SYNGENTA AG
Form 20-F
February 28, 2008

As filed with the Securities and Exchange Commission on February 28, 2008

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, 2007

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)

James Halliwell
+41 61 323 7074
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Syngenta International AG
P.O. Box

CH-4002 Basel, Switzerland
(Name, Telephone, E-mail and/or Facsimile Number and
Address of Company Contact Person)

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.

100,763,267 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 "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

o **Item 17** o **Item 18**

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 Seed Care, 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, especially during downturns in the agricultural economy;
- 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 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 risk that customers will be unable to pay their debts to us due to local economic conditions;
- 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;
- other risks and uncertainties that 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, of the consolidated financial statements.

The selected financial information set out overleaf has been extracted from the consolidated financial statements of Syngenta. Investors should read the whole document and not rely on the summarized information. The information includes the results of operations and the net assets of Golden Harvest from July 31, 2004, Garst from September 1, 2004, Emergent Genetics Vegetable A/S (EGV) from June 1, 2006, Conrad Fafard, Inc. from August 1, 2006, Fischer group of companies from July 1, 2007 and Zeraim Gedera Ltd. from September 1, 2007. For further information about these and other acquisitions, see Note 3 to the consolidated financial statements.

PART I **Item 3 — Key Information**

SELECTED FINANCIAL DATA

	Year ended December 31,				
(US$ million except where stated)	**2007**	**2006**	**2005**	**2004**	**2003**
Amounts in accordance with IFRS[1]					
Income statement data					
Sales	9,240	8,046	8,104	7,269	6,525
Cost of goods sold	(4,669)	(3,982)	(3,950)	(3,532)	(3,248)
Gross profit	**4,571**	**4,064**	**4,154**	**3,737**	**3,277**
Operating expenses	(3,107)	(3,235)	(3,294)	(3,196)	(2,759)
Operating income	**1,464**	**829**	**860**	**541**	**518**
Income/(loss) before taxes	1,419	798	766	466	379
Income/(loss) from continuing operations	1,111	637	626	536	246
Net income/(loss) attributable to Syngenta AG shareholders	**1,109**	**634**	**622**	**460**	**248**
Number of shares - basic	95,973,958	98,165,298	100,017,271	105,208,929	101,682,672
Number of shares - diluted	97,143,368	99,876,180	101,464,222	106,015,369	101,799,899
Basic earnings/(loss) per share					
From continuing operations	11.56	6.46	6.22	5.16	2.39
From discontinued operations	-	-	-	(0.79)	0.05
Total	**11.56**	**6.46**	**6.22**	**4.37**	**2.44**
Diluted earnings/(loss) per share					
From continuing operations	11.42	6.35	6.13	5.12	2.38
From discontinued operations	-	-	-	(0.78)	0.05
Total	**11.42**	**6.35**	**6.13**	**4.34**	**2.43**
Cash dividends declared - CHF per share	1.60	-	-	-	0.85
Cash dividends declared - US$ per share equivalent	1.32	-	-	-	0.64
Par value reduction - CHF per share	2.20	3.30	2.70	1.70	-
Par value reduction - US$ per share equivalent	1.78	2.68	2.10	1.35	-
Cash flow data from continuing operations					
Cash flow from operating activities	1,168	928	497	1,309	791
Cash flow used for investing activities	(368)	(411)	(144)	(686)	(232)
Cash flow used for financing activities	(781)	(541)	(74)	(679)	(630)
Capital expenditure on tangible fixed assets	(317)	(217)	(174)	(166)	(211)
Balance sheet data					
Current assets less current liabilities	2,745	2,578	1,747	2,185	1,816
Total assets	13,280	11,852	11,404	11,786	10,740
Total non-current liabilities	(3,314)	(3,190)	(2,508)	(2,884)	(2,705)
Total liabilities	(7,239)	(6,158)	(5,973)	(6,108)	(5,617)
Share capital	6	142	353	525	667
Total shareholders' equity	6,022	5,666	5,403	5,658	5,056

Other supplementary income data					
Diluted earnings/(loss) per share from continuing operations, excluding restructuring and impairment[(2)]	11.45	8.73	7.67	7.19	3.34

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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.

