

**SEMI-ANNUAL REPORT**

SYNGENTA FINANCE N.V.  
AMSTERDAM

on the financial statements for the six months ended 30 June 2014

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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 2014. 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. All raised funds are lent to the sole shareholder Syngenta Treasury N.V. The Company's ultimate holding company is Syngenta AG, Switzerland.

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

### Financial

The six months ending 30 June 2014 were profitable for the Company. In the first six months of 2014 the interest income of the Company amounted to USD 54,938,000 (June 2013 USD 53,029,000). The gross interest margin in the first six months of 2014 was USD 351,000 (June 2013: USD 685,000). The decrease of the gross interest margin is mainly driven by the retroactively settlement of a spread in May 2013 for the bonds issued in March 2012. The impact of this retroactively settlement for the period January till June is USD 432,000. In line with the gross interest margin, the profit before tax decreased from USD 942,000 over the period January till June 2013 to USD 611,000 over the period January till June 2014.

After preparing the financial statement for the full year 2014, the General Meeting of Shareholders will determine the allocation of the profit for full year 2014.

The current ratio end of June is 2014 is 1.01 (December 2013: 1.01) and the debt ratio 0.997 (December 2013: 0.997). The Company did not pay any dividend to its shareholder in the first half year of 2014. The Eurobond issued in 2009 with a face value of EUR 500,000,000 matured and redeemed on 30 June 2014. In March 2014 further Euro-denominated debt was issued by the company including a bond with a face value of EUR 500,000,000 maturing in 2021 and a Floating Rate Note with a face value of EUR 250,000,000 maturing in 2017.

The Company's interest rates, duration and terms of financial assets and liabilities as well as their currency are generally matching. This limits the exposure to interest rates and foreign exchange rates and as a consequence of that to a reduced liquidity risk. In addition, all Company's obligations to third parties on the money markets, credit and capital markets are guaranteed by Syngenta AG and covered by loan receivables from other members of the Syngenta Group. Furthermore, the company has indirectly access to a currently unused committed credit line with a well-diversified banking group in the amount of USD 1,500,000,000.

Although the Company's interest income and profitability are exposed to fluctuations in foreign currency and interest rates, the Company has transferred all foreign currency and interest rate risk on to Syngenta group companies with mirroring conditions, leaving no exposure at Company level. The nature of the Company's business exposes it to a range of financial risks. These risks include (i) market risks, which include potential unfavourable changes in foreign exchange rates and interest rates, (ii) counterparty credit risk and (iii) liquidity and refinancing risk.

The Company participates in the global, integrated risk management processes of the Syngenta Group. A financial risk management framework is in place in the form of a Treasury policy, approved by the Board of Directors. This policy provides guidance over all Treasury and finance related matters, is underpinned by delegated authority guidelines and is additionally supported by detailed procedures in place across Syngenta group. In accordance with its Treasury policy, the Company actively monitors and manages financial risks.

Financial instruments available for use to mitigate these risks are selected by the Company according to the nature of the underlying risk. These instruments are designed to economically hedge underlying risks arising from operational activities and from funding and investment positions. The Company does not enter into any speculative financial transactions.

All funds borrowed are lent on a back to back basis to Syngenta Treasury N.V., leaving no currency and interest rate exposure at Company level.

As of 30 June 2014, the Company had no financial transactions that represented a significant concentration of credit risk. Neither was the Company exposed to any significant liquidity risk due to cash generated from operations of the Syngenta Group Companies and additional access to capital markets through a USD 2,500,000,000 Global Commercial Paper program backed by a USD 1,500,000,000 committed, revolving, multi-currency, syndicated credit facility.

### **Personnel**

There are no employees in service of the Company. The expectation is that this will not change in the next twelve months until June 2015. Treasury and financing services are rendered from Syngenta group companies.

### **Research and Development**

The company does not perform research and development activities.

### **Board composition**

As of 1 January 2013 the Act on Management and Supervision ('Wet Bestuur en Toezicht') came into effect. With this Act, statutory provisions were introduced to ensure a balanced representation of men and women in management boards of companies governed by this Act. Balanced representation of men and women is deemed to exist if at least 30% of the seats are filled by men and at least 30% are filled by women.

