

Interim Results Presentation

4 November 2004

Interim Results Presentation
Iain Ferguson
Chief Executive

4 November 2004

Good morning and thank you for coming here today for our half-year results.

I'd also like to welcome our Chairman Sir David Lees and the other Non-Executive Directors here today. I trust you had an opportunity to meet them over coffee.

I will start with some key highlights before handing over to Simon, who will run through the numbers. I will then come back with some observations about the business, about the investment in a new sucralose plant announced earlier today, and on the current trading outlook.

Key Results

Six Months to September 2004

- 9% increase in profit before tax, amortisation and exceptional items to £130m
- Exceptional growth in SPLENDA® Sucralose
- Better than expected performance at Amylum
- Continued growth in value added food ingredients
- PBI*/sales margin increased from 8.0% to 8.5%
- RONOA of 17%
- Interim dividend increased by 0.1p to 5.7p per share



3 * before exceptional items and amortisation
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As you will have seen, we have made an excellent start to the financial year, increasing our profit before tax, amortisation and exceptional items by 9% to £130m. This is thanks mainly to the exceptional growth in SPLENDA® Sucralose since the realignment in April 2004 and a better than expected performance from Amylum, with cereal prices in Europe rapidly declining to more normal levels. I will talk more about this later.

Profits have also been boosted in both Staley and Amylum by good growth in value added food and industrial ingredients – delivering on our strategy to improve the quality of our earnings.

The result has been an improvement in our profit before interest, amortisation and exceptional items over sales margin to 8.5% – the highest level since 1995, and our annualised RONOA to 17% – the highest since 1996.

Reflecting this positive performance and in line with the Board's progressive policy, the interim dividend has been increased by 0.1p to 5.7p.

So on that positive note, let me hand over to Simon for a detailed review of the interim results.

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**Interim Results Presentation
Simon Gifford
Group Finance Director**

4 November 2004

As usual, the slides and the text of this presentation have been posted on our website and we are webcasting our results. We have restated our comparative balance sheets to reflect UITF38 which concerns the ownership of our own shares.

Profit and Loss Account

Six Months to September

HALF YEAR FIGURES

£m	2004	2003	
Sales	1,666	1,663	-
Profit before interest*	142	133	+7%
Interest	(12)	(14)	+14%
Profit before taxation*	130	119	+9%

- PBT* increased by 16% at constant exchange rates

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* before exceptional items and amortisation

Iain has commented on the financial highlights so turning to the profit and loss account:

Sales increased by £3m with exchange translation reducing sales by £126m. Of the £129m underlying increase, £62m was due to sucralose and the sales of the other activities grew by £67m – that is, underlying growth of 4%.

Profit before interest, amortisation and exceptional items at £142m was £9m above the comparative period.

Exchange translation reduced profit before interest by £9m.

The net interest charge was £2m lower than in the comparative period. Average net debt with the sucralose acquisition was £25m higher.

The annualised total net interest charge for subsidiaries as a percentage of average net debt has fallen from 5.6% to 3.7%. The lower interest charge is primarily due to lower rates, especially due to the fact that higher fixed rate debt has matured and also due to exchange translation which had a £1m favourable effect on interest.

Exchange translation reduced profit before tax by £8m.

At £130m profit before tax, amortisation and exceptional items was 9.2% above that achieved last year, or 16% at constant exchange rates.

Profit and Loss Account

Six Months to September

HALF YEAR FIGURES

£m	2004	2003	
Sales	1,666	1,663	-
Profit before interest*	142	133	+7%
Interest	(12)	(14)	+14%
Profit before taxation*	130	119	+9%
PBI*/Sales margin	8.5%	8.0%	
Interest cover*	13.6 x	8.5 x	

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* before exceptional items and amortisation

The profit before interest over sales margin was 8.5% against 8.0% in the comparable period and 7.9% for the 2004 financial year.

Interest cover before exceptional items and amortisation has improved further from 8.5 times to 13.6 times. I would expect this to reduce somewhat by the end of the financial year with higher average net debt in the second half.

Profit and Loss Account

Six Months to September

HALF YEAR FIGURES

£m	2004	2003
Profit before taxation*	130	119
Amortisation	(7)	(4)
Exceptional items	(42)	(4)
Taxation	(20)	(35)
Minority interests	(3)	1
Profit for the period	58	77

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* before exceptional items and amortisation

Amortisation was £7m reflecting £5m on goodwill and £2m on the sucralose patents, which I will cover in a moment.

The net charge for exceptional items totalled £42m. The next slide explains these in more detail.

Exceptional Items

Loss for the Half Year £(42)m

HALF YEAR FIGURES

£m	Operating	Non-operating	Total
Settlement of HFCS civil antitrust case	(56)	-	(56)
Settlement of Western Sugar loan note	-	16	16
Loss on sale or termination of other businesses	-	(2)	(2)
Total exceptional items	(56)	14	(42)

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Settlement by Staley of the high fructose corn syrup civil antitrust case resulted in a charge of £56m. Staley denied emphatically any wrongdoing and settled with great reluctance to ensure an end to the action to avoid the risk and uncertainty a jury trial would involve.

There was a £16m credit following the settlement of the loan notes relating to the Western Sugar disposal. Both these items were announced in July 2004.

There was also a £2m charge in respect of the loss on sale or termination of other businesses.

Profit and Loss Account

Six Months to September

HALF YEAR FIGURES

£m	2004	2003
Profit before taxation*	130	119
Amortisation	(7)	(4)
Exceptional items	(42)	(4)
Taxation	(20)	(35)
Minority interests	(3)	1
Profit for the period	58	77
Dividend per share (pence)	5.7	5.6
Diluted earnings per share* (pence)	19.1	17.7

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* before exceptional items and amortisation

The effective tax rate before amortisation and exceptional items, which as usual is based upon our forecast tax rate for the year, was 28.8%, slightly below that in the comparative period.

Overall, profit for the period decreased by £19m to £58m.

The interim dividend has been increased by 0.1 pence to 5.7 pence.

