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syngenta

media release

Basel, Switzerland, July 22, 2016

2016 Half Year Results

Focus on innovation, profitability and cash generation

- **Sales $7.1 billion: 2 percent lower at constant exchange rates**
  - **sales 7 percent lower at actual rates**
- **Sales of new products up 73 percent[1]**
- **EBITDA $1.8 billion: margin 24.9 percent (H1 2015: 26.2%)**
  - **EBITDA margin slightly higher at constant exchange rates: 26.4%**
- **AOL savings program set to achieve full year target**
- **Earnings per share[2] $12.69**
- **Free cash flow $337 million (H1 2015: - $109 million)**

	Reported Financial Highlights			
	1st Half 2016 $m	1st Half 2015 $m	Actual %	CER[1] %
Sales	**7,094**	7,634	-7	-2
Operating income	**1,351**	1,566	-14	
Net income	**1,064**	1,221	-13	
EBITDA	**1,767**	2,000	-12	-2
Earnings per share[2]	**12.69**	14.70	-14	

[1] At constant exchange rates
[2] Excluding restructuring and impairment; EPS on a fully diluted basis

Erik Fyrwald, Chief Executive Officer, said:

"Since joining Syngenta on 1 June 2016, I have visited all four of our regions and have had the opportunity to engage with both employees and customers. I have seen at first hand both the quality of our people and the strength of the portfolio, attributes which I have long admired at the company. Add to that first rate science and an outstanding pipeline, and this company clearly has a great future ahead of it.

"In the short term, the industry continues to experience tough market conditions, with low commodity prices and economic and currency challenges. I am pleased that we took early action to improve operating efficiency with the Accelerating Operational Leverage program, which this year is again expected to deliver savings ahead of target.

"The transaction with ChemChina will ensure continuing choice for growers at a time of industry consolidation. We are having constructive discussions with all regulatory authorities which reinforce our confidence in closing the transaction by the end of the year. ChemChina's long term commitment to the business will underpin our ongoing investment in innovation, so that growers will continue to benefit from our broad technology platforms for decades to come."

Financial highlights 1st Half 2016

Sales $7.1 billion

Sales were 2 percent lower at constant exchange rates, with volume down 3 percent and prices up 1 percent. Integrated sales were 3 percent lower, with volume down 4 percent and prices up 1 percent. Most of the price increase related to moves in the CIS to offset currency depreciation; pricing elsewhere was positive overall. Excluding glyphosate and the year-on-year impact of the change in sales terms in Brazil implemented in 2015, integrated sales were 1 percent lower. Reported sales were down 7 percent due to the strength of the US dollar.

EBITDA $1.8 billion

EBITDA was 12 percent lower including a negative impact from currencies of $203 million; excluding the CIS the impact was around $100 million. The EBITDA margin was 24.9 percent (H1 2015: 26.2 percent) reflecting the impact of lower volumes and a bad debt provision in Venezuela. Operating costs continue to be well controlled.

Net financial expense and taxation.

Net financial expense was $130 million (H1 2015: $101 million) with the increase due to higher hedging costs and currency volatility. The tax rate before restructuring was 15 percent (H1 2015: 17 percent).

Net income

Net income including restructuring and impairment was $1.1 billion (H1 2015: $1.2 billion). Earnings per share, excluding restructuring and impairment, were $12.69 (H1 2015: $14.70).

Cash flow and balance sheet

Free cash flow before acquisitions was $335 million (H1 2015: -$113 million). This is the first time since 2011 that free cash flow has been positive in the first half. The improvement reflects rigorous working capital control with a particular focus on inventory levels. Average trade working capital as a percentage of sales was 47 percent (H1 2015: 43 percent) due to the increased receivables in Latin America.

Fixed capital expenditure including intangibles was $221 million. For the full year fixed capital expenditure of around $600 million is expected.

Dividend

A dividend of CHF 11.00 per share (unchanged compared with 2015) was paid on May 2, representing a total payout of $1,040 million and a payout ratio of 64 percent.

Brexit implications

Syngenta has large R&D and manufacturing activities in the UK whereas sales in the country represent around 1% of total group sales. The company therefore has a net short position in the pound sterling. EBITDA exposure to the pound in 2016 is largely covered by hedging contracts.

Business highlights 1st Half 2016

	Half Year		Growth		2nd Quarter		Growth	
	2016 $m	2015 $m	Actual %	CER %	2016 $m	2015 $m	Actual %	CER %
Europe, Africa, Middle East	2,692	2,882	-7	+2	945	1,053	-10	-6
North America	2,115	2,230	-5	-4	1,129	1,211	-7	-6
Latin America	1,041	1,170	-11	-5	642	675	-5	-
Asia Pacific	910	1,027	-11	-8	480	525	-9	-6
Total integrated sales	**6,758**	**7,309**	**-8**	**-3**	**3,196**	**3,464**	**-8**	**-5**
Lawn and Garden	336	325	+3	+6	156	153	+2	+2
Group sales	**7,094**	**7,634**	**-7**	**-2**	**3,352**	**3,617**	**-7**	**-5**

Integrated sales performance

- **Sales $6.8 billion, 3 percent lower at constant exchange rates**
  - **volume -4%, price +1%**
- **EBITDA $1.7 billion (H1 2015: $1.9 billion)**
- **EBITDA margin 25.0% (H1 2015: 26.5%)**

Europe, Africa and the Middle East: Growth in the region in the first half was driven by an excellent performance in the CIS, with further expansion of strong market positions in crop protection and seeds. Volumes increased in both Russia and Ukraine, with further price increases implemented to offset the impact of currency depreciation. Elsewhere in Europe, adverse weather conditions impacted the business in the second quarter. North-west Europe in particular was affected by heavy rainfall which reduced applications of crop protection products: in Germany, for example, the market registered a double digit decline for the first half.

North America: Crop protection sales were only slightly lower despite challenging grower economics and the deliberate reduction in glyphosate. New product introductions made a significant contribution, with the launch of the fungicides SOLATENOL™ and ORONDIS™ and the ramp-up of ACURON™ in the corn herbicide market. Seeds sales were lower in the second quarter, mainly due to a competitive soybean market.

Latin America: Excluding the impact of the change in sales terms, sales were up 3 percent, despite a significant decline in Venezuela. In fungicides, ELATUS™ continues to perform well against soybean rust in Brazil. Insecticides sales continue to be constrained by the high level of channel inventories and by soybean trait adoption. Seeds sales showed strong growth driven by second season corn in Brazil and by higher corn acreage in Argentina.

Asia Pacific: Weather conditions started to improve towards the end of the second quarter but the impact of El Niño on first half performance was still significant. Severe drought in Vietnam led to a reduction in rice acreage and to lower investment on those acres that were planted. Conditions were also dry in the Philippines and in Thailand, where the rice market has been further affected by changes in government policy.

Lawn and Garden performance

- **Sales $336 million, up 6% at CER**
- **EBITDA $81 million (H1 2015: $73 million)**
- **EBITDA margin 24.1% (H1 2015: 22.4%)**

Sales growth was driven by vector control in Africa and the Middle East. Turf products also contributed to growth, with increased demand in the USA and Japan.

Accelerating Operational Leverage

The Accelerating Operational Leverage (AOL) program, announced in February 2014, targets savings of $1 billion by 2018 through a combination of cost savings, efficiencies and growth leverage. The program has three main pillars: Commercial; Research and Development; and Global Operations. The program's aim is to optimize the cost structure across the business in order to attain industry-leading efficiency. In 2015, the company exceeded its first year target with savings of $300 million. The company achieved savings of $140 million in the first half 2016 and is on track to achieve full year savings of $300 million, again ahead of the original target.

Outlook

Erik Fyrwald, Chief Executive Officer, said:

"After a resilient first quarter, market conditions were more difficult in the second quarter, notably for the high margin Europe, Africa and the Middle East business. Looking at the prospects for the second half, we expect a return to growth in Asia Pacific with the recent easing of drought conditions in several countries. In Latin America, growers in Brazil continue to face economic uncertainty and credit constraints, although their underlying profitability remains robust. Group sales for the year are expected to be slightly below last year at constant exchange rates; reported sales are likely to show a mid-single digit decline due to the continuing strength of the dollar.

"We remain fully on track with the measures we are taking on costs, with projected AOL savings for the full year of $300 million and a further reduction in raw material costs. This, together with our successful management of currency risks during the forthcoming Latin American season, should enable us to maintain the full year EBITDA margin at around last year's level. Our ongoing focus on working capital management underpins our expectation of an increase in free cash flow for the year to over $1 billion[1].

"Our new products continue to perform strongly even in difficult markets, and we look forward to another major new launch - ADEPIDYN™ - towards the end of this year, pending registration. Further enhancements in sales force effectiveness will also enable us to grow market share on a sustainable basis."