The board of directors of the Company consists of eight directors. One seat is taken by a woman. Since the company does not comply with the law in this respect, it has looked into the reasons for non-compliance. The board recognizes the benefits of diversity, including gender balance. However, the board feels that gender is only one part of diversity. The Board members will continue to be selected on the basis of wide ranging experience, backgrounds, skills, knowledge and insights.

#### **Prospects for the second half of 2014**

##### Investments

The Company will continue its activities for financing Syngenta group companies. The level of investments during 2014 is fully dependant on developments within the Syngenta group. No new bond issues or repayments are expected in the second half of 2014.

#### **Management statement**

Management declares that, to the best of their knowledge, the semi-annual financial statements give a true and fair view of the assets, liabilities and profit or loss of the Company. 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 the Company during the financial first half-year and the principal risks the Company faces are described in the semi-annual report.

Amsterdam, 27 August 2014

The Board of Managing Directors:

A.M.M. Kuntschen

D.W. Michaelis

R.C. Peletier

P. Karemaker

B.F. Weingartner

N. Zürcher

D.T.A. Noordeloos

E.H. van 't Hof

**BALANCE SHEET AS AT 30 JUNE 2014**

before appropriation of profit

|                                  | Note | Jun-2014                | Dec-2013                |
|----------------------------------|------|-------------------------|-------------------------|
| (in thousands of USD)            |      |                         |                         |
| <b>Fixed assets</b>              |      |                         |                         |
| Financial fixed assets           | 1    | <u>1,996,389</u>        | <u>1,651,471</u>        |
|                                  |      | 1,996,389               | 1,651,471               |
| <b>Current assets</b>            |      |                         |                         |
| Receivables                      | 2    | 324                     | 205                     |
| Receivables from group companies | 2    | 698,242                 | 733,688                 |
| Cash at bank                     | 3    | <u>60</u>               | <u>105</u>              |
|                                  |      | 698,626                 | 733,998                 |
| <b>Total assets</b>              |      | <u><u>2,695,015</u></u> | <u><u>2,385,469</u></u> |

**Shareholder's Equity & Liabilities**

|   | Note | Jun-2014                | Dec-2013                |
|---|------|-------------------------|-------------------------|
| (in thousands of USD)                             |      |                         |                         |
| <b>Shareholder's equity</b>                       | 4    |                         |                         |
| Paid-up and called-up share capital               |      | 61                      | 62                      |
| Retained earnings                                 |      | 7,051                   | 5,478                   |
| Currency translation reserve                      |      | 138                     | 194                     |
| Profit for the year                               |      | <u>611</u>              | <u>1,572</u>            |
|   |      | 7,861                   | 7,306                   |
| <b>Long-term liabilities</b>                      | 5    | 1,995,060               | 1,649,885               |
| <b>Current liabilities</b>                        | 6    | 692,094                 | 728,278                 |
| <b>Total shareholder's equity and liabilities</b> |      | <u><u>2,695,015</u></u> | <u><u>2,385,469</u></u> |

**PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED 30 JUNE 2014**

|   | Note | Jun-2014          | Dec-2013            | Jun-2013          |
|---|------|-------------------|---------------------|-------------------|
| (in thousands of USD)                         |      |                   |                     |                   |
| Interest income from Syngenta group companies |      | 54,938            | 105,238             | 53,029            |
| Interest expense to debt holders              |      | <u>(54,587)</u>   | <u>(104,133)</u>    | <u>(52,344)</u>   |
| <b>Gross interest margin</b>                  | 7    | 351               | 1,105               | 685               |
| Recharge to Syngenta group company            |      | 270               | 484                 | 265               |
|   |      | <u>270</u>        | <u>484</u>          | <u>265</u>        |
| <b>Gross margin</b>                           |      | 621               | 1,589               | 950               |
| Other operating expenses                      | 8    | (10)              | ( 17)               | (8)               |
|   |      | <u>( 10)</u>      | <u>(17)</u>         | <u>(8)</u>        |
| <b>Profit before taxation</b>                 |      | 611               | 1,572               | 942               |
| Income taxes                                  | 9    | -                 | -                   | -                 |
| <b>Net profit</b>                             |      | <u><u>611</u></u> | <u><u>1,572</u></u> | <u><u>942</u></u> |

