

**SEMI-ANNUAL REPORT**

SYNGENTA FINANCE N.V.  
AMSTERDAM

on the financial statements for the six months ended 30 June 2015

## TABLE OF CONTENTS

Directors' report	3
Financial statements	
Balance sheet	6
Profit and loss account	8
Cash flow statement	9
Accounting policies	10
Notes to the financial statements	13

## Directors' report

The board of managing directors herewith presents the unaudited semi-annual report of Syngenta Finance N.V. for the six months ended 30 June 2015. All amounts shown throughout this report are unaudited.

### General

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

The financing activities are fully dependent on developments and funding needs within the Syngenta group. No substantial change of activities is foreseen.

### Financial

The six months ending 30 June 2015 were profitable for the Company. In 2015 the interest income of the Company amounted to USD 39,893,000 (June 2014 USD 54,938,000). The gross interest margin till June 2015 was USD 217,000 (June 2014 USD 351,000). The decrease of the interest income as well as the expenses are driven by the repayment of a EUR 500,000,000 bond in June 2014 bearing interest of 4.00% and a EUR 500,000,000 bond in April 2015 bearing interest of 4.125%. These two bonds are replaced by bonds bearing lower interest. In addition to the lower interest rates, the exchange rate of the reporting currency of the Company changed which resulted in a lower USD reported interest income and expenses of the Euro-denominated bonds. Due to the decreased gross interest margin, lower recharges to group companies and increased operational expenses, the profit before tax over the period till June decreased from USD 611,000 in 2014 to USD 352,000 in 2015.

The nature of Company's business exposes it to a range of financial and non-financial risks. These risks include (i) market risks – specifically foreign exchange and interest rate, (ii) counterparty credit risk, (iii) liquidity and refinancing risk, and (iv) operational risks, such as litigation.

The management of the financial risks is covered by participating in global, integrated risk management processes of the Syngenta Group. Within Syngenta Group, a financial risk management framework is in place in the form of a Treasury policy, approved by the Managing Board. This policy provides guidance over all Treasury and finance related matters, is underpinned by delegated authority guidelines and is additionally supported by detailed procedures.

In accordance with its Treasury policy, the Company actively monitors and manages financial risks as follows:

- **Market risks:** Although the Company's interest income and profitability are exposed to fluctuations in foreign currency and interest rates, it has transferred the vast majority of foreign currency and interest rate risk on to Syngenta Treasury N.V. by means of conditions mirroring its liabilities, leaving a negligible market risk exposure at the Company level.

- Counterparty credit risk: The Company's transactions within Syngenta Group (with its sole shareholder Syngenta Treasury N.V.) expose it to a significant concentration of credit risk. All the Company's financial liabilities from transactions with third parties on the money markets, credit and capital markets are guaranteed by Syngenta AG.
- Liquidity and refinancing risk are managed by the following instruments:
  - In the first place, the operating cash inflows generated from the other members of the Syngenta Group (through the sole shareholder Syngenta Treasury N.V.) that are applied to pay the financial liabilities of the Company, are considered sufficient to cover the financial obligations of the Company. This is evidenced by the current ratio of 1.244 (December 2014: 1.009) and the debt ratio 0.997 (December 2014: 0.997).
  - The guarantee by Syngenta AG for all of the Company's obligations to third parties on the money markets, credit and capital markets.
  - Secured access to money markets through a USD 2,500,000,000 Global Commercial Paper program, At group level this is backed by a USD 1,500,000,000 committed, revolving, multi-currency syndicated credit facility with a well-diversified banking group and other members of the Syngenta Group as borrowers.
  - The Company's interest rates, duration and terms of financial assets and liabilities as well as their currency are generally matching - leading to a reduced liquidity risk.

Furthermore, the company is exposed to operational risks, such as transaction processing, legal, compliance, litigation and security.

During the year 2015, the following major transactions have been processed:

- At 03 March 2015, the Company issued a bond of EUR 500,000,000 (USD 559,350,000) due on 10 September 2027 and bearing interest at a fixed rate of 1.25%. All raised funds are on-lent to Syngenta Treasury N.V.
- In April 2015, an Eurobond issued in 2005 with a face value of EUR 500,000,000 matured and redeemed.

