

SEMI-ANNUAL REPORT

SYNGENTA FINANCE N.V.
AMSTERDAM

on the financial statements for the six months ended 30 June 2011

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DIRECTORS' REPORT

The board of managing directors herewith presents the unaudited semi-annual report of Syngenta Finance N.V. for the six months ended 30 June 2011. All amounts shown throughout this report are unaudited.

General

Syngenta Finance N.V. (hereafter the "Company") was incorporated on 20 March 2007. Its principal activities are to borrow, lend and raise funds in order to finance Syngenta group companies. The Company's ultimate holding company is Syngenta AG, Switzerland.

The functional currency of the Company is Euro ("EUR"). The presentation currency is United States Dollar ("USD"), as a result the financial statements are presented in USD.

Services are fully dependant on developments within the Syngenta group. No substantial change of services is foreseen.

Financial

The six months ending 30 June 2011 were profitable for Syngenta Finance N.V. The solvability and liquidity position of the Company are sufficient. Syngenta Finance N.V. did not pay any dividend to its shareholder.

In the first six months of 2011 the interest income of Syngenta Finance N.V. amounted to USD 61,098,000 (2010 full year: USD 135,646,000). The gross interest margin in the first six months of 2011 was USD 780,000 (2010 full year: USD 2,759,000). The profit before tax decreased from USD 3,090,000 for the full year 2010 to USD 952,000 for the first six months of 2011.

The allocation of the profit for the full year 2011 will be determined at the General Meeting of Shareholders after the financial results for the full year 2011 will be determined.

Personnel

There are no employees in service of the Company. The expectation is that this will not change in the next 12 months until June 2012. Treasury and financing services are obtained from group companies.

Risk

Risks regarding the Company's interest income and profitability are mainly driven by fluctuations in foreign currency and interest rates. The Company has lent all foreign currency risk and interest rate risk on to group companies with mirroring conditions, leaving no exposure at the Company level.

Important events first half year 2011

No significant changes occurred in the first half year of 2011.

Prospects for the second half of 2011

Principal risk and uncertainties for the remaining six months

No specific risks or uncertainties are expected for the remaining six months. The Eurobond with a face value of EUR 500,000,000 due in September 2011 is expected to be refinanced during the remaining six months.

Investments

The Company will continue its activities for financing Syngenta group companies. The level of investments until June 2012 is fully dependant on developments within the Syngenta group.

Management statement

Management declares that, to the best of their knowledge, the semi-annual accounts give a true and fair view of the assets, liabilities, financial position and profit or loss of Syngenta Finance N.V. and that the semi-annual report gives a true and fair view of the financial position as per the balance sheet date and the developments and performance of Syngenta Finance N.V. during the financial first half year and that the principal risks Syngenta Finance N.V. faces are described in the semi-annual report.

Amsterdam, 19 August 2011

The Board of Managing Directors:

P.C. Schreiner

D.W. Michaelis

R.C. Peletier

P. Karemaker

E. Perrotta

N. Zürcher

D.C.M. Achterberg

S.D. Kamp

BALANCE SHEET AS AT 30 JUNE 2011

before appropriation of profit

	Note	June 2011	December 2010
(in thousands of USD)			
Fixed assets			
Financial fixed assets	1	<u>1,639,066</u>	<u>1,524,694</u>
		1,639,066	1,524,694
Current assets			
Receivables	2	16	31
Receivables from group companies	2	756,123	704,251
Cash at bank and in hand	3	<u>60</u>	<u>23</u>
		756,199	704,305
Total assets		<u><u>2,395,265</u></u>	<u><u>2,228,999</u></u>
Shareholder's equity	4		
Paid-up and called-up share capital		61	61
Retained earnings		3,578	488
Profit for the year		<u>952</u>	<u>3,090</u>
		4,591	3,639
Long-term liabilities	5	1,637,935	1,523,487
Current liabilities	6	752,739	701,873
Total shareholder's equity and liabilities		<u><u>2,395,265</u></u>	<u><u>2,228,999</u></u>

PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Note	June 2011	December 2010
(in thousands of USD)			
Gross interest margin	7	780	2,759
Net operating income	8	172	331
Total net operating income		<u>172</u>	<u>331</u>
Profit before taxation		952	3,090
Income taxes	9	-	-
Net profit		<u><u>952</u></u>	<u><u>3,090</u></u>

CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011

Note	June 2011	December 2010
(in thousands of USD)		
Cash flow from operating activities		
Operating profit	952	3,090
Adjustments to operating profit:		
Amortization differences of upfront fees	75	414
	75	414
Changes in working capital:		
(Increase)/decrease in other receivables	10,204	270
Increase/(decrease) in payables	2	(665)
Increase/(decrease) in accruals and deferred income	(11,196)	(3,132)
	(990)	(3,527)
Cash flow from operating activities	37	(23)
Cash flow from investing activities		
Investment in other financial fixed assets	-	-
Cash flow from investing activities	-	-
Cash flow from financing activities		
Proceeds from long-term liabilities	-	-
Cash flow from financing activities	-	-
Increase (decrease) in cash at bank and in hand	37	(23)

NOTES TO THE FINANCIAL STATEMENTS

General

Syngenta Finance N.V. (hereafter “the Company”) is a private limited liability company incorporated on 20 March 2007. Its corporate seat is in Amsterdam. The objectives of the Company are to participate in, take an interest in any other way and conduct the management of other business enterprises of whatever nature, to borrow, lend and raise funds, amongst other by issuing bonds, promissory notes and other financial instruments and evidence of indebtedness as well as to enter into agreements, of any kind whatsoever in connection with such financing activities, to finance group companies and third parties and in any way to provide security or undertake the obligations of group companies and third parties, to invest in securities of any kind whatsoever to enter into foreign exchange transactions of any kind whatsoever as well as any kind of commodity and derivative transactions with group companies as well as with other parties and finally all activities which are incidental or may be conducive to any of the foregoing. The Company's ultimate holding company is Syngenta AG, Switzerland.

Accounting policies

The Company financial statements have been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Foreign currency translation

The financial statements are presented in United States Dollar (“USD”). Transactions denominated in foreign currencies are initially carried at the exchange rates ruling at the date of transaction.

Monetary balance sheet items denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Non-monetary balance sheet items that are measured at historical cost in a foreign currency are translated at the exchange rates ruling at the date of transaction. Non-monetary balance sheet items that are measured at current value are translated at the exchange rates ruling at the date of valuation.

Exchange differences arising on the settlement or translation of monetary items denominated in foreign currencies are taken to the profit and loss account.

The exchange rate used, where applicable for the six months ended 30 June 2011, is USD 0.6904 to Euro 1. The exchange rate used, where applicable for 2010, is USD 0.7486 to Euro 1.

Balance sheet**Financial fixed assets**

Financial fixed assets represent loans receivable from group companies. After initial measurement, financial fixed assets are carried at amortised cost based on the effective interest rate method. Gains and losses are taken to the profit and loss account through the amortisation process.

Receivables

Receivables represent loans receivable from group companies with a maturity of under one year and other receivables. Receivables are carried at the lower of face value and recoverable amount (being the higher of value in use and fair value less costs to sell).

Cash at bank and in hand

Cash and cash equivalents are carried at their face value.

Financial liabilities

Financial liabilities are recognized initially at their fair value less transaction costs, which represents the net proceeds of issuing the liability. Subsequently, financial liabilities are stated at amortized cost using the effective interest rate method. Financial liabilities are classified as current if the debt agreement terms require repayment within one year of the balance sheet date. Otherwise, they are classified as non-current.

Income taxes

The Company together with Syngenta Treasury N.V. constitutes a fiscal unity. All companies within the fiscal unity are jointly and severally liable for the tax liabilities of the fiscal unity.

The Company is subject to ordinary applicable Dutch corporate income tax rate, its taxable income being calculated on an arm's length reward corresponding to the functions performed and risks assumed by the Company.

Profit and loss account

Gross interest margin

Gross interest margin represents the proceeds and cost from/of the supply of services, net of withholding taxes.

Interest income is recognised pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned, provided the income can be measured and the income is probable to be received.

Interest expense is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognised in the profit and loss account, with the amortised cost of the liabilities being recognised in the balance sheet. Period interest charges and similar charges are recognised in the year in which they fall due.

