

Interim Results Presentation

1 November 2006

Interim Results Presentation

Iain Ferguson, Chief Executive

1 November 2006

Good morning and thank you for coming here today. I hope the change of date hasn't taken any of you by surprise.

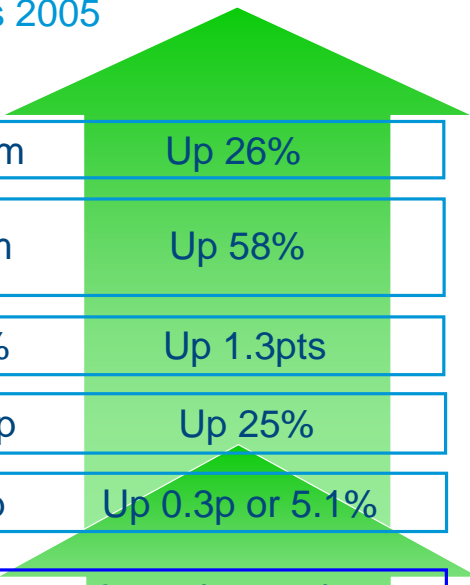
This is going to be the first set of results presented by John Nicholas as Group Finance Director. No doubt you are keen to see how he performs, so I won't speak for too long.

I'm going to give you a brief summary of our performance for the half year and then hand over to John for the detailed financial results. I will come back at the end to update you on our key strategic initiatives, including our recent announcements on the proposed surrender of sugar quota in Eastern Sugar and our decision to explore the full or partial disposal of our European starch operations. Finally, I will update you on our outlook for the remainder of the financial year.

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

Key Results

Six months to 30 September 2006 vs 2005



Operating Profit ¹	£193m	Up 26%
Food & Industrial Ingredients, Americas ²	£87m	Up 58%
Margin	9.5%	Up 1.3pts
Diluted EPS ²	24.3p	Up 25%
Dividend	6.2p	Up 0.3p or 5.1%
Net debt	£771m	£95m lower since 31 March 2006

¹ Before interest, exceptional items and amortisation of acquired intangibles

² Before exceptional items and amortisation of acquired intangibles

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We have started the year strongly, mainly driven by an excellent performance at Ingredients, Americas.

The Group operating profit increased by 26% to £193m.

Within this, Ingredients, Americas profit increased by 58%, that's by £32m, to a profit of £87m.

Our overall margin on sales improved by 1.3 percentage points to 9.5%.

Diluted Earnings per Share before exceptional items and amortisation increased by 25% to 24.3p per share.

And we have once again increased the interim dividend - by 5.1% to 6.2p per share.

And, net debt reduced by £95m to £771m.

In summary, a strong first-half.

With that, let me hand over to John to take you through the results in detail.

Interim Results Presentation

John Nicholas, Group Finance Director

1 November 2006

Thanks Iain. Good morning. As Iain said, this is a good set of results with improvements in most of the key financial measures.

The only change in financial reporting standards we have adopted is IFRIC 4, which has re-classed some supply contracts to finance leases and consequently added £21m to both plant and equipment and debt. I have also changed some terminology and will be talking about operating profits instead of PBIEA. Same thing, different label.

Income Statement Six Months to September

£m	2006	2005	
Sales	2,039	1,868	+9.2%
Operating Profit*	193	153	+26.1%
Margin	9.5%	8.2%	+1.3 pts
Net Interest	(20)	(17)	+17.6%
Profit before taxation*	173	136	+27.2%

* Before exceptional items and amortisation of acquired intangibles 5

So into the detail, operating profit for the half increased by 26.1% to £193m. Included within that is £5m contribution from the businesses we acquired last year. Exchange rates had only a small impact in the first half and depressed results by £2m.

Net interest costs of £20m reflect a higher average debt level with little impact from our bond refinancing. The annualised net interest cost, excluding the finance cost of pensions and interest related derivatives was the same as last year at 5.2%.

Profit before tax was up £37m, that's 27% at £173m.

Moving to the bottom half of the income statement.