**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2014**

|   | Jun-2014     | Dec-2013       | Jun-2013       |
|---|--------------|----------------|----------------|
| (in thousands of USD)                               |              |                |                |
| <b>Cash flow from operating activities</b>          |              |                |                |
| Operating profit                                    | 611          | 1,572          | 942            |
| Adjustments to operating profit:                    |              |                |                |
| Amortization differences of upfront issuance fees   | 268          | 504            | 270            |
|   | 268          | 504            | 270            |
| Changes in working capital:                         |              |                |                |
| (Increase)/decrease in other receivables            | 23,338       | (2,842)        | (1,447)        |
| Increase/(decrease) in payables                     | 2            | -              | 17             |
| Increase/(decrease) in accruals and deferred income | (24,432)     | (342)          | (864)          |
|   | (1,092)      | (3,184)        | (2,294)        |
| Cash flow from operating activities                 | (213)        | (1,108)        | (1,082)        |
| <b>Cash flow from investing activities</b>          |              |                |                |
| Investment in other financial fixed assets          | (1,025,838)  | -              | -              |
| Receivable from group companies                     | 682,700      | -              | -              |
| Cash flow from investing activities                 | (343,138)    | -              | -              |
| <b>Cash flow from financing activities</b>          |              |                |                |
| Proceeds from long-term liabilities                 | 1,025,838    | -              | -              |
| Repayment long-term liabilities                     | (682,700)    | -              | -              |
| Cash flow from financing activities                 | 343,138      | -              | -              |
| <b>Increase (decrease) in cash at bank</b>          | <u>(213)</u> | <u>(1,108)</u> | <u>(1,082)</u> |
| Cash at bank at beginning of the year               | 105          | 1,201          | 1,201          |
| FX differences                                      | 168          | 12             | -              |
| Net movement in cash at bank                        | (213)        | (1,108)        | (1,082)        |
| Cash at bank at end of the year                     | <u>60</u>    | <u>105</u>     | <u>119</u>     |



## ACCOUNTING POLICIES

### 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 Syngenta group companies and third parties and in any way to provide security or undertake the obligations of Syngenta 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 Syngenta 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.

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

### Foreign currency translation

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. 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.

All balance sheet items denominated at functional currency are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on the translation of (non) monetary to presentation currency are taken directly to the foreign currency translation reserve. The foreign currency translation reserve is included under the legal reserves.

The exchange rate used, where applicable for 30 June 2014 is USD 0.7324 to Euro 1.

The exchange rate used, where applicable for 31 December 2013 is USD 0.7271 to Euro 1.

The exchange rate used, where applicable for 30 June 2013 is USD 0.7662 to Euro 1.

## Balance sheet

### Financial fixed assets

Financial fixed assets represent loans receivable from Syngenta group companies and initial measurement is at fair value. 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 Syngenta group companies with a maturity of less than a 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

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.

### Fiscal unity

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. Tax charges are recorded through Syngenta Treasury N.V.

The Company together with Syngenta Treasury N.V. constitutes a fiscal unity for the Value Added Tax. Tax charges are recorded through Syngenta Treasury N.V.

## **Profit and loss account**

### **Gross interest margin**

Gross interest margin represents the proceeds and costs from 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. Interest 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 period-end are recognised if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

### **Change in RJ 290 Financial Instruments**

Starting financial year 2014, Dutch Accounting Standards relating to financial instruments have changed. Management assessed the impact of the changes and concluded no impact on financial position and result is expected as the changes do not affect the Company.

