SYNGENTA AG
Form 6-K
February 09, 2011

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of February 2011

Commission File Number: 001-15152

SYNGENTA AG
(Translation of registrant's name into English)

Schwarzwaldallee 215
4058 Basel
Switzerland
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F	X	Form 40-F	

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes		No	X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes		No	X

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes		No	X

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

Re: SYNGENTA AG

Press Release: "2010 Full Year Results”

Herewith we furnish a press release related to Syngenta AG. The full text of the press release is the following:

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Basel, Switzerland, February 9, 2011

2010 Full Year Results

Operating income maintained, record free cash flow

- Sales $11.6 billion, up 6 percent; up 4 percent at constant exchange rates[1]
- Operating income[2] maintained at $1.97 billion
- Earnings per share2 $16.44, up 2 percent
- Free cash flow $1.1 billion
- Proposed dividend up 17 percent to CHF 7.00, share repurchase
- Total cash return planned in 2011: ~$850 million
- 2011 outlook: positive volume momentum, share gain

New strategy to deliver superior customer and shareholder value

- Fully integrated offer on a global crop basis
- Three core objectives: Integrate, Innovate, Outperform
- Key performance metrics: market share, EBITDA margin, CFROI

Reported Financial Highlights

	2010	2009	Actual	CER
	$m	$m	%	%
Sales	11,641	10,992	+ 6	+ 4

Crop Protection	8,878	8,491	+ 5	+ 3
Seeds	2,805	2,564	+ 9	+ 8
Net Income3	1,397	1,408	- 1	
EBITDA	2,505	2,427	+ 3	+ 3
Earnings per share2	$16.44	$16.15	+ 2	

1 Growth at constant exchange rates, see Appendix A.

2 Excluding restructuring and impairment; EPS on a fully-diluted basis.

3Net income to shareholders of Syngenta AG.

Mike Mack, Chief Executive Officer, said:

"Strong volume growth starting in the second quarter of 2010 has more than offset the impact of lower crop protection prices and demonstrates the ongoing expansion of demand in our business. The result for the year also reflects higher Seeds profitability as customers increasingly recognize the superiority and breadth of our technology.

"Sales of $11.6 billion in 2010 have almost doubled since Syngenta's creation ten years ago. Expansion has been particularly rapid in the emerging markets, which now account for almost 50 percent of our sales. Our leading position in these markets - the key driver for our industry in terms of population growth and dietary change - will be pivotal to our future success. Global growth in both Crop Protection and Seeds has been accompanied by a significant improvement in profitability, with an EBITDA margin of 21.5 percent compared with 17.8 percent in 2001. The company has consistently generated strong free cash flow, reaching a record level of $1.1 billion in 2010. This is enabling us to implement a step change in the dividend and to plan a further share repurchase in 2011.

"Our success over the last ten years reflects the breadth of our portfolio and our dedicated focus on agriculture. In Crop Protection, we have grown share to become the world leader, with unrivalled product and distribution strength. At the same time, as growers' seeds purchasing decisions have increased in importance, we have built a global Seeds platform incorporating leading technology, which is transforming the scale and scope of our business. As a result, we now have a unique capability to address the increasing complexity of the challenges facing farmers, by developing a fully integrated offer on a global crop basis. This offer will expand our reach while enhancing efficiency, with game-changing technologies encompassing new products, solutions and local go-to-market strategies. These will be continuously adapted in order to anticipate and meet the needs of the farmer of the future. Our goal is to create value for our shareholders by first creating value for our customers, including both channel partners and growers. By so doing, we will continue our contribution towards improving global food security."

Integrate, Innovate, Outperform

Syngenta will now build on the combined strength of its Crop Protection and Seeds businesses to develop a fully integrated offer on a global crop basis.

Our strategy is based on three core objectives:

Integrate:

- We will create unique solutions to meet grower needs, with an integrated offer in the field drawing on our deep knowledge and understanding of agriculture.

- In order to enable these solutions, global commercial operations for Crop Protection and Seeds will be fully combined by the end of 2012, building on the success of integration already introduced in countries such as Brazil and Italy.

