

Preliminary Results

3 June 2004

Good morning and thank you for coming here today.

As part of our commitment to the Combined Code and progressive Governance, I'd like to welcome our Chairman Sir David Lees and a number of our Non-Executive Directors.

I hope that you have had a chance to speak to them this morning, and if not you will be able to take the opportunity to do so after this presentation. Our Non-Executive Directors are noticeable by their dignified appearance and their red badges.

I'm sure that you will have seen the press release up on the screens this morning - just to re-cap:

Key Results

TATE & LYLE

- Profit before tax, goodwill and exceptional items increased by 2.2% at constant exchange rates
- Diluted EPS before goodwill and exceptional items increased 2.7% to 33.9p
- Met 15% target for return on net operating assets
- Net debt reduced by £83m to £388m
- Proposed total dividend increased by 2.7% to 18.8p per share



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Profit before tax, exceptional items and goodwill amortisation increased by 2.2% at constant exchange rates.

Diluted Earnings per Share before exceptional items and goodwill amortisation increased by 2.7% to 33.9p per share.

We met our 15% target for return on net operating assets.

Net Debt reduced by £83m to £388m.

And we have once again increased the proposed total dividend - by 2.7% to 18.8p per share.

Simon will give you more details on the financials shortly. But first let's take a look at some recent events ...

Calendar of Significant Events

TATE & LYLE

2003

- July New divisional Group structure
- July Completion of sale of Orsan France (MSG)
- Nov Appointment of two Non Executives and a Senior Independent Non-Executive Director

2004

- Feb New sucralose business realignment with McNeil Nutritionals / Johnson & Johnson
- April Plant commissioning starts – Aquasta™, joint venture with IGENE
- May New joint venture with DuPont in bio-polymers
- June Strategy and vision presentation



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I have included here a list of key events which have occurred since I joined the Group last year.

The sale of Orsan France marks the end of a period of disposal, and the beginnings of growth. Recent developments with three partners: IGENE, McNeil Nutritionals and DuPont are key indicators of this change.

And you will have seen the announcement earlier today that we have experienced exciting growth in demand for sucralose and have committed US\$30 million to a significant expansion of our plant in Alabama. This will come fully on stream by January 2006.

Agenda

TATE & LYLE

Financials

Input Pricing and the EU Sugar Regime

Evolution of Strategy and New Vision

Outlook



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On the agenda, Simon will begin this morning's presentation with a detailed review of the financials. Given recent movements in cereal and energy costs, and the topicality of the European Union Sugar Regime, I will give a brief review on these three topics - but will spend most of my time talking about the evolution of the Group strategy.

First over to Simon...

Financials

Input Pricing and the EU Sugar Regime

Evolution of Strategy and New Vision

Outlook



As usual, the slides and the text of this presentation have been posted on our website and for the first time we are webcasting our results.

Financial Highlights

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- Profit before tax & exceptional items marginally below 2003
- 2003 benefited from unusual credits
- Impact of exchange translation
- Improvement in interest cover
- Increase in dividend
- Achieved 15% RONO



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The bald figures would indicate that profit before tax and exceptional items was marginally below that achieved last year, however, you will remember that last year there were £11m of unusual credits that flattered the results. Additionally 2004 results were adversely affected by exchange translation. Of course exchange movements have conversely improved the stated net debt at the end of the year. Overall given initial expectations, the outcome for 2004 has been satisfactory with a further improvement in interest cover, an increase in dividend and achievement of our 15% return on net operating asset target.

Profit and Loss Account

Years to March

TATE & LYLE

AUDITED FIGURES

£m	2004	2003	
Sales	3,167	3,167	=
Profit before interest*	251	254	-1%
Interest	(24)	(26)	+8%
Profit before taxation*	227	228	-

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* before exceptional items and goodwill amortisation

Turning to the profit and loss account:

Exchange translation and discontinued businesses reduced sales by £172m. The sales of continuing activities grew by the same amount £172m – that is, underlying growth of 5.7%.

Profit before interest, amortisation of goodwill and exceptional items at £251m was £3m below the comparative period.

Exchange translation reduced profit before interest by £7m.

The interest charge was £2m lower than in the comparative period which benefited from some special credits. The net charge in 2004 included £6m interest received on the Domino and Western Loan Notes. Debt was substantially lower with average net debt being £79m lower than in the comparative period.

The total net interest charge for subsidiaries as a percentage of average net debt has fallen from 5.5% to 5.1%. The decline is more marked if the unusual interest credits are stripped out of last year's interest charge.

Exchange translation had a £1m favourable effect on interest and reduced profit before tax by £6m.

At £227m profit before tax, amortisation of goodwill and exceptional items was marginally below that achieved last year. At constant exchange rates, profit increased by 2%.

Profit and Loss Account

Years to March

TATE & LYLE

AUDITED FIGURES

£m	2004	2003	
Sales	3,167	3,167	=
Profit before interest*	251	254	-1%
Interest	(24)	(26)	+8%
Profit before taxation*	227	228	-
PBI*/Sales margin	7.9%	8.0%	
Interest cover*	9.3 x	7.6 x	

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* before exceptional items and goodwill amortisation

The profit before interest over sales margin was 7.9%.

Interest cover before exceptional items and goodwill amortisation has improved further from 7.6 times to 9.3 times.

Profit and Loss Account

Years to March

TATE & LYLE

AUDITED FIGURES

£m	2004	2003	
Profit before taxation*	227	228	-
Goodwill amortisation	(8)	(8)	=
Exceptional items	5	(33)	N/a
Taxation	(69)	(57)	-21%
Minority interests	(1)	2	N/a
Profit for the period	154	132	+17%

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* before exceptional items and goodwill amortisation

Goodwill amortisation remained at £8m.

Exceptional items totalled £5m credit. I will now expand on these.

Exceptional Items

Gain for the Year £5m

TATE & LYLE

AUDITED FIGURES

£m	Operating	Non-Operating	Total
Duty refund	6	5	11
Closure of Mexican Citric Acid business	-	(3)	(3)
Net loss on sale of assets / businesses	-	(3)	(3)
Total exceptional items	6	(1)	5

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* before exceptional items and goodwill amortisation

Of the £5m credit, £11m relates to a repayment of duty of which £5m is interest.

Several items offset each other in respect of the sale of the US sugar companies Domino and Western Sugar. For Domino, we received a final earnout under the deferred consideration agreement and secured early repayment of the loan note which was in excess of book value. These items were offset by movement on provisions and payment of a claim under the representations and warranties clauses in the sale agreement. We also received a payment of principal relating to the Western Sugar loan note.

There is a £3m charge in respect of the closure of the Mexican Citric Acid business and a £3m charge in respect of the anticipated closure of a small molasses business together with the loss on sale of other assets and businesses.

Profit and Loss Account

Years to March

TATE & LYLE

AUDITED FIGURES

£m	2004	2003	
Profit before taxation*	227	228	-
Goodwill amortisation	(8)	(8)	=
Exceptional items	5	(33)	N/a
Taxation	(69)	(57)	-21%
Minority interests	(1)	2	N/a
Profit for the period	154	132	+17%

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* before exceptional items and goodwill amortisation

The effective tax rate before goodwill amortisation and exceptional items was 29.0% compared to 30.7% in the comparative period.

Overall profit for the period increased by £22m to £154m.

Earnings & Dividends per Share

In Pence

TATE & LYLE

AUDITED FIGURES

	2004	2003
Diluted earnings per share*	33.9	33.0
Dividend per share	18.8	18.3
Dividend cover*	1.8 x	1.8 x

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* before exceptional items and goodwill amortisation

Diluted earnings per share before exceptional items and goodwill amortisation has increased from 33.0 pence to 33.9 pence. A break-down of the movement is contained as backing information and is on the website.

It is proposed that the final dividend per share be increased by 0.4 pence to 13.2 pence, bringing the total dividend for the year to 18.8 pence, a 2.7% increase over last year's dividend of 18.3 pence.

The dividend cover before goodwill amortisation and exceptional items has remained at 1.8 times.

Turning to the segmental analysis.

Segmental Analysis

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

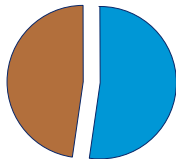
There is no profit or loss arising in the year classified as discontinued activities. The loss in the prior year was £1m.

Sweeteners and Starches

Continuing Activities - Americas

TATE & LYLE

AUDITED FIGURES

£m	2004	2003		52% Group PBI*
Sales	1,219	1,137	+7%	
Profit before interest*	131	139	-6%	
Margin*	10.7%	12.2%	-1.5 pts	

- Exchange translation reduced profits by £9m

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* before exceptional items and goodwill amortisation

The £8m reduction in profits in the Americas segment was more than accounted for by exchange translation of £9m.

Sweeteners and Starches

Continuing Activities - Americas

TATE & LYLE



- HFCS industry demand down
- Staley sweetener gross margins flat
- Industrial starch gross margins & volumes higher
- Strong performance from food ingredients
- Higher energy, maintenance, research and pension costs



- Success in increasing selling prices for 2004
- Aquasta™ Astaxanthin plant commissioning



- Lower profits as expected
- Inventory mark to market charge of £2m

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Industry demand for high fructose corn syrup for the year was down but Staley was able to maintain overall sweetener gross margins.