Earnings per share before exceptional items and amortisation was 1.4 pence higher at 19.1 pence.

Segmental Analysis

Turning to the segmental analysis:

Profits in this part of the presentation, as last year, are before exceptional items and amortisation.

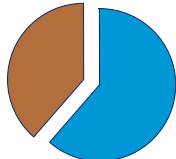
Sweeteners and Starches

Americas

TATE & LYLE

CONSISTENTLY FIRST IN RENEWABLE INGREDIENTS

HALF YEAR FIGURES

£m	2004	2003		61% Group PBI*
Sales	660	643	+3%	
Profit before interest*	87	60	+45%	
Margin*	13.2%	9.3%	+3.9 pts	

- Exchange translation reduced profits by £6m

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* before exceptional items and amortisation

In the Americas segment, profits increased by £27m despite adverse exchange translation of £6m. The success of sucralose was supported by an overall increase in profits at constant exchange rates from other businesses.



- Strong performance from food ingredients
- HFCS market slightly down
- Industrial starch gross margins & volumes higher
- Higher corn, energy and ingredients costs



- Improved profitability



- Plant being commissioned



- Increased profitability

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As you know one of our aims is to continue to grow profitability from value added products and many of you attended our seminar on that topic two weeks ago. Aligned with that objective, I am pleased to report that yet again food ingredients at Staley performed strongly with higher volumes and increased total gross margins.

Industry demand for high fructose corn syrup was slightly down and Staley's overall sweetener gross margins were reduced.

Industrial starch gross margins and volumes were higher.

Corn costs were higher but this was partially offset by increased by-product revenues. Ethanol continued to perform strongly and margins increased.

The costs of energy and supplies and ingredients were higher.

The citric acid product line continued to improve its profitability having incurred a loss in the comparative period.

The new astaxanthin plant is being commissioned and has started to produce Aquasta™, a natural product which is both an essential nutrient and also a pigment for farm raised fish.

Redpath, in Canada, achieved higher profits with increased raw sugar prices at the end of September resulting in an inventory mark to market gain of £2m compared to a £2m loss in the comparative period. Volumes and margins were similar to the corresponding period.

In Mexico, our starch business Almex and sugar business Occidente both made a small profit.

- Very strong demand buoyed by pipeline for product launches
- Pipeline fill, sales met out of stock
- Stock rebuild in H2
- Sales US\$113m, PBI* \$51m
- Transitional costs lower than expected



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* before amortisation

Splenda® Sucralose benefited from very strong demand as a result of its zero calorie, low carb, heat stability and taste characteristics.

This demand was buoyed with customers, introducing new products, needing to build a pipeline of stock.

Production increased following the April realignment as a result of improved efficiency but the bulge in demand was met by reducing stock. This will need to be replenished in the second half so we expect lower sales and profitability in the second half.

Sales for the six months to September 2004 totalled US\$113m and this compared to around US\$130m on a pro forma basis for the year to December 2003.

Profit before interest and amortisation for the six months to September was US\$51m and this compared to around US\$38m on a proforma basis for the year to December 2003.

The transitional costs, some of which have been charged against the first half profits, will be lower than expected. We anticipate that the transitional costs will be first half weighted and not exceed US\$10m in the year.

FIRST EXPANSION

- US\$30m
- Completion January 2006

SECOND EXPANSION

- US\$45m
- Completion April 2006

SECOND PLANT

- US\$175m
- Completion January 2007



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We have two expansion projects. The first expansion of US\$30m will be completed by January 2006 and we will be able to bring some of this capacity on stream before the end of the financial year. The second expansion costing US\$45m will be completed by April 2006. These two expansions will double the capacity of the initial plant. Today we announced the building of a new plant which, when fully operational, will have a capacity of two-thirds of that at the expanded Alabama plant. Iain will comment further on this new plant.

Accounting Treatment of Sucralose

HALF YEAR FIGURES

	£m
Tangible Assets	79
Intangible Assets	32
	111
Deferred Payments	(60)
Tax Liability	(24)
Deferred Tax Asset	18
	45
Goodwill	27
Cash Paid	72

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The accounting treatment for sucralose is quite complex as those of you who have read the results announcement will appreciate. The transaction reflected the long term relationship between ourselves and McNeil Nutritionals and resulted in Tate & Lyle becoming the sole manufacturer of sucralose and selling the product as an ingredient to food and beverage companies. We also sell to McNeil Nutritionals who sells SPLENDA® Brand tabletop products worldwide. Both parties continue to participate in the success of each other's business which results in deferred payments and receipts. In simplistic terms the deferred payments and receipts are capitalised and in cash flow terms we expect the receipts to at least match the payments.

For those of you with an appetite for the accounting, I will elaborate:

The cash price of £72m reflected payment to acquire tangible and intangible assets with a fair value of £79m and £32m respectively.

When we announced the realignment in February 2004, we disclosed that Tate & Lyle and McNeil Nutritionals would continue to participate in each other's business. This has resulted in a best estimate provision for deferred payments to McNeil Nutritionals of £60m. Under UK accountancy rules because there is no absolute certainty, no value has been recognised for future deferred receipts from McNeil Nutritionals. These are expected to at least match the deferred payments.

The formal unwinding of the earlier arrangements, which included the termination of certain pre-existing contractual rights and obligations as well as mutual intellectual property and other asset transfers, gave rise to a tax liability of £24m. A related deferred tax asset with a discounted value of £18m has been recognised reflecting timing differences.

The net impact of the realignment leads to initial goodwill under UK GAAP of £27m. The estimate of deferred payments may be revised as further information becomes available with corresponding adjustments to goodwill. Any amounts received in respect of future deferred receipts from McNeil Nutritionals would result in a reduction of goodwill.

Deferred payments and receipts under the realignment agreements which arose during the period to 30 September 2004 have been reflected in the movement of provisions and goodwill.

Sweeteners and Starches Europe

HALF YEAR FIGURES

£m	2004	2003		41% Group PBI*
Sales	716	691	+4%	
Profit before interest*	58	73	-21%	
Margin*	8.1%	10.6%	-2.5 pts	

- Profits decreased by £2m due to exchange translation

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* before exceptional items and amortisation

In Europe, profits as expected were lower due to reduced margins at Amylum. Exchange translation reduced profits by £2m.