(2) Diluted earnings/(loss) 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 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.
- 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 require 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 Item 5.

Restructuring and impairment charges for 2007, 2006 and 2005 are analyzed in Note 7 to the consolidated financial statements. Restructuring and impairment for 2004 mainly related to the Operational Efficiency Program announced in that year and for 2003 represented mainly the costs of integrating the separate Novartis agribusiness and Zeneca agrochemicals business legacy organizations and the closure of certain manufacturing and research and development sites and refocusing of other continuing sites. A detailed reconciliation of net income and earnings per share before restructuring and impairment to net income and earnings per share according to IFRS is given in Appendix A at the end of Item 5.

PART I **Item 3 — Key Information**

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. Additional risks not known to us or that we now consider immaterial may also impair our business operations.

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, Especially During Downturns in the Agricultural Economy

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.

Declines in commodity crop prices can indirectly affect Syngenta's results. They can result not only in reduced sales, but also in competitive price pressure in certain of our markets. These fluctuations may negatively impact Syngenta's business or results of operations in the future.

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.

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 our 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 our 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 our 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 our 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, our 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.

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 our seeds and business development businesses, which are more actively pursuing products and traits developed through biotechnology. Crop protection accounted for 78% of sales in 2007, whereas seeds accounted for 22% 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).

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

Normally Syngenta delivers its products against future payment. Syngenta's credit terms vary according to local market practice, but for Europe and NAFTA our credit terms usually range from 30 to 180 days. However, Syngenta's customers, particularly in developing economies such as Latin America, may be exposed to downturns which may impact their ability to pay their debts, which could adversely affect our results.

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 our 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 and Euro, can have a material impact on our financial results.

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 20% of our 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 our Business

Our Corporate headquarters and other facilities are located near an earthquake fault line in Basel, Switzerland. Additionally, other major facilities of our Crop Protection and Seeds businesses are located in earthquake zones around the globe. In the event of a major earthquake, we could experience loss of life, destruction of facilities and/or business interruptions which could have a material adverse effect on our 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. 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 and became a publicly listed company on November 13, 2000. 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 was created by Novartis AG and AstraZeneca PLC in November 2000 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.

As at December 31, 2007, the company is listed on the Swiss Stock Exchange (SWX) under the symbol SYNN and the New York Stock Exchange under the symbol SYT.

Investments and Divestments

Investments

Between April 20 and December 22, 2007, following a public offer to minority shareholders of Syngenta India Ltd. (SIL), Syngenta increased its shareholding in SIL from 84% to 95%, at a cash cost of US$66 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 centre 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. Aggregate cash paid to date on these other acquisitions, excluding SIL, is US$108 million subject to final purchase price adjustments. Aggregate goodwill has been provisionally estimated at US$34 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 available for sale asset until its partial divestment in November 2007. The cost of these acquisitions, net of cash acquired, amounted to US$148 million including direct acquisition costs of US$3 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].

There were no major acquisitions in 2005.

Divestments

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$108 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.

[1]Rynaxypyr® and ACANTO® are trademarks of E.I du Pont de Nemours and Company

There were no major business or product divestments in 2005 or 2006 other than the ACANTO® transaction noted above.

Syngenta's Strategy

Syngenta's goal is to create value for its shareholders by being the leading provider of innovative products and solutions to growers and the food and feed chain.

There are six main objectives underlying this strategy:

Outperform markets

Syngenta continues to build leadership positions in the markets in which it operates, capitalizing on its broad range of strong, profitable products and global marketing reach.

A key element of Syngenta's strategy is to ensure its employees have a full understanding of the diverse needs and expectations of its customers, which vary by region and crop. Growers need products that will help them meet increasing demands for more affordable, healthier and higher quality foods and feeds. Syngenta responds with value-adding solutions tailored to local customer needs. Syngenta aims to gain market share through continuous innovation accompanied by outstanding customer support.

