27 May 2011

TATE & LYLE PLC
ANNOUNCEMENT OF FULL YEAR RESULTS
For the year ended March 31, 2011

Continuing operations[1]	2011		2010		Change (reported)	Change (constant currency)[4]
	£m	**$m[5]**	£m	$m[5]		
Sales	**2 720**	**4 209**	2 533	3 920	+ 7%	+ 5%
Adjusted results[2]						
Adjusted operating profit	**321**	**497**	268	415	+ 20%	+ 17%
Adjusted profit before tax	**263**	**407**	196	303	+ 34%	+ 32%
Adjusted diluted earnings per share	**45.7p**	**70.7¢**	33.7p	52.1¢	+ 36%	+ 34%
Statutory results						
Operating profit/(loss)	**303**	**469**	(44)	(68)		
Profit/(loss) before tax	**245**	**379**	(116)	(179)		
Profit for the period (on total operations)	**167**	**258**	19	29		
Diluted earnings per share (on total operations)	**34.7p**	**53.7¢**	3.3p	5.1¢		
Cash flow and net debt						
Free cash flow[3]	**190**	**294**	414	641		
Net debt	**464**	**718**	814	1 260		
Dividend per share	**23.7p**	**36.7¢**	22.9p	35.4¢	+ 3.5%	

Javed Ahmed, Chief Executive, said:

"Tate & Lyle performed well in the year achieving steady growth across a number of our markets. In Speciality Food Ingredients, we delivered strong profit growth driven by increased sales volumes across the product portfolio, improved product mix and lower sucralose manufacturing costs. In Bulk Ingredients, we experienced good volume growth from sweeteners and very strong returns from co-products due to high corn prices. The Board is proposing an increase in the final dividend reflecting its confidence in the business."

Financial performance

- Adjusted operating profit up 20% at £321 million, $497 million (17% in constant currency)
- Adjusted operating profit from Speciality Food Ingredients up 26% (25% in constant currency)
- Adjusted operating profit from Bulk Ingredients up 15% (11% in constant currency)
- Adjusted diluted earnings per share up 36% at 45.7p, 70.7¢ (34% in constant currency)
- Net debt down by £350 million, $542 million (43%) to £464 million, $718 million (40% before exchange translation)
- Increase of 5% proposed for the final dividend to 16.9p, 26.2¢, making a total dividend of 23.7p, 36.7¢ (2010 – 22.9p, 35.4¢)

Strategic update

- 'Focus, Fix, Grow' programme remains on track:
  - Disposal of EU Sugar Refining, Molasses and Fort Dodge facility and conditional sale of Vietnam Sugar
  - Global Commercial and Food Innovation Center in Chicago on track to be operational in early 2012
  - New global Shared Service Center being established in Lodz, Poland; to be operational by end of 2011
- SPLENDA® Sucralose facility in McIntosh, Alabama to restart production in first half of financial year 2013

Outlook

In Speciality Food Ingredients, we expect the current steady demand patterns to continue and anticipate a year of good sales growth. The lower sucralose manufacturing costs are now reflected in the performance of this division and, accordingly, the level of profit growth in the coming financial year is expected to be more modest than the strong result achieved in financial year 2011. In Bulk Ingredients, we expect sweetener margins to remain flat calendar year on year with volumes slightly down as we diversify some grind to Speciality Food Ingredients. Elsewhere, industrial starches are expected to perform better, particularly in Europe, but not sufficiently to offset more normal co-product returns. Given the Group's strong cash generation and reduction in net debt, interest costs are expected to decrease.

Overall, with a more focused business, a stronger balance sheet and a continuation of the steps we are taking to focus, fix and grow our business, we expect to deliver another year of profitable growth.

1 Excluding the results of the Sugars division in both periods except where noted otherwise.
2 Before exceptional costs of £5 million, $8 million (2010 – £298 million, $461 million) and amortization of acquired intangible assets of £13 million, $20 million (2010 – £14 million, $22 million).
3 Free cash flow is operating cash flows from continuing operations after working capital, interest, taxation and capital expenditure.
4 Changes in constant currency are calculated by retranslating comparative period sterling results at current period exchange rates.
5 All US dollar conversions provided at the average rate for the year ended March 31, 2011 of $1.54738 = £1 unless otherwise stated.

Cautionary statement

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

A copy of this Announcement of Full Year Results for the year ended March 31, 2011 can be found on our website at www.tateandlyle.com. A hard copy of this statement is also available from The Company Secretary, Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

SPLENDA® is a trademark of McNeil Nutritionals, LLC.