Income Statement

Six Months to September

£m	2006	2005	
Profit before taxation*	173	136	+27.2%
Amortisation	(4)	(2)	
Exceptional items	-	1	
Taxation	(52)	(39)	
Minority interests	(2)	(2)	
Net Profit	115	94	+22.3%
Diluted earnings per share* (pence)	24.3	19.5	+24.6%
Dividend per share (pence)	6.2	5.9	+5.1%

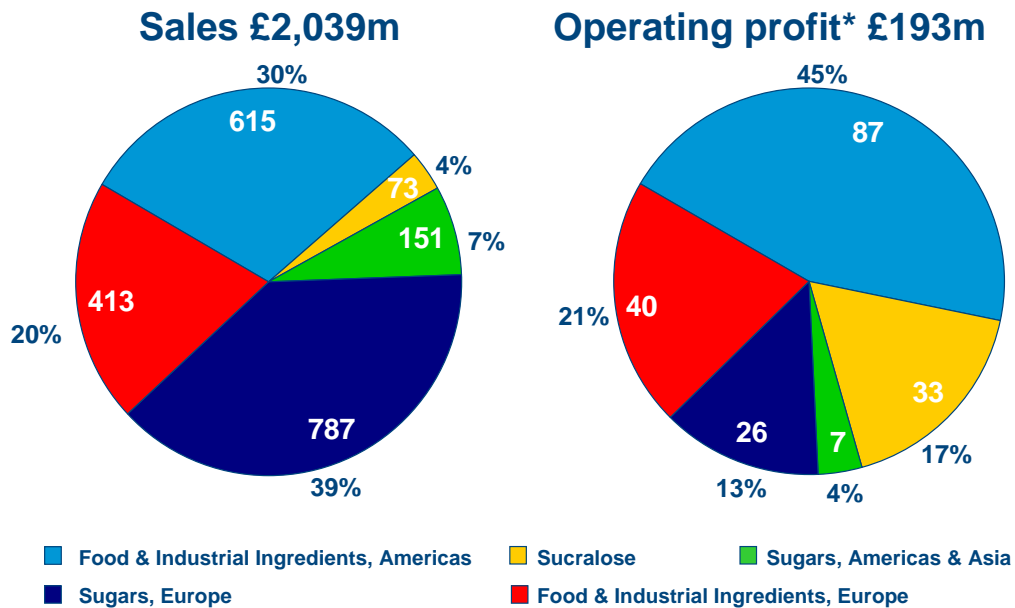
* Before exceptional items and amortisation of acquired intangibles 6

On this slide you will see a small increase in amortisation, no exceptional items this year and a tax charge that reflects my expectation of a 30% underlying rate for the year.

Net profit of £115m translates to EPS of 24.3p and Iain has already told you about the Interim dividend increase.

Segmental Analysis

Six Months to September 2006



* Before exceptional items and amortisation of acquired intangibles 7

If you turn to the segmental analysis slide, you will see Ingredients Americas, in light blue, now represents almost half the groups operating profit.

If you regard SPLENDA® Sucralose (in yellow) as a North American business which, at the moment it mostly is, the combination of Ingredients Americas, Sucralose and Sugars Americas and Asia means that we generate about 70% of group profits in dollars. Hence the need to watch the dollar to sterling exchange rate.

Just to remind you a one cent change in the exchange rate has a £1.4m impact in profit before tax.

On the next slide you will see the results for Ingredients Americas.

SPLENDA® is a trademark of McNeil Nutritionals, LLC

Food & Industrial Ingredients, Americas Six Months to September

£m	2006	2005	
Sales	615	547	+12.4%
Operating Profit*	87	55	+58.2%
Margin*	14.1%	10.1%	+4pts

- Plants operating at near maximum capacity
- Tight HFCS market
- Strong growth in value added food ingredients
- Custom Ingredients profits £3m
- Flat citric acid profitability and a small loss on astaxanthin
- Higher energy and transport costs

* Before exceptional items and amortisation of acquired intangibles 8

This was a very strong period with our plants operating at or close to capacity. The principal drivers were a tight HFCS Market which allowed some welcome price and margin increases; Ethanol where spot sales prices temporarily reached \$4 per gallon, that's higher than petrol; and strong demand for both basic and value added starch products. We saw growth well into double digits in value added sales during the period.

Weak spots were really only Citric Acid and Astaxanthin where higher substrate costs in Europe and competition from Chinese suppliers constrained both volumes and margins.

Custom Ingredients, which we acquired in January this year, contributed a profit of £3m and our share of BIO-PDO™ start up losses were £2m. I'm expecting losses in the second half of about £3m as we continue the plant commissioning process.