#### **Proposed appropriation of the profit for 2015**

After preparing the financial statement for the full year 2015, the General Meeting of Shareholders will determine the allocation of the profit for full year 2015.

#### **Personnel**

There are currently no employees in service of the Company. Expectation is that this will increase to 1 in 2015. Services are rendered by Syngenta group companies. The Company is being supported by various employees on the payroll of other Dutch based Syngenta companies.

#### **Research and Development**

The Company does not perform research and development activities.

### **Board composition**

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

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

### **Prospects for the second half of 2015**

The Company will continue its activities for financing Syngenta group companies. The level of financing activities during 2015 is fully dependent on developments within the Syngenta Group.

### **Management statement**

Management declares that, to the best of their knowledge, financial statements give a true and fair view of the assets, liabilities and profit or loss of the Company. The annual report gives a true and fair view of the financial position as per the balance sheet date and the developments and performance of the Company during the financial year and the principal risks the Company faces are described in the annual report.

Amsterdam, 31 August 2015

The Managing Board:

A.M.M. Kuntschen

D.W. Michaelis

R.C. Peletier

P. Karemaker

B.F. Weingartner

N. Zürcher

D.T.A. Noordeloos

D. Hueting

**BALANCE SHEET AS AT 30 JUNE 2015**

before appropriation of profit

	Note	Jun-2015		Dec-2014	
(in thousands of USD)					
<b>Fixed assets</b>					
Financial fixed assets	1	<u>2,367,654</u>	2,367,654	<u>1,885,594</u>	1,885,594
<b>Current assets</b>					
Receivables	2	432		401	
Receivables from group companies	2	27,787		645,236	
Cash at bank	3	<u>105</u>		<u>88</u>	
			28,324		645,725
<b>Total assets</b>			<u><u>2,395,978</u></u>		<u><u>2,531,319</u></u>

**SHAREHOLDER'S EQUITY AND LIABILITIES**

	Note	Jun-2015	Dec-2014
(in thousands of USD)			
<b>Shareholder's equity</b>	4		
Paid-up and called-up share capital		50	55
Retained earnings		7,982	7,057
Currency translation reserve		(1,317)	(735)
Profit for the year		352	920
		7,067	7,297
<b>Long-term liabilities</b>	5	2,366,134	1,884,043
<b>Current liabilities</b>	6	22,777	639,979
<b>Total shareholder's equity and liabilities</b>		<u>2,395,978</u>	<u>2,531,319</u>

**PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED 30 JUNE 2015**

	Note	Jun-2015	Jun-2014
(in thousands of USD)			
Recharge to group companies	8	<u>188</u>	<u>270</u>
<b>Total operating income</b>		188	270
Other operating expenses	9	<u>(53)</u>	<u>(10)</u>
<b>Total operating expenses</b>		<u>(53)</u>	<u>(10)</u>
<b>Operating result</b>		135	260
Interest income from group companies		39,893	54,938
Interest expense to debt holders		<u>(39,676)</u>	<u>(54,587)</u>
<b>Gross interest margin</b>	7	<u>217</u>	<u>351</u>
<b>Profit before taxation</b>		352	611
Income taxes	10	-	-
<b>Net profit</b>		<u><u>352</u></u>	<u><u>611</u></u>

**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2015**

	Note	Jun-2015	Jun-2014
(in thousands of USD)			
<b>Cash flow from operating activities</b>			
Operating result		135	260
Adjusted for:			
Amortization of transaction costs		(130)	268
(Increase)/decrease in other receivables		408	373
Increase/(decrease) in payables	6	1,615	(681)
Increase/(decrease) in accruals and deferred income	6	(1,376)	(109)
		517	(149)
Interest income		43,552	75,566
Interest expenses		(43,554)	(75,722)
		(2)	(156)
Cash flow from operating activities		650	(45)
<b>Cash flow from investing activities</b>			
Investment in financial fixed assets	1	(556,713)	(1,028,938)
Receivables from group companies	2	536,950	682,700
Cash flow from investing activities		(19,763)	(346,238)
<b>Cash flow from financing activities</b>			
Proceeds from long-term liabilities	5	556,080	1,028,938
Repayment long-term liabilities	6	(536,950)	(682,700)
Cash flow from financing activities		19,130	346,238
<b>Changes in cash and cash equivalents</b>		<b>17</b>	<b>(45)</b>
Cash at beginning of period	3	88	105
Net movement in cash		17	(45)
Cash at end of the period		105	60