Webcast and teleconference

A presentation of the results by Chief Executive, Javed Ahmed and Chief Financial Officer, Tim Lodge will be audio webcast live at 10.00 (BST) today. To view and/or listen to a live audiocast of the presentation, visit http://www.media-server.com/m/em/28mcx8pj/r/1. Please note that remote listeners will not be able to ask questions during the Q&A session. A webcast replay of the presentation will be available within two hours of the end of the live broadcast for six months, on the link above.

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

Dial in details:
UK dial in number: +44 (0)20 7806 1957
US dial in number: +1 212 444 0413
Access code: 8441160#

7 day conference call replay:
UK replay number: +44 (0)20 7111 1244
US replay number: +1 347 366 9565
Replay Access code: 8441160#

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CHIEF EXECUTIVE'S REVIEW

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

Overview of Group's financial performance

Tate & Lyle performed well in the year achieving steady volume growth across a number of our markets, very strong returns from co-products and lower sucralose manufacturing costs.

Sales for the year were £2,720 million, $4,209 million (2010 – £2,533 million, $3,920 million), an increase of 7% (5% in constant currency) on the prior year. In Speciality Food Ingredients, sales increased by 2% (2% in constant currency) to £805 million, $1,246 million (2010 – £788 million, $1,219 million) with sales volumes up by 7%. The rate of sales growth was impacted by reduced selling prices for SPLENDA® Sucralose reflecting our strategy of securing long-term volume incentive contracts with our customers. Within Bulk Ingredients, sales increased by 10% (7% in constant currency) to £1,915 million, $2,963 million (2010 – £1,745 million, $2,700 million).

Adjusted operating profit increased by 20% (17% in constant currency) to £321 million, $497 million (2010 – £268 million, $415 million). In Speciality Food Ingredients, adjusted operating profit increased by 26% (25% in constant currency) to £206 million, $319 million (2010 – £163 million, $252 million), driven by increased sales volumes, operational leverage, improved product mix and lower SPLENDA® Sucralose manufacturing costs. The effect of exchange translation was to increase adjusted operating profit by £2 million, $3 million. In Bulk Ingredients, adjusted operating profit increased by 15% (11% in constant currency) to £157 million, $243 million (2010 – £136 million, $210 million), driven by volume growth, very strong returns from co-products and an improved performance from ethanol offset by lower margins in sweeteners and industrial starches. Higher corn prices, particularly in the second half of the year, resulted in an additional £16 million, $25 million of co-product returns compared to the prior year. The effect of exchange translation was to increase adjusted operating profit by £5 million, $8 million.

Central costs, which include head office, treasury and reinsurance activities, increased by £11 million, $17 million to £42 million, $65 million reflecting the costs associated with strengthening the Group's senior management team, costs associated with our financing portfolio and one-off costs of £6 million, $9 million in the first half relating to the review of the Group's activities.

The net finance expense from continuing operations decreased from £72 million, $111 million to £58 million, $90 million principally as a result of lower pension interest expense. Adjusted profit before tax was up 34% (32% in constant currency) to £263 million, $407 million (2010 – £196 million, $303 million) reflecting the strong operating performance and reduction in net interest charge.

Adjusted diluted earnings per share increased by 36% (34% in constant currency) to 45.7p, 70.7¢ benefiting from improved operating performance and a lower effective tax rate of 18.5% (2010 – 20.8%).

Exceptional items on continuing and discontinued operations totalled a charge of £48 million, $74 million (2010 – £276 million, $427 million). Within continuing operations there was a net £10 million, $15 million gain on the sale of the Fort Dodge facility and £15 million, $23 million of costs associated with the business transformation programme. Within discontinued operations a loss of £55 million, $85 million was booked on the disposal of the EU Sugar Refining Operations (EU Sugars), which remains subject to closing adjustments and adjudication as discussed below, and a gain of £12 million, $19 million on the disposal of Molasses.

Balance sheet

We continue to focus on managing our working capital closely resulting in our average quarterly cash conversion cycle falling from 45 days to 34 days.

The key performance indicators (KPIs) of our financial strength, the ratio of net debt to earnings before interest, tax depreciation and amortization (EBITDA) and interest cover, remain well within our internal targets. At March 31, 2011, the net debt to EBITDA ratio was 1.1 times (2010 – 1.8 times), against our target of 2.0 times. Interest cover on total operations at March 31, 2011 was 6.9 times (2010 – 5.8 times), again ahead of our minimum target of 5.0 times.

The Group's balance sheet was strengthened significantly during the year. Net debt reduced by 43% to £464 million, $718 million at March 31, 2011 (March 31, 2010 – £814 million, $1,260 million). This improvement in net debt, which builds upon the considerable reduction achieved in the prior year, was driven by the disposals of the EU Sugars, Molasses and Fort Dodge, resulting in a net cash inflow of £316 million, $489 million, and the underlying cash generated by the business.