- Commercial integration will result in cost savings of around $150 million by 2015. Additional savings from procurement and supply chain efficiency are expected to total around $500 million, giving total annualized cost savings of around $650 million in 2015.

Innovate:

- We will develop an expanded crop-based pipeline, by bringing together R&D in Crop Protection and Seeds to generate combined genetic and chemical solutions which also address abiotic stress.
- We will continue to create new markets as we are doing with PleneTM on sugar cane in Brazil and with the launch of the TegraTM integrated rice program in Asia.
- We will develop novel go-to-market models, building in particular on our success in reaching new customers in emerging markets.
- We will seek value-adding partnerships and collaborations which maximize return on R&D and bring new offers to the grower more quickly.

Outperform:

- Our aim is to gain an average 0.5 percent market share annually across the combined business over the next five years.
- We target a group EBITDA margin in the range of 22-24 percent by 2015.
- We aim to continue to deliver Cash Flow Return on Investment in excess of 12 percent.
- We will target a continuous increase in the dividend. We will also execute tactical share buybacks.

New integrated organization

We will integrate the business model by creating 19 territories with a strategic crop focus. The territories will be grouped under four geographic regions against which we will continue to report. This entails the following changes at the Executive Committee level:

John Atkin, currently COO Crop Protection, will assume cross-business executive responsibility for the regions Europe, Africa & the Middle East and Latin America. He will also have global strategic responsibility for Cereals, Soybean, Sugar cane and Specialty crops. He will continue to oversee Crop Protection performance. Davor Pisk, currently COO Seeds, will assume cross-business executive responsibility for the regions North America and Asia Pacific. He will also have global strategic responsibility for Corn, Diverse Field Crops, Rice and Vegetables. He will continue to oversee Seeds performance.

Financial and business highlights 2010

Sales $11.6 billion

Sales at constant exchange rates (CER) increased by four percent. Reported sales were up six percent. Crop Protection sales* were up three percent (CER), with nine percent volume growth more than offsetting lower prices. Seeds sales registered volume growth of eight percent with prices unchanged.

EBITDA margin 21.5 percent

EBITDA increased by three percent (CER) to $2.5 billion; the margin was 21.5 percent compared with 22.1 percent in 2009. The gross margin increased slightly reflecting portfolio enhancement in Seeds, which was also reflected in a significantly higher Seeds EBITDA margin. In Crop Protection, profitability reflected lower prices and higher operating expenses linked to ongoing investments, particularly in emerging markets.

Currency movements

The effect of currency movements and hedging on EBITDA was broadly neutral. A favorable impact in the first half of the year was offset in the second half by the appreciation of the Swiss franc.

Earnings per share

Earnings per share excluding restructuring and impairment were two percent higher at $16.44. Including restructuring and impairment, earnings per share were $14.99 (2009: $15.01).

Business Highlights 2010

Crop Protection

- Sales $8.9 billion, up 3%
- Volume +9%, price -6%
- EBITDA $2.2 billion (2009: $2.3 billion)
- EBITDA margin 24.7% (2009: 26.9%)

Volume growth accelerated from the second quarter, with a strong Latin American season and an excellent performance in Asia Pacific boosting sales in the second half of the year. Following two years of price increases, the price environment was competitive, notably in North America where high channel inventories led to a high level of rebate activity, particularly in the second quarter. Although prices were also lower in the second half, the rate of decline decreased; prices remain higher compared with their level three years ago. The EBITDA margin was below the record level reached in 2009 as a result of lower prices and investments in emerging markets, R&D and systems.

In Europe, Africa & the Middle East the business recovered well after a late start in the first half caused by weather and high channel inventories, notably in France. Eastern Europe continued to expand despite drought in Russia over the summer. In North America, the impact of the competitive price environment was partly offset by substantial volume growth starting in the second quarter. Latin America saw improved weather and economic conditions as well as higher commodity prices, and Syngenta was able further to reinforce its leading market position. In Asia-Pacific, demand was sustained throughout the year particularly in the emerging markets, where growers continued to invest in order to improve yield.

