. (ASR) in which it made a number of claims in relation to its acquisition of the Group's European Sugars business in 2010. The European Sugars business formed part of the Group's discontinued Sugars segment, and accordingly the costs associated with those claims were recognised within discontinued operations.

During the year to 31 March 2016, the Group made a settlement payment of £2 million to transfer all remaining obligations under a legacy pension scheme related to the Group's discontinued European Wheat Starch business, which was disposed of in the 2008 financial year.

NOTES TO THE FINANCIAL INFORMATION

For the six months to 30 September 2016

2. Reconciliation of adjusted performance measures

For the reasons set out in Note 1, the Group presents adjusted performance measures including adjusted operating profit, adjusted profit before tax and adjusted earnings per share.

For the periods presented, these adjusted performance measures exclude, where relevant:
– exceptional items;
– the amortisation of acquired intangible assets;
– net retirement benefit interest; and
– tax on the above items.

The following table shows the reconciliation of the key income statement adjusted performance measures to the most directly comparable measures reported in accordance with IFRS:

	Six months to 30 September 2016			Restated* Six months to 30 September 2015		
£m unless otherwise stated	**IFRS Reported**	**Adjusting items**	**Adjusted Reported**	IFRS Reported	Adjusting items	Adjusted Reported
Continuing operations						
Sales	**1 321**	**–**	**1 321**	1 170	–	1 170
Operating profit	**124**	**9**	**133**	71	29	100
Net finance expense	**(15)**	**3**	**(12)**	(14)	4	(10)
Share of profit after tax of joint ventures and associates	**19**	**–**	**19**	13	–	13
Profit before tax	**128**	**12**	**140**	70	33	103
Income tax credit/(expense)	**1**	**(27)**	**(26)**	(3)	(15)	(18)
Non-controlling interests	**–**	**–**	**–**	–	–	–
Profit attributable to owners of the Company	**129**	**(15)**	**114**	67	18	85
Basic earnings per share	**27.7p**	**(3.1p)**	**24.6p**	14.4p	3.8p	18.2p
Diluted earnings per share	**27.4p**	**(3.1p)**	**24.3p**	14.3p	3.8p	18.1p
Effective tax rate	**(0.9%)**		**18.3%**	4.5%		17.9%

	Year to 31 March 2016		
	IFRS Reported	Adjusting items	Adjusted Reported
Continuing operations			
Sales	2 355	–	2 355
Operating profit	127	61	188
Net finance expense	(29)	6	(23)
Share of profit after tax of joint ventures and associates	28	–	28
Profit before tax	126	67	193
Income tax expense	(5)	(27)	(32)
Non-controlling interests	–	–	–
Profit attributable to owners of the Company	121	40	161
Basic earnings per share	26.1p	8.6p	34.7p
Diluted earnings per share	25.9p	8.6p	34.5p
Effective tax rate	4.0%		16.5%

* Restated (see Notes 1 and 6)

The Group also presents two adjusted cash flow measures: Adjusted operating cash flow[a]; and Adjusted free cash flow[b] which are defined as follows:

(a) Adjusted operating cash flow is defined as adjusted cash flow from continuing operations, excluding the impact of exceptional items, post-retirement benefits, derivative financial instruments, tax, interest and acquisitions less capital expenditure.

(b) Adjusted free cash flow represents cash generated from continuing operations excluding the impact of exceptional items, less net interest paid, less income tax paid, less capital expenditure.

3. Segment information

Segment information is presented on a consistent basis with the information presented to the Board (the designated Chief Operating Decision Maker) and with that presented in the Group's 2016 Annual Report. Segment results were as follows:

(a) Segment sales and results

Sales	Notes	**Six months to 30 September 2016 £m**	Restated* Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Speciality Food Ingredients		**487**	446	897
Bulk Ingredients		**834**	724	1 458
Sales – continuing operations		**1 321**	1 170	2 355
Sales – discontinued operations	6	**3**	6	13
Sales – total operations		**1 324**	1 176	2 368
Adjusted operating profit – continuing operations				
Speciality Food Ingredients		**94**	76	150
Bulk Ingredients		**64**	42	84
Central		**(25)**	(18)	(46)
Adjusted operating profit – continuing operations		**133**	100	188
Adjusting items:				
– Exceptional items	4	**(3)**	(25)	(50)
– Amortisation of acquired intangible assets		**(6)**	(4)	(11)
Operating profit – continuing operations		**124**	71	127
Finance income		**1**	–	1
Finance expense		**(16)**	(14)	(30)
Share of profit after tax of joint ventures and associates		**19**	13	28
Profit before tax – continuing operations		**128**	70	126
Profit/(loss) before tax – discontinued operations	6	**1**	(18)	47
Profit before tax – total operations		**129**	52	173