Return on Capital Employed increased from 13.6% to 20.6% as a result of increased profits, a reduction in operating assets reflecting the writedown of Fort Dodge, the reduced average levels of working capital within the business and exchange rate effects.

Dividend

The Board is recommending a 5% increase in the final dividend to 16.9p, 26.2¢ (2010 – 16.1p, 24.9¢) making a full year dividend of 23.7p, 36.7¢ (2010 – 22.9p, 35.4¢) per share, up 3.5% on the prior year. Subject to shareholder approval, the proposed final dividend will be due and payable on August 5, 2011 to all shareholders on the Register of Members at July 1, 2011. In addition to the cash dividend option, shareholders will also be offered a Dividend Reinvestment Plan (DRIP) alternative. The DRIP replaces the scrip alternative that was previously available to shareholders.

Safety

We have no higher priority than safety and are committed to providing safe and healthy working conditions for all our employees, contractors and visitors. Whilst we are pleased that the safety performance at most of our locations improved in the 2010 calendar year, and that our safety performance continues to compare favorably against the industry, the Group's overall safety performance (as detailed in the KPI table below) deteriorated in 2010. Having set ourselves very high standards, we take any reduction in performance very seriously. A detailed plan has been put in place to drive an improvement in safety performance which our global safety teams, employees and contractors are working hard to embed across the Group.

Key Performance Indicators (KPIs)

In May 2010, we announced that we would report a set of KPIs to measure our performance. For the year ended March 31, 2011 these are as follows:

KPI	Measure	Year to 31 March		Change
		2011	2010	
Growth in SFI sales	Sales	**$1 246m**	$1 219m	+ 2%
Profitability	Adjusted operating profit	**$497m**	$415m	+ 17%
Working capital efficiency	Cash conversion cycle†	**34 days**	45 days	+ 11 days
Financial strength	Net debt/EBITDA*	**1.1x**	1.8x	
	Interest cover*	**6.9x**	5.8x	
Return on assets	ROCE	**20.6%**	13.6%	+ 700bps
Corporate Responsibility**	Safety – Recordable incident rate	**0.93**	0.89	- 5%
	Safety – Lost time accident rate	**0.58**	0.39	- 49%

†Calculated as the average cash conversion cycle at the end of each of the four quarter ends to show the underlying progress throughout the year

*Calculated under banking covenant definitions

**We are establishing an index for environmental sustainability which we will report on as a key performance indicator moving forward

Focus, Fix, Grow: Update

As we set out in May 2010, Tate & Lyle's strategy is to grow our Speciality Food Ingredients business supported by cash generated from Bulk Ingredients. To deliver on this strategy, and to reinvigorate Tate & Lyle, we have taken a number of steps during the year to 'focus, fix and grow' the business.

1) Focus

We have disposed of a number of businesses and assets to ensure that our resources are focused on delivering our strategy and maximising returns to shareholders. During the year we sold EU Sugars, Molasses, Fort Dodge and, after the year-end, we announced the conditional sale of our Vietnam sugar interests. As a result of these disposals, Tate & Lyle is a more focused, less complex business with a reduced exposure to commodity markets.

2) Fix

The new operating model implemented on June 1, 2010 based on two global business units, Speciality Food Ingredients and Bulk Ingredients, supported by a global unit dedicated to driving growth, Innovation and Commercial Development, and shared support services is being embedded. This new operating model is simple and transparent and provides an efficient platform for future growth, both organically and through bolt-on acquisition. We have also taken steps to strengthen the customer-facing areas of our business - for example, the commercial organizations of the speciality and bulk businesses have been separated and are now fully focused on serving their different end markets.

In May 2010, we announced two major two-year initiatives to transform our operational capabilities – firstly, to implement a common global IS/IT platform and secondly, to provide global support services through the use of shared service centers. After a detailed and thorough planning process, both initiatives were launched on January 1, 2011 and are making good progress. Following an evaluation of a number of different locations, the decision was made to locate our global Shared Service Center in Lodz, Poland. The new center is expected to be operational by the end of 2011 with the various services to be provided migrated to the new center in a phased process over a 12 to 15 month period. The new IS/IT platform will also be implemented via a phased process starting in the first half of 2012.

Building a high-performance culture is a key part of the 'fix' phase. To help achieve this, during the year we put in place a new global performance management system, a new global sales incentive system and established common global metrics in areas such as working capital, customer service and quality. Ensuring we have the right skills and talent in the business is also very important. We are developing our high potential employees by providing them with more training and opportunities to learn, particularly with international assignments, and are also recruiting new staff both to fill skills gaps and to refresh our talent base.

