



April 23, 2013, Basel, Switzerland

Annual General Meeting Syngenta AG

Chairman's speech

Martin Taylor, Chairman of the Board

Dear shareholders,

Ladies and gentlemen,

As you know, this is my last Annual General Meeting as Chairman of Syngenta since I am retiring from the Board today. It is natural, therefore, for me to look back over the profound changes that have taken place since 2000 when I became a non-executive Director, and 2005 when I became Chairman of the Board. I hope that you will indulge me if I give you my perspective on how the Company and agriculture have developed during that time.

Many of you will recall that at its founding, Syngenta was best described as an Anglo-Swiss (or Swiss-English depending on your perspective!) provider of agricultural chemicals, operating overwhelmingly in the agricultural markets of Europe and North America, where the bulk of the world's productive crops were grown and harvested.

In addition, at that time, the growth prospects of Syngenta were seen by many, not least the parent companies, to be rather limited. Indeed, low expectations of growth and future performance were the main drivers behind Novartis and AstraZeneca wanting to demerge their crop protection and seeds businesses to focus on the high growth pharmaceutical business!



Fast forward to 2013 and things haven't quite turned out as foreseen by some. You are shareholders in a business that is a genuinely global and is becoming the leading provider of an unrivalled, broad spectrum of technology solutions to growers right across the world. As a result, sales over that time have more than doubled to over \$14 billion and earnings per share have risen more than 10 fold from \$2 to \$22 enabling the Board to recommend a record dividend this year of 9 francs 50.

What has driven this remarkable transformation? Well, agriculture itself has changed markedly over that time as have global demographics. When Syngenta was created there were 6 billion people on the planet, there are now over 7 billion and over half of them now live in cities. Moreover, the growth in urbanization in the second half of the twentieth century was remarkable and its effects are increasingly apparent on the world's natural resources and food security today. To put this into some perspective for you, in 1950 9 out of every 10 people in China lived on the land, today it is barely one half. In Botswana the change is even more dramatic: just 60 years ago 97% of the population lived in the countryside, now two thirds live in its cities. Such rapid demographic change has never been witnessed before in world history and agriculture is at the centre of this transformation. More people in the cities means different consumption and dietary patterns. In 1950 a hectare of land fed 2 people, in the next few years that same area will need to feed 5.

Syngenta was well-positioned to capitalize on these major trends. We have also had good fortune, but we have to a large extent made our own luck. Lucky in that the adoption of agricultural technology in developing markets – Latin America most notably, but also much of Asia and the former Soviet Union, has been unexpectedly rapid and comprehensive to meet growing demand. But we have also made our own luck by having invested early in these markets and thus being able to seize the opportunity this offered.



Back in the 1990s, food supplies for those fortunate enough to have access to markets were still abundant. Since then, the continuously rising populations, accelerating urbanization and pressure on natural resources that I have mentioned have led to a dwindling of this apparent abundance. Moreover, with more competition for available supplies of food, prices of agricultural commodities are now much higher. When Syngenta was created in 2000, the price of a bushel of wheat was around \$2, it is now over \$7. The same is also true for corn, with similar increases recorded for other major staple crops on which the food security of the planet's population depends. Growers are accordingly keen and highly incentivized to invest in yield enhancement for their crops.

Unfortunately, urban consumers in rich nations drew some erroneous conclusions from the period of abundance. Many came to believe that agricultural technologies such as pesticides and commercial seeds were both undesirable and unnecessary. This led them not only to oppose the spread of technology but also to argue in favor of extensive forms of agriculture, which – in a period of rising population allied to rising prosperity – calls for a great increase in the area of cultivated land. At the margin this increase can only be supplied through deforestation and a reduction in natural habitats, the very solution which all pretend to deplore.

These erroneous views are perhaps no more clearly observed than in the current debate about bee health in Europe. Critics of our Company and industry have sought to portray insecticides called neonicotinoids as the primary cause of declining bee health across the continent. This in the face of years of in-field analysis that suggests that parasitic mites and associated viruses are in fact the main cause. These voices miss a powerful truth: the success of our business and indeed of our customers', the growers, depends upon healthy ecosystems, biodiversity and pollinating insects; anything that is bad for the environment is also bad for our business.



