

## Independent Auditors' Report to the Members of Tate & Lyle PLC: Group financial statements

We have audited the Group financial statements of Tate & Lyle PLC for the year ended 31 March 2009, which comprise the Consolidated income statement, the Consolidated statement of recognised income and expense, the Consolidated balance sheet, the Consolidated cash flow statement, and the Notes to the consolidated financial statements. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of Tate & Lyle PLC for the year ended 31 March 2009 and on the information in the directors' remuneration report that is described as having been audited.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the Group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the Group financial statements give a true and fair view and whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you as to whether in our opinion the information given in the directors' report is consistent with the Group financial statements.

The information given in the directors' report includes that specific information presented in the 'What we do' and 'How we performed' sections that are cross-referred from the business review section of the directors' report. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate governance statement reflects the Company's compliance with the nine provisions of the 2006 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the annual report and consider whether it is consistent with the audited Group financial statements. The other information comprises the 'Overview of the year', the 'What we do', 'How we performed' and the 'How we run the business' sections, the directors' report, the unaudited part of the directors' remuneration report, the ten-year review and the information for investors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Group financial statements.

### Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 March 2009 and of its profit and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- the information given in the directors' report is consistent with the Group financial statements.

### PricewaterhouseCoopers LLP

Chartered Accountants and  
Registered Auditors  
1 Embankment Place  
London WC2N 6RH  
27 May 2009

## Consolidated income statement

Year to 31 March

	Notes	2009 £m	2008 £m
Continuing operations			
Sales	4, 5	<b>3 553</b>	2 867
Operating profit	4, 6	<b>164</b>	224
Finance income	10	<b>27</b>	38
Finance expense	10	<b>(78)</b>	(80)
Profit before tax		<b>113</b>	182
Income tax expense	11	<b>(19)</b>	(76)
Profit for the year from continuing operations		<b>94</b>	106
(Loss)/profit for the year from discontinued operations	12	<b>(24)</b>	81
Profit for the year		<b>70</b>	187
Profit/(loss) for the year attributable to:			
Equity holders of the Company		<b>65</b>	194
Minority interests		<b>5</b>	(7)
		<b>70</b>	187
		<b>pence</b>	pence
Earnings per share attributable to the equity holders of the Company from continuing and discontinued operations	13		
Basic		<b>14.2</b>	40.9
Diluted		<b>14.1</b>	40.4
Earnings per share attributable to the equity holders of the Company from continuing operations	13		
Basic		<b>19.5</b>	23.8
Diluted		<b>19.4</b>	23.6
Dividends per share	14		
Interim paid		<b>6.8</b>	6.5
Final proposed		<b>16.1</b>	16.1
		<b>22.9</b>	22.6
Analysis of adjusted profit before tax from continuing operations		<b>£m</b>	£m
Statutory profit before tax		<b>113</b>	182
Add back:			
Exceptional items	8	<b>119</b>	59
Amortisation of acquired intangible assets	15	<b>15</b>	12
Adjusted profit before tax, exceptional items and amortisation of acquired intangible assets		<b>247</b>	253

The notes on pages 103 to 155 form part of these Group financial statements.

OVERVIEW OF THE YEAR

WHAT WE DO

HOW WE PERFORMED

HOW WE RUN THE BUSINESS

STATUTORY INFORMATION

## Consolidated statement of recognised income and expense

	Notes	Year to 31 March	
		2009 £m	2008 £m
Net exchange differences		<b>139</b>	57
Net actuarial loss on retirement benefit obligations	31	<b>(40)</b>	(7)
Net (loss)/gain on cash flow hedges	26	<b>(25)</b>	1
Gain/(loss) on revaluation of available-for-sale financial assets	18	<b>24</b>	(3)
Net income recognised directly in equity	25	<b>98</b>	48
Profit for the year		<b>70</b>	187
<b>Total recognised income and expense for the year</b>		<b>168</b>	235
Attributable to:			
Equity holders of the Company		<b>157</b>	242
Minority interests		<b>11</b>	(7)
		<b>168</b>	235

The notes on pages 103 to 155 form part of these Group financial statements.