All that added up to some great results and a big increase in profit margins.

The market in North America continues to be very strong and Iain will talk in more detail about HFCS and ethanol a little later.

I would now like to turn to Europe.

Food & Industrial Ingredients, Europe

Six Months to September

£m	2006	2005	
Sales	413	394	+4.8%
Operating Profit*	40	28	+42.9%
Margin*	9.7%	7.1%	+2.6pts

- Lower depreciation charge as a result of the March 2006 asset impairment
- Higher prices offset by high cereal and energy costs
- Cesalpinia profits £2m

* Before exceptional items and amortisation of acquired intangibles 9

You will have seen that on 25 October 2006 we announced that, as a consequence of the reform of the EU sugar regime, we are exploring the possibility of the full or partial disposal of Food & Industrial Ingredients, Europe. Iain will comment on this in more detail later.

Despite the market in Europe being far more difficult we were successful in securing higher prices for our products but this was offset by a combination of higher cereal costs and energy prices.

The asset impairment taken last year has reduced depreciation costs in this division by £12m and is the largest single change in profits.

The Cesalpinia business which was acquired in December 2005 is now fully integrated into the Group and made a profit of £2m in the half.

As we have discussed before, the major impact of the sugar regime changes will begin to be reflected in the second half and we expect much lower profits as a result.

The poor harvests in Europe this year, together with new demand from ethanol producers, is driving cereal price increases which we will aim to recover in selling prices in the second half.

The next division is sucralose.

Sucralose

Six Months to September

£m	2006	2005	
Sales	73	74	-1.4%
Operating Profit*	33	33	-
Margin*	45.2%	44.6%	+0.6pts

- Sales in line with comparative period
- Start up costs of £5m for capacity expansions
- Expect demand growth in H2

* Before exceptional items and amortisation of acquired intangibles 10

We indicated at the value added seminar that we expected sucralose results for the half year to be flat; you can see that they were.

Results in this half include incremental start up and commissioning costs of £5m. I'm expecting full year costs to be about £11m and perhaps £3-4m in the first part of next year.

There's not much new news since the value added conference so I'll just remind you that the team is working with several major customers on recipe changes to include sucralose. We are expecting this work to help drive significant sales and profit growth in the second half.

Finally, the Sugar divisions.

Sugars, Americas & Asia Six Months to September

£m	2006	2005	
Sales	151	129	+17.1%
Operating Profit*	7	13	-46.2%
Margin*	4.6%	10.1%	-5.5pts

- Canada inventory mark to market loss £6m, underlying business stable
- Vietnam and Mexico profits broadly in line with comparative period

* Before exceptional items and amortisation of acquired intangibles 11

In Americas & Asia profits almost halved as the mark to market gain we saw in the second half last year reversed. The underlying business in Canada, Mexico and Vietnam was stable with very similar results to the prior year.

Sugars, Europe

Six Months to September

£m	2006	2005	
Sales	787	724	+8.7%
Operating Profit*	26	24	+8.3%
Margin*	3.3%	3.3%	-

- Strong profits from sugar trading
- Lower underlying margins at the refineries reflecting EU sugar regime changes
- Eastern Sugar contributed £6m in line with comparative period

* Before exceptional items and amortisation of acquired intangibles 12

In Sugars Europe, profits increased by £2m or 8.3%.

You will recall that in the second half of last year, profits from trading picked up strongly, that performance continued into the first half of this year with a good year on year profit increase, frankly much better than we expected. We don't expect profits at this level in the second half.

Profits from refining were lower than last year again reflecting the EU sugar regime changes.

Iain will cover some of the actions we are taking to ensure the long term prosperity of this business.

Eastern Sugar contributed profits of £6m in the half and, assuming the restructuring proposals are implemented, these will be absent next year.

Cash Flow

Six Months to September

£m	2006	2005
Operating Profit*	193	153
Depreciation / Amortisation	52	64
Working Capital	74	(53)
Net Interest	(12)	(17)
Share based payments	3	2
Tax	(43)	(52)
Capex	(128)	(111)
Free Cash Flow	139	(14)
Investments / Acquisitions	(7)	3
Dividends	(68)	(65)
Issue and Purchase of own Shares	12	4
Other	19	(11)
Movement in Net Debt*	95	(83)

+ 6 months to September 2005 excludes £58m impact of adopting IAS 39 on 1 April 2005
* Before exceptional items and amortisation of acquired intangibles 13

Turning to cashflow. This slide is a little busy so I've highlighted a few lines to direct your attention.

