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, ($m, except share and per share amounts)	Notes	2018	2017
Sales	**5**	**7,249**	**6,920**
Cost of goods sold		(3,737)	(3,466)
Gross profit		**3,512**	**3,454**
Marketing and distribution		(1,052)	(1,075)
Research and development		(646)	(646)
General and administrative:			
Restructuring, excluding divestment gains	6	(158)	(151)
Divestment gains	6	396	-
Other general and administrative		(411)	(406)
Operating income		**1,641**	**1,176**
Income from associates and joint ventures		1	2
Financial expense, net		(151)	(77)
Income before taxes		**1,491**	**1,101**
Income tax expense		(261)	(174)
Net income		**1,230**	**927**
Attributable to:			
Syngenta AG shareholders		1,229	928
Non-controlling interests		1	(1)
Net income		**1,230**	**927**
Earnings per share ($):			
Basic		13.30	10.05
Diluted		13.30	10.05
Weighted average number of shares:			
Basic		92,382,473	92,326,831
Diluted		92,382,473	92,350,693

All activities were in respect of continuing operations.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, ($m)	2018	2017
Net income	**1,230**	**927**
Components of other comprehensive income/(loss) (OCI)		
Items that will not be reclassified to profit or loss:		
Gains/(losses) on equity investments at fair value through OCI	20	(1)
Actuarial gains/(losses) of defined benefit post-employment plans	113	115
Income tax relating to items that will not be reclassified to profit or loss	(29)	(27)
	104	87
Items that may be reclassified subsequently to profit or loss:		
Unrealized gains/(losses) on derivatives designated as cash flow and net investment hedges and related hedging costs	13	(8)
Currency translation effects	(413)	299
Income tax relating to items that may be reclassified subsequently to profit or loss	(22)	5
	(422)	296
Total OCI	**(318)**	**383**
Total comprehensive income	**912**	**1,310**
Attributable to:		
Syngenta AG shareholders	912	1,310
Non-controlling interests	-	-
Total comprehensive income	**912**	**1,310**

All activities were in respect of continuing operations.

During the six months ended June 30, 2018, in respect of cash flow hedges, gains of $2 million (2017: losses of $25 million) were recognized in OCI and losses of $11 million (2017: losses of $17 million) were reclassified from OCI to profit and loss. Income tax of $2 million was debited to OCI (2017: $1 million debited to OCI) in respect of these movements.

Condensed Consolidated Balance Sheet

($m)	Notes	June 30, 2018	June 30, 2017	December 31, 2017
Assets				
Current assets:				
Cash and cash equivalents		1,545	2,682	2,253
Trade receivables	10	5,471	6,202	4,087
Other accounts receivable		659	626	836
Inventories		4,139	3,833	4,174
Derivative and other financial assets	10	731	393	343
Other current assets		282	356	198
Income taxes recoverable		271	250	168
Total current assets		**13,098**	**14,342**	**12,059**
Non-current assets:				
Property, plant and equipment		3,462	3,365	3,460
Intangible assets		4,037	2,956	2,973
Deferred tax assets		972	875	1,099
Financial and other non-current assets	10	531	457	550
Investments in associates and joint ventures		194	178	192
Total non-current assets		**9,196**	**7,831**	**8,274**
Total assets		**22,294**	**22,173**	**20,333**
Liabilities and equity				
Current liabilities:				
Trade accounts payable		(4,030)	(3,798)	(3,174)
Contract liabilities		(204)	(208)	(480)
Current financial debt and other financial liabilities	10	(1,667)	(3,032)	(1,141)
Income taxes payable		(704)	(568)	(474)
Other current liabilities		(723)	(988)	(773)
Provisions		(1,678)	(176)	(676)
Total current liabilities		**(9,006)**	**(8,770)**	**(6,718)**
Non-current liabilities:				
Financial debt and other non-current liabilities	9, 10	(7,799)	(2,892)	(3,064)
Deferred tax liabilities		(628)	(633)	(613)
Provisions		(656)	(1,046)	(1,938)
Total non-current liabilities		**(9,083)**	**(4,571)**	**(5,615)**
Total liabilities		**(18,089)**	**(13,341)**	**(12,333)**
Shareholders' equity:				
Total shareholders' equity		(4,181)	(8,811)	(7,976)
Non-controlling interests		(24)	(21)	(24)
Total equity		**(4,205)**	**(8,832)**	**(8,000)**
Total liabilities and equity		**(22,294)**	**(22,173)**	**(20,333)**

