SYNGENTA AG
Form 20-F
February 18, 2009

As filed with the Securities and Exchange Commission on February 18, 2009
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F
o REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2008
OR
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
o SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission file number: 1-15152
SYNGENTA AG
(Exact name of Registrant as specified in its charter)

SWITZERLAND
(Jurisdiction of incorporation or organization)
Schwarzwaldallee 215, 4058 Basel, Switzerland
(Address of principal executive offices)

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Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
American Depositary Shares, each representing one-fifth of a common share of Syngenta AG, nominal value CHF 0.10	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

96,914,857 Common shares, nominal value CHF 0.10 each

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

x Yes o No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

o Yes x No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

x Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x Accelerated filer o Non-accelerated filer o

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP o	International Financial Reporting Standards as issued by the International Accounting Standards Board x	Other o

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

o Yes x No

Introduction

NATURE OF OPERATIONS

Syngenta AG ("Syngenta", the "Company", "we" or "us") is a world-leading agribusiness that is involved in the discovery development, manufacture and marketing of a range of products designed to improve crop yields and food quality. In addition, Syngenta is a leader in "Professional Products", through the development of products for markets such as Lawn and Garden, Professional Pest Management, Vector Control and Public Health. Syngenta is headquartered in Basel, Switzerland and was formed by Novartis AG ("Novartis") and AstraZeneca PLC ("AstraZeneca") in November 2000 through an agreement to spin off and merge the Novartis crop protection and seeds businesses with the Zeneca agrochemicals business to create a dedicated agribusiness company whose shares were then the subject of a global offering (the "Transactions").

The Transactions were completed on November 13, 2000 (the "Transaction Date"). In this annual report, for periods prior to November 13, 2000, we refer to the businesses contributed to Syngenta by Novartis as the "Novartis agribusiness" and we refer to the businesses contributed to Syngenta by AstraZeneca as the "Zeneca agrochemicals business".

FORWARD-LOOKING STATEMENTS

The statements contained in this annual report that are not historical facts, including, without limitation, statements regarding management's expectations, targets or intentions, including for sales, earnings and earnings per share, constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and are based on the current expectations and estimates of Syngenta's management. Investors are cautioned that such forward-looking statements involve risks and uncertainties, and that actual results may differ materially.

We identify the forward-looking statements in this annual report by using the words "will" or "would", or "anticipates", "believes", "expects", "intends" or similar expressions, or the negative of these expressions. We cannot guarantee that any of the events or trends anticipated by the forward-looking statements will actually occur. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things:

- the risk that research and development will not yield new products that achieve commercial success;
- the risks associated with increasing competition in the industry;
- the risk that the current global financial crisis may have a material adverse effect on our results and financial position;
- the risk that customers will be unable to pay their debts to Syngenta due to economic conditions;
- the risk that Syngenta will not be able to obtain or maintain the necessary regulatory approvals for its business;
- the risks associated with potential changes in policies of governments and international organizations;
- the risks associated with exposure to liabilities resulting from environmental and health and safety laws;
- the risk that important patents and other intellectual property rights may be challenged;

- the risk that the value of Syngenta's intangible assets may become impaired;
- the risk of substantial product liability claims;
- the risk that consumer resistance to genetically modified crops and organisms may negatively impact sales;
- the risk that Syngenta's crop protection business may be adversely affected by increased use of products derived from biotechnology;

- the risks associated with climatic variations;
- the risks associated with exposure to fluctuations in foreign currency exchange rates;
- the risks associated with entering into single-source supply arrangements;
- the risks associated with conducting operations in certain territories that have been identified by the US government as state sponsors of terrorism;
- the risks associated with an earthquake occurring in a key site;
- the risks that we now consider immaterial, but that in the future prove to become material; and
- other risks and uncertainties that are not known to us or are difficult to predict.

Some of these factors are discussed in more detail herein, including under Item 3 “Key Information”, Item 4 “Information on the Company”, and Item 5 “Operating and Financial Review and Prospects”. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Syngenta does not intend or assume any obligation to update these forward-looking statements.

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PART I

ITEM 1 — IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2 — OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3 — KEY INFORMATION

Financial Highlights

Syngenta has prepared the consolidated financial statements in US dollars and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The basis of preparation of the consolidated financial statements and the key accounting policies are discussed in Notes 1 and 2, respectively, to the consolidated financial statements in Item 18.

The selected financial highlights presented on the following page has been extracted from the consolidated financial statements of Syngenta that were prepared in accordance with IFRS. Investors should read the entire consolidated financial statements and not rely on the summarized information. The information includes the results of operations and the net assets of Emergent Genetics Vegetable A/S from June 1, 2006, Conrad Fafard, Inc. from August 1, 2006, Fischer group of companies from July 1, 2007, Zeraim Gedera Ltd. from September 1, 2007, SPS Argentina SA from November 2008, Goldsmith Seeds, Inc. from November 19, 2008 and the pot and garden chrysanthemum and aster business of US flowers producer Yoder Brothers Inc. from December 12, 2008. For further information about these and other acquisitions, see Note 3 to the consolidated financial statements in Item 18.

Selected Financial Data

	Year ended December 31,				
(US$ million, except where otherwise stated)	2008	2007	2006	2005	2004
Amounts in accordance with IFRS(1)					
Income statement data:					
Sales	11,624	9,240	8,046	8,104	7,269
Cost of goods sold	(5,713)	(4,669)	(3,982)	(3,950)	(3,532)
Gross profit	5,911	4,571	4,064	4,154	3,737
Operating expenses	(4,053)	(3,107)	(3,235)	(3,294)	(3,196)
Operating income	1,858	1,464	829	860	541
Income before taxes	1,692	1,419	798	766	466
Profit for the period from continuing operations	1,385	1,111	637	626	536
Profit for the period attributable to Syngenta AG shareholders	1,385	1,109	634	622	460
Number of shares– basic	93,916,415	95,973,958	98,165,298	100,017,271	105,208,929
Number of shares– diluted	94,696,762	97,143,368	99,876,180	101,464,222	106,015,369
Basic earnings/(loss) per share:					
From continuing operations	14.75	11.56	6.46	6.22	5.16
From discontinued operations	–	–	–	–	(0.79)
Total	14.75	11.56	6.46	6.22	4.37
Diluted earnings/(loss) per share:					
From continuing operations	14.63	11.42	6.35	6.13	5.12
From discontinued operations	–	–	–	–	(0.78)
Total	14.63	11.42	6.35	6.13	4.34
Cash dividends declared – CHF per share	4.80	1.60	–	–	–
– US$ per share equivalent	4.76	1.32	–	–	–
Par value reduction – CHF per share	–	2.20	3.30	2.70	1.70
– US$ per share equivalent	–	1.78	2.68	2.10	1.35
Cash flow data from continuing operations:					
Cash flow from operating activities	1,466	1,168	928	497	1,309
Cash flow used for investing activities	(608)	(368)	(411)	(144)	(686)
Cash flow used for financing activities	(457)	(781)	(541)	(74)	(679)
Capital expenditure on tangible fixed assets	(444)	(317)	(217)	(174)	(166)
Balance sheet data:					
Current assets less current liabilities(3)	3,386	2,606	2,598	1,789	1,757
Total assets	14,584	13,280	11,852	11,404	11,786

Total non-current liabilities(3)	(4,449)	(3,361)	(3,220)	(2,553)	(2,908)
Total liabilities	(8,683)	(7,239)	(6,158)	(5,973)	(6,108)
Share capital	6	6	142	353	525
Total shareholders' equity	5,884	6,022	5,666	5,403	5,658
Other supplementary income data:					
Diluted earnings per share from continuing operations, excluding restructuring and impairment(2)	16.26	11.45	8.73	7.67	7.19

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Notes

(1) Syngenta has prepared the consolidated financial statements in US dollars and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The basis of preparation of the consolidated financial statements and the key accounting policies are discussed in Notes 1 and 2, respectively, to the consolidated financial statements in Item 18.

(2) Diluted earnings per share from continuing operations, excluding restructuring and impairment, is a non-GAAP measure. A non-GAAP measure is a numerical measure of financial performance, financial position or cash flow that either:

- includes, or is subject to adjustments that have the effect of including, amounts that are excluded in the most directly comparable measure calculated and presented under IFRS as issued by the IASB, or

- excludes, or is subject to adjustments that have the effect of excluding, amounts that are included in the most directly comparable measure calculated and presented under IFRS as issued by the IASB.

Restructuring represents the effect on reported performance of initiating business changes which are considered major and which, in the opinion of management, will have a material effect on the nature and focus of Syngenta's operations, and therefore requires separate disclosure to provide a more thorough understanding of business performance. Restructuring includes the effects of completing and integrating significant business combinations and divestments. Restructuring and impairment includes the impairment costs associated with major restructuring and also impairment losses and reversals of impairment losses resulting from major changes in the markets in which a reported segment operates. The incidence of these business changes may be periodic and the effect on reported performance of initiating them will vary from period to period. Because each such business change is different in nature and scope, there will be limited continuity in the detailed composition and size of the reported amounts which affect performance in successive periods. Separate disclosure of these amounts facilitates the understanding of underlying performance. Further discussion on the reason for including disclosure of this and other non-GAAP measures is included in Appendix A at the end of the Operating and Financial Review and Prospects.

Restructuring and impairment charges for 2008, 2007 and 2006 are analyzed in Note 6 to the consolidated financial statements in Item 18. Restructuring and impairment for 2005 and 2004 mainly related to the Operational Efficiency program announced in 2004 representing the costs of closure of certain manufacturing and research and development sites and refocusing of other continuing sites. A detailed reconciliation of profit for the period and earnings per share before restructuring and impairment to profit for the period and earnings per share according to IFRS is presented in Appendix A at the end of the Operating and Financial Review and Prospects.

(3) "Current assets less current liabilities" and "Total non-current liabilities" amounts for 2004 through 2007 have been affected by the reclassifications described in footnote (1) to the consolidated balance sheet included in the consolidated financial statements in Item 18. As a result, "Current assets less current liabilities" increased/(decreased) from the amounts previously reported as follows: 2007, US$139 million decrease; 2006, US$20 million increase; 2005, US$42 million increase; and 2004, US$428 million decrease, and "Total non-current liabilities" increased from the amounts previously reported as follows: 2007, US$47 million; 2006, US$30 million; 2005, US$45 million; and 2004, US$24 million.

Risk Factors

Syngenta's business, financial condition or results of operations could suffer material adverse effects due to any of the following risks. We have described below the risks that we consider material.

The Resources Syngenta Devotes to Research and Development May Not Result in Commercially Viable Products

Syngenta's success depends in part on its ability to develop new products. Research and development in the agribusiness industry is expensive and prolonged, and entails considerable uncertainty. The process of developing a novel crop protection product, plant variety or trait typically takes about six to ten years from discovery through testing and registration to initial product launch, but this period varies considerably from product to product and country to country. Because of the complexities and uncertainties associated with chemical and biotechnological research, compounds or biotechnological products currently under development may neither survive the development process nor ultimately receive the requisite regulatory approvals needed to market such products. Even when such approvals are obtained, there can be no assurance that a new product will be commercially successful. In addition, research undertaken by competitors may lead to the launch of competing or improved products which may affect sales of Syngenta's new products.

Syngenta Faces Increasing Competition in Its Industry

Syngenta currently faces significant competition in the markets in which it operates. In most segments of the market, the number of products available to the grower is steadily increasing as new products are introduced, although this trend can be partly offset by the withdrawal of some products because they are not re-registered or are subject to voluntary range reduction programs to reduce the range of products offered. At the same time, an increasing number of products are coming off patent and are thus available to generic manufacturers for production. As a result, Syngenta anticipates that it will continue to face significant competitive challenges.

The Current Global Financial Crisis May Have a Material Adverse Effect on Our Results and Financial Position

Declines in commodity crop prices can indirectly affect Syngenta's results by adversely affecting the income and financial position of Syngenta's customers and of the users of Syngenta's products. This may result in reduced sales, competitive price pressure in Syngenta's markets and in slower collection of accounts receivable. These occurrences may negatively impact Syngenta's business, results of operations or cash flows. Because of the high proportion of costs which are fixed in nature, Syngenta may not be able to compensate fully for these effects in the short term through measures such as reducing expenses.

While Syngenta views its current credit facilities as adequate for its needs, the current crisis in the banking sector may restrict Syngenta's ability to raise additional funds or increase the cost of such funding. The current crisis may limit the amount of business Syngenta's customers and suppliers can transact with Syngenta.

Further significant declines in asset prices, or changes to long-term assumptions may cause funding levels in Syngenta's externally funded defined benefit pension plans to fall below stipulated regulatory levels. This may require Syngenta to pay additional contributions to restore funding to required levels. Please see Notes 2 and 22 to the consolidated financial statements in Item 18 for further information about Syngenta's defined benefit pension plans and the assumptions used to measure the related pension liabilities.

Syngenta's Customers May Be Unable to Pay Their Debts to Syngenta Due to Economic Conditions

Normally Syngenta delivers its products against future payment. Syngenta's credit terms vary according to local market practice, with credit terms for customers usually ranging from 30 to 180 days, except for customers in emerging markets, where credit terms may range from cash on delivery to 240 days. Syngenta's customers, particularly in developing economies and in economies particularly affected by the current global economic downturn, may be exposed to business and financial conditions impacting their ability to pay their debts, which could adversely affect Syngenta's results. While Syngenta uses barter and other security arrangements to reduce customer credit exposure in some emerging markets, it may still be exposed to risk of material losses in these markets.

Syngenta May Not Be Able to Obtain or Maintain the Necessary Regulatory Approvals for Some of Its Products, and This Would Restrict Its Ability to Sell Those Products in Some Markets

Syngenta's products must receive regulatory approval before they can be marketed, but Syngenta may not be able to obtain such approvals. In most markets, including the United States and the EU, crop protection products must be registered after being tested for safety, efficacy and environmental impact. In most of Syngenta's principal markets, after a period of time:

Syngenta must also re-register its crop protection products and show that they meet all current standards, which may have become more stringent since the prior registration. For seeds products, in the EU, a new plant variety will be registered only after it has been shown that it is distinct, uniform, stable, and better than existing varieties.

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Regulatory standards and trial procedures are continuously changing. Responding to these changes and meeting existing and new requirements may be costly and burdensome. In addition, changing regulatory standards may affect Syngenta's ability to maintain its products on the market.

Changes in the Agricultural Policies of Governments and International Organizations May Prove Unfavorable

In subsidized markets such as the United States, EU and Japan, reduction of subsidies to growers may inhibit the growth of crop protection and seeds markets. In each of these areas there are various pressures to reduce subsidies. However, it is difficult to predict accurately whether, and if so, when such changes will occur. We expect that the policies of governments and international organizations will continue to affect the income available to growers to purchase crop protection and seeds products and accordingly the operating results of the agribusiness industry.

Syngenta Is Subject to Stringent Environmental, and Health and Safety Laws, Regulations and Standards Which Can Result in Compliance Costs and Remediation Efforts That May Adversely Affect Its Operational and Financial Position

Syngenta is subject to a broad range of increasingly stringent laws, regulations and standards in all of its operational jurisdictions. This results in significant compliance costs and can expose it to legal liability. These requirements are comprehensive and cover many activities including: air emissions, waste water discharges, the use and handling of hazardous materials, waste disposal practices, the clean-up of existing environmental contamination and the use of chemicals by growers.

Environmental and health and safety laws, regulations and standards expose Syngenta to the risk of substantial costs and liabilities, including liabilities associated with assets that have been sold and activities that have been discontinued. In addition, many of Syngenta's manufacturing sites have a long history of industrial use. As is typical for businesses like Syngenta's, soil and groundwater contamination has occurred in the past at some sites, and may be identified at other sites in the future. Disposal of waste from its business at off-site locations also exposes Syngenta to potential remediation costs. Consistent with past practice Syngenta is continuing to investigate and remediate, or monitor soil and groundwater contamination at a number of these sites. Despite its efforts to comply with environmental laws, Syngenta may face remediation liabilities and legal proceedings concerning environmental matters.

Based on information presently available, Syngenta has budgeted expenditures for environmental improvement projects and has established provisions for known environmental remediation liabilities that are probable and capable of estimation. However, it cannot predict environmental matters with certainty, and the budgeted amounts and established provisions may not be adequate for all purposes. In addition, the development or discovery of new facts, events, circumstances, changes in law or conditions, including future decisions to close plants which may trigger remediation liabilities, could result in increased costs and liabilities or prevent or restrict some of Syngenta's operations.

Third Parties May Challenge Some of Syngenta's Intellectual Property Rights or Assert That Syngenta Has Infringed Theirs

Scientific and technological innovation is critical to the long-term success of Syngenta's businesses. However, third parties may challenge the measures that Syngenta takes to protect processes, compounds, organisms and methods of use through patents and other intellectual property rights and, as a result, Syngenta's products may not always have the full benefit of intellectual property rights.

Third parties may also assert that Syngenta's products violate their intellectual property rights. As the number of biotechnological products used in agriculture increases and the functionality of these products further overlap, Syngenta believes that it may continue to be subject to infringement claims. Even claims without merit are time-consuming and expensive to defend. As a result of these claims, Syngenta could be required to enter into license arrangements, develop non-infringing products or engage in litigation that could be costly.

The Value of Syngenta's Intangible Assets, Including Goodwill Arising from Acquisitions, May Become Impaired

Syngenta has a significant amount of intangible assets, including goodwill, on its consolidated balance sheet and, if it continues to acquire businesses in the future, may record significant additional intangible assets and goodwill. As described in Note 2 to the consolidated financial statements in Item 18, Syngenta regularly tests its intangible assets for impairment. Upon completing its testing for 2008, which included subjecting the assumptions used in the testing to a sensitivity analysis, Syngenta has concluded that its intangible assets are not impaired at December 31, 2008. However, unforeseen events that occur in the future, including a more severe impact on Syngenta's business from the global economic crisis than is currently anticipated, may result in actual future cash flows for Syngenta's businesses being different from those forecasted. As a consequence, Syngenta's intangible assets could become impaired and the resulting impairment losses could have a material adverse impact on Syngenta's financial position and results of operations.

Syngenta May Be Required to Pay Substantial Damages as a Result of Product Liability Claims for Which Insurance Coverage is Not Available

Product liability claims are a commercial risk for Syngenta, particularly as we are involved in the supply of chemical products which can be harmful to humans and the environment. Courts have levied substantial damages in the United States and elsewhere against a number of crop protection and seeds companies in past years based upon claims for injuries allegedly caused by the use of their products.

While we have a global insurance program in place, a substantial product liability claim that is not covered by insurance could have a material adverse effect on Syngenta's operating results or financial condition.

Consumer and Government Resistance to Genetically Modified Organisms May Negatively Affect Syngenta's Public Image and Reduce Sales

Syngenta is active in the field of genetically modified organisms in the seeds area and in biotechnology research and development in seeds and crop protection, with a current focus on North and South America. However, the high public profile of biotechnology and lack of consumer acceptance of products to which Syngenta has devoted substantial resources could negatively affect its public image and results. The current resistance from consumer groups, particularly in Europe, to products based on genetically modified organisms because of concerns over their effects on food safety and the environment, may spread to and influence the acceptance of products developed through biotechnology in other regions of the world, which could limit the commercial opportunities to exploit biotechnology. In addition, some government authorities have enacted, and others in the future might enact, regulations regarding genetically modified organisms which may delay and limit or even prohibit the development and sale of such products.

Syngenta's Crop Protection Business May Be Adversely Affected by Increased Use of Products Derived Through Biotechnology

The adoption of the products derived through biotechnology could have a negative impact on areas of Syngenta's traditional crop protection business. This may not be offset, in whole or in part, by the opportunities presented to Syngenta's seeds and business development businesses, which are more actively pursuing products and traits developed through biotechnology. Crop protection accounted for approximately 80% of sales in 2008, whereas seeds accounted for approximately 20% of sales. The areas of Syngenta's crop protection business which are most affected by genetically modified seeds are those of selective herbicides and insecticides for use on oilseed crops, corn and cotton.

Syngenta's Results May Be Affected by Climatic Variations

The agribusiness industry is subject to seasonal and weather factors, which make its operations relatively unpredictable. The weather can affect the presence of disease and pests in the short term on a regional basis, and accordingly can affect the demand for crop protection products and the mix of products used (positively or negatively).

Currency Fluctuations May Have a Harmful Impact on Syngenta's Financial Results or May Increase Its Liabilities

Syngenta reports its results in US dollars; however a substantial portion of sales and product costs are denominated in currencies other than the US dollar. Fluctuations in the values of these currencies, especially in the US dollar against the Swiss franc, British pound, Euro and Brazilian real, can have a material impact on Syngenta's financial results. Fluctuations in the exchange rate against the US dollar of certain emerging market foreign currencies where hedging products are expensive or of limited availability may directly impact Syngenta's results through recognition of currency losses.

Syngenta Maintains a Single Supplier for Some Raw Materials, Which May Affect Its Ability to Obtain Sufficient Amounts of Those Materials

While Syngenta generally maintains multiple sources of supply and obtains supplies of raw materials from a number of countries, there are a limited number of instances where Syngenta has entered into single-source supply contracts or where Syngenta routinely makes spot purchases from a single supplier in respect of active ingredients, intermediates or raw materials for certain important products where there is no viable alternative source or where there is sufficient commercial benefit and security of supply can be assured. Such single supplier arrangements account for approximately 30% of Syngenta's purchases of active ingredients, intermediates and raw materials, as determined by cost. Syngenta's ability to obtain sufficient amounts of those materials may be adversely affected by the unforeseen loss of a supplier.

Syngenta Conducts Business in Most Countries of the World, Including in Certain Territories that Have Been Identified by the US Government as State Sponsors of Terrorism

Syngenta conducts business in most countries of the world, and thus it has minor operations in high risk territories, including Cuba, Iran, Syria and the Sudan, some of which have been identified by the US government as state sponsors of terrorism. Syngenta's operations in these countries are quantitatively immaterial, and it is Syngenta's belief that supporting agriculture in these countries is beneficial to their wider population, for whom food is often in short supply. However, certain investors may choose not to hold investments in companies that have operations of any size in these countries and several US states have enacted, and others may in the future enact, legislation requiring public entities with investments in companies with operations in these countries to disclose this fact or in some cases to divest these investments. Any such divestment is not currently expected to have a material impact on the value of Syngenta shares.

Earthquakes Could Adversely Affect Syngenta's Business

Syngenta's Corporate headquarters and other facilities are located near an earthquake fault line in Basel, Switzerland. Additionally, other major facilities of Syngenta's Crop Protection and Seeds businesses are located in earthquake zones around the globe. In the event of a major earthquake, Syngenta could experience loss of life, destruction of facilities and/or business interruptions which could have a material adverse effect on its business.

Syngenta's Share Price May Be Volatile and Subject to Sudden and Significant Drops

The trading price of Syngenta shares and ADSs has been, and could in the future continue to be, subject to significant fluctuations in response to variations in Syngenta's financial performance, regulatory and business conditions in its industry, general economic trends and other factors, some of which are unrelated to the operating performance of Syngenta.

If You Hold Syngenta ADSs It May Be More Difficult for You to Exercise Your Rights

The rights of holders of Syngenta ADSs are governed by the deposit agreement between Syngenta and The Bank of New York Mellon. These rights are different from those of holders of Syngenta shares in several respects, including the receipt of information, the receipt of dividends or other distributions, the exercise of voting rights and attendance at shareholders' meetings. As a result, it may be more difficult for you to exercise those rights.

ITEM 4 — INFORMATION ON THE COMPANY

History and Development of the Company

The Company

Syngenta AG was formed on November 12, 1999 under the laws of Switzerland. In November 2000, Syngenta's business operations were created by Novartis AG ("Novartis") and AstraZeneca PLC ("AstraZeneca") through an agreement to spin off and merge the Novartis agribusiness and the Zeneca agrochemicals business to create a dedicated agribusiness company whose shares were then the subject of a global offering. Both the Novartis and AstraZeneca agribusinesses had existed since the 1930's through a variety of legacy companies.

Syngenta is domiciled in and governed by the laws of Switzerland. It has its registered office and principal business office at Schwarzwaldallee 215, 4058 Basel, Switzerland. The telephone number of Syngenta is +41-61-323-1111. Syngenta's registered agent for service of process in the United States is CT Corporation System. CT Corporation System's address is 111 Eighth Avenue, New York, New York 10011, United States.

Syngenta became a publicly listed company on November 13, 2000. As at December 31, 2008, the company is listed on the SIX Swiss Exchange under the symbol SYNN and the New York Stock Exchange under the symbol SYT.

Investments and Divestments

Investments

On April 3, 2008, Syngenta acquired a 49 percent share in the Chinese company, Sanbei Seeds Co. Ltd., which specializes in the production and sale of hybrid corn seeds. In November 2008, Syngenta purchased SPS Argentina SA (SPS), a company primarily specialized in the development, production and marketing of soybean, corn and sunflower. On November 19, 2008, Syngenta acquired Goldsmith Seeds, Inc. (Goldsmith). Goldsmith breeds, produces and sells a broad range of pot and bedding products, including major crops such as cyclamen, impatiens and petunia. On December 12, 2008, Syngenta acquired the pot and garden chrysanthemum and aster business of US flowers producer Yoder Brothers Inc. The combined purchase price of these acquisitions was $173 million, subject to final purchase price adjustments on certain of the transactions.

In March 2008, Syngenta acquired the exclusive worldwide rights to distribute a sprayable formulation of 1-methylcyclopropene under the trademark InvinsaTM from Rohm & Haas Co. and its subsidiary Agrofresh Inc. The InvinsaTM technology protects crop yields during extended periods of high temperature, mild-to-moderate drought and other crop stresses. In September 2008, Syngenta acquired from E.I. du Pont de Nemours and Company (DuPont) an exclusive worldwide license to develop mixture products containing Cyazypyr™, a new broad spectrum insecticide. Cyazypyr™ is complementary to the DuPont Rynaxypyr® insect control product that Syngenta is developing in mixtures with its own leading insect control products. Under the agreement, Syngenta will grant DuPont access to mesotrione, the active ingredient in Callisto®.

During 2007 and early 2008, following a public offer to minority shareholders of Syngenta India Ltd. (SIL), Syngenta increased its shareholding in SIL from 84% to 96%, at a cash cost of US$71 million. SIL delisted from the Mumbai and Kolkata stock exchanges on June 20, 2007. Syngenta intends to invest further in India as a manufacturing and research and development center for its global business.

On January 31, 2007, Syngenta acquired the assets of Gromor International Corporation which consist of peat extraction rights over certain land in Manitoba, Canada. On July 17, 2007, Syngenta acquired the outstanding 20% of Agrosem S.A. which it did not already own. On June 25, 2007, Syngenta purchased 100% of the business of the Fischer group of companies through purchases of shares and assets. The Fischer group specializes in the breeding and marketing of flower crops. On August 31, 2007, Syngenta purchased 100% of the shares of Zeraim Gedera Ltd., which specializes in the breeding and marketing of high value vegetable seeds, including tomato, pepper and melon. The combined purchase price of these acquisitions was US$108 million.

On June 1, 2006, Syngenta purchased 100% of the shares of Emergent Genetics Vegetable A/S (EGV). On August 1, 2006, Conrad Fafard Inc., (Fafard) merged with a Syngenta subsidiary so that Syngenta acquired control of Fafard and its subsidiaries in exchange for cash paid to, or for the account of, Fafard's former shareholders and settlement of certain liabilities of Fafard. On November 16, 2006, Syngenta acquired the remaining 50% of the shares of Longreach Plant Breeders (LRPB) that it did not already own. LRPB was held as an asset held for resale until its partial divestment in November 2007. The combined purchase price of these acquisitions was US$148 million.

In March 2006, Syngenta acquired from DuPont an exclusive worldwide license to develop DuPont's new insecticide chlorantraniliprole (formerly referred to as Rynaxypyr®(1)) in mixtures with its own insects control products. At the same time, Syngenta sold to DuPont worldwide rights to Syngenta's strobilurin fungicide pycoxystrobin, sold as ACANTO® (1).

Divestments

There were no significant business or product divestments in 2008.

On May 30, 2007, Syngenta completed the disposal of the part of the Rosental site in Basel that was seen as in excess of Syngenta's medium term needs. Net proceeds from this transaction were approximately US$145 million.

On November 2, 2007, Syngenta sold a controlling equity interest in LRPB to Pacific Seeds Pty Ltd., an associate of United Phosphorus Ltd., for US$11 million. Syngenta retains a non-controlling equity interest in LRPB.

There were no major business or product divestments in 2006 other than the ACANTO® transaction noted above.

Syngenta's strategy

Syngenta's goal is to create value for its shareholders through innovative research and technology to raise agricultural productivity worldwide. The key elements of this strategy are described below.

Drive land productivity through innovation

The optimal use of agricultural technology increases yield and thereby maximizes land productivity while conserving scarce resources such as water. Syngenta's research is targeted at discovering and bringing to market new products with improved efficacy and safety profiles which contribute to the development of sustainable agriculture.

Alongside the introduction of new active ingredients, we aim to harness the full potential of established products and technologies through the introduction of innovative mixtures, formulations and programs. These extend product lifecycles by providing new effects and opportunities for growers.

Build leadership in plant performance

Syngenta is taking the scope of its business beyond pest control and is delivering full crop programs and solutions which also increase crop vigor and yield. Beyond this we aim to take yields to a new level through the physiological enhancement of crops.

Capitalize on Seeds investment

Accelerating technology penetration is enabling us to expand our sales of both genetically modified and conventional seeds. This expansion will reflect our increased level of investment in biotech and native traits as well as in germplasm. The roll-out of our technology underpins our expectation of achieving a significant increase in Seeds profitability over the medium term. We plan to deliver a pipeline offering new advantages not only to growers but also to the end-users of crops.

Expand emerging markets

We recognize the particular importance of achieving yield improvements in emerging markets which are the focus of population growth and dietary change. Our aim is to expand the range of products available in these markets while providing a wide range of advisory and support services. We will continue to make significant investments in these markets in terms of people, portfolio and the supply chain.

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(1) Rynaxypyr® and ACANTO® are trademarks of DuPont.

Create new businesses

Syngenta is active in furthering new businesses and business models to adapt to fast changing market dynamics. The growth in our Seed Care business demonstrates our ability to spearhead technology shifts. Our emerging Lawn & Garden business is another example of the potential we have to leverage our active ingredient portfolio and to offer our customers integrated solutions covering both plant protection and seeds.

Maintain cost efficiency

Syngenta continues to optimize its structures in order to attain the highest levels of cost efficiency. The current Operational Efficiency program announced in 2007 aims to achieve annualized savings net of inflation of $290 million by 2011. The cost of the new program is now estimated at US$550 million in cash and US$180 million in non-cash charges in the period up to 2011. Cash spent under the program in 2008 totaled approximately US$90 million and since inception totaled approximately US$160 million. The savings are targeted primarily at General & Administrative and Research & Development costs to enable continued investment in growth initiatives.