Crop Protection

	Half Year		Growth		2nd Quarter		Growth	
Crop Protection by product line[2]	2016 $m	2015 $m	Actual %	CER %	2016 $m	2015 $m	Actual %	CER %
Selective herbicides	1,849	1,980	-7	-2	969	1,034	-6	-4
Non-selective herbicides	391	490	-20	-16	241	295	-18	-15
Fungicides	1,758	1,871	-6	-2	850	889	-4	-2
Insecticides	785	849	-8	-3	398	419	-5	-2
Seedcare	403	438	-8	-2	159	183	-13	-8
Other crop protection	58	53	+10	+15	23	20	+18	+23
Total	5,244	5,681	-8	-3	2,640	2,840	-7	-4

Selective herbicides: major brands ACURON™, AXIAL®, CALLISTO® family, DUAL MAGNUM®, BICEP® II MAGNUM, FUSILADE® Max, FLEX®, TOPIK®

Sales were slightly lower due to Latin America, where they were affected by a decline in Venezuela. In North America the main growth driver was the continued adoption by US growers of the corn herbicide ACURON™. In Europe, Africa and the Middle East, growth was driven by strong demand in the CIS, which more than offset the impact of adverse weather in Central Europe.

[1] Excluding acquisitions and costs associated with the ChemChina transaction
[2] Excluding Lawn & Garden

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

2016 is the final year in which TOUCHDOWN® sales are being deliberately reduced in order to improve profitability. At the same time glyphosate prices continue to decline. There is also some price weakness in GRAMOXONE®, with volumes affected by dry weather in ASEAN countries.

Fungicides: major brands ALTO®, AMISTAR®, BONTIMA™, BRAVO®, ELATUS™, MODDUS®, ORONDIS™, REVUS®, RIDOMIL GOLD®, SCORE®, SEGURIS®, TILT®, TRIVAPRO™, UNIX®

Double digit growth was achieved in North America as new products ORONDIS™ and TRIVAPRO™ (based on SOLATENOL™) saw strong momentum. Volumes were lower in Europe, due to exceptionally wet weather, and in Asia Pacific, where rice growers faced severe drought. ELATUS™ continued to perform strongly, with double-digit growth in Brazil.

Insecticides: major brands ACTARA®, DURIVO®, FORCE®, KARATE®, PROCLAIM®, VERTIMEC®

Insecticides saw growth across the northern hemisphere, with particularly good performances by ACTARA®, DURIVO® and KARATE® in North America. In Asia Pacific and Latin America, sales were affected by low insect pressure, which resulted in a continuing high level of channel inventories in Brazil.

Seedcare: major brands AVICTA®, CELEST®, CRUISER®, DIVIDEND®, FORTENZA®, MAXIM®, VIBRANCE®

Emerging market growers continue to adopt new technology, with notable growth for CRUISER® in the CIS and South East Europe, and MAXIM® in Latin America South. Sales in Canada staged a strong recovery, led by the SDHI fungicide VIBRANCE®, which was more than offset by lower treatment intensity and higher inventory in the USA.

	Half Year		Growth		2nd Quarter		Growth	
Crop Protection by region[1]	2016 $m	2015 $m	Actual %	CER %	2016 $m	2015 $m	Actual %	CER %
Europe, Africa, Middle East	2,026	2,163	-6	+1	752	845	-11	-7
North America	1,532	1,583	-3	-2	936	949	-1	-1
Latin America	915	1,059	-14	-9	571	616	-7	-3
Asia Pacific	771	876	-12	-8	381	430	-11	-9
Total	5,244	5,681	-8	-3	2,640	2,840	-7	-4

[1] Excluding Lawn & Garden

Seeds

Seeds by product line[6]	Half Year 2016 $m	Half Year 2015 $m	Growth Actual %	Growth CER %	2nd Quarter 2016 $m	2nd Quarter 2015 $m	Growth Actual %	Growth CER %
Corn and soybean	768	866	-11	-7	248	305	-19	-17
Diverse field crops	449	456	-1	+11	132	149	-11	-3
Vegetables	327	331	-1	+3	185	180	+2	+4
Total	1,544	1,653	-7	-	565	634	-11	-8

Corn and soybean: major brands AGRISURE®, GOLDEN HARVEST®, NK®, VIPTERA™

Corn branded sales were up in the USA with strong late season orders reflecting increased planted acreage. Corn trait licensing income was lower due to the phasing of payments. The impact of lower acreage in Europe was largely offset by a strong start to the summer season in Latin America and the adoption of VIPTERA™ trait technology. Soybean sales were lower in a competitive US environment.

Diverse field crops: major brands NK® oilseeds, HILLESHÖG® sugar beet

Sunflower sales grew strongly in the CIS countries and in South East Europe. In addition to increased acreage, growers continue to adopt superior genetics with a proven track record on the field.

Vegetables: major brands ROGERS®, S&G®

Demand was strong in Latin America, notably in Brazil and Mexico, as favorable currency rates improved growers' profitability in export markets. Broad-based price increases were achieved in all regions, reflecting the ability to capture value from a high quality portfolio of hybrids.

Seeds by region[1]	Half Year 2016 $m	Half Year 2015 $m	Growth Actual %	Growth CER %	2nd Quarter 2016 $m	2nd Quarter 2015 $m	Growth Actual %	Growth CER %
Europe, Africa, Middle East	673	721	-7	+4	193	208	-8	-3
North America	595	655	-9	-9	197	263	-25	-25
Latin America	134	122	+10	+25	75	65	+16	+24
Asia Pacific	142	155	-8	-3	100	98	+3	+7
Total	1,544	1,653	-7	-	565	634	-11	-8

The full version of the Half Year Results 2016 press release and a presentation covering the results are available here.

[1] Excluding Lawn & Garden

Announcements and meetings

Third quarter trading statement 2016	October 25, 2016

Syngenta is a leading agriculture company helping to improve global food security by enabling millions of farmers to make better use of available resources. Through world class science and innovative crop solutions, our 28,000 people in over 90 countries are working to transform how crops are grown. We are committed to rescuing land from degradation, enhancing biodiversity and revitalizing rural communities. To learn more visit www.syngenta.com and www.goodgrowthplan.com. Follow us on Twitter® at www.twitter.com/Syngenta

Additional information and where to find it
This release is for informational purposes only and does not constitute an offer to purchase or a solicitation of an offer to sell company securities. The solicitation and offer to buy company securities will only be made pursuant to the Swiss offer prospectus and the offer to purchase and other documents relating to the U.S. offer that have been filed with the U.S. Securities and Exchange Commission ("SEC"). Investors and security holders are urged to carefully read the tender offer statement on schedule to filed by the offeror with the SEC and the solicitation/recommendation statement on schedule 14d-9 with respect to the offer filed by the company with the SEC, since these materials contain important information, including the terms and conditions of the offer. Investors and security holders may obtain a free copy of these materials and other documents filed by the offeror and the company with the SEC at the website maintained by the SEC at www.sec.gov. Investors and security holders may also obtain free copies of the solicitation/recommendation statement and other documents filed with the SEC by the company at www.syngenta.com.

Cautionary statement regarding forward-looking statements
Some of the statements contained in this release are forward-looking statements, including statements regarding the expected consummation of the Swiss and U.S. public tender offers, which involves a number of risks and uncertainties, including the satisfaction of closing conditions for the offers, such as regulatory approval for the transaction and the tender of at least 67% of the outstanding shares of the company, the possibility that the transaction will not be completed and other risks and uncertainties discussed in the company's public filings with the SEC, including the "risk factors" section of the company's form 20-f filed on February 11, 2016, as well as the tender offer documents filed by the offeror and the solicitation/recommendation statement filed by the company. These statements are based on current expectations, assumptions, estimates and projections, and involve known and unknown risks, uncertainties and other factors that may cause results, levels of activity, performance or achievements to be materially different from any future statements. These statements are generally identified by words or phrases such as "believe", "anticipate", "expect", "intend", "plan", "will", "may", "should", "estimate", "predict", "potential", "continue" or the negative of such terms or other similar expressions. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results and the timing of events may differ materially from the results and/or timing discussed in the forward-looking statements, and you should not place undue reliance on these statements. The offeror, ChemChina and the company disclaim any intent or obligation to update any forward-looking statements as a result of developments occurring after the period covered by this release or otherwise.

Syngenta Group

Interim Condensed Consolidated Financial Statements

The following condensed consolidated financial statements and notes thereto have been prepared in accordance with IAS 34, "Interim Financial Reporting", as disclosed in Note 1 below. They do not contain all of the information which IFRS would require for a complete set of financial statements and should be read in conjunction with the annual consolidated financial statements.