## ACCOUNTING POLICIES

### General

Syngenta Finance N.V. (hereafter “the Company”) is a public limited liability company incorporated on 20 March 2007. The Company has its registered office at Westeinde 62, 1601 BK, Enkhuizen, the Netherlands. Its corporate seat is in Amsterdam. The objectives of the Company are to participate in, take an interest in any other way and conduct the management of other business enterprises of whatever nature, to borrow, lend and raise funds, amongst other by issuing bonds, promissory notes and other financial instruments and evidence of indebtedness as well as to enter into agreements, of any kind whatsoever in connection with such financing activities, to finance Syngenta group companies. Syngenta Treasury N.V. is the direct shareholder of the Company. The Company's ultimate holding company is Syngenta AG, Switzerland. All raised funds are lent on a back-to-back basis to the sole shareholder Syngenta Treasury N.V.

The Company's financial statements have been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code. These financial statements have been prepared on the basis of the going concern assumption.

### Foreign currency translation

The functional currency of the Company is Euro (“EUR”). The presentation currency is United States Dollar (“USD”) therefore, as a result the financial statements are presented in USD. The Company determined the EUR to be its functional currency on the basis that a substantial part of its transactions are EUR denominated. Transactions denominated in foreign currencies are initially carried at the exchange rates prevailing at the date of transaction.

Monetary balance sheet items denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Non-monetary balance sheet items that are measured at historical cost in a foreign currency are translated at the exchange rates prevailing at the date of transaction. Non-monetary balance sheet items that are measured at current value are translated at the exchange rates prevailing at the date of valuation. Exchange differences arising on the settlement or translation of monetary items denominated in foreign currencies are taken to the profit and loss account.

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

The rate used for balance sheet items for June 2015 is EUR 1 to USD 1.1185.

The rate used for balance sheet items for December 2014 is EUR 1 to USD 1.2155.

The rate used for balance sheet items for June 2014 is EUR 1 to USD 1.3654.

The average rate used for P&L items per June 2015 is EUR 1 to USD 1.1170.

The average rate used for P&L items per December 2014 is EUR 1 to USD 1.3293

The average rate used for P&L items per June 2014 is EUR 1 to USD 1.3709.

## Impairment of financial assets

A financial asset that is not stated at (1) fair value with value changes reflected in the profit and loss account, or at (2) amortised cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

## Balance sheet

### Financial fixed assets

Financial fixed assets represent loans granted to the sole shareholder Syngenta Treasury N.V. and initial measurement is at fair value. After initial measurement, financial fixed assets are carried at amortised cost based on the effective interest rate method.

### Receivables

Receivables represent loans receivable from Syngenta group companies with a maturity of less than one year and other receivables. Upon initial recognition, receivables are carried at fair value and subsequently measured at amortized cost based on the effective interest rate method less impairments, if applicable.

### Cash at bank

Cash at bank are carried at their face value.

### Liabilities

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

### Income taxes

The Company together with Syngenta Treasury N.V. constitutes a fiscal unity for corporate income tax and value-added tax. All companies within the fiscal unity are jointly and severally liable for the tax liabilities of the fiscal unity. Taxes are calculated on the result disclosed in the profit and loss account, taking account of tax-exempt items and partly or completely non-deductible expenses and are recorded through Syngenta Treasury N.V.

## **Profit and loss account**

### **Gross interest margin**

Gross interest margin represents the proceeds and costs from borrowing and lending, net of withholding taxes.

Interest income and expense (including any premiums and discounts treated as interest charges) is recognised on a monthly base in the profit and loss account, taking into account the effective interest rate method.

### **General expenses**

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

## **Cash flow statement**

The cash flow statement is prepared using the indirect method. Cash flows in foreign currency are translated into USD using the weighted average exchange rates at the dates of the transactions.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Financial fixed assets

	Jun-2015	Dec-2014
(in thousands of USD)		
<b>Loans to group companies</b>		
Balance as at 1 January	1,885,594	1,651,471
Reclassification to short-term receivables	-	(677,761)
Amortisation of loans	541	4,335
Additions	556,713	1,029,682
Foreign currency revaluation of loans	(75,194)	(122,133)
Total financial fixed assets as at 31 December	<u>2,367,654</u>	<u>1,885,594</u>

Loans to group companies bear interest at an average rate of 2.40% (December 2014: 2.73%). The effective interest rate has been determined disregarding the discount and premiums, since their impact is only marginal. The interest rate is fixed on an arms' length basis. The face value of loans to group companies is EUR 1,250,000,000 (December 2014: EUR 750,000,000) and USD 1,000,000,000 (December 2014: USD 1,000,000,000).