- Wheat & corn prices fall to more normal levels
- Profitability reduction lower than expected
- Growth in food ingredients
- Optimise production capabilities



- Strong cash flow
- Profits in line with corresponding period



- Improved trading following EU accession

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At Amylum, profits were substantially lower following the increase in last year's raw material prices. The prices for wheat and corn have now returned to levels similar to those prevailing before last year's drought. This resulted in Amylum's profits being less depressed than anticipated at the commencement of the financial year.

In the EU, volume increases were achieved in sweeteners but starch volumes were slightly down. There was growth in food ingredients following recent capital expenditure projects. Vital wheat gluten prices were resilient but lower than in the corresponding period. Manufacturing costs were slightly higher due to increased energy costs.

Profits at Eaststarch, Amylum's joint venture operation in Central and Eastern Europe, were similar to the corresponding period.

To improve overall profitability we have continued to reduce headcount and optimise our production capabilities between plants.

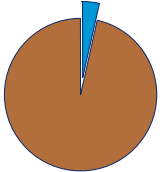
Our EU sugar operations again provided stability with strong cash flow generation. Profits were similar to those of the corresponding period.

Eastern Sugar, our European sugar beet business, returned to profitability following the accession to the EU by the countries where we have operations.

Sweeteners and Starches

Rest of the World

HALF YEAR FIGURES

£m	2004	2003		4% Group PBI*
Sales	205	221	-7%	
Profit before interest*	5	4	+25%	
Margin*	2.4%	1.8%	+0.6 pts	

- Exchange translation reduced profits by £1m
- Vietnam - improved volumes & selling prices

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* before exceptional items and amortisation

In the Rest of the World, exchange translation reduced profits by £1m. Profits from our Vietnamese sugar operations continued to be good with higher volumes and selling prices. Profits in our Group sugar trading operations were lower.

Other Segments

AFBS and Other

HALF YEAR FIGURES

£m	2004	2003	
Animal Feed & Bulk Storage			
Sales	84	107	-21%
Profit before interest*	3	2	+50%
Other			
Sales	1	1	=
Loss before interest*	(11)	(6)	-83%

- 2003 sucralose PBI* £3m (US\$5m)

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* before exceptional items and amortisation

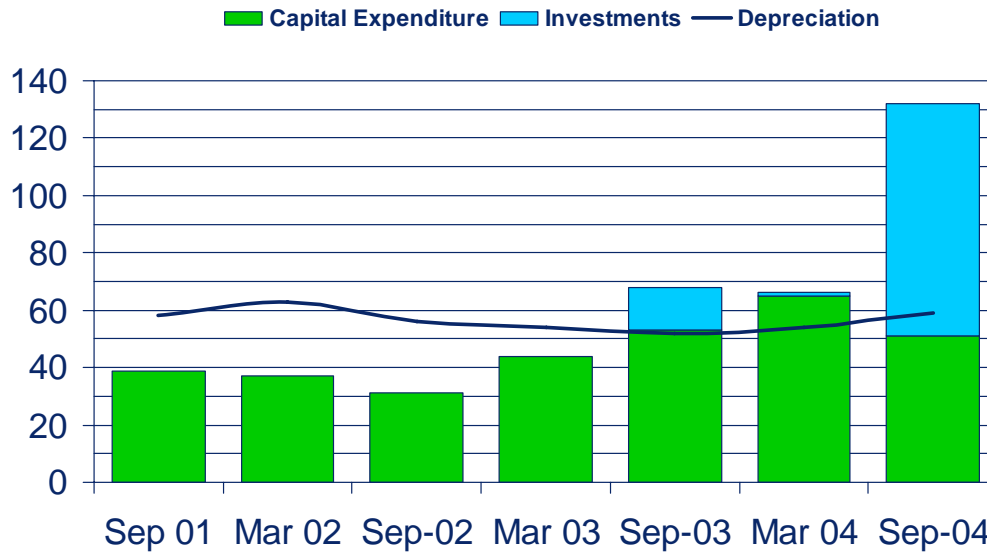
Profits in the Animal Feed and Bulk Storage segment increased slightly compared with the corresponding period.

The Other Business and Activities segment consists mainly of central costs. The corresponding period including £3m income relating to the advance licence fees for sucralose and a further £6m was included in the second half in the 2003/4 results.

Our re-insurance company continued to settle historical third-party insurance liabilities within the provisions on the balance sheet.

Capital Expenditure & Investments

£m



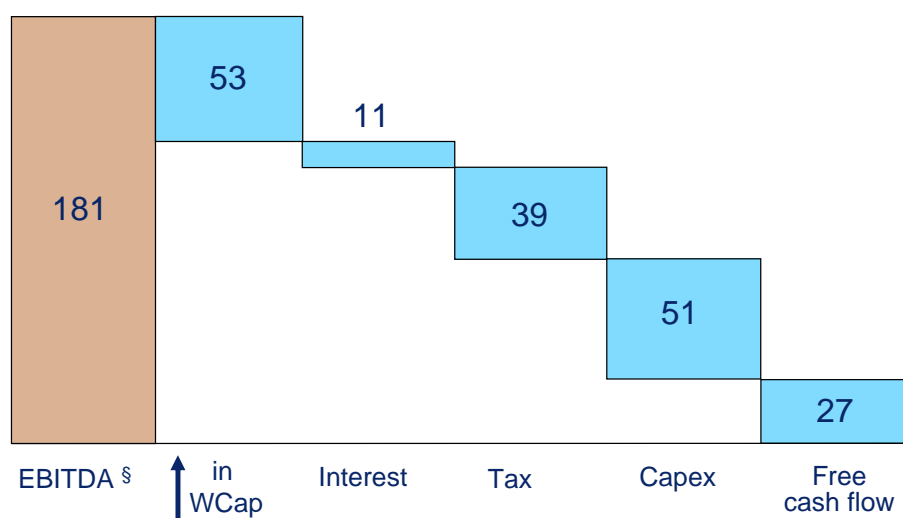
20

Capital expenditure at £51m, was within depreciation of £59m. Investment expenditure included £72m for the purchase of the sucralose business. With the increase in capacity in the sucralose plant I now would expect 2005 capital expenditure to exceed depreciation but be within the band of one to one and a quarter times depreciation. Additionally there will be some investment in the Tate & Lyle/DuPont joint venture plant in the second half.