Grow new products

A key component of Syngenta's success in driving share gain is an ability to innovate and grow new products.

Syngenta aims to discover and bring to market new products with improved efficacy and safety profiles which contribute to the development of sustainable agriculture.

In the past decade there has been a paradigm shift in methodology for the generation of leads for new chemical products. The integration of genomics to identify targets and establish modes of action, together with fast high-throughput automated screens to detect leads, has provided a powerful engine for lead discovery and optimization. Techniques such as toxicogenomics and environmental profiling are minimizing the attrition rate in the development process.

Syngenta focuses on improved ways to direct its research towards areas of health and environmental safety. An example of the success delivered by the process is CALLISTO®, which showed a favorable environmental profile and became the leading selective herbicide for corn in the United States within three years.

Life cycle management

Syngenta aims to harness the full potential of its established products and technologies, including the extension of their life cycles through research and development activities.

Syngenta believes that it possesses one of the broadest ranges of chemical crop protection products and technologies in the industry. Syngenta plans to refresh and improve this range through the use of individual compounds and innovative mixtures. The company employs some of the best scientists in chemistry, physiology, bioperformance enhancement and formulation to achieve this objective. Attractive opportunities exist for combinations of products to provide tailored crop solutions for the specific requirements of growers. Syngenta believes that the integration of

chemical and gene-based solutions offers a particularly attractive opportunity for the future.

Invest in Seeds

Syngenta continues to build strong germplasm in target seeds segments which will both improve its seed offer from traditional breeding and provide a delivery vehicle for new technologies.

Advances in biotechnology have revolutionized processes and delivered crop improvements. For example, marker-assisted breeding is a powerful tool for trait selection for new varieties and also for significantly accelerating the breeding process. Integration of genomics tools, biochemical analysis and consumer mapping will be a crucial step in meeting the ever increasing demands for quality and nutrition, especially in our vegetable crops.

Syngenta believes it is one of very few global agribusiness companies that is well positioned to develop products based on biotechnology because of its multi-disciplinary understanding of the fundamental science involved and global capability. It is Syngenta's intention to devote an appropriate, sustained and competitive level of resources to pursue the opportunities it believes biotechnology can deliver.

Syngenta's assembly of an industry-leading elite corn germplasm base, resulting from its ongoing research efforts and targeted acquisitions, has enabled the launch of a foundation seed business which will fuel growth in Syngenta's share of the corn germplasm and trait markets.

Create new businesses

Innovations based upon biochemical processes can enjoy broad utility outside the scope of a conventional agribusiness. Syngenta is active in furthering new businesses and business models to adapt to fast changing market dynamics. This includes the on-going expansion of professional products, encompassing a strong Seed Care business as well as an expanding presence in the Lawn & Garden market.

Investment in technology and development capabilities is a critical enabler of Syngenta's future growth. Syngenta believes that investments in these areas will continue to add value to the crop protection and seeds businesses in the form of new products and will also lead to new business opportunities.

Drive performance

On February 11, 2004, Syngenta announced an Operational Efficiency cost saving program. The program included the relocation of production to lower cost regions, a further reduction of the asset base, an increase in the globalization of purchasing, further consolidation of research and development sites and the outsourcing of some administrative processes. The total cash cost of the program was forecast to be around US$500 million over the five years beginning in 2004 and non-cash charges, principally writing-down the value of fixed assets at that time, to be around US$350 million over the same period. Cash spent under the program from 2004 to the end of 2007 totaled US$355 million. Cost savings under the program have been partly offset by the impact on crop protection raw material costs of higher oil prices, which are estimated to be in excess of US$200 million since the beginning of 2004. With the exception of cost run-offs in 2008 from site closures, the program was largely completed in 2007 and full program costs are expected to be within the initial estimates of US$500 million cash costs and with lower non-cash charges of US$320 million.