The maturity dates of the loans to group companies range from 2017 up to 2042 (December 2014: 2017 to 2042). The carrying amounts of the loans to group companies based on the maturity dates is:

- Loans maturing within 1-5 years: USD 278,702,000 (December 2014: USD 303,120,000);
- Loans maturing after 5 years: USD 2,088,952,000 (December 2014: USD 1,582,474,000).

As part of its credit policies, the Company has defined an internal credit limit for the sole shareholder Syngenta Treasury N.V. for a maximum amount of USD 4,000,000,000 (December 2014: USD 4,000,000,000) at interest rates corresponding to the Company's borrowing costs increased by all costs (if any) relating to the issue of debt securities which fund receivables under these credit limit. As at 30 June 2015 an amount of USD 2,389,477,000 was outstanding (December 2014: USD 2,514,481,000) with an average rate of 2.18% (December 2014: 3.07%).

### 2. Receivables and receivables from Group companies

	Jun-2015	Dec-2014
(in thousands of USD)		
Other receivables	432	401
Amounts receivable from Group companies	27,787	40,225
Loans receivable from Group companies	-	605,011
Balance as at 31 December	<u>28,219</u>	<u>645,637</u>

Amounts receivable from Group companies includes the recharge of expenses to Syngenta Treasury N.V. relating to the spread on bonds and guarantees. Recharges to Group companies are calculated based on an arm's length principle.

The amounts receivable from Group companies include an amount of USD 1,300,882 (December 2014 USD 1,170,000) with a maturity of longer than 12 months.

Loans receivable from Group companies at the end of 2014 represent the carrying amount of the receivable related to the Eurobond with a maturity of 22 April 2015 and a nominal amount of EUR 500,000,000 lent on to Syngenta Treasury N.V.

### 3. Cash at bank

	Jun-2015	Dec-2014
(in thousands of USD)		
Cash at bank	105	88

There are no restrictions on the availability of cash at bank.

### 4. Shareholder's equity

Movements in the individual items of equity till 30 June 2015 were as follows:

	Share capital	Retained earnings	Currency translation reserve	Profit for the year	Total
(in thousands of USD)					
Balance at 1 January 2015	55	7,057	(735)	920	7,297
Currency translation	(5)	5	(582)	-	(582)
Profit appropriation	-	920	-	(920)	-
Profit for the year	-	-	-	352	352
Balance at 30 June 2015	<u>50</u>	<u>7,982</u>	<u>(1,317)</u>	<u>352</u>	<u>7,067</u>

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

	Share capital	Retained earnings	Currency translation reserve	Profit for the year	Total
(in thousands of USD)					
Balance at 1 January 2014	62	5,478	194	1,572	7,306
Currency translation	(7)	7	(929)	-	(929)
Profit appropriation	-	1,572	-	(1,572)	-
Profit for the year	-	-	-	920	920
Balance at 31 December 2014	<u>55</u>	<u>7,057</u>	<u>(735)</u>	<u>920</u>	<u>7,297</u>

### Paid-up and called-up share capital

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

## 5. Long-term liabilities

	Jun-2015			Dec-2014		
	> 5 years	1-5 years	Total	> 5 years	1-5 years	Total
(in thousands of USD)						
<b>Amounts payable to third parties</b>						
Balance as at 1 January	1,580,958	303,085	1,884,043	974,200	675,685	1,649,885
Reclassification to short-term debt	-	-	-	-	( 677,624)	( 677,624)
Addition of payables	556,080	-	556,080	685,725	343,214	1,028,939
Repayment of payables	-	-	-	-	-	-
Amortisation	950	131	1,081	1,633	3,159	4,792
Foreign currency revaluation of payables	( 50,883)	( 24,187)	( 75,070)	( 80,600)	( 41,349)	( 121,949)
Liabilities per balance date	<u>2,087,105</u>	<u>279,029</u>	<u>2,366,134</u>	<u>1,580,958</u>	<u>303,085</u>	<u>1,884,043</u>