General expenses

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognised if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

NOTES TO THE SEMI-ANNUAL ACCOUNTS FOR THE SIX MONTHS ENDED 30 JUNE 2011**1. Financial fixed assets**

	June 2011	December 2010
(in thousands of USD)		
Loans to group companies:		
Balance as at 1 January	1,524,694	2,309,597
Reclassification to short-term receivables	-	(622,741)
Amortisation of loans	5,020	21,817
Additions	-	-
Revaluation of loans	109,352	(183,979)
Total financial fixed assets as at 30 June 2011	<u>1,639,066</u>	<u>1,524,694</u>

The loans to group companies bear interest at an average rate of 4.629% (2010: 4.629%). The effective interest rate has been determined disregarding the discount and premiums, since their impact is only marginal. The interest rate is fixed on an arms' length basis.

The maturity dates of the loans to group companies ranging from 2014 up to 2035 (2010: 2014 to 2035). The carrying amounts of the loans to group companies can be split based on the maturity dates as follows:

- Loans maturing within 1-5 years: USD 1,412,425,000 (2010: USD 1,298,524,000)
- Loans maturing after 5 years: USD 226,642,000 (2010: USD 226,170,000).

As part of its treasury services, the Company had granted credit lines to a group company for a maximum amount equal to USD 3,250,000,000 at interest rates corresponding to the Company's borrowing costs increased by all costs (if any) relating to the issue of loans which fund receivables under these credit lines.

All receivables are from the sole shareholder Syngenta Treasury N.V.

2. Receivables and receivables from group companies

	June 2011	December 2010
(in thousands of USD)		
Other receivables	16	31
Amounts receivable from group companies	35,044	45,232
Loans receivable from group companies	721,079	659,019
Balance as at 30 June	<u>756,139</u>	<u>704,282</u>

Amounts receivable from group companies includes the recharge of operational expenses to Syngenta Treasury N.V. Loans receivable from group companies represent the carrying amount of the receivable related to the Eurobond with a maturity of 21 September 2011 and a nominal amount of EUR 500.000.000 lent on to a group company.

3. Cash at bank and in hand

	June 2011	December 2010
(in thousands of USD)		
Cash at bank	<u>60</u>	<u>23</u>

There are no restrictions on the availability of cash and cash equivalents.

4. Shareholder's equity

Movements in the individual items of equity were as follows:

	Ordinary shares	Retained earnings	Profit/(loss) for the year	Total
(in thousands of USD)				
Balance at 1 January 2011	61	488	3,090	3,639
Profit appropriation	-	3,090	(3,090)	-
Profit for the year	-	-	952	952
Balance at 30 June 2011	<u>61</u>	<u>3,578</u>	<u>952</u>	<u>4,591</u>

Paid-up and called-up share capital

Issued share capital is equal to the paid-up and called-up share capital of 45,000 ordinary shares of € 1.00 each. Shares were paid up in cash in 2007.

5. Long-term liabilities

	June 2011			December 2010		
(in thousands of USD)	> 5 years	> 1 year	Total	> 5 years	> 1 year	Total
Eurobond September 21, 2011	-	-	-	-	-	-
Eurobond June 30, 2014	-	720,828	720,828	-	664,221	664,221
Eurobond April 22, 2015	-	690,465	690,465	-	633,096	633,096
Private placements, December 8 2020	69,798	-	69,798	69,585	-	69,585
Private placements, December 8 2025	68,344	-	68,344	68,193	-	68,193
Private placements, December 8 2035	88,500	-	88,500	88,392	-	88,392
Amounts payable to third parties	226,642	1,411,293	1,637,935	226,170	1,297,317	1,523,487

	June 2011			December 2010		
(in thousands of USD)	> 5 years	> 1 year	Total	> 5 years	> 1 year	Total
Amounts payable to third parties:						
Balance as at 1 January	226,170	1,297,317	1,523,487	894,925	1,413,052	2,307,977
Reclassification to short-term debt	-	-	-	-	(622,741)	(622,741)
Reclassification between long-term liabilities	-	-	-	(632,950)	632,950	-
Addition of payables	-	-	-	-	-	-
Repayment of payables	-	-	-	-	-	-
Amortisation	471	4,726	5,197	8,575	13,537	22,112
Revaluation of payables	-	109,251	109,251	(44,380)	(139,481)	(183,861)
Balance as at 30 June	226,641	1,411,294	1,637,935	226,170	1,297,317	1,523,487

The Company partly finances its intra-group financing activity through the issuance of debt securities. In 2005 a Eurobond was issued with a face value of EUR 500,000,000 due on 22 April 2015, bearing interest at a fixed rate of 4,125%. In 2006 a second Eurobond was issued with a face value of EUR 500,000,000 due on 21 September 2011, bearing interest at a fixed rate of 4,125%. For June 2011 this bond is reported as a current liability. In 2009 a third Eurobond was issued with a face value of EUR 500,000,000 due on 30 June 2014, bearing interest at a fixed rate of 4,000%.