First working capital; you may recall last year we had a big increase in working capital in the second half, much of that related to margin calls on sugar trading.

All of that and more has reversed this half to give us a £74m reduction in working capital. Obviously I don't know what will happen to the sugar price but, all other things being equal I would expect a small cash outflow for working capital for the year as a whole.

We generated free cash flow of £139m in the period even after a high investment in capex which I'll cover on the next slide.

Property, Plant & Equipment

£m	H1 FY 2006	H2 FY 2006	H1 FY 2007
Brought Forward	1,264	1,358	1,217
Capex	111	165	128
Acquisitions	-	13	-
Disposals	-	(2)	-
Depreciation	(63)	(62)	(50)
Impairment Charge	-	(272)	-
Exchange / Other	46	17	(74)
Carried Forward	1,358	1,217	1,221

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I have set out here the first and second halves of last year and the first half this year chronologically left to right.

Capex as you can see was £128m, a bit more than last year and we expect the second half spend to be similar to the first half.

All the major projects are on track and we have broken ground at the new Fort Dodge development.

Depreciation as you can see has reduced from £63m last year to £50m this year. The reduction is mostly due to last year's asset impairment, additional depreciation on new assets has been mostly offset by exchange rate changes.

Turning to net assets.

Net Assets

£m	H1 FY 2007	H1 FY 2006
Property, Plant & Equipment	1,221	1,358
Intangible Assets	253	193
Other Net Assets	225	127
Net Assets excluding Debt	1,699	1,678
Net Debt	771	615
Shareholder's Funds	928	1,063
	1,699	1,678

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On this slide you will see the net assets and the net debt which at £771m is £156m higher than 12 months ago but £95m lower than last year end. The debt level includes £21m of lease liabilities under IFRIC 4.

Key Financial Statistics

Six Months to September

	2006	2005
Effective Tax Rate	30.2%	29.0%
Interest cover*	9.7x	9.0x
EBITDA / Net Interest	12.3x	12.8x
Net debt / EBITDA [§]	1.6x	1.4x
Gearing	83%	58%
RONOA [Ⓞ]	21.0%	18.3%

* Before exceptional items and amortisation of acquired intangibles

§ Annualised, before exceptional items and total amortisation

Ⓞ Annualised, before interest and exceptional items on average net assets

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On this final slide, I have set out some key statistics, obviously our Gearing and RONOA ratios are affected by last year's asset impairment. The ratios show our continued financial strength, well able to support our growth plans.

I would now like to hand back to Iain who will talk about some of the key markets.

Interim Results Presentation

Iain Ferguson, Chief Executive

1 November 2006

Agenda

- Bio-PDO™
- SLENDA® Sucralose
- Improved HFCS outlook
- The US ethanol market
- Impact of EU sugar reform
- Cereal pricing
- Outlook

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Thank you John.

This slide lists the topics I would like to cover today.

Let me start with an update on Bio-PDO™.

Cosmetics and Personal Care



Packaging



Resins



Carpets



Textiles



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The commissioning of our joint venture Bio-PDO™ plant in Loudon, Tennessee has been completed on schedule.

I am pleased to be able to confirm that commercial quality production has been achieved and we expect to ship our first railcar to DuPont for polymerisation very shortly.

We have now proven the process and moved from the theoretical to the practical, and will be ramping-up production to design capacity over the next 12 to 18 months.

Let me remind you of what we have said before.

At capacity the plant will have a total output worth some US\$75m p.a. and is expected to achieve this in its first full financial year of operation – realistically this is likely to be in our financial year ending March 2009.

We estimate the potential addressable market for Bio-PDO™ at around US\$3.5bn p.a. Clearly building share is going to take time and require further investment. This is probably a decision for late calendar 2007, when we, and DuPont, have seen the Loudon plant run at capacity.

Turning now to SPLENDA® Sucralose.

SPLENDA® Sucralose

- Full capacity at McIntosh, Alabama available by end FY 2007
- Singapore plant construction on schedule for completion in January 2007
- Commission and ramp-up will take 12 months
- Patent litigation bearing fruit



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John has already covered current trading; let me update you on two other points.