Condensed Consolidated Income Statement

for the six months ended June 30, ($m, except share and per share amounts)	**2016**	**2015**
Sales	**7,094**	**7,634**
Cost of goods sold	(3,572)	(3,863)
Gross profit	**3,522**	**3,771**
Marketing and distribution	(1,029)	(1,077)
Research and development	(657)	(688)
General and administrative:		
Restructuring	(104)	(166)
Other general and administrative	(381)	(274)
Operating income	**1,351**	**1,566**
Income from associates and joint ventures	5	5
Financial expense, net	(130)	(101)
Income before taxes	**1,226**	**1,470**
Income tax expense	(160)	(246)
Net income	**1,066**	**1,224**
Attributable to:		
Syngenta AG shareholders	1,064	1,221
Non-controlling interests	2	3
Net income	**1,066**	**1,224**
Earnings per share ($):		
Basic	**11.58**	**13.29**
Diluted	**11.58**	**13.25**
Weighted average number of shares:		
Basic	91,907,359	91,866,548
Diluted (Note 4)	91,907,359	92,178,652

All activities were in respect of continuing operations.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, **($m)**	**2016**	**2015**
Net income	**1,066**	**1,224**
Components of other comprehensive income (OCI):		
Items that will not be reclassified to profit or loss:		
Losses on equity investments designated at fair value through OCI	(7)	(12)
Actuarial losses of defined benefit post-employment plans	(655)	(110)
Income tax relating to items that will not be reclassified to profit or loss	148	16
	(514)	(106)
Items that may be reclassified subsequently to profit or loss:		
Unrealized (losses)/gains on derivatives designated as cash flow and net investment hedges	(42)	60
Currency translation effects	(9)	(241)
Income tax relating to items that may be reclassified subsequently to profit or loss	63	(27)
	12	(208)
Total OCI	**(502)**	**(314)**
Total comprehensive income	**564**	**910**
Attributable to:		
Syngenta AG shareholders	562	907
Non-controlling interests	2	3
Total comprehensive income	**564**	**910**

All activities were in respect of continuing operations.

During the six months ended June 30, 2016, in respect of cash flow hedges, losses of $58 million (2015: gains of $78 million) were recognized in OCI and losses of $16 million (2015: gains of $18 million) were reclassified from OCI to profit and loss. Income tax of $6 million was credited to OCI (2015: $18 million charged to OCI) in respect of these movements.

Condensed Consolidated Balance Sheet

($m)	June 30, 2016	June 30, 2015	December 31, 2015
Assets			
Current assets:			
Cash and cash equivalents	1,960	832	1,141
Trade receivables	6,072	5,720	4,128
Other accounts receivable	941	770	845
Inventories	3,945	4,503	4,345
Derivative and other financial assets	411	347	401
Other current assets	349	257	338
Total current assets	**13,678**	**12,429**	**11,198**
Non-current assets:			
Property, plant and equipment	3,389	3,557	3,383
Intangible assets	2,993	3,150	3,040
Deferred tax assets	849	1,098	783
Financial and other non-current assets	411	499	396
Investments in associates and joint ventures	173	192	177
Total non-current assets	**7,815**	**8,496**	**7,779**
Total assets	**21,493**	**20,925**	**18,977**
Liabilities and equity			
Current liabilities:			
Trade accounts payable	(3,836)	(3,913)	(3,311)
Current financial debt and other financial liabilities	(2,509)	(1,191)	(730)
Income taxes payable	(474)	(948)	(444)
Other current liabilities	(1,118)	(808)	(983)
Provisions	(210)	(283)	(193)
Total current liabilities	**(8,147)**	**(7,143)**	**(5,661)**
Non-current liabilities:			
Financial debt and other non-current liabilities	(3,559)	(3,526)	(3,501)
Deferred tax liabilities	(595)	(644)	(668)
Provisions	(1,290)	(777)	(727)
Total non-current liabilities	**(5,444)**	**(4,947)**	**(4,896)**
Total liabilities	**(13,591)**	**(12,090)**	**(10,557)**
Shareholders' equity:			
Total shareholders' equity	(7,881)	(8,816)	(8,401)
Non-controlling interests	(21)	(19)	(19)
Total equity	**(7,902)**	**(8,835)**	**(8,420)**
Total liabilities and equity	**(21,493)**	**(20,925)**	**(18,977)**

Condensed Consolidated Cash Flow Statement

For the six months ended June 30, ($m)	2016	2015
Income before taxes	**1,226**	**1,470**
Reversal of non-cash items	505	575
Cash (paid)/received in respect of:		
Interest and other financial receipts	150	219
Interest and other financial payments	(233)	(332)
Income taxes	(162)	(258)
Restructuring costs	(39)	(31)
Contributions to pension plans, excluding restructuring costs	(75)	(81)
Other provisions	(36)	(48)
Operating cash flow before change in net working capital	**1,336**	**1,514**
Change in net working capital:		
Change in inventories	347	136
Change in trade and other working capital assets	(1,717)	(2,043)
Change in trade and other working capital liabilities	522	401
Cash flow from operating activities	**488**	**8**
Additions to property, plant and equipment	(157)	(190)
Purchases of intangible assets, investments in associates and other financial assets	(65)	(50)
Proceeds from disposals of non-current assets	20	24
Acquisitions and divestments, net	60	4
Cash flow used for investing activities	**(142)**	**(212)**
Increases in third party interest-bearing debt	1,838	1,407
Repayments of third party interest-bearing debt	(365)	(983)
Sales/(purchases) of treasury shares and options over own shares, net	33	64
Distributions paid to shareholders	(1,040)	(1,078)
Cash flow from/(used for) financing activities	**466**	**(590)**
Net effect of currency translation on cash and cash equivalents	7	(12)
Net change in cash and cash equivalents	**819**	**(806)**
Cash and cash equivalents at the beginning of the period	1,141	1,638
Cash and cash equivalents at the end of the period	**1,960**	**832**

Condensed Consolidated Statement of Changes in Equity

($m)	Par value of ordinary shares	Additional paid-in capital	Treasury shares, at cost	Fair value reserves	Cumulative translation adjustment	Retained earnings	Total share-holders' equity	Non-controlling interests	Total equity
	Attributable to Syngenta AG shareholders								
January 1, 2015	**6**	**3,430**	**(458)**	**(96)**	**(282)**	**6,289**	**8,889**	**16**	**8,905**
Net income						1,221	1,221	3	1,224
OCI				30	(250)	(94)	(314)	-	(314)
Total comprehensive income	**-**	**-**	**-**	**30**	**(250)**	**1,127**	**907**	**3**	**910**
Share-based payments and income tax thereon			145			(36)	109		109
Distributions paid to shareholders						(1,078)	(1,078)		(1,078)
Share repurchases			(11)				(11)		(11)
June 30, 2015	**6**	**3,430**	**(324)**	**(66)**	**(532)**	**6,302**	**8,816**	**19**	**8,835**
January 1, 2016	**6**	**3,430**	**(421)**	**(72)**	**(1,042)**	**6,500**	**8,401**	**19**	**8,420**
Net income						1,064	1,064	2	1,066
OCI				(43)	48	(507)	(502)	-	(502)
Total comprehensive income	**-**	**-**	**-**	**(43)**	**48**	**557**	**562**	**2**	**564**
Share-based payments and income tax thereon			87			(129)	(42)		(42)
Distributions paid to shareholders						(1,040)	(1,040)		(1,040)
June 30, 2016	**6**	**3,430**	**(334)**	**(115)**	**(994)**	**5,888**	**7,881**	**21**	**7,902**

A dividend of CHF 11.00 ($11.32) (2015: CHF 11.00 ($11.73)) per share was paid to Syngenta AG shareholders during the period.

Syngenta Group

Notes to Interim Condensed Consolidated Financial Statements

Note 1: Basis of preparation

Nature of operations: Syngenta AG ("Syngenta") is a world leading agribusiness operating in the crop protection, seeds and lawn and garden markets. Crop protection chemicals include herbicides, insecticides, fungicides and seed treatments to control weeds, insects and diseases in crops, and are essential inputs enabling growers around the world to improve agricultural productivity and food quality. In Seeds, Syngenta operates in the high value commercial sectors of field crops (including corn, oilseeds, cereals and sugar beet) and vegetables. The Lawn and Garden business provides professional growers and consumers with flowers, turf and landscape, and professional pest management products.