Condensed Consolidated Cash Flow Statement

For the six months ended June 30, **($m)**	**Notes**	**2018**	**2017**
Income before taxes		**1,491**	**1,101**
Reversal of non-cash and other reconciling items	7	236	478
Cash (paid)/received in respect of:			
Interest and other financial receipts		95	179
Interest and other financial payments		(134)	(208)
Income taxes		(92)	(145)
Restructuring costs		(28)	(15)
Contributions to pension plans, excluding restructuring costs		(164)	(71)
Other provisions		(71)	(13)
Litigation settlement into escrow	11	(400)	-
Share based compensation		-	(276)
Operating cash flow before change in net working capital		**933**	**1,030**
Change in net working capital:			
Change in inventories		(42)	195
Change in trade and other working capital assets		(1,483)	(1,629)
Change in trade and other working capital liabilities		652	551
Cash flow from operating activities		**60**	**147**
Additions to property, plant and equipment		(168)	(131)
Purchases of intangible assets, investments in associates and other financial assets		(143)	(63)
Proceeds from disposals of non-current assets	4	463	117
Acquisitions and divestments, net	4	(1,366)	(14)
Cash flow used for investing activities		**(1,214)**	**(91)**
Proceeds from increase in third party interest-bearing debt		5,475	2,019
Repayments of third party interest-bearing debt		(276)	(243)
Sales of treasury shares and options over own shares, net		-	24
Distributions paid to shareholders	9	(4,707)	(470)
Cash flow from financing activities		**492**	**1,330**
Net effect of currency translation on cash and cash equivalents		(46)	12
Net change in cash and cash equivalents		**(708)**	**1,398**
Cash and cash equivalents at the beginning of the period		2,253	1,284
Cash and cash equivalents at the end of the period		**1,545**	**2,682**

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, 2017	**6**	**3,416**	**(125)**	**(49)**	**(1,316)**	**6,018**	**7,950**	**21**	**7,971**
Net income						928	928	(1)	927
OCI				(10)	299	93	382	1	383
Total comprehensive income	**-**	**-**	**-**	**(10)**	**299**	**1,021**	**1,310**	**-**	**1,310**
Transactions with owners as owners:									
Share-based payments and income tax thereon			58			(37)	21		21
Distributions paid to shareholders						(470)	(470)		(470)
June 30, 2017	**6**	**3,416**	**(67)**	**(59)**	**(1,017)**	**6,532**	**8,811**	**21**	**8,832**
January 1, 2018	**6**	**3,416**	**(67)**	**(66)**	**(942)**	**5,629**	**7,976**	**24**	**8,000**
Net income						1,229	1,229	1	1,230
OCI				27	(432)	88	(317)	(1)	(318)
Total comprehensive income	**-**	**-**	**-**	**27**	**(432)**	**1,317**	**912**	**-**	**912**
Transaction with owners as owners:									
Distributions paid to shareholders						(4,707)	(4,707)		(4,707)
June 30, 2018	**6**	**3,416**	**(67)**	**(39)**	**(1,374)**	**2,239**	**4,181**	**24**	**4,205**

On May 7, 2018, a dividend of $4,707 million was paid to Syngenta's parent company, CNAC Saturn (NL) B.V. as further disclosed in Note 9.

On May 16, 2017, a special dividend of CHF 5.00 ($5.05) per share was paid to Syngenta AG shareholders, as further disclosed in Note 4.

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, controls and flowers 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 and cereals) and vegetables. The controls business provides turf and landscape and professional pest management products, and the flowers business provides flower seeds, cuttings and young plants, to professional growers and consumers.

Basis of presentation and accounting policies: The condensed consolidated financial statements for the six months ended June 30, 2018 and 2017 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, except as disclosed in Note 3 below, with the accounting policies described in Notes 2 and 27 to Syngenta's 2017 annual consolidated financial statements. Syngenta prepared 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 17, 2018.

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.

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 influenced by seasonal factors. Operating in the agriculture sector, sales of Syngenta's products principally occur before and during the growing season. The northern hemisphere has a spring growing season and 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. In the southern hemisphere more sales occur and profit is earned during the first and last quarters of the year and because these southern hemisphere markets tend to have longer collection terms, collections also largely occur during the second half of the year. As a result of these seasonal factors, consolidated net income typically is higher, and 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 IFRS 9 “Financial Instruments” (July 2014) with effect from January 1, 2018. IFRS 9 was published in stages and Syngenta early adopted an earlier version, IFRS 9 (December 2013) in 2014. IFRS 9 (July 2014) is the complete and final version of IFRS 9. Its adoption had no material impact on these condensed consolidated financial statements because:

- All Syngenta’s financial instruments are held either within a business model with the objective of collecting contractual cash flows or within a business model with the objective of selling financial assets. Syngenta does not have the additional financial asset business model envisaged by IFRS 9 (July 2014), which combines the objectives of collecting cash flows and selling financial assets. Consequently, Syngenta did not change the measurement of any financial instruments to ‘fair value through other comprehensive income’ on adopting IFRS 9 (July 2014); and
- Syngenta’s largest category of financial assets is its trade receivables, which with few exceptions have credit terms of less than 12 months. At January 1, 2018, Syngenta estimated the expected credit losses on its amortized cost financial assets in accordance with the IFRS 9 impairment model and concluded that the impact on its consolidated financial statements is immaterial. Lifetime expected credit losses on trade receivables outstanding at January 1, 2018 were estimated by applying the following loss matrix to net receivable balances after deducting collateral provided by customers:

Not yet due	1%
Past due less than 90 days	20%
Past due between 90 and 180 days	75%
Past due more than 180 days	85%

Application of the expected credit loss model to financial assets outstanding at June 30, 2018 had no material impact on the consolidated financial statements.

Additionally, Syngenta has adopted the following new or revised IFRSs from January 1, 2018. Except where indicated below, these IFRSs have not been early adopted and their adoption had no material impact on these condensed consolidated financial statements:

- The Amendments to IAS 28 “Investments in Associates and Joint Ventures” included in “Annual Improvements to IFRS Standards 2014-2016 Cycle”
- “Classification and Measurement of Share Based Payment Transactions”, Amendments to IFRS 2
- IFRIC 22 “Foreign Currency Transactions and Advance Consideration”
- “Transfers of Investment Property”, Amendments to IAS 40
- Syngenta has early adopted the “Conceptual Framework for Financial Reporting” and “Amendments to References to the Conceptual Framework in IFRS Standards”.

New segment reporting

In 2018, Syngenta adopted revisions to its segment reporting to reflect changes in management structure, which followed on from the completion of the takeover by ChemChina and the announcement of Syngenta's new ambitions and priorities during 2017. There are six operating segments consisting of five geographic regions, which include the Crop Protection, Seeds and Controls businesses, and the global Flowers business. Until December 31, 2017, there were four geographic regions which included the Crop Protection and Seeds businesses, and the Controls and Flowers businesses were reported together in the global Lawn & Garden segment.

Income and expense transactions have been attributed to the geographic regions based on the market destination to which they relate, rather than on the region in which they originated. The operating segments do not include sales and costs of goods sold that are incidental to the announced business strategies. Some costs are not directly attributable to an operating segment, including global marketing and research and development teams, corporate headquarter functions and some centrally provided support services in the finance, information systems, human resources and procurement areas. These costs are presented separately from the operating segments.

The segment information presented in Note 5 below for the six months ended June 30, 2017 has been restated in accordance with the new management structure.

Note 4: Business combinations, divestments and other significant transactions

2018

Acquisition of Nidera Seeds

On November 6, 2017, Syngenta and COFCO International Ltd announced that Syngenta had entered into a binding agreement to acquire the global seeds business of Nidera, from Nidera B.V., a subsidiary of COFCO International Ltd.

On February 6, 2018, Syngenta completed the acquisition of Nidera Seeds by acquiring 100% of the issued shares of Nidera Seeds Holding B.V., a private limited liability company incorporated in the Netherlands, for an Enterprise Value of $1,400 million on a cash-free and debt-free basis. The total cash consideration paid, after adjustments for working capital, net debt and intra-group amounts, is $1,482 million, plus a final purchase price adjustment to be determined in accordance with the Share Purchase Agreement between Syngenta and Nidera B.V.. The acquisition of Nidera Seeds will strengthen Syngenta's position in the Latin American seeds market and create value by leveraging Nidera's corn and soybean seed germplasm, strong research and development pipeline and broad footprint in Latin America. As regulatory approval to complete the acquisition was obtained only on January 30, 2018, valuation activity is on-going and the amounts of assets and liabilities recognized are all provisional.

Other acquisitions

On February 1, 2018, Syngenta acquired 100% of the stock of FarmShots, Inc., a US-based innovator of high-resolution satellite imagery that detects plant health by analyzing absorbed light from field images. This mobile platform with unique processing and multiple plant health index capabilities provides actionable insights normally acquired by walking through a farm and visually inspecting plants. It enables growers to reduce field scouting by as much as 90 percent and helps them focus on areas of need. The acquisition will enhance Syngenta's offer to growers.

On March 30, 2018, Syngenta purchased the business of Abbott & Cobb, a US-based privately owned global breeder and seller of proprietary hybrid vegetable seeds. The acquisition will strengthen Syngenta's sweet corn vegetable business.