Outperform the industry

Syngenta aims to gain market share through continuous innovation accompanied by outstanding customer support. We offer value-adding solutions tailored to local customer needs and supported by a sales force with outstanding capability. We believe that the breadth of our business, spanning Crop Protection, Seeds, Traits and Seed Care gives us a unique ability to offer integrated crop technology to growers.

Business Overview

Industry Overview

Syngenta is a world leading agribusiness operating in the Crop Protection and Seeds businesses. Crop Protection chemicals include herbicides, insecticides and fungicides to control weeds, insects and diseases in crops, and are essential inputs enabling growers around the world to improve agricultural productivity and food quality. Many of these products also have application in the professional products sector in areas such as public health, turf and ornamental markets. The Seeds business operates in two high value commercial sectors: seeds for field crops including corn, oilseeds, cereals and sugar beet; and vegetable and flower seeds. Through its Business Development research, Syngenta is applying biotechnology to areas including biofuels. Syngenta aims to be the partner of choice for grower customers with its unparalleled product offer and innovative marketing, creating value for customers and shareholders.

Syngenta's Business

Syngenta's business is divided into three segments: Crop Protection, Seeds and Business Development. These segments are described in greater detail below.

The following information, which appears in other parts of this Form 20-F, is incorporated herein by reference:

- Item 5 – Operating and Financial Review and Prospects – Results of Operations, the tabular information regarding sales information by product line and by region for the Crop Protection and Seeds segments.

Full year sales and operating income for the segments, as presented in Item 5 of this report, are seasonal and weighted towards the first half of the calendar year, which largely reflects the Northern Hemisphere planting and growing cycle.

CROP PROTECTION

Products

Syngenta is active in herbicides, especially for corn, cereals, soybean and rice; fungicides mainly for corn, cereals, fruits, grapes, rice, soybean and vegetables; insecticides for fruits, vegetables and field crops; seed care, primarily in corn, soybean, cereals and cotton; and professional products, such as products for public health and products for turf and ornamentals. Herbicides are products that prevent or reduce weeds that compete with the crop for nutrients, light and water. Herbicides can be subdivided into (i) selective herbicides, which are crop-specific and control weeds without harming the crop and (ii) non-selective herbicides, which reduce or halt the growth of all vegetation with which they come in contact. Fungicides are products that prevent and cure fungal plant diseases that affect crop yield and quality. Insecticides are products that control chewing pests such as caterpillars and sucking pests such as aphids, which reduce crop yields and quality. Seed care products are insecticides and fungicides used to protect growth during the early stages. Professional products are herbicides, insecticides and fungicides used in markets beyond commercial agriculture, and include a broad range of premium growing media mixes for professional flower growers.

Syngenta has a broad product range, making Syngenta number one or two in all of its target segments, underpinned by strong worldwide market coverage. Syngenta focuses on all major crops – in particular, corn, cereals, soybean, fruits and vegetables, and applies its technologies to other crops, such as oilseeds, sugar beets, rice and cotton, and to turf and ornamentals.

Key Marketed Products

Selective Herbicides

Syngenta has a broad range of selective herbicides that control grasses and broad-leaved weeds and are applicable to most crops with a special emphasis on corn and cereals.

- Atrazine (AATREX®/GESAPRIM®) acts mainly against annual grasses and broad-leaved weeds. Although Atrazine was introduced in 1957 and has been off patent for a number of years, it remains an important product for broad-leaved weed control in corn.

- Clodinafop (TOPIK®/HORIZON®/ CELIO®/ DISCOVER®) is a grass herbicide which provides the broadest spectrum of annual grass control currently available in wheat. To further increase crop safety in cereals the active substance Clodinafop is mixed with the safener Cloquintocet, which selectively enhances the degradation of Clodinafop in wheat but not in the grass weeds.

- Fluazifop-P-Butyl (FUSILADE®) is one of the leading products for post-emergence control of grass weed. It is registered for use in over 60 crops with major outlets in cotton and soybeans in the United States and sugar beet and oilseed rape in Europe. The selective action of FUSILADE® allows growers to target applications when grass weeds appear, allowing cost-effective weed control.

- Mesotrione (CALLISTO® family) is a post-emergent herbicide with a very broad spectrum against key broad-leaved weeds in corn.

- S-metolachlor (DUAL GOLD®/ DUAL MAGNUM®) is a lower rate replacement for metolachlor. Its use has not only reduced the amount of product sprayed on fields, thus responding to the pesticide reduction goals established by many countries, but has also decreased the energy required to produce, transport and store the product, as well as decreasing total packaging material. S-metolachlor is well tolerated and can be safely used on more than 70 different crops.

Non-Selective Herbicides

Syngenta has a series of non-selective herbicides, which reduce or halt the growth of all vegetation with which they come in contact.

- Glyphosate (TOUCHDOWN®), a non-selective herbicide with systemic activity, is a premium product in the market for glyphosate-based products. The product has been enhanced by the launch of the IQ® technology which positions the product at the top end of glyphosate performance. Differentiated from other herbicides of its class by its speed of action and tolerance of heavy rain, TOUCHDOWN® is now registered in over 90 counties, including for use on herbicide tolerant soybeans in the United States.

- Diquat (REGLONE®), a non-selective contract herbicide, is mainly used as a desiccant to allow easier harvesting and reduce drying costs.

- Paraquat (GRAMOXONE®) is a non-selective contact herbicide first introduced in 1962. Paraquat is one of the world's largest selling herbicides. It has been a vital product in the development of minimum tillage cropping systems, the adoption of which continues to increase because of benefits such as the reduction of soil erosion.

Fungicides

Syngenta has a whole range of Fungicides that prevent and cure fungal plant diseases that affect crop yield and quality.

- Azoxystrobin (AMISTAR®), a strobilurin fungicide introduced in 1997 and launched widely in 1998 and 1999, is the world's best selling proprietary fungicide and our largest selling product. It is registered for use in approximately 100 countries and for approximately 120 crops. In Brazil, it is successfully being used to control Asian rust in soybeans in a mixture branded as PRIORI XTRA®. Mixtures of azoxystrobin with triazoles (cyproconazole or propiconazole) or chlorothalonil have been developed to tackle diseases in cereal crops, primarily in the intensive markets of Europe where growers and advisors value the strong rust control performance and yield enhancing properties of azoxystrobin. Mixtures are also used in corn as part of a complete plant performance program where significant yield increases are achieved.

- Chlorothalonil (BRAVO®), acquired in 1998, is a world-leading fungicide. With its multi-site mode of action, it is a good partner for AMISTAR® and is being increasingly integrated into disease control programs which use both products.

- Cyproconazole (ALTO®) is a systemic fungicide with broad-spectrum activity, especially against rust and leaf spot in cereals, soybean, sugar beet and coffee. Pursuant to the commitments given to the European Commission upon the formation of Syngenta, Syngenta granted an exclusive license to manufacture, use and sell cyproconazole directly in the European Economic Area to Bayer, under Bayer's own trade name. Syngenta has re-commence sales of cyproconazole directly, under the ALTO® and other brand names.

- Cyprodinil (UNIX®/STEREO®(2)/SWITCH®/CHORUS®) is a powerful fungicide for use on cereals. It is used to control eyespot, powdery mildew and leaf spot diseases. Because it has a specific mode of action, it is a particularly effective solution where resistance to other fungicides has developed. CHORUS® and SWITCH® are cyprodinil-based formulations which are used on pome fruit such as apples and pears or on grapes and vegetables, respectively.

- Difenoconazole (SCORE®/DIVIDEND®) is a systemic triazole fungicide with broad-spectrum activity against plant diseases, particularly leaf spots of pome fruit, vegetables, field crops and plantation crops. Long-lasting protective and strong curative activity make it well suited for threshold based plant disease management whereby the plant is treated only when the development of the disease has passed a certain point. Target crop pathosystems include cercospora, alternaria, septoria and other leaf spots, powdery mildews and scabs in wheat, bananas, sugar beets, peanuts, potatoes, pome fruits, grapes, rice and vegetables.

- Fluazinam(3) (SHIRLAN®) is a fungicide for control of potato blight.

- MEFENOXAM™(4)(APRON® XL/ RIDOMIL GOLD®/FOLIO GOLDTM/APRONT®XL/ SUBDUE®) is used for the control of seeds and soil-borne diseases caused by fungi such as pythium, phytophtora and downy mildews. It is used worldwide on a wide variety of crops, including field, vegetable, oil and fiber crops.

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(2) Pursuant to the commitments given to the European Commission, Syngenta granted an exclusive right to Makhteshim Agan Industries Ltd. to use and sell STEREO® formulation for use on cereals for the duration of its registration in Denmark, Finland and Sweden.
(3) Fluazinam is distributed, but not manufactured, by Syngenta.
(4) In the United States Mefenoxam is a generic expression whereas in other countries MEFENOXAMTM is a trademark of Syngenta Participations AG to denominate the active ingredient Metalaxyl-M (ISO name).

- Propiconazole (TILT®/ BANNER®), originally licensed from Janssen, was introduced in 1980 and has developed into our most successful foliar fungicide for broad spectrum disease control in cereals, bananas, rice, corn, peanuts, sugar beet, turf and other food and non-food crops. Propiconazole is systemic and provides a strong curative and protective activity against a wide range of plant pathogens including powdery mildews, rusts and other leaf spot pathogens of cereals, bananas, rice, corn, peanuts, sugar beet, and turf. Pursuant to the commitments given to the European Commission, Syngenta has agreed to grant an exclusive right to Makhteshim Agan Industries Ltd. to use and sell its TILT® 250EC and TILT® 6.25GL formulations for use on cereals in Denmark, Finland and Sweden for the duration of their registrations.

- Trinexapac-ethyl (MODDUS®) is a plant growth regulator. In cereals it reduces growth so that treated plants stay shorter and have stronger stems, enhancing their ability to withstand storms and remain upright until harvest. In sugarcane it is a yield enhancer and harvest management tool.

Insecticides

Syngenta has a broad range of Insecticides that control chewing pests such as caterpillars and sucking pests such as aphids, which reduce crop yields and quality. These products can be either applied to the soil or sprayed onto the foliage.

- Abamectin (VERTIMEC® or AGRIMEC®/AGRIMEK®) is produced by fermentation. This potent insecticide and acaricide is used at very low dose rates against mites, leafminers and some other insects in fruits, vegetables, cotton and ornamentals. Abamectin rapidly penetrates the plants, and is a useful product for integrated pest management.

- Emamectin Benzoate (PROCLAIM® or AFFIRM®) provides control of caterpillars on vegetables, cotton and fruits, combining a unique mode of action with extremely low use rates and is compatible with integrated pest management. It has been launched in major markets such as Japan, Korea, the United States, Mexico, Australia and India and is under registration in a number of other countries.

- Lambda-cyhalothrin (KARATE®/ICON®) the world’s leading agricultural pyrethroid brand, is one of our largest selling insecticides. A novel product branded KARATE® with ZEON® technology was launched in the United States in 1998, offering performance benefits and enhanced user and environmental safety.

- Lufenuron (MATCH®) is an insect growth regulator that controls caterpillars in corn, potatoes, cotton, vegetables and fruits. It is a leading insecticide in terms of sales in its chemical class.

- Thiamethoxam (ACTARA®) is highly active at low use rates against a broad spectrum of soil and sucking insects. It is highly systemic and well suited for application as a foliar spray, drench or drip irrigation. It is fast acting, works equally well under dry and wet conditions and has a favorable safety and environmental profile. Its mode of action differs from that of older products, which makes it effective against insect strains that have developed resistance to those products. It is being developed on a broad range of crops, including vegetables, potatoes, cotton, soybeans, rice, pome fruits, stone fruits (such as peaches or plums) and tobacco.

Seed Care

The use of seed care products is an effective, efficient, and targeted method to protect the seedling and the young plant against diseases and insects during the period when they are most vulnerable. Our broad range of fungicides and insecticides allows us to provide a modern portfolio of safe and highly effective products. As seeds increase in value, seed protection becomes more important.

- Difenoconazole (DIVIDEND®) is active against a broad range of diseases including bunts, smut and damping off on cereals, cotton, soybeans and oilseed rape. This product is highly systemic and provides a long lasting, high-level effect. It is safe for the seed and the seedling and provides for a faster germination than other products in the market.

- MEFENOXAM™(5) (APRON® XL) is used for the control of seed and soil-borne diseases caused by fungi such as pythium, phytophtora and downy mildews. It is used worldwide on a wide variety of crops, including field crops, vegetables, oil and fiber crops. MEFENOXAM™ is also used as a mixing partner for seed protection at low use rates.

- Fludioxonil (MAXIM® or CELEST®) is a contact fungicide with residual activity. Derived from a natural compound, fludioxonil combines crop tolerance with low use rates. Its spectrum of targets includes seed and soil-borne diseases like damping off, bunt, smut and leaf stripe on cereals. Used alone or in mixtures with other active substances, it is also effective on corn, rice, cotton, potatoes and peas.

- Thiamethoxam (CRUISER®) is an insecticide with systemic activity in a wide range of crops including cereals, cotton, soybeans, canola, sugar beet, corn, sunflower and rice. Its properties are such that it provides a consistent performance under a wide range of growing conditions. Thiamethoxam acts against a wide range of early season sucking and chewing, leaf feeding and soil-dwelling insects like aphids, thrips, jassids, wireworms, flea beetles and leafminers.

Professional Products – Lawn & Garden and Home Care

In the Lawn and Garden sector, Syngenta offers a range of specialized products for use in turf (golf courses and sports fields), ornamentals (cut flowers, bedding plants and nurseries), vegetation management (roads, railroads and rights-of-way) and for home and garden use.

- Prodiamine (BARRICADE®) is a leading pre-emergence grass and broad-leaved weed herbicide in turf.

- Azoxystrobin (HERITAGE®) is a leading fungicide for use on turf, primarily used on golf courses.

- Trinexapac-ethyl (PRIMO MAXX®) is a plant growth regulator for turf that increases stress tolerance and decreases clippings.

- Growing Media. FAFARD® is a premium brand in the USA growing media market specializing in custom mixes for producers of ornamental plants.

In Home Care, Syngenta offers a range of products for use in controlling mold and insect pests.

- Lambda-cyhalothrin (ICON®) is used in public health outlets for control of malaria and other tropical diseases and nuisance pests, such as house flies and cockroaches. It was the first pyrethroid to be approved for malaria control by the World Health Organization. In addition to being sprayed, it can be incorporated into bednets to offer added protection.

- Cypermethrin (DEMON®) is a pyrethroid insecticide that provides a lasting soil treatment to prevent termites from attacking homes and other structures.

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(5) In the United States Mefenoxam is a generic expression whereas in other countries MEFENOXAMTM is a trademark of Syngenta Participations AG to denominate the active ingredient Metalaxyl-M (ISO name).

Recently Launched Products (last 3 years)

Selective Herbicides

- Pinoxaden (AXIAL®) was successfully launched in a number of countries in 2006. It is an innovative post-emergent selective grassweed herbicide, for use in both wheat and barley. It offers the grower efficacy, selectivity and flexibility.

Fungicides

- Mandipropamid (REVUS®) is a new fungicide for fruit and vegetables to combat late blight and downy mildew, which complements our existing product range. REVUS® was launched during 2007 and is currently sold in 8 countries.

Insecticides

- Chlorantraniliprole mixtures (DURIVO®; AMPLIGO®; VOLIAMTM; VIRTAKO®). RynaxypyrTM(6) is a chemical of the bisamide class characterized by unique systemic properties and outstanding activity on all major lepidoptera pests.

Professional Products

- AVICTA®, a new seed treatment for the control of nematodes in cotton, was launched in the USA in January 2006.

Products in Late Stage Development

Syngenta has a rich pipeline which extends beyond 2012 with projects covering all product lines.

Selective Herbicides

- 449, a new broad-spectrum selective herbicide for use in corn and sugar cane which complements our existing product range.

Fungicides

- 520, a new broad-spectrum cereal fungicide which complements the existing range and provides additional resistance management opportunities.
- 524, a new fungicide seed treatment which complements our existing product range.

Insecticides

- Cyazypyr TM(6), Syngenta is actively involved in development projects in bisamide chemistry. Following completion of the acquisition from DuPont of exclusive rights to Cyazypyr in mixtures with Syngenta insect control products, announced on June 24, 2008, these projects were integrated with the Cyazypyr program. Cyazypyr™ is a new broad spectrum insecticide for the control of lepidoptera and sucking pests. Cyazypyr™ is complementary to Chlorantraniliprole insect control product that Syngenta is developing in mixtures with its own leading insect control products.

Stress Tolerance

- INVINSA TM(7), a sprayable formulation of 1-methylcyclopropene (1-MCP), will be the first-ever product introduced into field crop markets to specifically protect crop yield during extended periods of high temperature and mild-to-moderate drought.

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(6) Rynaxypyr™ and Cyazypyr™, are DuPont trademarks.

(7) Invinsa™ is an AgroFresh Inc. trademark.

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Production

The manufacture of crop protection products can be divided into three phases:

- manufacture of the active substance
- formulation of products from these active substances into a form which optimizes the efficacy and safety of the product in the field
- packaging of the products to closely align them with local customer needs

Syngenta's major production sites for active ingredients are located in Switzerland, the United States, the United Kingdom, China and India. While individual active substances are normally produced at one manufacturing site, formulations are produced and packaged at several different strategically located plants, close to the principal markets in which those products are sold. Syngenta operates major formulation and packing plants in Belgium, Brazil, China, France, India, South Korea, Switzerland, the United Kingdom and the United States.

Syngenta manages its supply chain globally and on a product-by-product basis, from raw materials through delivery to the customer, in order to maximize both cost and capital efficiency and responsiveness. Syngenta outsources the manufacture of a wide range of raw materials, from commodities through fine chemicals to dedicated intermediates and active ingredients. Sourcing decisions are based on a combination of logistical, geographical and commercial factors. Syngenta has a strategy of maintaining, when available, multiple sources of supply. Most purchases of supply chain materials are directly or indirectly influenced by commodity price volatility, due to price dependence on gas and oil. Total raw material spending is approximately 30% of sales.

Significant cost savings have been realized in global manufacturing and supply following the merger of the Novartis agribusiness and the Zeneca agrochemicals business due to optimizing production capacity and closing redundant facilities. From 48 sites at the time of the formation of Syngenta, the company now operates on 26 production sites around the world.

Marketing and Distribution

Syngenta has marketing organizations in all our major markets with dedicated sales forces that provide customer and technical service, product promotion and market support. Products are sold to the end user through independent distributors and dealers, most of whom also handle other manufacturers' products. Our products are normally sold through a two-step or three-step distribution chain. In the two-step chain Syngenta sells its products to cooperatives or independent distributors, which then sell to the grower as the end user. In the three-step system, Syngenta sells to distributors or cooperative unions who act as wholesalers and sell the product to independent dealers or primary cooperatives before on-selling to growers. Syngenta also sells directly to large growers in some countries. Our marketing network enables us to launch our products quickly and effectively and to exploit our range of existing products. Syngenta focuses on key crop opportunities in each territory. In those countries where Syngenta does not have its own marketing organization, we market and distribute through other distribution channels. Generally, the marketing and distribution system in a country does not vary by product.

Our marketing activities are directed towards the distributors, agricultural consultants and growers. They consist of a broad range of advertising and promotional tools, such as meetings with growers and distributors, field demonstrations, advertisements in specialized publications, direct marketing activities, or information via the Internet. Syngenta is also in constant contact with the food and feed chain to evaluate current and future needs and expectations.

A key element of our marketing is grower support and education. This is particularly important with respect to small growers in developing countries. For many years, Syngenta has held numerous courses around the world for growers as a result of which tens of thousands of people have been trained in the safe and sustainable use of crop protection products. Syngenta also trains agricultural extension workers and distributors so that they can further disseminate good practice and reach an even wider audience.

Research and Development

Syngenta has major crop protection research centers in Stein, Switzerland; Jealott's Hill, England; and Goa, India. The total spent on research and development in crop protection was US$556 million in 2008, US$496 million in 2007 and US$490 million in 2006.

Syngenta is continuously improving the research process, building on well-established platforms in chemistry, biology and biotechnology. Syngenta's investment in genomics underpins all of the product outputs, and the increasing emphasis on integrated crop solutions is leading to converging research goals and programs across chemicals, seeds and traits. Novel tools, methods and information services allow us to evaluate a greater range of diverse chemicals more quickly and efficiently than ever before. Syngenta uses high throughput screening to test over two hundred thousand compounds each year using in-vivo test systems. Combinatorial chemistry and high-speed synthesis have been advanced in order to prepare a sufficient number of compounds for these tests. A crucial feature is library design, a structured approach to combinatorial chemistry which ensures that the chemical entities possess properties which relate to the desired product profile. Compounds showing promising activity are further characterized in screening systems consisting of a series of project-specific, customized greenhouse and growth-chamber tests, including indicator tests for environmental parameters (e.g., soil persistence, leach-ability) and tests to provide early indications of safety issues for humans.

Those compounds showing advantages in efficacy and safety over the best commercial standards are broadly evaluated in the field.

Once Syngenta selects a compound for development, we test it worldwide on the most important crops under different climatic conditions and in varying soils. In parallel, an industrial scale manufacturing process is identified and optimized, and appropriate formulations and packages are developed. The use of multidisciplinary research teams to refresh the existing product range is key to continued success in the face of competition, even after patent expiry.

Syngenta performs an extensive investigation of all safety aspects relating to our products. The human safety assessments address potential risks to both the users of the product and the consumers of food and feed, while in environmental safety Syngenta seeks assurance that the product will not adversely affect soil, water, air, flora and fauna.

In addition to our own research and development efforts, Syngenta has strengthened our business platform through targeted acquisitions. Syngenta has also entered into a number of research and development agreements around the world for combinatorial chemical libraries, high throughput screening and follow-up of leads.

Environment

Syngenta designed its environmental management program with the aim of ensuring that our products and their manufacture pose minimal risks to the environment and humans. The crop protection industry is subject to environmental risks in three main areas: manufacturing, distribution and use of product. Syngenta aims to minimize or eliminate environmental risks by using appropriate equipment, adopting best industry practice and providing grower training and education.

The entire chain of business activities, from research and development to end use, operates according to the principles of product stewardship. Syngenta is strongly committed to the responsible and ethical management of our products from invention through ultimate use. Syngenta employs environmental scientists around the world who study all aspects of a product's environmental behavior.

Specially designed transportation and storage containers are used for the distribution of hazardous products and efficient inventory control procedures minimize the creation of obsolete stocks.

Syngenta has developed a rigorous screening and development process in order to mitigate risks relating to the use of our products. All active substances and products must meet both our internal standards and regulatory requirements.

Syngenta provides support to growers on a local level such as training in application techniques and assistance in calibrating spray equipment in order to promote safe handling of our products. Syngenta extends product stewardship long after sales in several ways, for example, by collecting and safely destroying outdated products, and providing returnable containers to reduce waste.

Crop protection products are subject to rigorous registration procedures, which are aimed at ensuring safe product usage in the field. In addition to complying with these regulatory requirements, Syngenta has adopted its own Health, Safety and Environment ("HSE") management system. This provides a clear framework of management processes applicable at all sites, whatever the regulatory requirements in the country in which the site is situated.

Syngenta maintains a register of sites to identify manufacturing and distribution sites and locations that may have been contaminated in the past. The register is the basis for the allocation of appropriate provisions and action programs regarding measures to be taken. A risk portfolio is prepared for each site and reviewed annually. The risk portfolio is also applied to third-party manufacturers in order to identify and exclude poorly performing companies.

See Notes 2 and 25 to Syngenta's consolidated financial statements in Item 18 for a further discussion of environmental matters.

Intellectual Property

Syngenta protects its investment in research and development, manufacturing and marketing through patents, design rights and trademarks. In addition to patent protection for a specific active substance, patent protection may be obtained for processes of manufacture, formulations, assays, mixtures, and intermediates. These patent applications may be filed to cover continuing research throughout the life of a product and may remain in force after the expiry of a product's per se patents in order to provide ongoing protection. The territorial coverage of patent filings and the scope of protection obtained vary depending on the circumstances and the country concerned.

Patents relating to gene-based crop protection and enhancement may cover transgenic plants and seeds gene effects, genetic constructs and individual components thereof and enabling technology for producing transgenic plants and seeds.

Trademark protection may be obtained to cover a trademark for a specific active substance and there may be more than one trademark covering the same active substance. Other trademarks may cover formulations, mixtures, intermediates and a variety of ancillary services. The trademarks may remain in force after the expiry of a product's patents in order to provide ongoing protection. The territorial cover of trademark filings and the scope of protection obtained vary depending on the circumstances and the country concerned.

Registration and re-registration procedures apply in all major markets.

Products must obtain governmental regulatory approval prior to marketing. The regulatory framework for crop protection products is designed to ensure the protection of the consumer, the grower and the environment.

Most of our principal markets have regular re-registration procedures for crop protection products. Within certain time periods a product's technical dossier is reviewed with the goal of ensuring that it adheres to all standards, which may have changed or been added to since the product was initially registered. The standards and requested trial protocols change over time. Re-registration of a product or compound may not be granted if the registration package fails to meet the then current requirements.

Syngenta enforces its intellectual property rights, including through litigation if necessary.

Competitive Environment

The leading companies in the crop protection industry are mainly dedicated agribusinesses or large chemical companies based in Western Europe and North America. Companies compete on the basis of strength and breadth of product range, product development and differentiation, geographical coverage, price and customer service. Market pressures and the need to achieve a high level of research and development capability, particularly with the advent of biotechnology, have led to consolidation in the industry. The top six such companies account for about 70% of the worldwide market. Syngenta's key competitors include BASF, Bayer, Dow, DuPont and Monsanto. In many countries, generic producers of off-patent compounds are additional competitors to the research-based companies in the commodity segment of the market.

SEEDS

Products

Syngenta develops, produces and markets seeds and plants that have been developed using advanced genetics and related technologies. Syngenta sells seed products in all major territories.

Our seed portfolio is one of the broadest in the industry, offering over 200 product lines and over 6,000 varieties of our own proprietary genetics. Syngenta has a leading market share in vegetables, flowers, corn, soybean, sugar beet and sunflower. Seed products are derived from a germplasm pool and trait portfolio and developed further utilizing sophisticated plant-breeding methods. Syngenta divides its products into field crops such as corn, oilseeds and sugar beet, and horticultural crops, which consist of flowers and vegetables. In 2008, Syngenta launched around 600 new varieties and hybrids. Through Syngenta's enhanced corn breeding and trait conversion capabilities, around 130 new products were brought into production in NAFTA in 2008 for customer use in the 2009 crop year. Fifty of these products are Agrisure® 3000GT, containing Syngenta corn borer, rootworm and glyphosate tolerance traits. These new products will greatly enhance Syngenta's presence in the genetically modified (GM) trait and trait stack market spaces, while also leveraging the elite new genetic combinations resulting from the integration of acquired germplasm resources from the Garst, Golden Harvest and CHS acquisitions. In November 2008, Syngenta acquired SPS to increase its presence in the important corn and soybean market in Argentina. In the flowers segment, Syngenta acquired Goldsmith Seeds Inc. in November 2008 and acquired the pot and garden chrysanthemum product lines from Yoder Brothers Inc. This significantly strengthens the Flowers business providing leading positions in chrysanthemum and a wide range of pot and bedding plants. The combined offer of the two acquisitions with the existing Syngenta product range is by far the most complete offer in the ornamental flowers industry.

Key Marketed Products

Field Crops

- Corn (NK®/Garst®/Golden Harvest®) hybrids are sold by Syngenta via established distribution channels covering a full range of countries and maturities. In addition, hybrids and inbred lines are licensed to other seed companies via the GreenLeaf Genetics LLC 50:50 joint venture with Pioneer Hi-Bred International, Inc. Syngenta hybrids are characterized by their high yield potential, stability of performance, uniformity and vigor. Many of Syngenta's elite hybrids are offered as AGRISURE® 3000GT products which provide built-in insect protection against corn borers, corn rootworms and tolerance to glyphosate herbicide. Competitive hybrids in early maturities, some of them developed through marker assisted breeding, are sold for silage and grain markets.

- Sugar beet (Hilleshög®) seeds are bred to develop high yielding varieties with good stress and disease tolerance, high sugar content, low soil tare and improved juice purity.

- Oilseeds (NK®) include: sunflowers, soybeans and oilseed rape. Syngenta sunflower seed varieties are bred for high yield as well as heat stress tolerance, disease resistance, herbicide tolerance and oil quality. Syngenta's soybean varieties combine high yield and genetic superiority and herbicide tolerance, which gives growers flexibility in their weed control. The company's oilseed rape varieties offer good oil production and plant health. In 2007, Syngenta launched NK® PETROL, the first product of a new hybridization technology called Safecross™ for oilseed rape.

- Cereals (NK®/NFC New Farm Crops®/AgriPro® – Coker®/C.C. Benoist®). Wheat and Barley varieties combine high yield, superior disease resistance and agronomic characteristics coupled with excellent grain quality for the malting and milling industry.

Vegetables and Flowers

- Vegetables (S&G®/Rogers®/Daehnfeldt®/Zeraim Gedera®). Syngenta offers a full range of vegetable seeds, including tomatoes, peppers, melons, watermelons, squash, cauliflower, cabbage, broccoli, lettuce, spinach, sweet corn, cucumbers and oriental radish. Syngenta breeds varieties with high-yield potential that can resist and tolerate pests and diseases. Syngenta develops genetics that address the needs of consumers as well as processors and commercial growers. During 2008, Syngenta launched approximately 200 new varieties in the high value segments worldwide.

- Flowers (Syngenta Flowers®/ Goldsmith®/ Fischer®/ S&G®/ Yoder/ GoldFisch®). Syngenta offers a full range of flower seeds, plugs and vegetative multiplication material (cuttings) which it sells to professional growers of horticultural crops. Syngenta focuses on breeding a full range of innovative flower varieties, including popular bedding plants such as viola, begonia, New Guinea impatiens, pelargonium and petunia; pot plants, such as cyclamen and poinsettia; cuttings for, amongst others, the growing market of hanging baskets, such as impatiens and verbena; and a wide range of attractive perennials.

Recently Launched Products (last 3 years)

The following recently launched products illustrate our capability as a technology integrator and our commitment to the food chain:

Field Crops

- Syngenta launched Agrisure® CB/LL/RW, its double stacked corn containing Agrisure® corn borer and corn rootworm traits at the beginning of 2007. In 2008, Syngenta launched Agrisure® 3000GT, combining Agrisure® CB/LL/RW with Syngenta's proprietary glyphosate herbicide tolerance. Agrisure® 3000GT provides Syngenta customers with a full package of Syngenta proprietary traits focused on the customers' priority pests, coupled with resistance to the herbicide glyphosate.
- High yielding Corn Hybrids (NK®) across a variety of maturities in Europe.
- Soybean varieties with high yield performance and disease resistance.
- Early maturing and high yielding varieties of Sunflowers across Europe.
- A number of high yielding Barley varieties have been launched with excellent disease resistance. These have included both malting varieties suitable for brewing and feed type.
- In Wheat, a number of new products have been launched across the Spring and Winter wheat ranges with high yield, good disease tolerance and high bread making qualities.
- Sugar beet varieties with Roundup Ready®(8) tolerance in the US, high sugar content and multiple resistances across a number of geographies.
- Syngenta launched NK® Petrol in 2007. This is the first product of an entirely new hybridization system for oilseed rape, which provides higher yields and better resistance to environmental stress.

