Syngenta 2010 Full Year Results
9 February 2011

Overview

Mike Mack

Chief Executive Officer

I. Preamble

Good morning, ladies and gentlemen. Today, Syngenta has announced a new strategy to deliver superior customer and shareholder value. We want to spend a fair amount of time today covering this in our presentations, which will unfortunately run a little bit longer than usual – 50 minutes. This is going to give you an opportunity though to hear from our two chief operating officers, John Atkin and Davor Pisk, whose responsibilities are being expanded now as part of this new strategy. In addition, of course, John Ramsay will be covering the 2010 financial performance in some detail, but before handing you over to John let me first set the context for today's announcements.

II. 2010 Industry Highlights

The first chart shows the global stocks-to-use ratio for the major crops, a ratio that is now familiar to anyone who follows agriculture but which unfortunately hasn't become any easier to predict. In the first half of 2010, crop prices traded within a very narrow range and at fairly subdued levels. Then in July came news of the damage to the wheat crop in Russia, followed in October by a dramatic downward revision by the USDA to US corn yield estimates. Although the stocks-to-use ratio today remains above its level three years ago, the recent rise in commodity prices shows just how fragile the supply-demand balance actually is.

The steepness of the reaction in crop prices has aroused concern in many quarters and has prompted remedial measures, from government restrictions aimed at shoring up national food supplies to attempts by financial market regulators to curb speculation. These measures, however, cannot alter the fundamental challenge of producing more food to satisfy growing demand in many emerging markets, particularly China, whose import requirements alone influence global commodity prices.

III. Grower Challenges

This global picture forms just a small part of the challenges facing growers. Yes, higher crop prices are good for the farmer, but over the last years growers have been dealing with greater volatility and, in some regions, the impact of financial instability on credit. In their immediate line of sight, they have the channel, particularly the grain traders, who can influence their access to market. Further down the value chain, retailers and consumers are concerned with the cost, quality, and availability of crops and produce. Governments and regulators are charged with monitoring safety and risk, and with ensuring food and energy security, and this can lead to additional requirements for growers. Finally, societal pressure, including from NGOs, focuses on environmental standards, often with a hostile bias toward intensive farming. So there is no doubt that for growers worldwide life has become a lot more complex.

IV. New Strategy

And that's the starting point of our new strategy, which is to develop a fully-integrated offer on a global basis, comprehensively addressing grower needs by crop. We will seek not to just meet the needs of today's growers but also to anticipate those of the farmer of the future, bearing in mind that the farmer has a number of different faces and his or her own experiences differ markedly depending on the geography.

Our strategy is defined by three core objectives:

- Integrate;
- Innovate; and
- Outperform.

And I shall come back to these later on in the presentation.

We've been elaborating this strategy now for some time and it is already reflected in our Lawn & Garden business, and we're launching it from a position of considerable strength. We have consistently reinforced our leadership in Crop Protection and in 2010 gained share for the sixth consecutive year, as you can see on the chart. The size of our Seeds business has grown significantly as well over the last five years and in each of the last two years we have achieved a marked increase in profitability, underpinned by proven technology progress. As we look to meet the differing needs of growers worldwide with an integrated offer, we do so with long experience of tailoring solutions to local markets, and the development of our offer will be accelerated by leveraging a $1 billion annual R&D spend.

The elements distinguishing Syngenta from its competitors in being able to pursue this strategy are shown here. They include our dedicated focus on agriculture and our broad crop exposure. We're number one or number two in all regions and in all Crop Protection product lines. In Seeds, we have the broadest scope to offer both proprietary traits and proprietary seed care alongside our leading germplasm. We will develop these strengths to combine chemical and genetic solutions, while also combining our commercial operations and enabling our sales forces to market complete portfolios. Let me know hand you over to John Ramsay for a review of the financial performance in 2010. John.

Financial Performance 2010

John Ramsay

Chief Financial Officer

I. Preamble

Well, thank you, Mike, and good morning. I am pleased to present results which, notably in the second half, demonstrate a very strong business performance, including record cash generation.

II. Financial Highlights

For the full year 2010, sales were 4% higher at constant exchange rates with a 9% increase in volume, partially offset by a pricing decline of 5%, primarily due to the competitive pricing environment for Crop Protection in North America. EBITDA increased by 3% at constant exchange rates to $2.5 billion. After taking account of higher depreciation and amortisation, operating income was unchanged at $1.97 billion, in line with our target which we set at the half year. Earnings per share increased by 2% with a slightly lower tax rate more than offsetting higher net financial expense.