**NOTES TO THE SEMI-ANNUAL ACCOUNTS FOR THE SIX MONTHS ENDED 30 JUNE 2014****1. Financial fixed assets**

|  | Jun-2014         | Dec-2013         |
|--|------------------|------------------|
| (in thousands of USD)                      |                  |                  |
| <b>Loans to Group companies</b>            |                  |                  |
| Balance as at 1 January                    | 1,651,471        | 2,272,739        |
| Reclassification to short-term receivables | (677,533)        | (652,026)        |
| Amortisation of loans                      | 3,495            | 10,190           |
| Additions                                  | 1,025,838        | -                |
| Revaluation of loans                       | (6,882)          | 20,568           |
| Financial fixed assets per balance data    | <u>1,996,389</u> | <u>1,651,471</u> |

The loans to Group companies bear interest at an average rate of 3.209% (December 2013: 4.101%). 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 ranges from 2017 up to 2042 (December 2013: 2015 to 2042). 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 340,224,000 (December 2013: USD 675,685,000)
- Loans maturing after 5 years: USD 1,656,165,000 (December 2013: USD 975,786,000)

As part of its treasury services, the Company had granted credit lines to a Group company for a maximum amount to USD 4,000,000,000 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**

|   | Jun-2014       | Dec-2013       |
|---|----------------|----------------|
| (in thousands of USD)                   |                |                |
| Other receivables                       | 324            | 205            |
| Amounts receivable from Group companies | 22,953         | 46,549         |
| Loans receivable from Group companies   | 675,289        | 687,139        |
| Receivables per balance date            | <u>698,566</u> | <u>733,893</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 22 April 2015 and a nominal amount of EUR 500,000,000 lent on to Syngenta Treasury N.V.

### 3. Cash at bank

|                       | Jun-2014 | Dec-2013 |
|-----------------------|----------|----------|
| (in thousands of USD) |          |          |
| Cash at bank          | 60       | 105      |

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

### 4. Shareholder's equity

Movements in the individual items of equity in the first half year of 2014 were as follows:

|                           | Ordinary shares | Retained earnings | Currency translation reserve | Profit/(loss) for the year | Total |
|---------------------------|-----------------|-------------------|------------------------------|----------------------------|-------|
| (in thousands of USD)     |                 |                   |                              |                            |       |
| Balance at 1 January 2014 | 62              | 5,478             | 194                          | 1,572                      | 7,306 |
| Currency translation      | (1)             | 1                 | (56)                         | -                          | (56)  |
| Profit appropriation      | -               | 1,572             | -                            | (1,572)                    | -     |
| Profit for the year       | -               | -                 | -                            | 611                        | 611   |
| Balance at 30 June 2014   | 61              | 7,051             | 138                          | 611                        | 7,861 |

Movements in the individual items of equity in 2013 were as follows:

|                             | Share capital | Retained earnings | Currency translation reserve | Profit for the year | Total |
|-----------------------------|---------------|-------------------|------------------------------|---------------------|-------|
| (in thousands of USD)       |               |                   |                              |                     |       |
| Balance at 1 January 2013   | 60            | 4,758             | (96)                         | 722                 | 5,444 |
| Currency translation        | 2             | (2)               | 290                          | -                   | 290   |
| Profit appropriation        | -             | 722               | -                            | (722)               | -     |
| Profit for the year         | -             | -                 | -                            | 1,572               | 1,572 |
| Balance at 31 December 2013 | 62            | 5,478             | 194                          | 1,572               | 7,306 |

**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**

|  | Jun-2014         |                |                  | Dec-2013       |                |                  |
|--|------------------|----------------|------------------|----------------|----------------|------------------|
| (in thousands of USD)                    | > 5 years        | > 1 year       | Total            | > 5 years      | > 1 year       | Total            |
| <b>Amounts payable to third parties</b>  |                  |                |                  |                |                |                  |
| Balance as at 1 January                  | 974,200          | 675,685        | 1,649,885        | 972,885        | 1,297,650      | 2,270,535        |
| Reclassification to short-term debt      | -                | (677,623)      | (677,623)        | -              | (651,516)      | 651,516)         |
| Addition of payables                     | 683,659          | 342,179        | 1,025,838        | -              | -              | -                |
| Repayment of payables                    | -                | -              | -                | -              | -              | -                |
| Amortisation                             | 807              | 3,024          | 3,831            | 1,315          | 9,048          | 10,363           |
| Foreign currency revaluation of payables | (3,908)          | (2,963)        | (6,871)          | -              | 20,503         | 20,503           |
| Liabilities per balance date             | <u>1,654,758</u> | <u>340,302</u> | <u>1,995,060</u> | <u>974,200</u> | <u>675,685</u> | <u>1,649,885</u> |