Vegetables and Flowers

In Vegetables and Flowers, Syngenta continues to launch and test market new and attractive consumer products in the United States, Europe and other parts of the world. Some examples of recently launched products include:

- In Tomatoes, Rosso Bruno, a sweet tasting tomato with a dark colored skin and Dunne, a mini cluster of tomatoes.
- Solinda™, a watermelon with a full flavour and super-sweet, juicy fruit.
- Caliope™, geranium cuttings series with unique semi-trailing habit and large semi-double blooms.
- Plush™, petunia series with early blooming trailing type from seeds.

Products in Late Stage Development

Syngenta seeks to produce improved hybrid and varietal seeds to meet the varying circumstances and demands of our customers and to work towards further improvement of traits advantageous to the grower, i.e., input traits, such as resistance to diseases and insects, and greater yield. Syngenta is also concentrating on developing products that are advantageous to the food and feed industry and to the consumer, i.e., output traits such as improved digestibility and protein utilization for crops used for animal feed, oilseeds that produce higher quantities or healthier oils. In Vegetable Seeds, Syngenta develops new products to provide consumers with consistent high quality, improved appearance, taste and texture. Powerful analytical science has been expanding knowledge of taste, flavor and nutrition. Combined with advanced breeding technology, this is accelerating the introduction of novel varieties.

(8) Roundup Ready® is a registered trademark of Monsanto Technology LLC.

Below are examples of products in Late Stage development:

Field Crops

- Optimizing plants' water use could make a major contribution to saving vital resources, particularly for water-intensive crops such as corn. Syngenta is now drawing on native corn genes as well as genes derived from arid-land plants to develop water optimization traits which we are testing across a wide range of moisture conditions in North and South America.

- Syngenta is working towards developing corn seeds across a variety of maturities - with high yield, stress tolerance and improved agronomic characteristics.

- Broad lepidopteran insect control in corn which expands the scope of key yield reducing insect pests. This technology will be combined with triple stack technology for a differentiating, industry leading whole plant protection.

- An expanded portfolio with corn triple stack input traits (Agrisure® 3000GT). Combined glyphosate tolerance, European corn borer and corn rootworm control.

- Stacking multiple modes of action for the same target insects (trait pyramiding) to improve efficacy, combat insect resistance and provide long term product sustainability.

- Biofuel products in corn, focusing on amylase and high ethanol corn hybrids.

- Soybean with high yield, herbicide tolerance, cyst nematode resistance, phytophthora root rot, aphid resistance and overall disease resistance. The industry's best soybean aphid management system which combines genetics, a naturally occurring trait, and seed treatment products for a total integrated pest management approach.

- Healthy oil varieties in oilseeds.

- Broomrape, herbicide and disease resistant sunflowers.

- High yield Safecross™ hybrids with improved disease resistance and drought tolerance in winter oilseed rape.

- In wheat, Fusarium tolerance, high yield, improved and novel quality, new disease resistance and drought tolerance, "White" wholemeal flour.

- Next generation malting barley with improved enzyme characteristics.

- Sugar beet with second generation nematode tolerance for the European market and with broad spectrum disease and virus resistance in combination with Roundup Ready®(9) tolerance for the NAFTA market.

Production

Independent contract growers tend and harvest our seed near Syngenta facilities throughout the world. After the harvest, the raw seed is sent to our processing facilities, where it is cleaned, calibrated, treated and packaged. The largest facilities are located in Argentina, Brazil, France, Hungary, India, Morocco, the Netherlands, Spain, Sweden, Thailand and the United States. For large seed products, seed production tends to occur as close to the intended markets as possible, in order to achieve cost effectiveness and match the seeds with the growing conditions that are optimal for the variety. This also eases logistics for seed products that require secure storage and timely delivery for the use season.

Due to Syngenta's global presence, it can engage in seed production year-round and reduce the weather-related seed production risk. In addition, because our facilities are located in both the Northern and Southern hemispheres, Syngenta can shorten the time from seed breeder to commercial production so that we can produce marketable quantities more quickly than if we were dependent on only one growing season.

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(9) Roundup Ready® is a registered trademark of Monsanto Technology LLC.

Marketing and Distribution

Syngenta products are marketed throughout the world through well-known brands, some of which have been established for over 100 years. Our flagship brands are NK®, Golden Harvest®, Garst®, Hilleshög®, S&G, Rogers®, Zeraim Gedera® and Fischer®. The NK® brand is used for corn, soybean, sunflowers and oilseed rape, and several other specialty crops. Golden Harvest® and Garst® are predominantly used in North America in corn, soybeans, alfalfa and sorghum. Corn and Soybean germplasm and traits are marketed via the GreenLeaf Genetics LLC 50:50 joint venture with Pioneer Hi-Bred International, Inc. Proprietary corn traits are marketed under the Agrisure® trademark. The Hilleshög® brand is used in sugar beets and appears in every major market in Europe, Japan and the United States. For vegetables, the S&G® brand is a leading brand in Europe, the Middle East, Africa and Asia. The Rogers® brand is well known in the Americas to growers and the food-processing industry. Through the acquisition of Zeraim in 2007, Syngenta gained access to their global brand Zeraim Gedera®. In 2008, the Syngenta Flowers brand was introduced as an umbrella brand representing the entirety of Syngenta's offer in flower seeds, cuttings and young plants. Syngenta Flowers continues to use the Fischer®, S&G®, and Goldfisch® brands as well as the recently acquired Goldsmith® and Yoder® brands. Our sales force markets the majority of our brands either to customers directly, in partnership with distributors, or through a network of dealers.

Seed and crop protection products have traditionally been marketed separately. However, to provide integrated crop solutions and services, especially those tailored to local customer needs, our seeds business is increasingly working together with our crop protection business to develop joint marketing approaches and initiatives. The objective has been to combine and capitalize on the strength of each segment to maximize their competitive advantages. This strategy is primarily focused on corn, soybeans, vegetables and cereals. Where beneficial, crop protection and seed sales forces coordinate customer approaches and jointly promote products offering crop solutions that include broad product combinations and services. An example of this joint marketing strategy in practice is the AgriEdge® program in US Corn which is capitalizing on the breadth of the Syngenta offer by offering Syngenta seeds and traits, coupled with seed care and crop protection. This program has benefited both the Crop Protection and Seeds businesses.

Research and Development

Syngenta operates around 100 breeding and germplasm enhancement centers, which focus on advancing the performance, stability and quality of seed varieties for over 50 food, feed and flower crops. Because our customers need locally adapted crop varieties, our centers are strategically located around the world. At these centers, over 1500 permanent employees leverage our global germplasm, trait, biotech and knowledge resources to focus our research efforts on creating new varieties with greater productivity, tolerance to pests and other environmental stresses, and better quality characteristics such as nutritional composition, safety, consumer appeal and shelf life.

Syngenta operates biotechnology and seed technology research sites in Brazil, France, Germany, United Kingdom, the Netherlands, Spain, Sweden, India and the United States. During 2008, an additional biotechnology center in Beijing, China, was established. At these sites, we apply advanced biotechnology research, marker-assisted breeding, seed processing, pelleting, coating and upgrading technologies to create, develop and enhance seed products. Total research and development spending in Seeds was US$343 million in 2008, US$283 million in 2007 and US$232 million in 2006.

Syngenta expects that end users such as livestock feeders, grain processors, food processors and other partners in the food chain will continue to demand specific qualities in the crops they use as inputs. Syngenta has entered into a number of targeted alliances with other enterprises in order to broaden further our germplasm and trait base that enables us to create more valuable products. None of these alliances are currently material to our business, and it is difficult to predict which of these alliances is most likely to produce a successful product in the future. In most cases, royalties are payable upon commercial exploitation. The list below is a sample of the alliances in which Syngenta is currently engaged:

- Secobra Recherche SA, a minority shareholding in a malting barley research consortium with major malting and brewing interests.
- Maisadour Semences SA, a minority shareholding in a corn and sunflower seed company in France.
- Koipesol Semillas SA, a majority shareholding in a sunflower seeds company, the other party to which is SOS, a leading Spanish company in the edible oil and food industry.
- LongReach Plant Breeders, a minority shareholding in an Australian wheat research company.
- Chromatin, Inc., Molecular stacks and mini-chromosome technology.
- Performance Plants, Inc., collaboration on the development of GM (Genetically Modified) drought tolerance in corn and soybean.
- Pioneer Hi-Bred International, Inc., collaboration on the development of GM traits for our branded businesses and GreenLeaf Genetics™.

- Metabolon, Biochemical profiling and plants response to environmental stresses.
- Athenix, Collaboration to discover novel corn insect and soybean cyst nematode resistance genes
- Institute of Genetics and Developmental Biology (IGDB), Beijing, China, collaboration to develop genes essential for drought and other key agronomic traits.

In addition, Syngenta has entered into a number of research and development agreements with other companies and academic institutions around the world.

In 2008, Syngenta announced :

- an agreement with Monsanto on corn and soybean technologies that enables both companies to develop and deliver new innovative herbicide-tolerant and Bt insect-protection products in corn, soybean and cotton; and
- an agreement with Pioneer that enables Syngenta's novel broad lepidopteran-control technology to be used in Pioneer germplasm.

Competitive Environment

The main competitive factor in the seeds industry remains the quality of genetics and increasing importance of traits. Historically, competition in the seeds industry has been fragmented, with small producers competing in local markets. With the emergence of biotechnology, the seeds industry is now research intensive. Technological advances requiring higher research and development spending have forced new alliances and created greater competition in product development, marketing and pricing. This environment favors the companies that have a biotechnological platform and a broad genetic range. At present, Syngenta's main competitors in the seeds business are: Monsanto, DuPont, Vilmorin, KWS, Bayer, Dow, Ball, Sakata and Takii.

Intellectual Property

Syngenta maintains the ownership, and controls the use, of our seeds (inbreds and varieties) and genomics-related products and processes by means of intellectual property rights, including, but not limited to, the use of patents, trademarks, licenses, trade secrets, plant variety protection certificates and contractual language placed on packaging. The level of protection varies from country to country according to local laws.

Syngenta licenses its intellectual property rights to third parties and also holds licenses from other parties relating to certain of Syngenta's products and processes.

Regulatory Approval

Genetically modified crops are regulated by the United States Department of Agriculture (USDA), the Food and Drug Administration (FDA), and under some circumstances the Environmental Protection Agency. In the United States, conventional seed is not subject to this regulation. Similar approvals are required in Canada and Mexico for cultivation of genetically modified crops and their use in food and feed.

In the EU, new varieties of vegetable and agricultural (field crop) species, whether transgenic or not, must be registered on an Official List before they may be commercialized. Such varieties are subjected to field tests at an official examining institute and must be distinct from other known varieties, as well as be sufficiently uniform and stable. New agricultural plan varieties are additionally subjected to tests for agronomic or agricultural value. The agronomic value of the new variety must be better than that of the existing varieties.

With respect to genetically modified crops, the EU has adopted legislation specific to genetically modified organisms, including Directive 2001/18/EEC on the deliberate release of genetically modified organisms, and Regulation (EC) No. 1829/2003, which addresses food and feed safety. Approval under Directive 2001/18/EEC and/or Regulation 1829/2003 is a prerequisite for the registration of each new genetically modified variety on the Official List.

In APAC countries, genetically modified crops are also regulated by key importing and cultivating countries including Australia, New Zealand, China, Japan, Korea, Taiwan, Philippines and India, to confirm the safety from food, feed and environmental aspects. Guidelines for food, feed and processing will become effective in Indonesia in January 2009. Conventional seed is not subject to such regulations.

The International Seed Testing Association has established standards for seed purity, which are required to be met by all seed certified for trade between countries of the Organisation for Economic Cooperation and Development (OECD). There are different categories of seed (basic seed, certified seed, standard seed), which have their own minimum standards. In addition, there are minimum national standards.

BUSINESS DEVELOPMENT

From improved food to biofuels, biotechnology holds enormous promise for humanity. Biotechnology has had a significant impact on agriculture, however, the products introduced to date only hint at the benefits that are possible for growers and consumers alike. With its strong research capabilities, intellectual property and leadership across multiple areas of agribusiness, Syngenta believes it is well positioned to realize the potential of this science.

The Business Development business is built around a core of independent business teams with responsibilities for specific market segments. The mission of Business Development is to capitalize upon the company's considerable strengths and marshal the resources needed to take Syngenta to the forefront of commercial biotechnology.

Business Development directs early stage research and technology expenditure as well as expenditure for development and marketing activities to create new business opportunities. This sharp focus allows Syngenta to identify the best new ideas in biotechnology.

Recently Launched Products (last 3 years)

- Tropical Sugar Beet. In 2007, Syngenta introduced in India a sugar beet suitable for cultivation in tropical climates. The beet delivers similar yields to sugar cane and can be processed either for food or for bioethanol. Tropical sugar beet grows in relatively dry areas, using substantially less water than is typically required by sugar cane. It also grows faster and can be harvested after 5 months, allowing farmers to raise a second crop on the same land.

Products in Development

Syngenta expects future income to arise from new product development, licensing and other arrangements. To drive near term success, Business Development has put emphasis on the commercialization of close-to-market projects that are aligned with the strengths of the Syngenta Crop Protection and Seeds businesses.

Enzymes for biofuels represent an opportunity for Syngenta. Development of a corn produced alpha amylase enzyme continued during 2008 with significant regulatory and development milestones achieved. FDA food and feed approval was gained and the first industrial scale testing of the enzyme began. The research and development agreement signed in 2006 with Diversa Corporation (now Verenium) focuses on the discovery and development of a range of novel enzymes to convert pre-treated cellulosic biomass economically to mixed sugars.

The Business Development projects described below are expected to be commercially available within five years.

- Corn amylase, development of the first enzyme to be bred into corn, and which is essential in converting corn into bioethanol, continues the bulk testing at industrial scale that began in 2007. It promises to simplify production and provide significant value from a broad range of process components, and has successfully completed the US Food and Drug Administration's consultation process for food and feed safety.

- In Cotton, VIPCOTTM for improved resistance to insects.

Production

Business Development is producing corn amylase for use in full scale production trials. Production is carried out via contract with growers under a USDA permit.

Research and Development

Syngenta maintains its primary center for biotechnology research at Syngenta Biotechnology, Inc. (SBI) in Research Triangle Park in the United States. This site is dedicated to research in agricultural genomics and biotechnology. In-house work is complemented and strengthened through numerous alliances and collaborations.

Syngenta and Verenium Corporation, in which Syngenta holds a minority interest, have an agreement focusing on discovery and evolution of proprietary enzymes in the areas of biofuels.

The following are key capabilities in developing transgenic crops:

- Ability to find useful genes: Syngenta is capitalizing on its pioneering work in mapping the rice genome and also accessing external sources through its collaborations with various university laboratories around the world and through its Verenium strategic alliance.

- Plant transformation: This is the process of introducing new genes into the existing genetic constitution of plants. Pioneering work in this area is done in Syngenta's research center at SBI.

- Use of marker genes: There has been significant public and regulatory debate over the use of microbial antibiotic resistance as a marker technology. Syngenta has developed and patented an alternative sugar based system trademarked "Positech™" that is widely used by researchers.

- Trait expression: This is the process of regulating genes to achieve various levels of expression in different tissues. This is achieved through specialized promoter DNA sequences. Syngenta's work with the rice genome has resulted in the discovery and patenting of a wide range of promoters.

All biotechnology products are subject to intense regulatory scrutiny. An extensive Syngenta network of regulatory specialists around the world ensures continued dialogue and compliance with the authorities regarding regulatory dossier submissions, insect resistance management programs and participation in further development of the biotech regulatory framework.

Total research and development spending for Business Development was US$70 million in 2008, US$51 million in 2007 and US$74 million in 2006.

Syngenta Business Development division has entered into a number of targeted alliances with other enterprises in order to broaden further our research and development scope. None of these alliances are currently material to our business, and it is difficult to predict which of these alliances is most likely to produce a successful product in the future. In most cases, royalties are payable upon commercial exploitation. The list below is a sample of the alliances in which Syngenta's Business Development division is currently engaged:

- Queensland University of Technology – Biofuels, with concentration on development of sugar cane transformation and gene expression tools.
- Verenium (ex-Diversa) – Enzyme discovery mainly for biofuels.
- Institute for Genetics and Developmental Biology, Beijing, China – Yield, drought trait gene discovery.
- Proteus – Enzyme discovery mainly for biofuels.

Principal Markets

The market environment for products enhanced through biotechnology is complex. In the Americas, Australia and Asia, benefits such as better protection from pests and improved farming efficiency have been realized and the technology widely accepted. Although there has been progress recently in the European market, consumer opinion is mixed and the regulatory framework remains stalled.

Competition

The major investors in biotechnology are the main crop protection and seed companies: Monsanto, Pioneer, Syngenta, Bayer and Dow. The majority of the transgenic products commercialized to date are traits that improve performance and farming efficiency in major world crops such as corn, soya, cotton and canola (input traits). As a result, access to germplasm as a platform for trait commercialization is a key competitive advantage. In the future, Syngenta expects that increased emphasis will be placed on developing products that provide benefits to food and feed processors, fuel production, retail trade and consumers (output traits). One future competitive advantage is expected to be the ability to develop partnerships to allow delivery of biotechnology traits to the target market sectors. In the future, Syngenta's move into new markets may result in other companies becoming competitors including, for example, major companies such as DSM, Novozymes, Danisco and BASF.

Intellectual Property

Intellectual property laws protect products developed through biotechnology in the countries in which they are made and marketed. Syngenta takes advantage of the full spectrum of intellectual property laws, including utility patents, plant variety protection certificates, plant breeders' rights, plant patents, trade secrets, and trademarks. The level and type of protection varies from country to country according to local laws and international agreements. Syngenta has one of the broadest patent and trademark portfolios in the industry. In addition to income from development and commercialization of transgenic products, income is generated from licensing arrangements. Syngenta respects the intellectual property rights of others and will defend its intellectual property rights as necessary.

Government Regulation

The field-testing, production, import, marketing and use of our products are subject to extensive regulation and numerous government approvals.

Registration and re-registration procedures apply in all major markets.

Products must obtain governmental regulatory approval prior to marketing. The regulatory framework for such products is designed to ensure the protection of the consumer, the grower and the environment. Examples of the regulatory bodies governing the science include the US Environmental Protection Agency and the US Food and Drug Administration.

Regulatory bodies can require ongoing review of products derived from biotechnology based upon many factors including the need for insect resistance management. Even after approval, products can be reviewed with the goal of ensuring that they continue to adhere to all standards, which may have changed or been added to since the product was initially approved. This type of ongoing review applies in most major markets.

Government regulations, regulatory systems, and the politics that influence them vary widely among jurisdictions. Obtaining necessary regulatory approval is time consuming and costly, and there can be no guarantee of the timing or success in obtaining approvals.

Organizational Structure

The following are the significant legal entities in the Syngenta group of companies (the "Group"). Please refer to Note 2 to the consolidated financial statements in Item 18 for the appropriate consolidation method applied to each type of entity.

Country	Percentage owned by Syngenta		Share capital in local currency(10)	Function of company
Argentina				
Syngenta Agro S.A.	100%	ARS	1,998,205	Sales/Production
Bermuda				
Syngenta Reinsurance Ltd	100%	USD	120,000	Insurance
Brazil				
Syngenta Proteção de Cultivos Ltda.	100%	BRL	1,172,924,609	Sales/Production/Research
Canada				
Syngenta Crop Protection Canada, Inc.	100%	CAD	1,700,000	Sales/Research
France				
Syngenta Seeds S.A.S.	100%	EUR	50,745,240	Sales/Production/Development
Syngenta Agro. S.A.S.	100%	EUR	22,543,903	Sales/Development
Germany				
Syngenta Agro GmbH	100%	EUR	2,100,000	Sales
Italy				
Syngenta Crop Protection S.p.A.	100%	EUR	5,200,000	Sales/Production/Research
Japan				
Syngenta Japan K.K.	100%	JPY	475,000,000	Sales/Production/Research
Mexico				
Syngenta Agro, S.A. de C.V.	100%	MXN	157,580,000	Sales/Production
Netherlands				
Syngenta Seeds B.V.	100%	EUR	488,721	Holding/Sales/Production/Research
Syngenta Finance N.V.	100%	EUR	45,000	Finance
Syngenta Treasury N.V.	100%	EUR	45,000	Finance
Panama				
Syngenta S.A.	100%	USD	10,000	Sales
Russian Federation				
OOO Syngenta	100%	RUB	675,000	Sales
Singapore				
Syngenta Asia Pacific Pte Ltd.	100%	SGD	1,588,023,595	Sales
Switzerland				
Syngenta Supply AG	100%	CHF	250,000	Sales
Syngenta Crop Protection AG(11)	100%	CHF	257,000	Holding/Sales/Production/Research
Syngenta Agro AG	100%	CHF	2,100,000	Sales/Production/Research
Syngenta Participations AG(11)	100%	CHF	25,000,020	Holding
United Kingdom				
Syngenta Limited	100%	GBP	85,000,000	Holding/Production/ Research
USA				
Syngenta Crop Protection, Inc.	100%	USD	1	Sales/Production/Research

Syngenta Seeds, Inc.	100%	USD	––	Sales/Production/Research
Syngenta Corporation	100%	USD	100	Holding/Finance
Garst Seed Company	90%	USD	101	Sales/Research
Golden Harvest Seeds Inc.	90%	USD	–	Sales

(10) Currency code used is according to ISO 4217.
(11) Direct holding of Syngenta AG.

The main changes from 2007 are capital reductions in Syngenta Limited, which reduced the share capital from GBP 464,566,941 to GBP 85,000,000 and in Syngenta Proteção de Cultivos Ltda., which reduced the share capital from BRL 1,620,211,424 to BRL 1,172,924,609.

Property, Plants and Equipment

Our principal executive offices are located in Basel, Switzerland. Our businesses operate through a number of offices, research facilities and production sites.

The following is a summary of our principal properties (production sites are crop protection unless otherwise stated):

Locations	Freehold/Leasehold	Approximate area (square feet)	Principal Use
Rosental, Basel, Switzerland	Freehold	281,700	Headquarters, Global Functions(1)
Dielsdorf, Switzerland	Freehold	1,049,490	Administration, marketing
Greensboro, North Carolina, USA	Freehold	2,970,000	United States Headquarters, research
St. Gabriel, Louisiana, USA	Freehold	54,663,400	Production
Jealott's Hill, Berkshire, UK	Freehold	26,910,000	Research center
Monthey, Switzerland	Freehold	10,515,160	Production
Huddersfield, West Yorkshire, UK	Freehold	10,756,200	Production
Cold Creek, Alabama, USA	Freehold	9,539,900	Production
Goa, India	Freehold	8,668,100	Production
Grangemouth, Falkirk, UK	Freehold	1,000,000	Production
Landskrona, Sweden	Freehold	8,072,900	Research, production and marketing(2)
Greens Bayou, Texas, USA	Freehold	5,898,800	Production
Enkhuizen, The Netherlands	Freehold	3,536,700	Administration, research and marketing(2)
Stein, Switzerland	Freehold	1,948,700	Research center
Research Triangle Park, North Carolina, USA	Freehold	1,176,120	Research center
Aigues-Vives, France	Freehold	1,538,680 (3)	Production
Nérac, France	Freehold	586,870	Production(2)
Saint-Sauveur, France	Freehold	1,395,650	Administration, research(2)
Nantong, China	Leasehold	1,496,000	Production
Münchwilen, Switzerland	Freehold	610,300	Production
Kaisten, Switzerland	Freehold	124,808 (4)	Production
St Pierre, France	Freehold	1,506,946	Production
Seneffe, Belgium	Freehold	2,475,690	Production
Omaha, Nebraska, USA	Freehold	1,829,520	Production
Paulinia, Brazil	Freehold	6,860,000	Production
Hillscheid, Germany	Freehold	1,174,600	Administration, research(2)
Pollen, Kenya	Freehold	1,103,903	Production(2)
Thika, Kenya	Freehold	2,690,975	Production(2)
Koka, Ethiopia	Freehold	1,291,668	Production(2)
Amatitlan, Guatemala	Freehold	3,119,993	Production(2)
San Jose Pinula, Guatemala	Freehold	1,654,655	Production(2)
Jalapa, Guatemala	Freehold	4,417,690	Production(2)
Gilroy, California, USA	Freehold	4,208,332	Production(2)

(1) In May 2007, Syngenta completed a partial sale of this site.
(2) Used for Seeds business.

(3) Only 875,850 square feet are currently used and developed.
(4) Surface area of building/factory which is owned; land itself (143,000 square feet) is owned by a third party.

Please also see Item 4 “Information on the Company—Business Overview” for a description of the products produced at the various properties listed above.

Capacity expansion program

In July 2008, Syngenta announced a Crop Protection capacity expansion program in order to increase capacity and improve productivity primarily for two key active ingredients. This increase in production capacity is required to capture current growth opportunities and to meet forecasted demand growth. The program is estimated to have a total tangible asset cost of $600 million, phased over 2008 to 2010. It is expected to be financed entirely from internal cash flows and to be earnings accretive from 2010. Total program spending in 2008 was US$40 million.

The capacity expansion is focused on the production of Azoxystrobin at Grangemouth in the United Kingdom and of CCT, a precursor to Thiamethoxam, at Monthey in Switzerland. Azoxystrobin is a Fungicide in AMISTAR® and Thiamethoxam is an Insecticide used in the key products ACTARA® and CRUISER®. To accompany this, there is related expansion for chemical intermediates as well as for formulation, filling and packing and investments in supply contracts and technology.

In the Seeds business we are expanding Corn and Soybean production facilities in the USA and Brazil in line with the roll-out of our broad technology offer. In Vegetables, we made a significant investment in sweetcorn in the USA.

Item 4A — UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 5 — OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Introduction

The following discussion includes forward-looking statements subject to risks and uncertainty. See "Cautionary statement regarding forward-looking statements" at the end of this document. This discussion also includes non-GAAP financial data in addition to GAAP results. See Appendix A to this section and Note 2 to the financial highlights in Item 3 for a reconciliation of this data and explanation of the reasons for presenting such data.

Constant exchange rates

Approximately 64% of Syngenta's sales and 64% of Syngenta's costs in 2008 were denominated in currencies other than US dollars. Therefore Syngenta's results for the period covered by the review were significantly impacted by the movements in exchange rates. Sales in 2008 were 26% higher than 2007 on a reported basis, but were 21% higher when calculated at constant rates of exchange. The Company therefore provides analysis of results calculated at constant exchange rates (CER) and also actual results to allow an assessment of performance before and after taking account of currency fluctuations. To present CER information, current period results for entities reporting in currencies other than US dollars are converted into US dollars at the prior period's exchange rates, rather than the exchange rates for this year. An example of this calculation is included in Appendix A to this section.

Overview

Syngenta is a world leading agribusiness operating in the Crop Protection and Seeds businesses. Crop Protection chemicals include herbicides, insecticides and fungicides to control weeds, insect pests and diseases in crops, and are essential inputs enabling growers around the world to improve agricultural productivity and food quality. Many of these products also have application in the professional products and lawn and garden sectors in areas such as public health and turf and ornamental markets. The Seeds business operates in high value commercial sectors: seeds for field crops including corn, soybean, other oilseeds and sugar beet as well as vegetable and flower seeds. Syngenta also has a Business Development segment, which is engaged in the development of enzymes and traits with the potential to enhance agronomic, nutritional and biofuel properties of plants. Syngenta aims to be the partner of choice for Syngenta's grower customers with its unparalleled product offer and innovative marketing, creating value for customers and shareholders.

Syngenta's results are affected, both positively and negatively, by, among other factors: general economic conditions; weather conditions, which can influence the demand for certain products over the course of a season; commodity crop prices and exchange rate fluctuations. Government measures, such as subsidies or rules regulating the use of agricultural products, genetically modified seeds, or areas allowed to be planted with certain crops, also can have an impact on Syngenta's industry. Syngenta's results are also affected by the growing importance of biotechnology to agriculture and the use of genetically modified crops.

Syngenta operates globally to capitalize on its technology and marketing base. Syngenta's largest markets are Europe, Africa and the Middle East (EAME), and NAFTA(1), which represent approximately 37% and 31% respectively of consolidated sales in 2008 (2007: 36% and 34%; 2006: 36% and 36%). Both sales and operating profit are seasonal and are weighted towards the first half of the calendar year, which largely reflects the Northern Hemisphere planting and growing cycle.

Syngenta's most significant manufacturing and research and development sites are located in Switzerland, the United Kingdom (UK), the United States of America (USA) and India. Syngenta is establishing a new biotech research & technology center in Beijing, China, to complement its biotech research activities in the USA.

References in this document to market share estimates utilize, where possible, information published by major competitors and are supplemented by Syngenta marketing staff estimates.

The consolidated financial statements are presented in US dollars, as this is the major currency in which revenues are denominated. However, significant, but differing proportions of Syngenta's revenues, costs, assets and liabilities are denominated in currencies other than US dollars. Approximately 21% of sales in 2008 were denominated in Euros, while a significant proportion of costs for research and development, administration, general overhead and manufacturing were denominated in Swiss francs and British pounds sterling (21% in total). Sales in Swiss francs and British pounds sterling together made up 4% of total sales. Marketing and distribution costs are more closely linked to the currency split of the sales. As a result, operating profit in US dollars can be significantly affected by movements in exchange rates, in particular movements of the Swiss franc, British pound sterling and the Euro relative to the US dollar, and the relative impact on operating profit may differ from that on sales.

(1) NAFTA – North American Free Trade Association comprising the USA, Canada and Mexico.

The effects of currency fluctuations have been reduced by risk management strategies such as hedging. For further information please refer to Note 27 of the consolidated financial statements in Item 18.

The consolidated financial statements are based upon Syngenta's accounting policies and, where necessary, the results of management estimations. Syngenta believes that the critical accounting policies and estimations underpinning the financial statements are (i) adjustments for doubtful receivables, (ii) environmental provisions, (iii) impairment, (iv) post employment benefits, (v) uncertain tax positions, (vi) recognition of deferred tax assets, (vii) foreign currency translation of intercompany funding and (viii) restructuring. These policies are described in more detail in Note 2 to the consolidated financial statements in Item 18.