(in thousands of USD)	Jun-2015			Dec-2014		
	> 5 years	1-5 years	Total	> 5 years	1-5 years	Total
Eurobond 2015	-	-	-	-	-	-
Private placements 2020	71,649	-	71,649	71,382	-	71,382
Private placements 2025	69,638	-	69,638	69,447	-	69,447
Private placements 2035	89,304	-	89,304	89,254	-	89,254
USD bond 2022	497,832	-	497,832	497,690	-	497,690
USD bond 2042	247,838	-	247,838	247,818	-	247,818
Eurobond 2017	-	279,029	279,029	-	303,085	303,085
Eurobond 2021	557,207	-	557,207	605,367	-	605,367
Eurobond 2027	553,637	-	553,637	-	-	-
Amounts payable to third parties	2,087,105	279,029	2,366,134	1,580,958	303,085	1,884,043

The Company partly finances its intra-group financing activity through the issuance of debt securities.

- A USD Bond was issued with a face value of USD 500,000,000 maturing on 28 March 2022 and bearing interest at a fixed rate of 3.125%.
- A USD was issued with a face value of USD 250,000,000 maturing on 28 March 2042 and bearing interest at a fixed rate of 4.375%
- A Floating Rate Note (FRN) with a face value of EUR 250,000,000 maturing on 2 October 2017 and bearing interest at 3 month EURIBOR plus 25 bps.
- A Eurobond with a face value of EUR 500,000,000 maturing on 2 November 2021 and bearing interest at a fixed rate of 1.875%.

In March 2015, the following additional Euro-denominated debt was issued:

- A Eurobond with a face value of EUR 500,000,000 maturing on 10 September 2027 and bearing interest at a fixed rate of 1.25%.

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

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

In April 2015, an Eurobond issued in 2005 with a face value of EUR 500,000,000 matured and redeemed.

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

The effective interest rate has been determined disregarding the discounts and premiums, since their impact is only marginal. Except for the FRN of EUR 250,000,000 due on 2 October 2017, the interest rates are fixed and do not depend on future changes in certain factors.

## 6. Current liabilities

	Jun-2015	Dec-2014
(in thousands of USD)		
Amounts owed to Group companies	5,756	7,757
Other liabilities	17,021	27,211
Current financial debts	-	605,011
<b>Total</b>	<b>22,777</b>	<b>639,979</b>

Amounts owed to Group companies include accrued guarantee fees and overhead accruals. Other liabilities can be broken down as follows:

	Jun-2015	Dec-2014
(in thousands of USD)		
Accrued interest 3rd party	16,989	27,188
Audit fees payable	32	23
Other expenses payable	-	-
<b>Total</b>	<b>17,021</b>	<b>27,211</b>

## 7. Gross interest margin

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

	Jun-2015	Jun-2014
(in thousands of USD)		
Interest income from Group companies	39,893	54,938
Interest expense to debt holders	(39,676)	(54,587)
<b>Gross interest margin</b>	<b>217</b>	<b>351</b>

The decrease of the interest income as well as the expenses are driven by the repayment of a EUR 500,000,000 bond in June 2014 bearing interest of 4.00% and a EUR 500,000,000 bond in April 2015 bearing interest of 4,125%. These two bonds are replaced by bonds bearing lower interest. In addition to the lower interest rates, the exchange rate of the reporting currency of the Company changed which resulted in a lower USD reported interest income and expenses of the Euro-denominated bonds.

## 8. Recharges to group companies

Recharge to group companies consist mainly of operational expenses to Syngenta Treasury N.V. Recharges to group companies are calculated based on an arm's length principle.