Basis of presentation and accounting policies: The condensed consolidated financial statements for the six months ended June 30, 2016 and 2015 incorporate the financial statements of Syngenta AG and of all of its subsidiaries ("Syngenta Group"). They have been prepared in accordance with IAS 34, "Interim Financial Reporting" and with the accounting policies described in Notes 2 and 29 to Syngenta's 2015 annual consolidated financial statements. Syngenta prepares its annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The condensed consolidated financial statements were authorized for issue by the Board of Directors on July 21, 2016.

The condensed consolidated financial statements are presented in United States dollars ($) as this is the major currency in which revenues are denominated. Financial figures are presented in millions of dollars ($m) except where otherwise stated.

Impairment losses recognized on goodwill in interim financial statements are not reversed in the annual financial statements even if the decline in value which caused the impairment loss to be recognized has reversed by the end of the annual reporting period.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

Note 2: Seasonality of operations

The timing of Syngenta's sales, profit and cash flows throughout the year is significantly influenced by seasonal factors. Operating in the agriculture sector, sales of Syngenta's products principally occur before and during the growing season. Because many of Syngenta's largest markets are in the northern hemisphere, which has a spring growing season, significantly more sales occur and profit is earned during the first half of the year than in the second half. Collections of trade accounts receivable from customers in these northern hemisphere markets largely occur during the second half of the year. As a result, operating cash flow typically is significantly lower during the first half of the year than during the second half.

Note 3: Adoption of new IFRSs

Syngenta has adopted the following new or revised IFRSs from January 1, 2016. These IFRSs have not been early adopted and their adoption had no material impact on these condensed consolidated financial statements:

- "Accounting for Acquisitions of Interests in Joint Operations", Amendments to IFRS 11;
- "Clarification of Acceptable Methods of Depreciation and Amortization", Amendments to IAS 16 and IAS 38;
- "Agriculture: Bearer Plants", Amendments to IAS 16 and IAS 41;
- Annual Improvements to IFRSs, 2012-2014 cycle;
- "Disclosure Initiative", Amendments to IAS 1.

Note 4: Business combinations, divestments and other significant transactions

Six months ended June 30, 2016

No acquisitions were completed in the six months ended June 30, 2016.

On March 15, 2016, Syngenta divested Syngenta Bioline Ltd. ("Bioline"), its beneficial insect breeding business. On June 1, 2016, Syngenta divested its manufacturing operations in Goa, India to Deccan Fine Chemicals India Private Ltd. Neither transaction had individually material proceeds nor led to a material gain or loss; the aggregate net gains on these divestments were $12 million. Deferred and contingent receipts and payments for acquisitions completed in prior periods were not material.

Public tender offer for Syngenta AG shares by CNAC Saturn (NL) B.V. ("the Offeror")

CNAC Saturn (NL) B.V., a subsidiary of China National Chemical Corporation (ChemChina) is offering to acquire all publicly held Shares and American Depositary Shares (ADSs) of Syngenta for $465 per ordinary share in cash ("the Offer"). Syngenta and its Board of Directors have agreed to support the Offer. The Offer has been extended until September 13, 2016 and is conditional on acceptance by shareholders owning 67 percent of Syngenta AG issued shares and on regulatory approval by all competent merger control and other authorities. If the Offer becomes unconditional, Syngenta AG will pay a special dividend of CHF 5.00 per share immediately before the First Settlement of the Offer. The Offer price will not be adjusted for this dividend. In the event that ChemChina and/or its Subsidiaries hold between 90% and 98% of the voting rights in Syngenta after the Second Settlement of the Offer, ChemChina intends to merge Syngenta with a Swiss company directly or indirectly controlled by ChemChina in accordance with articles 8 para. 2 and 18 para. 5 of the Swiss Merger Act, whereby the remaining public shareholders of Syngenta would be compensated (in cash or otherwise) and not receive any shares in the surviving company. In the event that ChemChina and/or its Subsidiaries hold more than 98% of the voting rights in Syngenta after the Second Settlement, the Offeror intends to request the cancellation of the remaining publicly held Syngenta Shares in accordance with article 137 of the Financial Markets Infrastructure Act (FMIA). ChemChina agreed to pay Syngenta an amount equal to $3 billion if, despite all other conditions of the Offer having been satisfied or still being capable of being satisfied, the Offer does not become unconditional and/or is terminated as a result of the failure to obtain Chinese regulatory approvals or antitrust approvals. In certain circumstances, if the Syngenta AG Board of Directors were to withdraw its support for the Offer and as a result the Offer is not successful or does not become unconditional, Syngenta would be required to pay ChemChina $848 million.

Change of control

Syngenta has identified the following contracts where completion of the Offer could trigger an impact:

Syngenta has the following long-term debt instruments outstanding which have a change of control clause under which holders may require early repayment if the credit rating of the instruments falls below Investment grade:

- two US (SEC registered) bonds issued in March 2012 (face values $250 million and $500 million);
- three US private placements issued in December 2005 (face values $75 million, $75 million and $100 million).

In accordance with the transaction agreement between Syngenta and ChemChina, after completion of the Offer until the earlier of (i) five years following the First Settlement and (ii) a re-listing of Syngenta's shares through an initial public offering, the consent of at least two independent directors of Syngenta AG is required for raising new debt or making distributions which would lower the rating of the Syngenta Group to a level below Investment grade. Syngenta does not expect these instruments to be called for early repayment in accordance with their change of control clauses.

Further, the current syndicated committed loan facility of $2,500 million (which serves as a backstop facility for the $2,500 million Global Commercial Paper program) has a change of control clause that provides for early termination unless renegotiated terms are agreed within 30 days. In order to address the risk of early termination, ChemChina has provided cover for the backstop facility, short-term financing and any refinancing needs via a committed $5,000 million Target Facilities Agreement accessible by Syngenta.

Syngenta entered into certain agreements which give the respective counterparties early termination rights on a change of control of Syngenta. Syngenta has recognized payments made under certain agreements as intangible assets. Exercise of termination rights on change of control could result in impairment losses or changes to amortization in future periods. Syngenta does not believe that such losses or changes will have a material impact on its consolidated income statement and balance sheet.

Amendments to Syngenta's Equity Plans

On February 1 and 2, 2016 the Syngenta Board of Directors and the Compensation Committee of the Board of Directors, amended Syngenta's Equity Plans for Directors and Employees, respectively. Under the amended terms of the Equity Plans, if the Offer is successful, all outstanding share awards and Restricted Share Units will be converted into Syngenta shares and deferral and vesting periods will be waived, share blocking/holding periods will be waived and matching shares will be granted, Performance Share Units will vest at target levels of performance and be converted into Syngenta shares, options will vest and their exercise periods lapse, and performance options will vest at target levels of performance and their exercise periods lapse. Phantom awards and ADSs will be treated in an analogous way to the above. Syngenta AG will settle all outstanding awards, other than Syngenta shares to which the Equity Plan participants have acquired valid title before the Offer becomes successful, in cash instead of Syngenta shares on the date of the Second Settlement.

As a result of these amendments, Syngenta has changed the accounting for all outstanding awards made under its Equity Plans, except for vested Syngenta shares, from equity-settled share based payment arrangements to cash-settled share based payment arrangements, in accordance with IFRS 2. The effect of this change was as follows:

- $85 million credited to equity up to February 2, 2016 under equity-settled share based payment accounting was reclassified as a liability at that date;
- $41 million share based payment expense was recognized in function expenses according to where the related personnel costs are charged for the six months ended June 30, 2016, in addition to the $29 million charge that would have been made under equity-settled share based payment accounting;
- $155 million share based payment liabilities were recognized at June 30, 2016 within Other current liabilities.

The principal assumptions used to measure the share based payment expense and the fair value of the share based payment liability at June 30, 2016 were as follows:

- Syngenta AG share price at June 30, 2016: ordinary shares: CHF 374.10; ADS: $76.79
- Vesting period remaining at June 30, 2016: 6 months
- Expected option term remaining at June 30, 2016: 6 months
- Risk-free interest rate: CHF: -0.77%; $: 0.35%
- Share price volatility: 12.51%

The valuation assumes that the Offer completes by the end of 2016. Because holders of unvested awards would receive the special dividend on completion as part of their cash settlement, a dividend yield of zero has been assumed.

Under cash-settled share based payment accounting, the fair value of the awards is charged to profit or loss and no equity instruments are assumed to be issued on settlement. Therefore, basic and diluted numbers of shares are the same.

Six months ended June 30, 2015

No acquisitions or divestments were completed in the six months ended June 30, 2015. The acquisition accounting for the German and Polish winter wheat and winter oilseed rape breeding and business operations of Lantmännen was finalized during the period, with no material adjustments to the amounts reported in the 2014 annual consolidated financial statements. Goodwill on that acquisition was $12 million. Deferred and contingent receipts and payments for acquisitions completed in prior periods were not material.