Summary of results

Syngenta's main selling season is in the first half of the year as its key European and NAFTA markets are in the Northern hemisphere. The prices of the main agricultural commodities, particularly corn and soybean, were very strong in the first half of 2008, boosting grower profitability. As a result, growers increased planted acreage and increased their usage of yield and quality enhancing crop protection products and increased demand for higher value seeds. In this positive market environment, Syngenta capitalized on its extensive product portfolio and global position to produce significantly higher sales in both Crop Protection and Seeds.

Sales growth was particularly strong in emerging markets in Latin America and Eastern Europe and sales in emerging markets now make up approximately a third of total sales. Crop Protection sales increased 27% in 2008, 22% at constant exchange rates, following on from 14% sales growth in 2007, 11% at constant exchange rates. Sales increased across all regions, with particularly strong results in Latin America at 43%. Overall, Syngenta estimates to have gained market share for the fourth consecutive year in 2008 largely as a result of its modern product portfolio and effective marketing and sales programs. Seeds sales grew 21%, 16% at constant exchange rates, with significant growth in all product lines. Seeds sales also grew particularly strongly in emerging markets in Latin America and Eastern Europe. In the USA, sales growth and estimated market share gain in soybean was offset by the impact of lower acres in corn. Other contributing factors included the full year impact of the 2007 acquisitions of Fischer and Zeraim Gedera, which increased reported sales in Flowers and Vegetable seeds respectively. The late 2008 acquisitions of Goldsmith Seeds and the chrysanthemum and aster business of Yoder Brothers did not significantly contribute to sales in 2008. Acquisitions contributed 1% to Syngenta's overall sales growth and 5% to sales growth in Seeds in 2008.

During the second half of 2008, agricultural commodity prices declined to near 2007 levels as the financial crisis developed. While lower liquidity and crop price uncertainty had some impact on Syngenta's sales in the Southern hemisphere, particularly Latin America, this was partly offset by weaker currency exchange rates versus the US dollar, which improved the profitability of farmers with export crops. Consequently, the negative impact of the financial crisis on overall 2008 reported sales was not significant. For discussion of the possible impact of the financial crises on sales in 2009, see "Future prospects" later in this review.

Gross profit margin in 2008 was higher than in 2007, with improvements in both Crop Protection and Seeds. In Crop Protection, higher sales prices, particularly in glyphosate where global supplies were tight, and the non-recurrence of the 2007 increase in environmental provisions, was partly offset by higher raw material costs, with increased glyphosate input costs and the impact of high oil prices in the first half of the year. The Seeds gross profit margin improved slightly with more sales of seed containing Syngenta proprietary traits offset by increased inventory provisions.

Syngenta increased spending in marketing, distribution and general and administrative costs, reflecting higher sales volumes, increased spending in emerging markets and costs related to further development of its US corn business. The onset of the financial crisis and increased exchange rate volatility in the final quarter of 2008 required increased provisions for doubtful receivables. General and administrative expenses in 2007 were also net of a US$50 million change of control payment received following Delta & Pine Land's acquisition by Monsanto, a reduction in liability provisions and higher compensation from third parties using Syngenta registration data. Research and development spending was 17% higher than 2007, 15% at constant exchange rates, with an increased pipeline in Crop Protection and further development of corn and soybean traits in Seeds. Restructuring and impairment in 2008 largely related to the Operational Efficiency program announced in February 2007, but also included impairments of two of Syngenta's available-for-sale investments following significant share price declines in the year. In 2007, restructuring and impairment was net of a US$109 million gain on sale of part of a site at the Headquarters in Basel. Net financial expense was US$127 million higher than 2007, largely due to exchange losses in emerging markets in the highly volatile currency markets in the final quarter.

The result of these combined elements is 25% growth in net income attributable to Syngenta AG shareholders and a 28% increase in diluted earnings per share.

In 2007 compared to 2006, the Crop Protection market had also been strong following the start of the increased crop commodity prices. Crop Protection is estimated to have gained market share in the growing market, with sales growth of 14%, 11% at constant exchange rates. Seeds sales grew 16%, 12% at constant exchange rates, with increased Corn & Soybean sales on increased corn acreage. Gross profit margin was lower in 2007 than 2006 with increased environmental provisions in Crop Protection and an adverse mix in Seeds, with higher sales in corn offset by lower sales in soybean. In 2007, gross profit in soybean in the USA was higher than that of corn containing non-proprietary traits. Increased marketing and distribution spending reflected higher volumes and spending in Corn & Soybean in the USA. Research and development expenditure was increased to progress trait development in Corn and Soybean. General and administrative costs in 2007 were net of the US$50 million Delta & Pine Land payment and other factors noted above. Restructuring and impairment charges were also net of the site divestment gain noted above. Financial expense, net, was higher than in 2006, which included gains on restructuring an over-capitalized British pound sterling balance sheet. Together, these factors contributed to an increase in net income attributable to Syngenta AG shareholders of 75% and growth in diluted earnings per share of 80%.

Acquisitions and divestments

On April 3, 2008, Syngenta acquired a 49 percent share in the Chinese company Sanbei Seeds Co. Ltd., which specializes in the production and sale of hybrid corn seeds. In November 2008, Syngenta purchased SPS Argentina SA (SPS), a company primarily specialized in the development, production and marketing of soybean, corn and sunflower. On November 19, 2008, Syngenta acquired Goldsmith Seeds, Inc. (Goldsmith). Goldsmith breeds, produces and sells a broad range of pot and bedding products, including major crops such as cyclamen, impatiens and petunia. On December 12, 2008, Syngenta acquired the pot and garden chrysanthemum and aster business of US flowers producer Yoder Brothers Inc. The combined purchase price of these acquisitions was US$173 million, subject to final purchase price adjustments.

In March 2008, Syngenta acquired the exclusive worldwide rights to distribute a sprayable formulation of 1-methylcyclopropene under the trademark Invinsa™ from Rohm & Haas Co. and its subsidiary Agrofresh Inc. The Invinsa™ technology protects crop yields during extended periods of high temperature, mild-to-moderate drought and other crop stresses. In September 2008, Syngenta acquired an exclusive worldwide license to develop mixture products containing Cyazypyr™, a new broad spectrum insecticide, from E.I. du Pont de Nemours and Company (DuPont). Cyazypyr™ is complementary to the DuPont Rynaxypyr® insect control product that Syngenta is developing in mixtures with its own leading insect control products. Under the agreement, Syngenta granted DuPont access to mesotrione, the active ingredient in Callisto®.

During 2007 and early 2008, following a public offer to minority shareholders of Syngenta India Ltd. (SIL), Syngenta increased its shareholding in SIL from 84% to 96%, at a cash cost of US$71 million. SIL delisted from the Mumbai and Kolkata stock exchanges on June 20, 2007. Syngenta intends to invest further in India as a manufacturing and research and development center for the global business.

On January 31, 2007, Syngenta acquired the assets of Gromor International Corporation which consist of peat extraction rights over certain land in Manitoba, Canada. On July 17, 2007, Syngenta acquired the outstanding 20% of Agrosem S.A. which it did not already own. On June 25, 2007, Syngenta purchased 100% of the business of the Fischer group of companies through purchases of shares and assets. The Fischer group specializes in the breeding and marketing of flower crops. On August 31, 2007, Syngenta purchased 100% of the shares of Zeraim Gedera Ltd., which specializes in the breeding and marketing of high value vegetable seeds, including tomato, pepper and melon. The combined purchase price of these acquisitions was US$108 million.

On November 2, 2007, Syngenta sold a controlling equity interest in Longreach Plant Breeders (LRPB) to Pacific Seeds Australia, an associate of United Phosphorus Ltd., for US$11 million. Syngenta retains a non-controlling equity interest in LRPB.

These transactions are described in Note 3 to the consolidated financial statements in Item 18.

Operational Efficiency programs

In 2007, Syngenta began a further Operational Efficiency Restructuring Program in addition to that announced in 2004 (described in the following paragraph) to drive cost savings to offset increased expenditure in research and technology, marketing and product development in the growth areas of Seeds, Professional Products and emerging country markets. Savings are targeted in both cost of goods sold and other operating expenses. The cost of this program is now estimated at US$550 million in cash and US$180 million in non-cash charges in the period up to 2011. The program cost estimate was reduced from US$700 million cash and US$250 million non-cash reported last year following a re-evaluation of manufacturing restructure plans due to the strong market growth in 2007 and 2008. Cash spent under the program in 2008 and 2007 totaled US$92 million and US$68 million, respectively.

The Operational Efficiency Cost Saving Program announced in 2004 to realize further cost savings after completion of the integration of the former Novartis and Zeneca businesses and in response to low underlying growth in the Crop Protection markets seen at the time, was largely completed in 2007. Cash spent under the program in 2008 related largely to cost run-offs from site closures and amounted to US$56 million. Cash spent from 2004 to the end of 2008 totaled US$411 million and even with some expected further site closure costs in 2009, it is expected that the final amount spent under the program will be less than the initial estimate of US$500 million. Aggregate program non-cash charges of approximately US$290 million are also lower than the US$320 million previously estimated. Cost savings under the program have been partly offset by the impact on crop protection raw material costs of higher oil prices in the period up to June 2008.

Results of operations
2008 compared to 2007

Sales commentary

Total Syngenta consolidated sales for 2008 were US$11,624 million, compared to US$9,240 million in 2007, a 26% increase year on year. At constant exchange rates sales growth was 21%. The analysis by segment is as follows:

(US$ million, except growth %)			Growth				
Segment	2008	2007	Volume %	Local price %	CER %	Currency %	Actual %
Crop Protection	9,231	7,285	16	6	22	5	27
Seeds	2,442	2,018	12	4	16	5	21
Business Development	24	5	–	–	–	–	–
Inter-segment elimination	(73)	(68)	–	–	–	–	–
Total	11,624	9,240	15	6	21	5	26

Sales by region were as follows:

(US$ million, except growth %)			Growth				
Region	2008	2007	Volume %	Local price %	CER %	Currency %	Actual %
Europe, Africa and Middle East	4,290	3,350	14	3	17	11	28
NAFTA	3,633	3,108	10	5	15	1	16
Latin America	2,245	1,565	29	15	44	–	44
Asia Pacific	1,456	1,217	14	4	18	2	20
Total	11,624	9,240	15	6	21	5	26

Crop Protection

Crop Protection sales growth accelerated in 2008, growing 27% to US$9,231 million, up 22% at constant exchange rates. Markets for agricultural products were strong globally during 2008 on the back of high crop prices, in particular during the first half of the year. The impact of lower crop commodity prices in the second half of 2008 is described in the Summary of Results above. Syngenta benefited from its broad product portfolio and successful marketing strategies and internal estimates indicated a fourth consecutive year of market share gain. Higher volumes in 2008 accounted for 16% of the sales increase while increased local currency sales prices contributed 6%. Growth was particularly strong in TOUCHDOWN®, AMISTAR®, and ACTARA®/CRUISER®, which together grew by 49% at constant exchange rates and made up over US$2.3 billion of Crop Protection sales. Sales of products launched after 2006, which include AVICTA®, AXIAL®, DURIVOTM and REVUS®, totaled US$263 million, up 85% at constant exchange rates over 2007.

Double digit sales growth was achieved in all regions, with Latin America in particular showing continued strong growth. Sales in Europe, Africa and the Middle East grew by 26% over 2007, 16% at constant exchange rates. Strong commodity prices during the first half of the year and the elimination of the European Union set-a-side requirement drove increased acreage for cereals and corn and further increased use of technology. In NAFTA, sales grew by 18% over 2007 at constant exchange rates, including local currency price increases of 6%, due to an expanded fungicide market for corn plant performance and wheat, strong growth in TOUCHDOWN® and the continuing expansion of Seed Care. In Asia Pacific, sales grew by 19%, 17% at constant exchange rates due to strong growth of key crops, primarily rice, in emerging markets and improved weather conditions in Australia. The strong 43% sales growth in Latin America was driven by acreage expansion and favorable pricing, as growers increased their investment in both corn and soybean crops in Brazil and Argentina.

Professional Products sales, excluding Seed Care which is now reported as a separate product line, grew by 11%, 8% at constant exchange rates led by strong sales of growing media by Fafard and increased sales in the professional turf segment.

Seed Care sales grew by 37%, 33% at constant exchange rates and benefited from the global expansion of CRUISER®, higher soybean acres in the USA, increased adoption by seed companies and a registration in France.

Sales by product line are set out below:

(US$ million, except growth %)			Growth				
Product line	2008	2007	Volume %	Local price %	CER %	Currency %	Actual %
Selective Herbicides	2,412	2,019	8	5	14	5	19
Non-Selective Herbicides	1,329	902	19	24	43	4	47
Fungicides	2,620	2,004	21	4	25	6	31
Insecticides	1,423	1,205	12	3	15	3	18
Seed Care	830	604	30	3	33	4	37
Professional Products	527	475	7	1	8	3	11
Others	90	76	7	12	19	1	20
Total	9,231	7,285	16	6	22	5	27

Herbicides are products that prevent or reduce weeds that compete with the crop for nutrients and water. Selective Herbicides are crop-specific and capable of controlling weeds without harming the crop. Non-Selective Herbicides reduce or halt the growth of all vegetation with which they come into contact.

Fungicides are products that prevent and cure fungal plant diseases that can drastically affect crop yield and quality.

Insecticides are products that control chewing pests such as caterpillars and sucking pests such as aphids, which reduce crop yields and quality.

Seed Care treatments are fungicides and insecticides used to protect seeds and improve overall yield and vigor.

Professional Products are herbicides, insecticides and fungicides used in markets beyond commercial agriculture such as public health, and turf and ornamentals and, since the acquisition of Fafard, growing media.

Selective Herbicides: major brands AXIAL®, CALLISTO® family, DUAL®/BICEP® MAGNUM, ENVOKE®, FUSILADE®MAX and TOPIK®

AXIAL®, Syngenta’s new cereal herbicide, grew rapidly in an expanding cereals market with launches in key European countries and further expansion in NAFTA and Western Europe. The CALLISTO® family of products saw double digit growth with a continuation of its successful roll-out outside the USA. Soybean herbicides staged a resurgence in sales as a result of acreage growth in Latin America and weed glyphosate-resistance issues in the USA.

Non-Selective Herbicides: major brands GRAMOXONE®, TOUCHDOWN®

TOUCHDOWN® sales increased significantly driven by growth in key markets including the USA, Brazil, Argentina and Canada where glyphosate-tolerant acres continued to expand. Sales also benefited from a favorable pricing environment which offset higher sourcing costs. GRAMOXONE® continued to prove its effectiveness in rapid weed burn-down and also benefited from the tightness of glyphosate supply.

Fungicides: major brands ALTO®, AMISTAR®, BRAVO®, REVUS®, RIDOMIL GOLD®, SCORE®, TILT®and UNIX®

In 2008, Syngenta strengthened its world leading position in fungicides in a market characterized by increased grower usage intensity and focus on plant performance. Growth in AMISTAR® reflected the success of a variety of combination products used across crops. AMISTAR®, where annual sales have now reached US$1 billion, is now sold on 120 crops in 100 countries and has proven a yield-boosting effect in addition to excellent disease control. In the USA, fungicide use on corn and wheat grew rapidly, with QUILT® establishing a leadership position in an expanding corn fungicide market. In Latin America, fungicide growth was broad based across the region with PRIORI Xtra® now the leading product in Brazil for the prevention and treatment of soybean rust.

Insecticides: major brands ACTARA®, DURIVO®, FORCE®, KARATE®, PROCLAIM®, VERTIMEC®

ACTARA® sales continued to grow strongly, notably in Latin America. KARATE® sales showed strong growth particularly in the USA, benefiting from a major outbreak of soybean aphids and from new opportunities for mixtures with fungicides. The successful launch of DURIVO® in Indonesia marked a significant step in the strengthening of Syngenta's rice insecticide portfolio. Growth of FORCE® in Europe due to the spread of corn rootworm more than offset a reduction of sales in NAFTA.

Seed Care: major brands AVICTA®, CRUISER®, DIVIDEND®, MAXIM®

In Seed Care, reported as part of Professional Products in prior years, sales increased by one third. The global expansion of CRUISER® led to strong growth in all regions as growers recognized its unique vigor effect in multiple crops. CRUISER® also benefited from higher soybean acres in the USA and a registration in France.

Professional Products: major brands FAFARD®, HERITAGE®, ICON®

Turf and Ornamentals saw strong sales of growing media by Fafard, growth of HERITAGE® on turf in Asia Pacific and the introduction of new products in Latin America. Home Care strengthened its sales performance in vector control and materials protection.

Commentary on regional performance

(US$ million, except growth %)			Growth				
Region	2008	2007	Volume %	Local price %	CER %	Currency %	Actual %
Europe, Africa and Middle East	3,214	2,545	13	3	16	10	26
NAFTA	2,693	2,238	12	6	18	2	20
Latin America	2,037	1,423	28	15	43	–	43
Asia Pacific	1,287	1,079	13	4	17	2	19
Total	9,231	7,285	16	6	22	5	27

Sales in Europe, Africa and the Middle East were higher as growers in both Western and Eastern Europe significantly increased their use of technology to raise yields and increased cereal and corn acreage in order to capitalize on strong commodity prices in the first half of 2008. Increased acreage in Western Europe also partly reflected elimination of European Union set-a-side. Rapid growth in Eastern Europe – notably in Russia, Ukraine and Kazakhstan – reflected ongoing expansion of Syngenta’s product range and an extension of Syngenta’s leading market position.

Strong sales growth in NAFTA reflected the expansion of the fungicide market for corn and wheat, strong growth in TOUCHDOWN® and the continuing expansion of Seed Care. AXIAL® achieved excellent penetration in an expanded wheat market.

In Latin America, strong sales growth was driven by acreage expansion and the breadth of Syngenta’s product range. Growers increased their crop investment in both corn and soybean in Brazil and Argentina. While economic conditions deteriorated in the second half, growers continued to invest in crops. Sales also benefited from more favorable pricing.

In Asia Pacific, sales growth came primarily from emerging markets including India, China, Indonesia and Vietnam with growers investing in inputs for key crops including rice and vegetables. A significant increase in sales in Australia reflected improved weather conditions and product launches.

Seeds

Seeds sales grew 21%, 16% at constant exchange rates, with higher sales in all product lines and particularly strong growth in emerging markets. Syngenta benefited from the scale of its presence in emerging markets, where the trend in favor of high value seeds is a key part of the modernization of farming practice.

Corn and Soybean sales grew strongly in Latin America and Europe. In the USA, the impact of growth in soybean acres and an estimated soybean market share gain was offset by lower corn acres. Sales of Diverse Field Crops grew by 32%, 23% at constant exchange rates, with strong growth in all regions. Good sales growth in Vegetables was supplemented in 2008 by the full year effect of the acquisition in 2007 of Zeraim Gedera. Flowers sales growth was driven by the 2007 acquisition of Fischer.

Syngenta in 2008 continued the transformation of its Seeds business with the acquisitions of SPS in Corn & Soybean in Argentina and of Goldsmith and the pot and garden chrysanthemum and aster business of Yoder Brothers Inc. (Yoder) in the USA, which further reinforced Syngenta's position as the world leader in Flowers.

(US$ million, except growth %)				Growth			
Product line	2008	2007	Volume %	Local price %	CER %	Currency %	Actual %
Corn & Soybean	1,040	893	9	4	13	3	16
Diverse Field Crops	462	351	15	8	23	9	32
Vegetables	603	502	12	4	16	4	20
Flowers	337	272	15	1	16	8	24
Total	2,442	2,018	12	4	16	5	21

Corn & Soybean: major brands AGRISURE®, NK®, GARST®, GOLDEN HARVEST®, SPS®

In the USA, sales of NK® soybean benefited from an acreage shift in favor of soybean and from a further market share gain reflecting crop yield outperformance. In corn, the proprietary triple stack product under the AGRISURE® brand was successfully launched and incorporation of these traits into Syngenta's elite germplasm is accelerating. Sales of corn in Europe expanded rapidly, with increased acreage and a broadening of Syngenta's portfolio across maturities. In Latin America, sales increased significantly in strong corn and soybean markets, as customers responded positively to new combinations of genetically modified technology and top quality germplasm.

Diverse Field Crops: major brands NK® oilseeds, HILLESHÖG® sugar beet

Diverse Field Crops showed strong sales growth reflecting Syngenta's leading position in sunflower and increased share in winter oilseed rape. Eastern European growers in particular are responding to growing demand for healthy oils and have expanded acreage while adopting improved varieties. Sugar beet sales increased with the launch of glyphosate-tolerant varieties in the USA leading to a substantial gain in market share.

Vegetables & Flowers: major Vegetables brands DULCINEA®, ROGERS®, S&G®, Zeraim Gedera; major Flowers brands Fischer, Goldsmith, S&G®, Yoder

Strong growth in Vegetables across all regions was supplemented by the full year consolidation of Zeraim Gedera. Syngenta's strong developed market presence is being enhanced by a leadership position in the rapidly growing Latin American market and by increased market penetration in Asia Pacific. In Flowers the main driver was the full year consolidation of Fischer acquired in 2007.

Commentary on regional performance

(US$ million, except growth %)				Growth			
Region	2008	2007	Volume %	Local price %	CER %	Currency %	Actual %
Europe, Africa and Middle East	1,077	818	15	5	20	12	32
NAFTA	979	916	5	1	6	1	7
Latin America	216	146	34	14	48	–	48
Asia Pacific	170	138	16	8	24	(1)	23
Total	2,442	2,018	12	4	16	5	21

Sales in Europe, Africa and the Middle East continued their strong growth trend, particularly in Corn & Soybean, with an estimated market share gain. Sales of Diverse Field Crops were particularly strong in Eastern Europe. The full year sales of Zeraim Gedera in Vegetables and the Fischer portfolio in Flowers, which were acquired in late 2007, contributed to strong sales growth in these product lines.

In NAFTA, strong sales of soybean, with an estimated gain in market share and increased acreage, offset the impact of lower corn acres. Diverse Field Crops grew by over 50% and Flowers grew by over 20% including the impact of the 2007 Fischer acquisition.

Sales growth in Latin America was strong, particularly in Corn and Soybean due to increased acres and an estimated market share gain. Syngenta’s Bt 11 corn trait was approved in Brazil, with initial sales in the second planting season at the end of 2008.

In Asia Pacific, sales also grew by over 20% led by Corn and Soybean, which grew by over 50% due to favorable market conditions for Syngenta’s products, combined with strong crop prices.

Operating income

Variances in the tables below reflect the profit impact of changes year on year. For example, an increase of sales or a decrease in costs is a positive variance and a decrease in sales or increase in costs is a negative variance.

Operating Income/(loss) (US$ million)	2008	2007	Actual %
Crop Protection	2,038	1,502	36
Seeds	(36)	(16)	(225)
Business Development	(132)	(19)	–
Inter-segment profit elimination	(12)	(3)	–
Total	1,858	1,464	27

Operating income increased by US$394 million, 27%, over 2007, despite a US$164 million increase in net charges for restructuring and impairment and the receipt in 2007 of a US$50 million non-recurring change of control payment from Delta & Pine Land following their acquisition by Monsanto. High commodity prices and strong agricultural markets contributed to a 26% growth in sales, 21% at constant exchange rates. Gross profit margins increased approximately 1%, with margin improvement in both Crop Protection and Seeds. Marketing and distribution costs were 24% higher, 21% at constant exchange rates, with higher sales volume, increased spending in emerging markets, but also increased provisions for doubtful receivables in emerging markets following the exchange rate volatility and impacts of the financial crisis in the final quarter of 2008. Research and development spending was increased by 17%, 15% at constant exchange rates, with an increased Crop Protection development pipeline and further investment in Seeds traits. General and administrative costs were 41% higher than in 2007, 32% at constant exchange rates, with 2007 including the above Delta & Pine Land receipt, a reduction in liability provisions and increased compensation from third parties using Syngenta registration data. Restructuring and impairment in 2007 was net of US$109 million gain on the sale of part of the site at the Headquarters in Basel and in 2008 included US$37 million of impairments in available-for-sale financial assets mainly related to a significant decline in the share price of Verenium (previously Diversa) Corporation. Cash restructuring costs in 2008 were similar to 2007 at approximately US$125 million.

Movements in exchange rates, particularly the relative weakness of the US dollar in the key first half sales season, increased operating income by approximately US$154 million including the net result of the EBITDA hedging program. The EBITDA (earnings before interest, depreciation and amortization) hedging program is designed to protect forecast transactions from adverse movements in exchange rates, using options and forward contracts to reduce volatility in EBITDA. The net result of the hedging program, which is reported in general and administrative costs was a gain of US$13 million in 2008 compared to a gain of US$17 million in 2007.

Crop Protection operating income

	Total as reported under IFRS		Restructuring and impairment		Before Restructuring and impairment(1)			
(US$ million, except growth %)	2008	2007	2008	2007	2008	2007	Growth Actual %	Growth CER %
Sales	9,231	7,285	–	–	9,231	7,285	27	22
Cost of goods sold	(4,425)	(3,605)	–	–	(4,425)	(3,605)	(23)	(19)
Gross profit	4,806	3,680	–	–	4,806	3,680	31	25
as a percentage of sales	52%	51%			52%	51%		
Marketing and distribution	(1,474)	(1,167)	–	–	(1,474)	(1,167)	(26)	(23)
Research and development	(556)	(496)	–	–	(556)	(496)	(12)	(10)
General and administrative	(655)	(516)	–	–	(655)	(516)	(27)	(19)

Restructuring and impairment	(83)	1	(83)	1	–	–	–	–
Operating income	2,038	1,502	(83)	1	2,121	1,501	41	34
as a percentage of sales	22%	21%			23%	21%		

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

(1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review and Prospects for a more detailed description.

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Sales in 2008 increased by 27% over 2007, 22% at constant exchange rates, including an average 6% increase in local currency prices. Gross margin increased by 1% over 2007 as the impact of higher volumes, sales price increases and the effect of the 2007 increase in environmental provisions more than offset increased raw material costs. Marketing and distribution costs increased during 2008 due to higher sales volumes, increased resources in emerging markets and higher charges for doubtful receivables in response to deteriorating liquidity in some emerging markets in the final quarter. Research and development costs were 12% higher, 10% at constant exchange rates, from increased projects in the development pipeline. Increased general and administrative costs reflect further investment in emerging markets as well as lower compensation from third parties using Syngenta registration data and lower liability provision reductions than in 2007.

Restructuring and impairment is defined in Note 6 to the consolidated financial statements in Item 18. Restructuring and impairment for 2008 relates primarily to the Operational Efficiency Program announced in 2007. The increase over 2007 is mainly because of the inclusion in 2007 of the profit on the partial sale of the Rosental and Dielsdorf sites in Switzerland. Further details on restructuring and impairment can be found later in this section.

Operating income in 2008 of US$2,038 million was 36% higher than 2007, after absorbing a US$84 million increase in net restructuring and impairment charges, due to the strong sales growth and improved operating margin.

The US dollar was generally weak in the first half of the year, which increased reported sales, but strengthened in the fourth quarter when currency exchange markets were volatile and thereby reduced reported Swiss franc and British pound sterling costs. The net effect of the US dollar movements was to increase the segment's operating income by approximately US$116 million relative to 2007, after a US$6 million lower net hedging result.

Seeds operating income/(loss)

	Total as reported under IFRS		Restructuring and impairment		Before Restructuring and impairment(1)			
(US$ million, except growth %)	2008	2007	2008	2007	2008	2007	Growth Actual %	Growth CER %
Sales	2,442	2,018	–	–	2,442	2,018	21	16
Cost of goods sold	(1,331)	(1,123)	(9)	(6)	(1,322)	(1,117)	(18)	(15)
Gross profit	1,111	895	(9)	(6)	1,120	901	24	(17)
as a percentage of sales	45%	44%			46%	45%		
Marketing and distribution	(555)	(465)	–	–	(555)	(465)	(19)	(17)
Research and development	(343)	(283)	–	–	(343)	(283)	(21)	(19)
General and administrative	(173)	(125)	–	–	(173)	(125)	(38)	(31)
Restructuring and impairment	(76)	(38)	(76)	(38)	–	–	–	–
Operating income/(loss)	(36)	(16)	(85)	(44)	49	28	75	(59)
as a percentage of sales	-1%	-1%			2%	1%		

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(1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review and Prospects for a more detailed description.

Seeds sales in 2008 were 21% higher than 2007, 16% at constant exchange rates. The gross profit margin increased by 1% from favorable currency movements, improved crop mix including increased proprietary trait sales and a favorable litigation settlement with Monsanto, offset by increased input costs due to higher crop prices, which form the basis of the contract grower purchase cost in corn and soybean, and an increase in inventory provisions. Marketing and distribution costs and General and administrative costs increased reflecting the full year consolidations of Fischer and Zeraim Gedera, higher sales volumes, an increase in provisions for doubtful receivables in emerging markets and increased resources in emerging markets. The increase in Research and development spending in 2008 was driven by continued transformation of the US corn and soybean range, the addition of costs from acquired companies and increased spending in other product lines.

Restructuring and impairment costs in 2008 include US$46 million to integrate and achieve synergies following the 2007 acquisitions, particularly that of Fischer. Restructuring costs also include US$11 million rationalizing Seeds operating units under the Operational Efficiency program announced in 2007 and US$16 million to restructure systems and back office infrastructure to enable increased back office consolidation. Costs in 2007 included US$9 million of integration costs associated with the 2006 and 2007 Vegetables and Flowers acquisitions and US$32 million related to the new Operational Efficiency Program, of which US$13 million related to the restructuring of a long term supply contract and US$16 million to the reorganization of the US Corn and Soybean business with integrated support functions.

Restructuring and impairment charges in cost of goods sold include the reversal of the purchase accounting inventory step up for Zeraim Gedera in 2008 and both Zeraim Gedera and EGV in 2007.

The weaker average US dollar against the Euro and other core currencies in 2008 resulted in an approximately US$38 million increase in operating income.

Business Development operating loss

(US$ million, except growth %)	Total 2008	Total 2007	Restructuring and impairment 2008	Restructuring and impairment 2007	Before Restructuring and impairment(1) 2008	Before Restructuring and impairment(1) 2007	Growth Actual %	Growth CER %
Sales	24	5	–	–	24	5	–	–
Cost of goods sold	(18)	(6)	–	–	(18)	(6)	–	–
Gross profit	6	(1)	–	–	6	(1)	–	–
as a percentage of sales	25%	–	–	–	25%	–	–	–
Marketing and distribution	(10)	(6)	–	–	(10)	(6)	(67)	(52)
Research and development	(70)	(51)	–	–	(70)	(51)	(37)	(37)
General and administrative	(21)	37	–	–	(21)	37	–	–
Restructuring and impairment	(37)	2	(37)	(2)	–	–	–	–
Operating loss	(132)	(19)	(37)	(2)	(95)	(21)	–	–

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

(1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review and Prospects for a more detailed description.