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* Crop Protection sales include $65 million of inter-segment sales.

In Selective herbicides, sales on corn and soybean expanded reflecting the effectiveness of the portfolio in managing weed resistance. Sales of Non-selective herbicides declined owing to a significant price reduction in glyphosate although volumes recovered sharply in the second half. Growth in Fungicides was driven by AMISTAR® particularly in Latin America, where soybean rust pressure increased. Total sales of AMISTAR® reached a record level of $1.2 billion. Insecticides sales reflected rapid growth in emerging Asia and Latin America; ACTARA® showed strong growth on multiple crops. Emerging markets also drove Seed Care growth, offsetting lower sales in North America. In Professional Products, improving consumer demand led to a recovery in the garden and ornamentals segments.

New Products: Sales of new products (defined as those launched since 2006) increased by 25 percent to reach $402 million. The cereal herbicide AXIAL® was launched on cereals in France and in Russia. The fungicide REVUS® showed strong growth in the USA and in a number of emerging markets. Sales of the insecticide DURIVO®/AMPLIGO® more than doubled with a highly successful launch in Brazil on corn and soybean and strong growth in emerging Asia. Sales of AVICTA® also doubled with a launch on corn in the USA and growth on cotton in Brazil, where a registration on soybean has also been received. Isopyrazam, the first in a new class of next generation fungicides, had a successful initial launch on barley in the UK.

Pipeline: Our Crop Protection pipeline has peak sales potential in excess of $2.0 billion and includes a number of large products with multi-crop applications. In 2011 we will launch PleneTM, a new integrated solution for sugar cane in Brazil with estimated peak sales greater than $500 million. In 2012, we plan to launch Sedaxane, a broad spectrum seed care fungicide.

Seeds

- Sales $2.8 billion, up 8%
- Volume +8%, price unchanged
- EBITDA $357 million (2009: $256 million)
- EBITDA margin 12.7% (2009: 10.0%)

After adjusting for the impact of advanced sales in the fourth quarter of 2009, sales were up 14 percent. Volumes expanded across all regions and product lines. In Corn & Soybean, increased triple stack penetration and improved germplasm performance in the US corn market led to gross margin expansion. This allowed the business to register a significant increase in the EBITDA margin while maintaining a high level of R&D spend (15 percent of sales).

Corn & Soybean: Syngenta has a broad geographic presence in corn, with sales evenly distributed between US and non-US markets. In 2010, sales expanded in all regions. In the USA, our AGRISURE® 3000 GT proprietary triple stack seed accounted for 60 percent of the portfolio compared with 25 percent in 2009, reaching market penetration levels. Field trials in the course of the year showed our top hybrids outperforming competitors, a reflection of the genetic diversity we have built over the last five years. In the fall, we successfully launched AGRISURE VIPTERA™, which offers unrivalled broad lepidoptera control and has shown up to 12 bushels per acre yield advantage over competitive hybrids. VIPTERA was launched in Brazil as a single trait and will be available as part of a triple stack for the next season. In the USA, we also brought to market AGRISURE ARTESIANTM, the industry’s first water optimization solution, based on native traits. In soybean, germplasm quality enabled us to increase market share in both North and Latin America.

Diverse Field Crops: In Eastern Europe, a key area for sunflower and sugar beet, we saw an improvement in credit conditions compared with 2009. This supported substantial volume growth augmented by the acquisition of Monsanto's sunflower business, which also expanded our presence in Argentina.

Vegetables showed strong growth in all regions, with emerging market sales up by around 20 percent. The focus on high value crops was reinforced by the successful integration of acquisitions. Flowers showed moderate growth as the economic environment improved in the two main regions of Europe and North America.

Pipeline: Our combined corn and soybean pipelines have a total peak sales potential in excess of $2.7 billion. Upcoming launches include refuge reduction options in corn, including Refuge-in-the-Bag, which from 2014 will incorporate 5307, a proprietary trait containing a new mode of action for next generation corn rootworm control.

