TATE & LYLE

BY APPOINTMENT TO
HER MAJESTY THE QUEEN
SUGAR REFINERS

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Press release

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TATE & LYLE ANNOUNCES INTERIM RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2004

London – November 4, 2004 – Tate & Lyle PLC, a world leader in renewable ingredients, today announced interim results for the six months ended September 30, 2004.

INTERIM RESULTS TO SEPTEMBER 30	**2004 $ million** [1]	**2004 £ million**	2003 £ million
Profit before tax, amortization and exceptional items [2]	**$235m**	**£130m**	£119m
Profit before taxation	**$147m**	**£81m**	£111m
Diluted earnings per share before amortization and exceptional items	**34.6¢**	**19.1p**	17.7p
Diluted earnings per share	**22.3¢**	**12.3p**	16.3p
Interim dividend per share	**10.3¢**	**5.7p**	5.6p

1 US dollar conversions provided at the average rate for the period of $1.81 = £1

2 Before net exceptional charges of £42 million ($76 million) (2003 – charges of £4 million) and amortization of £7 million ($13 million) (2003 – £4 million)

- **Profit before tax, amortization and exceptional items of £130 million ($235 million) up 9.2% as reported and up 16.0% at constant exchange rates**
- **Exceptional growth in SPLENDA® Sucralose since April 2004 realignment**
- **£97 million ($176 million) construction of second sucralose plant announced**
- **Better than expected performance from Amylum due to lower cereal prices**
- **Profit before interest, amortization and exceptional items / sales margin increased from 8.0% to 8.5%**
- **Interest cover increased from 8.5 times to 13.6 times**
- **Annualized RONOA of 17.0%**
- **Interim dividend increased by 0.1p (0.2¢) to 5.7p (10.3¢) per share**

"We have made an excellent start to the financial year. With the exception of Amylum, trading in all major businesses is ahead of the corresponding period. Whilst results at Amylum are lower they have exceeded our expectations as cereal prices in Europe returned to levels similar to those before last year's dramatic increase. The realignment of our sucralose business, and the exciting growth experienced subsequently, has improved total profitability.

In the second half of this financial year higher energy costs and the outcome of the annual pricing negotiations at Staley and Amylum, as usual at this time, will influence the overall results for the period. Although the second half is expected to benefit from the growth of SPLENDA® Sucralose the necessity to rebuild stock will have some short term adverse impact on profitability of this product. Nevertheless, we expect the results of the Group for the year as a whole to reflect satisfactory progress."

Sir David Lees	**Iain Ferguson CBE**
Chairman	Chief Executive

An interim statement incorporating the Group profit and loss account for the six months ended September 30, 2004 will be posted to shareholders shortly, and will be obtainable from The Company Secretary, Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

SPLENDA® is a trademark of McNeil Nutritionals, LLC

STATEMENT OF INTERIM RESULTS

Comparisons are with the six months to September 30, 2003 unless stated otherwise.

Overview

Profit before tax, amortization and exceptional items for the six months to September 30, 2004 was £130 million ($235 million), £11 million ($20 million) better than that achieved in the corresponding period. At constant exchange rates this represented a 16.0% improvement (after adjusting for the £8 million adverse impact of exchange translation). [3]

Overall trading has exceeded our expectations. In particular we have benefited from exceptional growth in sucralose and a faster decline in European cereal prices than anticipated; the latter leading to a better performance from Amylum than we had expected. Interest cover improved from 8.5 times to 13.6 times and the profit before interest, amortization and exceptional items over sales margin improved from 8.0% to 8.5%. At 17.0% the annualized return on net operating assets (RONOA) represented a significant improvement over the corresponding period (15.9% - see notes 9 and 11).

We announced the realignment of our SPLENDA® Sucralose activities with McNeil Nutritionals in February 2004. The main elements of the transaction were as follows:

- The cash price of £72 million (US$129 million) was paid in April 2004. The terms of the realignment reflected, inter alia, that both parties would continue to participate in the success of each other's business.
- Tate & Lyle became the sole manufacturer of sucralose and sells SPLENDA® Sucralose as an ingredient to food and beverage companies worldwide.
- McNeil Nutritionals buys sucralose from Tate & Lyle and sells SPLENDA® Brand tabletop products worldwide.
- The accounting treatment of the SPLENDA® Sucralose realignment is shown below.

Subsequently we have announced two expansions to the Alabama sucralose plant that will, by completion in April 2006, more than double the original capacity at a cost of £42 million (US$75 million). We have also announced our decision to construct a second plant in Singapore at a cost of £97 million (US$175 million), to be completed by January 2007. When completed the Singapore plant will have two-thirds the capacity of the expanded Alabama facility.

In July we announced that Staley had reached agreement to end the long running high fructose corn syrup civil legal case in the US with the payment of total damages of £56 million ($100 million). This has resulted in an exceptional charge to the profit and loss account. Staley denies emphatically involvement in any wrongdoing, but settled with great reluctance to ensure an end to this lengthy action, and to avoid the risk and uncertainty that a US jury trial would have involved.