On February 7, 2007, the Syngenta Board approved a further Operational Efficiency Restructuring Program to drive cost savings which will be used to offset increased expenditure in research and technology and marketing for Seeds and in product development and emerging market opportunities for Crop Protection. Savings are targeted in both cost of goods sold and other operating expenses. The cost of the new program is estimated at US$700 million in cash and US$250 million in non-cash charges in the period up to 2011. Cash spent under the program in 2007 totaled US$68 million.

PART I **Item 4 — Information on the Company**

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, 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 sector in areas such as public health, seed treatment and 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 and animal feed. 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 cereals, fruits, grapes, rice, soybean and vegetables; insecticides for fruits, vegetables and field crops; and professional products, such as seed treatments, 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) non-selective herbicides, which reduce or halt the growth of all vegetation with which they come in contact and (ii) selective herbicides, which are crop-specific and control weeds without harming the crop. 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. Professional products are herbicides, insecticides and fungicides used in markets beyond commercial agriculture, together with seed treatments where insecticides and fungicides protect growth during the early stages. Since the addition of Fafard, Professional Products now includes 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. It is currently going through a re-registration process in major markets and has received favorable evaluation in the United States by the EPA's Scientific Advisory Panel. In the European Union Atrazine was not granted re-registration. In European markets Syngenta will extend the use of Terbuthylazine which has already been safely used in Germany and Italy for several years.

- ***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 replacing our top-selling metolachlor product (DUAL® family of products). S-metolachlor is used at a 35% to 40% lower rate than metolachlor. This not only reduces the amount of product sprayed on fields, thus responding to the pesticide reduction goals established by many countries, but decreases 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. In 2005, Syngenta registered a new formulation, GRAMOXONE® INTEON®, where the new herbicide also contains new features to further improve user safety and handling.

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 fungicide. It is registered for use in over 90 countries and for over 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.

- ***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. Since 2005, Syngenta has been permitted to re-commence sales of cyproconazole directly, under the ALTO® (or other) brand name.

- ***Cyprodinil*** (UNIX®/STEREO®[1]/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.

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(1) 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.

- ***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***[1] (SHIRLAN®) is a fungicide for control of potato blight.

- ***MEFENOXAM***™[2] (APRON® XL/ RIDOMIL GOLD®/FOLIO GOLD™/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.

- ***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.

Professional Products – Seed Care

The use of seed treatment products is an effective, efficient, and targeted method to protect the seedling and the young plant against diseases and pests 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.

(1) Fluazinam is distributed, but not manufactured, by Syngenta

- ***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™*** (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.

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

(1) In the United States Mefenoxam is a generic expression whereas in other countries MEFENOXAM™ 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®, (446)) is a new fungicide for fruit and vegetables to combat late blight and downy mildew, which complements our existing product range. REVUS® has been launched during 2007 and is currently sold in 8 countries.

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

- In 2008 a letter of intent was signed for a strategic alliance with Rohm & Haas to develop and commercialize ***INVINSA ™ (1)*** technology. INVINSA ™ (1) is a unique product providing pre-harvest protection for multiple crops from drought stress.

- **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

- ***Chlorantraniliprole mixtures*** (DURIVO™; AMPLIGO™; VOLIAM™; VIRTAKO™). Syngenta is actively involved in development projects in bisamide chemistry. Following completion of the acquisition from DuPont of exclusive rights to Chlorantraniliprole in mixtures with Syngenta insect control

products, announced on February 23, 2006, these projects were integrated with the Chlorantraniliprole program. Initial launches of Chlorantraniliprole mixtures are expected for 2008.

(1) Invinsa™is an AgroFresh Inc. trademark

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 to 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 of our supply chain materials purchasing spend is directly or indirectly influenced by commodity price volatility, due to price dependence on gas and oil. Our 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 28 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 Basel/Stein, Switzerland; Jealott's Hill, United Kingdom; and Goa, India. The total spent on research and development in crop protection was US$496 million in 2007, US$490 million in 2006 and US$509 million in 2005.

