21 OCTOBER 2021 – TATE & LYLE PLC

RESTATEMENT OF PRIOR YEAR FINANCIAL INFORMATION FOR THE SHAREHOLDER APPROVED SALE OF A CONTROLLING STAKE IN THE PRIMARY PRODUCTS BUSINESS ("NewCo")

Introduction

On 12 July 2021, Tate & Lyle announced that it had entered into an agreement to sell a controlling stake in a new company ("NewCo") and its subsidiaries which will hold Tate & Lyle's Primary Products business in North America and Latin America and its interests in the Almidones Mexicanos S.A de C.V ("Almex") and DuPont Tate & Lyle Bio-Products Company, LLC ("Bio-PDO") joint ventures (together, the "NewCo Business"), to Gemini Holdings, LP (the "Purchaser") an affiliate of funds managed by KPS Capital Partners, LP (together with the Purchaser and their affiliates, "KPS") (altogether, the "Transaction"). Under the terms of the Transaction, Tate & Lyle will continue to hold a 49.9% interest in NewCo and will benefit from potential value creation in the NewCo Business in the future.

On 30 September 2021 Tate & Lyle ordinary shareholders voted to approve the transaction, with 99.9% of the shares that voted voting in favour of the Transaction.

In advance of the publication on 4 November 2021 of Tate & Lyle's half-year results for the six months ended 30 September 2021, and to assist with understanding the accounting impact of the Transaction, this announcement is being made to provide details of the framework under which the future results of Tate & Lyle will be reported and set out the restated comparative information for the six months to 30 September 2020 and the year ended 31 March 2021.

This document also contains pro-forma financial information for Tate & Lyle for the six months ended 30 September 2020 and the year ended 31 March 2021, which shows the impact of further adjustments reflecting additional factors that will come into effect at or following completion of the Transaction. The pro-forma adjustments show a reduction in adjusted diluted earnings per share (EPS) for each period. However, it should be noted that the dilution presented for the year ended 31 March 2021 is not indicative of expected future dilution, which will be lower. This is because the year ended 31 March 2021 saw a record level of Commodities profits which increases profits from discontinued operations and so increases the associated dilution impact. The dilution impact is also calculated before the reduction in the diluted number of ordinary shares expected to result from the proposed special dividend and share consolidation (which is expected to take place after completion of the Transaction).

Background

On completion, KPS will have 50.1% of the voting rights in NewCo, majority board voting rights and operational control. Tate & Lyle will, therefore, no longer unilaterally control the NewCo Business and will cease to consolidate it in its financial statements. Tate & Lyle will equity account for its 49.9% interest in NewCo as a joint venture following completion of the Transaction.

Completion of the Transaction continues to be expected in the first quarter of the 2022 calendar year (i.e. on or before the end of the Tate & Lyle Group's financial year ending 31 March 2022) subject to a number of further conditions being satisfied, including inter alia: (i) obtaining certain Antitrust Clearances; (ii) the completion of a reorganisation of the Tate & Lyle Group to separate the NewCo Business from the Food & Beverage Solutions business and create a standalone group of entities under NewCo which hold the NewCo Business; and (iii) the completion of an information technology separation. Tate & Lyle is working (together with KPS, where applicable) to achieve satisfaction of these conditions within this timeframe.

Outline of the restated financial information

From July 2021, the NewCo Business has been classified as held for sale and met the definition of a discontinued operation in accordance with IFRS 5.

As a result, the NewCo Business is required to be treated as such in the current financial period (being the year ending 31 March 2022), and this classification will be adopted in the Group's half year results announcement on 4 November 2021. Accordingly, the comparatives for the six months to 30 September 2020 and the year ended 31 March 2021 will be restated on a consistent basis. These restatements have been set out in Section I. They also include a reconciliation from the results originally disclosed for these periods to the classification of operations defined as continuing. Such continuing operations comprise the following:

- The Group's existing Food & Beverage Solutions operating segment;
- The Group's Sucralose operating segment;
- The Group's European Primary Products business[1], which is not part of the Transaction; and
- Central costs

[1] Following the completion of the Transaction, it is expected that the European Primary Products business will be part of the Food & Beverage Solutions operating segment

The composition of continuing operations will be consistent year on year and therefore the results of continuing operations to be published in the half year results announcement for the six months to 30 September 2021 will be comparable with the restated financial information set out below.

