April 28, 2015, Basel, Switzerland

Annual General Meeting Syngenta AG

Chief Executive Officer's speech

Mike Mack, CEO

Good morning ladies and gentlemen. Against last year's backdrop of political upheaval, currency volatility and low commodity crop prices, Syngenta still made significant progress in terms of innovation and, as the Chairman has said, of implementing our Good Growth Plan.

Embedded in our company is a shared vision of the important contribution we can make to improving global food security. This is clearly visible in the energy and dedication of our employees worldwide, for which I thank them on behalf of the Board and the Executive Committee.

2014: strong sales performance (slide 2)

The further decline in commodity prices in 2014 was the consequence of two years of exceptionally high global production, resulting in large stocks of all the major crops. Despite this, we were able to achieve our target of six percent growth in integrated sales. Excluding glyphosate, a low margin product where we are deliberately reducing sales, growth was seven percent.

The emerging markets registered double digit growth for the fifth consecutive year. And innovation also played an important role, with our new fungicide ELATUS achieving sales of over 300 million dollars in its first year in Brazil.

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ELATUS: Syngenta's largest and most successful launch (slide 3)

ELATUS was the largest and most successful launch in Syngenta's history, with more than 1,000 sales people having reached some 90,000 customers before the season commenced. But it is the performance of this fungicide in controlling soybean rust that has proved conclusive, as shown by the substantial yield advantage versus our key competitors' products. This has enabled us to gain share in this important and growing market.

ELATUS is based on the new active ingredient Solatenol which provides broad-spectrum efficacy across a number of crops. We are seeking registrations in the US and the EU which, together with further expansion in Brazil, will contribute to our new peak sales target of one billion dollars.

2014 financial highlights (slide 4)

Turning now to a summary of our financial performance in 2014.

Group sales including our Lawn and Garden business exceeded 15 billion dollars for the first time. This represented an increase of five percent at constant exchange rates.

EBITDA was up one percent at 2.9 billion dollars with a margin on sales of 19.3 percent. Profitability was below our expectations due to negative impacts from mix and currency. Earnings per share also rose by one percent. Free cash flow however was significantly ahead of the previous year at 1.2 billion dollars. This, together with our confidence in future cash flow generation, has enabled us to propose a 10 percent increase in the dividend for your consideration today.

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Increasing cash return to shareholders (slide 5)

In 2013 and 2014, the dividend has grown faster than earnings per share. As a consequence the ratio of net debt to equity has increased slightly, from 24 to 27 percent. The balance sheet however remains very sound with flexibility for acquisitions should opportunities arise. While we retain the option of making tactical share buybacks, we are committed to a progressive dividend policy as our preferred method of cash return.

Currency movements: dollar appreciation (slide 6)

Coming back to currency, Syngenta, like many Swiss companies, has a high proportion of Swiss franc costs and a relatively low proportion of Swiss franc sales. Switzerland is the location of our largest global production site, in Monthey, as well as of course our global headquarters here in Basel, and nearby in Stein is one of our three major global R&D centers. An appreciation of the Swiss franc increases these costs expressed in US dollars, which is our reporting currency. In Euros, on the other hand, our sales and costs are more evenly balanced. For the developed market currencies, we have been able to mitigate the impact on earnings through our hedging activities.

In the case of emerging markets, hedging is generally not possible, and emerging market currencies have weakened significantly against the dollar. This has been particularly the case in the CIS, with Russia and Ukraine together accounting for around five percent of our sales. In these countries we have worked hard to offset the currency effect through local price increases, and have been largely successful in doing so.

Overall we estimate that the impact of currencies on EBITDA in 2015, excluding the CIS, will be around 130 million dollars.

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Accelerating Operational Leverage (slide 7)

In February 2014 we announced our Accelerating Operational Leverage program with a clear focus on improving profitability. The program targets cost savings of 1 billion dollars by 2018, equivalent to roughly a five percentage point improvement in margin.

The savings are split between three pillars – global operations, commercial and R&D. To the right of the chart we have listed just some of the initiatives being pursued under each pillar. For the most part these initiatives flow from the integrated business model we have put in place, and their implementation will enable us to realize its full potential in terms of efficiency.

Integrated offers: global strategy adapted by region (slide 8)

As we further develop our integrated strategy by region, we continue to build on the fundamental strengths that underpinned the launch of the strategy in the first place, namely: global leadership in crop protection, the most diverse seeds platform in the industry, and crop-based strategies supported by excellence in marketing.

We have undertaken specific initiatives in each of our four regions which I will not cover in detail now. The important thing is that we are able to tailor our products and our services to the needs of local markets.

Overall, preliminary data for 2014 show that we gained share in three of the four regions. This demonstrates that the strategy is gaining traction, with strong products built into local solutions that deliver value to growers globally.

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Long term market growth potential (slide 9)

At the beginning of my presentation I mentioned some of the challenges for our industry including the current low level of commodity grain prices. This is reflected in the expectation that the crop protection market will be flat this year, as indicated on the chart.

While commodity prices do influence purchases of crop protection and seeds, many of the products we sell are essential inputs, without which growers incur unacceptable yield losses. And when they do pare back expenditure, output inevitably suffers, leading of course then to a pick-up in crop prices. This is what happened in the early years of the last decade, resulting in a robust recovery which gathered momentum from 2006. If we look at the more recent past, a dip in 2009, occasioned by a combination of the financial crisis and the weather, was also followed by rapid recovery.

It is our belief that the exceptionally favorable weather conditions of the last two years, which have resulted in high global production and lower crop prices, will not be sustained. With grain demand continuing to grow steadily, we expect a resumption of industry growth post 2015.

Integrated sales by crop (slide 10)

In 2012 we set ourselves the ambitious target of reaching combined sales for our eight key crops of 25 billion dollars in 2020. Taking account of the market outlook for 2015 as well as currency headwinds, we now expect this target to be reached early in the next decade.

However, five of the crops, shown in green on the chart, do remain on track to achieve their original targets. Cereals and Soybean in particular registered strong performances in 2014, driven by recent new launches.

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New and pipeline products: $700m increase in peak sales (slide 11)

Innovation underpins our multi-crop strategy and our ability to leverage it across crops will increase our return on R&D. The chart shows you recent launches marked in green and future launches in orange. On the right hand side you see the peak sales potential for each new product. In addition to increasing the target for ELATUS by 500 million dollars, we have also revised up our expectation for the seed treatment VIBRANCE, from 300 to 500 million dollars.

Altogether the expected peak sales for new and pipeline products add up to more than 2.9 billion dollars.

Emerging markets are key to future growth (slide 12)

Growth in grain demand is concentrated in the emerging markets, which now account for over 50 percent of our sales.

Managing short term volatility is an inseparable consequence of a large emerging market presence. We have a proven track record in this respect and our experience is standing us in good stead in the current environment.

In these countries the significant yield gaps compared with developed markets continue to drive technology adoption and intensification. Syngenta is uniquely positioned to drive progress by providing tailored offers on a crop by crop basis. Over the course of many years, we have developed strategies designed to meet the needs of smallholder farmers. Today we are embodying those strategies in The Good Growth Plan commitment to “more health” and “less poverty”.

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Bringing plant potential to life (slide 13)

Ladies and gentlemen, our emerging market presence and our innovation pipeline are two of our key success factors for the future. The longer term outlook for our industry remains positive, with the need to meet ongoing demand growth in a context of scarce resources. Syngenta is well advanced on a path combining value creation with the sustainable development of agriculture worldwide. Thank you for your support.

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