Free Cash Flow

Six Months to September 2004, in £m

HALF YEAR FIGURES



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§ subsidiaries only, before exceptional items

Net debt increased during the half year.

Operating profit before depreciation and amortisation was £181m.

The working capital outflow was larger than usual due to margin calls and payments against provisions.

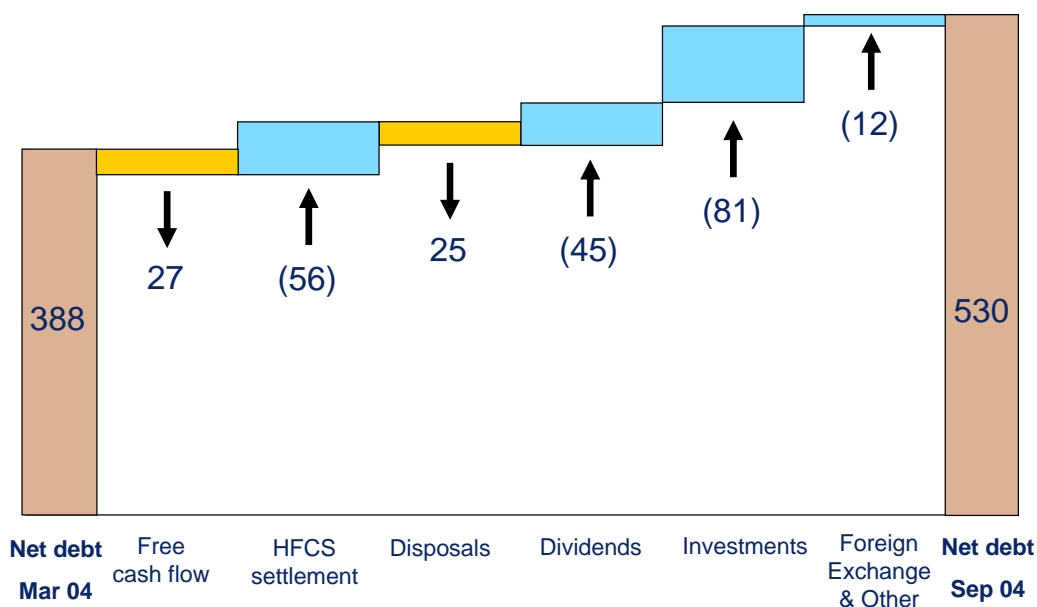
Net interest paid was £11m.

The net tax payment was £39m.

Free cash flow before operating exceptional items was therefore £27m.

Net Debt Increased to £530m

Six Months to September 2004, in £m



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The operating exceptional cash flow of £56m relates to the settlement of the high fructose corn syrup civil anti-trust litigation.

Disposal income was £25m. The main element was £22m relating to the accelerated repayment of the deferred consideration on the sale of Western Sugar.

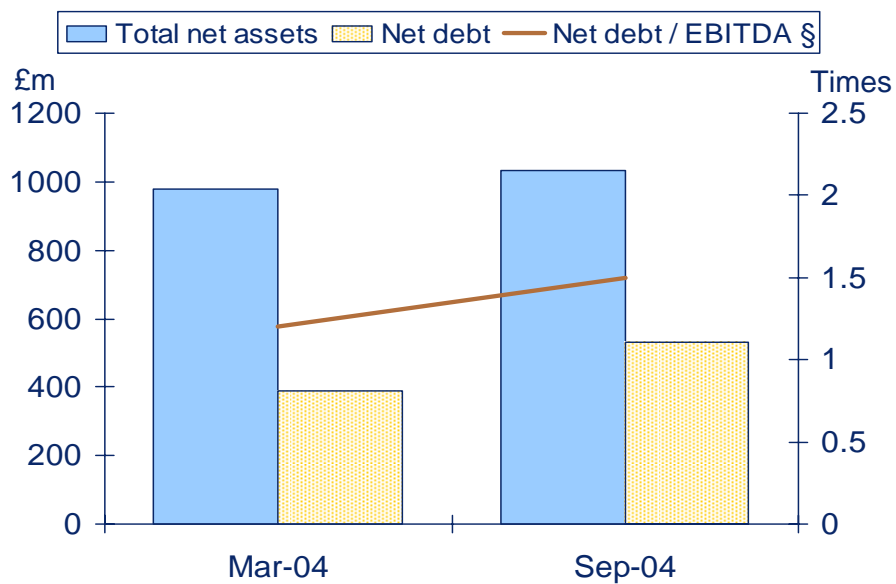
Net dividend payments totalled £45m.

Investment expenditure of £81m included the £72m for the sucralose manufacturing business.

There was an unfavourable movement on exchange translation.

Net debt overall increased by £142m.

Summary Balance Sheet



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§ subsidiaries only, annualised, before exceptional items

Net debt at September 2004 was £530m compared to £388m at the end of the prior period. The annualised net debt/pre-exceptional EBITDA multiple as shown by the graph on this slide was 1.5 times.