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 involving many tests to ensure the safety of 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 30 to Syngenta's consolidated financial statements 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 100 product lines and 5,000 varieties of our own proprietary genetics. Syngenta has a leading market share in vegetables, flowers, corn, soybean, sugar beet and sunflower combined based on sales. 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 2007, Syngenta launched over 400 varieties. Through Syngenta's enhanced corn breeding and trait conversion capabilities, an unprecedented number of new products were brought into production in 2007 for customer use in the 2008 crop year. These new products will greatly enhance Syngenta's presence in the key genetically modified (GM) trait and trait stack market spaces, while also leveraging the elite new genetic combinations resulting from the integration of recently acquired germplasm resources from the Garst, Golden Harvest and CHS acquisitions. In the vegetables segment, Syngenta acquired Zeraim Gedera in September 2007. This acquisition further strengthens the germplasm pool particularly in fruity crops (tomato, pepper, melon, watermelon, cucumber and squash) and our market position especially in Israel, Spain and Mexico. Furthermore it provides access to top research institutes in Israel and further strengthens our leadership role in vegetable seeds. In the flowers segment, Syngenta acquired Fischer Group in June 2007. This significantly strengthens the Flowers business providing leading positions in pelargonium (geranium), poinsettia and New Guinea impatiens.

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™ 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. In addition to a large range of conventional corn hybrids, Syngenta offers genetically enhanced Bt corn products, known as AGRISURE® CB /LL hybrids which have built-in insect protection against corn borers, AGRISURE® RW hybrids, which have built-in insect protection against corn rootworms and AGRISURE® GT products with tolerance to glyphosate herbicide. Increasingly these genetically enhanced products are available in stacked combinations.

- ***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 disease resistance, herbicide tolerance and oil quality. Syngenta's soybean varieties combine high

yield and genetic superiority and, in some cases, herbicide tolerance, which gives growers flexibility in their weed control. The company's oilseed rape varieties offer good oil production and plant health. In 2006, Syngenta registered 3 first oilseed rape hybrids of the new in house developed hybridization technology called SAFECROSS™. Further SAFECROSS™ products are to be launched in 2008.

- ***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®). Syngenta offers a full range of vegetable seeds, including tomatoes, peppers, melons, watermelons, squash, cauliflower, cabbage, lettuce, spinach, sweet corn, beans, peas, 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 2007, Syngenta launched approximately 180 new varieties in the high value segments worldwide.

- ***Flowers*** (S&G®/Fischer). 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 begonia, 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

- ***AGRISURE® CB/RW***. At the beginning of 2007 Syngenta received US EPA approval for its double stacked corn containing AGRISURE® corn borer and corn rootworm traits. This marked the completion of the double stack offer and enabled preparation for the launch of a triple stacked product for the 2007/2008 growing season. AGRISURE® RW combines with AGRISURE® CB/LL and AGRISURE® GT to provide 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®/GARST®/GOLDEN HARVEST®) across a variety of maturities.
- ***Soybean*** varieties with high yield performance and disease resistance.
- 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 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; ***TOSCANELLA®,*** a small, sweet tomato and ***Dunne***, a mini cluster of tomatoes.

- ***GWANIPA®,*** a refreshing, sweet tasting melon and ***SOLINDA™***, a watermelon with a full flavour and super-sweet, juicy fruit.

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 net 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.

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 beginning to test 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.

- ***Corn*** stacked input traits including: glyphosate tolerance, European corn borer, corn rootworm and broad lepidopteron control

- Hi-ethanol ***corn*** varieties.

- ***Soybean*** with high yield, herbicide tolerance, cyst nematode resistance, root rot, aphid resistance and disease resistance.

- Healthy oil varieties in ***soybean*** and ***sunflower*** seeds.

- Boomrape, herbicide and disease resistant ***sunflowers***.