Due to a significant reduction in the level of investment in trade working capital, our free cash flow reached a record level of $1.1 billion. In recognition of our consistently strong cash position and confidence in our future financial performance, we will be implementing a new cash return policy which will prioritise dividend growth. On this basis, we will increase the proposed dividend by 17% to CHF7 per share. In US dollars, the increase will be around 30% at current exchange rates.

And following a recent change in Swiss tax law, we will be proposing to the AGM in April to make the payment this year from our share premium reserves or AGIO as it is known in Switzerland, which enables the dividend to be paid free of withholding tax. The dividend would also be exempt from income tax for Swiss-resident individual investors holding Syngenta shares as private assets. And, finally, our return on invested capital after tax exceeded our 20% target for the sixth successive year and we will now be moving to a new return-on-capital measure, which I shall come back to later.

III. Reported Sales Progression

Turning now to look at the evolution of reported sales, you can see the positive volume impact of close to $1 billion. Over 80% of this volume growth in both Crop Protection and Seeds was from emerging markets and year-on-year volume growth in these markets was around 18%, demonstrating the strength of demand and the return on our continued investments. The strong volume performance was partially offset by Crop Protection pricing. A lot was said about this at the half year but I will come back to pricing in more detail in a moment. You can also see from the slide a favourable impact of 2% from currency and this was primarily from the Canadian, Australian, South Korean, and Eastern European currencies, which appreciated by more than 5% against the US dollar.

IV. Crop Protection Performance

The next few slides show in more detail the performance of our Crop Protection business. Sales at constant exchange rates were 3% higher at $8.9 billion. Volumes were up 9% for the year and up

18% in the second half with growth in all regions. Latin America delivered full year volume growth in excess of 25%, bringing the region close in size to that of North America. Likewise, emerging Asia continued to perform extremely well with double digit growth being achieved for the fifth successive year. Despite a difficult year in Eastern Europe, which was largely characterised by the severe drought, we achieved volume growth of 7%. In the developed markets, North America has seen fungicide adoption at close to 2008 levels, with sales volumes up by over 20%.

Prices for the full year were down by 6%, largely driven by high opening channel inventories and competitive pricing actions in North America. EBITDA of $2.2 billion represented a margin of 24.7%, around 2% lower than last year. Of this, currency reduced the margin by 60 basis points, but the major impact came from lower prices, partially offset by raw material savings. During the year, we continued to invest in emerging markets, as well as in R&D and technology platforms as the fundamental building blocks to our new operating model, while maintaining tight control over the reminder of our cost base.

V. Crop Protection: Volumes Rebound

As this slide shows, we have capitalised on improving market conditions in the second half of the year. Following the low consumption levels in 2009, we have progressively delivered significant volume growth since quarter two 2010. General market sentiment has continued to improve, but the second half volume growth was particularly driven by strong emerging market performance, particularly in Brazil, Argentina, and Asia. Volume gains in both the third and fourth quarters were 18%. Volume growth more than compensated for lower prices.

The competitive environment in the first half of 2010 has remained confined largely to North America. The rate of price decline has diminished since the second quarter and pricing remains positive over the three-year period. Where appropriate for the forthcoming season, we have been putting in place selective price increases and we will continue to target price increases in 2011, but this will be dependent on the competitive environment. In quarter one, we will continue to report lower price variances compared to 2010 as current pricing will be compared to the situation last year before lower pricing took effect.

VI. New Products Performance

Moving now to look at the performance of our new products launched since 2006. Sales rose 25% versus 2009 to $400 million with compound annual growth of 56% over the four-year period. Following its launch earlier in the year on corn in the US and cotton in Brazil, our nematicide seed treatment, Avicta, has now received regulatory approval for use on soybeans in Brazil and will be launched there in 2011. The cereal herbicide, Axial, continued to show strong volume growth in Canada. In addition, launches in France and Russia underpin the importance of this product.

Durivo continued its strong performance with sales up almost 140%. Its continued success on rice and vegetables in Asia has been further complemented by a launch on corn and soybean in Brazil. Revus continues to expand globally, now being used in more than 50 countries. Most recently, as part of an overall increased US fungicide usage, we have seen expanded uptake on vegetables. Isopyrazam was launched in quarter two on UK barley; early initial feedback is extremely positive with regards to both disease control and greening effects.

VII. Seeds Performance

Now moving on to look at the Seeds business performance. Seed sales increased 8% to $2.8 billion, now representing close to 25% of our total business, and, adjusted for advance corn and soybean sales in quarter four 2009, growth was 14%, driven by volume and portfolio mix effects. The emerging markets generated volume growth in excess of 20%, with Asia Pacific and Eastern Europe particularly strong. In diverse field crops, we drove organic growth as well as fully captured the benefits from the integration of our recent sunflowers acquisition. Vegetables growth was across all product lines and particularly in the US and Asia, where our tomato, melon, and sweetcorn sales performed well.