	Six months to 30 September 2016 £m	Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Adjusted operating margin			
Speciality Food Ingredients	**19.3%**	17.0%	16.7%
Bulk Ingredients	**7.7%**	5.8%	5.8%
Central	**n/a**	n/a	n/a
Total – continuing operations	**10.1%**	8.5%	8.0%

* Restated (see Notes 1 and 6)

NOTES TO THE FINANCIAL INFORMATION
For the six months to 30 September 2016

3. Segment information (continued)

(b) Segment assets/(liabilities)

	At 30 September 2016		
	Assets £m	**Liabilities £m**	**Net £m**
Net working capital			
Speciality Food Ingredients	**347**	**(145)**	**202**
Bulk Ingredients	**309**	**(151)**	**158**
Central	**11**	**(38)**	**(27)**
Group working capital – continuing and total operations	**667**	**(334)**	**333**
Other assets/(liabilities)	**1 967**	**(1 181)**	**786**
Group assets/(liabilities)	**2 634**	**(1 515)**	**1 119**

	At 30 September 2015 (Restated*)		
	Assets £m	Liabilities £m	Net £m
Net working capital			
Speciality Food Ingredients	317	(141)	176
Bulk Ingredients	281	(151)	130
Central	9	(57)	(48)
Group working capital – continuing operations	607	(349)	258
Group working capital – discontinued operations	4	(1)	3
Group working capital – total operations	611	(350)	261
Other assets/(liabilities)	1 822	(1 195)	627
Group assets/(liabilities)	2 433	(1 545)	888

	At 31 March 2016		
	Assets £m	Liabilities £m	Net £m
Net working capital			
Speciality Food Ingredients	339	(150)	189
Bulk Ingredients	341	(146)	195
Central	11	(54)	(43)
Group working capital – continuing operations	691	(350)	341
Group working capital – discontinued operations	5	(2)	3
Group working capital – total operations	696	(352)	344
Other assets/(liabilities)	1 858	(1 173)	685
Group assets/(liabilities)	2 554	(1 525)	1 029

* Restated (see Notes 1 and 6). Segmental assets/(liabilities) at 30 September 2015 restated to reflect segmental allocation rules updated in light of the Group's restructuring in the second half of the 2016 financial year.

4. Exceptional items

Exceptional items recognised in arriving at operating profit were as follows:

	Footnote	**Six months to 30 September 2016 £m**	Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Continuing operations				
Business re-alignment – impairment, restructuring and other net costs	(a)	**(3)**	(32)	(48)
Asset impairments/impairment reversals	(b)	**(6)**	–	3
Howbetter impairment and related costs	(c)	**(5)**	–	–
US retirement benefit obligation settlement gain	(d)	**9**	–	–
Tate & Lyle Ventures – net investment disposal profit	(e)	**2**	9	7
SPLENDA® Sucralose – revised table top commercial agreement	(f)	**–**	(2)	(2)
US litigation	(g)	**–**	–	(15)
Slovakia re-measurement gain	(h)	**–**	–	5
Exceptional items – continuing operations		**(3)**	(25)	(50)
Discontinued operations				
Business re-alignment – Eaststarch and Morocco disposals	(i)	**1**	(2)	64
ASR litigation settlement	(j)	**–**	(18)	(18)
Exceptional items – discontinued operations		**1**	(20)	46
Exceptional items – total operations		**(2)**	(45)	(4)

In addition, the following exceptional tax items were recognised in the current and comparative periods:

	Footnote	**Six months to 30 September 2016 £m**	Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Continuing operations				
Recognition of UK deferred tax assets	(k)	**26**	–	–
Exceptional tax credit – continuing operations		**26**	–	–
Discontinued operations				
Moroccan taxation matters	(l)	**–**	–	(5)
Exceptional tax charge – discontinued operations		–	–	(5)
Exceptional tax credit/(charge) – total operations		**26**	–	(5)

4. Exceptional items (continued)

Continuing operations – within operating profit

(a) In the six months to 30 September 2016, the Group recognised a further net £3 million charge (£4 million of additional cash costs offset by a £1 million non-cash credit) in respect of the re-alignment of SPLENDA® Sucralose and its European operations. The net £3 million of costs were recognised within the Speciality Food Ingredients segment.