Firstly, our expansions remain on track. The doubling of capacity at our McIntosh, Alabama facility is complete and we are on track to achieve full capacity availability by the end of the financial year. Construction at the new facility in Singapore is on schedule for completion in January 2007. Commissioning and ramp-up to full capacity will start immediately thereafter and will take around 12 months to achieve.

Secondly, let me update you on the progress of our sucralose patent litigation which is bearing fruit. We are happy to announce that we have now reached settlements with three of the eight defendants named in the suit alleging infringement of our patented sucralose manufacturing technology.

Under the terms of the settlement the three distributors have:

- admitted to the infringement of Tate & Lyle's patent rights;
- voluntarily agreed to withdraw any remaining infringing sucralose from sale, and finally;
- agreed to accept any injunction imposed by the Court barring further sales.

The Court case continues against the other named defendants, including the Chinese manufacturing Group. We see the progress made as a positive development and a validation of our ongoing patent enforcement strategy.

Our value added seminar covered the growing strength of the SPLENDA® Brand both in the US and internationally, so I won't go over this area again.

Moving now to High Fructose Corn Syrup.

Improved HFCS outlook in US

- Resolution of long-running Mexican trade dispute good news for US HFCS industry
- From 1 January 2008, all US HFCS quotas into Mexico removed
- Mexican HFCS market potentially 1m+ tonnes
- US industry front-end grind capacity tight at mid-90s%
- We intend to improve margins again in calendar 2007 sweetener pricing rounds



INDUSTRY DOES NOT MAKE ADEQUATE RETURN ON HFCS

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The settlement of the long running trade dispute between the US and Mexico on sweeteners is good news for the US High Fructose Corn Syrup industry.

As you know, this dispute goes back to the start of NAFTA in the mid 1990's.

Last year, a one-off agreement was reached for a duty free allowance for the twelve months to September 2006 of 250,000 tonnes of US HFCS into Mexico, and a similar amount of Mexican sugar into the US.

The new settlement builds on this accord.

The first phase is a renewal of the 2005/6 agreement for a further year to September 2007. Then for the three months to December 2007, at least 175,000 tonnes will be permitted each way. And, from 1 January 2008, both commodities will have unlimited duty free access to each other's markets.

We estimate the Mexican market potential for imported HFCS at over one million tonnes.

US front-end grind capacity (which is how much corn all the wet mills can physically grind) is already very tight – we estimate the industry is running in the mid-ninety percents, effectively already full.

Within this, HFCS capacity is probably running at the mid to high eighty percents, producing around 11 million tonnes of commercial HFCS – that is wet weight, not sugar equivalent. We have approximately a 20% share of this production.

So, in theory, the industry could just about produce enough HFCS for Mexican demand, when the US gets duty free access in 2008.

BUT to do this, the industry would either have to divert HFCS from US customers OR stop producing some other product to make front end grind capacity available.

Despite the margin gains made in the 2006 calendar pricing round, the industry still isn't making an adequate return on HFCS. Margins need to improve again in 2007 to both square this circle and to offset corn prices which have increased by around US\$1.00 per bushel from last year. I will talk more about corn prices in a moment.

Overall, the industry fundamentals look good as we approach the sweetener pricing round for the 2007 calendar year. Our expectation in these negotiations is to achieve further margin improvement.

Another important issue for us is the reform of the EU sugar regime.

Impact of EU Sugar Reform

- Eastern Sugar
- Food & Industrial Ingredients, Europe
- Cane sugar refineries

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As you can see from this slide, I would like to cover the impact on the three major businesses that are affected:

- Eastern Sugar, where we announced our closure plans last month
- Ingredients Europe where we announced that we have decided to explore a full or partial disposal of the business. And;
- Our cane sugar refineries in London and Lisbon, where we anticipate investing to secure the long term future of these businesses.

Exit from Eastern Sugar

- Consultation commenced to renounce c280k tonne annual quotas
- Termination of beet processing and decision on restructuring aid expected February 2007
- Estimate of financial impact should be available late November / early December 2006



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Let me recap on the announcement we made on 10th October.

Eastern Sugar is a joint venture in which we own 50%. It has entered into a consultation process with the aim of surrendering its beet quotas of 280,000 tonnes by the end of the current campaign in February 2007, and applying to the restructuring fund for compensation.