On April 30, 2018, Syngenta purchased 100% of the quotas of Strider Desenvolvimento de Software Ltda ("Strider"), a company incorporated in Brazil. Strider is an important participant in the Latin American digital agriculture market. Strider develops and markets technological tools and digital farm management solutions for the agriculture industry. The acquisition will enhance Syngenta's offer to growers.

None of the above three acquisitions is individually significant and the aggregate consideration paid to date is $58 million in cash.

The assets, liabilities and acquisition-date fair value of consideration currently recognized for all 2018 business combinations are as follows:

($m)	**Nidera (provisional)**	**Other (provisional)**	**Total fair values (provisional)**
Cash and cash equivalents	23	-	23
Inventories	53	4	57
Trade receivables and other assets	264	3	267
Property, plant and equipment	108	5	113
Intangible assets	663	9	672
Trade and other liabilities	(68)	(1)	(69)
Deferred tax liabilities	(190)	-	(190)
Net assets acquired	**853**	**20**	**873**
Consideration transferred	1,482	58	1,540
Unallocated purchase price	**629**	**38**	**667**

Divestment of remedy assets

On October 24, 2017, Syngenta announced that Adama Agricultural Solutions Ltd ("Adama") and Syngenta had entered into binding agreements with Nufarm Limited ("Nufarm") to sell a portfolio of crop protection products for a total agreed transaction value of $490 million, of which Syngenta's share was $95 million. Syngenta and Adama completed these transactions on March 16, 2018. The combined portfolio of products divested includes off-patent crop protection formulations in the herbicides, fungicides, insecticides and other categories in the European Economic Area (EEA), and related inventories. No other physical assets or personnel were transferred by Syngenta as part of the transaction. The transaction was carried out in accordance with the commitments given to the European Commission relating to ChemChina's acquisition of Syngenta.

In connection with this transaction, Syngenta agreed to divest and license to Adama certain of its crop protection products, and Adama agreed to grant Syngenta distribution rights to certain of its crop protection products, in EAME. The parties also entered into necessary transitional service agreements. In relation to all the transactions mentioned above, Adama agreed to transfer to Syngenta the cash consideration, net of taxes and transaction costs, which it received for the divestment of its crop protection products, amounting to $313 million, together with the distribution rights to Adama products mentioned above, the fair value of which Syngenta has estimated at $26 million.

The gain recognized by Syngenta on the above transactions is reported within Divestment gains in the consolidated income statement.

2017

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

As of March 23, 2016, CNAC Saturn (NL) B.V. ("the Offeror"), a subsidiary of China National Chemical Corporation (ChemChina), a state-owned enterprise of the People's Republic of China, launched public tender offers in Switzerland and in the United States to acquire all the publicly held Ordinary Shares and, in the U.S. offer, also all American Depositary Shares (ADSs) of Syngenta AG ("the ChemChina Tender Offer") for $465 per Ordinary Share in cash. On May 31, 2017, it was announced that, as of the end of the Additional Acceptance Period, the definitive end result of the ChemChina Tender Offer was that the Offeror's participation was 87,650,988 Syngenta AG Ordinary Shares (including those represented by ADSs), corresponding to 94.68% of the voting rights. Consequently, Syngenta AG's parent company is now CNAC Saturn (NL) B.V. and its ultimate parent company is ChemChina. The remaining publicly Syngenta AG ordinary shares were subsequently either acquired by ChemChina or cancelled by the Appellate Court Basel-City, so that ChemChina now holds all Syngenta AG ordinary shares.

On May 16, 2017, as a result of the ChemChina Tender Offer being declared successful, Syngenta AG paid a special dividend of $470 million (CHF 5.00 per share) to its former shareholders.

On June 7, 2017, Syngenta AG paid $276 million to settle all outstanding awards, other than Syngenta shares to which the Equity Plan participants had acquired valid title before the ChemChina Tender Offer became unconditional, in cash instead of Syngenta shares. Syngenta applied cash-settled share based payment accounting for these awards and $105 million of share based payment expense and related social costs were recognized in function expenses according to where the related personnel costs were charged for the six months ended June 30, 2017. Syngenta no longer has share based payment plans and there was no share based payment expense in the six months ended June 30, 2018.

Syngenta AG ordinary shares were delisted from the SIX Swiss Exchange on January 8, 2018, and Syngenta AG ADSs were delisted from the New York Stock Exchange on January 18, 2018. On January 19, 2018, Syngenta terminated its registration with the U.S. Securities and Exchange Commission of the securities issued by Syngenta AG and Syngenta Finance N.V. under Section 12(g) Of The Securities Exchange Act of 1934 ('the Act').