- SSAP 24 P&L charge
 - Forecast year to March 2005 £30m (2004 £30m)

- Pension cash contributions
 - Forecast year to March 2005 £36m (2004 £34m)

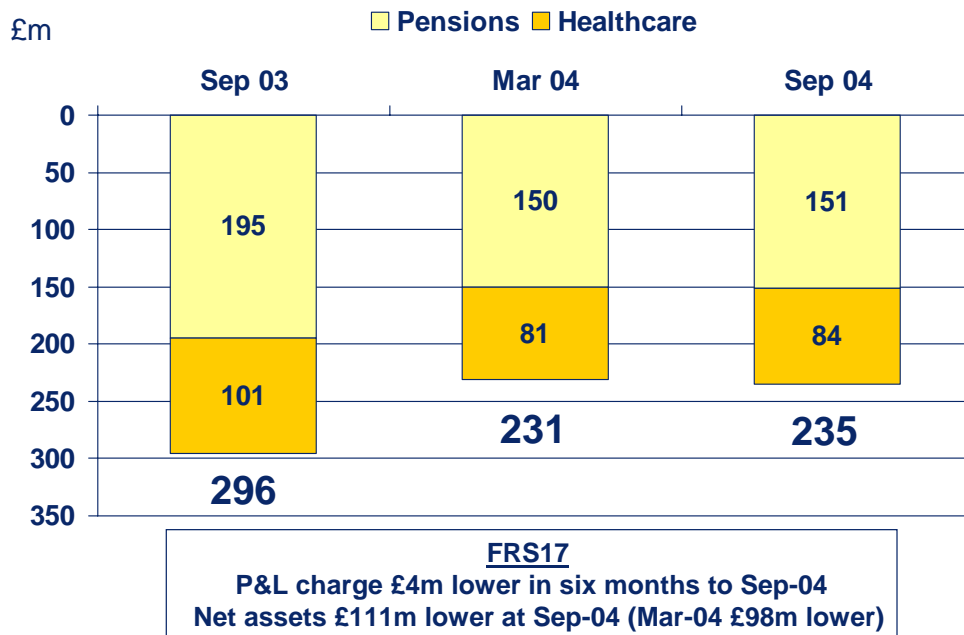
24

Moving now to pensions

I expect the total SSAP24 charge for retirement benefits to be similar to that in the year to March 2004, and the pension cash contributions in the year to March 2005 to be around £36m compared to £34m in the year to March 2004.

Retirement Benefits

FRS17 – Gross Deficit



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Moving away from actuarial valuations and SSAP 24 to FRS17, this slide shows the deficit for pensions and healthcare liabilities. The pension deficit has increased by £1m since March, and the healthcare liability by £3m. This is due to exchange translation on the US deficit. Incorporating FRS17 into the accounts at September 2004 would have decreased the profit and loss account charge by £4m and reduced net assets by £111m compared to £98m at March 2004.

Key Financial Ratios

Six Months to September

HALF YEAR FIGURES

	2004	2003
Interest cover*	13.6 x	8.5 x
Net debt / EBITDA §	1.5 x	1.4 x
Gearing	51%	43%
RONOA ‡	17.0%	15.9%

* before exceptional items and amortisation

26 § annualised, subsidiaries only, before exceptional items ‡ annualised, before exceptional items

This slide shows the key financial ratios. I have already mentioned interest cover, and the net debt/pre-exceptional EBITDA multiple.

The net debt to net assets gearing ratio was 51%.

For the first time in recent history the return on net operating assets has exceeded 16% on an annualised basis increasing from 15.9% to 17.0%.

I will now hand over to Iain.

Interim Results Presentation
Iain Ferguson
Chief Executive

4 November 2004

Thank you, Simon.

Agenda

Vision Into Action – One T&L

Input Prices and EU Sugar Regime

Second SPLENDA® Sucralose Plant

Bio-3G Update

Vietnam – Working in Partnership

Outlook



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You can see from this slide the areas that I want to cover this morning, starting with developments in our strategy, where one of the key tenets is to grow as one Tate & Lyle.

- **PURPOSE**

To create the world's leading renewable ingredients business

- **VISION**

We will grow by uniting our businesses and developing partnerships to create the world's leading renewable ingredients business. We will build a consistent global portfolio of distinctive, profitable, high value solutions in products and services for our customers.

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This is expressed in our vision statement where we state that we will unite our business. "Consistent" is also an important part of our vision and we feel it is more difficult to be consistent with our global customers if they interact with different public faces of Tate & Lyle – such as Amylum, Staley or Alcantara - several times a day.

We want to change that and demonstrate that we are one business, one brand, one Tate & Lyle.

Tate & Lyle



→ Food & Industrial Ingredients,
Europe



→ Food & Industrial Ingredients,
Americas



→ Sugars, Europe



→ Sugars, Americas

The Group as we know it today has its roots in a number of distinguished companies well-renowned in their respective fields. This year we are unifying our businesses under a single Tate & Lyle brand to represent the beginning of a global marketing approach. It is the beginning of an exciting era as we move from consolidation to growth, with our customers at the centre of everything we do.

All of our operations have much in common: all produce renewable ingredients which fulfill our customers' demands for functionality, all are market leaders in their fields and all aspire to ever-higher standards of customer service and product quality.

The new divisions are as follows:

Tate & Lyle Food & Industrial Ingredients, Europe (formerly the Amylum businesses)

Tate & Lyle Food & Industrial Ingredients, Americas (formerly A.E. Staley and includes Almex, and our fermentation and sucralose businesses)

Tate & Lyle Sugars, Europe (formerly UK businesses and Alcantara in Portugal)

Tate & Lyle Sugars, Americas (formerly Redpath and including Occidente)

In short, Tate and Lyle everywhere!

Of course, we will continue to use our well known and respected brand names, such as SPLENDA® Sucralose and Redpath, in the market place where they are important to consumers and our customers.

So what does it mean for you – well, superficially, this is the last time you will see a presentation with the old divisional names. More importantly you will see Tate & Lyle performing as one global business to deliver growth through being more customer focused.

Those of you who attended the value added seminar a couple of weeks ago will have heard our new Global Vice President, Marketing explain what this means and how we are developing what we take to market and how we go to market.