Sales increased in 2008 due to a one-time sale of technology. Research and development spending increased 37% reflecting development of Biofuels projects including corn amylase, which is an enzyme that improves the productivity of ethanol plants. General and administrative expenses in 2007 were net of US$50 million one-time payment from Delta & Pine Land following their acquisition by Monsanto. Restructuring and impairment charges in 2008 are comprised mainly of impairments of available-for-sale financial assets, particularly the equity holding in Verenium (previously Diversa) Corporation, where the share price had declined significantly in 2008.

Defined benefit pensions

Defined benefit pension expense decreased from US$108 million in 2007 to US$79 million in 2008 because the strong plan asset performance in 2007 led to lower actuarial loss amortization expense in 2008. In addition, the restructuring cost component of the expense decreased by US$13 million, from US$15 million in 2007 to US$2 million in 2008, and the effect of currency translation reduced the expense compared to 2007.

During 2008, the funded status of all defined benefit pension plans, which is the market value of plan assets divided by the benefit obligation valued using the projected unit credit actuarial method, reduced from 99% to 92%. Asset returns of all plans were negative and this outweighed the significant favorable impact on the UK pension plan funded status of higher UK corporate bond yields compared to December 31, 2007. Excluding restructuring costs, defined benefit pension expense in 2009 is expected to be approximately US$40 million more than in 2008, mainly because plan asset market values declined significantly during the second half of 2008 as a result of the turmoil in global financial markets.

Employer contributions to defined benefit plans, excluding contributions related to restructuring, were US$113 million in 2008, compared to US$124 million in 2007. Syngenta's main defined pension plans are in Switzerland, the UK and the USA. Minimum funding commitments result from the funded status of the plans on a statutory valuation basis. For the UK, minimum funding commitments related to past service are currently US$7 million, payable by March 2011. This commitment is subject to review as part of the statutory valuation required during 2009. In Switzerland, funded status is determined annually and additional funding is one of several permitted options to remedy any funding shortfall. No minimum funding commitments are expected to result from the US pension plan valuation.

Restructuring and Impairment

The following table analyzes restructuring and impairment charges for each of the periods indicated:

For the year ended December 31 (US$ million)		2008			2007	
Reversal of inventory step-up (in cost of goods sold)			(9)			(6)
Restructuring costs						
Write-off or impairment:						
– Property, plant and equipment	(17)			(20)		
– Intangible assets	(17)			(16)		
– Inventories	–			(2)		
Non-cash pension restructuring charges	(2)			6		
Total non-cash restructuring charges		(36)			(32)	
Cash costs:						
– Operational efficiency programs	(80)			(117)		
– Seeds integration	(46)			(9)		
– Merger synergy program and other	1			–		
		(125)			(126)	
Impairment of financial assets		(37)			2	
Gains from disposals		2			121	
			(196)			(35)
Total restructuring and impairment			(205)			(41)

Restructuring represents the effect on reported performance of initiating business changes which are considered major and which, in the opinion of management, will have a material effect on the nature and focus of Syngenta's operations, and therefore requires separate disclosure to provide a more thorough understanding of business performance. Restructuring includes the effects of completing and integrating significant business combinations and divestments.

Restructuring and impairment includes the impairment costs associated with major restructuring and also impairment losses and reversals of impairment losses resulting from major changes in the markets in which a reported segment operates.

2008

The Operational Efficiency program announced in February 2007 includes restructuring in Crop Protection and Seeds. During 2008, restructuring charges of US$19 million were incurred by Crop Protection under this program, including US$7 million for the restructuring of the segment's product development function. Seeds incurred charges under the program of US$11 million, including US$6 million for the continued restructuring of the NAFTA Corn & Soybean marketing and sales organizations. Costs expensed as incurred under the program relate to Crop Protection and Seeds and consist mainly of US$13 million for headquarter and information systems restructuring charges and US$24 million for further standardization and consolidation of back office operations.

Seeds integration costs of US$46 million related mainly to the integration and synergy program of the Fischer group, which was acquired in 2007, including severance and redundancy charges of approximately US$32 million. Seeds integration related consultancy charges of approximately US$6 million were also expensed as incurred.

Non-cash restructuring and impairment costs consist of accelerated depreciation and property, plant and equipment write-offs from site closures and rationalizations. Impairments of intangible assets of US$17 million include accelerated amortization of a lease related to a Crop Protection development site, the closure of which was announced in 2006. Impairments and write-offs of property, plant and equipment include the US$11 million write-down of a former Crop Protection production site that was sold in 2008. Impairments of available-for-sale financial assets total US$37 million consisting mainly of recognition of the significant decline in the share price of Verenium (previously Diversa) Corporation.

Reversal of inventory step up included in cost of goods sold in 2008 consists of reversal of inventory step up on the Zeraim Gedera acquisition.

2007

In 2007, Syngenta incurred costs of US$41 million associated with the Operational Efficiency program announced in 2004 relating to the implementation of the Crop Protection manufacturing site closures announced in 2004-2006 and the continued rationalization and relocation of Research and Technology sites announced in 2004.

In connection with the Operational Efficiency program announced in 2007, US$27 million in cash costs were incurred by Crop Protection related to the restructuring of the Development function, projects to improve the efficiency of the distribution and manufacturing networks and for restructuring of Crop Protection organizations impacting sites in the UK, Switzerland, Australia, France and Spain. Cash costs in Seeds under this program totaled approximately US$32 million for the restructuring of the NAFTA Corn & Soybean marketing and sales organizations, the exit of an onerous supply contract and exiting unprofitable crops in unprofitable geographies. In addition, headquarter and information systems restructuring activity incurred costs of US$17 million.

Seeds acquisition integration costs of US$9 million related to the integration of the acquired Fischer group and Emergent Genetics Vegetable A/S (EGV).

Non-cash restructuring and impairment costs consisted of accelerated depreciation and property, plant and equipment write-offs from site closures and rationalizations announced prior to and during 2006. Impairments of intangible assets largely related to accelerated amortization of a lease on a Crop Protection development site, the closure of which was announced in 2006.

Divestment gains of US$121 million were realized mainly from the sale of a major part of the Rosental site in Basel and from the sale of land in Switzerland.

Reversal of inventory step up included in cost of goods sold includes reversal of inventory step up on the EGV and Zeraim Gedera acquisitions.

Financial expense, net

Financial expense, net increased by US$127 million compared to 2007 as a result of net currency losses of US$108 million in 2008 compared to net gains of US$16 million in 2007. Syngenta has net long working capital positions in several emerging market currencies, in particular the Russian rouble and Ukrainian hryvna, where hedging products are of limited availability or are too expensive. The rapid and significant decline in these currencies in the final quarter of 2008 triggered significant exchange losses. In 2007, emerging market currencies had overall appreciated against the US dollar. The currency losses in 2008 were net of gains realized on restructuring internal funding arrangements.

Taxes

The effective tax rate in 2008 was 18%, compared to a rate of 22% in 2007. The tax rate on net restructuring and impairment costs was 24% compared to 93% in 2007 due to the mix on pre-tax gains and losses within the net position, particularly in 2007 which included the gain on the divestment of part of the Rosental site in Basel. Future rates applicable to restructuring and impairment will be dependent on the size and nature of charges and may vary significantly. Syngenta's tax rate in 2008 and 2007 was less than the Swiss statutory tax rate of 25% due in part to income taxed at different rates and in 2008 because of adjustments to current tax related to prior periods following the completion of tax audits in several countries in NAFTA and EAME.

Profit for the period and other supplementary income data

Profit in 2008 was US$1,385 million, all attributable to shareholders of Syngenta AG, compared to US$1,111 million in 2007 with US$1,109 million attributable to shareholders of Syngenta AG. Operating income was higher in 2008 largely due to strong profitable sales growth, which enabled operating income margin to be maintained despite higher net restructuring and impairment costs. In addition, increased financial expenses, net, were partly offset by the reduced tax rate.

After related taxation, restructuring and impairment charges in 2008 were US$155 million compared to US$3 million in 2007.

Results of operations
2007 compared to 2006

Sales commentary

Total Syngenta consolidated sales for 2007 were US$9,240 million, compared to US$8,046 million in 2006, a 15% increase year on year. At constant exchange rates sales growth was 11%. The analysis by segment is as follows.

(US$ million, except growth %)			Growth				
Segment	2007	2006	Volume %	Local price %	CER %	Currency %	Actual %
Crop Protection	7,285	6,378	11	–	11	3	14
Seeds	2,018	1,743	9	3	12	4	16
Business Development	5	2	–	–	–	–	–
Inter-segment elimination	(68)	(77)	–	–	–	–	–
Total	9,240	8,046	11	–	11	4	15

Sales by region were as follows:

(US$ million, except growth %)			Growth				
Region	2007	2006	Volume %	Local price %	CER %	Currency %	Actual %
Europe, Africa and Middle East	3,350	2,917	6	–	6	9	15
NAFTA	3,108	2,900	7	–	7	–	7
Latin America	1,565	1,141	33	4	37	–	37
Asia Pacific	1,217	1,088	8	(1)	7	5	12
Total	9,240	8,046	11	–	11	4	15

Crop Protection

Crop Protection sales grew strongly at 14%, 11% at constant exchange rates. In the strong markets, Syngenta benefited from its broad product portfolio and successful marketing strategies and estimates to have increased market share. Sales of products launched since 2000 continued to expand with sales up 20% to US$1.2 billion driven by an exceptional second year for AXIAL® and by continuing growth in CALLISTO® and ACTARA®/CRUISER®. The Company’s market leadership in fungicides was reinforced with AMISTAR® sales up by more than 25%. Sales of TOUCHDOWN® were almost 50% higher with strong demand across the Americas and improved pricing.

Sales were up in all regions. In Europe, Africa and the Middle East, sales in Eastern Europe continued to grow above 10% and in Western and Northern Europe benefited from a mild winter in the first half and a severe outbreak of potato blight in the third quarter. In NAFTA, Syngenta’s leading position in corn led to higher sales on the increased corn acreage. Growth accelerated in the second half with strong sales of both herbicides and fungicides. In Asia Pacific, emerging markets, notably China and India, continued to drive growth, more than offsetting a weaker market in Japan. The strongest sales growth was in Latin America with sales increasing 37% as a result of the high crop prices encouraging growers to maximize crop yield. Soybean growth was the main driver but demand on other crops such as corn and sugar cane also increased. Strong sales growth in Seed Care included a successful second year for AVICTA®, despite lower cotton acreage, and the continuing expansion of CRUISER®. In addition to offering growers insect and disease control benefits, CRUISER MAXX® clearly demonstrates increased plant growth vigor.

Professional Products showed strong sales growth driven by the full year consolidation of Fafard, acquired in 2006.

Sales by product line are set out below.

(US$ million, except growth %)			Growth				
Product Line	2007	2006	Volume %	Local price %	CER %	Currency %	Actual %
Selective Herbicides	2,019	1,813	8	–	8	3	11
Non-Selective Herbicides	902	725	19	2	21	3	24
Fungicides	2,004	1,716	12	–	12	5	17
Insecticides	1,205	1,093	8	(1)	7	3	10
Seed Care	604	531	12	(1)	11	3	14
Professional Products	475	427	13	(3)	10	1	11
Others	76	73	(9)	11	2	2	4
Total	7,285	6,378	11	–	11	3	14

Selective Herbicides: major brands AXIAL®, CALLISTO® family, DUAL MAGNUM®/BICEP®MAGNUM, ENVOKE®, FUSILADE® MAX, TOPIK®

Increased corn acreage was accompanied by sales growth above 10% in all major products. In the USA growers seeking to maximize yield increasingly recognized the importance of treatment programs including selective herbicides. The CALLISTO® family of products also continued to expand in Europe and Latin America. Growth in AXIAL® accelerated in a favorable market environment and sales exceeded US$100 million.

Non-Selective Herbicides: major brands GRAMOXONE®, TOUCHDOWN®

Sales of TOUCHDOWN®, which is marketed in a comprehensive product range, increased strongly in response to higher glyphosate-tolerant acres in the Americas. Higher demand combined with tight supply resulted in pricing improvements. GRAMOXONE® also showed growth with strong demand in Asia more than offsetting the phasing out of the product in Europe.

Fungicides: major brands AMISTAR®, BRAVO®, REVUS®, RIDOMIL GOLD®, SCORE®, TILT®, UNIX®

AMISTAR® showed exceptional growth notably in Latin America, with higher soybean acreage, increased soybean rust pressure and strong demand from wheat growers. In the USA the AMISTAR® range benefited from the development of a new market segment to prevent disease in corn. There was good growth in other fungicides including BRAVO®, which is widely used to counter fungicide resistance in European cereals. REVUS®, a new fungicide for vegetables and vines, was successfully launched in the UK and Korea.

Insecticides: major brands ACTARA®, FORCE®, KARATE®, PROCLAIM®, VERTIMEC®

Strong demand for cereals and high levels of insect pressure in Europe led to good growth in sales of KARATE®. ACTARA® continued to expand, notably in Latin America. A decline in FORCE® sales in the USA as a result of increased rootworm trait penetration was partly offset by strong demand in Eastern Europe. US sales were also adversely affected by a sharp decline in cotton acreage.

Seed Care: major brands AVICTA®, CRUISER®, DIVIDEND®, MAXIM®

Strong sales growth continued. CRUISER® showed excellent growth in all regions reflecting increased penetration and treatment intensity in corn and soybean; new registrations in Latin America; higher demand on oilseed rape and cereals in Europe; and new launches in Asia Pacific. Sales of AVICTA® in its second year were up 50% despite lower US cotton acreage as growers recognized its superior performance in nematode control.

Professional Products: major brands FAFARD®, HERITAGE®, ICON®

Sales grew by 11%, 10% at constant exchange rates, due to additional volume from the full year consolidation of Fafard in the Lawn & Garden range.

Commentary on regional performance

(US$ million, except growth %)			Growth				
Region	2007	2006	Volume %	Local price %	CER %	Currency %	Actual %
Europe, Africa and Middle East	2,545	2,242	6	(1)	5	8	13
NAFTA	2,238	2,119	7	(1)	6	–	6
Latin America	1,423	1,036	34	3	37	–	37

Asia Pacific	1,079	981	6	(1)	5	5	10
Total	7,285	6,378	11	–	11	3	14

Sales in Europe, Africa and the Middle East benefited from strong demand for cereals. Performance was also helped by a mild winter in the first half and by a severe outbreak of potato blight across northern Europe in the third quarter. Syngenta further strengthened its position in Eastern Europe, spearheading the development of the market in the region with particularly strong growth in Russia, Ukraine and Kazakhstan.

Sales growth in NAFTA was led by herbicides and fungicides and reflected in particular the marked expansion of US corn acreage. While glyphosate-tolerant (GT) technology progressed further to cover around 60% of the US market, high corn prices encouraged growers simultaneously to step up crop protection usage in order to maximize yield.

Higher GT acreage contributed to strong demand for TOUCHDOWN® in both the USA and Canada.

Sales in Latin America increased strongly in both Brazil and Argentina and across all product lines. Higher corn and soybean prices resulted in increased plantings and usage intensity. With demand for other crops also strong, Syngenta's business continued to benefit from its broad product range and well established customer relationships.

In Asia Pacific growth in the emerging markets notably China, India and Vietnam, more than offset the impact of weaker demand in Japan. The increasing sophistication of agriculture in the emerging markets is reflected in significantly higher sales of fungicides and seed treatments.

Seeds

In 2004, Syngenta began a transformation of its Seeds business. Following the establishment of a platform for the launch of Corn and Soybean traits in the USA, the development of proprietary biotech traits was accelerated and in 2007 Syngenta advanced the timeline for the delivery of stacked technologies. The scope of the Vegetables and Flowers businesses was developed and broadened through product innovation and acquisitions.

In 2007, sales of Syngenta Corn seeds grew worldwide driven by crop prices and acreage expansion. At the beginning of the year Syngenta received US EPA approval for its double stacked corn containing AGRISURE® corn borer and corn rootworm traits. This marked the completion of a double stack offer and enabled preparation for the launch of a triple stack product in 2008. This transformation of the US corn portfolio was accompanied by significant marketing investments and by increased research and development to ensure that Syngenta's pipeline is able to capture a wide range of future biotech opportunities.

Good sales growth in Vegetables and Flowers was supplemented in 2007 by the acquisitions of Zeraim Gedera, an Israeli vegetable seeds company focusing on high value crops, and Fischer, which reinforced Syngenta's position as the world leader in Flowers.

Growth in Diverse Field Crops reflected Syngenta's strong position in Eastern Europe where the use of improved seeds is contributing to the rapid modernization of agriculture.

(US$ million, except growth %)				Growth			
Product Line	2007	2006	Volume %	Local price %	CER %	Currency %	Actual %
Corn & Soybean	893	785	8	4	12	2	14
Diverse Field Crops	351	309	5	2	7	6	13
Vegetables	502	421	13	1	14	6	20
Flowers	272	228	13	–	13	6	19
Total	2,018	1,743	9	3	12	4	16

Field Crops (Corn & Soybean and Diverse Field Crops): major brands NK®, GARST®, GOLDEN HARVEST® corn and oilseeds, HILLESHÖG® sugar beet

Sales of corn seeds were strong globally reflecting high corn prices and acreage expansion, particularly in the USA. Growth accelerated in the second half with share gains in a strong Latin American market. In the USA final sales of seeds containing non-proprietary traits contributed towards the US$59 million growth of total seeds sales in NAFTA in the fourth quarter. The good corn sales performance was partly offset by lower soybean sales as a result of the decline in US soybean acreage.

All Diverse Field Crops showed strong growth in Eastern Europe. Sugar beet growth reflected the successful positioning of the HILLESHÖG® business to take account of EU subsidy reform. Sunflower and oilseed rape both benefited from demand for healthy oils as well as for biodiesel.

Vegetables and Flowers: major brands Vegetables S&G®, ROGERS®; major brand Flowers S&G®

Growth in Vegetables sales reflected continuing strong consumer demand and some estimated share gain, with a US$13 million contribution from the consolidation of EGV and Zeraim Gedera, included within volume in the table above. Sales in Latin America and Asia Pacific continued to expand rapidly. Sales of Branded Fresh Produce in the USA rose by over 30%.

The acquisition of Fischer in Flowers contributed US$24 million to Seeds sales growth. Underlying sales grew in both Europe and NAFTA.

Commentary on regional performance

(US$ million, except growth %)			Growth				
Region	2007	2006	Volume %	Local price %	CER %	Currency %	Actual %
Europe, Africa and Middle East	818	690	8	2	10	9	19
NAFTA	916	838	7	2	9	–	9
Latin America	146	107	24	13	37	–	37
Asia Pacific	138	108	19	–	19	9	28
Total	2,018	1,743	9	3	12	4	16

Sales in Europe, Africa and the Middle East reflected a very strong performance in Eastern Europe, particularly in Diverse Field Crops. Underlying growth in Vegetables and Flowers in the EAME region was augmented by the full year effect of the EGV acquisition, the fourth quarter sales from Zeraim Gedera in Vegetables and the addition of the Fischer portfolio in Flowers.

In NAFTA, sales growth reflected the significant increase in corn acreage largely offset by lower planted soybean acres, the turnaround from the 2006 first quarter production issues in corn and a one off positive effect of the final sales of corn seeds containing non-proprietary traits in fourth quarter 4, 2007. Vegetables and Flowers sales growth was also strong in NAFTA, particularly in Branded Fresh Produce.

Sales in Latin America grew strongly, particularly in corn, driven by increased acreage, planting intensity and the further penetration of genetically modified trait technology. Syngenta estimates to have outperformed the rapidly growing market.

In Asia Pacific, sales increased by 28%, 19% at constant exchange rates. Corn and Soybean sales grew strongly in India and Vegetables sales growth continued, particularly in the emerging markets of India and China.

Operating income

Variances in the tables below reflect the profit impact of changes year on year. For example, an increase of sales or a decrease in costs is a positive variance and a fall in sales or increase in costs is a negative variance.

Operating income	2007 US$ million	2006 US$ million	Growth Actual %
Crop Protection	1,502	901	66
Seeds	(16)	44	(134)
Business Development	(19)	(79)	–
Inter-segment profit elimination	(3)	(37)	–
Total	1,464	829	77

Operating income increased 77% in 2007 to US$1,464 million which included a US$50 million non-recurring change of control payment from Delta & Pine Land following their acquisition by Monsanto. Strong markets were a key driver in a 15% sales increase over 2006, with 4% from a weaker US dollar exchange rate. Gross profit margin declined by 1% with increased environmental provisions in Crop Protection and lower margins in Seeds largely due to the increased weighting of US corn at the expense of soybean, which was the more profitable crop in 2007. Marketing, Sales and Distribution costs increased 12%, 8% at constant exchange rates, and included higher volume related costs, a full year impact of the Fafard acquisition and additional spending in emerging country markets.

Research and development costs were 4% higher in 2007 than 2006, but flat at constant exchange rates, with decreased costs after the Biopharma exit in 2006 and savings associated with the Operational Efficiency Programs being reinvested in the further development of stacked traits in Seeds. General and administrative costs in 2007 were net of the one-off payment from Delta & Pine Land.

Lower net restructuring and impairment contributed US$285 million to the increase in reported operating income. Total 2007 net restructuring and impairment spending included divestment gains of US$121 million, US$109 million of which relates to the sale of a portion of the Rosental site in Basel which was assessed to be beyond Syngenta's medium-term needs. Movements in exchange rates between 2006 and 2007, particularly the strengthening of emerging market currencies, increased operating profit by an estimated US$58 million including the net result of the EBITDA hedging program. The net hedging result under the program, which is reported within general and administrative costs, was a US$17 million gain in 2007 compared to a US$14 million loss in 2006.

Crop Protection operating income

(US$ million, except growth %)	Total as reported under IFRS 2007	2006	Restructuring and impairment 2007	2006	Before Restructuring and impairment(1) 2007	2006	Growth Actual %	Growth CER %
Sales	7,285	6,378	–	–	7,285	6,378	14	11
Cost of goods sold	(3,605)	(3,126)	–	(8)	(3,605)	(3,118)	(16)	(12)
Gross profit	3,680	3,252	–	(8)	3,680	3,260	13	10
as a percentage of sales	51%	51%			51%	51%		
Marketing and distribution	(1,167)	(1,037)	–	–	(1,167)	(1,037)	(13)	(9)
Research and development	(496)	(490)	–	–	(496)	(490)	(1)	4
General and administrative	(516)	(549)	–	–	(516)	(549)	6	5
Restructuring and impairment	1	(275)	1	(275)	–	–	–	–
Operating income	1,502	901	1	(283)	1,501	1,184	27	22
as a percentage of sales	21%	14%			21%	19%		

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

(1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review and Prospects for a more detailed description.

Sales in the year were up 14% in 2006, 11% at constant exchange rates, primarily driven by volume growth. Full year gross margins were slightly down in 2006 as the favorable impact of higher volumes and cost savings from the Operational Efficiency Program were offset by an increase in environmental provisions and some adverse country mix. Marketing and distribution costs increased in the year driven by a combination of the weaker US dollar, higher sales volumes and the full year effect of the Fafard acquisition. Research and development costs were 1% higher, but 4% lower at constant exchange rates, partly reflecting the savings achieved through the Operational Efficiency Restructuring Program. General and administrative costs were 6% lower largely from lower liability provisions and increased compensation from third parties using Syngenta registration data.

Restructuring and impairment is defined in Note 6 to the consolidated financial statements in Item 18. Restructuring and impairment for 2006 related primarily to the Operational Efficiency Program announced in 2004. The 2007 costs also included spending against the new Operational Efficiency Program announced in February 2007. The 2007 charge was net of the profit on partial sale of the Rosental and Dielsdorf sites in Switzerland. Further details on restructuring and impairment can be found later in this section.

Operating income was 67% higher at US$1,502 million, with US$284 million coming from lower restructuring and impairment charges.

With the US dollar weakening in the year against the core currencies of Euro, Swiss franc and British pound sterling, the net effect of the US dollar movements was to increase operating income by approximately US$52 million.

Seeds operating income/(loss)

(US$ million, except growth %)	Total as reported under IFRS 2007	2006	Restructuring and impairment 2007	2006	Before Restructuring and impairment(1) 2007	2006	Growth Actual %	Growth CER %
Sales	2,018	1,743	–	–	2,018	1,743	16	12
Cost of goods sold	(1,123)	(894)	(6)	(17)	(1,117)	(877)	(27)	(24)
Gross profit	895	849	(6)	(17)	901	866	4	(1)
as a percentage of sales	44%	49%			45%	50%		
Marketing and distribution	(465)	(429)	–	–	(465)	(429)	(8)	(4)
Research and development	(283)	(232)	–	–	(283)	(232)	(22)	(18)
General and administrative	(125)	(106)	–	–	(125)	(106)	(18)	(14)
Restructuring and impairment	(38)	(38)	(38)	(38)	–	–	–	–
Operating income/(loss)	(16)	44	(44)	(55)	28	99	(72)	(81)
as a percentage of sales	–	3%			1%	6%		

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

(1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review and Prospects for a more detailed description.

Seeds Sales in the year were 16% higher than 2006, 12% at constant exchange rates. Gross margins declined as the US field crop market shifted into corn from soybean. In 2007, due to the significant weighting of seeds with non-proprietary genetically modified traits in the corn seed portfolio, corn gross margins were lower than soybean. Gross margins were also adversely impacted by the high commodity crop prices which in several cases is the basis of the prices paid to contract growers. Marketing and research and development spending increased in 2007 as Syngenta invested in further transforming the US corn range and also absorbed the costs of the acquired companies, EGV, Fischer and Zeraim Gedera. The increase in general and administrative costs in 2007 partly reflected the costs in the acquired companies including the amortization of acquired intangibles. Restructuring and impairment costs included US$9 million of integration costs associated with the 2006 and 2007 Vegetables and Flowers acquisitions and US$32 million related to the new Operational Efficiency Program announced in February 2007, of which US$13 million related to the restructuring of a long term supply contract and US$16 million to the reorganization of the US Corn and Soybean business with integrated support functions. Restructuring and impairment charges in cost of goods sold included the reversal of the purchase accounting inventory step up for EGV and Zeraim Gedera.

The weakening of the US dollar against the Euro and other core currencies resulted in approximately a US$9 million increase in operating income.

Business Development operating loss

(US$ million, except growth %)	Total 2007	2006	Restructuring and impairment 2007	2006	Before Restructuring and impairment(1) 2007	2006	Growth Actual %	Growth CER %
Sales	5	2	–	–	5	2	–	–

Cost of goods sold	(6)	(2)	–	–	(6)	(2)	–	–
Gross profit	(1)	–	–	–	(1)	–	–	–
as a percentage of sales	–	–	–	–	–	–	–	–
Marketing and distribution	(6)	(4)	–	–	(6)	(4)	(50)	(65)
Research and development	(51)	(74)	–	–	(51)	(74)	31	33
General and administrative	37	(13)	–	–	37	(13)	385	392
Restructuring and impairment	2	12	2	12	–	–	–	–
Operating loss	(19)	(79)	2	12	(21)	(91)	–	–
as a percentage of sales	–	–			–	–		

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

(1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review and Prospects for a more detailed description.

Research and development spending reduced compared to 2006 largely due to the full year impact of stopping independent development efforts in Biopharma in 2006 and lower spending on animal nutrition development. This was partially offset by the increased investment in biofuels research.

General and administrative costs were net of the US$50 million receipt from Delta & Pine Land following their acquisition by Monsanto. The restructuring and impairment net gain in 2007 represented the reversal of a previously impaired financial asset.

Defined benefit pensions

Defined benefit pension costs decreased from US$110 million in 2006 to US$108 million in 2007. The 2006 expense amount included US$50 million of restructuring costs, and a US$45 million gain to reflect the change to Syngenta's UK pension fund rules that increased the proportion of benefits which employees can take in the form of a tax free lump sum on retirement. The restructuring costs in 2006 included the social plan costs associated with restructuring in Syngenta's French Crop Protection business and the Crop Protection product development function in the UK. The 2007 expense amount included US$15 million of restructuring costs, mainly related to Switzerland.

During 2007, the overall pension scheme funded status, which is the market value of plan assets divided by the benefit obligation valued using the projected unit credit actuarial method, improved from 96% to 99%. Bond yields increased compared to December 31, 2006, which reduced the valuation of pension liabilities. Asset returns for the UK and the US pension funds exceeded the long-term expected return assumption and contributed to the improved funded status. These positive developments were partly offset by asset returns in the Swiss pension fund, which were below the long-term expected rate of return, in line with the less favorable 2007 Swiss financial market movements. Employer contributions to defined benefit plans, excluding contributions related to restructuring, were US$124 million in 2007, compared to US$150 million in 2006.

Restructuring and impairment

The following table analyzes restructuring and impairment charges for each of the periods indicated:

For the year ended December 31 (US$ million)		2007			2006	
Reversal of inventory step-up (in cost of goods sold)			(6)			(25)
Restructuring costs						
Write-off or impairment:						
– Property, plant and equipment	(20)			(26)		
– Intangible assets	(16)			(46)		
– Inventories	(2)			–		
Non-cash pension restructuring releases (charges)	6			(3)		
Total non-cash restructuring charges		(32)			(75)	
Cash costs:						
– Operational Efficiency Programs	(117)			(199)		
– Seeds Integration	(9)			(36)		
– Merger synergy program and other	–			3		
		(126)			(232)	
Impairment of financial assets		2			–	
Gains from disposals		121			6	
			(35)			(301)
Total restructuring and impairment			(41)			(326)

In 2007 Syngenta continued to incur costs associated with the Operational Efficiency Program announced in 2004. While no further initiatives were announced under this program in 2007, charges were incurred related to the implementation of the Crop Protection manufacturing site closures announced in 2004-2006 and the continued rationalization and relocation of Research and Technology sites announced in 2004. In 2007 charges for cash costs under this program were US$41 million.

A second Operational Efficiency Program was announced in February 2007 and included restructuring in Crop Protection and Seeds. During 2007, US$27 million in cash costs were incurred by Crop Protection including US$14 million relating to the restructuring of the Development function, US$5 million for projects to improve the efficiency of the distribution and manufacturing networks and US$8 million for restructuring of Crop Protection organizations impacting sites in the UK, Switzerland, Australia, France and Spain.

In addition, headquarter and IS restructuring activity incurred costs of US$17 million. Cash costs in Seeds totaled approximately US$32 million including US$16 million for the restructuring of the NAFTA Corn and Soybean marketing and sales organizations, US$13 million for the exit of an onerous supply contract and smaller amounts to exit unprofitable crops in unprofitable geographies.

Seeds acquisition integration costs of US$9 million related to the integration of the acquired Fischer group and EGV.

Impairments of property, plant and equipment in 2007 consisted of accelerated depreciation and asset write-offs from site closures and rationalizations announced prior to and during 2006. Impairments of US$20 million were net of US$19 million impairment reversal due to proceeds now received or expected on asset disposals. Impairments of intangible assets largely related to accelerated amortization of a lease on a Crop Protection development site, the closure of which was announced in 2006.