Cumulative business re-alignment costs relating to the Group's restructuring programme announced in April 2015 now total £169 million, with £59 million being cash costs and £110 million being non-cash costs. Further details of amounts previously recognised in the 2015 and 2016 financial years can be found in the Group's 2016 Annual Report.

(b) In the six months to 30 September 2016, the Group recognised a £6 million non-cash charge in respect of the impairment of certain redundant assets at our Decatur facility in the US, that are no longer in use in the business. The charge was recognised within the Bulk Ingredients segment.

In the year to 31 March 2016, the Group recognised a non-cash exceptional credit of £3 million in respect of the recognition of a partial reversal of an impairment of plant and equipment assets which were previously impaired through an exceptional charge.

(c) In the six months to 30 September 2016, the Group recognised a £5 million charge in respect of its equity interest in Jiangsu Tate & Lyle Howbetter Food Co., Ltd, its Food Systems subsidiary in China, for which it reached agreement to sell after 30 September 2016. The charge comprised a £3 million cost reflecting the impact of impairing and deconsolidating the Group's investment (itself a cash generating unit), together with a £2 million charge for associated costs. Accordingly, the Group has derecognised the £3 million financial liability previously recorded in equity for the written put option over the minority shareholder's equity interest. This charge was recognised within the Speciality Food Ingredients segment.

(d) During the six months to 30 September 2016, the Group recognised a £9 million non-cash gain in respect of the settlement of certain elements of its US retirement benefit plan obligations. Under the settlement, some deferred members of the plans elected to receive a lump sum during the six months to 30 September 2016, in exchange for surrendering their rights to future payments under the scheme. The exceptional gain was recognised within the Bulk Ingredients segment (£6 million) and Speciality Food Ingredients segment (£3 million).

(e) In the six months to 30 September 2016, the Group recognised a £2 million gain, primarily in respect of deferred consideration received following disposal of part of its venture fund portfolio which was previously classified as an available-for-sale financial asset. This profit was classified within central costs. In the year to 31 March 2016, the Group recognised a net £7 million gain (£9 million profit on the disposal in the first half and a £2 million impairment in the second half) from its ventures portfolio. Further details can be found in the Group's 2016 Annual Report.

(f) In the first half of the year to 31 March 2016, the Group recognised a net £2 million charge in respect of the revision of its SPLENDA® brand table top commercial agreement. Further details can be found in the Group's 2016 Annual Report.

(g) In the year to 31 March 2016, the Group recognised a £15 million exceptional charge in respect of two US litigation cases: one brought by the American Sugar Association; and another in respect of the Passaic River litigation. Further details can be found in the Group's 2016 Annual Report.

(h) In the year to 31 March 2016, as part of the re-alignment of the Eaststarch joint venture, the Group recognised an exceptional gain of £5 million within continuing operations reflecting the re-measurement to fair value of its existing investment in Slovakia. Further details can be found in the Group's 2016 Annual Report.

The tax on exceptional items within continuing operations was a £3 million charge (six months to 30 September 2015 – £13 million credit; year to 31 March 2016 – £21 million credit). Tax credits on exceptional costs are only recognised to the extent that losses incurred are expected to result in tax recoverable in the future.

4. Exceptional items (continued)

Discontinued operations within operating profit

(i) On 1 June 2016, the Group completed the sale of its corn wet mill in Casablanca, Morocco to ADM, receiving gross cash proceeds of £4 million. The Group had previously recognised an impairment charge of £4 million in the year to 31 March 2016, aligning book value with expected proceeds after allowing for working capital and cash extracted from the business before completion. In the six months to 30 September 2016, the Group recognised a £1 million exceptional gain resulting from the recycling of cumulative foreign exchange translation gains from reserves to the income statement upon completion of the disposal. This non-cash gain was recognised within the Bulk Ingredients segment.

(j) In the year to 31 March 2016, the Group recognised an £18 million exceptional charge within discontinued operations for settlement made with American Sugar Refining, Inc. (“ASR”) in respect of claims made in relation to its acquisition of the Group’s EU Sugars business in September 2010. Further details can be found in the Group’s 2016 Annual Report.

There was no tax impact on discontinued exceptional items in either the current or comparative periods.

Continuing operations – exceptional taxation items

(k) During the six months to 30 September 2016, the Group recognised an exceptional tax credit of £26 million arising from the recognition of deferred tax assets following changes to UK tax legislation.