Agenda

Vision Into Action – One T&L

Input Prices and EU Sugar Regime

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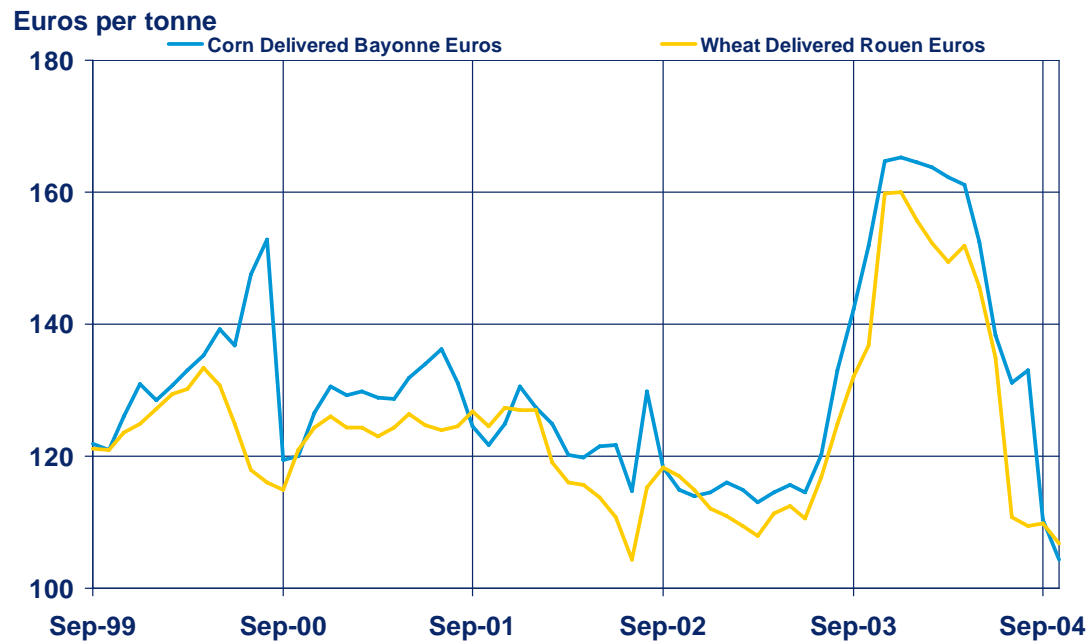
Thames Refinery, London

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I will now give a brief update on some of the issues facing our business.

European Grain Prices to October 2004

Spot prices September 1999 to October 2004



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Data: HGCA

As you can see from this slide EU corn and wheat prices have both fallen back to levels similar to those before the drought induced spikes in the second half of the last financial year.

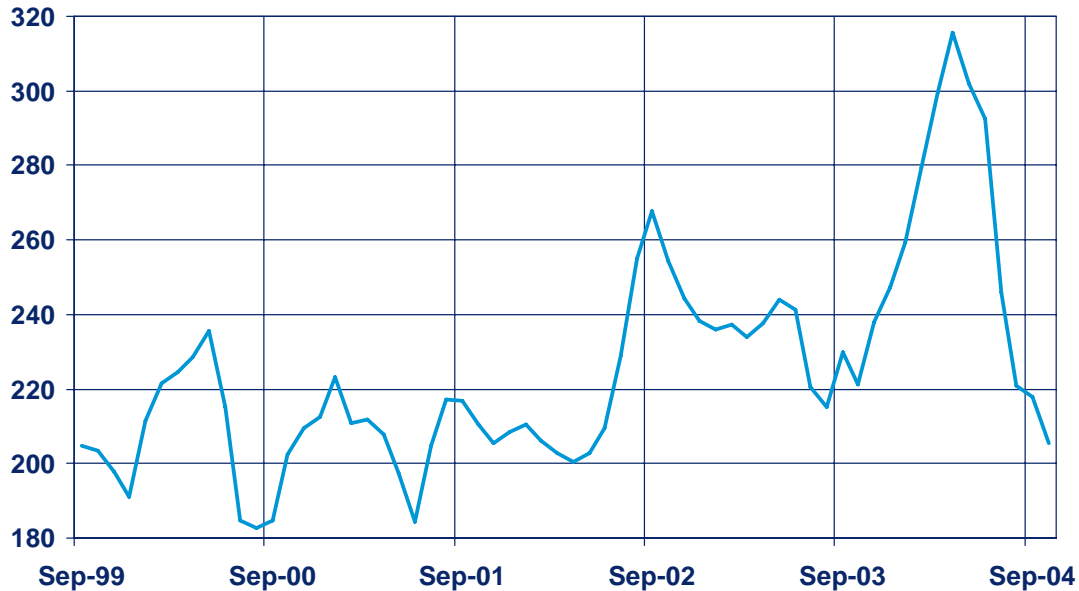
This fall was more rapid than we had anticipated and we have begun to see some benefit at Amylum.

And this raw material trend has been repeated at Staley.....

US Corn Prices September 99 to October 04

Nearby Futures Prices (Monthly Average Values)

US Cents per Bushel



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Data: Chicago Board of Trade

...where US corn prices have also fallen back to around or below long term trends.

The spike started in November 2003, peaked at around \$3.16 in April 2004 and is now just above \$2.00 per bushel. It had little net impact on us as, when we priced sweetener contracts in January, we covered our corn exposure.

Also, by-product credits have trended with corn prices and have helped mitigate the impact such that in the first half, net corn costs were up only slightly.

- July 2004 Agricultural Commission Paper has attracted widespread opposition and our view is that it is unlikely to survive in this form
- November 2004 - new Commissioners were due to take office. **Mariann Fischer Boel listed to replace Franz Fischler**
- October 2004 - WTO panel found in favour of plaintiffs
- EU expected to appeal WTO panel – means that next round of proposals unlikely before spring 2005
- Outcome remains uncertain – we cannot quantify impact
- Underscores importance of value added growth



Mariann Fischer Boel

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The regime is due for renewal in July 2006 and in July this year the EU Agricultural Commission published a radical white paper proposing earlier and deeper cuts.

That paper has attracted widespread opposition and our view is that it is unlikely to survive in this form.

On the political front, it had been announced that Mariann Fischer Boel is to replace Franz Fischler as European Agriculture Commissioner. Ms Fischer Boel is the Danish representative and until August of this year was Minister for Food, Agriculture and Fisheries in Denmark.