## Consolidated balance sheet

	Notes	31 March 2009 £m	31 March 2008 £m
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill and intangible assets	15	374	320
Property, plant and equipment	16	1 548	1 196
Investments in associates	17	8	7
Available-for-sale financial assets	18	11	15
Derivative financial instruments	20	34	36
Deferred tax assets	30	30	1
Trade and other receivables	23	5	11
Retirement benefit surplus	31	47	53
		<b>2 057</b>	<b>1 639</b>
<b>Current assets</b>			
Inventories	22	538	562
Trade and other receivables	23	723	675
Current tax assets		6	18
Derivative financial instruments	20	213	275
Cash and cash equivalents	34	434	165
Assets held for sale	18	28	–
		<b>1 942</b>	<b>1 695</b>
<b>TOTAL ASSETS</b>		<b>3 999</b>	<b>3 334</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Ordinary share capital	24	115	114
Share premium	24	404	404
Capital redemption reserve	25	8	8
Other reserves	26	219	91
Retained earnings	25	241	317
		<b>987</b>	<b>934</b>
Minority interests	25	26	16
<b>TOTAL SHAREHOLDERS' EQUITY</b>	25	<b>1 013</b>	<b>950</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables	28	11	27
Borrowings	29	1 129	858
Derivative financial instruments	20	57	30
Deferred tax liabilities	30	78	107
Retirement benefit obligations	31	258	144
Provisions for other liabilities and charges	32	21	14
		<b>1 554</b>	<b>1 180</b>
<b>Current liabilities</b>			
Trade and other payables	28	538	488
Current tax liabilities		77	35
Borrowings and bank overdrafts	29	523	360
Derivative financial instruments	20	283	267
Provisions for other liabilities and charges	32	11	54
		<b>1 432</b>	<b>1 204</b>
<b>TOTAL LIABILITIES</b>		<b>2 986</b>	<b>2 384</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3 999</b>	<b>3 334</b>

The Group financial statements were approved by the Board of Directors on 27 May 2009 and signed on its behalf by:

Sir David Lees, Iain Ferguson, Tim Lodge                      Directors

*The notes on pages 103 to 155 form part of these Group financial statements.*

## Consolidated cash flow statement

Year to 31 March

	Notes	2009 £m	2008 £m
<b>Cash flows from operating activities</b>			
Profit before tax from continuing operations		113	182
Adjustments for:			
Depreciation of property, plant and equipment	6	112	100
Exceptional items	8	119	59
Amortisation of intangible assets	6	20	15
Share-based payments	9	5	7
Finance income	10	(27)	(38)
Finance expense	10	78	80
Working capital, non-cash movements and other operating cash	33	31	(159)
Cash generated from continuing operations		451	246
Interest paid		(86)	(87)
Income tax paid		(17)	(75)
Cash generated from/(used in) discontinued operations	12	140	(84)
Net cash generated from operating activities		488	-
<b>Cash flows from investing activities</b>			
Proceeds on disposal of property, plant and equipment		5	7
Purchase of available-for-sale financial assets	18	(6)	(4)
Proceeds on disposal of available-for-sale financial assets		9	4
Interest received		30	53
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	38	(1)	(75)
Disposal of subsidiaries, net of cash and cash equivalents disposed	38	(4)	341
Disposal of joint ventures, net of cash and cash equivalents disposed	38	-	42
Disposal of businesses	38	57	-
Purchase of property, plant and equipment		(224)	(264)
Purchase of other intangible assets	15	(7)	(7)
Net cash (used in)/generated from investing activities		(141)	97
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares	25	3	8
Repurchase of ordinary shares	25	-	(159)
Cash inflow from additional borrowings		1	152
Cash outflow from repayment of borrowings		(14)	(23)
Cash outflow from repayment of capital element of finance leases		(3)	(1)
Dividends paid to the Company's equity holders	14	(104)	(105)
Dividends paid to minority interests	25	(1)	(1)
Net cash used in financing activities		(118)	(129)
Net increase/(decrease) in cash and cash equivalents	35	229	(32)
<b>Cash and cash equivalents</b>			
Balance at beginning of year		165	189
Effect of changes in foreign exchange rates		40	8
Net increase/(decrease) in cash and cash equivalents		229	(32)
Balance at end of year	34	434	165

The notes on pages 103 to 155 form part of these Group financial statements.