Corn and soybean sales were up 4% or 16% after the advance sales adjustment. Corn performed particularly strongly due to our increased triple stack penetration and new product launches, and quarter four saw significant cash advances and pre-orders, underpinned by the improved performance of our products. EBITDA increased significantly and the margin rose from 10% in 2009 to 12.7%. The overall improvement in margin reflects the success of our portfolio transition. In 2010, we have demonstrated improved germplasm performance and triple stack penetration is now equivalent to market levels. The expansion of gross margin due to the favourable mix effect has allowed us to continue to increase R&D investment while delivering higher returns and we are firmly on track with our targets in terms of both portfolio and profitability.

VIII. Operating Income

The next slide shows you the progression of our operating income. Operating income remained broadly flat year-on-year, but within the year we had large impacts from volume and price. And, as you can see, gross profit from volume at close to $500 million nearly offset the negative price impact. The effect of price was the major driver of the decline in margins as we were only able to partially offset the impact through lower raw material costs. We continued to make important investments in emerging markets, research and development, and information systems, which are fully aligned with the evolution of strategic direction being outlined today, and we continue to exert close control over our remaining cost base. As you will notice, currency had a minimal impact on our operating income and I'd now like to move on to the next slide to look at the currency in more detail.

IX. Currency Movements

As we saw in the previous slide, our bottom line currency impact for the year was flat. First half currency gains were eroded in the second half due to the effect on our cost base of significant strengthening of the Swiss franc versus the dollar. The Swiss franc appreciated around 16% in the second half and, in addition euro volatility throughout the year, worked against us. Our operating cost base is approximately 15% Swiss-franc-denominated with very little sales revenue offsetting it. Overall, we continue to hedge, with hedging levels at around 75% of our overall exposure. In 2011, I would expect the currency impact, based on current exchange rates, after hedging, to be around $75 million negative, coming primarily from our Swiss franc exposure.

X. Net Income

Looking now at the lines between operating and net income. Net financial expense and tax together were overall similar to 2009, and net financial expense of $140 million was up by $19 million. Our overall tax rate was lower at 17% and, as well as our continued tax optimisation efforts, higher profitability in Brazil enabled us to realise a deferred tax asset, while lower pricing in the US reduced taxation in a relatively high-tax jurisdiction. In 2011, I would expect the tax rate to increase to around 20%. Net income was broadly flat and earnings per share excluding restructuring were 2% higher. In future, when we refer to net income, this will be after all charges, including restructuring and impairment, as reported under IFRS. We will continue to reference

EBITDA and earnings per share excluding restructuring to ensure that underlying trends in business performance are understood.

XI. Free Cash Flow

Turning now to look at cash flow. Free cash flow reached a record $1.1 billion, and this was achieved after a $200 million discretionary contribution to the employee pension schemes. Our major pension schemes are now fully funded. Working capital levels remained broadly flat year-on-year; continued close attention resulted in a significant improvement in the second half. Both inventory and receivables reduced as a percentage of sales, reflecting our ongoing rigorous credit management and our determined action on inventories in the second half. Capital expenditure levels were lower than 2009 as we completed our capacity expansion. Financing and tax expenses remained at a similar level to 2009.

We expect strong cash generation to continue as an ongoing feature of our business, and this allows us the flexibility to enable the move to our new progressive dividend policy, which I referred to earlier, as well as to continually seek out acquisitions.

XII. Key balance sheet ratios

Strong cash generation has contributed to the maintenance of solid balance sheet ratios. A rigorous management of trade working capital resulted in a 3% reduction from 2009, exceeding our 2% target. Net gearing is significantly below last year and this lower ratio creates the potential for us to further increase the cash return to shareholders, as we have demonstrated today through the proposed substantial dividend increase and a planned further $200 million share repurchase in 2011. Our return on invested capital, although slightly down on last year, remains consistently above our 20% target for the sixth successive year.

XIII. Integrated Business Model: Efficiency Gains

I would now like to share with you the expected efficiency benefits of the new operating model that we are outlining today. We are projecting savings of $150 million from our new integrated organisation structure, which Mike will introduce in more detail shortly. $300 million is targeted to come from integrating supply chain activities across our Crop Protection and Seeds businesses and capitalising on our current systems investment, and, finally, a further $200 million from improved efficiency in our procurement activities, again facilitated by organisational alignment and systems investment.

The benefits will be delivered through a combination of SG&A and COGS savings, as shown on the chart. To deliver the $650 million of savings by 2015, we anticipate restructuring costs in the range of $400 million, the majority of which will occur in 2011 and 2012, and the 2011 income statement charge related to this restructuring programme will be around $175 million. And given the strong foundations which we have in place today, we are confident in achieving the desired savings within the timeframe outlined whilst, at the same time, ensuring that we continue to capture growth opportunities. This will underpin our business performance over the next few years.

