

## Tate & Lyle PLC Announces Preliminary Results for the Year Ending March 31, 2006

May 25, 2006 – Tate & Lyle PLC (TATYY) announces preliminary results for the year ending March 31, 2006.

PRELIMINARY RESULTS ENDING 31 MARCH (Audited)	2006 £ million	2006 \$ million <sup>1</sup>	2005 £ million	2005 \$ million <sup>1</sup>
Total sales	£3,720m	\$6,659m	£3,339m	\$5,977m
Profit before tax, exceptional items and amortization <sup>2</sup>	£295m	\$528m	£254m	\$455m
Profit before taxation	£42m	\$75m	£205m	\$367m
Diluted earnings per share before exceptional items and amortization	41.7p	74.6¢	37.4p	66.9¢
Diluted (loss)/earnings per share	(6.3)p	(11.3)¢	30.6p	54.8¢
Dividend per share	20.0p	35.8¢	19.4p	34.7¢

<sup>1</sup> All US dollar conversions provided at the average rate for the year ending March 31, 2006 of \$1.79 = £1

<sup>2</sup> Before net charge for exceptional items of £248 million (\$444 million) (2005 – £45 million, \$81 million) and amortization of acquired intangible assets of £5 million (\$9 million) (2005 – £4 million, \$7 million).

- Profit before tax, exceptional items and amortization of acquired intangible assets up 16%
- Strong full year contribution from total value added products with profit before interest, exceptional items and amortization of acquired intangible assets increased by 22% from £132 million (\$236 million) to £161 million (\$288 million)
- Diluted earnings per share before exceptional items and amortization of acquired intangible assets up 11%
- Proposed total dividend per share increased by 3.1% to 20.0p (35.8¢)
- Exceptional impairment charge of £272 million (\$487 million) principally relating to EU sugar regime reform
- Net debt increased by £387 million (\$693 million) to £858 million (\$1,536 million); interest cover remains strong at 9.9 times

“This has been another strong financial performance from Tate & Lyle, driven substantially by our value added businesses and benefiting from a good operating performance and certain one-off items at the end of the year. These results have been achieved despite absorbing significantly increased energy costs across the business. In addition, our European operations were adversely affected by an oversupply of sugar in the EU market and other factors arising from the reform of the EU sugar regime.

In our announcement of March 29, 2006 we stated that we would be reviewing the carrying value of those of our European assets affected by changes to the EU sugar regime. The outcome of this review is the principal element of the total impairment charge of £272 million (\$487 million), the details of which are set out in the Operating and Financial Review. Fundamental options to mitigate the impact of the sugar regime are being examined.

Our strategy to grow the profit contribution from value added products continues to be successful and we have set as our target for the current year an increase in profit contribution of 30% from this activity. In part our target derives from the exciting prospect of new value added product facilities (including capacity for SPLENDA<sup>®</sup> Sucralose) being completed and commissioned during the year to March 2007. This time last year we said that we viewed the future with confidence. The success of our value added strategy makes it entirely appropriate to repeat that message.”

**Sir David Lees**  
 Chairman

Copies of the Annual Report for the year ending March 31, 2006 will be available to shareholders shortly, and will be obtainable from The Company Secretary, Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

# TATE & LYLE PLC

## Webcast and Conference Call

### Presentation

A presentation of the results by Chief Executive, Iain Ferguson and Group Finance Director, Simon Gifford will be audio webcast live at 10.00 a.m. (BST) today. To view and/or listen to a live audiocast of the presentation, visit [http://www.tateandlyle.com/TateAndLyle/investor\\_relations/results/default.htm](http://www.tateandlyle.com/TateAndLyle/investor_relations/results/default.htm) or <http://w.on24.com/r.htm?e=23532&s=1&k=21CDF299571E6CAAA59260B7C0205B2A>. Please note that remote listeners will not be able to ask questions during the Q&A session. A webcast replay of the presentation will be available for six months, on the link above.

For those without video-streaming facilities, there will also be a teleconference facility for the presentation. Details are given below:

International dial-in number: +44 (0) 20 7162 0025  
U.S. dial-in number: +1 334 323 6201

7 day replay  
International Instant Replay: +44 (0) 20 7031 4064  
Passcode: 705752  
U.S. Instant Replay: +1-954-334-0342  
Passcode: 705752

For those listening to the audio presentation via teleconference who would also like to view the live slideshow, please click on the webcast link above and select the "Non-Streaming" presentation option when prompted.

### Global Conference Call

In addition to the presentation, a conference call for analysts and investors will be held today at 15.00 (BST), 10.00 a.m. (Eastern). Details are given below:

International dial-in number: +44 (0) 20 7162 0025  
U.S. dial-in number: +1 334 323 6201

7 day replay  
International Instant Replay: +44 (0) 207 031 4064  
Passcode: 705821  
U.S. Instant Replay: +1-954-334-0342  
Passcode: 705821

# TATE & LYLE PLC

## Chairman's Statement

### Basis of Accounting

These results are presented for the first time on the basis of International Financial Reporting Standards ("IFRS"), having previously been reported under U.K. GAAP. The comparative information in respect of the year ending March 31, 2005 has been restated, other than accounting for Financial Instruments, for which IAS32 and IAS39 were adopted from April 1, 2005.

Unless stated otherwise, the use of the word "amortization" in this announcement relates to the amortization of intangible assets arising on acquisition of businesses.

### Results

Tate & Lyle has had another good year with profit before tax, exceptional items and amortization of £295 million (\$528 million) (2005 – £254 million, \$455 million) representing a 16% improvement over the prior year. There was a positive exchange translation effect of £8 million (\$14 million). The improvement was driven mainly by growth in SPLENDA<sup>®</sup> Sucralose and strong performances from Food & Industrial Ingredients, Americas and sugar trading. The operating performance at the end of the year was particularly good, notably from Food & Industrial Ingredients, Americas and sugar trading, with additional benefit from mark to market adjustments and certain one-off items.