In 2005 three tranches of fixed rate notes under a Note Purchase Agreement in the US Private Placement market were issued with a group of investors for a total amount of USD 250,000,000. The three tranches mature as follows:

- USD 75,000,000 due on 8 December 2020 and bearing interest at a fixed rate of 5.11%.
- USD 75,000,000 due on 8 December 2025 and bearing interest at a fixed rate of 5.35%.
- USD 100,000,000 due on 8 December 2035 and bearing interest at a fixed rate of 5.59%.

The Company's ultimate parent, Syngenta AG, has fully and unconditionally guaranteed the bonds and the private placement notes.

The effective interest rate has been determined disregarding the discount and premiums, since their impact is only marginal. The interest rate is fixed and does not depend on future changes in certain factors.

6. Current liabilities

	June 2011	December 2010
(in thousands of USD)		
Amounts owed to group companies	1,689	1,687
Taxes	-	-
Other liabilities	29,971	41,167
Current financial debts	721,079	659,019
Total	<u>752,739</u>	<u>701,873</u>

Amounts owed to group companies include accrued interest and overhead accruals. The current financial debts represent the carrying amount of a 2006 issued Eurobond with a face value of EUR 500,000,000 due on 21 September 2011 bearing interest at a fixed rate of 4,125%.

Other liabilities can be broken down as follows:

	June 2011	December 2010
(in thousands of USD)		
Accrued interest 3rd party	29,899	41,109
Audit fees payable	46	34
Other expenses payable	26	24
Total	<u>29,971</u>	<u>41,167</u>

7. Gross interest margin

Gross interest margin represents the interest income and expense related to the amounts receivable from group companies and bonds and private placements.

	June 2011	December 2010
(in thousands of USD)		
Interest income from group companies	61,098	135,646
Interest expense to debt holders	<u>(60,318)</u>	<u>(132,887)</u>
Gross interest margin	<u>780</u>	<u>2,759</u>

8. Net operating income

	June 2011	December 2010
(in thousands of USD)		
Other operating income/(expenses)	(2)	10
Audit fees	(9)	(17)
Recharge to group companies	<u>183</u>	<u>338</u>
Total net operating income	<u>172</u>	<u>331</u>

Recharge to group companies is calculated based on an arm's length principle.

9. Taxation

The Company forms a fiscal unity with Syngenta Treasury N.V. Tax charges are recorded through Syngenta Treasury N.V.

Reconciliation of the effective tax rate

	June 2011	December 2010
(in thousands of USD)		
Profit for the year	952	3,090
Local tax rate	243	788
Tax calculation	<u>(243)</u>	<u>(788)</u>
Tax expense for the year	<u>-</u>	<u>-</u>

The applicable tax rate for the Company's financial statements is 25.0% (2010 full year: 25.5%) and the effective tax rate is 0.0 % (2010 full year: 0.0%). The difference in tax rate is a consequence of application

of the arm's length basis to calculate the reward corresponding to the functions performed and risks assumed by the Company.

There are no differences in tax rates or any other differences between situations in which profits or reserves are retained and situations in which profits or reserves are distributed.

OTHER INFORMATION

Workforce

There are no employees in the service of the Company.

Remuneration of and loans to members of the Board of Management

The members of the Board of Managing Directors did not receive any remuneration and have not taken out loans from the Company.

Related parties

Syngenta Seeds B.V., Syngenta International AG and Syngenta Treasury N.V. are considered related parties. Syngenta Seeds B. and Syngenta International AG provide advisory services, office space, (IT) facilities and administrative services to the Company.

Ultimate parent company

Syngenta AG, Switzerland, is the ultimate parent company of the Company and includes the financial data of the Company in its consolidated financial statements, copies of which are available at cost from the head office of Syngenta AG, Switzerland.

Amsterdam, 19 August 2011

The Board of Managing Directors:

P.C. Schreiner

D.W. Michaelis

R.P. Peletier

P. Karemaker

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N. Zürcher

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