Banning these essential insecticides would leave growers with the unpalatable choice between losing a significant part of their yield and income or resorting to older, less environmentally-friendly pesticides to maintain their livelihoods. In addition, the rather tragic irony is that a ban would not save a single hive but would lead people to believe that the bee health problem had been solved. This I fear would only serve to create complacency and make matters even worse for honeybee populations.

At the heart of this urban way of thinking lies the curious belief – in part encouraged by the food industry – that agriculture is, or should be, a “natural” activity. Good farmers, of course, work with natural cycles and have deep respect for biodiversity. But in fact agriculture, together with medicine, is in many ways an anti-natural activity, and has been so since the first Chaldean farmer cleared the ground to plant her spelt. Natural forces work to stifle crops as surely as, in the absence of medicines, they shorten human life. Only by using technology to limit the encroachments of nature can we maximize the areas not needed for cultivation and leave them in a natural state.

So there is an ever-widening gap between the views of the expanding urban population and those of the people who remain working and living on the land. Syngenta is at the fulcrum of this often contentious and discordant debate because we sell our products to rural people but find ourselves regulated by urban voices, increasingly disconnected with the realities of growing food. For the sake of future food security, growers’ well-being and the success of our company we need to form coalitions to unlock this unproductive situation. Whether the consumer in San Francisco, London, Zurich and Singapore likes it or not, technology in agriculture is an inescapable and beneficial reality. And whether we like it or not, unless we make the benefits case more strongly to urban consumers and the politicians who represent them, the bigger the divide will grow, the more polarized the debate will become, and the more regulation will be decided by political whim and not science.



The challenge is to bring modern agriculture into the cities, make it accessible and demonstrate the enormous benefits it brings to the environment, rural communities and society as a whole. And we also need to demonstrate the contribution that Syngenta makes, such as increasing yield while preserving water and preventing soil erosion, enhancing biodiversity, helping to reclaim degraded land and make it productive, improving the livelihoods of some of the world's 500 million smallholder farmers, training them in safe use and eradicating child labor wherever we find it. These are just some of the positive and diverse contributions we already make. We will continue to expand this work and seek partners to help us scale our contribution even further.

The role that Syngenta can play in helping the world address these vital issues far exceeds what we could have imagined a decade ago. As I know from my travels over the years, for all those who work in the company, this is at once an ambition, an inspiration, and a responsibility.

As I mentioned at the outset, I am retiring from the Board and I do so with three colleagues - Peggy Bruzelius, Peter Thompson and Felix Weber – who, like me, have been involved in Syngenta from, or almost from, its beginnings as an independent company. Gratitude is owed to all three of them for their many and varied services to the company, in particular to Mrs. Bruzelius for her tireless work as chair of the Audit Committee over more than 12 years, and to Dr Weber for so judiciously chairing the Compensation Committee, a job that has become, on all boards, more difficult over time. I am also delighted to welcome two new Directors to the Company, Eleni Gabre-Madhin and Eveline Saupper whose combined and extensive experience will, I am sure, prove invaluable to the Company in the exciting years ahead.



I am also delighted to be handing over the reins of Chairmanship to such an excellent and experienced business leader. My successor, Michel Demaré, is the ideal person to lead the Board of Syngenta as the Company builds on its firm foundation of success. And given the recent passing of the initiative from Herr Minder, you will be able to cast your vote on him more frequently than you were able to with me!

He inherits a company in excellent financial and strategic health with a profound purpose, a strong culture and more than 27,000 passionate and dedicated employees. I have found my time at Syngenta immensely stimulating and rewarding and I thank shareholders for their support of the Company over the years. The challenges of the future are significant but Syngenta is uniquely placed to help growers around the world prosper and, in so doing, continue to prosper itself. I look forward to watching the progress in the years ahead.

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