Industrial starch gross margins and volumes were higher.

Food ingredients continued to perform strongly with higher volumes and increased total gross margins.

Corn costs were higher but this was more than offset by increased by-product revenues. Ethanol performed strongly in the second half and total margins were higher than in the previous year.

Other costs were higher with increased energy, maintenance, research and pension expenses.

In the 2004 sweetener pricing round, we were able to cover the increase in net corn costs. However, an adequate return on our high fructose corn syrup assets is not being achieved.

The citric acid product line continued to perform better than expected. The reduction in capacity through the closure of the Mexican plant in the first half of the year and the conversion of part of our UK plant to produce astaxanthin together with competitors' actions on capacity resulted in an increase in spot prices as I reported at the interims. We were successful in increasing selling prices in our 2004 contracts and citric made a small profit for the year after a loss in the first half.

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

Redpath, in Canada, achieved lower profits as expected, after an exceptional year in 2003. Volumes increased but gross margins were slightly lower. Energy, maintenance and particularly freight costs were higher. Lower raw sugar prices at the end of March resulted in an inventory mark to market charge of £2m compared to a £2m gain in the comparative period.

In Mexico, the tax on drinks containing high fructose corn syrup continued and our starch business Almex made a small profit, but lower than in the comparative period.

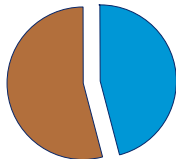
With higher selling prices and record production, Occidente, our Mexican sugar operation, achieved increased profits counterbalancing the reduction in Almex.

Sweeteners and Starches

Continuing Activities - Europe

TATE & LYLE

AUDITED FIGURES

£m	2004	2003		46% Group PBI*
Sales	1,336	1,331	-	
Profit before interest*	115	111	+4%	
Margin*	8.6%	8.3%	+0.3 pts	

- Profits increased by £4m due to exchange translation

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* before exceptional items and goodwill amortisation

Exchange translation accounted for the £4m increase in European profits.

Sweeteners and Starches

Continuing Activities - Europe

TATE & LYLE



- Increased raw material prices
- EU sweetener volumes up; starch volumes flat
- Eaststarch performed well
- Integration benefits exceeded target



- Continued strong cash flow
- Profits marginally ahead of prior year



- Losses lower than prior year

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At Amylum, the progress in local currency terms for the first half was more than eroded in the second half. Following the drought, new crop higher raw material prices peaked with increases of over 40%. We were unable to pass on the entirety of this cost increase to our customers. Iain will comment further on raw material costs.

In the EU, volume increases were achieved in sweeteners but starch volumes were flat. There was growth in the value-added product range. Vital wheat gluten prices trended lower in the second half with lower demand in Europe partly offset by higher US requirements. Manufacturing costs were higher due to additional processing costs associated with increased vital wheat gluten production.

Eaststarch, Amylum's joint venture operations in Central and Eastern Europe, as expected had a good year albeit lower than the excellent results in 2003. Although varying from country to country, sales volumes and prices overall were similar to the prior year but raw material prices increased due to the drought conditions.

The three year integration programme we started following the acquisition of the minority interest was targeted to achieve annual benefits of £50m. At the end of March 2004, we achieved this target and the overall cost of £30m was well within the £50m indicated at the commencement of the programme. The erosion in gross margin in the second half of 2004 means that we must continue to reduce costs. Iain will comment further on this.

Orsan France, which produced monosodium glutamate, was sold during the year. In the period to disposal it made a loss of £1m on sales of £13m.

Our EU sugar operations again provided stability with strong cash flow generation. Profits were marginally ahead of the prior year with a slightly higher gross margin, benefiting from the strengthening of the euro. IT costs were reduced and labour cost savings were achieved although these were partially offset by higher pension charges.

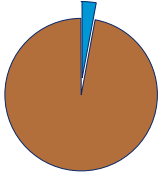
As expected Eastern Sugar, our European sugar beet business, continued to be loss making albeit at a lower level than the prior year.

Sweeteners and Starches

Continuing Activities – Rest of the World

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AUDITED FIGURES

£m	2004	2003		3% Group PBI*
Sales	412	354	+16%	
Profit before interest*	8	11	-27%	
Margin*	1.9%	3.1%	-1.2 pts	

- Vietnamese profits slightly higher
- Sugar trading profits back to normal levels

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* before exceptional items and goodwill amortisation

In the Rest of the World, exchange translation reduced profits by £1m and profits from our Vietnamese sugar operations were slightly higher. Volumes were higher but selling prices declined. Profits in our Group sugar trading operations have returned, as expected, to normal levels following the very strong performance in 2003.

Other Segments

Continuing Activities – Animal Feed & Bulk Storage and Other

TATE & LYLE

AUDITED FIGURES

£m	2004	2003	
Animal Feed & Bulk Storage			
Sales	195	227	-14%
Profit before interest*	6	4	+50%
Margin*	3.1%	1.8%	+1.3 pts
Other			
Sales	5	27	-81%
Loss before interest*	(9)	(10)	+10%

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* before exceptional items and goodwill amortisation

Turning to the Animal Feed and Bulk Storage segment, businesses discontinued in the 2003 year incurred a loss of £2m. Profits from continuing operations were higher with good demand in the animal feed and industrial markets partially offset by lower profits from molasses trading.

The Other Businesses and Activities segment now mainly consists of central costs but also includes our captive re-insurance operations and sucralose.

Our re-insurance company was profitable.

Other Segment

Sucralose

TATE & LYLE

- Completion announced 5 April 2004
- Accelerated recognition of licence fees in 2004 year
- Transaction price of US\$137m (£74m) including capitalised costs
- Proforma profit before tax of US\$33m in calendar 2003
- Significant one-off costs expected in 2005 year
- Expect to exceed T&L's cost of capital in year to March 2005



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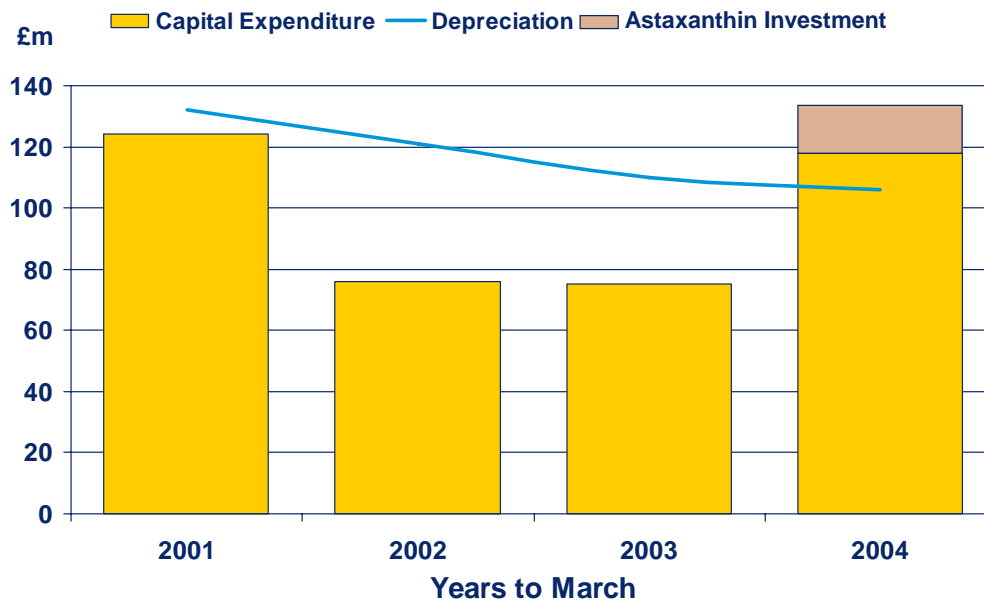
With the realignment of the sucralose agreement with McNeil Nutritionals and the completion of the transaction announced on 5 April 2004, the last tranche of advance licence fees amounting to \$5m that we had originally expected to be credited to profit and loss in the 2005 year has been credited to profit in the year under review. Consequently there will be no credit in the 2005 year and the 2004 results include \$15m representing the expected \$10m and the \$5m brought forward from 2005.

The price of the sucralose transaction including capitalised costs was \$137m. This remains subject to the normal working capital adjustments. Payment occurred in April 2004 after the year end. The proforma profit before tax for the year to December 2003 was \$33m but we do expect, as we announced, significant one-off costs in the first year of operation. Despite this we anticipate the transaction to exceed our cost of capital in the March 2005 year.

Capital Expenditure

TATE & LYLE

AUDITED FIGURES



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Capital expenditure at £118m, as expected, was above depreciation of £106m. Investment expenditure included £15m related to the new astaxanthin plant in Yorkshire. The combined expenditure was therefore around one and a quarter times depreciation as envisaged.