|                                  | Jun-2014         |                |                  | Dec-2013       |                |                  |
|----------------------------------|------------------|----------------|------------------|----------------|----------------|------------------|
| (in thousands of USD)            | > 5 years        | > 1 year       | Total            | > 5 years      | > 1 year       | Total            |
| Eurobond 2015                    | -                | -              | -                | -              | 675,685        | 675,685          |
| Private placements 2020          | 71,144           | -              | 71,144           | 70,891         | -              | 70,891           |
| Private placements 2025          | 69,284           | -              | 69,284           | 69,104         | -              | 69,104           |
| Private placements 2035          | 89,145           | -              | 89,145           | 89,017         | -              | 89,017           |
| USD bond 2022                    | 497,548          | -              | 497,548          | 497,411        | -              | 497,411          |
| USD bond 2042                    | 247,797          | -              | 247,797          | 247,777        | -              | 247,777          |
| Eurobond 2017                    | -                | 340,302        | 340,302          | -              | -              | -                |
| Eurobond 2021                    | 679,840          | -              | 679,840          | -              | -              | -                |
| Amounts payable to third parties | <u>1,654,758</u> | <u>340,302</u> | <u>1,995,060</u> | <u>974,200</u> | <u>675,685</u> | <u>1,649,885</u> |

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 bearing interest at a fixed rate of 4.125%. The bond will mature on 22 April 2015 and has been reported as a current liability since 22 April 2014.
- In 2012 a USD Bond was issued with a face value of USD 500,000,000 maturing on 28 March 2022 and bearing interest at a fixed rate of 3.125%.
- In 2012 an additional USD was issued with a face value of USD 250,000,000 maturing on 28 March 2042 and bearing interest at a fixed rate of 4.375%

In March 2014, the following additional Euro-denominated debt was issued:

- A Floating Rate Note (FRN) with a face value of EUR 250,000,000 due on 2 October 2017 and bearing interest at 3 month EURIBOR plus 25 bps.
- A Eurobond with a face value of EUR 500,000,000 maturing on 2 November 2021 and bearing interest at a fixed rate of 1.875%.

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%.

At 30 June 2014, the Eurobond issued in 2009 with a face value of EUR 500,000,000 bearing interest at a fixed rate of 4.000% was matured and redeemed.

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 discounts 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

|                                 | Jun-2014       | Dec-2013       |
|---------------------------------|----------------|----------------|
| (in thousands of USD)           |                |                |
| Amounts owed to Group companies | 20             | 18             |
| Other liabilities               | 16,786         | 41,312         |
| Current financial debts         | 675,288        | 686,948        |
| Total                           | <u>692,094</u> | <u>728,278</u> |

Amounts owed to Syngenta group companies include accrued interest and overhead accruals.

Other liabilities can be broken down as follows:

|                            | Jun-2014      | Dec-2013      |
|----------------------------|---------------|---------------|
| (in thousands of USD)      |               |               |
| Accrued interest 3rd party | 16,758        | 41,278        |
| Audit fees payable         | 28            | 31            |
| Other expenses payable     | -             | 3             |
| Total                      | <u>16,786</u> | <u>41,312</u> |

## 7. Gross interest margin

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

|                                      | Jun-2014   | Dec-2013     | Jun-2013   |
|--------------------------------------|------------|--------------|------------|
| (in thousands of USD)                |            |              |            |
| Interest income from Group companies | 54,938     | 105,238      | 53,029     |
| Interest expense to debt holders     | (54,587)   | (104,133)    | (52,344)   |
| Gross interest margin                | <u>351</u> | <u>1,105</u> | <u>685</u> |

## 8. Operating expenses

|                                   | Jun-2014    | Dec-2013    | Jun-2013   |
|-----------------------------------|-------------|-------------|------------|
| (in thousands of USD)             |             |             |            |
| Other operating income/(expenses) | (2)         | (4)         | (3)        |
| Audit fees                        | (8)         | (13)        | (5)        |
| Total net operating income        | <u>(10)</u> | <u>(17)</u> | <u>(8)</u> |

## 9. Income taxes

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

|                          | Jun-2014 | Dec-2013 | Jun-2013 |
|--------------------------|----------|----------|----------|
| (in thousands of USD)    |          |          |          |
| Profit for the year      | 611      | 1,572    | 942      |
| Local tax rate (25%)     | 153      | 393      | 236      |
| Tax calculation          | (153)    | (393)    | (236)    |
| Tax expense for the year | <u>-</u> | <u>-</u> | <u>-</u> |

The applicable tax rate for the Company's financial statements is 25% (2013: 25%) and the effective tax rate is 0.0 % (2013: 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.