Then set out in Section II of this document, are further adjustments to show the pro-forma impact of the Transaction because certain impacts will only come into effect at or following completion. The basis of preparation of this pro-forma financial information is described below.

Additional Pro-forma adjustments made to restated financial information

In Section II of the financial information the pro-forma effect of the Transaction is provided. In addition to the adjustments described in Section I, these pro-forma adjustments reflect the impact of the following:

- The impact of long-term agreements that will exist between the Group and NewCo from completion of the Transaction, including, inter alia, for the cost of certain services provided by NewCo for procurement of net raw materials and the manufacture of finished goods products; and
- The Group's equity accounted share of profits of the NewCo Business from Completion.

The pro-forma financial information in Section II is designed to show the illustrative impact of the Transaction on continuing operations as if it had completed on 1 April 2020, being the start of the earliest period presented in this document.

The pro-forma effect on EPS of the impact on the number of ordinary shares following the planned share consolidation has not been disclosed herein as it will be dependent on the market capitalisation of Tate & Lyle at the time of the consolidation. Illustratively, at the current share price of £6.75 a £500 million special dividend and associated share consolidation would result in a reduction of approximately 74 million shares, representing approximately 16% of the Group's share capital used for the purpose of calculating EPS. The pro-forma financial information in Section II does not include the positive impact this will have on reducing EPS dilution.

While IFRS 5 provides the basis on which the restated financial information included in Section I is prepared, pro-forma financial information is a non-IFRS measure. In addition, because such pro-forma financial information contains estimates with respect to each of the items set out above, it should not be used to replace the restated statutory financial information but is an illustration of how the Group will present its financial results following completion of the Transaction.

Further impact of classification of the NewCo Business as Held for Sale

IFRS 5 requires certain adjustments to assets held for sale, for which the relevant items to the Group from the Transaction are as follows:

- Cessation of depreciation of assets of the NewCo Business; and
- Cessation of equity accounting of the share of profits from the Group's existing joint venture interests in Almex and Bio-PDO (after which any dividends received from these two joint ventures are recorded as income within discontinued operations)

Such adjustments apply prospectively from 1 July 2021 and comparatives are not restated[2]. The impact of these adjustments is reflected in discontinued operations only and there is no impact on the continuing operations defined above. Accordingly, the restated comparative financial information set out below is unimpacted by the held for sale adjustments.

[2] IFRS 5 requires discontinued operations to be restated to apply in all periods but it requires the held for sale adjustments above only to apply prospectively from 1 July 2021.

FINANCIAL INFORMATION

Section I – Restated Financial Information

Summary of restated financial results for the six months to 30 September 2020

Six months to 30 September 2020[1]	As reported £m	Transfer of European PP business to F&BS £m	Re-classification to discontinued operations £m	Restated £m
Revenue[2]	1 389	45	(842)	592
Adjusted operating profit				
- Food & Beverage Solutions[3]	98	(4)	(4)	90
- Sucralose	25	–	–	25
- Primary Products[4]	83	4	(87)	–
- Central	(24)	–	–	(24)
Adjusted operating profit	182	–	(91)	91
Net finance expense[5]	(15)	–	2	(13)
Share of profit after tax of joint ventures[6]	13	–	(13)	–
Adjusted profit before tax	180	–	(102)	78
Exceptional items[7]	(18)	–	3	(15)
Amortisation of acquired intangible assets	(5)	–	–	(5)
Profit before tax	157	–	(99)	58
Income tax expense[8]	(24)	–	11	(13)
Profit for the period – continuing operations	133	–	(88)	45
Profit for the period – discontinued operations	–	–	88	88
Profit for the period – total operations	133	–	–	133
EPS (pence) – continuing operations				
Adjusted diluted	32.1p			12.9p