The Board has declared an interim dividend of 5.7p (10.3¢) per share, an increase of 0.1p (0.2¢) (1.8%). This will be paid on January 11, 2005 to shareholders registered on December 3, 2004.

Results for the six months to September 30, 2004

Sales were £1,666 million ($3,015 million) (£1,663 million). Exchange translation reduced sales by £126 million ($228 million), sucralose added £62 million ($112 million) and underlying sales grew by 4.0%.

[3] Exchange translation is calculated by re-converting local currency results for the comparative period at the current period's exchange rates

Profit before interest and exceptional items was £142 million ($257 million) (£133 million) before a £7 million ($13 million) (£4 million) charge for amortization of goodwill and intangible assets.

Exchange translation reduced profit before interest by £9 million ($16 million). The margin of profit before interest, amortization and exceptional items to sales improved to 8.5% (8.0%).

The net interest charge of £12 million ($22 million) (£14 million) benefited from lower interest rates. Exchange translation reduced the interest charge by £1 million ($2 million).

Profit before tax, amortization and exceptional items was £130 million ($235 million) (£119 million). Exchange translation reduced profit before tax by £8 million ($14 million) (£2 million).

Profit before tax was £81 million ($147 million) (£111 million).

The net charge for exceptional items of £42 million ($76 million) (£4 million) consists of the charge of £56 million ($100 million) in respect of the settlement of the high fructose corn syrup class action suit in the US, together with £2 million (£4 million) in respect of loss on sale or termination of businesses, offset by a credit to the profit and loss account of £16 million ($30 million) following settlement of the remaining balance due on the loan note issued by the purchaser of Western Sugar.

The effective rate of tax on profit before amortization and exceptional items was 28.8% (year to March 31, 2004, 29.0%).

Diluted earnings per share before amortization and exceptional items were 19.1p (34.6¢) (17.7p), and after exceptional items and amortization were 12.3p (22.3¢) (16.3p).

Operating profit before depreciation of tangible fixed assets and amortization of goodwill and intangible assets provided cash flow of £181 million ($328 million) (£162 million). Operating cash inflow was £72 million ($130 million) (£156 million) after the operating exceptional item of £56 million ($100 million) (£nil). The working capital outflow of £53 million ($96 million) was higher than normal and mainly reflects payments against provisions and margin deposits on raw materials. Capital expenditure totalled £51 million ($92 million) (£53 million) and investment expenditure totalled £81 million ($147 million) (£15 million). The latter included the cost of the realignment of the sucralose activities and investment into the DuPont Bio-3G joint venture. Since March 31, 2004 net debt has increased by £142 million ($257 million) to £530 million ($959 million).

Segmental Analysis of Profit before Interest and Exceptional Items

Americas

Profits in the segment were £82 million ($148 million), £24 million ($43 million) better than in the comparative period despite exchange translation which reduced profits by £6 million ($11 million). The contribution from SPLENDA® Sucralose was £25 million ($45 million) and this is reported in the Americas segment for the first time.

Profits for Staley were higher in dollar terms. Good growth has been seen in value added food ingredients and industrial products. Ethanol has also performed strongly on higher gasoline prices in the US. Sweeteners gross margins were lower and industry high fructose corn syrup volumes are estimated to be slightly down.

Net corn costs were higher with by-product prices tending to follow the corn price (which had increased sharply earlier in the year but has subsequently declined).

The improvement in citric acid has continued with higher selling prices and this product line reported a small profit. The Aquasta™ astaxanthin plant is being commissioned.

Construction of the Bio-3G plant in Loudon, Tennessee for our joint venture with DuPont has commenced and is on schedule.

Since the realignment of the SPLENDA® Sucralose business in April 2004, when we undertook responsibility for manufacturing, the product has seen exceptional growth. The superior taste profile and heat and shelf-life stability which SPLENDA® Sucralose delivers, coupled with high growth in zero-calorie and low-carbohydrate foods has resulted in high demand. Additionally, the launch of new products by our customers has led to a bulge in demand in the first half year, as producers seek to fill the stock pipeline from their own factories through the wholesalers, retailers and to their customers. We have responded to this by improving the efficiency of the plant and by satisfying this demand out of stock, but this cannot continue into the second half year when we will seek to rebuild stock levels.

The realignment went smoothly. One-off costs will be lower than our original estimate and are not expected to exceed £6 million (US$10 million). We have announced two expansions which will, by completion in April 2006, more than double the original capacity of the plant at a cost of £42 million (US$75 million). Sales for the six months to September 2004 totalled £62 million (US$113 million) and profit before interest was £25 million (US$46 million), after one-off realignment costs and a £2 million ($4 million) charge for amortization of patents and a £1 million ($2 million) charge for goodwill. This compares to the pro forma figures for the 12 months to December 2003 of US$130 million for sales and US$38 million for profit before interest.

In Mexico, Almex (our corn wet miller) remains profitable and Occidente (our Mexican cane sugar producer), also performed well. There has been no resolution to the long running North American Free Trade Agreement dispute between Mexico and the US regarding sweeteners.

Redpath, our Canadian sugar refiner, performed well achieving higher profits benefiting from a £2 million ($4 million) mark-to-market gain on raw sugar stocks.