Divestment gains of US$121 million included US$109 million realized from the sale of a major part of the Rosental site in Basel. Gains of US$11 million were the result of the reversal of an impairment recorded as part of an asset swap in 2006. Accelerated depreciation charges of US$5 million and onerous contract charges of US$7 million were also reported in 2007 relating to the same asset swap. Gains of US$13 million were realized on the sale of land in Switzerland.

Reversal of inventory step up included in cost of goods sold in 2007 included reversal of inventory step up on the EGV and Zeraim Gedera acquisitions.

In 2006, as part of the Operational Efficiency program announced in 2004, cash costs of US$60 million were recorded in respect of announcements of the consolidation activities in two manufacturing sites in France and Belgium and reductions of sales, marketing and administrative resources in France. Continuing activity related to restructuring announced prior to 2006 gave rise to cash costs of US$61 million in Crop Protection. The announcement of a restructuring of the Crop Protection Development area, including the closure of one Crop Protection Development site, consolidation of development activity at another site and closure or downsizing of several Field Stations around the world, gave rise to cash costs of US$78 million and accelerated amortization charges of US$5 million.

Seeds acquisition integration costs of US$36 million during 2006 were mainly for the ongoing integration of the Seeds NAFTA Corn and Soybean business.

Impairments of US$26 million on property, plant and equipment included accelerated depreciation charges of US$22 million for two sites in NAFTA Crop Protection as well as various other smaller charges. In addition to the accelerated amortization noted above, intangible asset impairments related to a contract termination and the impairment of a supply agreement.

Reversal of inventory step up in 2006 included the final reversal of inventory step-up on the Garst and Golden Harvest acquisitions and the reversal of the step up on the Fafard and EGV acquisitions.

Financial expense, net

Financial expense, net increased by US$22 million compared to 2006. Net currency gains of US$16 million, mainly due to gains on emerging market currencies, are less than the US$51 million in 2006 which included the non-recurring gain on restructuring an overcapitalized British pound sterling balance sheet. Strong operating cash flows and further optimized internal funding both contributed to lower net interest expense than in 2006 despite the continued cash outflow for share repurchases.

Taxes

The overall tax rate in 2007 was 22%, compared to a rate of 20% in 2006. The tax rate on net restructuring and impairment costs was 93% compared to 27% for 2006 due to the mix on pre-tax gains and losses within the net position. Syngenta's tax rate in 2007 and 2006 was less than the Swiss statutory tax rate of 25% due in part to income taxed at different rates.

Profit for the period and other supplementary income data

Profit in 2007 was US$1,111 million with US$1,109 million attributable to shareholders of Syngenta AG, compared to US$637 million in 2006 with US$634 million attributable to shareholders of Syngenta AG. Operating income was higher in 2007 largely due to sales growth and helped further by the Delta & Pine Land receipt and the gain on disposal of part of the Rosental site.

After related taxation, restructuring and impairment charges in 2007 were US$3 million compared to US$238 million in 2006.

Foreign operations and foreign currency transactions

Syngenta's subsidiaries use their local currency as their functional currency for accounting purposes except where the use of a different currency more fairly reflects their actual circumstances.

Syngenta operates worldwide and its business has grown significantly in emerging markets, with a broadening of the currency effects that need to be closely monitored. The biggest exposure arises from the operations in Brazil where the Brazilian real is the functional currency of the subsidiaries. In 2008 the Brazilian real was affected in the final quarter by the overall credit crisis and the currency has depreciated against the US dollar to a level comparable to the end of 2005. To manage its exposure to risks associated with the real, Syngenta has implemented programs to protect the US dollar value of trade receivables from customers and has hedged its balance sheet exposure using currency derivatives. Sales to customers in Brazil must be invoiced in Brazilian real to meet local legal requirements. The extent to which sales prices in Brazilian real can be increased to offset the effect of any future devaluation remains uncertain. Syngenta is not able to estimate the effect of any future depreciation or appreciation of the Brazilian real on operating income in future periods.

Liquidity and capital resources

Syngenta's principal sources of liquidity consist of cash generated from operations. In the period 2006 to 2008, this has been more than sufficient to cover cash used for investment activities and, except for any significant business acquisitions or a significant deterioration in the rate of receivables collections from that currently expected by management, this is also expected to be the case in 2009 despite an increased capital expenditure program announced in 2008. Working capital fluctuations are supported by short-term funding available through commercial paper and committed credit facilities. Longer-term capital resources include unsecured non-current bonds issued under the Euro Medium Term Note (EMTN) program and unsecured non-current Notes issued under a Note Purchase Agreement in the US Private Placement market. Syngenta reported cash and cash equivalents on December 31, 2008 and 2007 of US$803 million and US$503 million, respectively. At December 31, 2008 and 2007, Syngenta had current financial debts of US$211 million and US$399 million, respectively, and non-current financial debts of US$2,524 million and US$1,726 million, respectively.

Capital markets and credit facilities

Funds for Syngenta's working capital needs were available during the year from its US$2,500 million Global Commercial Paper program supported by a US$1,200 million committed, revolving, multi-currency, syndicated credit facility. Syngenta entered into its Global Commercial Paper program on December 15, 2000 and amended it on July 24, 2007. At December 31, 2008, Syngenta had no commercial paper issuances outstanding. The US$1,200 million syndicated credit facility (the "Credit Facility") was signed on July 20, 2006, amended on July 31, 2007, and will mature on July 20, 2013. At December 31, 2008, Syngenta had no borrowings under the Credit Facility. There are no material restrictions on dividends from subsidiaries under this facility.

During 2008, Syngenta issued two unsecured non-current Swiss franc domestic bonds with principal amounts of CHF 500 million and CHF 375 million. The CHF 500 million bond has a maturity in April 2013 and a fixed interest rate of 3.375%. The CHF 375 million bond has a maturity in December 2012 and a fixed interest rate of 3.500%.

The table below summarizes Syngenta's unsecured notes in issuance at December 31, 2008:

(US$ million)	Fair value	Carrying amount	Value at issue
4.125% Eurobond 2011	703	702	636

3.500% Swiss franc domestic bond 2012	371	352	316
3.375% Swiss franc domestic bond 2013	488	469	484
4.125% Eurobond 2015	669	699	641
5.110% US private placement 2020	95	99	75
5.350% US private placement 2025	103	75	75
5.590% US private placement 2035	158	100	100
Total	2,587	2,496	2,327

The outstanding Eurobonds and domestic Swiss franc bonds have been issued under Syngenta's EMTN program, first signed in June 2003. The program was last updated on September 30, 2008, to increase the maximum amount of borrowings to US$3 billion and is listed on the London Stock Exchange and the SIX Swiss Exchange.

The US$2,500 million Global Commercial Paper program, which is supported by the Credit Facility is further backed up by the Commercial Paper Funding Facility (CPFF) established by the Federal Reserve Bank of New York, which allows Syngenta to issue commercial paper up to the greatest amount of US dollar-denominated commercial paper Syngenta had outstanding on any day between January 1 and August 31, 2008.

The last issuance date for commercial paper on the CPFF will be October 30, 2009, which allows issue up to that date of commercial paper with a three months maturity.

Management is of the opinion that, absent a major business acquisition or a very significant deterioration in working capital or the rate of receivables collections from that currently expected, the funding available from these sources will be sufficient to satisfy its working capital, capital expenditure and debt service requirements for the foreseeable future, including cash expenditure relating to restructuring programs. In the event of a major business acquisition, Syngenta would seek additional funding from capital markets and other sources. Syngenta regards as sufficiently remote the likelihood that a very significant deterioration in working capital or unexpected decline in the rate of receivables collections will occur so as not to require the development of a detailed contingency funding plan.

Commitments for capital expenditure of US$172 million at December 31, 2008 relate mainly to the current capital investment program.

Financial results

The following table sets out certain information about cash flow for each of the periods indicated:

	Year ended December 31,		
(US$ million)	2008	2007	2006
Cash flow from operating activities	1,466	1,168	928
Cash flow used for investing activities	(608)	(368)	(411)
Cash flow used for financing activities	(457)	(781)	(541)

Cash flow from operating activities
2008 compared to 2007

Cash flow from operating activities in 2008 was US$298 million higher than in 2007. After reversing non-cash items, 2008 income before taxes contributed US$521 million more cash inflows than 2007 due to higher sales. This was offset by a higher increase in inventory levels that absorbed US$836 million more cash than in 2007 due to a stock build to meet higher sales volumes before the completion of the capital expansion program that commenced in mid-2008. Other working capital flows contributed US$378 million of cash in 2008 compared to outflows of US$46 million in 2007, partly due to higher rebates payable to customers. Payments of taxes increased from US$192 million in 2007 to US$283 million in 2008. Net financial receipts and payments were inflows of US$49 million compared to US$155 million of outflows in 2007 due to gains realized on restructuring internal funding in Brazil and the UK and the related net investment hedges.

2007 compared to 2006

Cash flow from operating activities in 2007 was US$240 million higher than in 2006. This increase was mainly attributable to the growth in income before taxes of US$621 million from US$798 million in 2006 to US$1,419 million in 2007. Adding back depreciation, amortization and impairment and excluding the net gains on disposals of non-current assets, where the relevant cash flows are included within investing activities in the cash flow statement, the increase compared to 2006 was US$495 million. This growth was due to higher sales and gross profit, which was only partly offset by increases in other operating expenses. The higher operating cash flows are also net of lower interest and other financial receipts due to lower cash inflows from hedges of internal funding than in 2006. Payments of taxes increased from US$167 million in 2006 to US$192 million in 2007. Cash outflows from working capital increased by US$56 million as inventory and trade receivable levels increased with increasing sales, partly offset by an increase in trade payables.

Cash flow used for investing activities
2008 compared to 2007

Cash flows used for investing activities increased from US$368 million in 2007 to US$608 million in 2008. Expenditure on tangible and intangible assets increased by US$192 million, partly due to a capacity expansion program announced in July 2008. Additions to property, plant and equipment were higher in both Crop Protection and Seeds and, at US$444 million were higher than depreciation of US$242 million. Proceeds from disposals decreased by US$164 million in 2008 after the partial sale of the Rosental site in Switzerland in 2007. This was partially offset by the sale of the marketable security portfolio in 2008 for proceeds of US$97 million and reduced spending on acquisitions of US$28 million. Purchases of investments in associates and joint ventures was US$27 million higher in 2008 due to the acquisition of an interest in Sanbei Seeds in China.

2007 compared to 2006

Cash flows used for investing activities decreased from US$411 million in 2006 to US$368 million in 2007. This decrease is net of increased cash spending on property, plant and equipment and intangible assets of US$126 million, which was offset by increased proceeds of US$92 million from disposals, mainly consisting of proceeds from the partial sale of the Rosental site in Basel. Additions to property, plant and equipment were higher than depreciation in 2007, compared to being lower in 2006 and 2005, with increased expenditure in both the Crop Protection and Seeds businesses. The portfolio of marketable securities purchased in 2006 remained at a similar level during 2007 while business acquisitions, including associates and minorities, increased by US$19 million following the acquisitions of Fischer and Zeraim Gedera and the purchase of additional shares in Syngenta India Ltd.

Cash flow used for financing activities
2008 compared to 2007

Financing cash outflows decreased by US$324 million due mainly to increased net additional borrowings of US$608 million in 2008 compared to US$182 million in 2007. Distributions paid to shareholders were US$151 million higher in 2008, but treasury share purchases, including 2.3 million shares under the share repurchase program, were US$45 million lower than in 2007.

2007 compared to 2006

Financing cash outflows increased by US$240 million due to increased dividend payments and par value reductions of US$37 million, increased net share repurchases of US$105 million, with the purchase of 3.8 million shares, and decreased inflows from borrowings of US$98 million.

Research and development (R&D)

Syngenta has major research centers in Stein, Switzerland; Jealott’s Hill, England; Goa, India; Research Triangle Park, North Carolina, USA; and Beijing, China.

There are two principal elements to Syngenta research and development. The first is to develop new products and technologies. The second is to support existing products: extending their uses, improving their performance and monitoring their long-term environmental profile and safety.

To enable the development of safe and effective solutions which enhance sustainable farming systems, Syngenta organizes its R&D activities around several core technology programs: Crop Protection Research; Crop Protection Development; Crop Genetics Research; Seed Breeding; Seed Product Development; Lawn & Garden Product Development and Integrated Agronomic Solutions. These are closely integrated to increase overall capacity and to discover new active ingredients and novel crop varieties which will lead to enhanced crop yields and quality.

Syngenta research and development scientists work to establish the biological potential of novel compounds, develop new plant varieties, obtain product registrations and bring new products to market that meet the needs of farmers, as well as their customers in the food supply chain.

Development involves extensive field tests as part of health and environmental safety evaluation to ensure that products meet rigorous standards around the world. Development activities also include the improvement of production processes for new active ingredients and formulations and field testing to ensure that Syngenta’s products provide value adding benefits to customers.

In Seeds, new varieties and hybrids are developed using a number of advanced breeding methods, including marker-assisted breeding, together with conventional skills that improve the success rate of breeding programs. In some crops, biotechnology approaches are used to create genetically modified varieties with improved yield and quality.

The streamlining and restructuring across the various R&D sites announced in 2004 was largely complete by the end of 2007. With the move of the Basel chemistry scientists to the new facility in Stein, Switzerland, which was completed in 2007, the Basel facility was closed. The further enhanced chemistry center in Goa, India, which was opened in November 2006, continues to focus on cost efficient synthesis at laboratory and field scale.

In 2008, further progress was made in restructuring in the Crop Protection Development area that was announced in 2006. The main components of this restructuring were the closure of one Crop Protection Development site, the downsizing and consolidation of product safety activity at Jealott's Hill, England, and the closure or downsizing of several field stations around the world.

Also in 2008, Syngenta announced the opening of a new biotechnology center in Beijing, China. This facility will concentrate on early-stage valuation of genetically modified traits for key crops, such as corn and soybean, in the areas of yield improvement, drought resistance, disease control and biomass conversion for biofuels. Syngenta is also investing further in its research center in Jealott's Hill, England, which focuses on the development of new herbicides. The investment will enhance the center's technological capability and accelerate further the delivery of new products to market.

The total spent on research and development was US$969 million in 2008, US$830 million in 2007 and US$796 million in 2006. Attribution of research and development costs for 2008 was US$556 million for Crop Protection, US$343 million for Seeds and US$70 million in Business Development. In 2007, the attribution was US$496 million for Crop Protection, US$283 million for Seeds and US$51 million for Business Development. In 2006, the attribution was US$490 million for Crop Protection, US$232 million for Seeds and US$74 million for Business Development.

In addition to Syngenta's own research and development efforts, Syngenta has also entered into a number of alliances and research and development agreements.

There are no off-balance sheet financing transactions associated with research and development activity.

Contractual obligations, commitments and contingent liabilities

At December 31, 2008 Syngenta had the following contractual obligations to make future payments in the following periods:

US$ million	Notes to the financial statements reference	Total	Less than 1 year	1–3 years	3–5 years	5–10 years	More than 10 years
Financial debt	18	2,735	211	730	821	699	274
Interest on financial debt	27	644	100	192	117	105	130
Other non-current liabilities	18	108	32	42	34	–	–
Payments under onerous contracts included within restructuring provisions	19	10	7	3	–	–	–
Capital lease payments	25	42	22	20	–	–	–
Operating lease payments	25	79	14	23	16	26	–
Unconditional purchase obligations	25	2,078	742	919	417	–	–
Long-term research agreements and other long-term commitments	25	362	97	158	107	–	–
Total		6,058	1,225	2,087	1,512	830	404

Of the total financial debt, floating rate financial debt is US$239 million (mainly local bank loans and overdraft facilities), US$211 million of which is due within one year. No interest obligation in respect of this debt is included in the table above. There is no contractual obligation to renew this debt. The debt amount, and the interest payments associated with it, will vary over time according to Syngenta's funding requirements and future interest rates.

Fixed rate debt of US$2,496 million is comprised primarily of the outstanding Eurobonds, Swiss franc domestic bonds and US private placement notes. Fixed rate interest payments of US$644 million on these are included above. At December 31, 2008, US$179 million of this long-term debt is converted to floating rate debt through derivatives. The impact of these derivatives on the interest cash flows has not been included in the above table as they can result in cash payments or receipts depending on the market position at any given time.

Other non-current liabilities arise from license agreements signed during 2008 with several counterparties where the related cash flows are payable over several years.

Except for the provision for payments under onerous contracts included in the table above, US$921 million of provisions for long-term liabilities shown in Syngenta's consolidated balance sheet have not been included in the above table because the timing of their payment is not contractually fixed and cannot be estimated with sufficient certainty within the context of the time periods in the table. This applies particularly to those amounts which are not expected to be paid during 2009. Note 19 to the consolidated financial statements in Item 18 presents the components of the estimated US$170 million of provisions that are expected to be paid during 2009, including US$7 million of onerous contract provisions which are included in the above table.

The supply agreements for materials which give rise to the unconditional purchase obligations are entered into by Syngenta to ensure availability of materials which meet the specifications required by Syngenta. Where suppliers have made significant capital investment, these agreements generally provide for Syngenta to pay penalties in the event that it was to terminate the agreements before their expiry dates.

The rules of Syngenta's main Swiss defined benefit pension fund commit Syngenta to contributing a fixed percentage of employees' pensionable pay to the fund. Under the regulations which apply to Syngenta's main UK defined benefit pension fund, Syngenta must commit to pay contributions according to a schedule which it agrees in advance with the Trustees. The existing schedule requires payment based on a percentage of pensionable pay, plus a fixed amount over a fixed number of years to eliminate the deficit in the fund. The contributions expected to be paid by Syngenta in 2009 to meet its commitments under the above arrangements are included in the US$150 million amount disclosed for employee benefit plans in Note 22 to the consolidated financial statements in Item 18. The amount has not been included in the tables above. Due to the significant uncertainty as to the amounts of contributions expected to be paid in 2010 and later years, estimated future contributions have also not been included in the above table.

Off-balance sheet arrangements

Syngenta had no off-balance sheet arrangements as at December 31, 2008, other than the above contractual obligations, commitments and contingent liabilities, and the off-balance sheet financing described in Note 27 to the consolidated financial statements in Item 18. Syngenta has no unconsolidated special purpose entities that are likely to create material contingent obligations.

Critical accounting estimates and new accounting pronouncements

Critical accounting estimates and new accounting pronouncements are discussed in Note 2 to the consolidated financial statements in Item 18.

Recent developments

Note 28 to the consolidated financial statements in Item 18 provides details of events which occurred between the balance sheet date and the date on which the consolidated financial statements were approved by the Board of Directors (February 4, 2009) that would require adjustment to or disclosure in the consolidated financial statements.

Future prospects

Sales of Crop Protection products grew rapidly in 2008, with high crop prices and strong farmer profitability supporting increased usage of Crop Protection products to maximize yield and quality. Major crop commodity prices, particularly soybean, corn and wheat have now reduced significantly from the high levels reached in the middle of 2008 to the levels seen in 2007. The adverse impact on farmer profitability of this has been offset by some reductions in fertilizer prices and lower fuel prices. However, overall Syngenta expects the sales volume growth rate to reduce from the high level of 2008. Similarly, while the full year benefit of local currency price increases achieved in 2008 will benefit 2009, the rate of local currency sales price growth is likely to moderate, particularly in glyphosate sales. Syngenta makes significant sales in emerging markets, where in some cases exchange rates versus the US dollar have depreciated significantly in the fourth quarter of 2008 and, while it is likely that part of the US dollar price impact of this depreciation will be offset by increases in local currency prices, if these rates remain, the overall impact of emerging currency weakness is expected to be negative compared to 2008. Syngenta is not able to predict the impact of exchange rate movements during 2009.

In Seeds, continued penetration of Syngenta's proprietary triple stack corn under the AGRISURE brand in the US market is expected as well as further corn growth in Latin America, though growth may be impacted by the financial crisis. Soybean sales grew strongly in the US in 2008 and Syngenta anticipates further market share gains in 2009. In Diverse Field Crops, sales grew strongly in 2008 in sunflowers, particularly in Eastern Europe, and while further 2009 growth is expected, this will be reduced by macro-economic conditions and weak exchange rates in some markets.

Vegetables sales growth, which was very strong and broad based in 2008, is expected to moderate in 2009. Flowers sales will increase following the acquisitions of Goldsmith and the pot and garden chrysanthemum and aster business of Yoder, but are likely to be impacted by weak consumer demand in the current economic climate.

Gross profit margins in Crop Protection in 2008 were adversely impacted by higher raw material costs, including glyphosate and oil, where, because hedge accounting treatment is not available, costs were also impacted by the effect of the steep fall in oil prices in the final quarter on the 2009 hedging program. Due to Syngenta's normal inventory cycle, the lower raw material costs seen in the final quarter of 2008 will not start to significantly benefit margins until the second half of 2009. Gross profit margin is expected to benefit from the full year impact of sales price increases initiated in 2008. This may be offset by the weakness of many currencies against the US dollar in the key first half sales season. Seeds gross profit margin improvement in 2008 is currently expected to continue in 2009. As a result of the current macroeconomic uncertainty and foreign exchange rate volatility, Syngenta has initiated cost saving initiatives to reduce variable spending while continuing investment in future growth initiatives, particularly in the Seeds business. The growth in operating costs below gross profit, excluding restructuring and impairment, is therefore expected to be lower in 2009 than in 2008.

Financial expense, net, in 2008 was significantly impacted by losses on emerging market currencies, which in most cases are not hedged due to cost and the limited availability of hedging products for some of these currencies. It is not possible to reliably predict exchange gains and losses in 2009.

Net income growth in 2009 will continue to be impacted by restructuring and impairment charges related to the Operational Efficiency program approved by the Syngenta Board in February 2007. The level of restructuring and impairment charges is dependent on the timing of irrevocable restructuring commitments and is difficult to forecast accurately in any one calendar year, but is expected in 2009 to be similar in size to 2008 excluding the financial asset impairment losses reported in 2008.

Subject to approval by the shareholders, at the annual general meeting on April 21, 2009, the Board is recommending a further increase in the dividend to CHF 6.00 per share from the CHF 4.80 paid in 2008.

Quantitative and qualitative disclosure about market risk

For quantitative and qualitative disclosure about market risk, see Note 27 to the consolidated financial statements in Item 18.

Appendix A

Reconciliation of non-GAAP measures to equivalent GAAP measures

A non-GAAP measure is a numerical measure of financial performance, financial position or cash flows that either:

- includes, or is subject to adjustments that have the effect of including, amounts that are excluded in the most directly comparable measure calculated and presented under IFRS as issued by the IASB; and

- excludes, or is subject to adjustments that have the effect of excluding, amounts that are included in the most directly comparable measure calculated and presented under IFRS as issued by the IASB.

Syngenta uses non-GAAP measures in this report where they are regarded by management as important for the investor to fully understand Syngenta's performance. The non-GAAP measures presented in this report are measures adjusted for exchange rate movements and to exclude restructuring gains and losses and impairment losses. The Company presents these measures because:

- movements in exchange rates historically have had, and in the future are expected to have, a significant impact on sales and operating income from period-to-period; and

- restructuring and impairment charges historically have fluctuated, and in the future are expected to fluctuate, significantly from period-to-period and thereby have a volatile impact on results.

Syngenta has been engaged in significant restructuring activities, including the integration of business combinations, since the formation of the Company in November 2000. In the period following the formation of the Company, restructuring programs were initiated to integrate and extract synergies from the now combined operations of the Zeneca agrochemicals business and the Novartis agribusiness. Subsequently, further restructuring programs have been initiated in response to low underlying growth in Crop Protection markets seen at the time these programs were announced. The incidence of restructuring charges is periodic and volatile, reflecting the timing of irrevocable commitments related to specific sites and operations. Therefore the impact on reported performance varies from period to period and there is limited continuity in the specific composition or size of such charges. Internal financial reporting and management and employee incentive plans are substantially based on financial measures excluding the charges for restructuring and impairment so that management is incentivized to deliver the benefits of the associated restructuring and not to achieve short term financial targets by deferring implementation of restructuring plans. Restructuring programs typically deliver benefits with a payback over several years, similar to capital investments, and control over restructuring expenditure is performed on a similar project basis to that applied with capital investments.

Syngenta presents non-GAAP measures on operating income before restructuring and impairment at both the segmental and group levels. Restructuring and impairment charges have had a material effect on operating income in the period covered by the review. In the opinion of management, reporting operating performance excluding restructuring and impairment in addition to the GAAP measures provides a more thorough understanding of business performance. Together with disclosure of the material elements within restructuring and impairment and of the overall anticipated size and timeframe of restructuring programs, these measures may assist investors in forecasting future operating performance. In addition to GAAP measures, Syngenta uses measures of operating performance excluding restructuring and impairment in internal reporting to management and the Board of Directors, and these measures are used in the incentive plans for Syngenta management and other employees. Restructuring and impairment charges have been incurred in all the periods covered by the review and are expected to continue to arise and have a material effect on operating performance in future periods. Consequently, non-GAAP measures of operating income before restructuring and impairment do not present a complete picture of operating performance and these measures should be seen only as supplementary to the GAAP measure.

Syngenta presents non-GAAP information on income before taxes excluding restructuring and impairment together with income tax expense before restructuring and impairment to assist investors to calculate the Group tax rate both including and excluding the impact of restructuring and impairment charges. The tax rate on restructuring and impairment charges has been volatile and different from the tax rate on income before taxes excluding restructuring and impairment, due in part to many categories of restructuring or impairment charges not being deductible for tax purposes. In addition to GAAP measures, measures of income before taxes excluding restructuring and impairment and income tax expense excluding restructuring and impairment are used in internal reporting to management and the Board of Directors. Restructuring and impairment charges have been incurred in all the periods covered by the review and are expected to continue to arise and have a material effect on operating performance in future periods. Consequently, non-GAAP measures of income before taxes excluding restructuring and impairment and income tax expense before restructuring and impairment do not present a complete picture of financial performance and these measures should be seen only as supplementary to the GAAP measure.

Syngenta presents non-GAAP information on net income and earnings per share before restructuring and impairment and, where relevant, on net income and earnings per share from continuing operations before restructuring and impairment. As above, restructuring and impairment charges have had a material effect on operating income in the period covered by the review. In the opinion of management, reporting net income and earnings per share excluding restructuring and impairment in addition to the GAAP measures provides a more thorough understanding of business performance. Together with disclosure of the material elements within restructuring and impairment and of the overall anticipated size and timeframe of restructuring programs, this disclosure may assist investors in forecasting future performance. In addition to net income and earnings per share prepared in accordance with GAAP, Syngenta uses net income and earnings per share excluding restructuring and impairment in internal reporting to management and the Board of Directors, and the measure is used in the incentive plans for Syngenta management and other employees. Restructuring and impairment charges have been incurred in all the periods covered by the review and are expected to continue to arise and have a material effect on financial performance in future periods. Consequently, the non-GAAP measures of net income and earnings per share before restructuring and impairment do not present a complete picture of financial performance and these measures should be seen only as supplementary to the GAAP measures.

For improved clarity, the definitions of these non-GAAP measures and reconciliations of non-GAAP measures to the appropriate GAAP measure are provided below. The tables below are included to show the reconciliation of the GAAP measures to the non-GAAP measures used in the report and do not represent income statements prepared under IFRS as issued by the IASB.

Reconciliation of net income excluding Restructuring and impairment (non-GAAP measure) to profit for the period (GAAP measure)

(US$ million)	Total	Restructuring and impairment	Before Restructuring and impairment
2008			
Operating income	1,858	(205)	2,063
Income/(loss) from associates and joint ventures	3	–	3
Financial expense, net	(169)	–	(169)
Income before taxes	1,692	(205)	1,897
Income tax expense	(307)	50	(357)
Profit for the period	1,385	(155)	1,540
Attributable to minority interests	–	–	–
Net income attributable to Syngenta AG shareholders	1,385	(155)	1,540
Tax rate	18%	24%	19%
Number of shares – basic (millions)	94		94
Number of shares – diluted (millions)	95		95
Basic earnings per share	14.75	(1.65)	16.40
Basic earnings per share	14.63	(1.63)	16.26

(US$ million)	Total	Restructuring and impairment	Before Restructuring and impairment
2007			
Operating income	1,464	(41)	1,505
Income/(loss) from associates and joint ventures	(3)	–	(3)
Financial expense, net	(42)	–	(42)

Income before taxes	1,419	(41)	1,460
Income tax expense	(308)	38	(346)
Profit for the period	1,111	(3)	1,114
Attributable to minority interests	(2)	–	(2)
Net income attributable to Syngenta AG shareholders	1,109	(3)	1,112
Tax rate	22%	93%	24%
Number of shares – basic (millions)	96		96
Number of shares – diluted (millions)	97		97
Basic and diluted earnings per share	11.56	(0.03)	11.59
Diluted earnings per share	11.42	(0.03)	11.45

(US$ million)	Total	Restructuring and impairment	Before Restructuring and impairment
2006			
Operating income	829	(326)	1,155
Income/(loss) from associates and joint ventures	(11)	–	(11)
Financial expense, net	(20)	–	(20)
Income before taxes	798	(326)	1,124
Income tax expense	(161)	88	(249)
Profit for the period	637	(238)	875
Attributable to minority interests	(3)	–	(3)
Net income attributable to Syngenta AG shareholders	634	(238)	872
Tax rate	20%	27%	22%
Number of shares – basic (millions)	98		98
Number of shares – diluted (millions)	100		100
Basic earnings per share	6.46	(2.42)	8.88
Diluted earnings per share	6.35	(2.38)	8.73

(US$ million)	Total	Restructuring and impairment	Before Restructuring and impairment
2005			
Operating income	860	(236)	1,096
Income/(loss) from associates and joint ventures	2	–	2
Financial expense, net	(96)	–	(96)
Income before taxes	766	(236)	1,002
Income tax expense	(140)	79	(219)
Profit for the period	626	(157)	783
Attributable to minority interests	(4)	–	(4)
Net income attributable to Syngenta AG shareholders	622	(157)	779
Tax rates	18%	33%	22%
Number of shares – basic (millions)	100		100
Number of shares – diluted (millions)	101		101
Basic earnings per share	6.22	(1.56)	7.78
Diluted earnings per share	6.13	(1.54)	7.67

(US$ million)	Total	Restructuring, impairment and discontinued operations	Before Restructuring, impairment and discontinued operations
2004			
Operating income	541	(354)	895
Income/(loss) from associates and joint ventures	(2)	–	(2)
Financial expense, net	(73)	–	(73)
Income before taxes	466	(354)	820
Income tax expense	70	135	(65)
Profit for the period from continuing operations	536	(219)	755
Attributable to minority interests	7	–	7

Net income from continuing operations attributable to Syngenta AG shareholders	543	(219)	762
Tax rate	(15)%	38%	8%
Number of shares – basic (millions)	105		105
Number of shares – diluted (millions)	106		106
Basic earnings per share from continuing operations	5.16	(2.08)	7.24
Diluted earnings per share from continuing operations	5.12	(2.07)	7.19

Constant exchange rates

We compare results from one period to another period in this report using variances calculated at constant exchange rates (CER). To present that information, current period results for entities reporting in currencies other than US dollars are converted into US dollars at the prior period's exchange rates, rather than the exchange rates for this year. See Note 26 to the Consolidated Financial Statements in Item 18 for information on average exchange rates in 2008 and 2007. For example, if a European entity reporting in Euro sold €100 million of products in 2008 and 2007, our financial statements would report US$147 million of revenues in 2008 (using 0.68 as the rate, which was the average exchange rate in 2008) and US$137 million in revenues in 2007 (using 0.73 as the rate, which was the average exchange rate in 2007). The CER presentation would translate the 2008 results using the 2007 exchange rates and indicate that underlying revenues were flat. We present this CER variance information in order to assess how our underlying business performed before taking into account currency exchange fluctuations. We also present our actual reported results in order to provide the most directly comparable data under GAAP.