During the period, Syngenta changed its contractual sales terms in Brazil to reduce the flexibility of distributors to return crop protection products. This change, together with the introduction of enhanced processes for forecasting and handling product returns, reduced the uncertainty over the amount of sales returns that may ultimately occur. Sales made after the change in terms have been recognized in accordance with delivery terms, subject to an allowance for returns. Sales made before the change were recognized as was done in prior years when distributors had sold Syngenta products on to growers. The effect of the change in contractual sales terms on the condensed consolidated income statement for the six months ended June 30, 2015 was to increase reported sales by $186 million, representing amounts invoiced to distributors on the revised terms which would have been recognized in a later period had the previous terms still been in force. The corresponding increase in net income for the six months ended June 30, 2015 was approximately $55 million. At June 30, 2015, $228 million of Brazil sales to distributors that had been made before the change in contractual terms, had not been sold on to growers and therefore had not been recognized as sales and receivables at that date.

Note 5: Segmental information

Syngenta is organized on a worldwide basis into five operating segments: the four geographic regions, comprising the integrated crop protection and seeds business, and the global Lawn and Garden business. Some costs of the integrated organization do not relate to a geographic destination and are reported as non-regional.

No operating segments have been aggregated to form the above reportable segments.

For the six months ended June 30, 2016 ($m)	Europe, Africa, Middle East	North America	Latin America	Asia Pacific	Non-regional	**Total integrated**	Lawn and Garden	**Group**
Sales	**2,692**	**2,115**	**1,041**	**910**	**-**	**6,758**	**336**	**7,094**
Cost of goods sold	(1,265)	(1,113)	(552)	(489)	-	(3,419)	(153)	(3,572)
Gross profit	**1,427**	**1,002**	**489**	**421**	**-**	**3,339**	**183**	**3,522**
Marketing and distribution	(278)	(265)	(229)	(136)	(43)	(951)	(78)	(1,029)
Research and development	-	-	-	-	(631)	(631)	(26)	(657)
General and administrative	(99)	(65)	(40)	(30)	(233)	(467)	(18)	(485)
Operating income/(loss)	**1,050**	**672**	**220**	**255**	**(907)**	**1,290**	**61**	**1,351**
Income from associates and joint ventures								5
Financial expense, net								(130)
Income before taxes								**1,226**

For the six months ended June 30, 2015 ($m)	Europe, Africa, Middle East	North America	Latin America	Asia Pacific	Non-regional	**Total integrated**	Lawn and Garden	**Group**
Sales	**2,882**	**2,230**	**1,170**	**1,027**	**-**	**7,309**	**325**	**7,634**
Cost of goods sold	(1,353)	(1,194)	(622)	(542)	6	(3,705)	(158)	(3,863)
Gross profit	**1,529**	**1,036**	**548**	**485**	**6**	**3,604**	**167**	**3,771**
Marketing and distribution	(295)	(267)	(256)	(146)	(33)	(997)	(80)	(1,077)
Research and development	-	-	-	-	(662)	(662)	(26)	(688)
General and administrative	(135)	(46)	(31)	(23)	(198)	(433)	(7)	(440)
Operating income/(loss)	**1,099**	**723**	**261**	**316**	**(887)**	**1,512**	**54**	**1,566**
Income from associates and joint ventures								5
Financial expense, net								(101)
Income before taxes								**1,470**

All activities were in respect of continuing operations.

Note 6: General and administrative

Other general and administrative includes losses of $27 million (2015: gains of $28 million) on hedges of forecast transactions, which were recognized during the period. In 2016, Other general and administration includes $18 million charged for the cash-settlement treatment of equity plans discussed in Notes 4 and 7.

Note 7: Restructuring

For the six months ended June 30, ($m)	**2016**	**2015**
Accelerating operational leverage programs:		
Cash costs	88	142
Non-cash impairment costs	1	16
Non-cash pension curtailment gain	(2)	(27)
Integrated crop strategy programs:		
Cash costs	1	8
Acquisition and related integration costs:		
Cash costs	59	18
Divestment gains, net	(12)	-
Other non-cash restructuring and impairment:		
Other non-current asset impairments	10	9
Total restructuring	**145**	**166**

($m)	**2016**	**2015**
Reported as:		
Cost of goods sold	3	-
Marketing and distribution	15	-
Research and development	5	-
Other general and administrative	18	-
Restructuring	104	166
Total restructuring	**145**	**166**

Restructuring represents the effect on reported performance of initiating and enabling business changes that are considered major and that, 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 incremental costs of closing, restructuring or relocating existing operations, and gains or losses from related asset disposals. Restructuring also includes the costs of analyzing and preparing for potential industry consolidation transactions, including costs associated with the ChemChina takeover offer, as well as the effects of completing and integrating significant business combinations and divestments, including related transaction costs, gains and losses. Recurring costs of normal business operations and routine asset disposal gains and losses are excluded.

Impairment includes impairment losses associated with major restructuring as well as 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 little 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 performance including and excluding items affecting comparability. Syngenta's definition of restructuring and impairment may not be comparable to similarly titled line items in financial statements of other companies.

Six months ended June 30, 2016

Accelerating operational leverage programs

Cash costs of $88 million, including $12 million of severance and pension charges and $20 million of information system projects, consists of $32 million for projects to improve the effectiveness of back office support, $36 million for initiatives to restructure marketing and commercial operations, $13 million for Research and Development productivity projects, $5 million for activity to optimize production and supply and $2 million for project management. Non-cash impairment is a tangible asset write-down and the pension curtailment gain represents the difference between the cash costs for early retirements and the calculation of net pension curtailment costs according to IFRS, with regards to the Swiss defined benefit pension plan. Cash costs for early retirements were included in the cash costs of various projects described above.

Integrated crop strategy programs

The integrated crop strategy programs announced in 2011 are substantially complete and final costs in 2016 relate to the completion of certain projects initiated before the end of 2015.

Acquisition, divestment and related costs

Cash costs of $59 million include $41 million relating to the cash-settlement treatment of equity plans discussed in Note 4 above, $11 million of transaction costs and $7 million incurred for integration projects, including the divestment of the Goa manufacturing site and the subsequently cancelled projects to divest the Flowers and Vegetables businesses.

Divestment gains of $12 million consist of the aggregate gain on the sale of the Bioline beneficial insects breeding business and the sale of the manufacturing site in Goa.

Other non-cash restructuring

The other non-cash asset impairment is the write-down of a building in the US, now classified as held for sale.

Six months ended June 30, 2015

Accelerating operational leverage programs

Cash costs of $142 million, including $106 million of severance and pension charges, consisted of $50 million for initiatives to restructure marketing and commercial operations, $16 million for projects to drive efficiencies in territory commercial operations, $31 million to rationalize logistical operations and optimize production capacity, $28 million for Research and Development productivity projects, $12 million for projects to increase the effectiveness of back office support services and $5 million for project management. Non-cash impairment costs of $16 million consisted of tangible asset write-downs at two sites resulting from the projects to rationalize logistical operations and optimize production capacity. The non-cash pension curtailment gain related to the Swiss defined benefit pension plan and is discussed above in relation to 2016.

Integrated crop strategy programs

Cash costs of $8 million included $6 million of charges for the transfer of certain system and process management activities to the internal service center in India, including $1 million for information system projects, $1 million to restructure the integrated Research and Development function and $1 million to restructure the Human Resource organization.

Acquisition, divestment and related costs

Cash costs of $18 million included $5 million incurred to integrate previous acquisitions, mainly the German and Polish winter wheat and winter oilseed rape breeding and business operations of Lantmännen, PSB, MRI and Sunfield, and $13 million of transaction charges, including those related to uncompleted transactions.

Other non-cash restructuring

Other non-current asset impairments of $9 million included $7 million of impairment of exclusive distribution rights where the distribution agreement was terminated and $2 million for two other intangible asset impairments.

Note 8: Non-cash items included in income before taxes

For the six months ended June 30, ($m)	**2016**	**2015**
Depreciation, amortization and impairment of:		
Property, plant and equipment	171	185
Intangible assets	105	103
Deferred revenue and other gains and losses	(9)	(7)
Charges in respect of equity-settled share based compensation	-	35
Charges in respect of provisions, net of reimbursements	111	187
Financial expense, net	130	101
Losses/(gains) on hedges reported in operating income	2	(24)
Income from associates and joint ventures	(5)	(5)
Total	**505**	**575**

Note 9: Principal currency translation rates

As an international business selling in over 100 countries and having major manufacturing and research and development facilities in Switzerland, the UK, the USA and India, movements in currencies impact Syngenta's business performance. The principal currencies and exchange rates against the US dollar used in preparing the condensed consolidated financial statements were as follows:

		Average six months ending June 30,		June 30,	June 30,	December 31,
Per $		**2016**	**2015**	**2016**	**2015**	**2015**
Brazilian real	BRL	3.70	2.97	3.21	3.10	3.90
Swiss franc	CHF	0.99	0.95	0.98	0.93	0.99
Euro	EUR	0.90	0.89	0.90	0.89	0.92
British pound sterling	GBP	0.69	0.66	0.74	0.64	0.68
Russian ruble	RUB	70.55	58.90	64.23	55.62	73.89
Ukraine hryvnia	UAH	25.49	20.89	24.87	21.02	23.79

The average rates presented above are an average of the monthly rates used to prepare the condensed consolidated income and cash flow statements. The period-end rates were used for the preparation of the condensed consolidated balance sheet.