Divestment of Sugar Beet seeds business

On June 9, 2017, Syngenta announced that it had entered into an agreement to sell its global Sugar Beet seeds business to DLF Seeds. The transaction was subject to customary approval requirements (including local employee consultation procedures) and was completed on September 29, 2017.

Note 5: Segmental information and analysis of revenue

As described in Note 3, Syngenta has adopted new segment reporting in 2018. Segment reporting for 2017 has been restated accordingly. There are six operating segments consisting of five geographic regions, which include the Crop Protection, Seeds and Controls businesses, and the global Flowers business. Segment performance is managed based on segment operating income, which is the measure of segment profit or loss presented, and is based on the same accounting policies as consolidated operating income.

The China geographic operating segment has been aggregated with Asia Pacific. China is managed separately, but the underlying nature of the business and economic characteristics are similar to the rest of Asia Pacific.

All other segments consists of:

- the Flowers business, which is managed separately, but is not material enough to report separately;
- sales and costs that are incidental to the commercial strategies
- costs not directly attributable to an operating segment, including global marketing and research and development teams, corporate headquarter functions and some centrally provided support services in the finance, information systems, human resources and procurement areas

for the six months ended June 30, 2018 ($m)	Europe, Africa, Middle East	North America	Latin America	Asia Pacific incl. China	All other segments	**Group**
Sales	**2,655**	**2,234**	**1,000**	**1,036**	**324**	**7,249**
Cost of goods sold	(1,243)	(1,149)	(567)	(516)	(262)	(3,737)
Gross profit	**1,412**	**1,085**	**433**	**520**	**62**	**3,512**
Marketing and distribution	(313)	(310)	(219)	(159)	(51)	(1,052)
Research and development	(79)	(76)	(45)	(28)	(418)	(646)
General and administrative	(116)	(44)	(46)	(27)	60	(173)
Operating income/(loss)	**904**	**655**	**123**	**306**	**(347)**	**1,641**
Income from associates and joint ventures						1
Financial expense, net						(151)
Income before taxes						**1,491**

Notes to the Syngenta Group Interim Condensed Consolidated Financial Statements

for the six months ended June 30, 2017 ($m)	Europe, Africa, Middle East	North America	Latin America	Asia Pacific incl. China	All other segments	**Group**
Sales	**2,675**	**2,188**	**897**	**951**	**209**	**6,920**
Cost of goods sold	(1,246)	(1,122)	(468)	(480)	(150)	(3,466)
Gross profit	**1,429**	**1,066**	**429**	**471**	**59**	**3,454**
Marketing and distribution	(300)	(294)	(289)	(152)	(40)	(1,075)
Research and development	(42)	(73)	(30)	(25)	(476)	(646)
General and administrative	(126)	(76)	(55)	(32)	(268)	(557)
Operating income/(loss)	**961**	**623**	**55**	**262**	**(725)**	**1,176**
Income from associates and joint ventures						2
Financial expense, net						(77)
Income before taxes						**1,101**

All activities were in respect of continuing operations.

The analysis of revenue by major product line is as follows:

For the six months ended June 30, ($m)	**2018**	**2017**
Selective herbicides	1,716	1,691
Non-selective herbicides	408	379
Fungicides	1,730	1,673
Insecticides	901	743
Seedcare	459	416
Controls	252	233
Other crop protection	66	58
Total Crop Protection	**5,532**	**5,193**
Corn and soybean	852	826
Diverse field crops	430	487
Vegetables	346	330
Total Seeds	**1,628**	**1,643**
Elimination of Crop Protection sales to Seeds	(34)	(27)
Flowers	123	111
Group sales	**7,249**	**6,920**

The analysis of revenue by primary geographical market is as follows:

For the six months ended June 30, ($m)	**2018**	**2017**
Europe, Africa and Middle East	2,910	2,825
North America	2,280	2,234
Latin America	1,016	903
Asia Pacific	1,043	958
Group sales	**7,249**	**6,920**

Note 6: Restructuring

For the six months ended June 30, ($m)	2018	2017
Accelerating operational leverage programs:		
Cash costs	79	108
Acquisition, divestment and related costs:		
Cash costs	8	11
Non-cash items	-	27
Divestment gains, net	(396)	-
Other non-current asset impairments	71	5
Total	**(238)**	**151**

The above costs are presented as Restructuring and Divestment gains in the condensed consolidated income statement.

