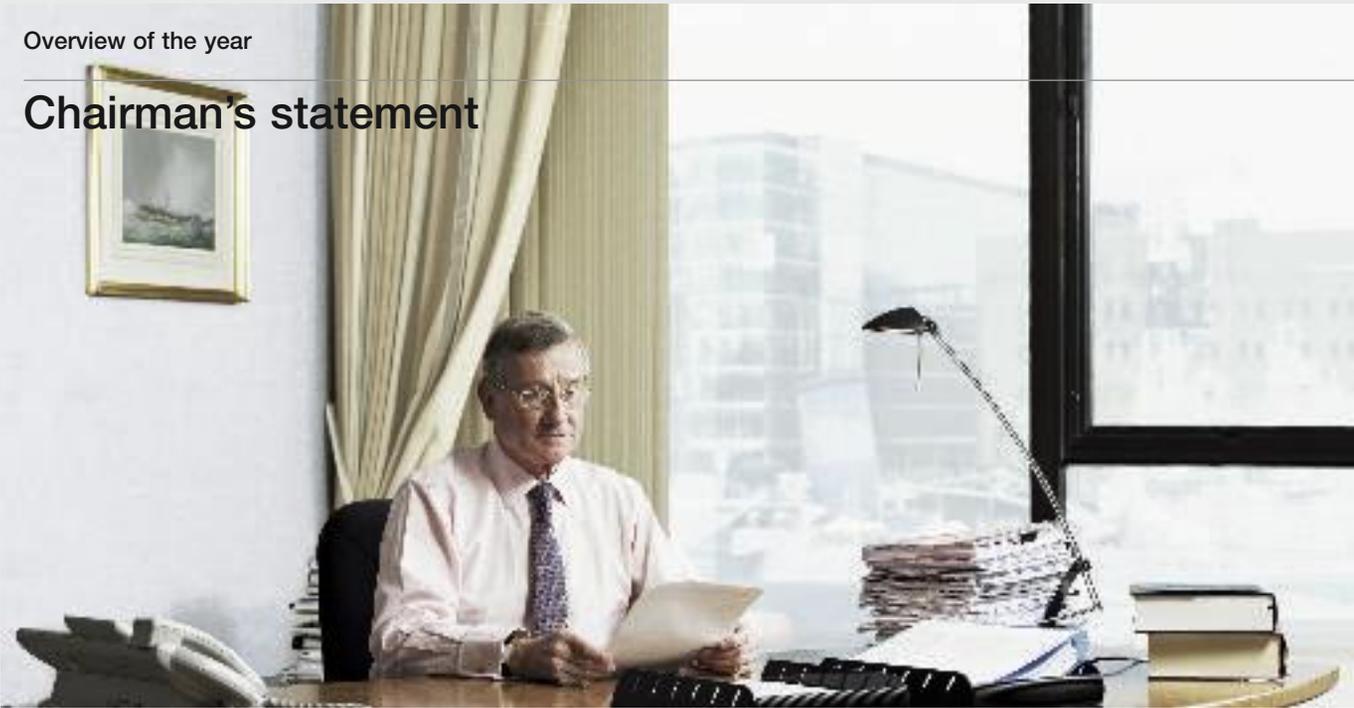


Chairman's statement



Balance sheet management has been and continues to be a top priority.

Sir David Lees

Results

Tate & Lyle performed soundly despite an economic environment that grew increasingly challenging as the year progressed. Balance sheet management has been and continues to be a top priority. At 31 March 2009 undrawn committed bank facilities amounted to more than £500 million, and, including immediately available cash resources, our liquidity headroom rises to approximately £750 million. We remain comfortably within our banking covenants.

Sales for the year ended 31 March 2009 were £3,553 million, 24% higher (8% in constant currency) than the prior year. Profit before tax, adjusted to exclude exceptional items and amortisation of acquired intangible assets at £247 million was 2% lower (18% in constant currency) than the prior year, and adjusted diluted earnings per share at 38.0p were 10% higher (8% lower in constant currency).

Exchange translation increased profit before tax by £49 million compared to the prior year. The stronger US dollar contributed 83% of this increase, although it also reduced the competitiveness of products from our US ingredients business in overseas markets, particularly Mexico and South America.

Net debt increased by £190 million to £1,231 million. Before the effects of exchange, net debt decreased by £188 million. The impact of exchange movements during the year, which increased debt by £378 million, was due principally to the weakness of sterling against the US dollar.