Note 10: Issuances, repurchases and repayments of debt and equity securities

Six months ended June 30, 2016

During the six months ended June 30, 2016, no shares were repurchased. No treasury shares were reissued except in accordance with Syngenta's share based payment plans disclosed in Note 23 to the 2015 annual consolidated financial statements.

On January 29, 2016, the terms of Syngenta's $1.5 billion committed, revolving, multi-currency syndicated credit facility were amended to increase its amount to $2.5 billion. The facility supports the Global Commercial Paper program which provides short-term funding for working capital fluctuations due to the seasonality of the business, and will mature in 2019.

Six months ended June 30, 2015

During the six months ended June 30, 2015, Syngenta repurchased 32,000 of its own shares at a cost of $11 million which were to be used to meet future requirements of share based payment plans. No treasury shares were reissued except in accordance with Syngenta's share based payment plans.

During the six months ended June 30, 2015, Syngenta repaid a Eurobond with principal of EUR 500 million at maturity, and issued a EUR 500 million Eurobond with a coupon rate of 1.25 percent and a maturity date in September 2027.

Note 11: Financial instruments

The following table shows the carrying amounts and fair values of financial assets and liabilities by category of financial instrument and a reconciliation to where they are presented on the balance sheet at June 30, 2016 and December 31, 2015. The fair value hierarchy is shown for those financial assets and liabilities that are carried at fair value in the condensed consolidated balance sheet.

	Carrying amount (based on measurement basis)			
At June 30, 2016 ($m)	**Fair value level 1**	**Fair value level 2**	**Total**	**Comparison fair value**
Trade receivables, net:				
Mandatorily measured at fair value through profit and loss		75	75	75
At amortized cost			5,997	5,997
Total			**6,072**	**6,072**
Derivative and other financial assets:				
Derivative financial assets	6	95	101	101
At amortized cost			310	310
Total			**411**	**411**
Financial and other non-current assets:				
Equity investments at fair value through OCI	-	68	68	68
Derivative financial assets	-	51	51	51
Loans, receivables and pooled investments:				
at fair value through profit and loss	46	6	52	52
at amortized cost			48	48
Other, not carried at fair value			192	
Total			**411**	
Current financial debt and other financial liabilities:				
Derivative financial liabilities	-	336	336	336
Non-derivative financial liabilities at amortized cost			2,173	2,173
Total			**2,509**	**2,509**
Financial debt and other non-current liabilities:				
Derivative financial liabilities	-	250	250	250
Non-derivative financial liabilities at amortized cost			3,272	3,434
Non-financial liabilities			37	
Total			**3,559**	

At December 31, 2015 ($m)	Carrying amount (based on measurement basis) Fair value level 1	Fair value level 2	Total	Comparison fair value
Trade receivables, net:				
Mandatorily measured at fair value through profit and loss		105	105	105
At amortized cost			4,023	4,023
Total			**4,128**	**4,128**
Derivative and other financial assets:				
Derivative financial assets	6	128	134	134
At amortized cost			267	267
Total			**401**	**401**
Financial and other non-current assets:				
Equity investments at fair value through OCI	2	71	73	73
Derivative financial assets	-	29	29	29
Loans, receivables and pooled investments:				
at fair value through profit and loss	51	7	58	58
at amortized cost			45	45
Other, not carried at fair value			191	
Total			**396**	
Current financial debt and other financial liabilities:				
Derivative financial liabilities	-	115	115	115
Non-derivative financial liabilities at amortized cost			615	615
Total			**730**	**730**
Financial debt and other non-current liabilities:				
Derivative financial liabilities	-	267	267	267
Non-derivative financial liabilities at amortized cost			3,197	3,218
Non-financial liabilities			37	
Total			**3,501**	

The levels of fair value hierarchy used above are defined as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The valuation techniques and inputs used by Syngenta to derive level 2 fair value measurements of the above financial assets and liabilities are as described in Note 29 to Syngenta's 2015 annual consolidated financial statements.

At June 30, 2016, the fair values of equity securities at fair value through OCI which are level 3 measurements were $68 million (December 31, 2015: $71 million) and are shown in the level 2 column above. During the six month periods ended June 30, 2016 and 2015, there were no material movements in those equity securities or their fair values; no transfers between the fair value and amortized cost categories; no material transfers between level 1 and level 2 of the fair value hierarchy; nor into or out of level 3 of the fair value hierarchy.

Note 12: Commitments and contingencies

($m)	June 30, 2016	December 31, 2015
Commitments for the purchase of:		
Property, plant and equipment	125	134
Raw materials	1,290	947
Other commitments	140	135
Total	**1,555**	**1,216**

Note 13: Subsequent events

No events occurred between the balance sheet date and the date on which these condensed consolidated financial statements were approved by the Board of Directors that would require adjustment to or disclosure in the condensed consolidated financial statements.

Supplementary financial information

Financial summary

For the six months ended June 30, ($m)	Excluding Restructuring and impairment[1] 2016	Excluding Restructuring and impairment[1] 2015	Restructuring and impairment 2016	Restructuring and impairment 2015	As reported under IFRS 2016	As reported under IFRS 2015
Sales	**7,094**	**7,634**	**-**	**-**	**7,094**	**7,634**
Gross profit	**3,525**	**3,771**	**(3)**	**-**	**3,522**	**3,771**
Marketing and distribution	(1,014)	(1,077)	(15)	-	(1,029)	(1,077)
Research and development	(652)	(688)	(5)	-	(657)	(688)
General and administrative	(363)	(274)	(122)	(166)	(485)	(440)
Operating income	**1,496**	**1,732**	**(145)**	**(166)**	**1,351**	**1,566**
Income before taxes	**1,371**	**1,636**	**(145)**	**(166)**	**1,226**	**1,470**
Income tax expense	(203)	(278)	43	32	(160)	(246)
Net income	**1,168**	**1,358**	**(102)**	**(134)**	**1,066**	**1,224**
Attributable to non-controlling interests	(2)	(3)	-	-	(2)	(3)
Attributable to Syngenta AG shareholders	**1,166**	**1,355**	**(102)**	**(134)**	**1,064**	**1,221**
Earnings/(loss) per share ($)[2]						
Basic	**12.69**	**14.75**	**(1.11)**	**(1.46)**	**11.58**	**13.29**
Diluted	**12.69**	**14.70**	**(1.11)**	**(1.45)**	**11.58**	**13.25**

	2016	2015	2016 CER[3]
Gross profit margin excluding restructuring and impairment	**49.7%**	**49.4%**	**50.7%**
EBITDA[4]	**1,767**	**2,000**	
EBITDA margin	**24.9%**	**26.2%**	**26.4%**
Tax rate on results excluding restructuring and impairment	**15%**	**17%**	
Free cash flow[5]	**337**	**(109)**	
Trade working capital to sales[6]	**48%**	**44%**	
Debt/equity gearing[7]	**43%**	**39%**	
Net debt[7]	**3,411**	**3,439**	

1 *For further analysis of restructuring and impairment charges, see Note 7 on page 20. Net income and earnings per share excluding restructuring and impairment are provided as additional information and not as an alternative to net income and earnings per share determined in accordance with IFRS.*

2 *The weighted average number of ordinary shares in issue used to calculate earnings per share are as follows: For 2016 basic and diluted EPS 91,907,359; for 2015 basic EPS 91,866,548 and diluted EPS 92,178,652.*

3 *For a description of CER see Appendix A on page 34.*

4 *EBITDA is defined in Appendix B on page 34.*

5 *For a description of free cash flow, see Appendix D on page 36.*

6 *Period-end trade working capital as a percentage of twelve-month sales, see Appendix E on page 36.*

7 *For a description of net debt and the calculation of debt/equity gearing, see Appendix F on page 37.*