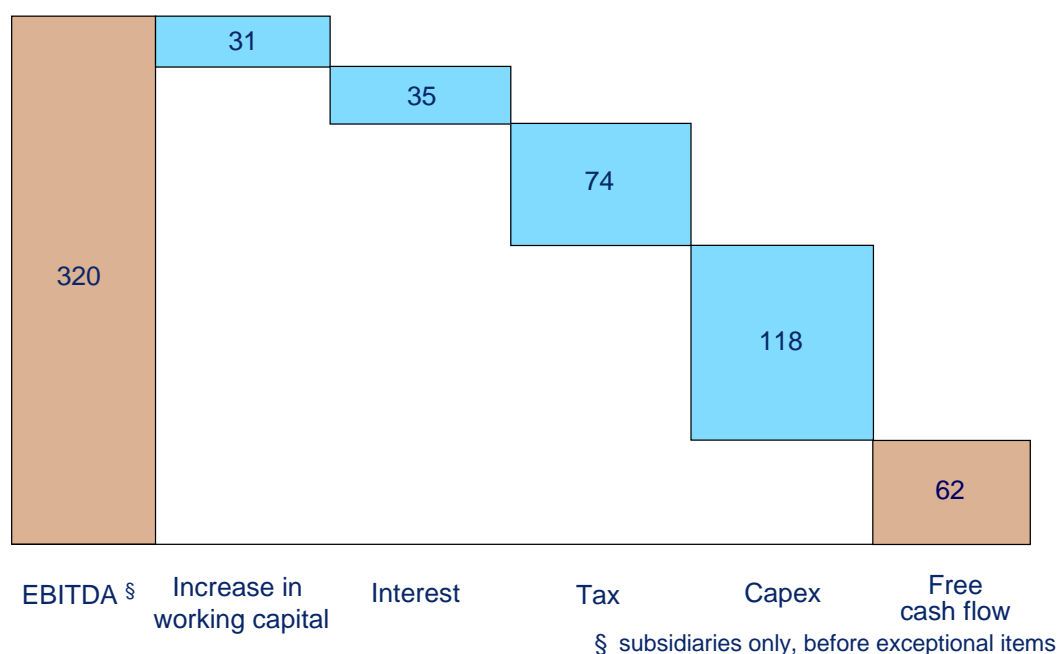
I would expect 2005 capital expenditure together with the investments in the Tate & Lyle/DuPont joint venture plant and the sucralose expansion to be closer to the lower end of our normal band of one to one and a quarter times depreciation.

Free Cash Flow

Year to March 2004, in £m

TATE & LYLE

AUDITED FIGURES



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Net debt reduced again during the year.

Operating profit before depreciation and amortisation of goodwill was £320m.

The working capital outflow as predicted was unusually large although smaller than I had anticipated. This was due to several factors: in sterling terms fewer receivables under securitisation because of the sterling/dollar exchange rate, payments against provisions and increased net lending to joint ventures.

Net interest included £13m which I mentioned at the interims related to interest accrued on a bond in Orsan. This is offset in "other" shown on the next slide.

The net tax payment which was low in the 2003 year due to tax refunds was higher than normal in the year under review due to withholding tax payments.

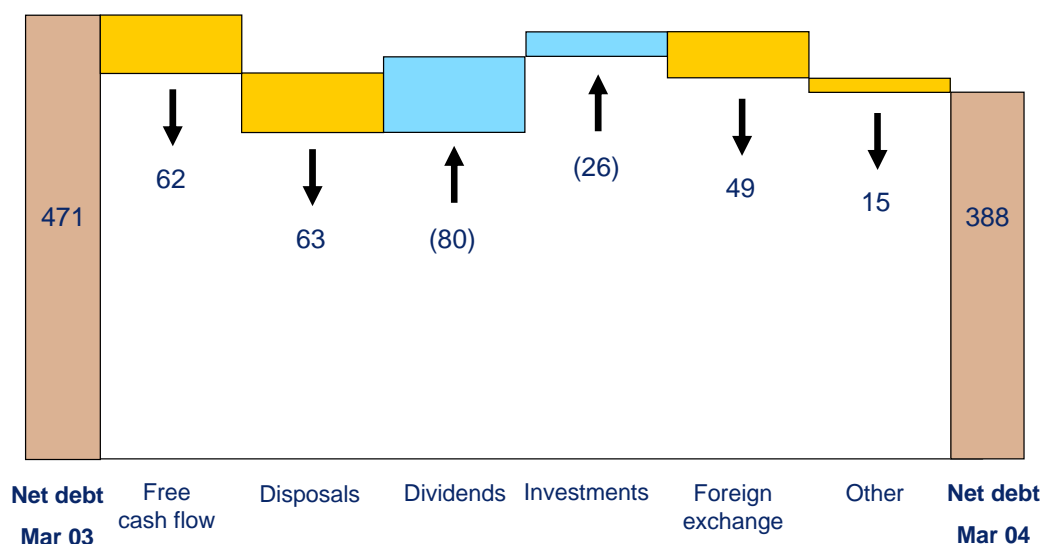
Free cash flow amounted to £62m.

Net Debt Reduced to £388m

Year to March 2004, in £m

TATE & LYLE

AUDITED FIGURES



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Disposal income was £63m. The main constituent was the sale of our Orsan monosodium glutamate plant in France. It also includes a net receipt of £18m relating to the US sugar disposals I referred to earlier.

Net dividend payments totalled £80m.

Investment expenditure of £26m included the astaxanthin plant and funding the Employee Benefit Trust to purchase shares.

There was a £49m favourable movement on exchange translation with the £/US\$ rate moving from 1.58 at March 2003 to 1.84 at March 2004.

Other includes the £13m offset I mentioned earlier.

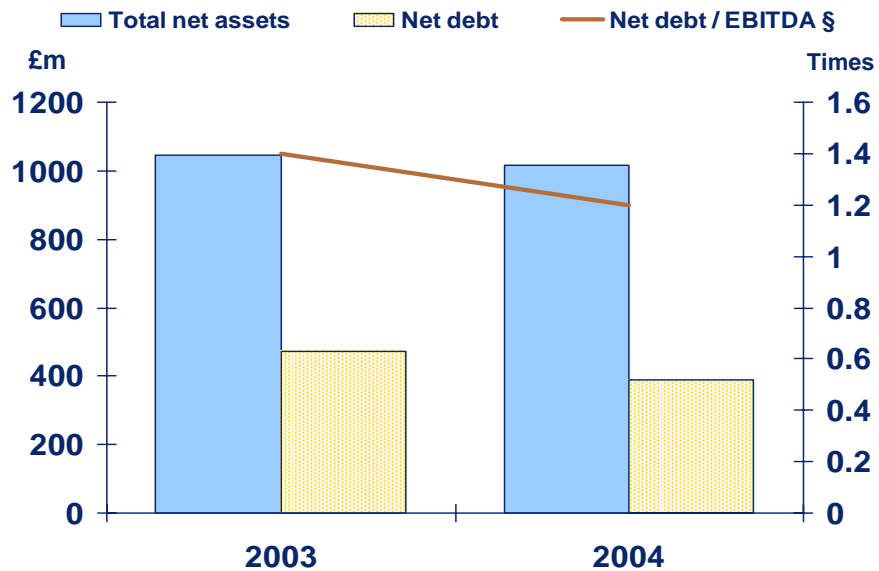
Net debt overall reduced by £83m.

Summary Balance Sheet

As at 31 March

TATE & LYLE

AUDITED FIGURES



24

§ subsidiaries only, before exceptional items

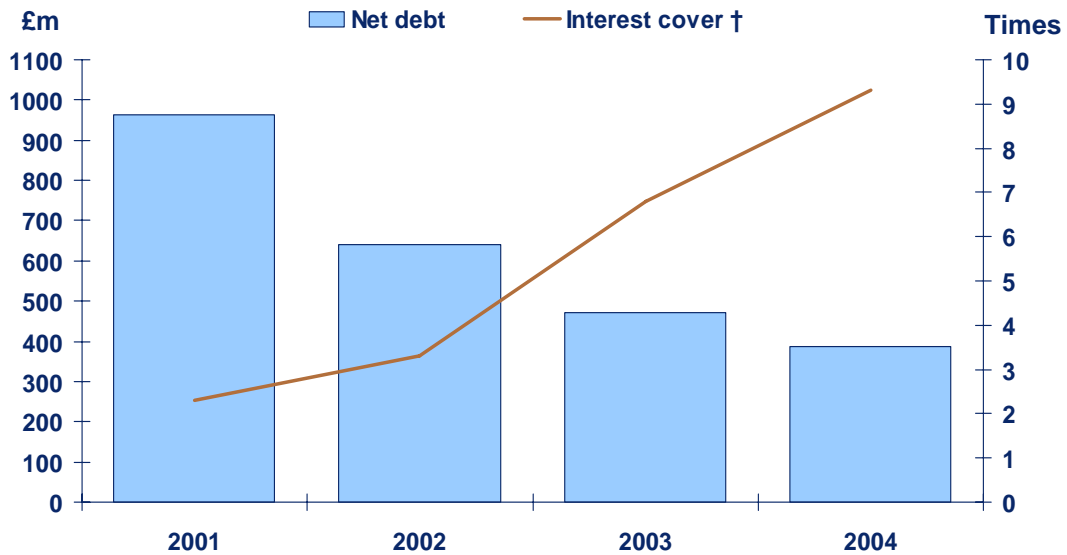
Net debt at March 2004 was £388m compared to £471m at the end of the prior period. The average maturity of the Group's total debt at 31 March 2004 was 4.9 years. The net debt/EBITDA multiple as shown by the graph on this slide has improved from 1.4 times to 1.2 times.

