

June 3, 2004

PRELIMINARY ANNOUNCEMENT OF RESULTS

For the year ended March 31, 2004

PRELIMINARY RESULTS TO MARCH 31	2004 \$ million ¹	2004 £ million	2003 £ million	2003 \$ million
		Audited	Audited	
Total sales	\$5,352m	£3,167m	£3,167m	\$5,352m
Profit before tax, exceptional items and goodwill amortisation ²	\$384m	£227m	£228m	\$385m
Profit before taxation	\$379m	£224m	£187m	\$316m
Diluted earnings per share before exceptional items and goodwill amortisation	57.3¢	33.9p	33.0p	55.8¢
Diluted earnings per share	55.1¢	32.6p	27.7p	46.8¢
Dividend per share	31.8¢	18.8p	18.3p	30.9¢

¹ US dollar conversions provided at the average rate for the year of \$1.69 = £1

² Before exceptional credits of £5 million (2003 – charges of £33 million) and goodwill amortization of £8 million (2003 – £8 million)

- **Profit before tax, exceptional items and goodwill amortisation reduced by 0.4%, and at constant exchange rates increased by 2.2%**
- **Diluted earnings per share increased by 2.7% to 33.9p (57.3¢) (before exceptional items and goodwill amortisation)**
- **15% target for return on net operating assets met**
- **Net debt reduced by £83 million (\$140 million) to £388 million (\$656 million)**
- **Proposed total dividend increased by 2.7% to 18.8p (31.8¢) per share**

“The overall result for this year is satisfactory, helped by a strong US business performance in local currency terms. In achieving this outturn we have overcome adverse exchange rate movements and substantially higher net raw material costs for wheat and corn in Europe in the latter part of the year. These cost increases were not fully recovered in the 2004 annual sales pricing round and therefore, as we indicated in January 2004, the 2005 financial year remains challenging for the Group.

The Group has made good progress in reducing costs, focusing the business and cutting debt. The balance sheet is stronger than it has been for several years. We are seeing increasing success from our value added growth strategy and the management team is harnessing our strengths in research and development and customer solutions to build leadership positions in our chosen markets. The recent announcement of the realignment of the sucralose business and the new joint venture with DuPont to produce Bio-3G from renewable resources are important steps towards achieving this goal.”

Sir David Lees
Chairman

Copies of the Annual Report for year ended March 31, 2004 will be available to shareholders shortly, and will be obtainable from The Company Secretary, Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

Chairman's Statement

Overview

In the year to March 31, 2004, the Group performed satisfactorily to produce a profit before tax, exceptional items and goodwill amortisation essentially unchanged from the prior year and up 2.2% at constant exchange rates. This was against a background of significantly higher raw material prices in the second half-year, which particularly impacted Amylum, our European cereal sweetener and starch business. The Group achieved for the first time since 1996 its target of a 15% return on net operating assets. The balance sheet continues to strengthen and net debt, which to an extent benefited from exchange translation, reduced further to £388 million (\$656 million), its lowest level for at least ten years.

Results

Profit before tax, exceptional items and goodwill amortisation was £227 million (\$384 million) (2003 – £228 million, \$385 million) with a stronger performance from Staley, including improvements in citric acid operations, and from Eastern Sugar, both of which were experiencing difficulties in the prior year. These were offset by weaker performances at Amylum and Redpath. Profit before tax after exceptional items and goodwill amortisation was £224 million (£379 million) (2003 – £187 million, \$316 million).

Diluted earnings per share before exceptional items and goodwill amortisation for the year to March 31, 2004 were 33.9p (57.3¢) (2003 – 33.0p, 55.8¢) and after exceptional items and goodwill amortisation were 32.6p (55.1¢) (2003 – 27.7p, 46.8¢). Net debt at March 31, 2004 was £388 million (\$656 million) (2003 – £471 million, \$796 million). Interest cover improved further to 9.3 times (2003 – 7.6 times).

Dividend

The Board remains committed to a progressive dividend policy. It therefore proposes a total dividend for the year of 18.8p (31.8¢) which is covered 1.8 times by earnings before exceptional items and goodwill amortisation. This is an increase of 0.5p (0.8¢) (2.7%) over the prior year. The proposed final dividend of 13.2p (22.3¢) will be due and payable on August 4, 2004 to all shareholders on the register at July 9, 2004.

Directors

Iain Ferguson joined the Board as Chief Executive on May 1, 2003. Stanley Musesengwa joined the Board as an Executive Director on April 2, 2003 and was appointed Chief Operating Officer on May 1, 2003.

With effect from December 1, 2003, Richard Delbridge, who joined the Board of Tate & Lyle in September 2000, was appointed as Senior Independent Non-Executive Director and David Fish and Evert Henkes were appointed as Non-Executive Directors. Their extensive commercial knowledge and experience will further strengthen the Board.

Mary Jo Jacobi, who became a Non-Executive Director of Tate & Lyle in October 1999, has decided not to stand for re-election at the Annual General Meeting on July 29, 2004. Keith Hopkins will also be retiring at the end of the Annual General Meeting having served on the Board for nine years. The Board would like to thank Mary Jo and Keith for their commitment and wise counsel which has been of considerable value to the Group.

Corporate Social Responsibility

We have a long record as a good corporate citizen and are committed to a policy of continuous improvement in applying sound safety, environmental and social standards in our dealings with all of our stakeholders. The Annual Report sets out our policies and performance. It is pleasing to report that the Group Safety Index has improved by 14% to its lowest level since measurement began five years ago although there is no room for complacency whilst accidents occur. In March 2004, the Group was awarded the Gold Award for its 'Working with Newham' community initiative at the Food and Drink Federation Community Partnership Awards. The Group again successfully met the criteria for entry to FTSE4Good, the UK corporate social responsibility index.

Corporate Governance

Tate & Lyle has been at the forefront of good corporate governance practice for many years. Following the publication of the revised Combined Code in July 2003 the Board undertook a detailed review of its governance practices and, following the implementation of a number of relatively minor changes, Tate & Lyle is now substantially compliant with the new Code. Details of how the new Code is being or will be applied are contained in the Annual Report.

Strategy

Our strategy in recent years has been three pronged: to strengthen the financial base of the Group through improved focus; to continue as a high quality low cost producer; and to grow the value added and consumer branded product components of our business. We are financially better placed than we have been for some time to invest for growth and we shall do so mindful of the need to concentrate on our core competences.

Outlook

The overall result for this year is satisfactory, helped by a strong US business performance in local currency terms. In achieving this outturn we have overcome adverse exchange rate movements and substantially higher net raw material costs for wheat and corn in Europe in the latter part of the year. These cost increases were not fully recovered in the 2004 annual sales pricing round and therefore, as we indicated in January 2004, the 2005 financial year remains challenging for the Group.

The Group has made good progress in reducing costs, focusing the business and cutting debt. The balance sheet is stronger than it has been for several years. We are seeing increasing success from our value added growth strategy and the management team is harnessing our strengths in research and development and customer solutions to build leadership positions in our chosen markets. The recent announcement of the realignment of the sucralose business and the new joint venture with DuPont to produce Bio-3G from renewable resources are important steps towards achieving this goal.

Sir David Lees
Chairman