Our decision is a direct consequence of the EU Commission's reform of the sugar regime which provides a compensatory framework to encourage the early surrender of EU sugar quotas in order to bring EU sugar production, and particularly exports, within the limits imposed by the World Trade Organisation. Whilst a final decision from the respective national governments is not expected before February 2007, we anticipate having an estimate of the financial impact on Tate & Lyle by late November / early December 2006, and will make a further announcement when this information is available.

You will appreciate that in the next financial year to March 2008, this means that we will lose earnings from Eastern Sugar, whilst cash compensation is not due to be received until the 2009 financial year.

The Tate & Lyle business that faces the biggest challenge from EU sugar reform is Food & Industrial Ingredients, Europe, which is based on cereal sweetener production.

Ingredients, Europe

- £263m impairment charge on assets in FY 2006
- Exploring full or partial disposal



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Last year we took a £263m impairment charge on these assets and announced that we were undertaking a fundamental review of the options for this business.

That review has been completed and we have concluded that ownership of our European cereal business is no longer an essential element of our strategy to focus on value added ingredients.

On 25 October we announced our decision to explore the full or partial disposal of our European starch operations. This process will take some time and further announcements will be made as appropriate.

Our decision reflects our strategic commitment to focus on growing our value added ingredients business.

We will continue to develop the European value added ingredients business through our Global Food Ingredients Group which includes Cesalpinia Foods, and we will also continue to seek further bolt-on acquisitions.

Moving on now to our cane refineries.

Investing in Cane Sugar Refining

- Raw sugar cranes
- Raw sugar supplies
- Destination markets



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We have already advised the market that we believe that our cane refineries offer a competitive and sustainable economic model for sugar production in Europe both under the current regime and, in what is the real test ultimately, under a free market for sugar.

As part of this commitment we are seeking to make a number of investments to support the business as it transitions to deal with the new regime. We intend to undertake specific investments in efficiency, capacity, raw sugar supply and end-markets for our sugar production.

This includes the installation of new raw sugar cranes at the Thames refinery in London. This investment will increase efficiency and enable a potential increase in throughput from 1.1m tonnes to 1.5m tonnes p.a.

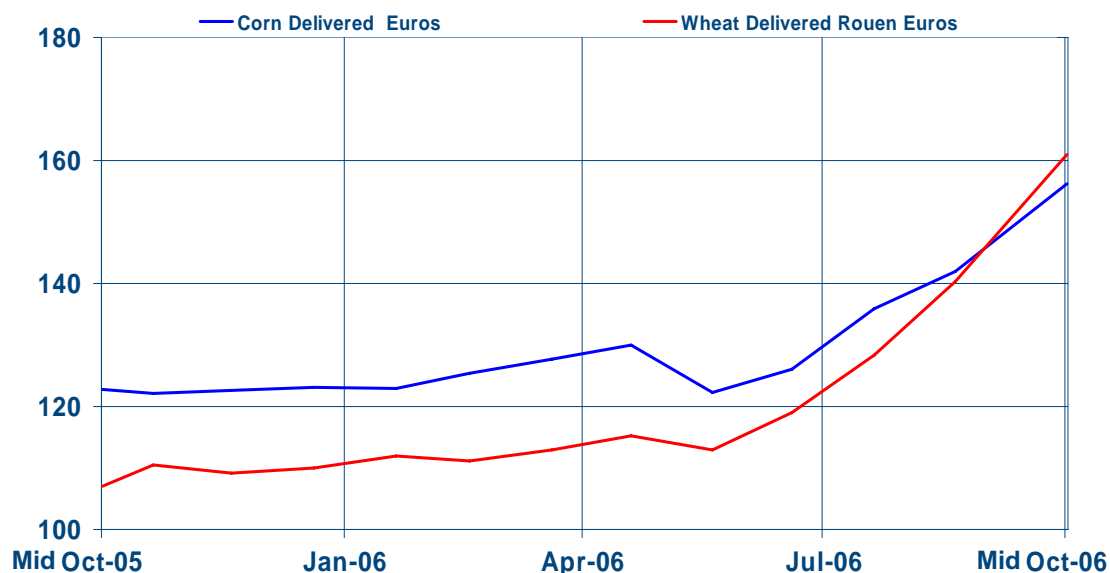
This will permit maximum flexibility post 2009 when the Everything But Arms initiative permits access into the EU for sugar from a list of 50 Least Developed Countries.