Net financial expense

Net financial expense of $141 million was slightly higher than in 2009 ($122 million).

Taxation

Further tax optimization including some non-recurring benefits resulted in an underlying tax rate of 17 percent (2009: 18 percent). The tax rate is expected to be around 20 percent in 2011.

Cash flow

Average trade working capital as a percentage of sales was reduced to 39 percent from 42 percent in 2009. Strong growth in demand in the second half of the year enabled the achievement of the planned reduction in inventories and the favorable environment encouraged early payment by customers. This contributed to record free cash flow after making an accelerated pension fund injection of $200 million.

Fixed capital expenditure including intangibles declined to $526 million (2009: $771 million) as capacity expansion for two major Crop Protection products reached completion. Acquisition spend totaled $109 million.

Balance sheet

The ratio of net debt to equity was 20 percent. Return on invested capital at 23 percent again exceeded the 20 percent target.

Dividend and share repurchase

The total cash return to shareholders in 2010 was $723 million, comprising a dividend payout of $523 million and a share repurchase of $200 million.

In the light of continuing strong free cash flow generation, the Board of Directors will propose to the AGM on April 19, 2011 an increase in the dividend to CHF 7.00 per share from CHF 6.00 in 2009. This represents an increase of 17 percent in Swiss francs and around 32 percent in US dollars at end January exchange rates. It will also be proposed to pay the dividend through disbursement from reserves from capital contributions (share premium account). The repayment of reserves from capital contributions is not subject to Swiss federal withholding tax. In addition, the company intends to repurchase shares in 2011 with a planned amount of $200 million, giving a total cash return of around $850 million.

Future cash returns will prioritize the dividend, following the significant increase proposed for payment in 2011.

Outlook

Mike Mack, Chief Executive Officer, said:

“As we enter 2011, we expect market share growth and expansion in emerging markets to support volume momentum as we implement our new commercial strategy. We will be building on a strong foundation: global leadership in Crop Protection, now complemented by broad technology success in Seeds, and an unrivalled emerging market footprint. By fully integrating our two businesses to address each crop holistically and with the mindset of a grower, we will create new business opportunities and value potential.

“Looking ahead, we are confident that our strategy will enable us consistently to outperform the market while showing increasing returns, reflected in our targets for market share growth, EBITDA margin progression and high cash flow return on investment. In addition, the strength of our balance sheet will allow us to maintain our record of returning cash to shareholders while continuing to invest in growth areas.”

Crop Protection

For a definition of constant exchange rates, see Appendix A.

	Full Year		Growth		4th Quarter		Growth	
	2010	2009	Actual	CER	2010	2009	Actual	CER
Product line	$m	$m	%	%	$m	$m	%	%
Selective Herbicides	2,308	2,221	+ 4	+ 1	386	334	+ 16	+ 18
Non-selective Herbicides	987	1,141	- 13	- 16	163	180	- 9	- 10
Fungicides	2,662	2,442	+ 9	+ 7	671	632	+ 6	+ 8
Insecticides	1,475	1,312	+ 12	+ 11	438	317	+ 38	+ 38
Seed Care	838	821	+ 2	+ 2	267	243	+ 10	+ 12
Professional Products	470	458	+ 3	-	131	141	- 8	- 8
Others	138	96	+ 43	+43	63	35	+ 78	+ 76
Total	8,878	8,491	+ 5	+ 3	2,119	1,882	+13	+13

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

Volume growth was driven in particular by corn herbicides and more than offset lower prices. The CALLISTO® family of products showed growth in all regions, with the main contribution coming from the USA, where early purchases in advance of the 2011 season were testimony to our strong market position. Soybean herbicides also showed a good performance, reflecting their value in combating glyphosate-resistant weeds.

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

Sales were lower mainly due to lower prices for TOUCHDOWN®, in line with developments in the glyphosate market. TOUCHDOWN® volumes, while slightly lower for the full year, recovered sharply in the second half with strong demand in Latin America. GRAMOXONE® volumes also improved in the second half with good growth in Asia-Pacific.

Fungicides: major brands ALTO&#