This appointment has been thrown into uncertainty because, as you know, the incoming European Commission President withdrew the whole team in the face of opposition to one of the proposed new Commissioners. This is a new complication and, since the outcome is a political one, we can only watch and wait.

Meanwhile, the WTO panel has decided in favour of the plaintiffs (Australia, Brazil and Thailand) that EU 'C' sugar exports are trade distorting. This could have far reaching implications for the reform of the sugar regime and the EU has made it clear that it intends to appeal against this ruling.

The renewal of the regime will have to take account of the outcome of this appeal and so we are unlikely to hear much more before spring of 2005. In hearings before the EU parliament both Agricultural Commissioners – current and proposed - made it clear that it is now very unlikely that reform can take place before the due date of July 2006.

Clearly this uncertainty underscores the importance of our strategy of growing value added products.

One area where we have seen exceptional growth this year is from sucralose.

Agenda

Vision Into Action – One T&L

Input Prices and EU Sugar Regime

Second SPLENDA® Sucralose plant

Bio-3G Update

Vietnam – Working in Partnership

Outlook



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I'm sure you will have all read this morning's other announcement about the construction of a second plant in Singapore.

Second Sucralose Plant

- £97m (US\$175m) investment in Singapore
- Completion by January 2007
- Plant will have approximately two-thirds of the expanded capacity of USA plant in McIntosh, Alabama
- Will significantly contribute to delivering on our strategy of growing value added ingredients



Computer Generated Image of New Plant

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Let me recap on the facts.

The plant is going to cost £97m, and construction will be complete by January 2007.

The Singapore plant will have approximately two-thirds of the expanded capacity of our existing facility in McIntosh, Alabama.

We can currently sell every pound of sucralose that we produce and this new capacity will significantly contribute to the growth of value added ingredients.

This new plant also offers our customers greater security of supply with dual manufacturing centres in separate geographies.

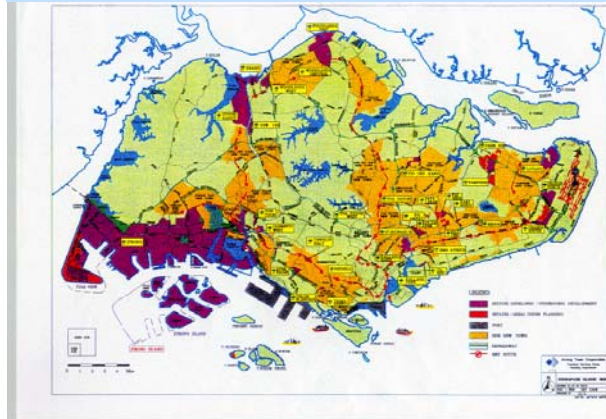
We have had extensive discussions with customers about new products and applications, especially in the dairy and bakery sectors, and their growth plans for existing products and are confident that potential demand exists for both of our facilities.

But why did we decide to build in Singapore?

Second Sucralose Plant

Singapore chosen after extensive review of alternatives

- Attractive tariff structures
- Availability of a highly skilled workforce
- Good intellectual property protection for our technology
- Proximity to key markets
- Excellent support from the Singapore Economic Development Board



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Given the size of the investment you won't be surprised to hear that an extensive review of alternative locations (including the US and Europe) was conducted.

The key factors in deciding in favour of Singapore were

The attractive tariff structures that Singapore enjoys with its trading partners

The availability of a well educated and highly skilled workforce

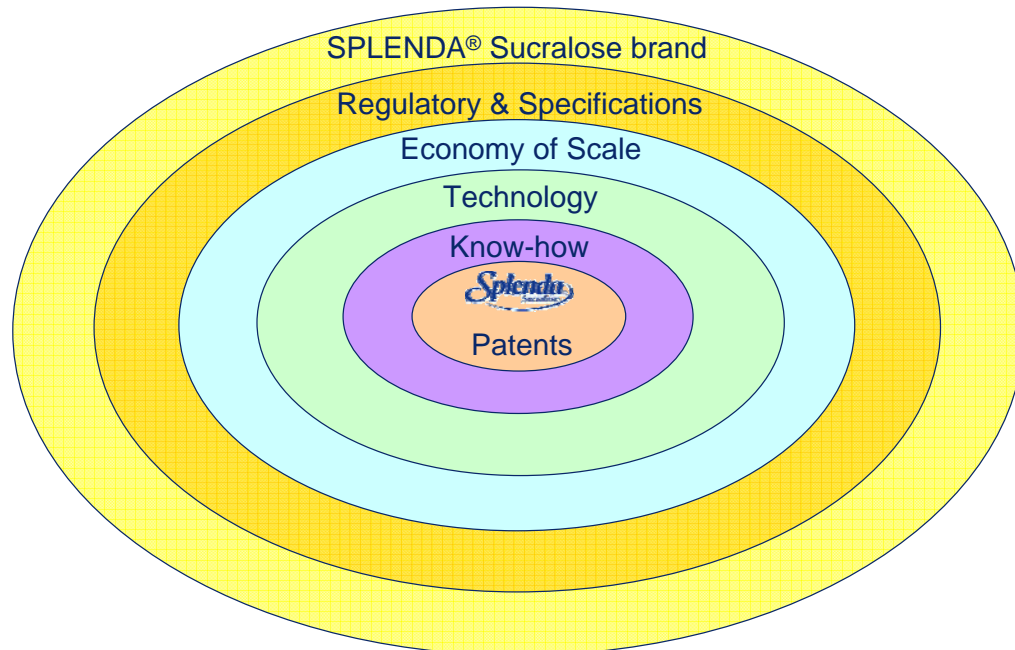
Good intellectual property protection for our technology

Singapore's close proximity to key markets such as Japan,

The fact that raw materials are freely available, and

The excellent support given by the Singapore Economic Development Board.

I mentioned the good IP protection in Singapore, but you should bear in mind that, as we talked about in our recent value added seminar, patents are not the only barriers to entry that SPLENDA® Sucralose enjoys.



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There are six layers of protection around the sucralose business.

Our significant patent portfolio of 32 patents that have been granted around the world are obviously the first layer. These comprise of manufacturing patents, blending and application patents, and product form patents.