Dividend

The Board is recommending a maintained final dividend of 16.1p, making a full year dividend of 22.9p per share, an increase of 1.3% over the prior year. In reaching this decision, the Board was mindful of the need to at least maintain the Company's investment-grade credit

ratings. The full year dividend is covered 1.7 times by earnings from continuing operations before exceptional items and amortisation of acquired intangible assets. The proposed final dividend will be due and payable on 31 July 2009, subject to shareholder approval, to all shareholders on the Register of Members at 3 July 2009.

The Board

There have been significant changes on the Board since the last AGM. Tim Lodge was appointed Group Finance Director in December 2008 following a short period as Acting Group Finance Director. Tim has worked for Tate & Lyle for over 20 years and has held a variety of senior operational and financial roles. His comprehensive knowledge and understanding of our business is a considerable asset.

Last year the Board agreed a succession plan to address the anticipated retirements of both Iain Ferguson and myself.

In November 2008 we announced that Sir Peter Gershon had been appointed as a non-executive director of the Company from 1 February 2009, and that he would succeed me as Chairman by the end of the 2009 calendar year. Sir Peter's biographical details are set out on page 60 of this annual report. I am delighted that Sir Peter has joined the Board and we are working closely together as we transition the chairmanship.

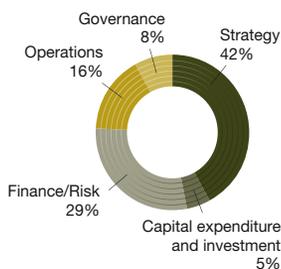
Sir Peter's appointment as Chairman-elect was a necessary precursor to the recruitment of a new Chief Executive to succeed Iain Ferguson. In May 2009 we announced that Javed Ahmed would take over from Iain later this year. Javed is currently Executive Vice President, Europe for Reckitt Benckiser having held a number of senior leadership roles within that group over the last 17 years in both Europe and North America. He started his career with Procter & Gamble before spending five years with Bain & Co working in both London and Boston.

Iain Ferguson joined Tate & Lyle six years ago. He has brought considerable change to Tate & Lyle in particular with regard to the implementation of our value added strategy, the reduction in the Group's exposure to risks in our commodities businesses and, more recently, in the re-organisation of the Group's senior management structure. The Board is greatly appreciative of his contribution.

Governance

The chart above shows the time spent by the Board at its meetings in the year ended 31 March 2009 allocated between various responsibilities. While the Board continues to spend the largest amount of its time on strategy (42%), this was 9% less than last year as the increasingly challenging economic environment led to the Board spending more time on operations, finance and risk management.

Board allocation of time
Year ended 31 March 2009



During the year the Board carried out its annual evaluation of the effectiveness of the Board. Having used an independent facilitator for the previous year's evaluation, the 2009 evaluation was carried out by myself. The evaluation involved one-to-one performance evaluation meetings with each director and the Company Secretary. The main themes and comments arising from these meetings were presented to the Board for discussion and the recommendations made are being or will be implemented. As is invariably the case, the exercise has proved rewarding.

Outlook

The continuing global recession, and its uncertain impact on customer demand, makes it difficult to predict with confidence the outlook for the year ending 31 March 2010.

In the near term, the actual level of customer demand and net corn costs will be key factors in determining our performance. Following destocking at the end of the 2008 calendar year, order levels from food and beverage customers appear to have stabilised, although at lower levels than the prior year. Demand for industrial starches remains weak.

In the second half of the 2010 financial year, our performance will also be influenced by pricing in the EU sugar operations following the final institutional price reduction on 1 October 2009. We expect this to generate improved margins. Of likely greater influence will be the timing of the recovery in ethanol margins and the outcome of the 2010 calendar year US sweetener pricing round.

Tate & Lyle's inherent ability to generate strong cash flows, assisted by the ending of our major capital expenditure programme, will help drive a stronger balance sheet in the year ahead. By delivering this, and continuing to take decisive and timely actions where necessary, Tate & Lyle will emerge a leaner, stronger and more flexible business, well-positioned to benefit from the economic recovery as and when it comes.

Sir David Lees
Chairman
27 May 2009

Postscript

This will be my last Chairman's statement before I hand on to Sir Peter. Tate & Lyle is a great company that has existed for over 100 years. Corporate longevity is only possible through an endless process of regeneration which, inter alia, involves responding to the changing needs of customers and reliance on the integrity and loyalty of employees. Continuing to follow these principles should ensure a successful future for Tate & Lyle.