Discontinued operations – exceptional taxation items

(l) During the year to 31 March 2016, the Group recognised an exceptional tax charge of £5 million in discontinued operations in respect of historical tax matters relating to the Moroccan facility which the Group has now sold to ADM.

Exceptional cash flows

Net cash (outflow)/inflow on exceptional items:	Footnote	**Six months to 30 September 2016 £m**	Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Continuing operations				
Business re-alignment – impairment, restructuring and other net costs	(a)	**(13)**	(3)	(29)
SPLENDA® Sucralose – revised table top commercial agreement	(f)	**–**	5	5
US litigation	(g)	**–**	–	(9)
Net cash (outflow)/inflow – exceptional items		**(13)**	2	(33)
Income statement charge – included in profit before tax		**3**	25	50
Exceptional items – per cash flow statement		**(10)**	27	17

5. Income tax expense

Continuing operations	**Six months to 30 September 2016 £m**	Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Current tax:			
In respect of the current year			
– UK	**–**	–	–
– Overseas	**(13)**	(7)	(32)
Adjustments in respect of previous years	**–**	–	2
	(13)	(7)	(30)
Deferred tax credit	**14**	4	24
Adjustments in respect of previous years	**–**	–	1
Income tax credit/(expense)	**1**	(3)	(5)

Reconciliation to adjusted income tax expense	Note	**£m**	£m	£m
Income tax credit/(expense)		**1**	(3)	(5)
Adjusted for:				
Taxation on exceptional items, amortisation of acquired intangibles and net retirement benefit interest		**(1)**	(15)	(27)
Exceptional deferred tax credit		**(26)**	–	–
Adjusted income tax expense – continuing operations	2	**(26)**	(18)	(32)

The Group recorded an income tax credit of £1 million in continuing operations for six months to 30 September 2016 (six months to 30 September 2015 – expense of £3 million; year to 31 March 2016 – expense of £5 million). This included an income tax credit of £1 million (six months to 30 September 2015 – credit of £15 million; year to 31 March 2016 – credit of £27 million) in respect of exceptional items, amortisation of acquired intangibles and net retirement benefit interest (see Note 2) together with an exceptional tax credit of £26 million (see Note 4) in relation to deferred tax assets arising from UK losses recognised following changes to UK tax legislation (six months to 30 September 2015 – £nil; year to 31 March 2016 – £nil). In March 2016, the UK government announced further draft changes to UK loss utilisation rules which if or when carried into legislation, may impact our ability to utilise brought forward losses in the future.

The Group's adjusted effective tax rate on continuing operations, calculated on the basis of the adjusted income tax expense of £26 million (six months to 30 September 2015 – £18 million; year to 31 March 2016 – £32 million) as a proportion of adjusted profit before tax of £140 million (six months to 30 September 2015 – £103 million; year to 31 March 2016 – £193 million) was 18.3% (six months to 30 September 2015 – 17.9%; year to 31 March 2016 – 16.5%).

The Group's reported tax rate on continuing operations, calculated on the basis of the reported income tax credit of £1million (six months to 30 September 2015 – charge of £3 million; year to 31 March 2016 – charge of £5 million) as a proportion of profit before tax of £128 million (six months to 30 September 2015 – £70 million; year to 31 March 2016 – £126 million) was a credit of 0.9% (six months to 30 September 2015 – charge of 4.5%; year to 31 March 2016 – charge of 4.0%).

The standard rate of corporation tax in the United Kingdom will reduce from 20% to 19% with effect from 1 April 2017 and from 19% to 17% with effect from 1 April 2020.

6. Discontinued operations

The discontinued operations of the Group are disclosed in Note 1.

The results of the discontinued operations which have been included in the consolidated income statement in the six months to 30 September 2016 and the comparative periods were as follows:

		Six months to 30 September 2016	
Discontinued operations	Notes	**Eaststarch / Morocco £m**	**Total Discontinued £m**
Sales	3	**3**	**3**
Operating profit including exceptional items		**1**	**1**
Profit for the period - discontinued operations		**1**	**1**
Basic and diluted earnings per share - discontinued operations	7		**0.3p**

On 1 June 2016, the Group completed the sale of its corn wet mill in Casablanca, Morocco to ADM, receiving gross cash proceeds of £4 million. The Group recognised a £1 million exceptional gain in the six months to 30 September 2016 resulting from the transaction (see Note 4).