Net Debt History

Years Ended March

TATE & LYLE

AUDITED FIGURES



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† before exceptional items and goodwill amortisation. 2003 before unusual interest credits

This is the third consecutive year that net debt has declined moving from £963m at March 2001 to £388m. Interest cover has improved from 2.3 times to 9.3 times over the same time period. We expect an increase in net debt in the 2005 financial year with the sucralose investment. The effect of exchange rates remains an uncertainty.

Moving now to pensions.

Retirement Benefits

P&L Charge & Cash Contributions

TATE & LYLE

£m	2004	2003
SSAP24 P&L charge	30	24
Pension Cash Contributions		
Current service	25	19
To fund deficit	9	42
Total cash contributions	34	61

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I reported at the interims that the two yearly actuarial review of our main UK pension fund was carried out at 31 March 2003. Under SSAP 24, the deficit was £13m and we are funding this and future costs of the scheme over 5 years.

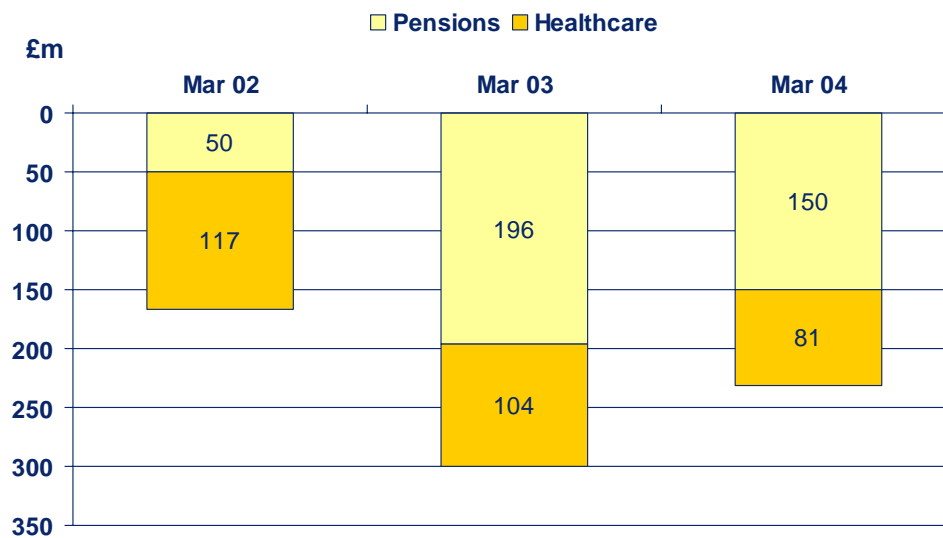
This slide shows the Group SSAP 24 charge for retirement benefits was £30m for the year compared to the £29m I indicated at the interims. Pension cash contributions were £34m compared to the £33m I predicted at the interims. This is lower than 2003 when we made significant payments to fund the deficits.

Retirement Benefits

FRS17 – Gross Deficit

TATE & LYLE

AUDITED FIGURES



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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 declined from £196m at March 2003 to £150m at March 2004 and including healthcare liabilities from £300m to £231m.

Retirement Benefits

Impact of FRS17 – Year to March 2004

TATE & LYLE

AUDITED FIGURES

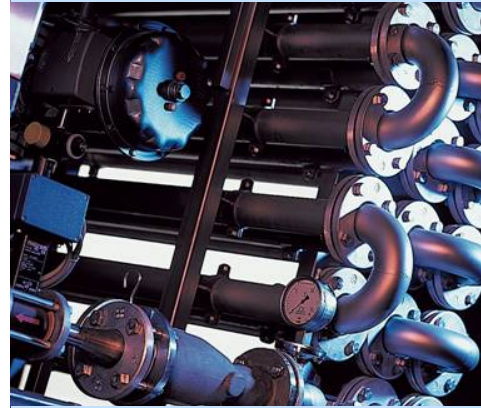
£m	Current SSAP24	FRS17
Profit before interest*	251	261
Interest	(24)	(34)
Profit before tax*	227	227
Total net assets	1,016	918

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* before exceptional items and goodwill amortisation

Incorporating FRS17 into the accounts at March 2004 would have had no impact on the profit and loss account charge and would have reduced net assets by £98m.

- We will adopt in the March 2006 year
- Detailed project for orderly transition
- Project progressing well
- Reviewed by our external auditors
- Update at November 2004 interims



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We will adopt international financial reporting standards in the year ending 31 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 timelines and has been reviewed by our external auditors.

I will report further on progress at the Interim announcement.

Key Financial Ratios

Years in March

TATE & LYLE

AUDITED FIGURES

	2004	2003
Interest cover*	9.3 x	7.6 x
Dividend cover*	1.8 x	1.8 x
Net debt / EBITDA §	1.2 x	1.4 x
Gearing	38%	45%
RONOA ‡	15.1%	14.2%
Value added & consumer branded	54%	52%

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* before exceptional items and goodwill amortisation

§ subsidiaries only, before exceptional items ‡ before exceptional items

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

The net debt to net assets gearing ratio improved from 45% to 38%.

The return on net operating assets met our initial target of 15% for the first time in a full year.

The proportion of Group profit before interest, amortisation of goodwill and exceptional items relating to value added and consumer branded products increased from 52% to 54%.

Overall we have continued to strengthen our financial position which will stand us in good stead to grow the Company going forward.

I will now hand over to Iain.

Agenda

Input Pricing and the EU Sugar Regime

TATE & LYLE

Financials

Input Pricing and the EU Sugar Regime

Evolution of Strategy and New Vision

Outlook



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Thank you Simon.

As I explained earlier I will now look at major external factors affecting the Group before sharing with you the strategic vision for Tate & Lyle.

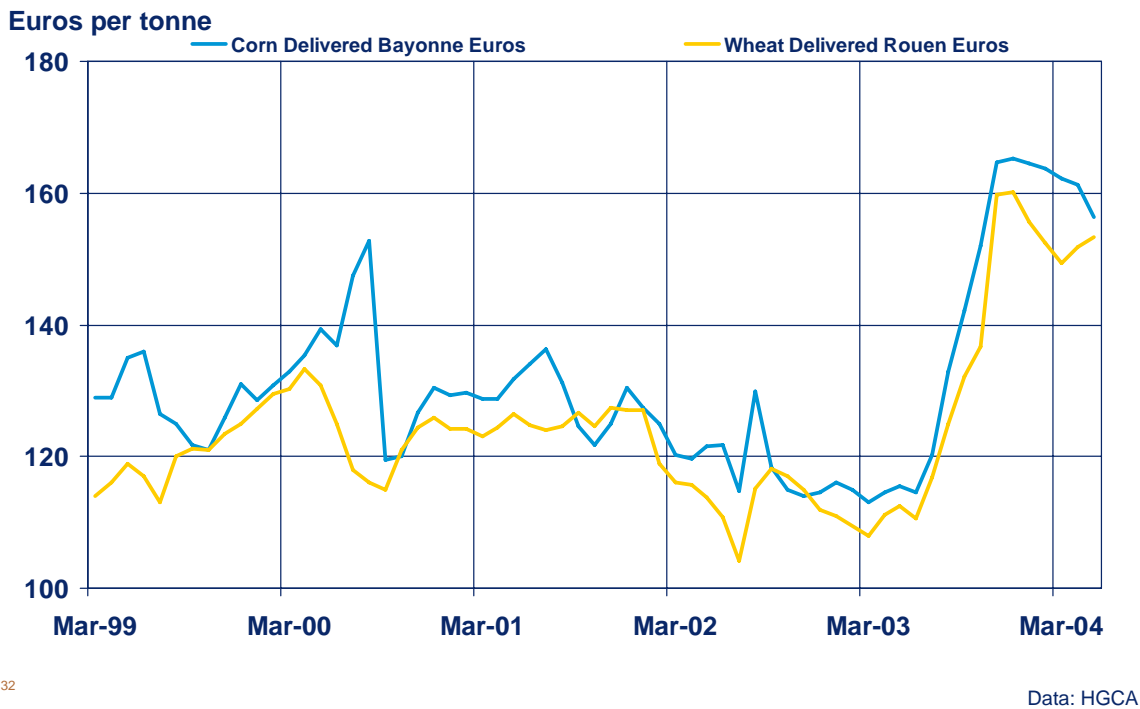
When we look at the near-term there are three key topics which merit particular attention – global cereal pricing, rising energy costs and the European Union Sugar regime.

Starting first with cereal pricing ...

European Grain Prices to Mid-May 2004

Spot prices March 1999 to Mid-May 2004

TATE & LYLE



The drought last year in Europe caused rising cereal costs, which had a significant effect on the business. As all of you know, unlike the United States, there is no liquid terminal market for European grains. This means we are unable to fully hedge our purchases, leaving us more exposed to price movements.