Growth was delivered despite increased energy costs across the business, the adverse effect of the oversupply of sugar in the EU, and consequences arising from reform of the EU sugar regime. Total sales increased to £3,720 million (\$6,659 million) (2005 – £3,339 million, \$5,977 million).

Diluted earnings per share before exceptional items and amortization for the year ending March 31, 2006 were up 11% at 41.7p (74.6¢) (2005 – 37.4p, 66.9¢). After exceptional items and amortization the diluted loss per share was 6.3p (11.3¢) (2005 – earnings of 30.6p, 54.8¢).

The net charge for exceptional items before tax totaled £248 million (\$444 million) (2005 – £45 million, \$81 million). In our announcement of March 29, 2006 we stated that we would be reviewing the carrying value of our European assets affected by changes to the EU sugar regime. The outcome of this review is the principal element of the total impairment charge of £272 million (\$487 million) (the details of which, including the effect on the future depreciation charge, are set out in the Operating and Financial Review). This has been partially offset by a £24 million (\$43 million) release of provisions relating to U.S. healthcare liabilities following changes to the funding of these costs announced by the U.S. government.

Profit before tax after exceptional items and amortization was £42 million (\$75 million) (2005 – £205 million, \$367 million).

After an increase in investment and capital expenditure to £344 million (\$616 million) (including significant expenditure on SPLENDA<sup>®</sup> Sucralose), and an increase of £58 million (\$104 million) reflecting the adoption of IAS39 on April 1, 2005, net debt increased by £387 million (\$693 million) to £858 million (\$1,536 million) (2005 – £471 million, \$843 million). Interest cover was 9.9 times (2005 – 11.6 times).

# TATE & LYLE PLC

## Dividend

In line with its stated dividend policy, the Board proposes an increase of 0.6p (1.1¢) (3.1%) in the total dividend for the year to 20.0p (35.8¢). This is covered 2.1 times by earnings before exceptional items and amortization. The proposed final dividend of 14.1p (25.2¢) (2005 – 13.7p, 24.5¢) will be due and payable on July 27, 2006 to all shareholders on the register at June 30, 2006.

## Directors

As stated in last year's Annual Report, Allen Yurko retired from the Board on July 28, 2005 and Dr Barry Zoumas was appointed as a non-executive director from May 1, 2005. He has agreed to chair our newly formed Research Advisory Group, of which more details are set out in the Chief Executive's Review.

Carole Piwnica will be retiring as a non-executive director at the Annual General Meeting on July 19, 2006 having served on the Board for approaching ten years. The Board thanks her for her commitment to the Company and her considerable contribution to its strategic development.

Robert Walker was appointed as a non-executive director from January 1, 2006. He is currently Chairman of WH Smith and brings to the Board an in-depth knowledge of the food and beverage sector, having spent much of his earlier career working for companies such as Procter & Gamble and PepsiCo.

## Corporate Social Responsibility

For Tate & Lyle, corporate social responsibility means applying our four core values – safety, integrity, knowledge and innovation – to the way we run our business. This involves continuous progress in achieving the highest standards of safety; considering the environmental impact of every aspect of what we do; and treating our employees, suppliers and the communities in which we work as long-term partners. The Group continues to be a constituent of FTSE4Good, the U.K. corporate social responsibility index. The Annual Report will set out our policies and performance. It is pleasing to report a third consecutive calendar year of improvement in the Group Safety Index, this year by 39.4% and that energy consumption per unit of production showed a useful reduction of 3.6%, beating our Group target of 3% per year.

Tate & Lyle's U.K. occupational health program has also been acknowledged as a model of excellence by the U.K. National Health Service. The Department of Health is interested in using our program (which includes health promotion activities, an occupational health clinic, advice on healthy eating and counseling services) as an example of best practice to launch the Department's new initiative, Business Communities of Health.

## Board Effectiveness

During the year, the Board once again carried out a review of its effectiveness and that of its Committees led by myself. The 2006 evaluation, based on one-to-one interviews with the Directors, the Company Secretary and the Human Resources Director, followed a similar process to the one held in 2005 and, as in the previous year, the 2006 evaluation concluded that the Board and its Committees were operating effectively. Recommendations, such as improvements to the format of strategic papers provided to the Board and the content of the agenda for the annual full day strategy review, have been implemented. A full session of the Board is planned for July 2006 to consider other outputs of the effectiveness review.

# TATE & LYLE PLC

## Strategy

Our strategy remains to increase the value added component of our business, which has grown substantially over recent years both in absolute profit terms and as a proportion of the Group's total profit. Growth continues to be driven by a good performance from our global food ingredients business, through innovative marketing, and the successful expansion of SPLENDA<sup>®</sup> Sucralose manufacturing capacity and sales.

This has in many respects been a year of transition where one of our objectives has been to invest for growth. We have made significant progress towards the completion of several key investments to facilitate that objective.

## Outlook

This has been another strong financial performance from Tate & Lyle, driven substantially by our value added businesses and benefiting from a good operating performance and certain one-off items at the end of the year. These results have been achieved despite absorbing significantly increased energy costs across the business. In addition, our European operations were adversely affected by an oversupply of sugar in the EU market and other factors arising from the reform of the EU sugar regime.

In our announcement of March 29, 2006 we stated that we would be reviewing the carrying value of those of our European assets affected by changes to the EU sugar regime. The outcome of this review is the principal element of the total impairment charge of £272 million (\$487 million), the details of which are set out in the Operating and Financial Review. Fundamental options to mitigate the impact of the sugar regime are being examined.

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Sir David Lees  
Chairman