		Restated* Six months to 30 September 2015		
Discontinued operations	Notes	Eaststarch / Morocco £m	Sugars / EU Starch £m	Total Discontinued £m
Sales	3	6	–	6
Operating loss		(2)	(18)	(20)
Share of profit after tax of joint ventures and associates		2	–	2
Loss for the period - discontinued operations		–	(18)	(18)
Basic and diluted loss per share - discontinued operations	7			(3.9p)

* Restated (see Note 1 and text below)

In the year to 31 March 2016, the Group realised an exceptional profit on disposal of £68 million in respect of the disposal of the Hungarian, Bulgarian and Turkish Eaststarch plants. The profit on disposal included an amount of £17 million representing the share of profit after tax attributable to the Group whilst the investments were classified as held for sale, £15 million of which was incorrectly recognised in the Statement of Half Year Results for the six months to 30 September 2015. Under IAS 28 guidance, the profit attributable to a joint venture business whilst held for sale should have been deferred and recognised as part of the profit on disposal. Whilst this has no impact on the Group's full year results, restatement has been made in the comparative amounts reported above.

		Year to 31 March 2016		
Discontinued operations	Notes	Eaststarch / Morocco £m	Sugars / EU Starch £m	Total Discontinued £m
Sales	3	13	–	13
Operating profit/(loss) including exceptional items		65	(20)	45
Share of profit after tax of joint ventures and associates		2	–	2
Profit/(loss) before tax		67	(20)	47
Income tax charge (exceptional item)		(5)	–	(5)
Profit/(loss) for the year - discontinued operations		62	(20)	42
Basic earnings per share - discontinued operations	7			9.0p
Diluted earnings per share - discontinued operations	7			8.9p

6. Discontinued operations (continued)

The results of the discontinued operations which have been included in the consolidated cash flow statement were as follows:

	Six months to 30 September 2016	
Discontinued operations	**Eaststarch / Morocco £m**	**Total Discontinued £m**
Profit before tax from discontinued operations	**1**	**1**
Adjustment for:		
Exceptional items and changes in working capital	**(3)**	**(3)**
Cash used in discontinued operations	**(2)**	**(2)**

	Restated* Six months to 30 September 2015		
Discontinued operations	Eaststarch / Morocco £m	Sugars / EU starch £m	Total Discontinued £m
Loss before tax from discontinued operations	–	(18)	(18)
Adjustment for:			
Exceptional items and changes in working capital	–	18	18
Share of profit after tax of joint ventures and associates	(2)	–	(2)
Cash used in discontinued operations	(2)	–	(2)

* Restated (see Notes 1 and text on the previous page)

	Year to 31 March 2016		
Discontinued operations	Eaststarch / Morocco £m	Sugars / EU starch £m	Total Discontinued £m
Profit/(loss) before tax from discontinued operations	67	(20)	47
Adjustment for:			
Exceptional items and changes in working capital	(69)	(5)	(74)
Share of profit after tax of joint ventures and associates	(2)	–	(2)
Cash used in discontinued operations	(4)	(25)	(29)

7. Earnings per share

Basic earnings per share is calculated using a consistent methodology with that used as at 31 March 2016 (see the Group's 2016 Annual Report for further details). The average market price of the Company's ordinary shares during the six months to 30 September 2016 was 666p (six months to 30 September 2015 – 562p; year to 31 March 2016 – 574p). The dilutive effect of share-based incentives was 5.1 million shares (30 September 2015 – 2.3 million shares; 31 March 2016 – 3.4 million shares).

	Six months to 30 September 2016			Restated* Six months to 30 September 2015		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to owners of the Company (£million)	**129**	**1**	**130**	67	(18)	49
Weighted average number of ordinary shares (millions) – basic	**464.4**	**464.4**	**464.4**	464.2	464.2	464.2
Basic earnings/(loss) per share	**27.7p**	**0.3p**	**28.0p**	14.4p	(3.9p)	10.5p
Weighted average number of ordinary shares (millions) – diluted	**469.5**	**469.5**	**469.5**	466.5	466.5	466.5
Diluted earnings/(loss) per share	**27.4p**	**0.3p**	**27.7p**	14.3p	(3.9p)	10.4p

* Restated (see Notes 1 and 6)

	Year to 31 March 2016		
	Continuing operations	Discontinued operations	Total
Profit attributable to owners of the Company (£million)	121	42	163
Weighted average number of ordinary shares (millions) – basic	464.3	464.3	464.3
Basic earnings per share	26.1p	9.0p	35.1p
Weighted average number of ordinary shares (millions) – diluted	467.7	467.7	467.7
Diluted earnings per share	25.9p	8.9p	34.8p