## 9. Operating expenses

	Jun-2015	Jun-2014
(in thousands of USD)		
Other operating income/(expenses)	(43)	(2)
Audit fees	(10)	(8)
Total net operating income	<u>(53)</u>	<u>(10)</u>

The following fees were charged by KPMG Accountants N.V. to the company, its subsidiaries and other consolidated companies, as referred to in Section 2:382a(1) and (2) of the Netherlands Civil:

	Jun-2015			Jun-2014		
	KPMG Accountants N.V.	Other KPMG network	Total KPMG	KPMG Accountants N.V.	Other KPMG network	Total KPMG
(in thousands of USD)						
Audit of the financial statements	10	-	10	8	-	8
Other audit engagements	-	-	-	-	-	-
Tax-related advisory services	-	-	-	-	-	-
Other non-audit services	-	-	-	-	-	-
Total	<u>10</u>	<u>-</u>	<u>10</u>	<u>8</u>	<u>-</u>	<u>8</u>

## 10. Income taxes

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

### Reconciliation of the effective tax rate

	Jun-2015	Jun-2014
(in thousands of USD)		
Profit for the year	352	611
Transfer profit to fiscal unity parent	<u>(352)</u>	<u>(611)</u>
Taxable income	-	-
Local tax rate (25%)		
Tax expense for the year	<u>-</u>	<u>-</u>

The applicable tax rate for the Company's financial statements is 25% (2014: 25%) and the effective tax rate 0.0 % (2014: 0.0%). The difference in tax rate is a consequence of the fact that tax charges are recorded through Syngenta Treasury N.V. There are no differences in tax rates or any other differences between situations in which profits or reserves are retained and situations in which profits or reserves are distributed. The tax expense of Syngenta Treasury N.V. represents both the Company's tax expense and that of Syngenta Treasury N.V.

## **Workforce**

There are no employees in the service of the Company. Expectation is that this will increase to 1 in 2015. The Company is being supported by various employees on the payroll of other Dutch based Syngenta companies

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

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

## **Related parties**

### **Related parties**

Syngenta Treasury N.V., Syngenta Crop Protection AG, Syngenta AG and Syngenta Seeds B.V., are considered related parties. Syngenta Seeds B.V. and Syngenta Crop Protection AG provide support finance and treasury services, office space, (IT) facilities and administrative services to the Company on an arm's length basis.

### **Ultimate parent company**

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

## **Audit**

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

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

The Company, acting as guarantor, entered into a Revolving Credit Facility Agreement between, the Company, Syngenta AG, other group entities and a group of international banks for USD 1,500,000,000 in 2012. The credit facility was extended by one year in 2013 and 2014 and will now mature in 2019.

At 30 June 2015, there were no outstanding amounts drawn under this facility.

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

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

## Financial risks

### Foreign currency risk

The Company is not exposed to any significant foreign currency risks as it has lent on all proceeds from the issue of debt securities to the sole shareholder Syngenta Treasury N.V. with mirroring conditions.

### Interest rate risk

The Company is not exposed to any significant interest rate risks as it has lent on all proceeds from the issue of debt securities to the sole shareholder Syngenta Treasury N.V. with mirroring conditions.

### Counterparty credit risk

The Company's transactions with its sole shareholder Syngenta Treasury N.V. expose it to a significant concentration of credit risk. All of the Company's financial liabilities from transactions with third parties on the money markets, credit and capital markets are guaranteed by Syngenta AG.

### Liquidity and refinancing risk

Liquidity and refinancing risk are managed by the following instruments:

- In the first place, the operating cash inflows generated from the other members of the Syngenta Group (through the sole shareholder Syngenta Treasury N.V.) that are used to repay the financial liabilities of the Company, are considered sufficient to cover the financial obligations of the Company. This is evidenced by the current ratio of 1.244 at 30 June 2015 (December 2014: 1.009) and the debt ratio 0.997 (December 2014: 0.997).
- The guarantee by Syngenta AG for all Company's obligations to third parties on the money markets, credit and capital markets.
- Secured additional access to money markets through a USD 2,500,000,000 Global Commercial Paper program. At group level this is backed by a USD 1,500,000,000 committed, revolving, multi-currency syndicated credit facility with a well-diversified banking group and other members of the Syngenta Group as borrowers.
- The Company's interest rates, duration and terms of financial assets and liabilities as well as their currency are generally matching - leading to a reduced liquidity risk.

As at 30 June 2015, an amount of USD 578,500,000 was drawn under the global commercial paper program by the Syngenta group (December 2014: USD 0, June 2014: USD 400,000,000).

Amsterdam, 31 August 2015

The Managing Board:

A.M.M. Kuntschen

D.W. Michaelis

R.C. Peletier

P. Karemaker

B.F. Weingartner

N. Zürcher

D.T.A. Noordeloos

D. Hueting