We do buy more physicals – direct from farmers – and take what cover we can in the terminal markets. Typically we have less than six months cover, therefore price movements will take some time to come through.

You can see from the slide that French wheat prices (in yellow), indicative of the European situation, hit a high in December 2003 – mid-way through Amylum's contract negotiations. European corn prices followed a similar trend – both peaking at around 160 euro / tonne, an increase of over 40 percent year-on-year and the highest point since 1996. The situation has not been helped by slightly weaker vital wheat gluten prices, caused by the high protein content of the crop.

Prices have come off these peaks and the late May prices for both wheat and corn have reduced to around 155 euros per tonne. Looking further out, July futures wheat prices have weakened to 127 euros per tonne whilst August corn remains firm at 159 euros per tonne.

So as I have said, prices have come off the peaks but, the situation for European Union cereals remains uncertain – with stocks, weather and exports all influencing future pricing. European Union wheat closing stocks for 30 June 2004 are forecast to be 41% lower than the previous year, and at such low levels, prices remain highly volatile.

Our own feeling hasn't changed. Even with a good harvest, grain prices are unlikely to return to the 5-year trend levels within one year, and our outlook on raw material pricing remains conservative.

Clearly we will need to improve our margins in the Amylum businesses at the next pricing round.

As we announced in January, in response to this rise in raw materials we are re-examining our Amylum operations ...

- Operations fundamentally viable and integral part of Tate & Lyle Group
- Some opportunities for product mix optimisation
- Remain committed to investment in Amylum and improving technical performance, customer service and margins
- Future growth from more emphasis on value added



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This review is being undertaken by an internal team and external consultants. Our initial findings show that the current operations of the business are fundamentally viable and an integral part of the Tate & Lyle Group.

We have a strong presence in Eastern Europe and the plants there are performing particularly well.

The teams have identified some opportunities across Amylum to both optimise production mix and to improve logistical efficiency.

Part of this will be realigning the organisation to increase customer focus.

We will also use our successful experience at Staley in the United States, to grow the business and its margins. As we found at Staley, the commodity base and the leading position in High Fructose Corn Syrup (or Isoglucose as it is known in Europe) will provide an excellent platform on which to build added value growth.

It will be through the growth of value added products that we can improve returns at Amylum much closer to the Group average.

There isn't a 'silver bullet' - and we won't be setting specific external targets and reporting every year but, we are committed to achieving this objective in the next few years.

As always, our findings will be reported to the Works Councils in our plants.

In summary, we remain committed to investing in Amylum to grow this business and improve technical performance, customer service and margins.

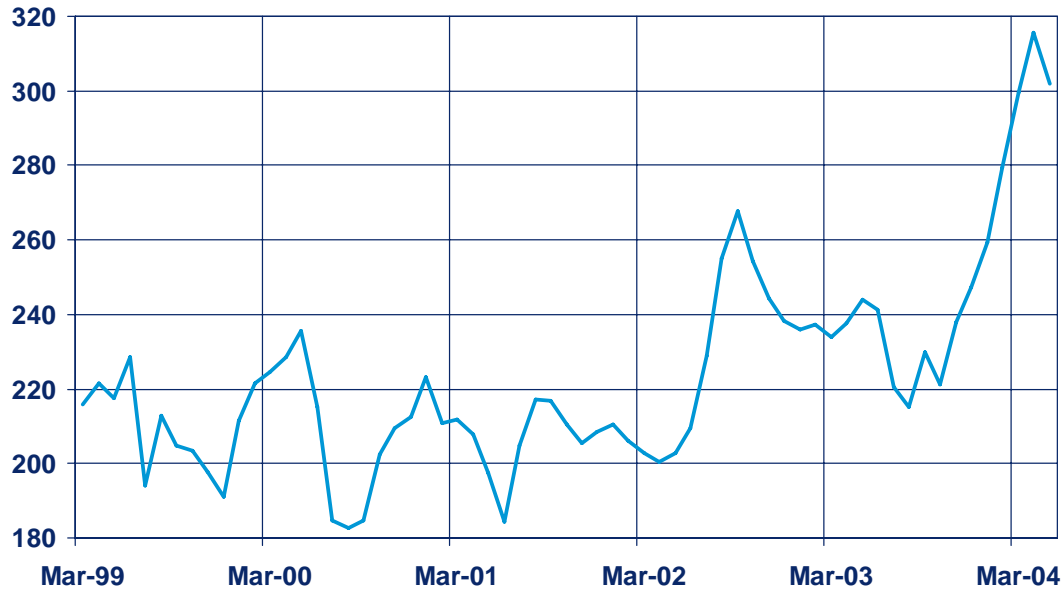
Turning now to raw material prices in the United States ...

US Corn Prices to Mid-May 2004

Nearby Futures Prices March 1999 to Mid-May 2004

TATE & LYLE

US Cents per Bushel



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Data: Chicago Board of Trade

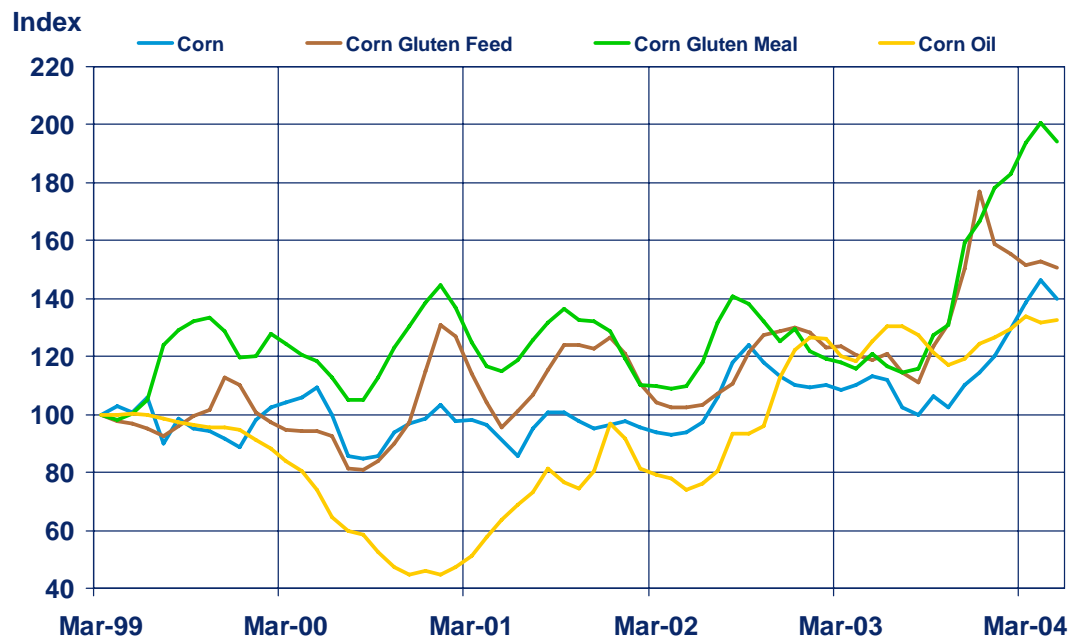
Corn prices increased from US\$2.38 per bushel in November to a peak of US\$3.16 per bushel in April. This is much higher than the long term average of around US\$2.25-2.30 per bushel and is the highest level since 1996.

Latest estimates from the United States Department of Agriculture are forecasting a record crop in the United States this year but demand is projected to outstrip supply with particularly strong demand from ethanol producers. The world corn market is looking extremely tight for 2004/2005 and, although prices have eased somewhat recently, prices could again rise towards the end of the year.

US Corn and Co-Product Prices to Mid May 2004

Based to 100, March 1999

TATE & LYLE



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Data: Corn -Chicago Board of Trade, Corn Feed and Oil -Wall Street Journal, Corn Meal -The Jacobsen Letter

While corn prices are important, the net corn cost is the most important factor for the Group. While co-products such as meal, oil and feed do not necessarily enjoy a linear relationship with corn pricing, due to the impact of substitutes – they do tend to trend together and to some extent mitigate rising corn costs. There is no futures market for these co-products and so we are unable to hedge them.

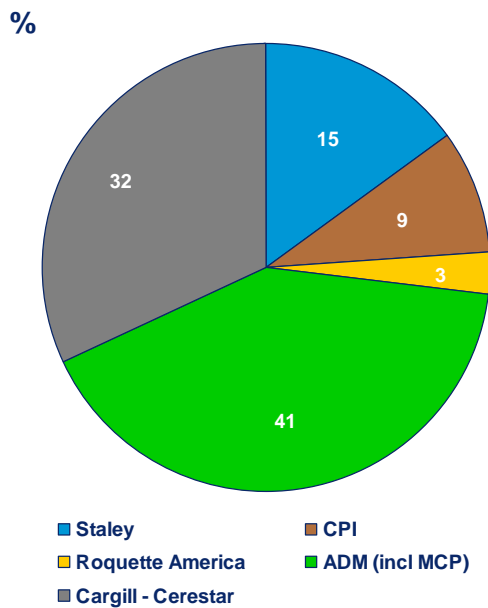
In 2004, we succeeded in recovering the increase in net corn costs but, if current prices persist, we will require a significant uplift in 2005 selling prices to maintain margins, despite the mitigating impact of better co-product prices.