- 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 nematode tolerance for the European market and Sugar beet with broad spectrum disease and virus resistance in combination with Roundup Ready®(1) 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 breeder seed 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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(1)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® and ROGERS®. The NK® brand is used for corn, soybean, sunflowers and oilseed rape, and several other specialty crops. GOLDEN HARVESTt® 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™ 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. The S&G® brand is a leading brand for vegetables in Europe, the Middle East, Africa and Asia, and is also known throughout the world for flower seeds, cuttings and young plants. The ROGERS® brand is well known in the Americas to growers and the food-processing industry for vegetable seeds. Syngenta has also recently acquired the Fischer brand in flowers and ZERAIM® brand in vegetables. Our sales force markets the majority of our brands, 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. In 2007, this program has benefited both the Crop Protection and Seeds businesses.

Research and Development

Syngenta operates around 90 breeding and germplasm enhancement centers, which focus on advancing the performance, stability and quality of seed varieties for more than 30 food and feed crops. Because our customers need locally adapted crop varieties, and in order to satisfy local concerns, our centers are strategically located around the world. At these centers, over one thousand 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 technology sites in Brazil, France, Germany, United Kingdom, the Netherlands, Spain, Sweden, Thailand and the United States. At these sites, we apply advanced marker-assisted breeding, and seed processing, pelleting, coating and upgrading technologies to seed products. Total research and development spending in Seeds was US$283 million in 2007, US$232 million in 2006 and US$213 million in 2005.

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.*
- *Chromatin, Inc. – Molecular stacks and mini-chromosome technology.*
- *Performance Plants, Inc. – collaboration on the development of GM drought tolerance in corn and soybean.*
- *Pioneer Hi-Bred International, Inc. – collaboration on the development of GM (Genetically Modified) traits for our branded businesses and GreenLeaf Genetics™.*

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

Competitive Environment

The main competitive factor in the seeds industry remains the quality of genetics and traits. Historically, competition in the seeds industry has been fragmented, with small producers competing in local markets. More recently, however, 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: Pioneer/DuPont, Monsanto/Seminis, Limagrain/Vilmorin, KWS, Bayer, Dow (Mycogen), Ball, Sakata, and Takii.

Intellectual Property

Syngenta maintains the ownership, and controls the use, of our inbreds and varieties by means of intellectual property rights, including, but not limited to, the use of patents, trademarks, limited 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 and international agreements. Syngenta does not expect that the expiration of patents in the near future will have a material impact on our sales.

Genetically modified crops are regulated by the United States Department of Agriculture, the Food and Drug Administration, and under some circumstances the Environmental Protection Agency. In the United States, conventional seed is not subject to this regulation.

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. 258/97, which addresses food safety.

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 and pollution-reducing animal feed, 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.

On February 9, 2008, the microbial QUANTUM® Phytase business was sold to AB Enzymes. Under the terms of the agreement AB Enzymes will take over responsibility for the Quantum supply chain and further product development, whilst AB Vista will manage Quantum sales & marketing. Syngenta retains the rights to plant-expressed phytase.

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 2007 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.

Some of the Business Development projects described here are expected to be commercially available within five years.

- ***Corn amylase***, the first enzyme to be bred into corn – and which is essential in converting corn into bioethanol – entered bulk testing in biofuel facilities in 2007. It promises to simplify production and raise fuel yield per acre and has successfully completed the US Food and Drug Administration's consultation process for food and feed safety.

- In Cotton, ***VIPCOT***® 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. Once harvested, this grain is sold as part of the trialing agreements.

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 plant based production of enzymes in the areas of biofuels and animal feed.

Syngenta's licencing agreement with Delta and Pine Land Company for insect control in cotton was affected by the Monsanto acquisition of Delta and Pine Land. This triggered a US$50 million payment to Syngenta in 2007 and the licenses of Syngenta's cotton insect traits became non-exclusive.

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$51 million in 2007, US$74 million in 2006 and US$100 million in 2005.