7. Earnings per share (continued)

Adjusted earnings per share

A reconciliation between profit attributable to owners of the Company from continuing operations and the equivalent adjusted metric, together with the resulting adjusted earnings per share metrics can be found below:

Continuing operations	Notes	**Six months to 30 September 2016 £m**	Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Profit attributable to owners of the Company		**129**	67	121
Adjusting items:				
– Net charge for exceptional items	4	**3**	25	50
– Amortisation of acquired intangible assets		**6**	4	11
– Net retirement benefit interest	13	**3**	4	6
– Tax effect of the above adjustments	5	**(1)**	(15)	(27)
– Exceptional deferred tax credit	5	**(26)**	–	–
Adjusted profit attributable to owners of the Company	2	**114**	85	161
Adjusted basic earnings per share (pence) - continuing operations		**24.6p**	18.2p	34.7p
Adjusted diluted earnings per share (pence) - continuing operations		**24.3p**	18.1p	34.5p

8. Dividends on ordinary shares

The Directors have declared an interim dividend of 8.2p per share for the six months to 30 September 2016 (six months to 30 September 2015 – 8.2p per share), payable on 3 January 2017.

The final dividend for the year to 31 March 2016 of £92 million, representing 19.8p per share, was paid during the six months to 30 September 2016.

9. Net debt

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

	At 30 September 2016 £m	At 30 September 2015 £m	At 31 March 2016 £m
Non-current borrowings	**(594)**	(285)	(556)
Current borrowings and bank overdrafts	**(105)**	(494)	(200)
Debt-related derivative financial instruments	**(8)**	24	5
Cash and cash equivalents	**289**	234	317
Net debt	**(418)**	(521)	(434)

Debt-related derivative financial instruments represents the net fair value of currency and interest rate swaps that are used to manage the currency and interest rate profile of the Group's net debt. At 30 September 2016, the net fair value of these derivatives comprised assets of £25 million (30 September 2015 – £37 million; 31 March 2016 – £24 million) and liabilities of £33 million (30 September 2015 – £13 million; 31 March 2016 – £19 million).

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

	Six months to 30 September 2016 £m	Six months to 30 September 2015 £m	Year to 31 March 2016 £m
Net debt at beginning of the period	**(434)**	(555)	(555)
Net (decrease)/increase in cash and cash equivalents in the period	**(50)**	41	108
Net decrease/(increase) in borrowings[#]	**109**	(15)	29
Fair value and other movements	**1**	2	(1)
Currency translation differences	**(44)**	6	(15)
Decrease in net debt in the period	**16**	34	121
Net debt at end of the period	**(418)**	(521)	(434)

[#] Where relevant, net change in borrowings includes repayments of capital elements of finance leases (six months to 30 September 2016 – £nil, six months to 30 September 2015 – £1 million; year to 31 March 2016 – £4 million).

During the six months to 30 September 2016, the Group repaid a maturing US$250 million bond.

9. Net debt (continued)

Gearing and banking covenants metrics[(a)]:

		30 September 2016	30 September 2015	31 March 2016
Gearing				
=	Net debt	**418**	521	434
	Total equity	**1 119**	888*	1 029
		= 37%	= 59%	= 42%
Net debt to EBITDA – on banking covenant basis [(b)]				
=	Net debt	**385**	428	423
	Pre-exceptional EBITDA	**404**	384	345
		= 1.0 times	= 1.1 times	= 1.2 times
Interest cover – on banking covenant basis [(b)]				
=	Operating profit before exceptional items and amortisation of intangible assets			
	Net finance expense			
		281	269	235
		23	21	22
		= 12.2 times	= 12.8 times	= 10.7 times

* Gearing restated (see Notes 1 and 6)

Notes:

(a) All ratios are calculated based on unrounded figures in £ million.

(b) Net debt to EBITDA and interest cover are defined under the Group's banking covenants and reported on a proportionate consolidation basis. For banking covenant purposes these ratios are calculated based on the accounting standards that applied in the annual accounts immediately preceding the period in which the financing was agreed, with no adjustment for subsequent changes in accounting standards adopted by the Group. Net debt is calculated using average currency exchange rates.