I would like to turn briefly to the competitor landscape...

US Corn Wet Millers who Produce Sweeteners

Estimated Share of Total Front End Grind

TATE & LYLE



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Data: McKeany-Flavell Co., Inc., September 2003

Here you can see the relative position of the major Corn Wet Milling companies (who produce sweeteners) in the United States by percentage of estimated front end grind.

ADM is clearly the largest player – with a strong interest in ethanol, over half its total grind is dedicated to ethanol production.

Staley is the number 3 corn wet miller in the United States and has a market share of around 20% in High Fructose Corn Syrup.

We have seen various reports which indicate overall grind utilisation in the United States stands at the mid 90%*s*. This is representative of Staley's position.

Industry High Fructose Corn Syrup capacity utilisation is currently in the low to mid 80%*s*.

Once again, we have no new news on the Mexican High Fructose Corn Syrup tax issue. In the past, the market has speculated that resolution would involve access for up to 300,000 tonnes of US High Fructose Corn Syrup per year. This would tighten both industry front end-grind utilisation and High Fructose Corn Syrup capacity - and would be an important positive for the next pricing round.

Turning now to energy costs ...

- Group energy bill 2004 around £150m
- Four prime sources – gas, electricity, coal, oil
- More than 60% of 2005 energy bill hedged or covered



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Our energy bill is around £150m per annum, making it the largest variable cost after raw materials and labour.

Our energy comes from four prime sources – gas, electricity coal, and oil.

We currently have over 60 % of the Group's 2005 financial year energy costs hedged or covered.

I would now like to mention briefly the European Union Sugar regime.

EU Sugar Regime

Update on Current Time Frame

TATE & LYLE

- No news since interim results in November 2003
- Next communication from the Commission expected in the summer – but implementation timetable may slip
- New Commission to be appointed in November 2004



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There has been no new news since the European Union outlined its three options on the 23 September 2003.

The next update from the European Union is likely to be made during the summer months, but there is no confirmed date, and the implementation timetable could slip with a new European Commission taking office in November 2004.

Progress may be slower than expected, in fact there is speculation that the renewal of the regime itself could be rolled over for a period, of say, 12 months.

Our expectation remains that change is likely to be spread over a long time frame, evolution rather than revolution.

Having dealt with these current issues, I would like to turn to our strategic vision for the company.

Agenda

Evolution of Strategy and New Vision

TATE & LYLE

Financials

Input Pricing and the EU Sugar Regime

Evolution of Strategy and New Vision

Outlook



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I have been with the Group for just over a year, and have been getting to know the company and evaluating how we can develop and grow in the future.

I have been impressed by the range of opportunities, and by the depth of knowledge, technical ability and enthusiasm amongst our people, both to improve efficiency and to drive the business forward.

The strategic vision that I will present to you today, is the result of an internal process involving not just the Board but a wide range of employees across the business - ensuring that we are all united behind a common purpose ...

Purpose and Vision

Unveiling the New Strategic Vision

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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Our common purpose is to create the world's leading renewable ingredients business.

Renewable encompasses not only our traditional ingredients but also new bio-products such as Aquasta™, ethanol and the Sorona® polymer Bio 3GT.

We will grow by providing a consistent portfolio of distinctive, profitable, high value solutions for our customers and through partnerships.

You will start seeing our new 'Consistently First' logo on all communications materials used across the Group.

I know that many of you hear these sorts of messages every day – but for us, this is more than just words on a piece of paper. This represents a real shift in how we act as a business with a clear strategic focus on our key customers and global product-offerings.

It has evolved from our successful strategy to focus the group and provide a sound foundation for future growth.

Consistently First

What We Have to Do

Be Consistent

- Integrated
- Common Standards
- Consistent Customer Service
- One Brand
- One Culture

Be First

- Lead not follow
- Innovate in all areas



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‘Consistently first’ - means first and foremost an integrated Tate & Lyle.

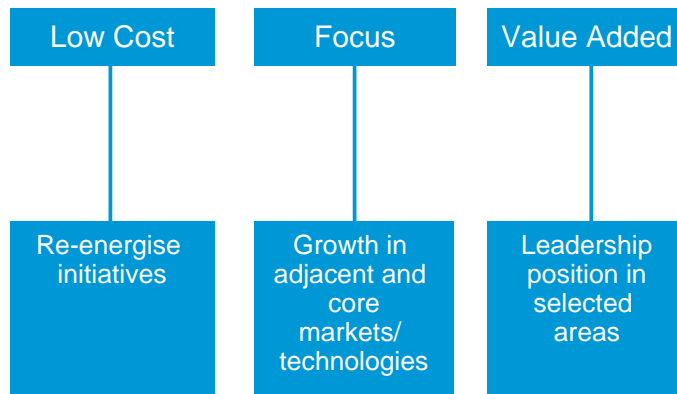
The initial steps were taken with the acquisition of the Amylum minorities in the year 2000. But ‘consistently first’ goes beyond this – it is about common standards, consistent customer service, one brand and one culture.

Importantly it means leading not following - being consistently first in product innovation and market leadership in our growth areas.

Let’s look at how we have developed our strategy to deliver this vision ...

The Strategic Challenge

Change in Emphasis and Key Thrusts



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When I joined the Group I inherited a sound strategy – which has evolved as we move from consolidation to growth.

We have already demonstrated our commitment to being low cost through initiatives such as the Amylum integration project and recent steps to take out costs at the citric acid business. We will continue to focus on operational efficiency and low-cost leadership; this is overseen by Stanley Musesengwa and by his team.

Focus has in the past also meant disposal – and the sale of Orsan France (in July 2003) marked the end of a chapter – and the beginning of a focus on growth.

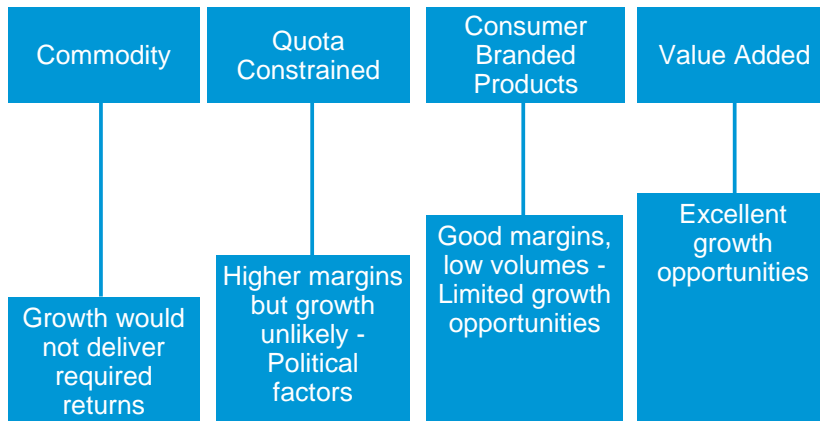
We will continue to focus on growth in our core competencies and in adjacent markets and technologies – such as the textile industry through our polymer work with DuPont.

And more radically we will move from following the 'best in class' to leadership in selected product areas.

Growing the contribution from value added is supported by the twin disciplines of cost and focus – and today I would like to concentrate on our value added strategy.

Choosing How We Will Grow

Why Choose the Value Added Path?



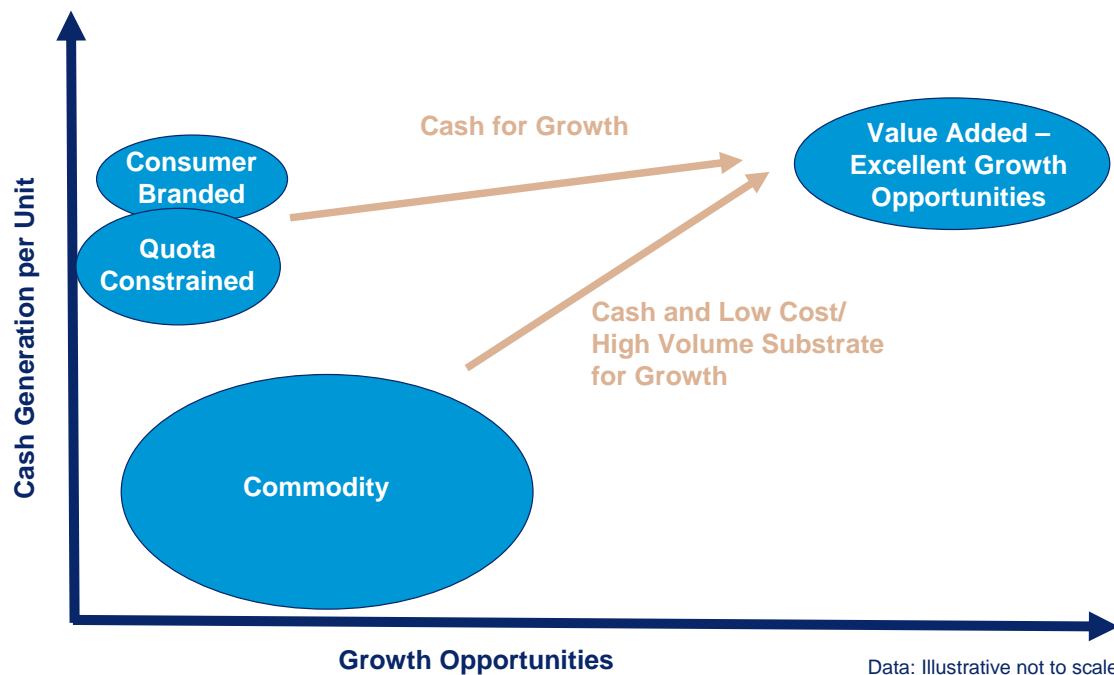
43

When I'm measuring the performance of our businesses I use the geographic analysis used for reporting. However, I also find it helpful to think of Tate & Lyle in the following four segments: commodity (such as US High Fructose Corn Syrup), quota constrained (which includes the European Union sugar and Isoglucose businesses), consumer branded products and value added.