1. Adjusted results and a number of other terms and performance measures used in this document are not directly defined within IFRS. We have provided descriptions of the various metrics and their reconciliation to the most directly comparable measures reported in accordance with IFRS and the calculation (where relevant) of any ratios in Note 2 to the Statement of Half Year Results for the six months to 30 September 2020.
2. Adjustment to revenue comprises overall reclassification to discontinued operations of £797 million, representing external revenue from the Primary Products business in North America and Latin America. In addition, £45 million of revenue from the European Primary Products business, which is not subject to the NewCo disposal transaction, is reclassified to Food & Beverage Solutions in the summary financial information.
3. Adjustment relates to the inclusion of the European Primary Products business in Food & Beverage Solutions, which is not subject to the NewCo disposal transaction (£4 million loss), and the inclusion of certain stranded costs (£4 million of costs) which are reallocated from Primary Products to Food & Beverage Solutions because they will remain with the Group post disposal.
4. Primary Products profit is removed on the basis that it is included in discontinued operations with the exception of its European Primary Products business which is included within Food & Beverage Solutions following the adjustment in item 3 above.
5. Adjustment relates to the interest charge on certain leases included in the disposal group which has been reclassified to discontinued operations.
6. Both the Group's joint ventures Almex and Bio-PDO are subject to the NewCo disposal transaction. Their results are included within discontinued operations.
7. Adjustment relates to the exceptional costs recorded within the disposal group which has been reclassified to discontinued operations.
8. Income tax expense represents statutory income tax and therefore includes tax on exceptional items. Adjusted diluted EPS is calculated using adjusted tax rate, consistent with the Group's usual presentation.

Segmental results for the six months to 30 September 2020

Following the classification of NewCo as a disposal group held for sale and discontinued operation, in the year ending 31 March 2022 there is no change to the Group's existing reportable IFRS 8 segments as this segment information remains consistent with the information being presented to the Board (Chief Operating Decision Maker) for the purpose of allocating resources and assessing business performance. Following completion of the Transaction, and for the year ending 31 March 2023 and beyond, the IFRS 8 operating segments are expected to again remain unchanged, except that the Primary Products segment will become the Group's interest in the NewCo joint venture and the Group's existing European Primary Products business will become part of the Food & Beverage Solutions operating segment.

Further information is provided below to reconcile the segmental results to the presentation adopted in the summary financial information.

IFRS 8 Segmental disclosure (unchanged from previous disclosure)

	Six months to 30 September 2020				
Total operations	**Food & Beverage Solutions £m**	**Sucralose £m**	**Primary Products £m**	**Central £m**	**Total £m**
Revenue[1]	475	72	842	–	1 389
Adjusted operating profit[2]	98	25	83	(24)	182
Adjusted operating margin	20.5%	34.9%	9.9%	n/a	13.1%

1 Includes £797 million of revenue recognised in discontinued operations

2 Reconciled to statutory profit for the period in Note 2 of the statement of half year results for the six months to 30 September 2020.

Reconciliations of IFRS 8 segmental disclosures to summary financial results:

(i) Revenue

	Six months to 30 September 2020				
Continuing operations	**Food & Beverage Solutions £m**	**Sucralose £m**	**Primary Products £m**	**Central £m**	**Total £m**
Segment revenue – as above	475	72	842	–	1 389
Reclassification to discontinued operations	-	–	(797)	–	(797)
Transfer of European PP business to F&BS	45	–	(45)	–	-
As presented in summary financial information	520	72	–	–	592

(ii) Adjusted operating profit

	Six months to 30 September 2020				
Continuing operations	**Food & Beverage Solutions £m**	**Sucralose £m**	**Primary Products £m**	**Central £m**	**Total £m**
Adjusted operating profit – segmental results	98	25	83	(24)	182
Transfer of European PP business to F&BS[2]	(4)	–	4	–	–
Reclassification to discontinued operations[2]	(4)	–	(87)	–	(91)
As presented in summary financial information	90	25	–	(24)	91
Adjusted operating margin	17.2%	34.9%	–	–	15.4%

2. Food & Beverage Solutions adjustment relates to the inclusion of the European Primary Products business which is not subject to the disposal of the NewCo Group (£4 million loss) and the inclusion of certain operating costs (£4 million of costs) which will remain with the Group post disposal. Primary Products adjustment relates to its results (excluding the European Primary Products business results) being classified as a discontinued operation.