Half year segmental results excluding restructuring and impairment

Group ($m)	For the six months ended June 30, 2016	2015	CER %
Sales	**7,094**	**7,634**	**-2**
Gross profit	3,525	3,771	-
Marketing and distribution	(1,014)	(1,077)	-
Research and development	(652)	(688)	+2
General and administrative	(363)	(274)	-26
Operating income	**1,496**	**1,732**	**-3**
Depreciation, amortization and impairment	266	263	
Income from associates and joint ventures	5	5	
EBITDA	**1,767**	**2,000**	**-2**
EBITDA margin (%)	**24.9**	**26.2**	

Total integrated ($m)			
Sales	**6,758**	**7,309**	**-3**
Gross profit	3,342	3,604	-
Marketing and distribution	(937)	(997)	-
Research and development	(626)	(662)	+2
General and administrative	(348)	(270)	-25
Operating income	**1,431**	**1,675**	**-4**
Depreciation, amortization and impairment	250	247	
Income from associates and joint ventures	5	5	
EBITDA	**1,686**	**1,927**	**-3**
EBITDA margin (%)	**25.0**	**26.5**	

Lawn and Garden ($m)			
Sales	**336**	**325**	**+6**
Gross profit	183	167	+13
Marketing and distribution	(77)	(80)	+2
Research and development	(26)	(26)	+1
General and administrative	(15)	(4)	-79
Operating income	**65**	**57**	**+36**
Depreciation, amortization and impairment	16	16	
EBITDA	**81**	**73**	**+30**
EBITDA margin (%)	**24.1**	**22.4**	

Half year segmental results excluding restructuring and impairment: continued

Europe, Africa and Middle East ($m)	For the six months ended June 30, 2016	2015	CER %
Sales	**2,692**	**2,882**	**+2**
Gross profit	1,427	1,529	+6
Marketing and distribution	(273)	(295)	+3
General and administrative	(69)	(76)	+9
Operating income	**1,085**	**1,158**	**+9**

North America ($m)			
Sales	**2,115**	**2,230**	**-4**
Gross profit	1,003	1,036	-2
Marketing and distribution	(260)	(267)	+2
General and administrative	(42)	(31)	-35
Operating income	**701**	**738**	**-3**

Latin America ($m)			
Sales	**1,041**	**1,170**	**-5**
Gross profit	489	548	-8
Marketing and distribution	(227)	(256)	-4
General and administrative	(24)	(27)	+20
Operating income	**238**	**265**	**-18**

Asia Pacific ($m)			
Sales	**910**	**1,027**	**-8**
Gross profit	421	485	-8
Marketing and distribution	(135)	(146)	+4
General and administrative	(19)	(18)	-1
Operating income	**267**	**321**	**-10**

Half year sales

($m)	For the six months ended June 30, 2016	2015	Actual %	CER %
Group sales				
Europe, Africa and Middle East	2,692	2,882	-7	+2
North America	2,115	2,230	-5	-4
Latin America	1,041	1,170	-11	-5
Asia Pacific	910	1,027	-11	-8
Total integrated sales	**6,758**	**7,309**	**-8**	**-3**
Lawn and Garden	**336**	**325**	**+3**	**+6**
Group sales	**7,094**	**7,634**	**-7**	**-2**
Crop Protection by region				
Europe, Africa and Middle East	2,026	2,163	-6	+1
North America	1,532	1,583	-3	-2
Latin America	915	1,059	-14	-9
Asia Pacific	771	876	-12	-8
Total	**5,244**	**5,681**	**-8**	**-3**
Seeds by region				
Europe, Africa and Middle East	673	721	-7	+4
North America	595	655	-9	-9
Latin America	134	122	+10	+25
Asia Pacific	142	155	-8	-3
Total	**1,544**	**1,653**	**-7**	**-**
Sales by business				
Crop Protection	5,244	5,681	-8	-3
Seeds	1,544	1,653	-7	-
Elimination of Crop Protection sales to Seeds	*(30)*	*(25)*	*n/a*	*n/a*
Total integrated sales	**6,758**	**7,309**	**-8**	**-3**
Lawn and Garden	**336**	**325**	**+3**	**+6**
Group sales	**7,094**	**7,634**	**-7**	**-2**

Half year product line sales

	For the six months ended June 30,			
($m)	**2016**	**2015**	**Actual %**	**CER %**
Selective herbicides	1,849	1,980	-7	-2
Non-selective herbicides	391	490	-20	-16
Fungicides	1,758	1,871	-6	-2
Insecticides	785	849	-8	-3
Seedcare	403	438	-8	-2
Other crop protection	58	53	+10	+15
Total Crop Protection	**5,244**	**5,681**	**-8**	**-3**
Corn and soybean	768	866	-11	-7
Diverse field crops	449	456	-1	+11
Vegetables	327	331	-1	+3
Total Seeds	**1,544**	**1,653**	**-7**	**-**
Elimination of Crop Protection sales to Seeds	*(30)*	*(25)*	*n/a*	*n/a*
Lawn and Garden	**336**	**325**	**+3**	**+6**
Group sales	**7,094**	**7,634**	**-7**	**-2**

Second quarter sales

($m)	2nd Quarter 2016	2015	Actual %	CER %
Group sales				
Europe, Africa and Middle East	945	1,053	-10	-6
North America	1,129	1,211	-7	-6
Latin America	642	675	-5	-
Asia Pacific	480	525	-9	-6
Total integrated sales	**3,196**	**3,464**	**-8**	**-5**
Lawn and Garden	**156**	**153**	**+2**	**+2**
Group sales	**3,352**	**3,617**	**-7**	**-5**
Crop Protection by region				
Europe, Africa and Middle East	752	845	-11	-7
North America	936	949	-1	-1
Latin America	571	616	-7	-3
Asia Pacific	381	430	-11	-9
Total	**2,640**	**2,840**	**-7**	**-4**
Seeds by region				
Europe, Africa and Middle East	193	208	-8	-3
North America	197	263	-25	-25
Latin America	75	65	+16	+24
Asia Pacific	100	98	+3	+7
Total	**565**	**634**	**-11**	**-8**
Sales by business				
Crop Protection	2,640	2,840	-7	-4
Seeds	565	634	-11	-8
Elimination of Crop Protection sales to Seeds	*(9)*	*(10)*	*n/a*	*n/a*
Total integrated sales	**3,196**	**3,464**	**-8**	**-5**
Lawn and Garden	**156**	**153**	**+2**	**+2**
Group sales	**3,352**	**3,617**	**-7**	**-5**

Second quarter product line sales

($m)	2nd Quarter 2016	2015	Actual %	CER %
Selective herbicides	969	1,034	-6	-4
Non-selective herbicides	241	295	-18	-15
Fungicides	850	889	-4	-2
Insecticides	398	419	-5	-2
Seedcare	159	183	-13	-8
Other crop protection	23	20	+18	+23
Total Crop Protection	**2,640**	**2,840**	**-7**	**-4**
Corn and soybean	248	305	-19	-17
Diverse field crops	132	149	-11	-3
Vegetables	185	180	+2	+4
Total Seeds	**565**	**634**	**-11**	**-8**
Elimination of Crop Protection sales to Seeds	*(9)*	*(10)*	*n/a*	*n/a*
Lawn and Garden	**156**	**153**	**+2**	**+2**
Group sales	**3,352**	**3,617**	**-7**	**-5**

Supplementary financial information

Appendix A: Constant exchange rates (CER)

Results in this report from one period to another period are, where appropriate, compared using constant exchange rates (CER). To present that 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 at the exchange rates for the current year. CER margin percentages for gross profit and EBITDA are calculated by the ratio of these measures to sales after restating the measures and sales at prior period exchange rates. The CER presentation indicates the underlying business performance before taking into account currency exchange fluctuations.

Appendix B: Reconciliation of EBITDA to net income

EBITDA is defined as earnings before interest, tax, non-controlling interests, depreciation, amortization, restructuring and impairment. Information concerning EBITDA has been included as it is used by management and by investors as a supplementary measure of operating performance. Management excludes restructuring and impairment from EBITDA in order to focus on results excluding items affecting comparability from one period to the next. EBITDA is not a measure of cash liquidity or financial performance under generally accepted accounting principles and the EBITDA measures used by Syngenta may not be comparable to other similarly titled measures of other companies. EBITDA should not be construed as an alternative to operating income or cash flow as determined in accordance with generally accepted accounting principles.

