

## Directors' report

### Principal activities of the Group

The principal activities of Tate & Lyle PLC and its subsidiary and associated undertakings are developing, manufacturing and marketing food and industrial ingredients made from renewable resources.

### Business review

A review of the Group's business, its activities and performance during the year, use of financial instruments, post balance sheet events and likely future developments is on pages 6 to 58, and the corporate social responsibility report is on pages 70 to 79. The information on these pages that is required to fulfil the requirements of the business review is incorporated in this directors' report by reference.

### Results and dividend

A review of the results is on pages 32 to 58.

An interim dividend of 6.8p per ordinary share was paid on 9 January 2009. The directors recommend a final dividend of 16.1p per ordinary share to be paid on 31 July 2009 to shareholders on the register on 3 July 2009, subject to approval at the 2009 Annual General Meeting (AGM). The total dividend for the year is 22.9p per ordinary share (2008 – 22.6p).

### Annual General Meeting

The AGM will be held at the Queen Elizabeth II Centre, Broad Sanctuary, Westminster, London SW1P 3EE, on Thursday 23 July 2009 at 2.00 pm. The Notice of Meeting document gives full details of the AGM.

### Financial risk policies

A summary of the Company's treasury policies and financial risk management objectives, including exposure to associated risks, is on pages 56 to 58.

### Share capital

At 31 March 2009, the Company had nominal issued ordinary and preference share capital of £117 million comprising £115 million in ordinary shares, including £1 million in treasury shares, and £2 million in preference shares.

Holders of ordinary shares have the rights accorded to them under UK Company law, including the right to receive the Company's annual report and accounts, attend and speak at general meetings, appoint proxies and exercise voting rights.

Holders of preference shares have limited voting rights and may not vote on: the disposal of surplus profits after the dividend on the preference shares has been provided for; the election of directors; their remuneration; any agreement between the directors and the Company; or the alteration of the Articles of Association dealing with any such matters. Further details regarding the rights and obligations attached to share classes are contained in the Articles of Association, available on [www.tateandlyle.com](http://www.tateandlyle.com).

There are no restrictions on the transfer of shares and prior approval is not required from the Company nor from other holders for such a transfer. No limitations are placed on the holding of shares and no share class carries special rights of control of the Company. There are no restrictions on voting rights other than those outlined above on preference shares. The Company is not aware of any agreements between shareholders that may restrict the transfer or exercise of voting rights.

The Company was given authority at the 2008 AGM to make market purchases of up to 45,788,628 of its own ordinary shares. The Company made no such purchases during the year ended 31 March 2009. This authority will expire at the 2009 AGM and approval will be sought from shareholders for a similar authority to be given for a further year.

To satisfy obligations under employee share plans, the Company issued 102,335 ordinary shares during the year and reissued 1,426,571 ordinary shares from treasury. The Company did not issue any ordinary shares or reissue any ordinary shares from treasury during the period from 1 April 2009 to 27 May 2009.

Further information about share capital is on page 133. Information about options granted under the Company's employee share schemes is on pages 135 and 136.

### Change of control

The Company has committed bank facilities of US\$1,130 million, of which US\$130 million matures in 2009 and US\$1 billion matures in 2012. Under the terms of these facilities, the banks can give notice to Tate & Lyle to prepay outstanding amounts and cancel the commitments where there is a change of control of the Company.

All of the Company's share schemes contain provisions relating to a change of control. Outstanding options and awards normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time.

### Substantial shareholdings

At 27 May 2009, the Company had been notified under Rule 5 of the Disclosure and Transparency Rules of the Financial Services Authority of the following holdings of voting rights in its shares:

	No. of shares	% held
INVESCO Limited	78,579,956	17.14%
Harbinger Capital Partners LLC	60,037,554	13.09%
AXA S.A.	26,686,761	5.82%
Lehman Brothers International (Europe)	18,122,510	3.95%
Legal & General Group plc	18,062,288	3.93%
Barclays Global Investors	17,568,133	3.59%

### Directors

Board directors and their biographies are on pages 60 and 61. Stuart Strathdee and Stanley Musesengwa ceased to be directors with effect from 23 July 2008, and John Nicholas ceased to be a director on 30 September 2008. Tim Lodge was appointed an executive director and Group Finance Director with effect from 4 December 2008. Sir Peter Gershon was appointed a non-executive director and Chairman-elect with effect from 1 February 2009.