Summary of restated financial results for the year to 31 March 2021

Year to 31 March 2021[1]	As reported £m	Transfer of European PP business to F&BS £m	Re-classification to discontinued operations £m	Restated £m
Revenue[2]	2 807	90	(1 686)	1 211
Adjusted operating profit				
- Food & Beverage Solutions[3]	177	(14)	(7)	156
- Sucralose	55	–	–	55
- Primary Products[4]	158	14	(172)	–
- Central	(51)	–	–	(51)
Adjusted operating profit	339	–	(179)	160
Net finance expense[5]	(30)	–	4	(26)
Share of profit after tax of joint ventures[6]	26	–	(26)	–
Adjusted profit before tax	335	–	(201)	134
Exceptional items[7]	(42)	–	8	(34)
Amortisation of acquired intangible assets	(10)	–	–	(10)
Profit before tax	283	–	(193)	90
Income tax expense[8]	(30)	–	29	(1)
Profit for the period – continuing operations	253	–	(164)	89
Profit for the period – discontinued operations	–		164	164
Profit for the period – total operations	253			253

EPS (pence) – continuing operations				
Adjusted diluted	61.2p			25.2p

1. Adjusted results and a number of other terms and performance measures used in this document are not directly defined within IFRS. We have provided descriptions of the various metrics and their reconciliation to the most directly comparable measures reported in accordance with IFRS and the calculation (where relevant) of any ratios in Note 4 of 2021 Annual Report.
2. Adjustment to revenue comprises overall reclassification to discontinued operations of £1,596 million, representing external revenue from the Primary Products business in North America and Latin America. In addition, £90 million of revenue from the European Primary Products business, which is not subject to the NewCo disposal transaction, is reclassified to Food & Beverage Solutions in the summary financial information.
3. Adjustment relates to the inclusion of the European Primary Products business in Food & Beverage Solutions, which is not subject to the NewCo disposal transaction (£14 million loss), and the inclusion of certain stranded costs (£7 million of costs) which are reallocated from Primary Products to Food & Beverage Solutions because they remain with the Group post disposal.
4. Primary Products profit is removed on the basis that it is included in discontinued operations with the exception of its European Primary Products business which is included within Food & Beverage Solutions following the adjustment in item 3 above.
5. Adjustment relates to the interest charge on certain leases included in the disposal group which has been reclassified to discontinued operations.
6. Both the Group's joint ventures Almex and Bio-PDO are subject to the NewCo disposal transaction. Their results are included within discontinued operations.
7. Adjustment relates to the exceptional costs recorded within the disposal group which has been reclassified to discontinued operations.
8. Income tax expense represents statutory income tax and therefore includes tax on exceptional items and a tax provision release in the second half of FY21 that was itself an exceptional item. Adjusted diluted EPS is calculated using adjusted tax rate, consistent with the Group's usual presentation.

Updated stranded costs estimate

The restated financial information set out above includes within item 3 the impact of an updated estimate of certain costs which today are shared between the Food & Beverage Solutions and Primary Products operating segments but will remain with Tate & Lyle after the Transaction. These costs principally relate to employees and indirect costs.

In the accompanying presentation slides to the announcement of the Transaction on 12 July 2021 it was estimated that these costs for the full year to 31 March 2021 would be £2 million. The revised estimate is £7 million, principally as a result of the decision to retain all of the teams in Innovation and Commercial Development within Tate & Lyle following completion to support the increased focus on R&D.

More broadly, within the pro-forma financial information in Section II, no pro-forma effect is given to the actions that Tate & Lyle expects to take to manage its operating costs to support its stated ambition of adjusted operating margin expansion of at least 50 to 100 bps per annum for the five years following completion.

Segmental results for the year to 31 March 2021

IFRS 8 Segmental disclosure (unchanged from previous disclosure)

	Year to 31 March 2021				
Total operations	**Food & Beverage Solutions £m**	**Sucralose £m**	**Primary Products £m**	**Central £m**	**Total £m**
Revenue[1]	970	151	1 686	–	2 807
Adjusted operating profit[2]	177	55	158	(51)	339
Adjusted operating margin	18.3%	36.8%	9.4%	n/a	12.1%

1 Includes £1 596 million of revenue recognised in discontinued operations
2 Reconciled to statutory profit for the period in Note 4 of 2021 Annual Report

Reconciliations of IFRS 8 segmental disclosures to summary financial results:

(i) Revenue

	Year to 31 March 2021				
Continuing operations	**Food & Beverage Solutions £m**	**Sucralose £m**	**Primary Products £m**	**Central £m**	**Total £m**
Segment revenue – as above	970	151	1 686	–	2 807
Reclassification to discontinued operations	–	–	(1 596)	–	(1 596)
Transfer of European PP business to F&BS	90	–	(90)	–	–
As presented in summary financial information	1 060	151	–	–	1 211