Turning now to cereal prices.

European Grain Prices

Spot prices 12 months to Mid-October 2006

€ per tonne



Data: HGCA 26

World cereal prices are increasing on higher demand estimates, particularly from ethanol manufacture. For European corn this has been exacerbated by lower yields in Eastern Europe due to frost damage.

As you can see from the chart, both corn and wheat prices are rising. Wheat prices are slightly outpacing corn as world wheat stocks measured against projected use are forecast to be the tightest since records began in 1960. This reflects the hot summer in Europe and a forecast that this year's Australian crop could dip below 10m tonnes, compared with 25m tonnes last year.

Our trading position in Europe is different to the US. In the US we are able to hedge our corn costs as we finalise our sales contracts.

The European futures market is illiquid and so we are unable to fully hedge our raw material purchases. We do take what cover we can get without driving up the price to uneconomic levels. We also buy more physicals than we do in the US, contracting with farmers for future delivery.

But the bottom line is, that with annual price contracting with our customers, we are more exposed to raw material price rises in Europe than in the US. We will seek to recover these raw material cost increases through increased selling prices in the 2007 calendar year pricing round. But, as the selling price for isoglucose is set against sugar prices, we are going to be unable to fully recover higher raw material costs against this product.

This is a watch point for both the second half of this year and the next financial year.

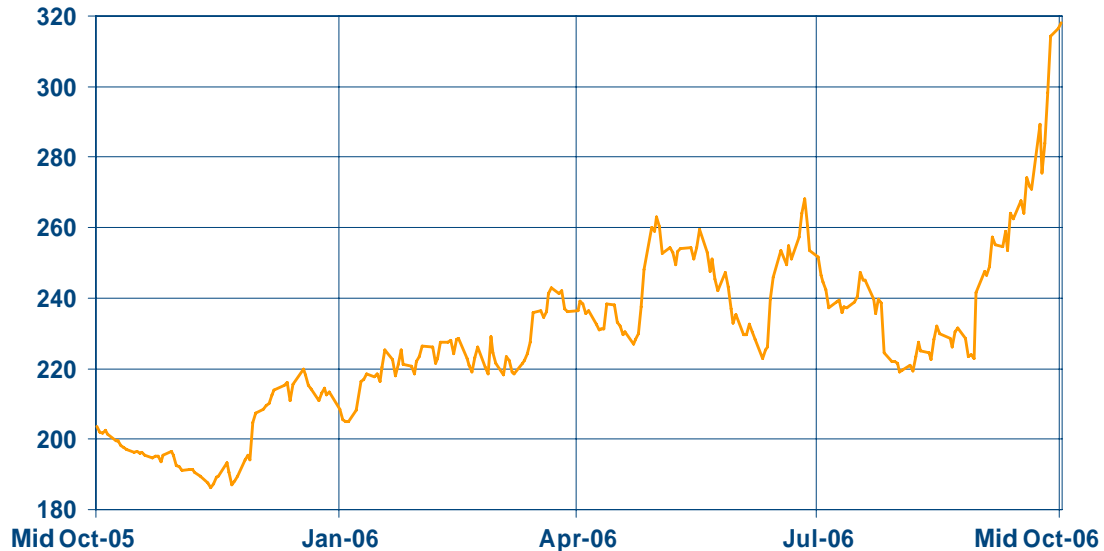
In the US, corn prices are also rising.

US Corn Prices

Nearby Futures Prices 12 Months to Mid-October 2006

TATE & LYLE
CONSISTENTLY FIRST IN RENEWABLE INGREDIENTS

US Cents per Bushel



Data: Chicago Board of Trade

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As I said earlier, one of the main drivers of corn price rises has been increased demand estimates, mainly from ethanol production.

This has been exacerbated by a recent USDA estimate which reduced both yields and area planted for the 2006/7 US crop. This reduced the projected inventories to below 1bn bushels, the lowest level since the 2003/4 crop.