In addition to the above, of the $96 million share based payment expense charged to the 2017 condensed consolidated income statement, $80 million is the incremental effect of applying cash-settled share based payment accounting due to the share plan amendments related to the ChemChina Tender Offer, as described in Note 4. An additional $9 million was charged for related social costs. The $89 million is presented as costs of the following functions: Cost of goods sold $9 million, Marketing and distribution $29 million, Research and development $11 million, and Other general and administrative $40 million.

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.

2018

Accelerating operational leverage programs

Cash costs of $55 million, including $5 million of severance and pension charges and $12 million of information systems projects, consist of $22 million for initiatives to restructure marketing and commercial operations, $17 million for projects to improve the effectiveness of back office support, $11 million for Research and Development productivity projects, $3 million for activity to optimize production and supply and $2 million for project management. A further $24 million of severance and pension costs were incurred to simplify the layers of management, including at the global headquarters.

Acquisition, divestment and related costs

Cash costs includes $6 million for merger and acquisition projects and other transaction costs and $2 million incurred for integration projects. Divestment gains relate to the divestment of remedy assets discussed in Note 4.

Other non-current asset impairments

Other non-current asset impairments consists of an intangible asset impairment where further development of technologies held by Syngenta is not considered cost effective and activities have been suspended.

2017

Accelerating operational leverage programs

Cash costs of $108 million, including $16 million of severance and pension charges and $22 million of information systems projects, consisted of $46 million for initiatives to restructure marketing and commercial operations, $36 million for projects to improve the effectiveness of back office support, $11 million for Research and Development productivity projects, $13 million for activity to optimize production and supply and $2 million for project management.

Acquisition, divestment and related costs

Cash costs included $5 million of transaction costs related to the ChemChina Tender Offer, $4 million of other transaction costs and $2 million incurred for integration projects. Non-cash items included $33 million of asset impairments related to the Sugar Beet business, which was divested during September 2017, a $1 million impairment of fixed assets and a gain of $7 million on the sale of product rights in the US.

Other non-current asset impairments

Other non-current asset impairments consisted of an additional $5m for two sites in the US that were classified as held-for-sale at the end of 2016 and sold during the first half of 2017.

Note 7: Non-cash and other reconciling items included in income before taxes

($m)	2018	2017
Depreciation, amortization and impairment of:		
Property, plant and equipment	173	172
Intangible assets	194	95
Deferred revenue, divestment and other gains and losses	(401)	(20)
Charges in respect of share based compensation	-	96
Charges in respect of pension provisions	64	36
Charges in respect of other provisions	50	21
Financial expense, net	151	77
Losses on hedges reported in operating income	6	3
Income from associates and joint ventures	(1)	(2)
Total	**236**	**478**

Note 8: 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, and the USA, 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 $		**2018**	**2017**	**2018**	**2017**	**2017**
Brazilian real	BRL	3.42	3.18	3.86	3.31	3.31
Swiss franc	CHF	0.96	1.00	0.99	0.96	0.98
Euro	EUR	0.83	0.93	0.86	0.88	0.83
British pound sterling	GBP	0.73	0.79	0.76	0.77	0.74
Russian ruble	RUB	58.76	58.29	62.81	59.22	57.69
Ukrainian hryvnia	UAH	26.94	26.89	26.33	26.08	28.07

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 9: Issuances, repurchases and repayments of debt and equity securities

2018

In April 2018, Syngenta issued US$ senior unsecured notes with various maturities up to 30 years representing a total issuance amount of $4,750 million. The issues comprised: $750 million 3.698% senior notes due April 2020; $750 million 3.933% senior notes due April 2021; $1 billion 4.441% senior notes due April 2023; $750 million 4.892% senior notes due April 2025; $1 billion 5.182% senior notes due April 2028; and $500 million 5.676% senior notes due April 2048. The majority of net proceeds from the issue have been used to refinance ChemChina's bridge financing for the acquisition of Syngenta. In this regard, Syngenta AG paid a dividend of $4,707 million to its immediate parent company CNAC Saturn (NL) B.V. on May 7, 2018. Syngenta will use the remaining proceeds for its general corporate purposes.

2017

During 2017, no shares were repurchased. No treasury shares were reissued except in accordance with Syngenta's share based payment plans, which were settled on June 7, 2017 as described in Note 4.

With an effective date of May 18, 2017, Syngenta's committed revolving multi-currency syndicated credit facility was amended, restated and the amount was increased from $2.5 billion to $3.0 billion. The credit facility was extended by one year and will now mature in 2023, with a possibility to extend by one year, which can be applied for in 2019. The facility is not subject to a financial covenant as long as at least two of the three rating agencies - Moody's Investors' Services Limited, Standard & Poor's Rating Services and Fitch Ratings Ltd – rate the company investment grade.