We also have seven new patents pending that would extend our patent cover beyond 2020, and we expect to continue filing patents in all the above-mentioned areas.

Ours is not the first generation manufacturing technology – it is third generation, and we have learned many lessons the hard way. While it is straightforward to make sucralose in the laboratory, it is very challenging to economically scale it up to full scale production of commercial product. Hence, operating know-how is the second layer.

Technology comes next. We continue to have an extensive ongoing R&D program, aimed at maintaining our leadership position and we expect that our low cost base and economies of scale – particularly as we expand the plant - will give us a significant advantage over any potential competitors.

The fifth layer is regulatory and specifications.

All sucralose must be produced to very stringent purity specifications to meet global regulatory agency requirements, not to mention the quality and purity requirements of our customers.

And of course the final layer is the SPLENDA® Sucralose brand, owned by McNeil Nutritionals and licensed exclusively to Tate & Lyle for the ingredient business.

Only manufacturers that purchase sucralose from Tate & Lyle will have the option of featuring the “Sweetened with SPLENDA®” Brand logo, which has been embraced by many of our customers.

But sucralose isn't our only new value added growth product.

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Another which many of you will have heard about at our value added seminar, is our joint venture with DuPont to produce Bio-3G.

Bio-3G Update

- Construction on track in Loudon, Tennessee
- DuPont developing market in Asia
- Diversifying our product portfolio
- We see great opportunities for products produced from renewable feedstocks



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Construction in Loudon, Tennessee, has commenced and the project is on track for the March 2006 completion date.

As you can see in the slide, the ground has been cleared and pilings for the plant buildings are now in place. We should see cement being poured shortly and the structural steel going up.

Meanwhile, DuPont is working hard at establishing a market and is working with some of the biggest fibre manufacturers in Asia - in Korea, Japan and China.

We estimate the total potential addressable market for Bio-3G at around US\$2 billion per annum.

If this plant is successful this will not be a niche product for Tate & Lyle.

These are exciting times in the bio-products area as we bring Bio-3G and other fermentation products, Aquasta™ Astaxanthin and our bio-gums, to market.

These new ventures allow us to continue to use our strong low cost position in commodities such as glucose to produce value added products from that commodity base.

It also allows us to continue to diversify our product portfolio.

Concerns about sustainability, global warming and the upward trend in petroleum and natural gas prices all mean that we see great opportunities for products produced from renewable feedstocks.

But let's also spend a moment on the other kind of partnership. Investing can never be just about dollars and cents, to be really successful in a sustainable way you have to contribute to the community in which you do business.

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As an example of our corporate and social responsibility initiatives, I would like to talk to you about our activities in Vietnam, with Nghe An Tate & Lyle or 'NAT&L'.

Vietnam – Working in Partnership

- 28,000 farmers in Nghe An Province cultivate sugar-cane for our sugar mill
- Over one million metric tonnes of cane delivered to the factory during harvest
- We have helped these farmers through education and other support services
- “For the Future” programme - we have provided school bags and stationery for more than 2,000 children in 27 primary schools in North Vietnam



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NAT&L is our Vietnamese cane sugar operation and one of the largest providers of employment in the Nghe An province.

28,000 farmers cultivate sugar cane for our factory and deliver over one million metric tonnes of cane during harvest each year.

A good relationship with our farmers is crucial. Without them our business would be unable to operate. Through a programme of education, in-field advice, and related support services, we have helped these farmers start from scratch - enabling them to deliver these impressive cane volumes.

We are also ensuring that more than 2,000 children get off to a good start this school year with our “For the Future” programme.

For the second year running, we have provided school bags and stationery for children in 27 primary schools situated in 16 communes in North Vietnam, five of which are outside the factory cane supply area.

Why do we do this? Some farming families keep their children at home because they cannot afford to buy the basic materials needed to start school.

The “For the Future” programme is encouraging parents to send their children to school, and has full support from local authorities, especially teachers. The picture that you see on the right of the slide is of mothers with their children on the school run in one of the cane areas that supplies the factory. Each of the children is sporting a NAT&L schoolbag.

Tate & Lyle believes in building businesses through a strong economic and social infrastructure. We believe providing education and support in the local community is an extremely important component which creates benefits for both the community and Tate & Lyle.

So,

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in conclusion....

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- Excellent start to the year
- Strong balance sheet
- Exceptional growth in SPLENDA® Sucralose – will be rebuilding stock in second half
- £97 million investment in new sucralose plant announced
- EU and US cereal prices return to long term trend
- Higher energy costs will impact second half year
- We expect the results of the Group for the year as a whole to reflect satisfactory progress



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We have made an excellent start to the year. Our profit before tax, amortisation and exceptional items is up 9% as reported and 16% at constant exchange rates.

What I particularly take from these figures is the good growth in value added food and industrial products in both Staley and Amylum. This remains one of our key strategic objectives and is an area where we expect future growth as we become more customer focussed and deliver solution sets for our customers.

We have a strong balance sheet which is well capable of supporting our expenditure as we invest for growth.

The most significant of those investments so far has been sucralose, which has seen really exciting growth since the realignment in April.

To enable us to capitalise on sucralose's growth we have announced two expansions to the Alabama facility at a total expected cost of £40m and have today announced the building of a second plant in Singapore at an estimated cost of just under £100m.

Having said that, Simon has discussed the necessity to rebuild stock in the second half year and that will have some short term adverse impact on the profitability from sucralose.

Cereal prices on both sides of the Atlantic have returned to more normal levels. As is always the case at this time of the year, the outcome of the annual pricing negotiations at Staley and Amylum will influence the overall result for the year.

As you are all well aware, energy costs seem to be going higher and higher. These will impact our performance in the second half.

Nevertheless, we expect the results of the Group for the year as a whole to reflect satisfactory progress.

With that I would like to open up the floor to questions.

Question and Answers

Please Wait for the Microphone

- Please wait for the microphone and state your name and institution.



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As normal, could I please ask that you wait for a microphone and give your name and that of your institution before asking your question.