The new process for capital investment planning and implementation has now been fully embedded within the organization. All new investments are now evaluated against clear strategic and financial criteria with greater scrutiny and clear execution milestones for approved investments.

3) <u>Grow</u>

The Innovation and Commercial Development (ICD) group, which was formed on June 1, 2010, has made good progress during the year working closely with customers on product development and innovation initiatives. ICD is responsible for the innovation pipeline and, during the year, the processes used by ICD to manage and review the pipeline, and the way it launches new products, were completely overhauled. During the year we launched RESISTAMYL™ 140, a bakery cream starch in Europe and PROMITOR™ Soluble Corn Fiber 85 in the US and Latin America. We also recently announced a five-year strategic partnership agreement with BioVittoria Ltd for the exclusive global marketing and distribution rights for BioVittoria's monk fruit extract, marketed under the PUREFRUIT™ brand name. PUREFRUIT™ is the only fruit-based calorie-free sweetening ingredient available today and is a good addition to our sweetener and wellness portfolios.

To enhance how we engage with our customers, and improve our access to them, in October 2010 we announced that we would be establishing a new Commercial and Food Innovation Center in Chicago, Illinois. The Center, which is due to be operational in early 2012, will be the global headquarters of ICD and will feature laboratories, a demonstration kitchen, sensory testing, analytical and pilot plant facilities.

The underlying global consumer trends of health and wellness and convenience continue to underpin long-term growth in the Speciality Food Ingredients market. Customer demand for both new and existing products that meet consumers' needs in these key areas remains strong, particularly for products that can help address rising levels of diabetes and obesity in the developed and, increasingly, the developing world. Cost optimization in the face of high and volatile commodity (e.g. sugar) prices is also driving demand. In light of the strong pipeline of demand for SPLENDA® Sucralose from existing and new customers, and having carried out a comprehensive review of the available options, we have decided to restart sucralose production at our mothballed facility in McIntosh, Alabama. The restart of production, which we expect to take place during the first half of financial year 2013, reinforces our commitment to the sucralose business, provides further resilience in our supply chain and further strengthens our position as the leading global manufacturer and supplier of sucralose.

We are also looking to build our business and capabilities in two areas where we see long-term growth – new customer segments and emerging markets. Dedicated resources have now been put in place in Europe and the US to serve small and medium enterprise (SMEs) and private label customers. In emerging markets, we have changed our senior management team in Asia Pacific to provide fresh impetus to our efforts in that region. We are also building new application laboratories in Mexico and Brazil to add to our global network, and have strengthened our sales teams in both Latin America and China.

In our Bulk Ingredients division, we are looking at ways to diversify our business by leveraging our fermentation expertise and facilities to partner with businesses in the bio-based materials industry. In November 2010, we signed an agreement with Amyris under which Tate & Lyle will produce farnesene at its facilities in Decatur, Illinois with the end product being distributed by Amyris. Then in March 2011, we signed an agreement with Genomatica under which we will dedicate a demonstration-scale production facility in Decatur for exclusive use by Genomatica for the scale-up of the Bio-BDO process.

4) Costs

The total costs associated with the delivery of the new Commercial and Food Innovation Center are expected to be £37 million, $57 million and the common IS/IT platform and global support services to be £57 million, $88 million. Of the total amount of £94 million, $145 million, £40 million, $62 million is expected to be treated as exceptional costs within the income statement and £54 million, $83 million as capital expenditure. During the financial year 2011, £6 million, $9 million of capital and £10 million, $15 million of exceptional costs were incurred and we anticipate around £65 million, $101 million of expenditure in relation to these projects during the year ending March 31, 2012. The remaining expenditure relating to IS/IT and global shared services will be incurred in the year ending March 31, 2013. We expect the investment made in the common IS/IT and global support services to pay back over a period of three years.

5) Risk management

We have embedded a framework of risk management into the various programmes undertaking the initiatives to focus, fix and grow the business, to address the execution risk associated with them. This framework has been supplemented by internal and external risk and assurance activities over the life of the programmes.

6) Conclusion

We have taken a number of important steps during the year to deliver on our commitment to focus, fix and grow the business. The focus phase is now largely complete and the fix phase is progressing well, although, there is still more work to do. Whilst the grow phase is beginning to yield some small but tangible benefits it is still early days. Our objective remains to build a platform on which we can deliver steady and sustainable long term growth and value for shareholders. We remain on track to deliver on this objective.

Javed Ahmed
Chief Executive