During June 2017, in accordance with the Change of Control prepayment conditions of the US$ Private Placement Notes due in 2020, 2025 and 2035, Syngenta Finance N.V. made an offer to prepay the entire unpaid principal amount of $250 million at par, together with accrued interest. Accordingly, Syngenta reclassified the carrying amount of these Notes from non-current financial debt to current financial debt in the June 30, 2017 consolidated balance sheet. On July 20, 2017, $147 million of the notes were repaid upon settlement of the offer.

Note 10: 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, 2018 and December 31, 2017. 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, 2018 ($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		24	24	24
At amortized cost			5,447	5,447
Total			**5,471**	**5,471**
Derivative and other financial assets:				
Derivative financial assets	9	153	162	162
Marketable securities	13	-	13	13
At amortized cost			556	556
Total			**731**	**731**
Financial and other non-current assets:				
Equity investments at fair value through OCI	-	120	120	120
Derivative financial assets	-	36	36	36
Loans, receivables and pooled investments:				
at fair value through profit and loss	48	5	53	53
at amortized cost			41	41
Other, not carried at fair value			281	
Total			**531**	
Current financial debt and other financial liabilities:				
Derivative financial liabilities	-	140	140	140
Non-derivative financial liabilities at amortized cost			1,527	1,527
Total			**1,667**	**1,667**
Financial debt and other non-current liabilities:				
Derivative financial liabilities	-	143	143	143
Non-derivative financial liabilities at amortized cost			7,529	7,352
Non-financial liabilities			127	
Total			**7,799**	

At December 31, 2017 ($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		26	26	26
At amortized cost			4,061	4,061
Total			**4,087**	**4,087**
Derivative and other financial assets:				
Derivative financial assets	6	65	71	71
Marketable securities	4	-	4	4
At amortized cost			268	268
Total			**343**	**343**
Financial and other non-current assets:				
Equity investments at fair value through OCI	-	94	94	94
Derivative financial assets	-	56	56	56
Loans, receivables and pooled investments:				
at fair value through profit and loss	50	5	55	55
at amortized cost			56	56
Other, not carried at fair value			289	
Total			**550**	
Current financial debt and other financial liabilities:				
Derivative financial liabilities	-	79	79	79
Non-derivative financial liabilities at amortized cost			1,062	1,062
Total			**1,141**	**1,141**
Financial debt and other non-current liabilities:				
Derivative financial liabilities	-	104	104	104
Non-derivative financial liabilities at amortized cost			2,860	2,727
Non-financial liabilities			100	
Total			**3,064**	

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 26 to Syngenta's 2017 annual consolidated financial statements.

At June 30, 2018, the fair values of equity securities at fair value through OCI which are level 3 measurements were $120 million (December 31, 2016: $94 million) and are shown in the level 2 column above. During the six month periods ended June 30, 2018 and 2017, 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 11: Commitments and contingencies

Litigation matters

Viptera™

On April 10, 2018, the federal MDL court in Kansas gave preliminary approval to the $1.5 billion VIPTERA™ settlement described in Note 20 to Syngenta's 2017 annual consolidated financial statements, directed Syngenta to make initial payments of $400 million into an escrow account as foreseen by the settlement agreement, and set a date of November 15, 2018 for a hearing to determine whether the settlement should be finally approved.

Canada Beekeeper lawsuits

The motion for authorization as filed in Montréal by a proposed representative plaintiff on behalf of a class of Québec beekeepers, and argued in court in November 2017 (see description in Note 20 to Syngenta's 2017 annual consolidated financial statements), was granted by judgment dated February 22, 2018. A respective application for leave to appeal filed by the defendant parties was heard on June 13, 2018 and dismissed. The case continues as a class action, and Syngenta will robustly defend this lawsuit the claims in which Syngenta believes are without foundation.

Note 12: Related party transactions

2018

In connection with the transaction described in Note 4 for the divestment of remedy assets, each product transfer agreement also contains an ongoing supply agreement, whereby Syngenta agree to provide the divested active ingredients and formulated products to various subsidiaries of Adama to their required level of demand for the duration of the non-compete period in each agreement, none of which exceed five years. During the six months ended June 30, 2018, Syngenta made sales under these agreements of $56 million.

2017

In June 2017, Syngenta divested and licensed the U.S. rights to certain products to Adama for cash consideration of $8 million. As part of the agreement, Syngenta entered into a non-compete undertaking and under related agreements, will supply each of the products for the U.S. market to Adama. The terms of these agreements do not exceed five years. During the six months ended June 30, 2017, Syngenta made sales under these agreements of $2 million.