10. Contingent liabilities

Passaic River

As noted in the Statement of Full Year Results released on 26 May 2016, the Group is subject to a legal case arising from the notification in 2007 by the U.S. Environmental Protection Agency ("USEPA") that Tate & Lyle, along with approximately 70+ others, is a potentially responsible party ("PRP") for a 17 mile section of the northern New Jersey Passaic River, a major "Superfund" Site. In March 2016, the USEPA issued its Record of Decision ("ROD") on the likely cost for the remediation of the lower 8 miles section of the river (the most contaminated). Whilst Tate & Lyle will continue to vigorously defend itself in this matter, in light of the publication of the ROD, the Group took an exceptional charge of £6 million in the year to 31 March 2016 in respect of this matter. The Group continues to be unable to estimate a reasonably possible range of loss in respect of the remaining 9 mile section of the river and therefore has not recognised a provision in this regard. See the Group's 2016 Annual Report for further details.

Other claims

The Group is subject to claims and litigation generally arising in the ordinary course of its business, some of which are for substantial amounts. All such actions are strenuously defended but provision is made for liabilities that are considered likely to arise on the basis of current information and legal advice. While there is always uncertainty as to the outcome of any claim or litigation, it is not expected that claims and litigation existing at 30 September 2016 will have a material adverse effect on the Group's financial position.

11. Capital expenditure and commitments

In the six months to 30 September 2016, there were additions to intangible assets (excluding goodwill and acquired intangibles) of £10 million (30 September 2015 – £6 million; 31 March 2016 – £19 million) and additions to property, plant and equipment of £70 million (30 September 2015 – £69 million; 31 March 2016 – £175 million).

Commitments at the balance sheet date were as follows:

	At 30 September 2016 £m	At 30 September 2015 £m	At 31 March 2016 £m
Commitments for the purchase of intangible assets	**–**	1	1
Commitments for the purchase of property, plant and equipment	**36**	62	47
Total commitments	**36**	63	48

12. Financial Instruments

The table below shows the Group's financial assets and liabilities measured at fair value at 30 September 2016. The fair value hierarchy categorisation, valuation techniques and inputs are consistent with those used in the year to 31 March 2016 (see Notes 2 and 29 of our 2016 Annual Report):

– Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date;
– Level 2: Inputs are inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly; and
– Level 3: Inputs are unobservable inputs. The Group generally classifies assets or liabilities as Level 3 when the fair value is determined using unobservable inputs that individually, or when aggregated with other unobservable inputs, represent more than 10% of the fair value of observable inputs of the assets or liabilities.

	At 30 September 2016				**At 31 March 2016**			
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
Assets at fair value								
Available-for-sale financial assets	–	–	28	28	–	–	23	23
Derivative financial instruments:								
– Currency swaps	–	1	–	1	–	5	–	5
– Interest rate swaps	–	24	–	24	–	19	–	19
– Commodity pricing contracts	5	26	20	51	1	13	26	40
Assets at fair value	**5**	**51**	**48**	**104**	**1**	**37**	**49**	**87**
Liabilities at fair value								
Other financial liability (within other payables)	–	–	(2)	(2)	–	–	(2)	(2)
Derivative financial instruments:								
– Currency swaps	–	(33)	–	(33)	–	(19)	–	(19)
– Forward foreign exchange contracts	–	(1)	–	(1)	–	(1)	–	(1)
– Commodity pricing contracts	(9)	(14)	(5)	(28)	(13)	(5)	(3)	(21)
Liabilities at fair value	**(9)**	**(48)**	**(7)**	**(64)**	**(13)**	**(25)**	**(5)**	**(43)**

The most significant element of the Group's Level 3 financial instruments are written commodity contracts, which are valued based on the Group's own assessment of the particular commodity, its supply and demand and expected pricing. The most significant unobservable input for those written commodity contracts remains the price of co-product positions. The methodology used to value all level 3 financial instruments remains unchanged from that used as at 31 March 2016 and the sensitivity of the fair value of the level 3 financial instruments to changes in the price of commodity contracts is not materially different to that disclosed as at 31 March 2016. Further detail can be found on page 130 of the Group's 2016 Annual Report.

The fair value of borrowings is estimated to be £734 million (30 September 2015 – £798 million; 31 March 2016 – £775 million) and has been determined using quoted market prices or discounted cash flow analysis. The carrying value of other assets and liabilities held at amortised cost are not materially different from their fair values. Further details of these instruments and our associated accounting policies can be found in Note 2 on page 94 of our 2016 Annual Report.