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 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.*

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, DuPont/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. In the animal feed market, for example, major companies include 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.

PART I **Item 4 — Information on the Company**

Organizational Structure

Please refer to Note 33 to the consolidated financial statements for a description of the significant legal entities comprising the Syngenta group.

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
Omaha, Nebraska, USA	Freehold	1,829,520	Production
Paulinia, Brazil	Freehold	6,860,000	Production
Hillscheid, Germany	Freehold	1,174,600	Production[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]

(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.

ITEM 5 — OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Introduction

The following discussion includes forward-looking statements subject to risks and uncertainty. See "Forward-Looking Statements". This discussion also includes non-GAAP[1] financial data in addition to GAAP results. See Appendix A to Operating and Financial Review 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 62% of Syngenta's sales and 65% of Syngenta's costs in 2007 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 2007 were 15% higher than 2006 on a reported basis, but were 11% 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 of 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 sector in areas such as public health, seed treatment 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 and vegetable and flower seeds. Syngenta also has a Business Development segment, formerly known as Plant Science, 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 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[2], which represent approximately 36% and 34% respectively of consolidated sales in 2007 (2006: 36% and 36%; 2005: 37% and 37%). 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.

Manufacturing and research and development are largely based in Switzerland, the United Kingdom and the United States of America though Syngenta has invested recently to expand manufacturing and research and development in India.

In this document there are references to market share estimates. These 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

(1) 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.
- 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.

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

currencies other than US dollars. Approximately 21% of sales in 2007 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 (24% in total). Sales in Swiss francs and British pounds sterling together make 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. The effects of currency fluctuations have been reduced by risk management strategies such as hedging. For further information please refer to Note 32 of the consolidated financial statements.

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) defined benefit pensions, (v) uncertain tax positions, (vi) recognition of deferred tax assets, (vii) foreign currency translation of intercompany funding and (viii) segmental reporting. These policies are described in more detail in Note 2 to the consolidated financial statements.

Summary of Results

An increase in major crop prices and more favorable weather conditions in Europe increased demand for crop protection chemicals and Syngenta estimates the market increased by approximately 9-10% at constant exchange rates. In this context Crop Protection sales increased 14% in 2007, 11% at constant exchange rates. Crop Protection sales increased across all regions with particularly strong results in Latin America and Eastern Europe. In the USA, penetration of genetically modified corn seeds, which substitute for some selective herbicides and insecticides, partially offset the impact of the higher crop prices. In 2007, Seeds sales growth in Corn and Soybean largely reflects the significant increase in planted corn acreage in the USA, though largely at the expense of lower soybean acres. Other contributing factors included a turnaround from the 2006 first quarter production issues in US Corn and a one off positive fourth quarter impact in 2007 from the final sales of corn seeds containing non-proprietary traits. Strong growth in Vegetables and Flowers was supplemented by the acquisitions of Zeraim Gedera, an Israeli vegetables seeds company, and Fischer flowers. In total, acquisitions including the full year impact of Fafard and Emergent Genetics Vegetable, contributed 1% to sales volume growth.

Gross profit margin was lower than in 2007, primarily due to an increase in environmental provisions in Crop Protection and an unfavorable product mix in Seeds with higher sales in corn but lower sales in soybean. In 2007, gross profit on soybean was higher than that of corn containing non-proprietary traits.

Syngenta increased spending in marketing, distribution and development, partly reflecting the higher sales volumes but also to further develop its USA Corn business and to take advantage of growth opportunities in the positive market environment. General and administrative expenses were net of a US$50 million change of control payment received following Delta & Pine Land's acquisition by Monsanto. Restructuring and impairment in 2007 included a US$109 million gain on sale of part of a site at the Headquarters in Basel and a continuation of the Operational Efficiency Programs announced in 2004 and February 2007. Net financial expense was US$22 million higher than 2006, which had included a one off exchange gain from restructuring an over capitalized British pound sterling balance sheet. The result of these combined elements is 75% growth in net income attributable to Syngenta AG shareholders and an 80% increase in diluted earnings per share.