Dividing the business into these groups makes it clear why we have chosen to grow the value added segment.

As Simon already mentioned, contribution from value added and consumer branded products grew to 54% of profit before interest, exceptional items and goodwill amortisation from 20% of our sales.

Changing lifestyles have led to changing consumer demands on the food industry, which in turn is driving our value-added growth and enabling us to realise higher margins.



These margins on value added are supported by the economics of the other three segments

This chart is illustrative only but demonstrates how value added margins are underpinned at an input level by the high volume, low-cost substrate generated by our commodity products...and at an investment level by the cash generation of our commodity, quota constrained and consumer branded businesses.

How We Will Grow Value Added

Unlocking our Full Potential

- Improving the cost and efficiency of the commodity base
- Change how we go to market
- Change what we take to market
- Select where we compete



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So improving the cost and efficiency of our commodity base supports value added growth.

But what will ensure more growth is 'how we go' to market and 'what we take' to market.

Our major customers operate on a global scale. Reflecting this, we have set up a global Customer Relationship Management team who are well on the way to establishing a unified Tate & Lyle approach to key global accounts. This will improve the way we sell our products and develop appropriate solution sets for our customers.

We are establishing a single Tate & Lyle customer service standard and increasing investment in consumer research to better understand the needs of our customers' customers.

By changing what we take to market through Research & Development and improved technology we have already developed unique solutions for our customers in key market sectors. And this work will continue to develop over time.

In addition we are evaluating where we are able to compete to our best advantage, and have strategic teams examining new product opportunities and the potential for geographic expansion - particularly into Asia.

I will now give examples of how we are already starting to deliver on our vision - starting with working with key customers...

- Long-term relationship
- 2004 over 2002 sales – number of products more than doubled
- Growth in demand for value added ingredients
- Close R&D relationship – supplying material for plant trials



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I'd like to look at a profile of Staley's relationship with Kellogg's, with whom we have traded for many years and where our relationship has developed into a closer partnership.

We currently supply over 20 different Kellogg's sites across the United States and our ingredients are in a wide range of Kellogg's products including Nutri-Grain bars and Pop Tarts.

Over the last two years our relationship with Kellogg's has developed with increasing demand for value added solutions.

In 2002 we supplied 8 products – this has now grown to 18 and we have experienced excellent sales growth.

One example is our product Krystar® which is used in many Kellogg's products, some of which are available here today. A high-performance ingredient within our portfolio, Krystar® interacts well with other sweeteners, helping to reduce overall calorie content and increase shelf life.

Across our whole customer base, Krystar® dollar sales have increased at a compound rate of over 10% per annum since 2002.

We also work closely with Kellogg's excellent and innovative R&D team – supplying them with material for plant trial runs across the USA.

Working in partnership with our customers is integral to our business....

and continuing on the theme of partnerships - one of the most important events in the last financial-year was our developing partnership with McNeil Nutritionals, a division of Johnson & Johnson.

- Sucralose plant, Alabama - global ingredient business
- In 3,500 products globally
- Potential to cross-sell with other value-added products
- Integration process underway



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The strategic re-alignment of our relationship was announced in February and completed in April.

Tate & Lyle became the sole manufacturer of sucralose and responsible for global business-to-business ingredient sales. McNeil Nutritionals retain ownership of the SPLENDA® Sucralose brand and responsibility for the worldwide retail and food service businesses. Tate & Lyle supply sucralose to McNeil Nutritionals on an exclusive basis.

Our sucralose manufacturing plant in Alabama is pictured here. We've welcomed over 150 new employees to the Group and the integration process is well underway.

Sucralose has exciting growth potential – it's already in 3,500 products globally and the list is growing every day. At the back of the room you'll find Boots Shapers water, Ocean Spray, Sainsbury's Be Good to Yourself Yoghurts and Atkins Breakfast Bars – a very small selection of products containing sucralose on sale in the UK today. We have put together some packs containing these and other products containing our other ingredients, and after the presentation I hope you will help yourselves, and take them back to the office to share with your colleagues.

As we announced earlier today, we have been delighted by the strong customer-led demand for SPLENDA® Sucralose since we completed the sucralose realignment. This growth is across all categories and includes the introduction of new mid-calorie carbonated beverages containing sucralose.

We have committed to a significant expansion of our sucralose plant to reflect this growth at a total capital cost of US \$30 million. The expansion will use the same patented manufacturing process as currently employed and will be completed by January 2006.

We have over 30 sucralose patents in force in over 20 countries. These cover the manufacturing processes, product applications, blends and commercial product forms. Our manufacturing patent cover is very solid for a number of years and in addition we have several patent applications pending that would extend our cover in sucralose manufacturing beyond 2020.

Policing our patent portfolio is a priority, and along with our partners McNeil Nutritionals, we will rigorously challenge any infringement.



To view the advert online please click on the picture.
The advert will not play if the file is saved to disc/hard drive.

48

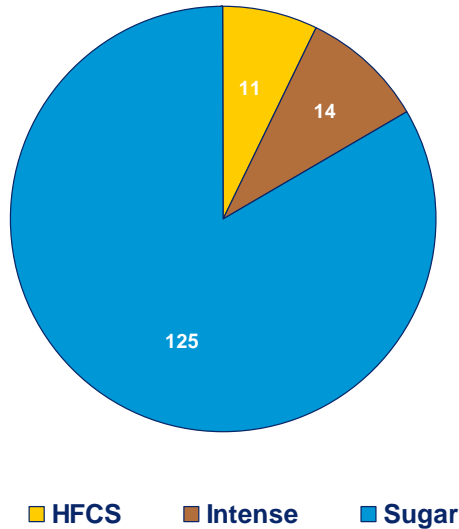
Before we look at some statistics, I'd like to show you an advert developed by McNeil Nutritionals, which appeared on United States television last year. The advert targets business to business sales and was developed prior to the re-alignment.

I think that this is a great advert but I know you would all like some metrics.

Major Sweeteners Global Demand, 2003

150 Million Tonnes Sugar Equivalent

Million Tonnes Sugar Equivalent



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Data: LMC International and Company Estimates

Starting with an overview of the global demand for sweeteners, which stands at 150 million tonnes sugar equivalent – we can see that sugar, shown here in blue, has the lions' share with 125 million tonnes.

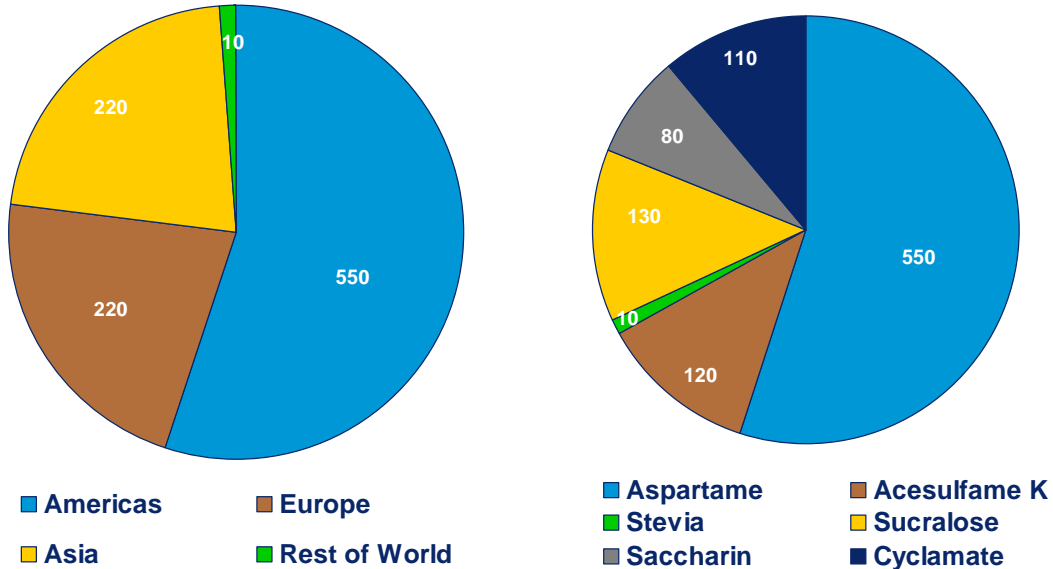
Intense sweetener demand stood at 14 million tonnes sugar equivalent. This demand has grown at approximately 4% per annum since 2001.