(ii) Adjusted operating profit

	Year to 31 March 2021				
Continuing operations	**Food & Beverage Solutions £m**	**Sucralose £m**	**Primary Products £m**	**Central £m**	**Total £m**
Adjusted operating profit – segmental results	177	55	158	(51)	339
Transfer of European PP business to F&BS[1]	(14)	–	14	–	–
Reclassification to discontinued operations[1]	(7)	–	(172)	–	(179)
As presented in summary financial information	156	55	–	(51)	160
Adjusted operating margin	14.7%	36.8%	-	-	13.3%

1. Food & Beverage Solutions adjustment relates to the inclusion of the European Primary Products business which is not subject to the disposal of the NewCo Group (£14 million) and the inclusion of certain operating costs (£7 million) which will remain with the Group post disposal. Such costs are higher than the £2m estimated in the Group's announcement of the Transaction on 12 July 2021. Primary Products adjustment relates to its results (excluding the European Primary Products business results) being classified as a discontinued operation.

Section II - The pro-forma effect of the NewCo disposal transaction

Summary of pro-forma financial results for the six months to 30 September 2020

No pro-forma adjustment is required to be made to revenue.

	Six months to 30 September 2020				
Pro-forma	Food & Beverage Solutions £m	Sucralose £m	Primary Products £m	Central £m	Total £m
Adjusted operating profit – segmental results	98	25	83	(24)	182
Transfer of European PP business to F&BS	(4)	–	4	–	–
Reclassification to discontinued operations	(4)	–	(87)	–	(91)
Restated adjusted operating profit – continuing operations only (see Section I)	90	25	–	(24)	91
Impact of long-term agreements	(3)	–	–	–	(3)
Pro-forma adjusted operating profit	87	25	–	(24)	88
Share of NewCo JV profit	–	–	38	–	38
Net finance expense	–	–	–	(13)	(13)
Pro-forma adjusted profit before tax	87	25	38	(37)	113
Pro-forma adjusted tax charge					(27)
Pro-forma adjusted profit for the period					86

The table above starts with the restated adjusted operating profit set out in Section I and then gives pro-forma effect to each of the following:

- The financial impact of certain long-term agreements that will exist between the Group and NewCo; and
- The Group's equity accounted share of profits of the NewCo Business from completion.

Pro-forma	Food & Beverage Solutions	Sucralose	Primary Products	Central	Total
Pro-forma adjusted operating margin	16.6%	34.9%	-	-	14.8%

This pro-forma adjusted operating margin is stated before actions the Group expects to take as part of its stated ambition of adjusted operating margin expansion of at least 50 to 100 bps per annum for the five years following completion.

Six months to 30 September 2020	**As reported**	**Pro-forma**
Earnings Per Share		
Diluted weighted average number of shares	468.8m	468.8m
Adjusted diluted EPS (pence)	32.1p	18.4p

EPS dilution of 43%, being from 32.1p as originally reported in the prior year to a pro-forma of 18.4p, represents the de-consolidation of discontinued operations offset by the inclusion of the Group's share of NewCo JV profit.

Such dilution is higher than the expected forward-looking post-completion EPS dilution of the transaction as:

- the 2021 financial year saw record Commodities profits in Primary Products profits which are included in discontinued operations and therefore increase the dilution impact; and
- it is before the positive impact of a reduction in the diluted number of ordinary shares following the proposed special dividend and share consolidation after completion of the NewCo disposal transaction.

The pro-forma effect on EPS of the impact on the number of ordinary shares following the planned share consolidation has not been disclosed as it is unknown at this time as it will be impacted by the market capitalisation of the Tate & Lyle at time it is completed. Illustratively, at the current share price of £6.75 a £500 million special dividend would result in a reduction of approximately 74 million shares, representing approximately 16% of the Group's share capital used for the purpose of calculating EPS.

The Group's share of NewCo JV profit is set out in the table below:

Share of NewCo JV profit:	£m
Adjusted profit before tax from discontinued operations[1]	102
Pro-forma effect of NewCo's financing facilities	(22)
Income from long-term agreements	3
Additional standalone costs in NewCo[2]	(7)
Adjusted proforma profit before tax for NewCo	76
Share of NewCo JV profit at 49.9% pro-forma equity interest[2]	38

1 NewCo JV's adjusted profit before tax of £102 million is before charging exceptional items of £3 million.

2 Represents additional staff costs required in Newco in order to replicate back-office activities currently shared across Tate & Lyle PLC – described in 12 July announcement as being the impact of cost dis-synergies

Taxation of the NewCo joint venture reflects its legal form as a partnership, accordingly the tax charge for the joint venture will be borne by the partners rather than the joint venture itself. This means that the Group's pro-forma consolidated tax charge includes the tax it will pay on its share of the NewCo joint venture's profit.