ITEM 6 — DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The members of the Board of Directors are as follows (as of February 18, 2009):

Name	Age	Nationality	Function	Director since	Term of office
Martin Taylor	56	British	Chairman, non-executive Director	2000	2011
Michael Mack	48	American	Chief Executive Officer, executive Director	2008	2010
Rupert Gasser	70	Swiss	Vice Chairman, non-executive Director	2002	2009
Peggy Bruzelius	59	Swedish	Non-executive Director	2000	2009
Peter Doyle	70	British	Non-executive Director	2000	2009
Pierre Landolt	61	Swiss	Non-executive Director	2000	2009
Peter Thompson	62	American	Non-executive Director	2000	2011
Jacques Vincent	62	French	Non-executive Director	2005	2010
Rolf Watter	50	Swiss	Non-executive Director	2000	2011
Felix A. Weber	58	Swiss	Non-executive Director	2000	2011
Jürg Witmer	60	Swiss	Non-executive Director	2006	2009

Members of the Board of Directors

(i) Membership and qualification

Syngenta is led by a strong and experienced Board. The Board includes representatives from five nationalities, drawn from broad international business and scientific backgrounds. Its members bring diversity in expertise and perspective to the leadership of a complex, highly regulated, global business.

(ii) Changes announced in 2008

Rupert Gasser, Vice-Chairman, and Peter Doyle, member of the Board of Directors, will step down from their Syngenta Board memberships at the Annual General Meeting (AGM) on April 21, 2009, having reached the statutory age limit (Articles of Incorporation, Art. 20). The Board of Directors will propose to the shareholders at the AGM on April 21, 2009 that David Lawrence be elected as a new member of the Board.

Martin Taylor

Chairman of the Board of Directors, the Chairman's Committee and the Corporate Responsibility Committee and member of the Compensation Committee. He is also Chairman of the Syngenta Foundation for Sustainable Agriculture.

Martin Taylor is currently Vice Chairman of RTL Group SA. Previously he was an Advisor to Goldman Sachs International (1999-2005), Chairman of WHSmith plc (1999-2003) and Chief Executive Officer of Barclays plc (1993-1998) and Courtaulds Textiles (1990-1993).

Martin Taylor has a degree in oriental languages from Oxford University.

Michael Mack

Chief Executive Officer, Director and member of the Chairman's Committee and the Corporate Responsibility Committee.

Michael Mack was Chief Operating Officer of Seeds (2004-2007) and Head of Crop Protection, NAFTA Region (2002-2004) for Syngenta. Prior to this, he was President of the Global Paper Division of Imerys SA, a French mining and pigments concern, from the time of its merger in 1999 with English China Clays Ltd., where he was Executive Vice President, Americas and Pacific Region, in addition to being an Executive Director of the Board. From 1987 to 1996 he held various roles with Mead Corporation.

Michael Mack has a degree in economics from Kalamazoo College in Michigan, studied at the University of Strasbourg, and has an MBA from Harvard University.

Rupert Gasser

Vice Chairman of the Board of Directors and member of the Chairman's and the Compensation Committee.

Rupert Gasser is currently President of Nestec SA and a member of the Scientific Advisory Board of Alcon Laboratories Inc. Formerly he was a non-executive Director of Lonza Group AG (1999–2004), Executive Vice President of Nestlé SA (1997–2002), Head of Strategic Business Group I (Coffee and Beverages, Milk and Food Services) and Head of Corporate Technical/Manufacturing and R&D worldwide (1991–1996) and Senior Vice President at Nestec SA (1990–1991).

Rupert Gasser graduated from the Technical Academy for Chemical Industry in Vienna with a degree in chemistry. In addition he participated in the Program for Senior Executive Development at the IMD, Lausanne.

Peggy Bruzelius

Director and Chairman of the Audit Committee.

Peggy Bruzelius is currently Chairman of Lancelot Holding AB. In addition she serves as Vice Chairman of Electrolux AB and as a Director of Scania AB, Husqvarna AB, Akzo Nobel NV, Axfood AB and Axel Johnson AB. Peggy Bruzelius is Chairman of the Swedish National Agency for Higher Education and a member of the Royal Swedish Academy of Engineering Sciences. In addition she is a member of the Board of Trustees of the Stockholm School of Economics. Previously she was Executive Vice President of SEB-bank (1997–1998) and Chief Executive Officer of ABB Financial Services (1991–1997).

Peggy Bruzelius holds a Master of Science from the Stockholm School of Economics and an Honorary Doctorate from the same university.

Peter Doyle

Director, member of the Corporate Responsibility Committee and Chairman of the Science and Technology Advisory Board.

Peter Doyle is currently a Trustee of the Nuffield Foundation; he is a Past Master of the Salters' Livery Company and currently Chairman of the Board of the Salters' Institute. Previously he served as a non-executive Director of Avidex Ltd (2002–2006), a member of the Advisory Board of Vida Capital Partners (2003–2005), non-executive Director of Oxagen (1999–2002), non-executive Director of Oxford Molecular plc (1997–2000), Director of Zeneca Group plc (1993–1999), Director of ICI (1989–1993) and as Chairman of the Biotechnology and Bioscience Research Council (1989–2003).

Peter Doyle holds a BSc (Hons) degree in pure science and a PhD in chemistry from Glasgow University.

Pierre Landolt

Director, member of the Audit Committee and the Corporate Responsibility Committee. He is also a member of the Board of the Syngenta Foundation for Sustainable Agriculture.

Pierre Landolt is currently Chairman of the Sandoz Family Foundation and a Director of Novartis AG. He is also a partner with unlimited liabilities of the private bank Landolt & Cie. Pierre Landolt serves, in Brazil, as President of the Instituto Fazenda Tamanduá, of the Instituto Estrela de Fomento ao Microcrédito, of AxialPar Ltda and Moco Agropecuaria Ltda, and, in Switzerland, as Chairman of Emasan AG and Vaucher Manufacture Fleurier SA and as

Vice-Chairman of Parmigiani Fleurier SA. He is a Director of EcoCarbone SA and Amazentis SA and was formerly Chairman of the CITCO Group (1995-2005). He is also Vice-Chairman of the Montreux Jazz Festival Foundation.

Pierre Landolt graduated with a Bachelor of Laws from the University of Paris Assas.

Peter Thompson

Director and member of the Audit Committee.

Peter Thompson is currently a Director of Sodexho Alliance SA. Previously he was President and Chief Executive Officer of PepsiCo Beverages International (1996–2004), President of PepsiCo Foods International's Europe, Middle East and Africa Division (1995–1996) and of Walkers Snack Foods in the UK (1994–1995). Before joining PepsiCo he held various senior management roles with Grand Metropolitan plc, including President and Chief Executive Officer of GrandMet Foods Europe (1992–1994), Vice Chairman of The Pillsbury Company (1990–1992) and President and Chief Executive Officer of The Paddington Corporation (1984–1990).

Peter Thompson has a degree in modern languages from Oxford University and an MBA from Columbia University.

Jacques Vincent

Director and member of the Compensation Committee.

Jacques Vincent has been Vice Chairman and Chief Operating Officer of the Danone Group, Paris, since 1998, and has been appointed Vice Chairman and Advisor to the Chairman as of January 1, 2008. He began his career with Danone in 1970 and has since held various financial and overall management positions within this group.
Jacques Vincent is a graduate engineer of the Ecole Centrale, Paris, holds a bachelor in Economics from Paris University and a Master of Science from Stanford University.

Rolf Watter

Director and member of the Audit Committee.

Rolf Watter has been a partner in the law firm Bär & Karrer in Zurich since 1994, is a member of its executive board since 2000 and an Executive Director since the incorporation of Bär & Karrer AG in 2007. He is a non-executive Director of Zurich Financial Services (and its subsidiary Zurich Insurance Company), of Nobel Biocare Holding AG, of UBS Alternative Portfolio AG and A.W. Faber-Castell (Holding) AG. He formerly was non-executive Chairman of Cablecom Holding (2003-2008), a Director of Centerpulse AG (2002–2003), of Forbo Holding AG (1999–2005) and of Feldschlösschen Getränke AG (2001–2004). In addition, Rolf Watter is a part-time professor at the Law School of the University of Zurich and a member of the SIX Swiss Exchange Admission Board and its Disclosure Commission of Experts.

Rolf Watter graduated from the University of Zurich with a doctorate in law and holds an LLM degree from Georgetown University; he is admitted to the Bar of Zurich.

Felix A. Weber

Director and Chairman of the Compensation Committee.

Felix A. Weber is currently a Managing Director of Nomura International Ltd. and a Director of Publigroupe. Previously, he was a Director of Valora (2006-2008), a Director of Glacier Holdings GP SA and Glacier Holdings S.C.A (which are the former parent entities of Cablecom GmbH) (2003–2005), a Director of Cablecom GmbH (2004–2005), Managing Director of Lehman Brothers Ltd. (2006-2008), Executive Vice President and Chief Financial Officer of Adecco SA (1998–2004), Associate Project Manager and Principal of McKinsey & Company in Zurich (1989–1997) and Chief Executive Officer of Alusuisse South Africa (1982–1984).

Felix Weber graduated from the University of St. Gallen, with an MBA in operations research and finance and a PhD in marketing.

Jürg Witmer

Director and member of the Chairman’s Committee.

Jürg Witmer is currently Chairman of Givaudan SA and Clariant AG. He is a Board member of Bank Sal. Oppenheim jr. & Cie. (Schweiz) AG. From 1999 to 2005 he was CEO of Givaudan Group. Between 1978 and 1999 he held various management positions within Roche, including General Manager of Roche Austria, Head of Corporate Communications and Public Affairs at Roche Headquarters Basel, General Manager and Regional Marketing Manager of Roche Far East in Hong Kong and Assistant to the Chairman and CEO of the Roche Group.

Jürg Witmer has a doctorate in law from the University of Zurich, as well as a degree in International Studies from the University of Geneva.

The business address of all Directors is Syngenta AG, Schwarzwaldallee 215, 4058 Basel, Switzerland.

Elections and terms of office of the Board members

The members of the Board of Directors are elected by the shareholders at the Annual General Meeting. The elections are held individually. According to the Articles of Incorporation the terms of office shall be coordinated so that every year approximately one third of all members of the Board are subject to election; a term of office shall not exceed three years. The members of the Board shall automatically retire after the lapse of the twelfth year of office or, if earlier, after the expiry of the seventieth year of age, the retirement becoming effective on the date of the next Annual General Meeting following such event.

Internal organization of the Board of Directors

(i) Duties and functioning of the Board

The Board exercises full and effective control of the Company as set out in the Swiss Code of Obligations (Schweizerisches Obligationenrecht), the Articles of Incorporation of Syngenta and the Regulations Governing the Internal Organization of Syngenta AG. It holds the ultimate responsibility for the strategy and for the supervision of executive management.

In 2008, the Board held five formal meetings. Furthermore, Board members conducted discussions with Officers of the Company to review relevant matters at hand, visited operating locations of the Company and provided information to management as needed.

The Chairman, after consultation with the Chief Executive Officer, determines the agenda for the Board meetings. Any member of the Board of Directors may request the convocation of a meeting or the inclusion of items of business in the agenda.

(ii) Chairman of the Board

The Chairman is nominated by the Board members and shares responsibility for the strategic direction of Syngenta with the Chief Executive Officer (CEO). He ensures close liaison between the Board, its committees and the CEO. In consultation with the CEO, the Chairman supervises the implementation of resolutions of the Board and of its committees. The Chairman represents, jointly with the CEO, the interests of the Company as a whole towards authorities and business associations, both in Switzerland and internationally.

(iii) Board Committees

Some of the Board's responsibilities are delegated to the Chairman's Committee, the Audit Committee, the Compensation Committee and the Corporate Responsibility Committee. Syngenta has issued Regulations Governing the Internal Organization and committee charters, which set out in detail the powers and responsibilities of the Board and its committees. The Board committees meet on a regular basis. Their members are provided with the materials necessary to fulfill their duties and responsibilities, and to submit full reports to the Board.

– Chairman's Committee

During the financial year 2008, the Chairman's Committee held five formal meetings. The Chairman's Committee consists of four members appointed by the Board: the Chairman, the Vice Chairman, the Chief Executive Officer and one other member of the Board. The Company Secretary acts as Secretary to the Committee. The Committee prepares the meetings of the Board of Directors and is empowered to make decisions on behalf of the Board in urgent cases. The Chairman's Committee deals with all business for the attention of the Board of Directors, and comments on matters falling within the Board's authority before the latter makes any decision on them. Upon request of the CEO, the Chairman's Committee approves on its own authority appointments to selected senior positions, as defined in the Regulations Governing the Internal Organization. It also approves financial measures, capital investments and the acquisition of companies and associated companies in accordance with determined financial authorisation levels set in the Regulations Governing the Internal Organization. Members of the Chairman's Committee are Martin Taylor (Committee Chairman), Rupert Gasser, Michael Mack and Jürg Witmer.

– Audit Committee

During the financial year 2008, the Audit Committee held four formal meetings. The external auditor attended all four meetings of the Audit Committee in 2008. The Audit Committee consists of four members appointed by the Board. All members are independent, non-executive Directors. The CFO is generally invited to the meetings of the Audit Committee; a member of the Corporate Legal Department acts as Secretary to the Committee. The Audit Committee assists the Board in fulfilling its supervisory responsibilities. Its duties are to monitor the performance of external and internal auditors as well as the independence of the external auditors. The Audit Committee assesses the quality of the financial reporting and prepares Board decisions in this area. Furthermore, it reviews critical accounting policies, financial control mechanisms and compliance with corresponding laws and regulations. The chairperson of the Audit Committee reports to the Board of Directors on the work performed, major findings and actions undertaken. Members of the Audit Committee are Peggy Bruzelius (Committee Chairman), Pierre Landolt, Peter Thompson and Rolf Watter.

– Compensation Committee

During the financial year 2008, the Compensation Committee held four formal meetings. The Compensation Committee is appointed by the Board and consists of four members of the Board. The Global Head of Human Resources acts as Secretary to the Committee. The Compensation Committee has responsibility for setting the compensation of the Executive Committee members and makes a recommendation to the Board on the compensation of the Chairman, the CEO and the Board members. Members of the Compensation Committee are Felix A. Weber (Committee Chairman), Rupert Gasser, Martin Taylor, and Jacques Vincent. The CEO attends the meetings of the Compensation Committee as a permanent guest, except when his own compensation or other subjects with reference to his own situation are discussed.

– Corporate Responsibility Committee

During the financial year 2008, the Corporate Responsibility Committee held two formal meetings. The Corporate Responsibility Committee consists of at least three non-executive members of the Board and the CEO; the Company Secretary acts as Secretary to the Committee. The Corporate Responsibility Committee acts as custodian of the Board in Corporate Responsibility matters, reviews and advises on overall Corporate Responsibility priorities, policies and issues and on related actions proposed by the Executive Committee or the Board. Once a year it produces a report to the Board on Corporate Responsibility activities with an outlook on initiatives planned over the following year. Members of the Corporate Responsibility Committee are Martin Taylor (Committee Chairman), Michael Mack, Pierre Landolt and Peter Doyle.

Responsibilities of the Board of Directors

(i) Board of Directors

Pursuant to the Swiss Code of Obligations (Schweizerisches Obligationenrecht) and the Articles of Incorporation of Syngenta, the Board of Directors has in particular the following non-transferable and inalienable duties:

– Ultimate direction of the business of the Company and determination and communication of necessary directives;
– Determination of the organization of the Company;
– Administration of accounting, financial control and financial planning;
– Appointment and removal of the persons entrusted with the management and representation of the Company;
– Ultimate supervision of the persons entrusted with the management of the Company, specifically with regard to their compliance with the law, the Articles of Incorporation, regulations and directives;
– Preparation of business reports and the General Meetings of Shareholders and the implementation of the resolutions adopted by the General Meetings of Shareholders;
– Notification of the court if liabilities exceed assets;
– Adoption of resolutions concerning the increase of share capital to the extent that such power is vested in the Board of Directors, as well as resolutions concerning the confirmation of capital increases and respective amendments to the Articles of Incorporation;
– Examination of the professional qualifications of qualified auditors.

The Board of Directors takes an active role in reviewing and enhancing Corporate Governance within Syngenta. In addition the Board of Directors regularly reviews its own and top management's performance and takes responsibility for succession planning.

(ii) Executive Committee

The Board of Directors of Syngenta has delegated the operational management of business operations to the Executive Committee.

Information and control instruments of the Board of Directors

(i) Information

The importance of being fully informed on material matters that impact Syngenta is recognized by the Board. The Board supervises management and monitors its performance through reporting and controlling processes and through the Board committees. The Board ensures that it has sufficient information to make the appropriate decisions through the following means:

– All members of the Executive Committee are regularly invited to attend Board meetings to report on their areas of responsibility, including key data for the core businesses, financial information, existing and potential risks, and updates on developments in important markets. Other members of management attend Board meetings as deemed necessary by the Board;
– At each Board meeting, the CEO reports on the meetings of the Executive Committee. The Chairman receives the minutes of the Executive Committee meetings; on request the minutes are available to all members of the Board of Directors;
– All Board committees regularly meet with members of the management and, as appropriate, external advisors and the Group's external auditors;
– Regular distribution of important information to the Board.

(ii) Internal Audit

Internal Audit, as an inspecting and monitoring body, carries out control, operational and system audits. All organizational units and associated companies are subject to audit. Audit plans are reviewed and approved by the Audit Committee and any suspected irregularities are reported without delay. Internal Audit maintains a regular dialogue with the external auditor to share reports and risk issues arising from their respective audits and to coordinate their activities.

In connection with the operation of controls, including controls over financial reporting, a self-certification “Letter of Assurance” process is in place. The letters of assurance are cascaded down in the organization. The returned letters are analyzed, evaluated and any arising issues and deficiencies are reported to the Head of Internal Audit and the Audit Committee. Internal Audit reports on issues arising from internal audits to the Audit Committee. The Audit Committee reports to the Board of Directors.

(iii) External Auditor

The auditor is accountable to the Audit Committee, the Board of Directors and ultimately to the shareholders. At the completion of the audit, the auditor presents and discusses the audit report on the financial statements with the Audit Committee, highlighting any significant internal control issues that were identified during the course of the audit. The auditor regularly participates in the Audit Committee meetings and, at least once a year, the lead partners present to a meeting of the Board of Directors.

Executive Committee

The members of the Executive Committee of Syngenta are as follows (as of February 18, 2009):

Name	Age	Nationality	Position	Appointment
Michael Mack	48	American	Chief Executive Officer	2008
Alejandro Aruffo(1)	49	Italian/American	Head of Research & Development	2008
John Atkin	55	British	Chief Operating Officer Crop Protection	2000
Robert Berendes	44	German	Head of Business Development	2007
Christoph Mäder	49	Swiss	Head of Legal & Taxes and Company Secretary	2000
Mark Peacock	48	British	Head of Global Operations	2007
Davor Pisk	50	British	Chief Operating Officer Seeds	2008
John Ramsay	51	British	Chief Financial Officer	2007

(1) Alejandro Aruffo succeeded David Lawrence as Head of Research & Development as of October 1, 2008.

Members of the Executive Committee

Under the direction of the Chief Executive Officer, the Executive Committee is responsible for the operational management of the Company. It consists of the Chief Executive Officer (CEO), the Chief Operating Officers (COO) of Crop Protection and Seeds, the Chief Financial Officer (CFO), the Head of Research & Development, the Head of Global Operations, the Head of Business Development and the Head of Legal & Taxes.

(i) Changes announced in 2008

Alejandro Aruffo has been appointed Head of Research & Development and member of the Executive Committee as of October 1, 2008. He succeeded David Lawrence, who stepped down from this function after having served Syngenta and its legacy organizations for 35 years. David Lawrence will be retiring from Syngenta in April 2009 and will be proposed for election as a new member of the Syngenta Board of Directors at the Annual General Meeting of April 21, 2009.

(ii) Chief Executive Officer

The CEO is nominated by the Board and shares responsibility for the strategic direction of Syngenta with the Chairman. The CEO is ultimately responsible for the active leadership and operational management of Syngenta and chairs the Executive Committee, representing the latter inside and outside the Company. Members of the Executive Committee are directly responsible to the CEO. The Chief Executive Officer in turn ensures the Executive Committee’s efficiency and effectiveness to the Chairman, the Chairman’s Committee and the Board. The CEO represents, jointly with the Chairman, the interests of the Company as a whole to authorities and business associations, both in Switzerland and internationally.

Michael Mack

Chief Executive Officer, Director and member of the Chairman’s Committee and the Corporate Responsibility Committee.

Michael Mack was Chief Operating Officer of Seeds (2004-2007) and Head of Crop Protection, NAFTA Region (2002-2004) for Syngenta. Prior to this, he was President of the Global Paper Division of Imerys SA, a French mining and pigments concern, from the time of its merger in 1999 with English China Clays Ltd., where he was Executive Vice President, Americas and Pacific Region, in addition to being an Executive Director of the Board. From 1987 to 1996 he held various roles with Mead Corporation.

Michael Mack has a degree in economics from Kalamazoo College in Michigan, studied at the University of Strasbourg, and has an MBA from Harvard University.

Alejandro Aruffo

Head of Research & Development.

Alejandro Aruffo was Vice President Global Pharmaceutical Development, Abbott (2005-2008), President Abbott Bioresearch Center and Vice President Abbott Immunology Research and Development (2003–2005), President Abbott Bioresearch Center and Divisional Vice President Abbott Immunology Research (2002-2003), Vice President Cardiovascular and Metabolic Disease Drug Discovery (2001-2002) and Vice President Immunology Drug Discovery (1998-2001) for Bristol-Myers Squibb. Prior to these roles he held various positions at Bristol-Myers Squibb.

Alejandro Aruffo graduated from the University of Washington with BSc degrees in chemistry and mathematics and from Harvard University with a PhD in biophysics.

John Atkin

Chief Operating Officer Crop Protection.

John Atkin was Chief Executive Officer (1999–2000), Chief Operating Officer (1999), Head of Product Portfolio Management (1998) and Head of Insecticides and Patron for Asia (1997–1998) of Novartis Crop Protection. Prior to 1998 he was General Manager of Sandoz Agro France (1995–1997) and Head of Sandoz Agro Northern Europe (1993–1995). In 2008 he was appointed Visiting Professor at the Institute of Research into Environmental Sustainability in Newcastle.

John Atkin graduated from the University of Newcastle upon Tyne with a PhD and a BSc degree in agricultural zoology.

Robert Berendes

Head of Business Development.

Robert Berendes was Head of Diverse Field Crops (2005–2006) and Head of Strategy, Planning and M&A (2002–2005) for Syngenta. Prior to this, he was a partner and co-leader of the European chemical practice at McKinsey & Company.

Robert Berendes graduated from the University of Cologne with a diploma in chemistry and has a PhD in biophysics from the Max-Planck-Institute for Biochemistry/Technical University of Munich.

Christoph Mäder

Head of Legal & Taxes and Company Secretary.

Christoph Mäder was Head of Legal & Public Affairs of Novartis Crop Protection (1999–2000) and Senior Corporate Counsel of Novartis International AG (1992–1998). Christoph Mäder is Chairman of SGCI Chemie Pharma Schweiz, the association of Swiss chemical and pharmaceutical industries. He is also a member of the Executive Committee of the Board of economiesuisse, the main umbrella organization representing the Swiss economy.

Christoph Mäder graduated from Basel University Law School, and is admitted to the Bar in Switzerland.

Mark Peacock

Head of Global Operations.

Mark Peacock was previously Head of Global Supply (2003–2006) and Regional Supply Manager for Asia Pacific (2000–2003) for Syngenta. Prior to this he was a Product Manager in Zeneca Agrochemicals and General Manager of the Electrophotography Business in Zeneca Specialties.

Mark Peacock has a degree in chemical engineering from Imperial College, London, and a masters in international management from McGill University in Montreal.

Davor Pisk

Chief Operating Officer Seeds.

Davor Pisk was Region Head Crop Protection Asia Pacific (2003-2007) for Syngenta and Region Head Asia for Zeneca Agrochemicals (1998-2001). Prior to 1998, he was Head of Herbicides for Zeneca (1993-1997) and General Manager of ICI Czechoslovakia (1991-1993).

Davor Pisk has a BA in Economics and Politics from Exeter University, UK, and an MA in Political Science from the University of California, USA.

John Ramsay

Chief Financial Officer.

John Ramsay was Syngenta's Group Financial Controller from 2000 until 2007. Prior to that he was Zeneca Agrochemicals Finance Head Asia Pacific (1994–1999), Financial Controller ICI Malaysia (1990–1993) and ICI Plant Protection Regional Controller Latin America (1987–1990). Prior to joining ICI in 1984, he worked in Audit and Tax at KPMG.

John Ramsay is a Chartered Accountant and also holds an honours degree in finance and accounting.

Service Contracts

Neither the CEO nor any other member of the Executive Committee has a service contract which provides for benefits upon termination of employment due to change of control. The Chairman has a contract which provides for twelve months compensation due to change of control; no other member of the Board has a service contract with a change of control clause.

Compensation, shareholdings and loans

Content and method of setting compensation and share-based awards

Members of the Board of Directors and the Executive Committee receive their cash compensation in Swiss francs. The compensation amounts presented below have been converted into US dollars using the average currency exchange rate in effect during each year reported. For further information regarding currency exchange rates, see Note 26 to consolidated financial statements in Item 18.

Compensation policies

(i) Members of the Executive Committee including the CEO

Syngenta's executive compensation philosophy and guidelines are based on the need to provide transparent, performance oriented and market competitive total compensation opportunities for the Executive Committee members including the Chief Executive Officer (CEO). In particular, the executive compensation policy and system is designed to:

- Attract and retain highly qualified, globally successful senior executives to deliver the strategic plans and objectives of the Company;
- Encourage and reward exceptional company and individual performance;
- Provide an appropriate balance of focus between short-term and long-term performance;
- Recognize successful leadership; and
- Reward sustainable value creation for shareholders and stakeholders alike.

The compensation of the members of the Executive Committee and the Chief Executive Officer includes fixed and variable components such as:

- Fixed annual base salary;
- Performance based short-term incentive award;
- Performance based long-term incentive award; and
- Other market typical benefits.

The performance based incentives are measured according to the achievements of pre-defined financial indicators and personal objectives. A significant portion of the short-term and long-term incentive programs is equity based, to encourage members of the Executive Committee and the CEO to focus on the long-lasting success and growth of the Company.

Compensation is reviewed on a regular basis and is benchmarked against a set of relevant comparable companies and markets that are reviewed and selected to provide the best representation of the executive labor markets in which Syngenta competes for top talent.

(ii) Non-Executive Members of the Board

The compensation of the non-executive Directors (excluding the Chairman) consists of an annual fee paid in cash or shares, or a combination thereof. The annual fee of each Director is comprised of a basic fee for services to the Board and an additional fee for individual assignments to committees of the Board. The fees for non-executive Directors are fixed and no variable compensation is paid.

A portion of the compensation of non-executive Directors may be paid in the form of shares to focus the non-executive Directors of the Board on delivering long-term success and value creation for shareholders.

The compensation of the non-executive Chairman of the Board consists of a single fixed fee delivered in cash and blocked shares. No variable compensation and no additional fees for services to committees are paid.

Compensation for the Chairman and for non-executive Directors is set by reference to relevant markets and comparable companies.

Compensation systems

(i) Compensation systems for members of the Executive Committee and the CEO

a) Cash compensation
The annual base salary in the form of cash is a fixed element of compensation and payable on a monthly basis. Base salary is reviewed every year for adjustment to market conditions and function. In addition, the executives receive customary cash allowances for expenses, and if applicable, housing, relocation or transition as part of an international transfer.

b) Short-Term Incentive (STI)
The target value for STI is defined as a percentage of the annual base salary and is reviewed on a regular basis. However, there is no fixed portion of STI awarded. Depending on relevant performance objectives for each year it is set between zero and a maximum percentage of salary and the actual STI award is split between cash and equity. The equity portion is delivered in accordance with the terms of the Syngenta Deferred Share Plan.

c) Deferred Share Plan (DSP)
Under the DSP a fixed percentage of the STI is delivered in blocked shares or share awards. In addition, a participant may elect to allocate a further portion of the STI in blocked shares or share awards on a voluntary basis. Share awards are rights to receive shares at expiry of the blocking period.

The Compensation Committee determines the value of a deferred share at grant by reference to the market price of the Syngenta share. Shares or share awards allocated to the DSP are blocked for a period of three years.

Upon expiry of the blocking period, the Company matches the number of shares or share awards on a “one-for-one basis”. The matching is subject to continued employment with Syngenta until after the expiration of the vesting period. If retirement age is reached prior to expiration of the vesting period, the matching is accelerated.

d) Long-Term Incentive (LTI)
The target value for LTI is defined as a percentage of annual base salary and reviewed on a regular basis. However, in accordance with relevant performance measures, the actual value of LTI for one business year can vary between zero and a maximum percentage of salary. The value of the actual LTI award is delivered in the form of stock options and restricted share units (RSU) on an equal value basis.

Stock options: The number of stock options is determined on the basis of the LTI award portion granted in options, calculated with the Black Scholes model, a commonly accepted stock option pricing method. The exercise price of the options is set equal to the share price determined for deferred shares under the DSP at the day of grant (see paragraph c, DSP). The stock options have a term of ten or eleven years and cannot be exercised during a three-year vesting period following the date of grant. After vesting, each option gives the right to purchase one share.

RSU: The number of restricted share units granted is determined on the basis of the LTI award portion granted in RSU and the share value. The value of a RSU is set equal to the share price determined for deferred shares under the DSP (see paragraph c, DSP). After a three-year vesting period, each RSU converts into one free Syngenta share.