Let's drill down into that 14 million tonnes and look at the relative value of this market, split by geography and by product...

Intense Sweetener Market Relative Value

Split by Geography and by Product, Total Value US\$1bn

US\$m, Manufacturers' Sales



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Data: Company Estimates

We estimate that the value of the high intensity sweetener market in calendar year 2003 was worth a billion dollars in manufacturers' sales. The major market is the Americas; who consume just over 50% by value. Europe and Asia have the majority of the other half, with the 'Rest of the World' segment accounting for only a fraction.

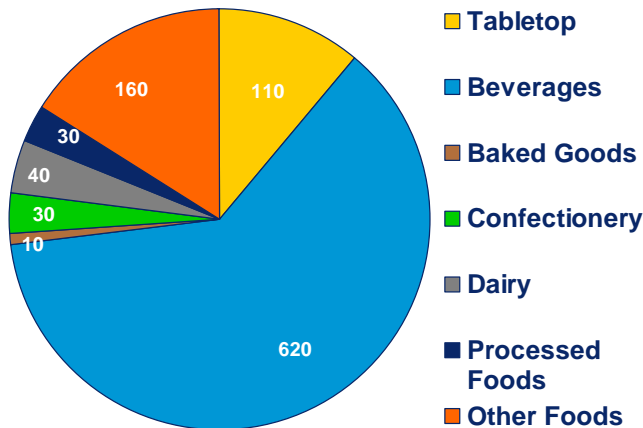
In terms of product mix, Aspartame (shown here in blue) accounts for just over half of the value with annual sales estimated at US\$550 million. However in just four years, sucralose has grown to the number two position.

Turning now to the main consumers of high intensity sweeteners ...

End Use Categories for Intense Sweeteners

Split by End Use, Total Value US\$1bn

US\$m, Manufacturers' Sales



Data: Company Estimates

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As we can see from the pie-chart, the beverage market (here in blue) is the key market for high intensity sweeteners, taking around 60% of the value.

Since calendar year 2002, sucralose business to business sales volumes and revenue have increased by over 50%. The main market is currently North America in both volume and value.

Overall demand for sucralose has been driven by its

- taste profile
- its heat stability and shelf life,
- its ability to blend with other sweeteners and ingredients
- and of course its low carbohydrate characteristics.

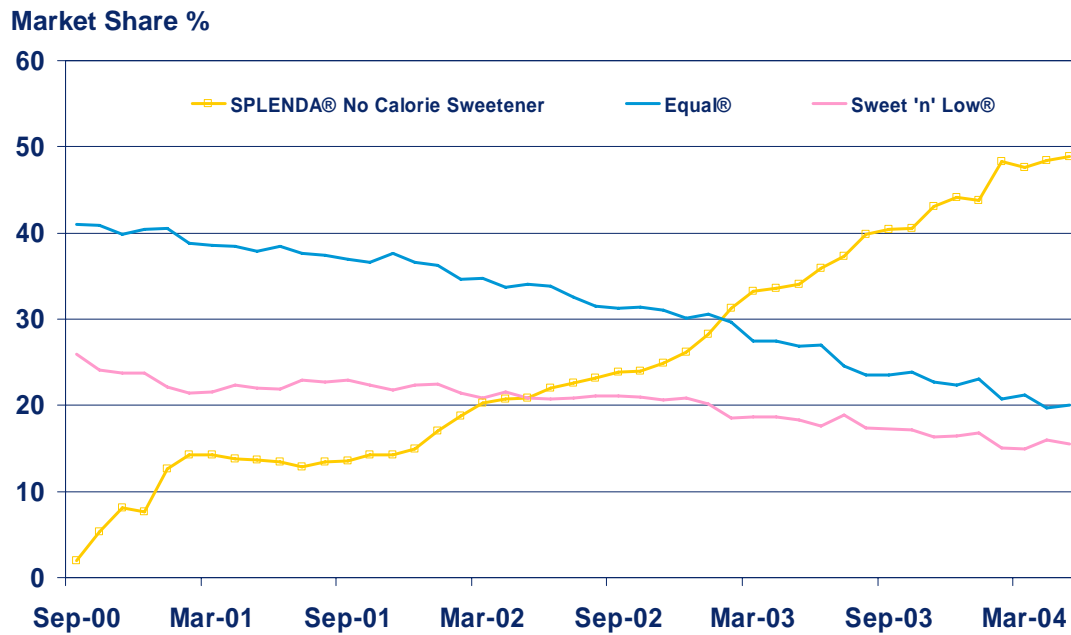
For example we have seen strong demand from the Atkin's range of foods and other low-carb product lines.

In addition the spectacular success of the tabletop brand has stimulated business to business sales.

Let's now look briefly at McNeil Nutritional's part of the business ...

US Tabletop Market Share

Intense Sweeteners' Market Share – US Dollar Sales



Source: Information Resources, Inc. - Total US FDTKS, 4-5 week periods from September 2000 to March 2004
SLENDA® is a trademark of McNeil-PPC, Inc.

You can see from this graph that tabletop sales have enjoyed phenomenal growth; from introduction in September 2000 to a leading 49% dollar share in May 2004. That compares to 20% for its closest competitor, and is now greater than the number 2 and 3 players combined.

In fact, McNeil Nutritionals has been gaining share in a market that has enjoyed good growth over the last few years, with a particularly strong performance in 2003, when total market dollar sales grew by just under 20%.

SLENDA® no-calorie sweetener's number 1 position and its excellent brand recognition in the United States has driven ingredient sales – with food and beverage manufacturers keen to have the SLENDA® logo on their product.

I look forward to updating you with progress made in ingredient sales over the next few years.

Before concluding I have one other partnership I would like to review - one which demonstrates our strategy to grow in adjacent markets.

Developing Partnerships - DuPont

Bio-3G Loudon Plant (North View) – Computer Generated Image

- Combined investment approx. \$100m
- Initial commercial manufacturing facility in Loudon, Tennessee
- Construction complete 31 March 2006
- Sales forecast \$75m by 2008



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Last week we announced our joint venture with DuPont, which will involve a joint investment of around US\$100m in a new plant built next to our Loudon, Tennessee facility.

The plant will produce Bio-3G - used to form the polymer Bio-3GT, which has multiple applications as a fibre. Bio-3G is produced from renewable resources and replaces petrochemicals, using less energy and producing less emissions.

Initially, most of the output will be sold to DuPont, who will polymerise it to create Sorona® polymer.

Sorona® has advantages over products such as polyester and nylon as it has unique 'stretch and recovery' and stain-resistance. Fibres produced from Sorona® are very soft and pleasing to the touch.



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Sorona® is also UV and chlorine-resistant - making it ideal for swimwear!

Developing Partnerships - DuPont

Bio-3G Loudon Plant (North View) – Computer Generated Image

TATE & LYLE
CONSISTENTLY FIRST IN RENEWABLE INGREDIENTS

- Combined investment approx. \$100m
- Initial commercial manufacturing facility in Loudon, Tennessee
- Construction complete 31 March 2006
- Sales forecast \$75m by 2008



55

However the main market segment for Sorona® is carpet and textiles - we estimate that global demand for nylon and polyester fibre stands at over 45bn lb weight per annum.

Sales of Bio-3G, by the joint-venture, are forecast to reach \$75m per annum by the year 2008; and we expect to generate satisfactory returns.

Financials

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Outlook



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That concludes my strategic review. I hope that we have given you examples of how we are increasing our value added portfolio and reducing our exposure to the volatility of commodity prices - and how we are moving out of our more traditional areas into adjacent markets which offer us higher returns.

Turning now to our outlook ...

Outlook Statement

Consistently First in Renewable Ingredients

- Strong performance in a challenging environment
- Continued growth in value added products
- Success in growing the business through partnerships with McNeil Nutritionals, DuPont and IGENE
- Challenges at Amylum
- Evolution of strategy and vision



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The financial year 2004, saw a strong performance overall in a challenging environment. Despite exchange rate issues and rising raw material costs in the second half of the year, our results were satisfactory.

In addition we grew the contribution from value added and consumer branded products to 54% of profit before interest, goodwill and amortisation from 52% last year. We will be holding a seminar on our value added portfolio, with input from our technical team, later this year – and we will announce the date shortly.

This calendar year has seen exciting developments with partners McNeil Nutritionals, DuPont and the first commissioning of Aquasta™ with our joint venture partners IGENE. All are excellent additions to our current value added offerings.

While it is clear we have challenges facing us at Amylum, I am convinced that with normal weather and harvest patterns this will only have a short term impact on our overall growth objectives.

And finally, we have an evolving strategy and a new vision for delivering growth and I hope that this presentation has helped to explain how we will grow over the next few years.

Thank you.