Europe

Profits in the segment were £56 million ($101 million), £15 million ($27 million) lower than in the comparative period due to higher cereal prices in Europe during much of the period. Exchange translation decreased profits by £2 million ($4 million).

As expected, Amylum, our European sweetener and starch business, reported lower profits although the decline was less than anticipated. Volumes increased in sweeteners but starch volumes were lower. We saw good growth in higher value added food ingredients. Selling prices were increased but were insufficient to cover raw material prices which peaked at around a 40% increase versus the prior year following a poor harvest in 2003 as a result of dry weather. Good growing conditions for the 2004 harvests have generated large crops and cereal prices have declined faster than we expected, to levels similar to those before the 2003 drought. The high protein content of the 2003 crop reduced EU sales demand from bakers for vital wheat gluten but export demand remained strong, albeit at lower selling prices. Manufacturing costs increased as a result of processing wheat with much higher protein content and because of higher energy costs. Amylum's Eaststarch operations continued to perform well. Slovakia and Hungary, where two of the joint ventures are located, joined the EU in May.

Our European sugar refineries in the UK and Portugal continue to produce stable profits and generate good cash flow. The latest comments from the Agricultural Commission to the EU suggest that reform of the sugar regime is now unlikely before July 2006, with legislative proposals not expected before the spring of 2005. Trading in Eastern Sugar has improved upon EU accession by Hungary, Slovakia and the Czech Republic.

Rest of the World

Profit in the segment was £5 million ($9 million) (£4 million). Nghe An Tate & Lyle Sugar Company in Vietnam performed well with better volumes and pricing. Exchange translation reduced profits by £1 million ($2 million).

Other Segments

In the Animal Feed and Bulk Storage segment, the molasses business produced stable profits.

The Other Businesses and Activities segment principally represents central costs. Included in the corresponding period was £3 million ($5 million) income relating to advance licence fees from sucralose.

Retirement Benefits

Under SSAP 24, we expect the profit and loss account charge for retirement benefits for the year to March 2005 to be similar to the £30 million ($54 million) charge in the prior year.

Under FRS 17, the deficit for pension and healthcare liabilities has increased from £231 million ($418 million) at March 2004 to £235 million ($425 million) at September 2004. If the accounts had been prepared under FRS 17, the profit before tax would have been £4 million ($7 million) higher and net assets reduced by £111 million ($201 million).

Accounting Treatment of SPLENDA® Sucralose Realignment

The cash price of £72 million (£129 million) reflected payment to acquire tangible and intangible assets with a fair value of £79 million ($144 million) and £32 million ($58 million) 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 £60 million ($109 million). No value has been recognized for future deferred receipts from McNeil Nutritionals, which 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 £24 million ($43 million). A related deferred tax asset with a discounted value of £18 million ($33 million) has been recognized reflecting timing differences.

The net impact of the realignment leads to initial goodwill under UK GAAP of £27 million ($49 million). 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 September 30, 2004 have been reflected in the movement of provisions and goodwill.

International Financial Reporting Standards

We will adopt international financial reporting standards ("IFRS") in the year ending March 2006. A detailed implementation project has been undertaken to effect orderly transition from UK accounting standards. The project is progressing well, is meeting internal guidelines, and has been reviewed by our external auditors.

Our intention is to provide information on the effect of IFRS on our results for the year ended March 31, 2005, in June 2005.

Directors

As previously announced, Keith Hopkins and Mary Jo Jacobi retired from the Board at the Annual General Meeting on July 29, 2004, and David Fish stepped down as a Non-Executive Director with effect from September 30, 2004 due to the pressure of other commitments.

On November 3, 2004 we announced the appointment of Kai Nargolwala as a Non-Executive Director with effect from December 1, 2004. It was also announced that Larry Pillard, who was appointed a Director in 1994 and served as Chief Executive from 1996 to 2002, would be retiring from the Board on December 31, 2004.

Outlook

We have made an excellent start to the financial year. With the exception of Amylum, trading in all major businesses is ahead of the corresponding period. Whilst results at Amylum are lower they have exceeded our expectations as cereal prices in Europe returned to levels similar to those before last year's dramatic increase. The realignment of our sucralose business, and the exciting growth experienced subsequently, has improved total profitability.

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Sir David Lees	Iain Ferguson CBE
Chairman	Chief Executive

About Tate & Lyle

Tate & Lyle is a world leader in renewable ingredients. Our core competence is to take basic carbohydrates - corn, wheat or sugar - and add value to these raw materials through technology. As a result of continuous innovation we offer an ever-wider product portfolio of versatile and functional ingredients. These products include Cereal Sweeteners, Starches, Sugars and Citric Acid. Our products have wide applications in the food, beverage, pharmaceutical, cosmetic, paper, packaging and building industries.

With headquarters in London, Tate & Lyle operates more than 40 plants in 24 countries, almost all in Europe and the Americas. We employ 6,700 people in our subsidiaries with a further 2,800 employed in joint ventures. Sales in the year to March 31, 2003 totalled £3,167 million. More details are available online at www.tateandlyle.com

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