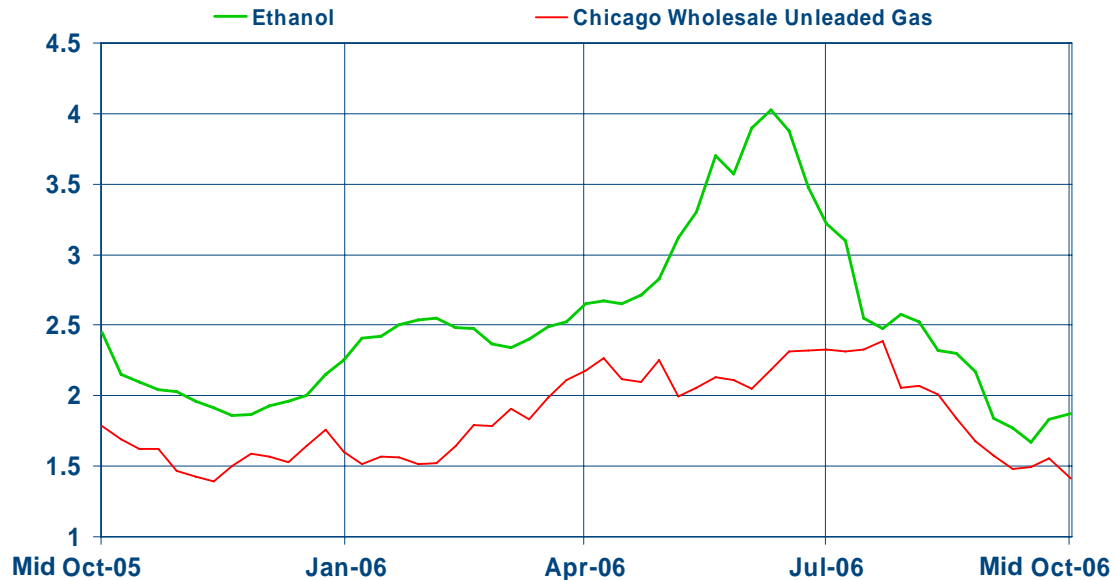
At 27th October 2006, the December futures month was trading at more than US\$3.30 a bushel, up by around US\$1.00 per bushel from where corn prices were at the time of the 2006 calendar year sweetener pricing round.

There has been significant volatility in ethanol pricing in the US over the last six months.

US Ethanol Prices

Spot Prices 12 months to Mid-October 2006

US\$ per gallon



Data: Company Estimates
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You can see that the spot selling price for ethanol has traded in a very wide range over the last 12 months. The peaks of just above US\$4 per gallon in June 2006 were clearly unsustainable – a real bubble in the spot market and off the trend of broadly following the gasoline price in the US. In fact, the mid-October price of \$1.87 a gallon is in line with our estimates when we announced that we would include additional ethanol capacity in our new facility in Fort Dodge, Iowa.

We produce a relatively small quantity of ethanol. Our only current US capacity is in Loudon, Tennessee. It produces 67m gallons p.a. This is being expanded to approximately 100m gallons p.a. Fort Dodge will add another 100m gallons p.a. so that, by March 2009, our US ethanol capacity will be 200m gallons p.a. – or just 5% of today's market demand.

We view ethanol as a classic commodity. It has a useful place in our portfolio, giving us flexibility and providing economies of scale.

BUT, we expect returns to be volatile. The input price for corn is not linked to the output price for gasoline.

So our ambitions for this product are modest.

I hope this has given you a good insight both into our strategic activities and our views on key market variables. Let me now turn to the outlook for the Group.



Strong start to the year

All expansion projects on track

We continue to view the future with confidence

We remain committed to grow value added profit by 30% in FY 2007

We expect further progress in H2

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As I said at the beginning of my presentation, we have started the year with a very good first half.

The Group operating profit increased by 26% to £193 million.

All major capital expansion projects are on schedule:

We have started the year strongly and continue to view the future with confidence. We remain committed to our target to grow value added profits by 30%.

In the second half we expect to see further progress, albeit that the intensifying impact of EU sugar reform together with higher cereal prices in Europe will mean that growth is likely to be lower than in the first half.

Looking further ahead, we expect these trends to continue.

Further growth in all of our value added products, particularly as new SPLENDA® Sucralose capacity comes on stream, and anticipated progress in US sweetener pricing is expected to more than offset the impact on our European businesses of EU sugar regime reform and higher cereal prices.

That concludes the formal part of our presentations, thank you.

Question and Answers

Please wait for the microphone and state your name and that of your organisation.



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John and I are now ready to take questions. As usual could you wait for the microphone to arrive and state your name and that of your firm before asking a question.