For the six months ended June 30, ($m)	**2016**	**2015**
Net income attributable to Syngenta AG shareholders	**1,064**	**1,221**
Non-controlling interests	2	3
Income tax expense	160	246
Financial expense, net	130	101
Restructuring and impairment	145	166
Depreciation, amortization and other impairment	266	263
EBITDA	**1,767**	**2,000**

Appendix C: Segmental operating income reconciled to segmental results excluding restructuring and impairment

For the six months ended June 30, 2016 ($m)	Europe, Africa, Middle East	North America	Latin America	Asia Pacific	Non-regional	Total integrated	Lawn and Garden	Group
Operating income/(loss)	**1,050**	**672**	**220**	**255**	**(907)**	**1,290**	**61**	**1,351**
Restructuring and impairment	35	29	18	12	47	141	4	145
Operating income/(loss) excluding restructuring and impairment	**1,085**	**701**	**238**	**267**	**(860)**	**1,431**	**65**	**1,496**
Operating margin (%)	**40.3**	**33.2**	**22.9**	**29.3**	**n/a**	**21.2**	**19.2**	**21.1**

For the six months ended June 30, 2015 ($m)	Europe, Africa, Middle East	North America	Latin America	Asia Pacific	Non-regional	Total integrated	Lawn and Garden	Group
Operating income/(loss)	**1,099**	**723**	**261**	**316**	**(887)**	**1,512**	**54**	**1,566**
Restructuring and impairment	59	15	4	5	80	163	3	166
Operating income/(loss) excluding restructuring and impairment	**1,158**	**738**	**265**	**321**	**(807)**	**1,675**	**57**	**1,732**
Operating margin (%)	**40.2**	**33.1**	**22.7**	**31.2**	**n/a**	**22.9**	**17.5**	**22.7**

Appendix D: Free cash flow

Free cash flow comprises cash flow from operating and investing activities:

- excluding investments in and proceeds from marketable securities, which are included in investing activities;
- excluding cash flows from and used for foreign exchange movements and settlement of related hedges on inter-company loans, which are included in operating activities; and
- including cash flows from acquisitions of non-controlling interests, which are included in financing activities.

Free cash flow is not a measure of financial performance under generally accepted accounting principles and the free cash flow measure used by Syngenta may not be identical to similarly titled measures in other companies. Free cash flow has been included as many investors consider it to be a useful supplementary measure of cash generation.

For the six months ended June 30, **($m)**	**2016**	**2015**
Cash flow from operating activities	488	8
Cash flow used for investing activities	(142)	(212)
Cash flow used for marketable securities	1	-
Cash flow (from)/used for foreign exchange movements and settlement of hedges of inter-company loans	(10)	95
Free cash flow	**337**	**(109)**

Appendix E: Period-end trade working capital

The following table expresses trade working capital as a percentage of sales for the twelve-month periods ended June 30, 2016 and 2015:

($m)	**2016**	**2015**
Inventories	3,945	4,503
Trade accounts receivable	6,072	5,720
Trade accounts payable	(3,836)	(3,913)
Net trade working capital	6,181	6,310
Twelve-month sales	12,871	14,260
Trade working capital as percentage of sales (%)	**48**	**44**

In addition to period-end trade working capital and due to the seasonal nature of its business, Syngenta also monitors average trade working capital as a percentage of sales. This is determined by dividing the average month-end net trade working capital for the past twelve months by sales for the same twelve-month period.

Appendix F: Net debt reconciliation

Net debt comprises total debt net of cash and cash equivalents and marketable securities. During 2015, as disclosed in Note 27 to the 2015 annual consolidated financial statements, Syngenta redefined net debt to exclude fair values of financing-related derivatives, as these are now offset by the financial assets and liabilities arising from collateral paid and received under Credit Support Annex contracts (CSAs). Net debt is not a measure of financial position under generally accepted accounting principles and the net debt measure used by Syngenta may not be comparable to the similarly titled measure of other companies. Net debt has been included as many investors consider it to be a useful measure of financial position and risk. The following table provides a reconciliation of movements in net debt during the period:

For the six months ended June 30, ($m)	**2016**	**2015**[1]
Opening balance at January 1	**2,586**	**2,248**
Other non-cash items	42	(2)
Cash paid/(received) under CSAs, net and settlement of financing-related derivatives	56	86
Foreign exchange effect on net debt	57	(16)
Sale of treasury shares, net	(33)	(64)
Dividends paid	1,040	1,078
Free cash flow	(337)	109
Closing balance at June 30	**3,411**	**3,439**
Components of closing balance:		
Cash and cash equivalents	(1,960)	(832)
Marketable securities[2]	(4)	(3)
Current financial debt[3]	2,113	1,003
Non-current financial debt[4]	3,262	3,271
Closing balance at June 30	**3,411**	**3,439**

1 *Under the definition of net debt used at June 2015, net debt was $3,609 million, including $170 million of financing-related derivatives.*

2 *Long-term marketable securities are included in Financial and other non-current assets. Short-term marketable securities are included in Derivative and other financial assets.*

3 *Included in Current financial debt and other financial liabilities.*

4 *Included in Financial debt and other non-current liabilities.*

The following table presents the derivation of the debt/equity gearing ratio at June 30, 2016 and 2015:

($m)	**2016**	**2015**[1]
Net debt	3,411	3,439
Shareholders' equity	7,881	8,816
Debt/equity gearing ratio (%)	**43**	**39**

1 *Under the definition of net debt used at June 2015, debt/equity gearing ratio was 41%.*

Glossary and Trademarks

All product or brand names included in this results statement are trademarks of, or licensed to, a Syngenta group company. For simplicity, sales are reported under the lead brand names, shown below, whereas some compounds are sold under several brand names to address separate market niches.

Selective herbicides	
ACURON™	broad-spectrum herbicide for flexible use on broadleaf weeds and grasses for Corn
AXIAL®	cereal herbicide
BICEP® II MAGNUM	broad spectrum pre-emergence herbicide for corn and sorghum
CALLISTO®	herbicide for flexible use on broad-leaved weeds for corn
DUAL GOLD®	season-long grass control herbicide used in a wide range of crops
DUAL MAGNUM®	grass weed killer for corn and soybeans
FUSILADE® MAX	grass weed killer for broad-leaf crops
TOPIK®	post-emergence grass weed killer for wheat
Non-selective herbicides	
GRAMOXONE®	rapid, non-systemic burn-down of vegetation
TOUCHDOWN®	systemic total vegetation control
Fungicides	
ALTO®	broad spectrum triazole fungicide
AMISTAR®	broad spectrum strobilurin for use on multiple crops
BONTIMA™/SEGURIS®	next-generation fungicides for use on multiple crops
BRAVO®	broad spectrum fungicide for use on multiple crops
ELATUS™, SOLATENOL™	broad spectrum SDHI fungicide for use on multiple crops
MODDUS®	plant growth regulator for use on cereals and sugarcane
ORONDIS™	control of soil and foliar diseases caused by Oomycete fungi in vegetables, potatoes and tobacco
REVUS®	for use on potatoes, tomatoes, vines and vegetable crops
RIDOMIL GOLD®	systemic fungicide for use in vines, potatoes and vegetables
SCORE®/ARMURE®	triazole fungicide for use in vegetables, fruits and rice
TILT®	broad spectrum triazole for use in cereals, bananas and peanuts
TRIVAPRO™	contains the technical ingredient SOLATENOL™ fungicide and delivers long-lasting disease control and crop enhancement for use on multiple crops
UNIX®	cereal and vine fungicide with unique mode of action
Insecticides	
ACTARA®	second-generation neonicotinoid for controlling foliar and soil pests in multiple crops
DURIVO®	broad spectrum, lower dose insecticide, controls resistant pests
FORCE®	unique pyrethroid controlling soil pests in corn
KARATE®	foliar pyrethroid offering broad spectrum insect control
PROCLAIM®	novel, low-dose insecticide for controlling lepidoptera in vegetables and cotton
VERTIMEC®	acaricide for use in fruits, vegetables and cotton
Seedcare	
AVICTA®	breakthrough nematode control seed treatment
CELEST®/MAXIM®	broad spectrum seed treatment fungicide
CLARIVA®	nematicide offering revolutionary control of soybean cyst nematode
CRUISER®	novel broad spectrum seed treatment - neonicotinoid insecticide
DIVIDEND®	triazole seed treatment fungicide
FORTENZA™/MINECTO™	second-generation diamide for controlling lepidoptera, chewing and sucking pests
VIBRANCE®	new proprietary broad spectrum Seed Care fungicide with novel root health properties
Field Crops	
AGRISURE®	new corn trait choices
ENOGEN®	trait for improving ethanol product in corn
GOLDEN HARVEST®	brand for corn and soybean in North America and Europe
HILLESHÖG®	global brand for sugar beet
HYVIDO™	technology brand for hybrid barley seed
NK®	global brand for corn, oilseeds and other field crops
VIPTERA™	trait providing a broad spectrum of control on above-ground lepidopteran insects
Vegetables	
ROGERS® vegetables	leading brand throughout the Americas
S&G® vegetables	leading brand in Europe, Africa and Asia

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Cautionary Statement Regarding Forward-Looking Statements

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