XIV. Financial Objectives

And, finally, I would like to conclude with an overview of our new financial objectives, upon which we will be measuring our performance in the coming years. Our future financial targets will be based upon three key measures:

- EBITDA margin;
- Cash flow return on investment; and
- Cash return to shareholders.

These measures take account of our new operating model, which we are introducing today, and our confidence in its potential for strong cash generation. We will be targeting an EBITDA margin of 22% to 24% by 2015, thereby reflecting our continued commitment to profitable growth. We will introduce cash flow return on investment as a new measure, targeting to maintain a level in excess of 12%, which we have achieved in 2010, and represents a commitment to continue strong cash generation at attractive levels of return on investment. You can find the calculation of this figure in this morning’s press release.

As I have previously referred to, our final objective is to continue to return significant cash to shareholders and this will be through a cash-return policy which prioritises dividend growth. Share buybacks will be used only tactically when the balance sheet and acquisition outlook allows. And with that, let me hand you over to Mike, who will describe in more detail our new operating model.

New Operating Model

Mike Mack

Chief Executive Officer

I. Three Core Objectives

Thank you, John. Let me now lay out to you our three core objectives.

1. Integrate

Integrate means a unique offer in the field combining Crop Protection and Seeds, marketed by commercial teams which will be fully integrated by the end of 2012. This integrated model will yield the cost savings, supplemented by supply chain and procurement savings, that John just mentioned.

2. Innovate

We will innovate through a powerful R&D platform, combining chemical and biological knowledge. Our definition of innovation though goes beyond products to encompass new markets and new go-to-market models, and John and Davor will be showing you some examples in just a moment. We will leverage the value of our R&D investment by entering into partnerships and collaborations in targeted areas.

3. Outperform

Outperform: we define this in financial terms, as John has described, with, in addition, a business objective of growing our combined global market share by an average 0.5% a year. This is from a total market share of 15% to date. By generating above-average growth while maintaining a high level of profitability, we will sustain strong cash generation, enabling us to continue our record of returning cash to shareholders.

II. Integrated R&D Platform

Technology lies at the heart of the strategy and this is how our formidable R&D engine will work going forward. We’ve identified the customer needs you see listed along the top of this chart and we will seek to address them through the technologies you see listed on the left, to which we will add tools in adjacent areas, such as water and nutrient usage. All the while, we will look at this through the eyes of the grower, as well as those of the scientist – not simply what is possible but also what needs to be done.

III. New Commercial Organisation

Let me now show you the new top-level organisation for our company. The organisation is based on regional responsibilities, with the regions divided into territories having a strategic crop focus. Each region will have two heads, one from Crop Protection and one from Seeds, reporting to John or Davor. All of the regional and territory heads have already been appointed. John Atkin will continue to oversee the performance of Crop Protection and will, in addition, assume cross-business executive responsibility for the regions Europe, Africa, and Middle East (EAME), and Latin America (LATAM). He will also have global strategic responsibility for cereals, soybean, sugar cane, and specialty crops.

Similarly, Davor Pisk will continue to oversee Seeds performance while assuming cross-business executive responsibility for the regions North America and Asia Pacific. Davor will have global strategic responsibility for corn, diverse field crops, rice, and vegetables. The overlap between the regional and crop responsibilities will, I think, become clear to you in the following presentations. So let me now hand you straight away over to John Atkin. John.

EAME and LATAM Regions and Crop Protection

John Atkin

Chief Operating Officer, Crop Protection

I. Preamble

Thank you, Mike. Good morning, everybody. I'll begin with an overview of the two regions I'll be responsible for. This will also incorporate information on some of the crops I'll lead. I'll then conclude with an update on our biggest Crop Protection products. As Mike said, I'll continue to oversee CP performance globally.

II. LATAM Market Opportunity

So, firstly, Latin America. The charts show you the size of each market segment and our respective shares. We have a leading position for the combined business with a 21% share. We're number one in crop protection in most territories and in seeds we are progressing rapidly with our high-quality germplasm on soybean and corn, and in corn we're benefiting from the traits developed for our North American business.

With accelerating technification, the seeds market is set to expand rapidly in Latin America. When Davor describes North America, you'll see what happens when a seeds market technifies. In the United States, it is bigger than the crop protection market. Sugar cane is a prime example of the lack of development in non-soybean crops. We've got breakthrough technology to change this, of which more in a moment. Now underpinning all these opportunities is strong financial risk management, a feature of our rapid expansion in Latin America to date.