### Retirement and re-election of directors

The Company's Articles of Association require all directors to seek re-election by shareholders at least once every three years. Any directors appointed by the Board must stand for re-election at the first AGM following their appointment. Any non-executive directors serving for more than nine years are subject to annual re-election.

The directors standing for re-election this year are Iain Ferguson and Robert Walker, last re-elected in 2006; Sir Peter Gershon and Tim Lodge, appointed during the year; and Sir David Lees, who has served for more than nine years.

Sir David, Robert Walker and Sir Peter do not have service contracts. At no time during the year has any director had any material interest in a contract with the Group, being a contract of significance in relation to the Group's business. A statement of directors' interests in Company shares is on page 95.

### Research and development

The Group spent £28 million (2008 – £32 million) on research and development during the year.

### Employment policy and involvement

The average number of employees in the Group during the year is given in Note 9 on page 115.

Group companies operate within a framework of HR policies, practices and regulations appropriate to their market sector and country of operation. Policies and procedures for recruitment, training and career development promote equality of opportunity regardless of gender, sexual orientation, age, marital status, disability, race, religion or other beliefs and ethnic or national origin. The aim is to encourage a culture in which all employees have the opportunity to develop fully according to their individual abilities and the needs of the Group. The Group remains committed to the fair treatment of people with disabilities regarding applications, training, promotion and career development.

Training is concentrated on multi-skilling to encourage flexibility. The Group runs a series of international programmes to develop management skills and share management ideas across the Group.

Employee involvement and feedback is actively encouraged. A variety of ways are used to consult and inform employees including a Group-wide magazine, e-mail, intranet, briefings and roadshows. These are designed to facilitate dialogue while enabling the development of a common awareness among employees of what affects business performance.

### Donations

Worldwide charitable donations during the year totalled £674,000 (2008 – £642,000), of which £379,000 (2008 – £412,000) was donated in the UK. More details of the Group's community involvement can be found on pages 78 and 79.

In line with Group policy, no political donations were made in the EU during the year. Outside the EU, the Group's US business made contributions during the year totalling US\$48,000 (£28,000) (2008 – US\$46,000; £23,000) to state and national political party committees and to the campaign committees of state candidates affiliated to the major parties. The total includes US\$23,000 (£13,000) (2008 – US\$15,000; £7,500) contributed by the Tate & Lyle Political Action Committee (PAC). The PAC is funded entirely by US employees. Employee contributions are entirely voluntary and no pressure is placed on US employees to participate. No funds are provided to the PAC by Tate & Lyle, but, under US law, an employee-funded PAC must bear the name of the employing company.

### Payment to suppliers

Group policy is that UK operating companies should follow the CBI Prompt Payers' Code. The Code requires the Company to agree terms of payment with suppliers, to ensure suppliers are aware of those terms, and to abide by them. Our policy is, wherever possible, to apply the requirements of the Code to wholly-owned companies around the world.

Tate & Lyle PLC is a holding company and had no amounts owing to trade creditors at 31 March 2009. The Group's creditor days outstanding at 31 March 2009 were 38 days (2008 – 42 days).

## Directors' report

### Directors' responsibilities for the financial statements

The directors are responsible for preparing the annual report, the directors' remuneration report and the Group and the parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the parent Company financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). The Group and parent Company financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the Group financial statements comply with IFRSs as adopted by the EU, and with regard to the parent Company financial statements that applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Group and parent Company financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business, in which case necessary supporting assumptions or qualifications should be given.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed on pages 60 and 61, confirms that, to the best of his/her knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the directors' report contained in the 'What We Do' and 'How We Performed' sections includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

### Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

The auditors, PricewaterhouseCoopers LLP, have signified their willingness to continue in office and a resolution reappointing them as auditors will be proposed at the 2009 AGM.

On behalf of the Board  
**Robert Gibber**  
Company Secretary  
27 May 2009