Both the vesting of stock options and RSU are subject to continued employment with Syngenta until after the expiration of the three-year vesting period. If retirement age is reached prior to expiration of the vesting period, vesting is accelerated.

e) Employee Share Purchase Plan (Switzerland)

All members of the Executive Committee and the CEO are eligible to participate in the Swiss Employee Share Purchase Plan. Each year, this plan gives the participants the opportunity to purchase shares up to the maximum value of CHF 5,000 at 50% of the share price. The shares are subject to a blocking period of three years.

f) Performance measures for incentive awards

Both STI and LTI awards are determined solely on the basis of pre-defined performance measures. The actual awards vary between zero and a maximum percentage of annual base salary. 70% of the STI award is based on Group financial measures and 30% on achievement of personal performance objectives specific to the role of each member of the Executive Committee. 100% of the LTI award is based on the achievement of personal performance objectives.

The relevant target values are only awarded if the Executive fully meets the performance objectives. If a certain minimum performance is not achieved, no STI or LTI is awarded. If achievements are satisfactory, or exceed the objectives set (maximum performance), the actual STI and LTI awards can currently increase up to a maximum of 200% of the STI and 150% of the LTI target percentage of annual base salary as noted above.

g) Fixed and variable compensation
Under the current framework and assuming incentives are at target or higher, the portion of variable compensation may be between the target and the maximum in line with relevant performance and exceeding of objectives. Table 1a contains the variable portion as a percentage of total compensation, or alternatively, of base salary.

Table 1a. Fixed and Variable Compensation

	Members of the Executive Committee		Chief Executive Officer	
	Target incentive	Maximum incentive	Target incentive	Maximum incentive
Fixed compensation(1)	40%	27%	29%	19%
Variable compensation(1)	60%	73%	71%	81%
Variable compensation(2)	150%	270%	244%	438%

(1) As a percent of total compensation (100%).
(2) Total variable incentive as a percentage of the base salary (or fixed compensation).

For example, for a member of the Executive Committee, if the fixed compensation is 100,000 then, at target incentives, variable compensation would be 150,000 or 150%. Total compensation would then be 250,000 of which 100,000 is 40% and 150,000 is 60%. At maximum incentives the fixed compensation would remain at 100,000, however, total compensation would now be 370,000 of which 100,000 is 27% and 270,000 variable compensation is 73%.

(h) Cash and equity-based compensation
Under the same framework and assumption as above, the portion of equity-based compensation may be between the target and the maximum in line with higher performance and achievements. The relevant cash and equity-based percentages of total compensation are set out in Table 1b.

Table 1b. Cash and Equity-based Compensation

	Members of the Executive Committee		Chief Executive Officer	
	Target incentive	Maximum incentive	Target incentive	Maximum incentive
Cash payments(1)	44%	32%	34%	25%
Equity-based awards(1)	56%	68%	66%	75%

(1) As a percent of total compensation (100%).

(ii) Compensation systems for Non-Executive Members of the Board of Directors

a) Annual fees
The annual fees for non-executive Directors (excluding the Chairman, see paragraph c, Fee for the Chairman) are comprised of a base fee for services to the Board and of additional fees for services to Board committees. The fees of these Directors are fixed with no variable compensation paid. The Compensation Committee and the Board review the compensation of non-executive Directors every year for adjustment to market conditions as deemed appropriate.

b) Portion of the fee in shares

All non-executive Directors excluding the Chairman (see paragraph c, Fee for the Chairman) are eligible for participation in the "Share plan for non-executive Directors" and may indicate their preferred portion of the annual fee to be paid in shares. In addition, the Directors may indicate a preference for shares which are blocked for five years or for free shares. However, the Compensation Committee has discretion to impose a fixed portion of shares, to change the allocation of shares or to endorse the preferred portion in shares. The Committee may exclude members from participation in the plan.

Shares are granted once a year. The grant value of a Syngenta share at grant is the market price.

c) Fee for the Chairman

The annual fee of the non-executive Chairman of the Board is fixed and no variable portion is paid. The annual fee is paid in cash and in restricted shares respectively. The value of the fixed share portion is equal to one third of the net fee after tax and social security charges. The Compensation Committee and the Board review the compensation of the Chairman every year for adjustment to market conditions as deemed appropriate.

The grant value of a Syngenta share at grant is the market price. The shares are blocked for a period of three years.

(iii) Compensation system for Executive members of the Board of Directors

Directors with executive authority (the Chief Executive Officer) participate in incentive compensation programs designed and operated for members of the Syngenta Executive Committee (see (i) Compensation systems for members of the Executive Committee and the CEO). The compensation of the CEO is paid for his executive role in the Executive Committee and is therefore disclosed under compensation for members of the Executive Committee.

Governance, authority and method of Compensation decisions

(i) Compensation decision

The Compensation Committee consists of four independent non-executive Directors. No Committee member is cross-linked with any of the non-executive Directors of the Board or members of the Executive Committee. The CEO is a guest at the meetings of the Committee except when his own compensation is reviewed. The Chairman and the Vice Chairman do not attend the meeting when the Committee agrees on proposals to the Board with regard to their own compensation.

The Board has set out the remit and authority of the Compensation Committee in the committee charter covering also the delegation of authorities in compensation matters. Decisions on compensation and benefits for members of the Executive Committee (excluding the CEO) are made by the Compensation Committee. The Committee Chairman reports the decision of the Committee to the Board. For decisions on compensation and benefits for the CEO, the Chairman and non-executive Directors, the Committee makes recommendations to the Board as a whole, which has decision authority.

The Committee periodically reviews the compensation policies and systems applicable to members of the Executive Committee and to non-executive Directors of the Company and makes recommendations to the Board. In addition, it has responsibility for any decision affecting pension, insurance and other benefit policies and systems for members of the Executive Committee (excluding the CEO, for which the Board has responsibility). Furthermore, it has authority to make decisions in regards to any material pension or insurance plan of the Company and any shareholding and compensation program that involves the use of equity.

At the beginning of each business year the Committee approves the financial and personal measures and achievements applicable to the STI and LTI for the previous business year and approves the awards for the members of the Executive Committee with the exception of the CEO. In addition, the Committee reviews conclusions or recommendations from external consultants on base salaries and incentive award levels for the current business year. It also sets the relevant targets for incentive awards in the current year such as financial performance indicators, strategic projects, leadership qualities and personal contributions to the overall success. The financial performance measures are based on indicators such as earnings, return on investment, growth of sales and others. Where the CEO is concerned the Committee makes recommendations to the Board.

(ii) Review of market data and practices in comparable companies

The Committee reviews base salaries and incentive levels as well as compensation practices against a set of comparable companies in Switzerland and Europe deemed to be appropriate and, periodically and selectively, against a set of companies in the USA. Data from companies in the chemical and agribusiness sector as well as other selected industries are reviewed. Every year the Committee reviews, with the external advisor, the set of comparable companies and industries for appropriateness and comparability. Pension and insurance information are reviewed periodically.

Total compensation of the Board of Directors and the Executive Committee is competitively positioned with regard to comparable companies.

The market data for each role in the Executive Committee and for the CEO is supplied by the external compensation expert who provides also market information on compensation for the Chairman and other non-executive Directors.

The Board and the Compensation Committee currently consult with Towers Perrin on compensation policy matters and other relevant market information. From time to time, as required, other third party compensation specialists are consulted.

Accrual principle and limitations

The "accrual basis" is applied to all elements of compensation including STI and LTI awards. They are disclosed in accordance with the year for which they are paid. The STI and LTI awards in this 2008 report relate to performance and results in 2008, that will be paid in 2009 or later. This is in line with the accrual principle as recommended by relevant guidelines. The number of equity units to be granted for 2008 will be determined after the editorial deadline of this report, therefore the numbers of shares, RSU and options are not included.

The adoption of the accrual principle for incentive awards is a significant change compared to the previous report for the year 2007. The disclosure of awards for 2007 was not possible at the time of publishing the 2007 report, because the relevant STI and LTI awards were only determined after the closing of the business year and the announcement of the 2007 annual results in 2008. The STI and LTI awards disclosed in the previous 2007 report are those awarded in 2007 for the business year 2006 on an actual basis.

In Tables 4 and 5 of this report, the disclosure of compensation in 2007 is set out on the basis of the accrual principle and includes the incentive awards for 2007 paid in 2008. This is in addition to the actual basis for 2007. As a result the disclosures for 2008 and 2007 are aligned.

The shares that will be allocated to the DSP in 2009 will be matched in 2012 provided the vesting condition is met. The same value as determined for the deferral of shares in 2009 was used to determine the value of the expected matching of shares in 2012. The shares allocated in 2008 (for the year 2007) will be matched in 2011 and the principle as above was applied to the expected future value of these shares.

Some exceptions to the "accrual principle" apply to personal tax services that the Company paid in the disclosed business year. Tax compliance services typically lag behind the compensation paid by one or more years.

Compensation for Members of the Board of Directors in 2008

(i) Non-Executive Directors

The non-executive Directors (excluding the Chairman) received their annual fee in cash or partly in shares. Shares are freely tradable or have been blocked for five years. Non-executive Directors did not receive any benefits in kind.

The Chairman received a portion of his compensation in cash and a mandatory portion in restricted shares. Shares have been blocked for three years. In addition, certain other benefits were provided to the Chairman. The compensation and benefits received by each non-executive member of the Board of Directors are set out in Table 2a.

Table 2a. Compensation of non-executive Directors in 2008

Non-executive Directors	Fee in cash	Fee in free shares	Fee in restricted shares	Number free shares	Number restricted shares	Total number shares	Benefits in kind/cash(1)	Total annual fee/benefits received	Company social security cost	Total annual cost
Martin Taylor	1,714,424	–	415,206	–	1,676	1,676	194,796	2,324,426	–	2,324,426
Peggy Bruzelius	268,519	–	–	–	–	–	–	268,519	54,613	323,132
Peter Doyle	56,782	170,347	–	548	–	548	–	227,129	–	227,129
Rupert Gasser	324,074	–	–	–	–	–	–	324,074	16,496	340,570
Pierre Landolt(2)	11,791	219,772	–	707	–	707	–	231,563	11,931	243,494
Peter Thompson	149,074	64,035	–	206	–	206	–	213,109	–	213,109
Jacques Vincent	50,980	152,939	–	492	–	492	–	203,919	–	203,919
Rolf Watter	63,889	–	149,209	–	480	480	–	213,098	9,356	222,454
Felix A. Weber	250,000	–	–	–	–	–	–	250,000	12,874	262,874
Jürg Witmer	222,222	55,642	–	179	–	179	–	277,864	14,298	292,162
Total	3,111,755	662,735	564,415	2,132	2,156	4,288	194,796	4,533,701	119,568	4,653,269

(1) Housing, commuting and tax services, including refund of relevant tax (cash).
(2) According to Pierre Landolt and the Sandoz Family Foundation, the Foundation is the economic beneficiary of the fee.

Table 2b. Compensation of non-executive Directors in 2007

Non-executive Directors	Fee in cash	Fee in free shares	Fee in restricted shares	Number free shares	Number restricted shares	Total number shares	Benefits in kind/cash(1)	Total annual fee/benefits received	Company social security cost	Total annual cost
Martin Taylor	1,442,346	–	349,321	–	1,815	1,815	149,864	1,941,531	–	1,941,531
Peggy Bruzelius	216,667	–	–	–	–	–	–	216,667	60,710	277,377
Peter Doyle	45,865	137,595	–	703	–	703	–	183,460	–	183,460
Rupert Gasser	291,667	–	–	–	–	–	–	291,667	14,846	306,513
Pierre Landolt(2)	9,336	99,624	99,624	509	509	1,018	–	208,584	9,447	218,031
Peter Thompson	191,667	–	–	–	–	–	–	191,667	–	191,667
Jacques Vincent	45,865	137,595	–	703	–	703	–	183,460	–	183,460
Rolf Watter	115,000	–	76,724	–	392	392	–	191,724	8,557	200,281
Felix A. Weber	255,000	–	28,380	–	145	145	–	283,380	13,500	296,880
Jürg Witmer	116,667	–	50,106	–	256	256	–	166,773	7,465	174,238
Total	2,730,080	374,814	604,155	1,915	3,117	5,032	149,864	3,858,913	114,525	3,973,438

(1) Housing, commuting and tax services, including refund of relevant tax (cash).
(2) According to Pierre Landolt and the Sandoz Family Foundation, the Foundation is the economic beneficiary of the fee.

The Chief Executive Officer (CEO) is an executive member of the Board of Directors and a member of the Executive Committee. His compensation is disclosed as part of total compensation for members of the Executive Committee (see Tables 4 and 5).

(ii) Compensation to former Directors

In 2008, no compensation was paid to any former Directors. The following Table 3 presents contractual payments made in 2007 to Heinz Imhof, the former Chairman of the Board, up to his early retirement in 2007.

Table 3. Compensation to former Directors

Compensation element	Number of units	Value USD
Fixed compensation in cash		437,500
STI compensation cash(1)		1,050,000
Insurance, pension benefits		167,241
Total compensation		1,654,741
Company social security cost		87,454
Compensation related to earlier years		
DSP matching shares(2)	18,612	3,539,322
Company social security cost		426,162

(1) Short-term incentive in cash, paid in 2007 for 2006 and 2007 due to retirement.
(2) Matching shares, granted in 2007 for 2003, and for other earlier years due to retirement.

The payments made in 2008 to the former CEO, Michael Pragnell, are set out under “Compensation for members of the Executive Committee”. No other compensation to former non-executive or executive Directors was paid in 2008.

Compensation for members of the Executive Committee in 2008

(i) Members of the Executive Committee

All members of the Executive Committee in 2008, an aggregate number of nine people including the CEO, received salaries, incentives and other elements including benefits in kind. The nine members of the Executive Committee include David Lawrence and his successor Alejandro Aruffo as of October 1, 2008. The totals set out in Table 4 include the actual compensation paid to these two members on a prorated basis.

The CEO's compensation is also reported under "Highest compensation for a member of the Executive Committee".

Table 4. Compensation for members of the Executive Committee (a total of 9 people in 2008)

	Number of units			Value		
Compensation elements	2008	2007(2)	2007(1)	2008	2007(2)	2007(1)
Fixed compensation in cash				5,342,611	5,914,251	5,914,251
Allowances in cash				1,081,222	632,969	632,969
STI compensation in cash(3)				1,875,044	2,744,639	1,498,588
Incentives received in cash(4)				651,875	3,355,839	1,882,385
Total compensation in cash				8,950,752	12,647,698	9,928,192
DSP deferred shares(5)		8,445	10,749	4,278,556	2,121,807	2,030,665
DSP matching shares(6)		8,445	9,736	4,278,556	2,121,807	2,037,311
LTI options(7)(8)		24,706	44,565	2,335,637	1,488,331	1,953,433
LTI RSU grant(9)		5,926	10,343	2,335,637	1,448,908	2,151,983
ESPP shares	168	114	114	16,022	12,445	12,445
Special grant(10)	6,000	–	–	1,776,389	–	–
Insurance, pension costs				1,389,216	986,499	986,499
Benefits in kind(11)				252,494	209,651	209,651
Total compensation				25,613,258	21,37146	19,310,179
Company social security cost				746,214	451,023	609,313
Compensation related to earlier years						
STI/LTI compensation paid in 2008 for 2007(2)		see 2007(2)			see 2007(2)	
DSP matching shares(12)	12,156	51,293	51,293	3,252,856	10,420,211	10,420,211
DSP matching ADS(13)	10,189	13,153	13,153	564,710	491,328	491,328
Company social security cost				607,175	828,055	828,055

Notes refer to 2008 unless other years are indicated.

(1) Compensation in 2007 disclosed in accordance with the actual principle, as per the 2007 report.

(2) Compensation in 2007 revised, disclosed in accordance with the accrual principle as set out in the 2008 report.

(3) Short-term incentive in cash, payable in 2009 for 2008.

(4) Incentives paid in cash for 2007 and 2008 to executives retiring from work.

(5) Short-term incentive in deferred shares, to be granted in 2009 for 2008, (the number of shares is not determined at the time of producing this report).

(6) Actual value of DSP matching, shares to be granted in 2012, (the number of shares is not determined at the time of producing this report).

(7) Long-term incentive in options, to be granted in 2009 for 2008, (the number of options is not determined at the time of producing this report).

(8) Compensation in 2007, long-term incentive in options, granted in 2008 for 2007, exercise price 301.50.

(9) Long-term incentive in RSU, to be granted in 2009 for 2008, (the number of RSU is not determined at the time of producing this report).

(10) Contractual grant to compensate for equity forfeited from previous employer.

(11) Value of housing, commuting, relocation, education and tax services.

(12) Matching shares, granted in 2008 for 2004.

(13) Matching ADS (American Depositary Shares), granted in 2008 for 2004.

The variance in compensation between the years 2007 and 2008 is partly the result of a different group of executives. During 2007 three executives retired and one resigned. Respective successors assumed these functions.

(ii) Highest compensation for a member of the Executive Committee

Among the members of the Executive Committee, Michael Mack, Chief Executive Officer, received the highest compensation in cash, incentives and benefits. The individual compensation elements are shown in Table 5.

Michael Mack assumed the position of CEO on January 1, 2008 (2007, Michael Pragnell CEO).

Table 5. Highest compensation for a member of the Executive Committee (2008 Michael Mack, CEO; 2007 Michael Pragnell, CEO)

	Number of units			Value		
Compensation element	2008	2007(2)	2007(1)	2008	2007(2)	2007(1)
Fixed compensation in cash				1,157,411	2,004,167	2,004,167
Allowances in cash				137,585	186,341	186,341
Incentive compensation in cash(3),(4)				359,259	4,738,775	218,750
Total compensation in cash				1,654,255	6,929,283	2,409,258
DSP deferred shares(5)		–	4,632	1,437,037	–	875,062
DSP matching shares(6)		–	4,632	1,437,037	–	1,073,080
LTI options(7)		–	19,962	810,185	–	875,001
LTI RSU(8)		–	4,632	810,185	–	1,073,080
ESPP shares	24	–	–	2,289	–	–
Insurance, pension costs and benefits in kind(9)				323,669	111,534	111,534
Total compensation				6,474,657	7,040,817	6,417,015
Company social security cost				155,465	–	–
Compensation related to earlier years						
DSP matching shares(10)	–	25,560	25,560		5,558,547	5,558,547
DSP matching ADS(11)	10,189	–	–	564,710	–	–
Company social security cost	–	–	–	63,285	–	–

Notes refer to 2008 unless other years are indicated.

(1) Compensation in 2007 disclosed in accordance with the actual principle, as per the 2007 report.

(2) Compensation in 2007 revised, disclosed in accordance with the accrual principle as set out in the 2008 report.

(3) Short-term incentive in cash, payable in 2009 for 2008.

(4) Compensation in 2007, incentive awards paid in cash due to retirement at the end of 2007.

(5) Short-term incentive in deferred shares, to be granted in 2009 for 2008, (the number of shares is not determined at the time of producing this report).

(6) Actual value of DSP matching, shares to be granted in 2012, (the number of shares is not determined at the time of producing this report).

(7) Long-term incentive in options, to be granted in 2009 for 2008, (the number of options is not determined at the time of producing this report).
(8) Long-term incentive in RSU, to be granted in 2009 for 2008, (the number of RSU is not determined at the time of producing this report).
(9) Value of funding pension and insurance plans, and cost for tax services (2007 tax services and commuting).
(10) 2007 matching shares, granted in 2007 for 2003 (and for other earlier years at retirement).
(11) Matching ADS, granted in 2008 for 2004.

(iii) Compensation to former members of the Executive Committee

In view of his retirement in 2009, David Lawrence stepped down from the Executive Committee with effect from September 30, 2008. Until the actual retirement date he is retained for special functions and is compensated accordingly.

In 2008, incentive awards for the financial year 2007 were paid to Michael Pragnell, the former CEO. He retired from the company with effect from December 31, 2007 and received the incentive awards for 2007 based on financial and personal performance that was determined after the closing of the year-end results in early 2008. He received all incentive awards in cash. The compensation paid to Michael Pragnell in 2008 is set out in the revised compensation 2007 in accordance with the accrual principle (see Tables 4 and 5). Post employment services were paid in 2008 and are disclosed in Table 6.

In 2007, no compensation was paid to former members of the Executive Committee. Members of the Executive Committee who left their office during 2007 due to retirement or termination are disclosed in Table 4, Compensation for members of the Executive Committee.

Table 6. Compensation to former members of the Executive Committee

	Number of units		Value	
Compensation elements	2008	2007	2008	2007
Fixed compensation in cash(1)			153,936	–
STI/LTI compensation cash(2)			352,188	–
ESPP shares	24	–	2,289	–
Total compensation		–	508,413	–
Pension and insurance, benefits(3),(4)			125,782	–
Company social security cost			73,655	–

(1) David Lawrence October 1, 2008 – December 31, 2008.
(2) STI LTI awards 2008, paid 2009 in cash in view of retirement of David Lawrence.
(3) David Lawrence 2008, including post employment tax and other services in 2008 to executives retiring from work in 2007.
(4) Including cash compensation for tax and other charges on benefits in kind.

Holding of shares and options

(i) Shares

a) Non-Executive Directors

At December 31, 2008, the aggregate number of registered shares and American Depositary Shares (ADS) of Syngenta AG held by the Chairman and nine non-executive Directors including the shares held by related parties*, is set out in Table 7.

Table 7. Holding of shares of non-executive Directors at December 31, 2008

	Free shares		Restricted shares		% voting rights	
Non-executive Directors	2008	2007	2008	2007	2008	2007
Martin Taylor	680	–	5,555	4,559	< 0.1%	< 0.1%
Peggy Bruzelius	2,464	2,464	–	–	< 0.1%	< 0.1%
Peter Doyle	3,322	2,774	–	–	< 0.1%	< 0.1%
Rupert Gasser	2,996	1,496	–	–	< 0.1%	< 0.1%
Pierre Landolt(1)	3,362	3,155	509	509	< 0.1%	< 0.1%
Peter Thompson(2)	402	196	–	–	< 0.1%	< 0.1%
Jacques Vincent	2,171	1,679	–	–	< 0.1%	< 0.1%
Rolf Watter	2,177	1,477	1,068	588	< 0.1%	< 0.1%
Felix A. Weber	23	23	562	562	< 0.1%	< 0.1%
Jürg Witmer	2,300	2,000	549	549	< 0.1%	< 0.1%
Total non-executive Directors' shares	19,897	15,264	8,243	6,767	< 0.1%	< 0.1%
Total shares			28,140	22,031	< 0.1%	< 0.1%

	Free ADS		Restricted ADS			
	2008	2007	2008	2007		
Peter Thompson ADS(2)	7,000	5,000	–	–	< 0.1%	< 0.1%
Total non-executive Directors' ADS	7,000	5,000	–	–	< 0.1%	< 0.1%

(1) According to Pierre Landolt and the Sandoz Family Foundation, of the total amounts, 3,021 shares were held by the Foundation at December 31, 2008 and 2,314 were held at December 31, 2007.

(2) Peter Thompson holds shares and ADS.

*Related parties are spouses, parents, children living in the same household, legal entities they own or otherwise control, and any legal or natural person that acts as their fiduciary.

b) Members of the Executive Committee

At December 31, 2008, the aggregate number of registered shares and ADS of Syngenta AG held by the active members of the Executive Committee including the CEO (a total of eight people), and including related parties*, is set out in Table 8a.

The numbers of vested shares for each individual include free shares and blocked shares to which voting rights are attached. The unvested shares are shown separately by category including unconverted share awards, unmatched shares and restricted share units (RSU).

Table 8a. Holding of shares by members of the Executive Committee at December 31, 2008

	Vested shares			Unvested shares			Total
Members of the Executive Committee	Free	Restricted	Voting rights	Unconverted share awards	Unmatched shares	Unconverted RSU	Vested/ unvested
Active members							
Michael Mack(1)	35	5,420	< 0.1%	–	5,354	4,087	14,896
Alejandro Aruffo(2)	–	24	< 0.1%	–	–	6,000	6,024
John Atkin	21,471	66	< 0.1%	6,560	6,560	4,775	39,432
Robert Berendes	35	1,288	< 0.1%	290	1,559	2,007	5,179
Christoph Mäder	3,903	2,825	< 0.1%	–	2,759	2,666	12,153
Mark Peacock	2,180	66	< 0.1%	1,966	1,966	1,674	7,852
Davor Pisk(3)	1,626	476	< 0.1%	907	1,359	1,395	5,763
John Ramsay	2,086	1,720	< 0.1%	745	2,399	1,826	8,776
Total Executive Committee shares	31,336	11,885	< 0.1%	10,468	21,956	24,430	100,075
Michael Mack ADS(1)	34,463	–	–	–	–	–	
Total Executive Committee ADS	34,463	–	–	–	–	–	–

(1) Michael Mack holds shares and ADS.

(2) Alejandro Aruffo succeeded David Lawrence on October 1, 2008.

(3) Davor Pisk succeeded Michael Mack in the role of COO Seeds effective January 1, 2008.

Table 8b. Holding of shares by members of the Executive Committee at December 31, 2007

	Vested shares			Unvested shares			Total
Members of the Executive Committee	Free	Restricted	Voting rights	Unconverted share awards	Unmatched shares	Unconverted RSU	Vested/ unvested
Active members							
Michael Pragnell	45,991	58	< 0.1%	–	–	–	46,049
John Atkin	12,632	77	< 0.1%	9,004	9,004	6,085	36,802
Robert Berendes	–	390	< 0.1%	939	1,275	2,167	4,771
David Lawrence	1,415	58	< 0.1%	3,509	3,509	2,911	11,402
Michael Mack(1)	–	3,779	< 0.1%	–	3,702	2,967	10,448
Christoph Mäder	4,421	4,111	< 0.1%	–	4,034	3,391	15,957
Mark Peacock	108	77	< 0.1%	1,525	1,525	1,664	4,899

John Ramsay	42	689	< 0.1%	1,955	2,567	2,174	7,427
Total Executive Committee shares	64,609	9,239	< 0.1%	16,932	25,616	21,359	137,755
Michael Mack ADS(1)	–	–	–	10,189	10,189	14,085	34,463
Total Executive Committee ADS	–	–	–	10,189	10,189	14,085	34,463

(1) Michael Mack holds shares and ADS.

* Related parties are spouses, parents, children living in the same household, legal entities they own or otherwise control, and any legal or natural person that acts as their fiduciary.

(ii) Options

a) Non-Executive Directors
At December 31, 2008, the aggregate number of options on shares or ADS of Syngenta AG held by the Chairman and nine non-executive Directors, including related parties*, is set out in Table 9a. Options granted between 2000 and 2005 are all vested. After 2005 no options were granted.

Table 9a. Holding of options by non-executive Directors at December 31, 2008

Year of allocation	2005	2004	2004	2003	2002	2000	2000
Underlying equity	Share	ADS	Share	Share	Share	ADS	Share
Term (years)	11	10	11	11	10	10	10
Exercise period (years)	8	7	8	8	7	7	7
Option: share/ADS ratio	1: 1	1: 1	1: 1	1: 1	1: 1	1: 1	1: 1
Exercise price	CHF127.38	USD 14.53	CHF 89.30	CHF 59.70	CHF 98.00	USD 8.68	CHF 76.50
Vesting status				All vested			
Options held at December 31, 2008:							
Non-executive Directors							
Martin Taylor	1,312	–	1,281	1,061	685	–	–
Peggy Bruzelius	–	–	–	–	–	–	–
Peter Doyle	942	–	1,025	1,061	685	–	–
Rupert Gasser	808	–	1,025	531	–	–	–
Pierre Landolt(1)	3,532	–	4,484	2,652	1,713	–	2,500
Peter Thompson	1,363	6,560	–	2,652	1,713	12,500	–
Jacques Vincent	–	–	–	–	–	–	–
Rolf Watter	1,682	–	–	–	–	–	–
Felix A. Weber	1,615	–	2,050	2,121	3,425	–	–
Jürg Witmer	–	–	–	–	–	–	–
Totals by grant year	11,254	6,560	9,865	10,078	8,221	12,500	2,500
Total options on shares	41,918						
Total options on ADS	19,060						

(1) According to Pierre Landolt and the Sandoz Family Foundation, all options are held by the Foundation.

*Related parties are spouses, parents, children living in the same household, legal entities they own or otherwise control, and any legal or natural person that acts as their fiduciary.

Table 9b. Holding of options by non-executive Directors at December 31, 2007

Year of allocation	2005	2004	2004	2003	2002	2000	2000
Underlying equity	Share	ADS	Share	Share	Share	ADS	Share
Term (years)	11	10	11	11	10	10	10
Exercise period (years)	8	7	8	8	7	7	7
Option: share/ADS ratio	1:1	1:1	1:1	1:1	1:1	1:1	1:1
Exercise price	CHF 127.38	USD 14.53	CHF 89.30	CHF 59.70	CHF 98.00	USD 8.68	CHF 76.50
Vesting status	Unvested			Vested			
Options held at December 31, 2007:							
Non-executive Directors							
Martin Taylor	1,312	–	1,281	1,061	685	–	–
Peggy Bruzelius	–	–	–	–	–	–	–
Peter Doyle	942	–	1,025	1,061	685	–	–
Rupert Gasser	808	–	1,025	531	–	–	–
Pierre Landolt(1)	3,532	–	4,484	2,652	1,713	–	2,500
Peter Thompson	1,363	6,560	–	2,652	1,713	12,500	–
Jacques Vincent	–	–	–	–	–	–	–
Rolf Watter	1,682	–	2,135	–	–	–	–
Felix A. Weber	1,615	–	2,050	2,121	3,425	–	–
Jürg Witmer	–	–	–	–	–	–	–
Totals by grant year	11,254	6,560	12,000	10,078	8,221	12,500	2,500
Total vested options on shares	32,799						
Total unvested options on shares	11,254						
Total options on shares	44,053						
Total options on ADS (all vested)	19,060						

(1) According to Pierre Landolt and the Sandoz Family Foundation, all options are held by the Foundation.

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b) Members of the Executive Committee

At December 31, 2008, the aggregate number of options on shares or ADS of Syngenta AG held by the active members of the Executive Committee and the CEO (a total of eight people), including related parties*, is set out in Table 10a. Options granted between 2000 and 2005 are all vested. Options granted in 2006 and later will vest in 2009 and later years.

Table 10a. Holding of options by members of the Executive Committee at December 31, 2008

Year of allocation(1)	2008	2007	2006	2005	2005	2004	2003
Underlying equity	Share	Share	Share	ADS	Share	Share	Share
Term (years)	10	10	10	10	11	11	11
Exercise period (years)	7	7	7	7	8	8	8
Option: share/ADS ratio	1:1	1:1	1:1	1:1	1:1	1:1	1:1
Exercise price	CHF301.50	CHF226.70	CHF185.00	USD 21.30	CHF127.38	CHF 89.30	CHF 59.70
Vesting status		Unvested			Vested		
Options held as of December 31, 2008:							
Members of the Executive Committee							
Michael Mack(2)	4,669	6,075	7,077	47,319	–	–	–
Alejandro Aruffo(3)	–	–	–	–	–	–	–
John Atkin	5,292	6,930	8,625	–	–	–	–
Robert Berendes	3,362	2,369	2,959	–	4,138	4,048	–
Christoph Mäder(4)	2,739						