III. Transforming the Business Model in Brazil

Brazil is by far our largest territory in Latin America and our second most important country after the US. It's been the first to achieve full commercial integration and this has been an important part of our preparation to integrate our businesses across Syngenta. The diagram on the slide shows you how we went about the transformation. The concept was carefully prepared in 2008 and was implemented in 2009. We have introduced a consolidated management structure and integrated the Crop Protection and Seeds sales forces. Customers are served by a single salesperson with a combined offer. This has meant building broad knowledge of technology and agronomics in the sales team, and it's also meant a redesign of the supply chain and, critically, a significant cultural change. The results were already visible in 2010.

Our Seeds business is clearly benefiting from a strengthening of the sales resources behind it and, importantly, we're also now starting to see the potential for enhanced growth in Crop Protection as a result of the integrated offer. The compelling point is that we now have a unique value proposition for customers that will enable us not only to continue our history of market share gain in Brazil but also to expand the size of the market.

IV. Brazil soybean

Now, I'm not going to dwell on this slide, but I would ask you simply to read this independent testimony from a soybean grower in Parana state. He used our integrated offer to achieve a Brazilian-record soybean yield of more than 6,500 kilograms per hectare, an increase of 50% over his previous average. This was one in a series of 9,000 demonstrations of our integrated technology in soybean and corn. Over 90% of these test plots showed increases over standard programmes. This confirms the customer benefits of our technology and the terrific potential we have to expand our business.

V. Brazil: Proven Growth Potential

This slide illustrates the strong performance we've already built in Brazil. Growth has been driven largely by our market-leading Crop Protection business and we plan to continue to grow share in CP through portfolio innovation and effective management of post-patent products. This is complemented by the accelerating growth in Seeds and our integrated strategy will help us capture this value shift to Seeds as GM technology expands that I referred to earlier on. Share gains will come from broader territory coverage and further trait launches, such as the triple stack we announced earlier this month, the first product of its kind in Brazil, and, most importantly, the attraction of our combined offer to growers, as I illustrated on the previous slide.

VI. Plene in Sugarcane

The implementation of our strategy is going beyond synergies between Crop Protection and Seeds. We are producing completely new technology from the integrated R&D approach which Mike showed you. This year, we are launching Plene, a new way of planting sugar cane with the first ever integrated mechanised planting system. You see the planter on the photograph; it has been specially developed with John Deere and has attracted great interest, as you can see from the number of people riding on this, one of the first examples. It includes me in the white shirt on the right-hand side. This technology has the potential to transform the way sugar cane is produced. Prior to launch, we've already received $300 million worth of orders from sugar mills and we're finalising long-term contracts.

We now estimate peak sales potential at over $500 million dollars, up from our previous estimate of $300 million. These photographs show you how Plene addresses multiple challenges. The offer involves planting four-centimetre cuttings of sugar cane. In the conventional system, cuttings are 10 times that length. The process therefore requires less equipment; is faster and more efficient. Smaller cuttings allow minimum tillage, which means better soil preservation. There are social benefits too. The existing system requires a lot of manpower working in uncomfortable conditions. With Plene, working conditions are vastly improved, workers become more skilled, and farmers don't need to find as many seasonal workers in a local economy which has other opportunities for the workforce.

VII. EAME Market Opportunity

In Europe, Africa, and the Middle East, our combined market share stands at 18% in what is our biggest and most diverse region. In Eastern Europe, an important growth driver, we are the market leader with a share of over 20%. In Seeds, we have broad strength, including sunflower, corn, sugar beet, and, of course, our leading vegetables business. Seed care is also a strong and developing part of our portfolio. Less well-known is our breeding expertise in cereals, the most important crop in Europe. We are exploiting this through our integrated strategy. In vegetables and specialty crops, including potatoes and fruit, we enable growers to increase yield and quality as well as respecting the protocols set by the value chain. This is increasingly important to retailers and consumers.

VIII. Strategies for Share Gain

The next chart shows you that our sales have grown significantly across the region, most strongly in the emerging markets, where they have almost tripled. This reflects the ongoing expansion of the range, a focus on the large farms which are driving modernisation, and the successful management of credit risk. In West Europe, we have continued to innovate with three new chemistries introduced since 2006 and Sedaxane is due for launch next year. This is vital to exploit a market that is always evolving, particularly driven by disease resistance, and we've got a broad Seeds portfolio, which we have successfully developed through our own breeding as well as acquisitions, notably in vegetables and sunflower.

By integrating our businesses, we are creating new potential in markets that might otherwise have been seen as mature.