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.

Financial summary

	Excluding restructuring and impairment[1]		Restructuring and impairment		As reported under IFRS	
For the six months ended June 30,						
($m, except per share amounts)	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Sales	**7,249**	**6,920**	**-**	**-**	**7,249**	**6,920**
Gross profit	**3,512**	**3,463**	**-**	**(9)**	**3,512**	**3,454**
Marketing and distribution	(1,052)	(1,046)	-	(29)	(1,052)	(1,075)
Research and development	(646)	(635)	-	(11)	(646)	(646)
General and administrative	(411)	(366)	238	(191)	(173)	(557)
Operating income	**1,403**	**1,416**	**238**	**(240)**	**1,641**	**1,176**
Income before taxes	**1,253**	**1,341**	**238**	**(240)**	**1,491**	**1,101**
Income tax (expense)/benefit	(229)	(204)	(32)	30	(261)	(174)
Net income	**1,024**	**1,137**	**206**	**(210)**	**1,230**	**927**
Attributable to non-controlling interests	(1)	1	-	-	(1)	1
Attributable to Syngenta AG shareholders	**1,023**	**1,138**	**206**	**(210)**	**1,229**	**928**
Earnings per share ($)[2]						
- basic	**11.07**	**12.33**	**2.23**	**(2.28)**	**13.30**	**10.05**
- diluted	**11.07**	**12.32**	**2.23**	**(2.27)**	**13.30**	**10.05**

	2018	2017	2018 CER[3]
EBITDA[4]	**1,700**	**1,675**	
EBITDA margin	**23.4%**	**24.2%**	**23.6%**
Tax rate on results excluding restructuring and impairment	**18%**	**15%**	
Free cash flow[5]	**(1,188)**	**7**	
Debt/equity gearing[6]	**177%**	**32%**	
Net debt[6]	**7,397**	**2,778**	

1 *For further analysis of restructuring and impairment charges, see Note 6 on page 13. 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 2018 basic and diluted EPS 92,382,473; for 2017 basic EPS 92,326,831 and diluted EPS 92,350,693.*

3 *For a description of CER see Appendix A on page 22.*

4 *EBITDA is defined in Appendix B on page 22.*

5 *For a description of free cash flow, see Appendix C on page 23.*

6 *For a description of net debt and the calculation of debt/equity gearing, see Appendix D on page 24.*

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)	**2018**	**2017**
Net income/(loss) attributable to Syngenta AG shareholders	**1,229**	**928**
Non-controlling interests	1	(1)
Income tax expense	261	174
Financial expense, net	151	77
Restructuring and impairment	(238)	240
Depreciation, amortization and other impairment	296	257
EBITDA	**1,700**	**1,675**

Appendix C: 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)	**2018**	**2017**
Cash flow from operating activities	60	147
Cash flow used for investing activities	(1,214)	(91)
Cash flow used for/(from) marketable securities	10	(49)
Cash flow (from)/used for foreign exchange movements and settlement of hedges of inter-company loans	(44)	-
Free cash flow	**(1,188)**	**7**

Appendix D: Net debt reconciliation

Net debt comprises total debt net of cash and cash equivalents and marketable securities. 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)	**2018**	**2017**
Opening balance at January 1	**1,621**	**2,281**
Other non-cash items	(1)	9
Cash (received)/paid under CSAs, net	34	(166)
Foreign exchange effect on net debt	(152)	215
Sale of treasury shares, net	-	(24)
Dividends paid	4,707	470
Free cash flow	1,188	(7)
Closing balance at June 30	**7,397**	**2,778**
Components of closing balance:		
Cash and cash equivalents	(1,545)	(2,682)
Marketable securities[1]	(17)	(7)
Current financial debt[2]	1,430	2,742
Non-current financial debt[3]	7,529	2,725
Closing balance at June 30	**7,397**	**2,778**

1 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.

2 Included in Current financial debt and other financial liabilities.

3 Included in Financial debt and other non-current liabilities.

The following table presents the derivation of the debt/equity gearing ratio at June 30, 2018 and 2017:

($m)	**2018**	**2017**
Net debt	7,397	2,778
Shareholders' equity	4,181	8,811
Debt/Equity gearing ratio (%)	**177**	**32**

Syngenta Group Supplementary Financial Information

Cautionary statement regarding forward-looking statements
Some of the statements contained in this press release are forward-looking statements. 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 forward-looking 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. Syngenta disclaims any intent or obligation to update any forward-looking statements as a result of developments occurring after the period covered by this press release or otherwise

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