12. Financial Instruments (continued)

The following table reconciles the movement in the Group's net financial instruments classified in 'Level 3' of the fair value hierarchy:

	Commodity pricing contract – assets £m	Commodity pricing contract – liabilities £m	Available-for-sale financial assets £m	Other financial liabilities* £m	Total £m
At 31 March 2016	**26**	**(3)**	**23**	**(2)**	**44**
Gains in operating profit	**–**	**–**	**2**	**–**	**2**
Purchases	**14**	**(5)**	**3**	**–**	**12**
Settlements	**(20)**	**3**	**–**	**–**	**(17)**
At 30 September 2016	**20**	**(5)**	**28**	**(2)**	**41**

* Within other payables

13. Retirement benefit obligations

At 30 September 2016, the net liability in respect of retirement benefits was £272 million (31 March 2016 - £208 million), which is analysed as follows:

	At 30 September 2016			At 31 March 2016		
	Pensions £m	**Medical benefits £m**	**Total £m**	Pensions £m	Medical benefits £m	Total £m
Present value of benefit obligations	**(1 857)**	**(75)**	**(1 932)**	(1 568)	(66)	(1 634)
Fair value of plan assets	**1 660**	**–**	**1 660**	1 426	–	1 426
Net liability	**(197)**	**(75)**	**(272)**	(142)	(66)	(208)
Presented as:						
Deficits	**(205)**	**(75)**	**(280)**	(187)	(66)	(253)
Surpluses	**8**	**–**	**8**	45	–	45
Net liability	**(197)**	**(75)**	**(272)**	(142)	(66)	(208)

Changes in the net liability during the period are analysed as follows:

	Six months to 30 September 2016		
	Pensions £m	**Medical benefits £m**	**Total £m**
Net liability at 1 April 2016	**(142)**	**(66)**	**(208)**
Income statement:			
– Plan admin costs	**(2)**	**–**	**(2)**
– Service cost	**(1)**	**–**	**(1)**
– Net Interest expense	**(2)**	**(1)**	**(3)**
– Settlement gain (exceptional item – see Note 4d)	**9**	**–**	**9**
Other comprehensive income:			
– Actual return higher than interest on plan assets	**219**	**–**	**219**
– Actuarial loss	**(276)**	**(3)**	**(279)**
Other movements:			
– Employer's contributions	**21**	**2**	**23**
– Currency translation differences	**(23)**	**(7)**	**(30)**
Net liability at 30 September 2016	**(197)**	**(75)**	**(272)**

14. Acquisitions and disposals

Completion of Moroccan Disposal

On 1 June 2016, the Group completed the sale of its corn wet mill in Casablanca, Morocco to ADM, receiving gross cash proceeds of £4 million. The investment had previously been classified as held for sale as at 31 March 2016. The Group recognised an impairment charge of £4 million in the year to 31 March 2016, aligning book value with expected proceeds after allowing for working capital and cash extracted from the business before completion. In the six months to 30 September 2016, the Group recognised a £1 million exceptional gain resulting from the recycling of cumulative foreign exchange translation gains from reserves to the income statement upon disposal of the investment.

During the year to 31 March 2016, the Group recognised an exceptional tax charge of £5 million in discontinued operations in respect of historic tax matters in Morocco. There have been no further material developments in respect of these matters in the six months to 30 September 2016.

Eaststarch re-alignment update

In the six months to 30 September 2016 the Group recognised a £1 million increase to the provisional goodwill in respect of the acquisition of the remaining 50% of the plant in Slovakia, Amylum Slovakia s.r.o (subsequently renamed Tate & Lyle Boleraz s.r.o.) following a remeasurement of net assets acquired.

In the year to 31 March 2016, the Group completed the re-alignment of its Eaststarch operations. The Group recognised an exceptional gain on disposal of £68 million within discontinued operations from exiting the predominantly bulk ingredient plants in Bulgaria, Turkey and Hungary. The Group also recognised a £5 million gain reflecting the re-measurement to fair value of its existing investment in the more speciality food ingredients-focused plant in Slovakia.

15. Related party disclosures

The Group's significant related parties are its associates and joint ventures as disclosed in the 2016 Tate & Lyle Annual Report. In the period to 30 September 2016, the Group completed the disposal of its interest in its corn wet mill in Casablanca, Morocco.

During the period, the Group deconsolidated its equity interest in Jiangsu Tate & Lyle Howbetter Food Co, Ltd, its Food Systems business in China. An agreement to sell this interest was reached after 30 September 2016.

There were no other material changes in related parties or in the nature of related party transactions during the period. In the year to 31 March 2016, the Group re-aligned its Eaststarch joint venture.

16. Events after the reporting period

There were no material post balance sheet events requiring disclosure in respect of the six months to 30 September 2016.