IX. Italy: enhancing competitive position

Italy is an example; here a new structure has already been established. We are leveraging the power of our combined field force to service customers to launch our high-quality seeds in the corn market. The results have been immediate and striking. We achieved a 2% seed share gain in 2010 and also a reinforcement of market awareness of Lumax, our leading corn herbicide, which in turn led to increased market share.

X. Ukraine: significant integrated growth potential

In Eastern Europe, the integration process will enable us to build on a strong growth dynamic. Ukraine is an excellent example: the market already reached $650 million in 2010 and we expect it to double again by 2020. And here we have an outstanding record of 30% compound annual growth. We are further expanding the Crop Protection range with new launches from our own portfolio and through a distribution agreement with Dow AgroSciences. We've started to combine this with our strong Seeds portfolio and are conducting integrated trials with our key agro-holding customers. Drawing on our experience in Latin America, we're underpinning expansion with local risk management and can report that in 2010 we collected 98% of receivables and conducted around 20% of our sales through barter agreements.

XI. European Wheat

Now, as Mike explained, I have cross-business responsibility for certain crops including cereals, the leading European crop. Although the value of the wheat seed market is currently low due to the high proportion of farm-saved seed, when growers do purchase seed they're looking for high performance. Our brands Gallant and Denman are widely recognised for their different output qualities, and to maximise their potential we have a programme of Crop Protection products. This includes Cruiser seed care for bigger roots and enhanced vigour and our leading plant growth regulator, Moddus, addresses one of the most critical issues farmers face today. It improves water and nitrogen-use efficiency, which helps to optimise fertiliser use and provides environmental benefits. Finally, our star product, Amistar, is a critical component of our crop-enhancement offer with proven benefits in yield and grain quality.

XII. Amistar

So now switching to my overall responsibility for Crop Protection business performance, I now update you on Amistar, which achieved record sales of $1.2 billion in 2010. We saw significant growth across all crops following the opening of new capacity in May. This capacity has also enabled us to sign supply agreements with a number of third parties, which will account for around 15% of total molecular sales. Most importantly, our own-branded sales will continue to grow with increasing development of mixture products allowing to us maintain a gross margin that is above average for our portfolio.

XIII. Amistar new initiatives

Amistar growth will be particularly strong in the emerging markets – focus is Asia Pacific, where sales in 2010 exceeded $120 million. The rapid growth achieved reflects the terrific potential this product has to improve yields and quality of crops ranging from rice in Vietnam to chilies in India, which you see in the picture. It's important to point out that farmers greatly appreciate these effects because their income increases and this in turn benefits the rural community.

XIV. Thiamethoxam

Turning now to Thiamethoxam, the other compound for which we have expanded capacity. As you can see from the top chart, it is used in an increasing number of our products, driving volume growth of 18% in 2010. The number of crops is expanding too and further growth will come from new mixtures and from crop-enhancement opportunities in both developed and emerging markets.

XV. Crop Protection Pipeline

We've updated our Crop Protection pipeline to show you the potential of each product by crop. The near-term pipeline for launch over the next four years has a value of more than $1.5 billion. As I said, the potential for Plene to be launched in 2011 has expanded. We have moved the timing for the full launch of Invinsa back. The granular product we test marketed in 2010 is not yet sufficiently reliable. We remain convinced that this technology has high potential and the focus is now on developing formulations which will have broad market potential.

XVI. Pipeline post 2014

Products to be launched post-2014, shown on the slide, bring the total pipeline value to $2 billion. The split of potential sales by crop foreshadows the way we shall be presenting our combined pipelines in the future.

XVII. Sustained Value Creation: Wheat

Let me show you wheat as an example. In the left-hand side of the chart, you see our current offer in wheat combining Crop Protection, Seed Care, and Seeds. Total sales are in excess of $1 billion. In the middle horizon, you see new products to be launched over the next five years and also integrated growing solutions, programmes which will contribute to increasing sales to around the $1.5 billion mark. The late-stage pipeline includes significant advances in Seeds technology and further exploitation of the chemical genetic interaction which underlies our crop enhancement strategy. At the capital markets days, which we are holding this summer, we shall be presenting combined pipelines for all our key crops to reflect the way we are now looking at the business. But in the meantime, let me hand you over to Davor for a review of the other regions and crops.

Asia Pacific and North America Regions and Seeds

Davor Pisk

Chief Operating Officer, Seeds

I. Preamble

Thank you, John. Good morning. I'm going to talk now about Asia Pacific and North America, two regions at very different stages of agricultural development.

II. Asia Pacific Market Opportunity

US corn yields, for example, are twice those in China. Throughout emerging Asia, there is a drive to increase productivity and this is a large part of the opportunity for Syngenta. The fragmentation of the market is another feature. Our combined market share in Asia Pacific of 9% looks low compared with our share elsewhere, but we hold leading positions in both Crop Protection and Seeds. In the emerging countries, about 80% of the crop protection market is divided amongst numerous generics companies and, as governments have become more focused on agriculture, we are seeing increasing scope to substitute their products with our own high-performance chemistry.