## **Workforce**

There are no employees in the service of the Company.

## **Remuneration of and loans to members of the Board of Managing Directors**

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

## **Related parties**

### **Related parties**

Syngenta Seeds B.V., Syngenta International AG and Syngenta Treasury N.V. are considered related parties. Syngenta Seeds B.V. 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.

## **Audit**

The semi-annual accounts of the Company are not audited. Consequently no auditor's report is included

## **Commitments not shown in the balance sheet**

The Company, acting as guarantor, entered into a Revolving Credit Facility Agreement between, the Company, Syngenta AG and a group of international banks for USD 1,500,000,000 in 2012.

At 30th June 2014, there were no outstanding amounts drawn under this facility.

No guarantees have been issued for members of the Board of Managing Directors by the Company, its Syngenta group companies.

All commitments to related parties are included in the balance sheet.

## Financial instruments

### Foreign currency risk

The Company is not exposed to foreign currency risks as it has lent on all debt to Syngenta group companies with mirroring conditions.

### Interest rate risk

The Company is not exposed to interest rate risks as it has lent on all debt to Syngenta group companies with mirroring conditions.

### Credit risk

The Company has policies and operating guidelines in place to ensure that financial instruments are limited to transactions with high credit quality banks and financial institutions. These include limits in respect of counterparties to ensure there is no significant concentration of credit risk. Any excess cash is invested in liquid investment grade instruments and split across major banks, financial and other institutions to minimize the credit risk. At 30 June 2014 the Company has no financial transactions that represented a significant concentration of credit risk. No credit losses have been incurred from the investments described above.

The Company provides financial services to Syngenta companies worldwide. The Company bears no credit risk as ultimate holding company Syngenta AG has issued a guarantee of repayment of outstanding amounts from other Syngenta group companies. Nevertheless, defined credit limits are set and monitored on an ongoing basis.

The maximum exposure to credit risk is represented by the going concern values of the originated loans and receivables that are carried in the balance sheet. At the reporting date there were no significant financial guarantees for third party obligations that increase this risk.

### Liquidity and refinancing risk

Within the Company's risk management framework, liquidity risk is defined as the potential inability to meet all financial obligations on time and refinancing risk is defined as the potential inability to partially or fully refinance maturing debts. The Company's liquidity risk policy is to maintain at all times sufficient liquidity reserves in order to meet payment obligations as they become due and also to maintain an adequate liquidity margin. Liquidity requirements are forecasted on a frequent basis.

The principal source of liquidity consists of cash generated by the operations of Syngenta group companies and from a long-term capital that is partly financed through four unsecured bonds and through unsecured notes issued under the Note Purchase Agreement in the US Private Placement market. Additionally, the Company has access to capital markets through a USD 2,500,000,000 Global Commercial Paper program. Both the unsecured bonds and notes and the Global Commercial Paper programs are unconditionally and

irrevocably guaranteed by Syngenta AG. In addition, the Company has access to a USD 1,500,000,000 committed, revolving, multi-currency, syndicated credit facility with high credit quality banks. The facility is guaranteed by Syngenta AG.

As at 30 June 2014, an amount of USD 400,000,000 (Dec 2013: 250,000,000; June 2012: USD 0) was drawn under the global commercial paper program by the Syngenta group. The average outstanding balance for the year 2014 under this program as at 30 June was USD 591,000,000 (Total 2013: USD 604,000,000).

Amsterdam, 27 August 2014

The Board of Managing Directors:

A.M.M. Kuntschen

D.W. Michaelis

R.C. Peletier

P. Karemaker

B.F. Weingartner

N. Zürcher

D.T.A. Noordeloos

E.H. van 't Hof