In 2006 compared to 2005, the Crop Protection market had been more difficult, with lower corn acreage in the USA, the impact of the strong Brazilian real on the competitiveness of the agricultural export sector in Brazil and adverse

weather conditions in several countries, including a prolonged winter in Western Europe and drought in the Southern USA. Syngenta estimates that the total crop protection market declined. In this context, Syngenta Crop Protection performed strongly and is estimated to have gained market share overall. Professional Products sales grew strongly, with further development of the Seed Treatment market and the acquisition of Conrad Fafard, Inc. in the ornamentals market. In the Europe, Africa and Middle East (EAME) region, growth in Eastern Europe and in Africa and the Middle East offset lower sales in Western Europe. Sales growth was achieved in a number of markets in Asia Pacific and moderate growth was experienced in Latin America. In Seeds, growth in Diverse Field Crops and Vegetables largely offset the decline in Corn and Soybean due to production-related issues in Corn in the first quarter. Gross profit margin was lower in 2006 despite strong delivery of production cost savings, largely due to the impact of the higher oil price on raw material costs and lower local currency sales prices in Crop Protection. Excluding restructuring and impairment, total expenses in 2006 were lower than 2005, despite increased costs in marketing and development in the Seeds business. Restructuring and impairment charges were higher following the announcement of further restructuring in research and development, which included the closure of a development facility in the UK. Financial expense, net, was lower than in 2005 due to the realization of the one-off

exchange gain noted above and the inclusion in 2005 of premium costs on the partial repurchase of an outstanding Eurobond. Together, these factors contributed to an increase in net income attributable to Syngenta AG shareholders of 2% and growth in diluted earnings per share of 4%.

Acquisitions and Divestments

Between April 20 and December 22, 2007, following a public offer to minority shareholders of Syngenta India Ltd. (SIL), Syngenta increased its shareholding in SIL from 84% to 95%, at a cash cost of US$66 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 centre 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 crops, including tomato, pepper and melon. Aggregate cash paid to date on these other acquisitions, excluding SIL, is US$108 million subject to final purchase price adjustments. Aggregate goodwill has been provisionally estimated at US$34 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.

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 LRPB that it did not already own. LRPB was held as an available-for-sale asset until its partial divestment in November 2007. The cost of these acquisitions, net of cash acquired, amounted to US$148 million including direct acquisition costs of US$3 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).

There were no major acquisitions in 2005.

Except for the chlorantraniliprole and ACANTO®(1) product acquisition and divestments, these transactions are described in Note 3 to the consolidated financial statements.

(1) Rynaxypyr® and ACANTO® are trademarks of E.I du Pont de Nemours and Company

Operational Efficiency Programs

On February 11, 2004, Syngenta announced an Operational Efficiency Cost Saving Program. The program was initiated 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. Cash costs of the program were estimated at around US$500 million, expected to be largely spent over the period 2004 to 2008, and non-cash charges were estimated at approximately US$350 million over a similar period. Cash spent under the program from 2004 to the end of 2007 totalled US$355 million. Cost savings under the program have been partly offset by the impact on crop protection raw material costs of higher oil prices, which are estimated to be in excess of US$200 million since the beginning of 2004. With the exception of cost run-offs in 2008 from site closures, the program was largely completed in 2007 and full program costs are expected to be within the initial estimates of US$500 million cash costs and with lower non-cash charges of US$320 million.

On February 7, 2007, the Syngenta Board approved a further Operational Efficiency Restructuring Program to drive cost savings which will be used 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 the new program is estimated at US$700 million in cash and US$250 million in non-cash charges in the period up to 2011. Cash spent under the program in 2007 totalled US$68 million.

PART I **Item 5 — Operating and Financial Review and Prospects**

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 %)	**Full Year**		**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 %)	**Full Year**		**Growth**	
Region	**2007**	**2006**	**Volume %**	&#1