Adoption of seed care, which is something generics have been unable to offer, is another opportunity. We're bringing chemicals together with a high-quality seed offer to spearhead the drive to increase productivity in rice, as I shall show you in a moment. We're also rapidly developing complete solutions for vegetables and are expanding our corn franchise with the success of our tropical corn germplasm, which is well adapted to regional needs.

III. Asia Pacific: Strategies for Growth

In the developed markets, our focus is on maximising high margins in Northeast Asia and on expanding the portfolio in Australasia while managing the sales volatility that inevitably comes with the extreme climate conditions there. In emerging Asia Pacific, as I just mentioned, there is scope for substituting generics and we are exploiting that opportunity with our local manufacturing presence in both China and India, which enables us to offer competitively-priced products. This is being complemented by unique go-to-market strategies that raise awareness of the potential of modernisation among growers. Our expansion in rice began with Crop Protection products, such as the fungicide Score, and has accelerated with the launch of Virtako insecticide. We're now also building strength in hybrid seeds. With 90% of the world's rice grown in Asia, a focus on this crop is vital to our regional strategy.

IV. Rice Cultivation

Despite its importance in the region, rice cultivation is still largely underdeveloped. These pictures show a traditional paddy field where water is inefficiently used not only to enable crop growth but also for weed control. Planting is carried out by hand using low-value seed and commodity chemicals with the result that average yields are only around 40% of potential.

V. Tegra: Integrated Rice Programme

Syngenta has launched a response to these challenges and the photographs on these slides illustrate the difference in terms of the way the rice seedlings are grown and planted. The Tegra programme in India offers growers high-quality seedlings protected with Cruiser and delivered in trays, which are then mechanically transplanted. The grower is also supplied with a customised agronomic protocol to cover all aspects of crop care during the growing season. The process ensures that water is used much more efficiently. As shown in this chart, across a number of trials in India the average yield gain is 30%, to which the grower can add labour savings, simplicity, and mitigation of the risk of a lost crop, which can be devastating for local communities. We have already started to make sales of the Tegra programme and over time we expect it to help growers double their yields with more sustainable rice-growing practices.

VI. Vegetables: Global Growth

Turning now to vegetables and another important market in Asia, but one which also continues to expand in developed markets as consumers aspire to healthier lifestyles and ever greater choice and variety. This is reflected in the growth of our developed market sales, as you see on the chart, although the spectacular growth in emerging markets means that they now account for over 40% of our combined sales. Vegetables represent the second largest input market after corn, with high-value seeds and high fungicide and insecticide requirements. Our strength in all these areas gives us the ability to offer integrated technology in the form of grower-focused protocols, which we will market through our combined field force. We are increasing our downstream engagement with the food chain in order to further tailor our solutions to meet end-user needs.

VII. Integrated Vegetables Offer in Asia Pacific

China accounts for around half the world’s vegetables production and it is one of the markets contributing to the rapid growth in our emerging market sales. The scale of production is illustrated by the expanse of plastic tunnels on this photo from Shandong province. Each one of these tunnels typically represents a family farm. In these intensive vegetable-growing areas, we have a significant opportunity to expand further our already fast-growing business through the integration of Crop Protection and Seeds. Our Seeds sales force already has direct access to around 10,000 farmers, while our Crop Protection products are sold in 7,000 retail stores. We will now begin to propose complete solutions for vegetables to both customer bases, bringing together Crop Protection, Seeds, and the agronomic expertise of our teams.

VIII. Integrated Vegetables Offer in Europe

The same principle is being applied in Europe, where we are starting to integrate our offer in order to expand our combined market share. The example shown here is from Spain, where we have developed a programme for pepper growers which also includes biological controls. These are beneficial insects sold through our Bioline business and used for pest control in greenhouses as part of integrated protocols to minimise residues. Our sales team offers crop monitoring and advice throughout the season and we have seen our Seeds sales triple as a result of the programme, with our share of overall grower spend up by 20%.

IX. North America Market Opportunity

Moving on now to North America, with a particular focus on our performance in corn, and here, as John said, you can see just how large a technified seed market can become. Our combined market share for all crops in the region is 15%, with consistent share gain in Crop Protection and a Seeds platform that has been growing in strength and achieved share gain last year. Resistance management represents an ongoing challenge in intensively-grown crops and one which we are addressing through combinations of crop protection and traits. Overall, growers are facing increased complexity in choosing between technologies. Our aim is to provide a comprehensive offer, tailored and priced to differing needs with complete agronomic support behind it. By doing so, we will also create value for retailers operating in a highly-competitive market.