Summary of pro-forma financial results for the year ended 31 March 2021

No pro-forma adjustment is required to be made to revenue.

	Year to 31 March 2021				
Pro-forma	Food & Beverage Solutions £m	Sucralose £m	JVs £m	Central £m	Total £m
Adjusted operating profit – segmental results	177	55	158	(51)	339
Transfer of European PP business to F&BS	(14)	–	14	–	–
Reclassification to discontinued operations	(7)	–	(172)	–	(179)
Restated adjusted operating profit – continuing operations only (see Section I)	156	55	–	(51)	160
Impact of long-term agreements	(7)	–	–	–	(7)
Pro-forma adjusted operating profit	149	55	–	(51)	153
Share of NewCo JV profit	–	–	74	–	74
Net finance expense	–	–	–	(26)	(26)
Pro-forma adjusted profit before tax	149	55	74	(77)	201
Pro-forma adjusted tax charge					(34)
Pro-forma adjusted profit for the period					167

The table above starts with the restated adjusted operating profit set out in Section I and then gives pro-forma effect to each of the following:

- The financial impact of certain long-term agreements that will exist between the Group and NewCo; and
- The Group's equity accounted share of profits of the NewCo Business from completion.

Pro-forma	Food & Beverage Solutions	Sucralose	Primary Products	Central	Total
Pro-forma adjusted operating margin	14.1%	36.8%			12.7%

This pro-forma adjusted operating margin is stated before actions the Group expects to take as part of its stated ambition of adjusted operating margin expansion of at least 50 to 100 bps per annum for the five years following completion.

Year to 31 March 2021	**As reported**	**Pro-forma**
Earnings Per Share		
Diluted weighted average number of shares	469.4m	469.4m
Adjusted diluted EPS (pence)	61.2p	35.5p

EPS dilution of 42%, being from 61.2p as originally reported in the prior year to a pro-forma of 35.5p, represents the de-consolidation of discontinued operations offset by the inclusion of the Group's share of NewCo JV profit.

Such dilution is higher than the expected forward-looking post-completion EPS dilution of the transaction as:

- The 2021 financial year saw record Commodities profits which increase Primary Products profits and therefore increase the dilution impact; and
- The reduction in the diluted number of ordinary shares following the proposed special dividend and share consolidation after completion is not reflected.

The pro-forma effect on EPS of the impact on the number of ordinary shares following the planned share consolidation has not been disclosed as it is unknown at this time as it will be impacted by the market capitalisation of the Tate & Lyle at time it is completed. Illustratively, at the current share price of £6.75 a £500 million special dividend would result in a reduction of approximately 74 million shares, representing approximately 16% of the Group's share capital used for the purpose of calculating EPS.

The Group's share of the NewCo joint venture profit is set out in the table below:

Share of NewCo JV profit:	£m
Adjusted profit before tax from discontinued operations[1]	201
Pro-forma effect of NewCo's financing facilities	(45)
Income from long-term agreements	7
Additional standalone costs in NewCo[2]	(14)
Adjusted pro-forma profit before tax for NewCo	149
Share of NewCo JV profit at 49.9% pro-forma equity interest	74

1 NewCo JV's adjusted profit before tax of £201 million is before charging exceptional items of £8 million.
2 Represents additional staff costs required in Newco in order to replicate back-office activities currently shared across Tate & Lyle PLC – described in 12 July announcement as being the impact of cost dis-synergies

Taxation of the NewCo joint venture reflects its legal form as a partnership, accordingly the tax charge for the joint venture will be borne by the partners rather than the joint venture itself. This means that the Group's pro-forma consolidated tax charge includes the tax it will pay on its share of the NewCo joint venture's profit.

The pro-forma effective tax rate (ETR) of 17.2% is higher than the adjusted as originally reported ETR of 12.1% because i) NewCo is assumed to be taxed at a US marginal rate of 26% (pending any potential tax planning); and ii) profit before tax used in the calculation of the reported ETR rate included post tax joint venture earnings (on which there was no additional income statement tax charge), this had the effect of lowering the reported ETR calculated rate.