X. Integration Potential in US Corn

The development of our US corn portfolio means that we are now uniquely placed to compete in this market. We have seen a step change in germplasm performance and now command a full proprietary trait portfolio with evidence of yield outperformance against competitor products. We're able to complement our seeds and trait portfolio with proprietary seed care with a track record of innovation. The integration of our sales force will allow us fully to leverage our portfolio, building on the strong reputation of our Crop Protection products among retailers to further grow our seed sales. We are quite simply in a position to offer the best solutions in corn.

XI. Triple Stack Performance

When we reported our third quarter sales, we showed you a chart equivalent to one on the slide, which gave performance data for the first harvested 20% of field trials. I'm pleased to report that the final data shown here confirmed the improvement in our germplasm performance across all maturities. This is attributable to new combinations arising from the pooling of germplasm from the two companies acquired in 2004 and to an acceleration of trait stacking to bring a full trait offer into top-performing hybrids. These products will account for more than 40% of the total in 2011. The performance of our portfolio is becoming more widely recognised and we're targeting further share gain this year. It is also giving rise to new licensing opportunities, as demonstrated by the recent agreement to license our corn rootworm trait, MIR604, to Pioneer for payments that could exceed $400 million.

XII. Agrisure Viptera

Agrisure Viptera is a key component of our proprietary trait offer and is being launched in the current season largely in combination with the triple stack. In the top graph, you can see its yield advantage, between nine and 12 bushels per acre versus competitor products targeting the same pest spectrum. In the lower chart, we have compared the performance of our triple stack containing Viptera versus the same product without it, looking specifically at zones of heavy pest pressure such as the South, where we have been granted refuge reduction from 50% to 20%. The average benefit is 14.4 bushels per acre, and in extreme cases the benefit is almost 42.

Viptera was also launched in Brazil at the end of last year as a single trait and in the next season will form part of a triple stack offer following regulatory approval received last week.

XIII. Agrisure E-Z refuge

The next stage in our trait pipeline progression will be the introduction of further refuge stacks in time for the 2012 season, with a focus on refuge-in-the-bag solutions. With Agrisure 3122, we're targeting 5% refuge-in-the-bag, above and below the ground in the Corn Belt. At the same time, in areas where coleopteran pressure is low but lepidoptera pressure is high, we will launch an above-the-ground stack including Viptera. In 2014, we plan to launch an above-and-below-the-ground stack with Viptera containing our new next-generation rootworm trait.

XIV. Corn Seeds Pipeline

Refuge reduction forms part of our corn pipeline as you have been used to seeing it, with a total value of more than $2 billion. It includes the solutions for insect control or biotic stress already discussed, water-optimisation and nitrogen-use traits, and output traits such as Enogen, which improves the efficiency of ethanol production.

XV. Soybean Seeds Pipeline

If you add to that our soybean pipeline containing both native and GM traits, you have a combined value of over $2.7 billion. This underpins our intention of gaining market share in North America while selectively rolling out traits in Latin America and building on our global germplasm strength.

XVI. Sustained Value Creation: Corn

As we go forward, we shall, as in the case of wheat, be looking at our corn pipeline more broadly. Today, our global sales in corn, including chemicals and seed care, exceed $2 billion. Over the next five years, we shall be adding chemical and biological options globally while developing integrated grower agronomic solutions, and we expect our corn sales to grow by at least 50% over this period. Post 2015, there’s further significant growth potential encompassing germplasm, new traits, and stacking technology. Let me now hand you back to Mike to conclude today’s presentation.

2011 Outlook

Michael Mack

Chief Executive Officer

Thank you, Davor. Let me now conclude by looking first at the outlook for 2011. Crop prices remain favourable as we approach the main northern hemisphere season and we expect positive volume momentum supported by further emerging market expansion and market share growth. We'll update you, of course, on our progress as the season advances but, as you can tell from our announcement on the dividend this morning, we're confident in our prospects for the year. Looking forward, we will deliver superior customer and shareholder value by focusing on our three core objectives – integrate, innovate, and outperform. Our target of half a percent annual market share growth across a growing and integrated business represents significant top-line potential.

We'll combine this growth with a high level of profitability, targeting an EBITDA margin in the range of 22% to 24% by 2015, and we will deliver ongoing high cash flow return on investment, enabling us to target a continuous increase in the dividend. All this adds up to above-industry growth and returns, underpinned by continuing efficiency and an ability to create new markets and new opportunities while contributing to increases in agricultural productivity globally. I look forward to sharing more of this with you in the summer at our capital markets days, and for now this concludes our presentation and I look forward to taking your questions.